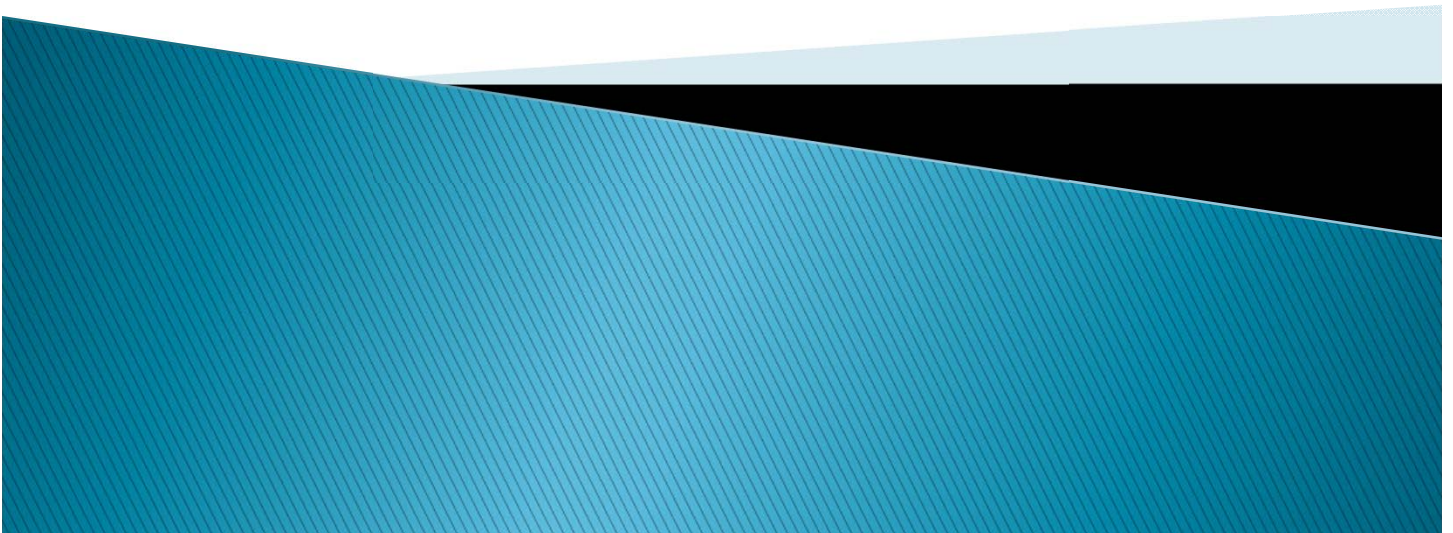




COVE Meeting

CITIZENS' CONSTRUCTION OVERSIGHT AND VALUE ENGINEERING

March 19, 2015



COVE Meeting Agenda

Thursday, March 19, 2015 @ 8:00 a.m.
Facilities Services - Building 200
6501 Magic Way, Orlando, Florida 32809

- I. **Call to Order and Approval of February 2015 COVE Meeting Minutes** - Egerton van den Berg, Chairman ----- Pg. 1-3

- II. **Departmental Report**
 - a. **Project Status** - Jeff Hart and Regina Frazier-Thomas ----- Pg. 4-5
 - b. **Change Order Reports** - Roberto Pacheco ----- Pg. 6-7

- III. **Presentations**
 - a. **Project Status Report Internal Audit Follow up from 6/19/2014**
- Linda Lindsey ----- Pg. 8-14
 - b. **K-8 Schools** - Faz Ali

- IV. **Discussion and Adjournment**

COVE Meeting Minutes

The Construction Oversight and Value Engineering Committee (COVE) monthly meeting convened on Thursday February 19, 2015 at 8:10 a.m., at Facilities Services, 6501 Magic Way, Bldg. 200, and Orlando, Florida 32809.

COVE Members in Attendance: Egerton van den Berg, Ksenia Merck, Mario Cuello, James Knapp, and Pat Knipe.

OCPS Attendees: John Morris, Rick Collins, Laura Kelly, Jeff Hart, Regina Frazier-Thomas, Judith Padres, Basem Ghneim, Mike Winter, Toni Greene, Mayra Monge (as scribe).

