

**El Paso Independent School District
Citizens' Bond Advisory Committee
Meeting Minutes
August 29, 2019**

Present:

Ana Elena Allen	Dan Longoria	Miguel S. Venegas
Bob Burn's	Toni Lunsford	Max Villaronga
Norma Chavez	Paul Masters	Russell Wiggs
Yolanda Clay	Ross Moore	
Kelvin Joel Kroeker, P.E.	Debbie Trexler	

Not in Attendance:

Cimi Alvarado	Javier Olmos
Cynthia Cano	Samuel Morgan
Ted Houghton	Edmundo Rodríguez
Cynthia Lopez	

Special Guest:

Bob Geske, Board President – District 2
Diane Dye, Board Secretary – District 4
Juan E. Cabrera, Superintendent

Presenters:

Carmen Arrieta-Candelaria-EPISD Finance and Operations
Mayra Martinez-EPISD Internal Audit
Alice Ramos – EPISD Information Technology
Manny Chavira – EPISD Police Services
Jacobs Program Management Team
Irene Ramirez, EPISD Facilities and Construction

Call to Order

The meeting was called to order at 5:09 p.m. by Mr. Paul Masters, Chair.

1. Welcoming

Mr. Paul Masters, Chair, introduced the Board members Ms. Diane Dye and Mr. Bob Geske.

2. Review of Meeting Minutes

Meeting minutes for April 24, 2019 and June 17, 2019, were approved. Mr. Russell Wiggs made the motion to accept, Mr. Ross Moore second, all in favor.

3. CBAC Administrative Guide

Ms. Carmen Arrieta-Candelaria, Deputy Superintendent Finance and Operations, provided the Administration Reference Guide and requested that members sign a Certification Form confirming receipt. Ms. Arrieta-Candelaria added that the guide is posted on the CBAC website.

4. Attendance Update

Ms. Carmen Arrieta-Candelaria, Deputy Superintendent Finance and Operations, informed the committee that there have been two committee members who have not attended for the last four meetings in a row: Mr. Javier Olmos, and Mr. Cimi Alvarado, these would be replaced for non-attendance. Mr. Ted Houghton and Mr. Alejandro Limon have submitted their resignation from serving on the committee. Ms. Arrieta-Candelaria stated that the motion for the committee to consider would be the replacement of Mr. Olmos and Mr. Alvarado and accepting the resignations from Mr. Houghton and Mr. Limon. Mr. Wiggs made the motion to accept, Mr. Kelvin Kroeker seconded, all in favor.

Mr. Paul Masters, asked about the Hispanic Chamber of Commerce replacement. Ms. Arrieta-Candelaria stated that a certified letter was sent and received but has not received a response.

5. Internal Audit Update

Ms. Mayra Martinez, Chief Internal Auditor, provided a status update on the recent Internal Audit Report and explained the role of Internal Audit in the District, audits provide insight into the processes, controls, risk management and provide recommendations to the audit. The audit also provides transparency and oversight.

Ms. Martinez presented on status of the Bond Program Management Audit Report:

- Audit was to determine whether change order management, key reports, program manager's performance reviews, and staff qualification reviews were performed in accordance with the Bond Program Management Services Contract and District policy. The scope of the audit covered the period from January 18, 2017, to December 14, 2018, with four findings, four observations, and eight recommendations and was distributed to the Board and management. The report was shared by email with CBAC members on August 5, 2019, and is posted online for the public.

Discussed the difference between findings and observations: Findings are reliable and relevant criteria to include board policy, standing operating procedures and/or contract. Observations are based on best practice, principals of transparency or to establish controls as it relates to oversight.

- Finding 1: Board approval was not obtained for five out of nine additional services authorizations tested that led to increases in professional services contract fees over the \$100,000 cap set in Board Policy CV(Local). Internal Audit recommended that management work with the Board Policy Committee to ensure Board Policy CV(Local) clearly outlines the Board's expectations for approving changes to professional services' fees and/or the scope of work.

