

* REVISED
21ST CENTURY SCHOOLS BOND ADVISORY COMMITTEE
MEETING MINUTES – December 10, 2013

The 21st Century Schools Bond Advisory Committee (Committee) met on December 10, 2013 in Conference Room 916 of the School Board Administration Building. Committee Chair, Mr. Roberto Martinez, called the meeting to order at 3:05 p.m. and the following individuals were present:

Committee Members

Mr. Roberto Martinez
Ms. Cindy Lerner
Mr. Cecil T. Daniels
Mr. Anthony Dawsey
Mr. Juan Del Busto
Dr. Jaap Donath
Mr. Thomas Eagan
Mr. T. Willard Fair
Dr. Sean Foreman
Mr. Samuel Lee Gilmore, Jr.
Mr. François Illas
Mr. Jack Lowell
Reverend Guillermo Revuelta
Mr. Alan Rubin
Mr. Paul Wallace
Ms. Sharon Watson
Ms. Carol Graham Wyllie

***Alternates**

Mr. Sherwood G. DuBose
Ms. Susan Marie Kairalla
Mr. James F. Murley
Mr. Terry Murphy
Mr. Michael Pineiro
Mr. Roland Sanchez-Medina Jr.
Mr. Ludnel St. Preux

Ex-Officio Non-Voting Members

Representative Erik Fresen
Mr. Jose Montes de Oca
Mr. Jaime G. Torrens

Miami-Dade County Public School Attendees

Dr. Lawrence S. Feldman,
Board Vice Chair
Mr. Walter J. Harvey
Ms. Milagros Fornell
Ms. Judith M. Marte
Mr. Carl Nicoleau
Mr. John Schuster
Ms. Enid Weisman
Ms. Tabitha Fazzino
Ms. Ana Rijo-Conde
Mr. Raul F. Perez
Mr. Brian Williams
Ms. Silvia Rojas
Mr. Blake Juste
Ms. Suzanne Matthews
Ms. Carmen Naumann

Ms. Arlene Stanek
Mr. Tom Knigge
Ms. Gina Rimart
Mr. Trevor Williams
Mr. Leo Fernandez

Other Attendees

Mr. Christopher Norwood
Mr. Rick Yanez
Mr. David Smiley
Mr. Glen White
Ms. Elsie Hamler

Recording Secretary

Mrs. Erika Duarte

Mr. Martinez informed the Committee that the Superintendent would not be present for the meeting and that the Chief Facilities Officer, Mr. Jaime Torrens, would preside in his place.

Mr. Martinez made a motion to approve the Minutes of the September 10, 2013 meeting. The motion was made by Ms. Cindy Lerner; seconded by Mr. Juan Del Busto and passed unanimously.

Mr. Torrens provided an Update on the Year-1 Project Rollout as follows:

- Kick off meetings for the first group of schools concluded in the beginning of October for Year 1 projects. Teams of architects, engineers, contractors, and in-house staff conducted school site visits to review and discuss the preliminary scopes of work which in turn allowed the architects to gather the necessary information to prepare pre-design packages. The principals played a key role in these site visits given their knowledge of their campus.
- Pre-design packages were received on all 66 projects. A number of them have already proceeded to the work order phase and are in design.
- Year 1 projects with construction values between \$1-2 million have been assigned to 19 architectural/engineering project consultants and 16 CM @ Risk Miscellaneous firms commissioned by the Board.
- Some construction activity is expected to commence in the first quarter of 2014.
- Miami Norland Senior High, the largest project in the GO Bond, and MAST Academy have both started. Design is well underway and the Construction Managers have been selected for pre-construction activities, which have already commenced.

Mr. Torrens emphasized the importance of the ceremonial kick-off events which took place at ten sites across the district. This activity was a direct result of a recommendation made by the GOB Outreach Sub-Committee. These events had a great deal of participation from community leaders, elected officials, and more importantly the PTA who played a crucial role in helping to organize them. Although these were ceremonial ground breaking events, they signaled that the work has begun. Additional kick-off events are planned in 2014 and project signs will be posted in conspicuous locations at each of the schools to inform the community that the work has officially started, as well as identifying the budget and the assigned architect and contractor. The District also had significant news coverage of the events. Dr. Foreman asked about the cost of these events and Mr. Torrens indicated that the only cost incurred by the Bond is that related to the sign. All other aspects of the event itself have been provided by each school and by the contractor performing the work. Shovels and hard hats are recycled from project to project.