Call to Order

A quorum was established and Chairman van den Berg, called the meeting to order at 8:10 a.m.

Approval of Minutes

The minutes from January 22, 2015, were presented and approved unanimously by the Committee.

COVE members requested a follow up on the questions asked during January's COVE meeting about private companies participating in the Disparity Study and how the study is considering projecting growth in the community vs. just the historic data as it relates to M/WBE participation. That department will be present at the March meeting.

Project Status

Regina Frazier-Thomas and Jeff Hart provided the February's status update for new/replacement and comprehensive projects. Regina Frazier-Thomas mentioned that the cost savings reflected for site 81-E-SW-5 will not be shown in next month's report. Cost savings will not be shown until the project enters the construction phase.

Mr. Chairman asked about hard bid projects. Jeff Hart stated that hard bid projects are more prone to time extensions, are more challenging to close, however, typically yield substantial savings.

Jeff Hart provided a monthly status update for new/replacement and comprehensive projects. He briefed the Committee on projects: under construction, substantially complete, anticipated future milestones, projects in close-out, projects currently bidding and scheduled to commence construction later this fiscal year.

Change Order Report

Jeff Hart reported on behalf of Roberto Pacheco that during the month of January 2015 there were no significant Change Orders or Amendments equal to, or exceeding \$200,000.

Capital Program Update

Basem Ghneim presented a Capital Program Update. He explained the facilities inventory groupings, the FY (2013-2026) capital needs (\$3.25 billion), select acceleration-summary and timeline summary.

A handout was provided of projects #93 to 136 of the "List", showing the unitary status schools and the proposed accelerated projects.

COVE Resolution to Board – Acceleration of Certain Construction Projects and Internal Funding

Laura Kelly presented the revised resolution previously emailed to COVE members as well as revised version of the resolution integrating comments received from COVE members to the emailed version. COVE members requested to add under section 5, line 5 "and School Board".

COVE members approved and seconded the resolution with all suggested revisions.

Capital Renewal Cash Flow Projections

Judith Padres presented the Capital Renewal Cash Flow Projections handouts distributed. Pat Knipe questioned the option to maintain a minimum cash balance thru 2025, and if so, what should that minimum balance be? Judith Padres suggested different options to maintain a minimum cash balance and would develop options further. Basem Ghneim stated that capital renewal project expenditures included the capital cash flow projections were conservative estimates since they addressed a worst case scenario with all systems failing and in need of replacement.

Egerton van den Berg requested the minutes to acknowledge and reference COVE's review of the Capital Renewal Cash Flow Projections and the need to assess the Capital Renewal Cash Flow Projections on an annual basis. Ksenia Merck suggested to have the annual review in February each year in conjunction with the annual review of the acceleration projects addressed in the resolution. James Knapp put the request to motion and it was approved by COVE members.

Annual Audit of Sales Tax and capital Renewal Funds Committee Report

Pat Knipe provided the Committee with a detailed overview of the Sales Tax and Capital Renewal Audit, referring to the report included in the COVE packet during January's meeting.

Pat Knipe went over the balance sheet, statement of revenues, expenditures and changes in the fund balance – Sales Tax and Capital Renewal Capital Projects Funds -, notes to financial statements, expenditures on Sales Tax and Capital Renewal and qualified schools construction bonds (QSCBs or COPS) and passes of the new referendum.

Adjournment

There being no further business the meeting was adjourned at 9:30 a.m.

The next meeting will be on Thursday, March 19, 2015, at 8 a.m., at Facilities Services, 6501 Magic Way, Bldg. 200, Orlando, Florida 32809.

