

**CAPITAL CONSTRUCTION GOALS AND ACCOUNTABILITY COMMITTEE  
JOINT MEETING WITH THE BOARD OF SUPERVISORS  
AND SCHOOL BOARD**

**April 20, 2016  
SCHOOL BOARD ADMINISTRATION BUILDING**

**Supervisors in Attendance:**

Ms. Dorothy A. Jaeckle, Vice Chrm.  
Mr. Christopher M. Winslow  
Mr. James Holland

**School Board Members in Attendance:**

Ms. Dianne H. Smith, Chairman  
Ms. Carrie E. Coyner, Vice Chrm.  
Mr. John M. Erbach  
Mr. Rob W. Thompson  
Dr. Javaid E. Siddiqi

**Committee Members in Attendance:**

Mr. James Holland  
(for Mr. Steve Elswick)  
Ms. Dorothy Jaeckle  
(for Ms. Leslie Haley)  
Ms. Carrie Coyner  
Mr. Rob Thompson  
Mr. Gib Sloan  
(for Dr. Edgar Wallin)  
Mr. Allan Carmody  
Mr. John Hilliard  
Mr. Randy Holmes  
Ms. Barbara Mait  
Mr. Andy Scherzer  
Mr. Chris Sorensen  
Ms. Nita Mensia-Joseph

**A. CALL TO ORDER – BOARD OF SUPERVISORS, SCHOOL BOARD AND COMMITTEE**

Ms. Coyner called the meeting to order at noon, on behalf of the Capital Construction Goals and Accountability Committee.

Ms. Jaeckle called the meeting to order, on behalf of the Chesterfield County Board of Supervisors.

Ms. Smith called the meeting to order, on behalf of the School Board.

**B. OPENING REMARKS**

Ms. Coyner stated some members are absent due to death in the family and being out of town on business. She thanked Ms. Jaeckle and Mr. Sloan for filling in for Mr. Elswick and Dr. Wallin. She noted that Mr. Holmes will be arriving late.

Ms. Jaeckle noted that the reason for the joint meeting is that the location of proposed schools impacts members of both the School Board and the Board of Supervisors.

**C. APPROVAL OF AGENDA**

On motion of Mr. Thompson, seconded by Ms. Mait, the agenda was approved by the Capital Construction Goals and Accountability Committee.

Ayes: Holland, Jaeckle, Coyner, Thompson, Sloan, Carmody, Hilliard, Mait, Scherzer, Sorensen and Joseph.

Nays: None.

Absent: Holmes.

On motion of Mr. Winslow, seconded by Mr. Holland, the agenda was approved on behalf of the Board of Supervisors.

Ayes: Jaeckle, Winslow and Holland.

Nays: None.

Absent: Elswick and Haley.

On motion of Mr. Thompson, seconded by Mr. Erbach, the agenda was approved on behalf of the School Board.

Ayes: Smith, Coyner, Erbach, Thompson and Siddiqi.

Nays: None.

**D. APPROVAL OF COMMITTEE MEETING MINUTES/ACTION ITEMS**

On motion of Mr. Hilliard, seconded by Mr. Thompson, the minutes and action items of February 17, 2016 and March 16, 2016 were approved by the committee.

Ayes: Jaeckle, Coyner, Thompson, Sloan, Carmody, Hilliard, Mait, Scherzer, Sorensen and Joseph.

Nays: None.

Absent: Holmes.

Abstain: Holland.