Ms. Lerner inquired about the dashboard and its tracking capabilities. Mr. Torrens advised that he would be showing detailed slides on the dashboard later on in the meeting, and mentioned that there is a link on each school's webpage which directs parents and students to the specific GOB project information.

Mr. Torrens provided an Update on the Year-2 Project Rollout as follows:

- In keeping with the commitment to expedite delivery of the GOB projects, the original seven year program has been compressed to five years, including a handful of projects which were advanced from Year 3 to Year 2. This included Miami

Northwestern Senior High due to the pressing need to address recurring issues which warrant immediate attention.

- There are 78 projects planned in total for Year 2, bringing the total number of projects in the first two years to approximately 150 projects.
- Thirteen Year 2 projects exceed \$2 million in construction value and thus require a separate project-specific solicitation for commissioning by the Board; as opposed to projects under \$2 million, which can be implemented via work order assignment under continuing contracts.
- Year 2 projects under \$1 million in construction value were withheld to allow for a solicitation of architects, engineers and contractors under the District's SBE and MBE program, as previously promised.
- Mr. Torrens also indicated that while the solicitation was still under the Cone of Silence, the District could report that it had received a very positive response to the Sheltered Market solicitation.
 - In terms of adjusting selection procedures to reflect current SBE/MBE policy, Mr. Torrens indicated that this process had been completed with the input of the SBE Advisory Committee. Two selection procedures were on-going under the new procedures: one for design services and the other for construction services. The District was pleased to report that the response to the solicitations was outstanding, with 30 firms responding to the architectural services RFQ and 22 contractors to the CM at Risk RFQ. This has resulted in a large degree of minority participation, most notably African American participation. Mr. Torrens indicated commissioning of firms was anticipated for February or March of 2014 with work to be assigned shortly thereafter. Once the firms are commissioned work will then be assigned on a rotational basis so that every firm has an opportunity to do work with the District and also be provided ample opportunity to grow and increase their prequalification and bonding capacity.
 - Mr. Torrens noted that solicitations for the thirteen larger Year 2 projects will be issued in waves based on groupings. Projects will be distributed among three groups for the purposes of advertising and actual selection.

Mr. Rubin asked if the District plans to utilize more prototypes. Mr. Torrens stated that the vast majority of the work in the Bond Program is renovations, and added that replacements or new facilities in Years 4 and 5 of the Bond would be reviewed for potential implementation as a prototype. Representative Fresen inquired as to how we distinguish between the projects that are full replacements and those which aren't. Mr. Torrens advised that complete replacements are rare because most campuses have at least one existing building which is newer and would need to remain. Representative Fresen also inquired how the students are accommodated during construction. Mr. Torrens indicated it could be by temporarily relocating students to a nearby facility or by building on a different part of the campus and phasing the demolition.

Mr. Martinez requested a demonstration of the Dashboard and Mr. Torrens requested the assistance of Ms. Rijo-Conde. It was noted that the Dashboard was developed in house, and provides a snapshot of the status of Year 1 and Year 2 projects at each of the impacted schools. Staff indicated that the vast majority of Year 1 projects have their final schedules and budgets fully loaded. All Year-2 projects have also been loaded with budgets and a

temporary schedule that will be updated once design professionals are assigned. All remaining projects, i.e. Years 3, 4 and 5, should be included in the Dashboard by the beginning of the calendar year. District staff then continued to demonstrate the various ways project information can be accessed and viewed.

Ms. Wyllie suggested that we distinguish the projects which have been accelerated to a different year by labeling them on the Dashboard as "expedited projects". Mr. Lowell asked if work progress photos will be added to the site. Mr. Torrens confirmed that there will be photos taken both during construction and after completion. Ms. Wyllie also asked if the District monitors the number of hits on the Dashboard and Mr. Torrens stated that staff would check for a 'counter'.

Representative Fresen asked if selected firms are aware of what we anticipate the project costs to be, and whether they will be required to commit to said price, seeing that project amounts for the Year-2 and 3 projects have already been posted. Mr. Torrens advised that these are budget estimates based on deficiencies. Once pre-design is complete and the budget is established and validated, at that point the architect and contractor are expected to adhere to the budget.