Minutes Authenticated by:

Egerton van den Berg
Chairman COVE Committee

Date of approval

Laura Kelly
Legal Services Facilities

Date of approval

PROJECT STATUS SUMMARY REPORT

NEW AND REPLACEMENT SCHOOLS

3/7/2015 F7

School Name	F1	F2	F3	Estimated Cost At Completion	Variance	GMP Amount	F4 Construction Change Orders		F5 OCIP & ODP Change Orders		Approved Construction			F6 # of Days Past Substantial Completion (close-out)
	Original 2006 Board Adopted Budget	Adopted Budget Changes	Current Board Adopted Budget				Amount	#	Deducts	#	NTP	Construct.	Contract Subst. Com	
Budget											Schedule			
PLANNING PHASE														
133-K8-E-6 (Audubon Area)	15,298,178	18,849,822	34,148,000	34,148,000										
27-H-W-4 (Beck Area)	100,800,000	(5,828,000)	94,972,000	94,972,000										
131-PS8-SW-5 (Downtown Area)	13,214,336	26,975,664	40,190,000	40,190,000										
Sub Total	129,312,514	39,997,486	169,310,000	169,310,000	-	-	-	-						
DESIGN PHASE														
21-M-E-2 (Avalon Area)	48,756,030	(9,185,030)	39,571,000	39,571,000	-									
Carver MS	38,743,416	(5,954,416)	32,789,000	32,789,000	-									
52-M-SE-2 (Lake Nona Area)	34,202,792	2,568,208	36,771,000	36,771,000										
81-E-SW-5 (Millenia Area)	18,015,150	(694,150)	17,321,000	17,321,000	-									
Tangelo Park ES	13,928,418	670,582	14,599,000	14,599,000	-									
2-K8-E-1 (Wedgfield K-8)	38,201,625	(2,417,625)	35,784,000	35,784,000	-									
Sub Total	191,847,431	(15,012,431)	176,835,000	176,835,000	-	-	-	-						
CONSTRUCTION PHASE														
Clay Springs ES Replacement	4,421,720	13,868,280	18,290,000	18,288,140	(1,860)	14,399,677	-	0	(4,000,000)	1	8/21/2014	11/3/2015		
41-E-SE-2 (Eagle Creek ES) HARDBID	24,586,240	(8,643,240)	15,943,000	15,056,017	(886,983)	11,500,000	23,109	0	(3,224,183)	2	8/8/2014	6/23/2015		
Lake Weston ES Replacement	13,417,633	3,101,367	16,519,000	16,193,506	(325,494)	12,377,841	(41,072)	1	(3,400,000)	2	8/21/2014	6/30/2015		
Lovell ES Replacement HARDBID	14,942,364	1,380,636	16,323,000	15,107,963	(1,215,037)	11,420,000	30,000	0	(2,855,000)	1	8/8/2014	6/22/2015		
63-E-W-4 (Summerport Area) HARDBID	34,595,309	(18,397,309)	16,198,000	15,328,062	(869,938)	11,450,000	-	0	(3,091,628)	2	8/8/2014	6/23/2015		
Sub Total	91,963,266	(8,690,266)	83,273,000	79,973,688	(3,299,312)	61,147,518	12,037	1	(16,570,810)	8				
CLOSE OUT PHASE														
John Young ES Replacement HARDBID	5,184,086	8,918,914	14,103,000	13,934,860	(168,140)	10,053,000	337,421	10	(3,150,000)	2	8/21/2013	11/18/2014		109
Little River ES Replacement	4,792,012	9,130,988	13,923,000	13,427,035	(495,965)	9,835,426	52,358	9	(2,254,270)	2	8/5/2013	10/9/2014		149
Oak Ridge HS Replacement	82,715,136	(12,629,136)	70,086,000	69,837,992	(248,008)	54,470,939	858,784	23	(17,691,650)	13	9/9/2010	10/23/2013		500
Ocoee ES Replacement HARDBID	9,874,449	4,707,551	14,582,000	13,985,165	(596,835)	10,723,596	127,507	14	(3,038,571)	4	8/8/2013	11/7/2014		120
Pineloch ES Replacement HARDBID	14,332,472	530,365	14,862,837	13,857,516	(1,005,321)	10,738,647	49,483	11	(2,917,788)	4	8/8/2013	11/7/2014		120
Shingle Creek ES Replacement HARDBID	6,824,987	8,248,013	15,073,000	14,218,406	(854,594)	9,627,000	317,010	10	(3,150,000)	2	8/21/2013	8/8/2014		211
Washington Shores ES Replacement	17,650,668	(2,868,668)	14,782,000	14,178,367	(603,633)	11,470,290	(6,059)	7	(3,178,358)	2	6/26/2013	7/11/2014		239
Sub Total	141,373,810	16,038,027	157,411,837	153,439,341	(3,972,496)	116,918,898	1,736,505	84	(35,380,636)	29				
Grand Total	554,497,021	32,332,816	586,829,837	579,558,029	(7,271,808)	178,066,416	1,748,542	85	(51,951,446)	37				