Ms. Norma Chavez asked if they can have the list of the nine (9) projects with the change requests mentioned. Ms. Martinez clarified that there were nine (9) additional services authorizations that were five (5) findings of the nine (9) tested.

Ms. Chavez also referred to an article in the newspaper that stated a professional service contract fee that exceeded \$100,000 paid to Jacobs. Ms. Martinez clarified that these were fees to architects not Jacobs and we have the working papers. Mr. Jason Colley, Jacobs Program Manager, confirmed that \$100,000 was not paid to Jacobs. Ms. Martinez also added that the nine (9) additional services tested five (5) additional services approved by management were not taken to the Board for approval.

Mr. Master added that if this information can be provided to committee. Ms. Martinez indicated that she would provide.

Ms. Arrieta-Candelaria stated that they recognized that the policy needs to clearly outline the Boards expectations for additional services for professional services, and is now placing all changes to professional services on the Board for approval.

Ms. Chavez added that five out of nine findings is a large amount and this does not include all the contracts and is concerning but agrees with the recommendations made to the Board and would like it noted in the minutes. Mr. Cooley clarified that all the expenditures were within the initial contract budgets established and that all changes were necessary and needed and all expenditures were always tracked. Ms. Martinez added that the finding was based on having Board approval not questioning if allowable or if appropriate.

Mr. Miguel Venegas stated that back in 2017 at a previous CBAC meeting it was requested

that Jacobs provide a ledger of all the changes by project line by line for transparency purposes. Mr. Masters responded that there is a link on the dashboard, the location of the hyperlink was uploaded to show the committee its location. Mr. Colley added that changes are being provided quarterly to the Board, for transparency.

Mr. Kroeker asked if change orders are different from amendments to professional services. Ms. Arrieta-Candelaria responded that it's a difference of interpretation which additional services relate to professional services and change orders generally relate to construction, hence the confusion, and is why changes to the language in the policy will be submitted to policy committee.

Mr. Bob Burns stated that there are two parts, first part is what the auditors have found and the second part that states what happened here was there a negative impact, were there unreasonable actions taken; perhaps those five would have no negative impact had the processes been followed and been taken to the Board, in hindsight they would have been approved if they had been brought forward for the right reasons and the change of scope was recorded

- Finding 2: The District used the "Client Survey Rating Sheets" and client survey process owned and managed by Jacobs to evaluate their performance for years 2017 and 2018. In addition, "Client Survey Rating Sheets" for the years were not finalized until April 30, 2019. Recommended that the District develop and implement a comprehensive formal vendor performance review process in consultation with key functional departments and stakeholders to be in effect for the length of the 2016 Bond Program contract. Develop and implement a process to share, on a timely basis, the results of performance reviews with appropriate key 2016 Bond Program stakeholders.

Ms. Chavez asked how did the District decided to use the Jacobs evaluation forms. Ms. Arrieta-Candelaria stated that the contract states that the District may implement a comprehensive formal performance vendor review; we have a performance review process that is run by procurement but at the end of a contract, which is submitted to procurement. This is one of the largest contracts and had discussions on creating a more compressive formal review process in addition a correlating business review is held with key leadership (Mr. Cabrera, Mr. Wiernicki, Mr. Sheffield, Mr. Lopez and CBAC Chair) are invited; three reviews have been conducted so far. We will also conduct a formal vendor performance review with metrics developed by the District, which we are working on.

Mr. Burns asked who in the District would be developing the evaluating processes. Ms. Arrieta-Candelaria responded that Ms. Ramirez in conjunction with procurement, other facilities members and stakeholders would develop the processes.

- Finding 3: Contract required that before Jacobs made changes in key personnel working on the 2016 Bond Program be approved by the District. Recommended that Jacobs develop a notification process to make the District aware of changes in personnel and subconsultants. District management should develop a baseline of qualifications for Jacobs to use in their process of assigning key management positions. The District could review Jacobs screened list of proposed personnel changes before issuing their written approval. The developing of processes would be a joint effort with the District.