Mr. Martinez suggested that everyone log on and navigate through the Dashboard, adding that it is very informative. Mr. Torrens reiterated that the Dashboard was developed in house, making it easy to accommodate most suggestions made by the Committee. Mr. Lowell stated that every project he is involved in has change orders, and asked how they will affect the data found on the Dashboard. Mr. Torrens explained that there is a process to handle change orders where they are required due to an unknown condition.

Dr. Feldman inquired as to what happens to leftover usable materials within the buildings after renovations, for example light bulbs, shelving, AC units, etc. Mr. Torrens advised that an assessment is done by the Maintenance Department and that many items are salvaged and reused in other schools. Mr. Nicoleau confirmed and added that a lot of these materials are stored in one of the maintenance facilities for future use. Dr. Feldman suggested that the District add a field within the Dashboard showing the dollar amount of recycled materials used in each project when applicable. This may be useful information for our constituents.

Mr. Torrens next stated that the District issued a solicitation for a project accountability system to integrate the financial, project management, and contracting systems. This is meant to create a mechanism for electronic interchange of information, eliminating paper plans and making it a simpler and more accountable process. Architects, contractors and all other third party entities will be granted a license to use this system while working on M-DCPS projects. Mr. Torrens stressed that this will make for a more efficient process. Mr. Sam Gilmore expressed concern about the need to keep up with the high volume of RFI's, and the direct impact on potential loss of revenue by the firms. Mr. Torrens indicated a tracking mechanism was envisioned for the review and approval processes.

Mr. Martinez requested clarification on change orders, asking whether they can be grouped or categorized on the Dashboard by specific scopes. Mr. Torrens confirmed that this can be accomplished, and that we can also distinguish the type of classification of the change order. Information will be updated monthly, following the Board meetings. With regard to Dr. Feldman's suggestion on informing the public on refurbished materials used within each

school, Mr. Martinez asked how the information would be displayed on the Dashboard. Mr. Torrens stated there could be photo documentation for each project.

Mr. Martinez then introduced Ms. Silvia Rojas who provided a brief Finance update. Ms. Rojas introduced Mr. Leo Fernandez, adding that he was promoted to Treasurer as she would be retiring shortly. Mr. Martinez thanked Ms. Rojas for her 30 years of service to M-DCPS. Ms. Rojas began her update by stating that the District had issued \$200 million of General Obligation Bonds in July, and that an additional \$100 million would be issued and settled in February of 2014. Based on actual expenditures, it is not anticipated that the District will need to seek additional revenue until late 2014 or early 2015. She further noted that the District is in the process of updating the cash flows. Mr. Martinez asked when the District envisioned it would go to market again and Ms. Rojas stated that such would be contingent on the updated cash flows, though she would not anticipate the need arising until late 2014 or early 2015.

Mr. Martinez stated that he had an opportunity to meet with Brian Williams and his staff to discuss the Disparity Study and to discuss providing economic opportunities to the entire community, adding that there will be a special meeting in February regarding this topic.

Mr. Brian Williams then provided an update on the Office of Economic Opportunity Outreach activities as follows:

SOME OF THE EVENTS ATTENDED:

Hialeah Chamber of Commerce Monthly Business Luncheon
Biscayne Landing Development Business Job and training Forum
NAACP Economic Development Opportunities and Educational Series
Miami-Dade Chamber of Commerce (Women's Business Council)
Opa-Locka Business Chamber of Commerce
Miami-Dade County Black Advisory Board Symposium

HIGHLIGHTED MEDIA:

Radio Interview (La Ponderosa)
Radio Interview (WSRF 1508AM)
Newspaper interview (Miami Times)

M-DCPS EVENTS:

OEO "Coffee with the Community"- This event targets the community and informs them on the OEO and their events, while also eliciting feedback from them.
Kaufman Lynn Construction Outreach Workshop- This was an event to target pre-qualification, a key component to any contractor conducting work with M-DCPS

UPCOMING EVENTS:

Breakfast at Jackson's in Overtown- A guest from Miami Dade College will speak about their Small Business Program in conjunction with Goldman Sachs.
Miami Beach Chamber of Commerce
Aventura Business Council
Hialeah Chamber of Commerce

Mr. Williams stated that the Job Order Contract (JOC) was the first sheltered market solicitation put out by the District. This was designed to target only those small business enterprises which were certified by the District. There were a total of 2 SBEs and 2 MBEs selected, all four of them being M/WBE certified. Three out of the four firms had never done business with M-DCPS in the past. Mr. Williams emphasized that the inclusion of small minority owned businesses and of firms who never worked with the District previously was part of the initiatives of both the Superintendent and the Board members. He also noted that the CM @ Risk contract, which was another one of the District's sheltered market initiatives, resulted in a 41% response from African American owned firms and a 32% response from female owned firms. Mr. Williams emphasized the importance and success of the sheltered market when targeted correctly. The third solicitation was the A/EPC contract, resulting in 10% response from African American firms. There are only five African American owned architectural engineering firms in Miami-Dade County. The District received a response from three of these firms, and anticipates a fourth will be pursuing future work. Female owned firms constituted about 27% of the response.