Footnotes

F1 - Reflects figure from the 10yr Capital Budget dated September 12, 2006. * With the exception of 21-M-E-2 (Avalon Pk Area) and 2-M-E-1 (Wedgfield) - 10 yr Capital Budget dated September 9, 2008 and 52-M-SE-2 - 10 yr Capital Budget dated September 11, 2012

F2 - Reflects changes to initial cost projection.

F3 - Figure comprised of prior year expenditures, current and future planned funding (Adopted Summary Budget 2014-2015). There are no land costs included.

F4 - Reflects total number of change orders and cumulative change order amount. Does not include OCIP and ODP deductive and reconciliation change orders.

F5 - Reflects the total amount and number of OCIP and ODP deductive and reconciliation change orders to date.

F6 - Reflects number of days beyond substantial completion. See justification below under Close Out Delays.

F7 - Report reflects approved changes as of the date reflected.

Change Orders / Construction Change Directives

Oak Ridge HS - CCD#5 for \$694,871 - Completion of Phase III per Board approved design modification and CO#21 for \$479,024 - Building 300 has experienced excessive settlement requiring remedial work to correct deficiency.

Close Out

Awaiting Audit:

Submitted for Audit: Wheatley ES

Close Out Delays:

Little River ES - CFI delayed due to delayed resolution of outstanding Punch List items (since completed).

Oak Ridge HS - CFI delayed due to finalizing / processing Change Order to Reconcile CCD #5 (Phase III Scope of Work).

Shingle Creek ES - 1) GC failed to close ODP POs timely (ongoing). 2) CFI delayed due to outstanding Punch List items (ongoing). 3) GC has not yet submitted complete acceptable Electrical Closeout Manuals (O&M, Warranty, Training, Attic Stock).

Washington Shores ES - CFI delayed due to outstanding Punch List items.

**PROJECT STATUS SUMMARY REPORT
COMPREHENSIVE SCHOOLS**

3/7/2015 F7

School Name	F1	F2	F3	Est. Cost At Completion	Variance	GMP Amount	F4		F5		Approved Construction			F6
	Original 2006 Board Adopted Budget	Adopted Budget Changes	Current Board Adopted Budget				Construction Change Orders	OCIP & ODP Change Orders	NTP Construct	Contract Subst. Com	Projected Completion	Number of Days Past Substantial (Close-out)		
	Budget						Schedule							
PLANNING PHASE														
Sub Total	-	-	-	-	-	-	-	-	-					
DESIGN PHASE														
Dream Lake ES	19,371,708	(1,445,708)	17,926,000	17,926,000	-									
Lake Silver ES Comp	18,006,348	(2,646,348)	15,360,000	15,360,000										
Lockhart ES	19,211,611	(4,099,611)	15,112,000	15,112,000	-									
Riverside ES	11,366,870	4,730,130	16,097,000	16,097,000	-									
Westridge MS Comp (Phase 2)	33,544,083	(1,452,083)	32,092,000	32,092,000	-									
Sub Total	101,500,620	(4,913,620)	96,587,000	96,587,000	0	-	-	-						
CONSTRUCTION PHASE														
Apopka ES Comp	11,435,483	4,318,517	15,754,000	15,618,212	(135,788)	11,548,918	(42,161)	1	(2,887,230)	2	08/08/2014	11/02/2015		
Cypress Creek HS Comp	60,074,403	(1,189,403)	58,885,000	58,884,674	(326)	41,999,829	(8,660)	8	(9,540,000)	4	11/19/2013	02/22/2016		
Dr. Phillips HS Comp	58,549,672	8,070,328	66,620,000	66,619,951	(49)	48,709,730	987,778	40	(12,733,838)	4	09/19/2012	03/16/2015		
Lake Whitney ES Comp	3,964,301	7,517,699	11,482,000	10,313,004	(1,168,996)	6,601,295	12,200	2	(1,225,878)	2	09/19/2014	09/04/2015		
Sub Total	134,023,859	18,717,141	152,741,000	151,435,841	(1,305,159)	108,859,772	949,156	51	(26,386,946)	12				
CLOSE OUT PHASE														
Dr. Phillips ES Comp	9,584,024	4,534,976	14,119,000	13,737,526	(381,474)	10,068,320	187,934	11	(2,579,971)	4	09/04/2013	10/10/2014		148
Waterford ES Comp	14,942,364	(1,122,364)	13,820,000	13,315,596	(504,404)	9,994,354	166,752	6	(2,404,107)	3	09/04/2013	07/29/2014		221
Sub Total	24,526,388	3,412,612	27,939,000	27,053,122	(885,878)	20,062,674	354,686	17	(4,984,079)	7				
Grand Total	260,050,867	17,216,133	277,267,000	275,075,963	(2,191,037)	128,922,446	1,303,842	68	(31,371,024)	19				