**E. BUSINESS ITEMS**

**1. PROVIDENCE MIDDLE SCHOOL – PROJECT BIDS**

*(Note: Mr. Holmes arrived during the discussion related to Providence Middle School.)*

Ms. Joseph stated the bid for Providence Middle School renovation was canceled, and a community meeting will be held at the school on Thursday, April 28 to discuss proposed changes. She further stated the project should go back out to bid by the last week of May and, hopefully, the contract would be awarded between June 28-30, with the School Board holding a special called meeting in July to approve the contract. She stated the schedule would then result in all of the work completed by the end of May 2018, with the site work completed in the summer. She further stated bids were canceled because the lowest bidder was 35 percent over budget, and the reasons provided by the architect were complexity of the phasing; the convenience and ease of getting subcontractor bids by the general contractors; and the scope of

work. She provided details of cost downs moving forward, including reducing the phasing from 10 to 5, providing target dates for phasing completion; and improving accessibility of drawings to subcontractors. She stated cost downs that staff has recommended to the School Board include removing the kitchen renovation; reducing courtyard renovation to landscape only; standardizing all ceilings; removing loose furniture from the bid; and obtaining a solution for exterior metal panels. She stated the architect and engineer (A&E) total estimated impact of the cost downs is approximately \$4 million, which is still shy of the required reduction to be within budget. She further stated it is anticipated that bids may still come in \$2-\$2.5 million over budget. She noted that if the Providence budget were adjusted for inflation from 2012, it should have increased by \$2.9 million; therefore, the anticipated bids, with recommended cost downs, would be closer to budget. She stated the question that is being posed is how to make up the difference in the event the bids remain higher than budget with the cost downs.

Mr. Winslow expressed concerns relative to the low number of bids and inquired whether it was common for the bids to be over budget. He requested that staff provide data regarding the number of bids received, the quotes and whether or not they were over budget, for the last ten school construction projects. He inquired about the current process that Schools uses for verifying the accuracy of construction estimates.

Ms. Joseph stated the process for the estimates comes directly from the architectural firm. She further stated staff requests that A&E's provide the cost estimates, and in some cases the A&E's will outsource that and get an estimating firm to provide the estimates.

Mr. John Brooks stated the construction department asks the architect to provide cost estimates, and when they are received, staff reviews them to see if they are in line with data from other current relative construction activity. He further stated it is kind of a generalization, depending upon the scope, location and timing of the projects being compared.

Discussion ensued relative to the impact of inflation on cost estimates and rebalancing of the CIP to account for an inflation factor on the projects.

Mr. Winslow referenced the Moseley Architects' budget draft of April 2, 2015, which states, "The costs are based on the anticipated bid date of October 2015. Appropriate inflation factors will need to be considered to adjust for the actual bid date if different from October 2015." He inquired whether the numbers should have been readjusted since the project did not move forward in October 2015.

Ms. Joseph stated the architect provided cost estimates this year, which she is sure took that into consideration.

Mr. Stephen Halsey with Moseley Architects stated the last estimate for the Providence project was provided to staff in August 2015. He further stated there was no significant movement in the market to suggest that the estimate needed to change prior to going out to bid.

In response to Mr. Winslow's question, Mr. Halsey stated there were no indicators at the time the bid went out that the project estimate would increase.

Mr. Scherzer stated inflation had been factored in up to that point.

Mr. Winslow stated he does not have the 2012 estimate, but is trying to get an understanding of the process. He stressed the importance of accuracy in the estimates to make certain that this does not happen again.

Ms. Coyner stated from a School Board perspective, hiring a chief operations officer and new hires in construction have brought us a long way in terms of organization. She further stated we are still dealing with some things from the past as we go through the projects. She stated, regarding the kitchen renovation, the question was raised as to whether this was needed. She further stated food services has replaced a lot of items on their own and indicated that they did not ask for the renovation. She stated the School Board discussed how to handle projects that come in over budget, and determined that they would not cut items from a project without a recommendation from the Capital Construction Committee regarding funding for those items. She noted that the decision was not to make cuts with the Providence project, but to put it back out to bid cleaned up and then bring it back to both the School Board and the committee.

Dr. Siddiqi stated this project was put before the community, an expectation has been set, and we need to go back before the community. He expressed concerns that the kitchen renovation was placed in the project budget without determining from food services that it was needed. He stressed that the community did nothing wrong and they deserve a nice facility.