Mr. Williams advised that various procedures are currently being revised, including the CM @ Risk and A/EPC selection procedures, as well as the A/E Project Specific and Geotechnical Services procedures. This is in an effort to identify ways to continue incorporating SBE and M/WBE initiatives. Different procedures have been reviewed and discussed by the SBE Advisory Committee and revisions as needed will be brought to the Board.

Mr. Williams noted that the JOC Workshop is a new initiative that the District has launched in an effort to be proactive in providing JOC contractors with any assistance they may require, since a majority of them have never done business with us in the past. Mr. Nicoleau added that the workshop was a success. The District introduced them to in-house staff and went over the procedures, expectations and what is needed overall to be successful. Mr. Sanchez-Medina asked if the OEO met with the Latin Builders Association and the South Florida Chamber of Commerce. Mr. Williams confirmed and stated they are working on an event with the Latin Builders Association and the South Florida Chamber of Commerce. Anytime an organization is recommended, the OEO does reach out to them. Mr. Sanchez-Medina suggested that we advise the non-trade organizations to invite their members. Mr. Williams noted the suggestion.

Representative Fresen pointed out that "local" can be interpreted differently, and asked how the School District enforces the local provisions to ensure that the firms selected are truly local and that the higher profit margins are recaptured within our community. Mr. Williams pointed out that the District has a very extensive application process to ensure that it can verify that all firms are located within Miami-Dade County. In addition to this process, there is a procedure in place to properly investigate if the District is informed that a firm is operating outside of the local community. Representative Fresen emphasized the importance of prioritizing a firm which is not only present in Miami, but also owned in Miami. Mr. Williams advised that this question is taken into account, and some firms have been blocked for not meeting these requirements. As they grow, the OEO plans on establishing a compliance department as an additional safeguard. Dr. Donath asked how the OEO is working with the Miami-Dade County Small Business Group. Mr. Williams reiterated that his office has reached out to every group that has been suggested. A partnership/inter-local application has been created that allows any firm that is certified with Miami-Dade County,

who has an extensive application process and a U.S. Small Business Administration 8A Certification process, to fill out a shortened application to join the District's program.

Mr. Sanchez-Medina inquired as to how audits are initiated in regard to the information submitted by these companies. Mr. Williams stated that once they are approved, the District physically investigates any notification received with questionable information. These companies are also required to sign an affidavit attesting that what they have submitted is accurate and truthful. Mr. Williams also added that a very thorough investigative process has been put in place. Mr. Murphy pointed out that for County contracts, there is a small percentage allocated on every construction contract which goes to the Inspector General's Office to provide staff to monitor compliance issues. It may be beneficial to dedicate a percentage of funds to create a monitoring and compliance staff throughout the program. Mr. Williams acknowledged the suggestion and added the District is in the process of getting a tool to track this type of information.

Mr. Dawsey questioned whether there was a master list of all of the certified sheltered companies, as well as all of the companies that are engaged in the GOB. Mr. Williams stated that there is a list of all of the firms doing any work on the GOB. The sheltered market list is published. Mr. Gilmore suggested that the District add an affidavit to its application which requests the specific number of projects the firms are working on, along with the total gross amount of each contract. Mr. Williams advised his office will take this into consideration. Mr. Lowell asked if there were any bonding requirements for the smaller contractors. Mr. Williams responded that this topic is constantly discussed because it is the largest hurdle for small businesses. The initial requirements have been lowered and the District is looking at ways of updating them. Mr. Torrens advised that a balance must be struck between protecting the interests of both the Board and the taxpayers, while promoting small businesses. Bonding waivers are contingent on the type of project.