Mr. Colley responded that this process has been corrected, all candidate resumes are submitted to Ms. Arrieta-Candelaria and Ms. Ramirez. The interviews include Ms. Ramirez and the committee's recommendation is submitted to Ms. Arrieta-Candelaria for her approval. Mr. Colley added that Ms. Ramirez is also working on a qualification criteria to make sure we have a solid path. Mr. Colley added that this implementation began February 2019.

- Finding 4: Jacobs did not report employee background checks to the Procurement Department before commencing work on the 2016 Bond Program. However, Jacobs Human Recourses Department had done but not communicated information to the District.

Recommendation part of the process included that the background checks of personnel are reported to the District.

Mr. Colley added that all their staff go through an extensive background check prior to them being allowed on site. He added that the process correction has been made and is now providing a packet to procurement with the background check and resume as per their contract.

Ms. Martinez reiterate that an observation is based on best practice, principals of transparency or to establish controls as it relays to oversight.

- Observation 1: Jacobs implemented a change management process to document changes in projects' scope, schedule, and/or budget during the design phase. However, the processes didn't ensure changes that may significantly impact the construction cost limitation, previously reviewed and approved by all appropriate stakeholders, they were only approved in-house. Recommendation was made to develop procedures to ensure scope and budget changes that occur during the design or construction phase and significantly impact a project's construction cost limitation or total project budget be reviewed and approved, by appropriate authority.

Mr. Cooley stated that process has been put in place with presenting to both Ms. Ramirez and Ms. Arrieta-Candelaria for approval signature.

Ms. Arrieta-Candelaria clarified the El Paso Times reference to \$8 million not being approved by the Board. This is an observation not a finding. One was the Andress hydronic loop replacement for \$1 million, change was an internal management function process that is followed and does not require board approval. The Board approved when the contract was presented for approval. Another is Burges lighting for tennis courts, softball field and restrooms which was added to the new construction, which the contract and program contingency funds were approved by the Board. Henderson the removal of multipurpose center and constructing new gym for a better alternate. The Jefferson weight room for \$500,000, was funding from the 2007 Bond, not a cost increase. It was reported to the Board during the approval of the contracts.

Ms. Chavez asked Ms. Arrieta-Candelaria if she has the authorization to freely move money. Ms. Arrieta-Candelaria clarified that she manages the budget all changes are within the scope of work or has received authorization by the Board. She added that the project contingency remains in the project. Crocket will have funds remaining at the completion of the project, when final closeout is presented to the Board for approval the recommendation to have those funds moved to the program contingency will be presented.

- Observation 2: Meeting minutes prepared by Jacobs for six Construction Team meetings, where critical activities were discussed for action, were not finalized as they were labeled "draft." These meetings took place in June 2018. According to Jacobs, they considered these final since they "did not receive comments back" from the meeting participants. Recommendation that Jacobs ensure meeting minutes are finalized on a timely basis after each Construction Team Meeting where critical activities are discussed. Finalizing meeting minutes includes documenting the activities discussed and providing the official record of actions taken during the meeting.
- Observation 3: Jacobs noted there is no requirement that District management's review be documented for Jacobs' reports that are deemed important/critical for decision-making purposes. Recommendation that management establish and implement a consistent review and approval process for reports, provided by Jacobs, identified as important/critical for decision-making purposes for the 2016 Bond Program. District management involved in the review of such reports should ensure review/approval is documented.
- Observation 4: A Constructability Review Report (CRR) at the CD 100% phase in September

2018 was not submitted for District's approval until May 2019. In addition, this CRR did not outline the Program Manager's opinion as required in the contract. In addition, Jacobs completed 11 CRRs (between July 24, 2018 and November 19, 2018), but did not formally submit them to the DSFO for approval until May and June 2019 as we were conducting our audit. Recommendation that Jacobs' Constructability Review Reports (CRR) provide a clear statement of their opinion for District's management review and action. For previously submitted CRRs, which do not include a clear statement of Jacobs' opinion, we recommend the District determine if there is value in obtaining such opinion at this point in time.