Ms. Jaeckle stated revitalization strategy was a major part of the Comprehensive Plan, and this included bringing public facilities in older areas up to the level of the new areas with input from the community regarding their desires for the facilities. She expressed concerns about removing certain things from the project. She referenced the renovation of Thomas Dale High School, which is a gem in the community, and helped saved the Chester area from going downhill. She stated the Providence community has provided their expectations, and she hopes this disparity in estimates has been corrected because we may be able to make up for one mistake, but we cannot absorb 35 percent overages on all of the projects.

Mr. Holland stated 35 percent overage is not acceptable. He inquired whether the review of projects to bring them up to date for inflation was completed in time to update the CIP that the Board of Supervisors just approved.

Mr. Sorensen stated projects were moved further out after the meals tax failed, and staff readjusted the project estimates when they were moved.

Mr. Holland stated staff should have adjusted for inflation in the CIP timely enough that there would not be overruns.

In response to Mr. Holland's question, Ms. Joseph stated the total project cost in the budget for Providence Middle School was \$25.9 million. She further stated construction cost in the budget was \$20.7 million, which was taken from the bid bond book. She stated owner costs were \$5.1 million, and staff is still working to achieve the budget.

In response to Ms. Jaeckle's question, Ms. Joseph stated it is estimated that reducing the phasing, as well as improved accessibility of the drawings and looking at the substantial completion dates now becoming target phase dates, would result in approximately a \$2 million savings.

Ms. Jaeckle stated those changes would not affect the quality of the building in the long run, but she would not remove the other suggested items without first discussing it with the community.

Dr. Siddiqi stated this information is going to be presented to the community to see how they feel about it, and then the School Board will come back and go through the same process the committee is going through.

Discussion ensued relative to the delay in the completion date of the Providence project.

Ms. Coyner stated it is important that the committee discuss the recommended cost downs further at its May meeting. She further stated one of the decisions that needs to be made is whether or not to standardize the ceilings for all of the projects.

Mr. Thompson stated staff has to rely on the estimates provided by the architects, and he is disappointed in the bid results based on the architect's estimates.

Mr. Erbach inquired whether the architect accounted for phase-in.

Mr. Halsey stated it is not completely accurate that food service was not consulted. He further stated every project begins with the construction staff, looking at the available dollars, and beginning to align a scope. He stated, although a kitchen renovation was not requested, there were some needs that the project tried to address, including increased student population, which puts a burden on cooking time, serving lines and storage. He further stated there are two serving lines at Providence currently, and a third perpendicular serving line that is not an efficient way to serve students. He stated once it was confirmed that a third serving line was necessary, to get that third serving line in series, the existing walk-in coolers had to be moved. He further stated at some point you need to stop and compare the available dollars in the construction budget to accomplish issues such as this. He stated Moseley is still convinced that there is enough funding to renovate the kitchen. He further stated his firm has done 40 percent of the schools in the Commonwealth of Virginia in the last 15 years; they know about costs and compare them with VDOE numbers. He stated in the past 15 months, 41 renovation projects have been completed in Virginia, with \$128 million in construction of 960,000 square feet, for an average square foot cost of \$133.90. He noted the budget for this project was significantly higher than that, so they anticipated the cost estimates were good. He stated there were some areas of wood ceilings proposed for areas such as major public corridors and the auditorium entry, which is very appropriate for the scope of the project and has been done in other schools in the county and in surrounding areas. He stated Mr. Brooks asked the architects in the fall if they saw any movement in the numbers and at that time, they did not see any, noting that they look at comparable schools around the state for comparable scope. He provided details of other projects around the state that were used for comparison. He stated there is a gigantic disconnect right now in the market, specific to Chesterfield County, and Moseley is just as surprised as anyone that the project is having to be re-bid.

Mr. Hilliard stated it is shocking to him given the details provided by Mr. Halsey that the project was 35 percent over budget.