Footnotes

- F1 - Reflects figure from the 10yr Capital Budget dated September 12, 2006.
- F2 - Reflects changes to initial cost projection.
- F3- Figure comprised of prior year expenditures, current and future planned funding (Adopted Summary Budget 2014-2015). There are no land costs included.
- F4 - Reflects total number of change orders and cumulative change order amount. Does not include OCIP and ODP deductive and reconciliation change orders.
- F5 - Reflects the total amount and number of OCIP and ODP deductive and reconciliation change orders to date.
- F6 - Reflects number of days beyond substantial completion. See justification below under Close Out Delays.
- F7 - Report reflects approved changes as of the date reflected.

Change Orders / Construction Change Directives

Westridge MS - Figures reflect Phase I and Phase II. Phase II is \$1.5M of the \$32M reflected.

Close Out

Awaiting Audit:

Submitted for Audit:

Close Out Delays:

Dr. Phillips ES - CFI pending review/approval of revised Closeout Manual.

Waterford ES - CFI delayed due to outstanding Punch List items.

Change Orders Report

Facilities & Construction Contracting
February 2015

There are no significant change orders or amendments to report for the month of February 2015.

OCPS FACILITIES & CONSTRUCTION CONTRACTING
RFQs in Progress: March 2015

No.	Contract Description	Pre Submittal Meeting	Open Date	Shortlist Meeting	Interview Meeting	Board / CFO Date	Status
RFQ 14CM34	CM Services for Site 52-M- SE-2 MS Relief Project	1/16/2015	2/4/2015	2/26/2015	3/16/2015	4/14/2015	Open
RFQ 14CM35	CM Services for Carver MS Replacement Project	1/16/2015	2/5/2015	2/27/2015	3/17/2015	4/14/2015	Open
RFQ 1501PS	A/E Services for Jones High School capital Renewal Project	3/10/2015	3/26/2015	4/9/2015	4/28/2015	5/26/2015	Open
RFQ 15CM02	CM Services for Jones High School capital Renewal Project	3/26/2015	4/14/2015	4/23/2015	5/14/2015	6/9/2015	Open



2015

Orange County Public Schools
Audit of Citizens' Construction
Oversight and Value Engineering
(COVE) Reports Follow-up

Orange County Public Schools
Internal Audit Department

Internal Audit Report

COVE Reports Follow-up

January 7, 2015



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COVE Reports Follow-up
January 7, 2015

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COVE Reports Follow-up

BACKGROUND

Since 1997, the Citizens' Construction Oversight and Value Engineering Committee, commonly known as COVE, has been overseeing all school construction projects within Orange County Public Schools. The committee is made up of volunteers with expertise in construction, architecture, engineering, finance and auditing.