Ms. Martinez added that management has implemented a corrective action plan which was submitted to internal audit with different implementation timelines. Internal audit will be monitoring the implementation of the corrective action plan and will report to the Board.

Ms. Toni Lunsford stated that the timeline for closeouts are far out in the future. Ms. Martinez responded that the policy committee meet once a month and may require changes and resubmitted prior to submitting to the Board, but internal auditing will monitor until it is completed.

Mr. Master asked if Crockett will be audited. Ms. Martinez responded that we are moving forward looking and change orders and may be Crockett or other projects.

Mr. Max Villaronga commented that when this process started a few years back there was concerns with their role of insuring that things were happening, and it could not have been done without this department having put all these different building blocks in place regardless to the audit's findings or observations the fact is that the steps are now in place which will alert management should any issues arise. As part of CBAC's role, as described in the Charter, is to alert the superintendent and board of these issues. Management's recommendations are adequate based on observations and findings and is glad that these processes have been put in place.

Ms. Chavez asked if observations two and four have been implemented. Ms. Colley responded, Yes, they have processes in place and were implemented from the start. Mr. Cooley added that observation four has been packaged and submitted for approval for all projects, and resolved.

6. Validation of Administrative Salaries

Ms. Carmen Arrieta-Candelaria, informed the committee that one of the duties as a CBAC member is to validate that no bond funds are used for salaries that are not related to the bond. The Facilities & Construction Position Inventory 7/1/18-5/31/19 report was provided. Ms. Arrieta-Candelaria also stated that Ms. Robbie Baca prepared this report.

Mr. Ross Moore asked if House Bill 3 was plugged into salaries listed. Ms. Arrieta-Candelaria responded that the current reporting is through May 31, 2019 therefore it is not reflected, but it will when the next reporting is made.

Mr. Russell Wiggs made the motion to approve, Ms. Norma Chavez second, all in favor.

7. Program Contingency Update

Ms. Carmen Arrieta-Candelaria, presented to the committee the Contingency Report and was pleased to inform the committee the work Jacobs has done. The contingency was at a deficit of \$7,207,006 and is currently at a \$512,256 deficit. The plan was to take the \$512,256 from interest, which has earned \$10 million, but added that they will continue to work on reducing the contingency deficit.

Mr. Colley added that it was due to value engineering, redesigning, and communicating with the contractor community, which has been very successful.

Mr. Wiggs asked for Bradley/Fannin and Burges clarification. Ms. Arrieta-Candelaria responded that the Bradley/Fannin over budget was due to an issue of the kitchen renovation, early discussion with

the architect, Mr. Gallinar and principal, one solution was to run multiple lunches, but after further review it was not a good solution therefore requested a re-scope to make the renovation for the capacity of students at the school. The equipment at Burleson, which was closed, was used to augment Fannin/Bradley, which was purchased by food service three to four years ago. Burges also was the softball field and the special education classrooms which was presented to CBAC and the Board for approval.

Mr. Wiggs asked if the athletic field project could assist with the Burges softball field. Ms. Arrieta-Candelaria responded that the athletic projects may be over budget, since post tension for tennis courts was used as the standard which added \$300,000 for each court, which is substantial, and an augmentation to the projects.

Mr. Masters requested that we advance to the Technology/Security Issues item.

8. Periodic Financial Reports

Ms. Carmen Arrieta-Candelaria, stated that \$10 million of interest was earned and Mr. Walt Byers is responsible on investing.