Mr. Holland stated he served on the Virginia Public School Authority for eight years and is familiar with the numbers provided by the architect, but he never saw anything come in 35 percent over budget during his service from 2001-2008, prior to the recession of 2009.

Ms. Coyner stated we need to bring this issue to a closure so that the committee can get through its agenda. She further stated action items that she heard include setting the community meeting for April 28<sup>th</sup> at Providence Middle School and notification being sent to everyone, as well as feedback out of that meeting being presented next month to the committee.

Mr. Winslow expressed concerns that there may be a variable we are missing that is not being captured, and we need to be open to that possibility as we examine the process.

Discussion ensued relative to making changes to the RFP that would increase the number of bidders.

Mr. Holmes suggested that, since the project has to be re-bid, the architects should contact the two contractors who bid on the project and determine the factors that made the bids come in so high.

In response to Ms. Coyner's request, Mr. Holmes and Mr. Scherzer volunteered as committee members to follow-up with Ms. Joseph regarding rebidding the Providence Middle School project.

## **2. PROJECT UPDATES**

Ms. Joseph provided an update on the Manchester Middle School renovation project. She stated there may be a change in the schedule as staff looks at standardization with the project. She further stated there is a concern with the bids coming in higher than expected because the original estimate was \$11 million over, and \$10 million of that was reduced as a result of correcting the estimates from the company that did the estimation work. She confirmed that the \$10 million in reductions were not scope-related, but were a result of errors in some of the items provided by the estimator, the architect was able to clean up those mistakes in the estimation, and Schools was able to shave the additional \$1 million in reductions. She noted that the architect has confirmed that we are on budget for the Manchester Middle project.

Mr. Thompson stated it will be interesting to see the numbers when the bids come back in since the Providence and Manchester projects have different architects.

Mr. Holmes expressed concerns relative to the necessity of contingency in the budgets for the projects.

Ms. Joseph stated there will be closed session discussions related to site selection and status of Beulah Elementary, Enon Elementary, Matoaca Elementary and the new Midlothian Elementary projects. She stated the RFP went out on April 19 for the four school prototypes and will close on May 18, with award targeted for June or July. She further stated proposals for the construction management firm to manage the four new schools are due on April 29, and staff hopes to award this in June. She provided details of target dates identified in the RFP.

In response to Mr. Holmes' question, Ms. Joseph stated staff will provide options to the committee at its August meeting relative to bidding of the four new schools either individually or as a group.

In response to Mr. Scherzer's question, Ms. Joseph stated 18 months is the typical timeframe for construction of a new elementary school, noting that that does not include the design period.

Ms. Joseph then reviewed the timeline for the prototype RPF, noting that we are on schedule.

Discussion ensued relative to the prototypes that architectural firms may already have completed and can provide with the RFP.

Dr. Newsome clarified that 18 months is a timeframe for new construction only and that if there is a renovation project on the same site with phasing because of the students, it would take longer.

Ms. Joseph stated, depending upon the complexity of the renovations, it would take from 2 to 2-1/2 years to complete a renovation project at a current location with phasing of students.

Mr. Holland inquired whether the School Board had discussed redistricting and efficient use of seats for Beulah Elementary.

Ms. Coyner stated redistricting will be discussed again at a later date, but was put on hold as the School Board searched for a new Superintendent.

Ms. Joseph provided a financial update for the Monacan High School project. She stated a 2014 A&E change order was missed that was identified as a result of collaborative effort with Internal Audit, resulting in total change orders of approximately \$199,000, which is a 23 percent total change order amount. She further stated the Monacan construction schedule is still on target; however, a notice of delay has been received from the contractor, citing excessive response times from the A&E. She noted that staff is currently working with the A&E to understand and clear up that issue and will report on results and corrective actions at the committee's May 18 meeting. She provided details of recent findings from the Construction Management audit that is currently in process. She stated since the Monacan project was a repeat design of the Midlothian project, the school division received a design service savings of approximately \$357,000, or 50 percent of the original design fee. She further stated the \$56,000 change order in 2014 covered building construction differences and minor staff requests. She stated the School Board requested annual construction audits and tasked the Construction Department with identifying and making additional process improvements. She further stated during the 2015-16 school year, the School Construction audit, which is in process, identified that there were not only just the BCWH change order, but there was also a Moseley change order, both of which exceeded the threshold for staff approval and Board approval was not obtained. She noted that all other change orders for Monacan have no exceptions noted, and Providence and Monacan were processed prior to the release of the November 21, 2014 audit. She provided details of process improvements as a result of the audit; new processes for initial CIP purchase orders, change order approvals and pay application approvals; and improved internal segregation of duties.