As part of the half-cent sales tax referendum approved by voters in September of 2002 and renewed in September of 2014, COVE oversees the district's capital program which includes all construction and renovation projects. The committee's involvement helps to ensure that tax dollars are spent effectively.

The Facilities Fiscal department prepares a report for the COVE committee each month that contains a financial overview of capital construction projects.

OBJECTIVES, SCOPE AND METHODOLOGY

OBJECTIVES:

This is a follow-up to our audit dated April 21, 2014 of the COVE Reports process. The follow-up process determines whether management addressed the recommendations from the previous audit. It also helps to determine if the desired results were achieved or if senior management has accepted the risk of not taking action or implementing the recommendations.

The objective of this follow-up review was to determine the status of findings and recommendations from the earlier audit and to test a current COVE report. The following factors were considered:

- ❖ Significance of reported recommendations
- ❖ Degree of effort and cost to correct the reported condition
- ❖ Impact that may result should the corrective action fail
- ❖ Complexity of the corrective action
- ❖ Time period involved

SCOPE AND METHODOLOGY:

The scope of the review was designed to ensure that the objectives of the engagement would be met, considering the reliability and validity of information obtained from systems, records and staff. We performed testing on the November 2014 COVE report.

FINDINGS AND RECOMMENDATIONS

COVE Report Preparation

As noted in our prior audit, the process of preparing the COVE Report is labor intensive and not automated. Data must be gathered from a number of sources including the general ledger in SAP, published historical and current budget documents, and reports of estimated costs to complete from the construction division. These data are put into a report format in Excel and footnote explanations are added to develop the report presented to COVE. Compilation of the data and preparation of the report is handled by the Senior Manager of Facilities Fiscal Services.

In the prior audit we recommended that the departments that originate the data used in the report submit it to the Senior Manager of Facilities Fiscal Services for preparation of the COVE report. Alternatively, we suggested that a report template be put in a shared location where each department could enter its data directly into the report so the Senior Manager of Facilities Fiscal Services could act as a quality reviewer and publisher of the final report.

At the time of our follow-up review we noted that no changes had been made to the report preparation process.

Report Content

The findings in the previous report appear to have been corrected or are in the process of being corrected.

The November 2014 COVE Report data was traced to supporting documentation with two errors noted as follows:

The Avalon Area project budget amount was incorrect on the COVE Report because land costs were incorrectly included in construction costs. Project costs reported to COVE do not include land costs as noted in the report footnotes. Facilities Fiscal will reflect the correct amount on future reports.

The NTP date for Lake Whitney ES was not correct. This was a typographical error that was corrected on subsequent reports.

Reporting of OCIP and ODP Change Orders

In response to our prior audit both deductive and additive amounts for ODP and OCIP change orders are included in current COVE reports.

Notice to Proceed (NTP) Dates

Management has implemented a process to obtain NTP information from one source, the NTP letter to the contractor, and this is what is used in the COVE reports presently.

We would like to thank the staff of the Facilities Fiscal Department for their cooperation and assistance during the audit.

Alva Johnson, Auditor

AUDIT RESPONSE MATRIX

FISCAL PERIOD: FY2015

DEPARTMENT/SCHOOL:
ADMINISTRATOR/PRINCIPAL:
DEPARTMENT HEAD/AREA SUPERINTENDENT:

Facilities Fiscal
John Morris
Regina Frazier-Thomas

Exception Noted What is? What should be?	Management Response What needs to be done?	Responsible Person Who needs to do it?	Outcome Timeline When will the action be completed? What is the evidence of completion?
FACILITIES FISCAL DEPT			
Current Board Adopted Budget Avalon Area Project	Correct the COVE Report in accordance with the follow up audit report dated 1/7/2015.	Sr. Manager of Facilities Fiscal	All corrections were completed on the COVE Report dated 2/7/15 and distributed at the COVE meeting dated 2/19/15.
Lake Whitney ES	Correct the COVE Report in accordance with the follow up audit report dated 1/7/15.	Sr. Manager of Facilities Fiscal	All corrections were completed on the COVE Report dated 2/7/15 and distributed at the COVE meeting dated 2/19/15.