9. Technology/Security Items

Ms. Alice Ramos, Chief Information Office, and Mr. Many Chavira, Interim Chief of Police, provided highlights of the projects that EPISD Information Technology and Police Services have collaborated on. The projects along with highlights provided included the following, the wireless routers in police vehicles which allow for faster communication of send and receive information; the communication platform allows Police Services to lock down the campus from the police vehicles or the Police dispatch center, Police vehicles were previously utilizing internet hotspots to connect for communication purposes, this caused slower (lagged) communication in sending and receiving information. The mobile Police command unit includes a master feed of video surveillance cameras which allowed local law enforcement and safety partners, such as the Sheriff's office, Texas Department of Public Safety (DPS), U.S. Secret Service, to be interoperable during dignitary visits. The radio center at Police dispatch was upgraded and was partially funded by 2016 Bond which supports in building a foundation to expand. As Police dispatch enters report information, as it is being received and in real time at the Police command unit. The mobile command security program platform allows Police Services to electronically bring up an overview of the site plan and lock down areas of the building that are at risk. Currently, elementary schools have a front door security system in place, this system is a secure entry which directs visitors to the front door for the first security check and requires that a valid identification document (ID) be provided by the visitor, the second security check "runs" each visitor's ID through the national sex offenders' database. Visitors are then provided a one day badge which identifies the area or classroom location to be visited.

Mr. Masters asked if the vehicles have access to view the cameras at the campuses. Ms. Ramos responded that they have real time video.

Ms. Ramos added that the second phase included in the project will be to expand the entry at all the schools and will include augmented security cameras.

Mr. Colley provided the 2016 Bond Project Security Items handout of incorporated security and technology items to the projects and the list of Project Salvaged Items.

Ms. Chavez requested that the handouts being provided by Mr. Colley be emailed to her.

10. Projects Managed by Jacobs Update

Ms. Madeleine Sara, Deputy Program Manager for Jacobs, presented the Program Status to Date milestones a total of fifteen projects in construction, and two in procurement.

Mr. Colley presented a review of the Program Schedule to Date chart and reported that the contractor for Morehead, Dantex, is on board and we were able to pull back the schedule by two months.

Mr. Brian Calhoun, Project Controls Manager for Jacobs, presented the Program Budget through

June 31, 2019, provided within the PowerPoint presentation to CBAC.

Jacobs Project Managers presented on their assigned projects:

The following projects are assigned to and were presented by:

Mr. Jose Carrera (Jacobs Project Manager)

Bobby Joe Hill School– Mr. Masters asked to explain the 4% and 8% for percent completed. Mr. Carrera responded tracking construction in place is 8% and financials at 4%. Mr. Colley added that this is an implemented practice that they only pay for work in place and that the contractor not bill ahead, in case the contractor is not performing and another contractor needs to be brought in to complete the work the project would need to complete with the funds available. Dekker, Perich, Sabatini was introduced as the architect.

Ms. Arrieta-Candelaria added that the architects were invited to answer any questions that the committee may have.

Ms. Yolanda Clay asked if the Terrace Hills flooding was taken into consideration in the building design. Mr. Curtis Morton, Dekker, Perich, Sabatini Architect, responded that during the design process the flood plain issue of water coming down from the west side off the mountain was addressed and designed to divert the water around the school.

Captain L. Navarette –PBK Architect was introduced as the architect. Mr. Master asked if the contractor been approved. Mr. Carrera responded that the Board approved the contract negotiations with best proposer and the contract will be presented to the Board in September for approval. Ms. Trexler asked that the school name be added the presentation. Mr. Carrera stated that it will be updated for the next meeting.

Irvin High School – Mr. Clay asked to clarify what the theater will have and what type of sound system. Mr. Morton responded that the auditorium was heavily reviewed in the programming phase and reviewed again in the construction phase to include the dressing rooms and lighting and is now being provided, he added that the theatre is not UIL compliant and the sound system he does not have the specification and will need to get with Ms. Clay.

The following projects are assigned to and were presented by:

Ms. Luz Favela (Jacobs Project Manager)

Dr. Josefina Villamil Tinajero PK8 –The architect Ms. Helen Lowenberg, Mijares Mora, was introduced.
(no question/ concerns).