In response to committee members' questions, Ms. Joseph stated the new processes account for the necessity of processing change orders in a timely manner to keep projects on schedule, and also avoid, or at least minimize, the change directive. She further stated project status reports are being reviewed monthly through the pay application approval process.

## **F. PURCHASING PROCESSES**

Mr. Mike Bacile provided details of purchasing processes. He discussed the purpose and intent of the Virginia Public Procurement Act (VPPA). He reviewed procurement methods and provided details of the two main procurement methods that are most closely associated with the design and construction of schools – competitive negotiation and competitive sealed bidding. He stated collaboration with Schools is a priority for the Purchasing Department, and the department is committed to advancing schools and the community.

Discussion ensued relative to alternative construction procurement methods.

In response to Mr. Scherzer's question, Ms. Coyner stated staff is working on PPEA guidelines.

## **G. NEXT MEETING AGENDA TOPICS**

Ms. Coyner stated committee members have been provided a draft agenda for the May 18 meeting. She requested that the members let her know this week if they have any additional topics for discussion at the May meeting so that she and Mr. Elswick can address them at their follow-up meeting on April 26.

## **H. CLOSED SESSION**

On motion of Mr. Winslow, seconded by Mr. Holland, the Board of Supervisors entered into a Closed Session in accordance with Section 2.2-3711(A) of the Code of Virginia, the Virginia Freedom of Information Act, and specifically under the following subsections 29 and 3: discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body; and discussion or consideration of acquisition of real property for a public purpose where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

Ayes: Jaeckle, Winslow and Holland.

Nays: None.

Absent: Elswick and Haley.

On motion of Mr. Erbach, seconded by Mr. Thompson, the School Board entered into a Closed Session in accordance with Section 2.2-3711(A) of the Code of Virginia, the Virginia Freedom of Information Act, and specifically under the following subsections 29 and 3: discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body; and discussion or consideration of acquisition of real property for a public purpose where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

Ayes: Smith, Coyner, Erbach, Thompson and Siddiqi.

Nays: None.

On motion of Mr. Scherzer, seconded by Ms. Mait, the Capital Construction Goals and Accountability Committee entered into a Closed Session in accordance with Section 2.2-3711(A) of the Code of Virginia, the Virginia Freedom of Information Act, and specifically under the following subsections 29 and 3: discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body; and discussion or consideration of acquisition of real property for a public purpose where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

Ayes: Holland, Jaeckle, Coyner, Thompson, Sloan, Carmody, Hilliard, Holmes, Mait, Scherzer, Sorensen and Joseph.

Nays: None.

NOTES:

- 1) *Ms. Coyner recused herself from participating in the discussion regarding the Enon Elementary and Midlothian Elementary school sites. She entered the closed session following the discussion on those two topics. She left the closed session prior to the end, and Ms. Smith appointed Dr. Siddiqi to participate on Ms. Coyner's behalf as a member of the committee for the remainder of the meeting.*
- 2) *Mr. Scherzer recused himself from participating in the Midlothian Elementary school site discussion. He left the closed session prior to the beginning of that discussion and did not return.*
- 3) *Mr. Hilliard, Mr. Holmes, Ms. Mait and Mr. Sloan all left the closed session prior to the end and did not return.*
- 4) *Board of Supervisors member Chris Winslow and School Board members Dianne Smith, Javaid Siddiqi and John Erbach also participated in the closed session.*

Reconvening:

On motion of Mr. Winslow, seconded by Mr. Holland, the Board of Supervisors reconvened into open session.

Ayes: Jaeckle, Winslow and Holland.

Nays: None.

Absent: Elswick and Haley.

On motion of Mr. Erbach, seconded by Mr. Thompson, the School Board reconvened into open session.

Ayes: Smith, Erbach, Thompson and Siddiqi.

Nays: None.

Absent: Coyner.

On motion of Mr. Thompson, seconded by Mr. Carmody, the Capital Construction Goals and Accountability Committee reconvened into open session.

Ayes: Holland, Jaeckle, Thompson, Carmody, Sorensen and Joseph.

Nays: None.

Absent: Coyner, Sloan, Hilliard, Holmes, Mait and Scherzer.

On motion of Mr. Holland, seconded by Mr. Winslow, the Board of Supervisors adopted the following resolution:

Now, therefore, be it resolved that the Board of Supervisors hereby certifies that, to the best of each member's knowledge, i) only public business matters lawfully exempted from opening meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and 2) only such business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the Board of Supervisors.

Ms. Jaeckle: Aye.

Mr. Winslow: Aye.

Mr. Holland: Aye.

On motion of Dr. Siddiqi, seconded by Mr. Thompson, the School Board adopted the following resolution:

Now, therefore, be it resolved that the School Board hereby certifies that, to the best of each member's knowledge, i) only public business matters lawfully exempted from opening meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and 2) only such business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the School Board.

Ms. Smith: Aye.

Dr. Siddiqi: Aye.

Mr. Erbach: Aye.

Mr. Thompson: Aye.

(It is noted Ms. Coyner will certify her participation in the closed session as a School Board member at the April 26 School Board meeting due to her departure prior to the end of the closed session.)

On motion of Mr. Carmody, seconded by Mr. Thompson, the Capital Construction Goals and Accountability Committee adopted the following resolution:

Now, therefore, be it resolved that the Capital Construction Goals and Accountability Committee hereby certifies that, to the best of each member's knowledge, i) only public business matters lawfully exempted from opening meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and 2) only such business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the committee.

Mr. Holland: Aye.  
Ms. Jaeckle: Aye.  
Dr. Siddiqi: Aye.  
Mr. Thompson: Aye.  
Mr. Carmody: Aye.  
Mr. Sorensen: Aye.  
Ms. Joseph: Aye.

(It is noted Ms. Coyner, Mr. Sloan, Mr. Hilliard, Mr. Holmes, Ms. Mait and Mr. Scherzer will each certify their participation in the closed session as members (or alternate member) of the Capital Construction Goals and Accountability Committee at the May 18 committee meeting due to their departure prior to the end of the closed session.)

## **I. ADJOURNMENT**

On motion of Ms. Jaeckle, seconded by Mr. Winslow, the Board of Supervisors adjourned at 2:55 p.m. until April 27, 2016, at 3:00 p.m. for its next regularly scheduled meeting.

Ayes: Jaeckle, Winslow and Holland.  
Nays: None.  
Absent: Elswick and Haley.

On motion of Mr. Erbach, seconded by Mr. Thompson, the School Board unanimously adjourned until April 26, 2016, at 6:30 p.m. for its next regularly scheduled meeting.

Ayes: Smith, Erbach, Thompson and Siddiqi.  
Nays: None.  
Absent: Coyner.

On motion of Ms. Jaeckle, seconded by Mr. Carmody, the Capital Construction Goals and Accountability Committee adjourned until May 18, 2016, at 12:30 p.m. for its next regularly scheduled meeting at the County Administration Building, Room 502.

Ayes: Holland, Jaeckle, Coyner, Thompson, Carmody, Sorensen and Joseph.  
Nays: None.  
Absent: Coyner, Sloan, Hilliard, Holmes, Mait and Scherzer.