General Douglas MacArthur PK-8 – The architect Mr. Genaro Mier, ASA Architects, was introduced.
(no question/concerns).

Charles Q. Murphree Pk-8– The architect Mr. Genaro Mier, ASA Architects, was introduced.
(no question/concerns).

The following projects are assigned to and were presented by:

Ms. Norma Soto (Jacobs Project Manager)

Don Haskins PK8 – The architect Gerardo Gutierrez, GA Architecture, was introduced.
(no questions/concerns)

Burges HS– The architect Ms. Renee Jimenez, MNK Architects was introduced. (no questions/concerns)

El Paso High School – The architect Ms. Renee Jimenez, MNK Architects was introduced.
(no questions/concerns)

The following projects are assigned to and were presented by:
Mr. Mauricio Chavez (Jacobs Project Manager)

Dr. Joseph E. Torres ES– The architect Mr. Eric Perea, ERO International was introduced.
(no questions/concerns)

Coach Archie Duran ES– (no questions/concerns)

Andress High School — The architect Mr. Eric Perea, ERO International, was introduced. Mr. Venegas stated that a teacher asked him about the courtyard why it was not done during the summer. Mr. Chavez responded that fencing is in place with a walk path for safety and the summer was used to work on the hydronic tunnel renovation.

Mr. Wiggs asked if the Andress theatre would be a UIL theatre. Mr. Chavez responded that it would be a UIL compliant theatre.

The following projects are assigned to and were presented by:
Mr. Rogelio Gonzalez (Jacobs Project Manager)

Coach Wally Hartley Pk8 – The architect Mr. Fredric Dalbin, Wright and Dalbin, was introduced. Ms. Chavez asked if the flood plain issue resolved. Mr. Gonzalez responded that the FEMA is developing the new mapping will show us out of the flood plain. Ms. Arrieta-Candelaria added that this was one of the delays in the schedule.

Austin HS–The architect Mr. Fredric Dalbin, Wright and Dalbin, was introduced.
(no questions/concerns)

The following projects are assigned to and were presented by:
Ms. Rosa Fonder (Jacobs Project Manager)

Coronado – The architect Mr. Hector Santiago, Parkhill Smith and Cooper, was introduced.
(no questions/concerns)

Jefferson/Silva – The architect Mr. James Moore, PBK Architect, was introduced.
(no questions/concerns)

11. Projects Managed by EPISD Update

Ms. Irene Ramirez, Executive Director of Facilities, presented an update District managed projects to include the Financial Recap to Active Capital Projects which included Crockett, Athletic Upgrades Tracks, Turf Phase 4 and Outdoor Learning Playgrounds Phase 3.

Mr. Wiggs asked if the fields were complete. Ms. Ramirez responded that Irvin was the only one not completed. Ms. Arrieta-Candelaria added that it was due to fencing.

Ms. Alice Ramos, Chief Information Office, presented an update on phase three informing the committee that this project was placed on hold due to a grant that they applied for with the Department of Justice in May which requires the District to match funding, therefore, holding these project and aligning with the grant program we are able to maximize the investment. Teacher laptop refresh project is at 91% completion 1300 laptops have been distributed to teachers.

Mr. Moore requested the number of journeymen and apprentices by contractor at each worksite and added that local iron works union are requesting the numbers. Mr. Cabrera asked that it be reported at the next meeting.

Mr. Wiggs stated that why were field replacements started at schools that are not used for varsity football prior to the ones that are. Mr. Wiggs asked were the Jefferson Address and Irvin 2007 Bond located in the financials. Ms. Arrieta-Candelaria referred to the location on the periodic report and added that Jefferson had not been allocated that budget yet.

Mr. Master moved to adjourn meeting, Mr. Moore second, all in favor

Adjournment

The meeting adjourned at 7:04 p.m.

Date Approved by CBAC Secretary: September 12, 2019

Date Approved by Chair: September 17, 2019