Mr. Martinez advised that Mr. Williams would be briefing the Committee on the Disparity study. He added that this study is policy driven and it is intended to be positive for the community. Mr. Williams began by defining the Disparity Study as a study which determines whether an agency engages in exclusionary practices in the solicitation and award of contracts to minority and women-owned business enterprises. These studies are commissioned by an agency to determine if there is disparity between the availability of firms in a market area, and the utilization of those firms by an agency. Mr. Williams clarified that our Disparity Study covered the tri-county area, including Broward County and Palm Beach County as well. Representative Fresen asked why we expanded the scope to the tri-county area. Mr. Williams responded that the market area is defined by the average of where the contracts and vendors are coming from, and the majority is from the Tri-County area. Representative Fresen expressed concern about including all three counties in the study since the purpose as stated earlier is to have as much of the tax payer money distributed throughout Miami-Dade County only. Mr. Williams assured that about 80% of the District's contracts are from Miami, and added that a national firm sets the parameters and conducts these studies.

Mr. Williams added that there is a link to the draft of the Disparity Study on the M-DCPS website for the public to view at their convenience. The main objective of this report is to make sure that this program is legally compliant. Mr. Williams advised that Mr. Walter Harvey's office will have a legal expert analyze the results and an economist will be brought

in to review the data as well. Mr. Martinez asked Mr. Harvey who will be analyzing the data. Mr. Harvey responded that legal expertise will be provided by Franklin Lee, and Dr. Thomas Danny Boston who is an Economics Professor at Georgia Tech will also be involved. The professor has published a recent study on one thousand Disparity Studies, resulting in some very interesting information. Mr. Williams added that one of the key components found in our study was that most projects between 2006 and 2012 were large projects exceeding \$30 million. Many of the minority owned firms didn't have the bonding capacity and weren't able to be pre-qualified up to the required amounts. The study showed that the under utilization of minority owned prime firms was directly related to the lack of availability. Because of all the small projects involved, the Bond program is the perfect opportunity to help small businesses grow and increase their bonding capacity.

Mr. Lowell wanted to know if contractors with bonding capacity problems can be matched up to projects. Mr. Williams advised that they are establishing a mentor program as one of their initiatives. He emphasized that the document in question is a draft and is subject to change. Mr. Del Busto asked if we will be sharing this document with the community after it is finalized in February. Mr. Williams confirmed that it will be shared. Mr. Martinez asked if the special committee meeting to be held on February 11th can be recorded and shared with community. Dr. Feldman agreed. Mr. Del Busto added that this would be beneficial to the community.

Mr. Gilmore suggested that the District be proactive by not waiting until February to speak to a consultant, and formally requested that Mr. Williams bring in a consultant within the next week. Mr. Martinez advised Mr. Gilmore to coordinate with both Mr. Williams and Mr. Torrens. Mr. St. Preux agreed that we shouldn't wait until February to dispel any rumors. Mr. Sanchez-Medina stated that the order shown on the presentation didn't seem to make sense. Mr. Williams advised that the steps are not shown in order. Dr. Donath asked if there is any work being done from a Public Relations standpoint as it relates to the rumor mill. Mr. Martinez responded that this is an issue which can be accomplished through discussion with committee members. Mr. Gilmore added that information needs to be relayed to the community as soon as it becomes available, and commended Mr. Williams for all his work.

Mr. Martinez introduced Mr. Walter Harvey, School Board attorney, who provided a legal update.

Mr. Harvey addressed the disparity study, advising that the economist's opinion will be obtained prior to presenting the final draft for approval. The economist will view the document first, followed by the legal consultant once Board approval is obtained. Mr. Harvey went on to mention a number of other procedures his office is currently working on, including A/EPC Procedures, Board policies, contracts, and some of the new programs that are going in place with the Bond. He reiterated that Dr. Thomas Boston will be assisting with the Disparity Study. Dr. Boston has done a comprehensive study of 1,000 disparity studies, resulting in remarkable findings. Most notable in his findings is a portion of the study referring to business formation and access to capital.

Mr. Harvey reminded everyone that Advisory Committee members are bound by the Sunshine Act, meaning that members should confine discussions to public settings such as present one. All documents generated are subject to the Public Records Act, including

electronic correspondence. Committee members are also bound by conflict of interest policies as well as state statutes. Mr. Wallace made note that the Committee doesn't take any votes on policy or legal matters, and therefore may not be covered by the Sunshine Act. Mr. Harvey offered to share some Attorney General opinions which cover the topic with the Committee. What this Committee will be doing is formalizing recommendations which will go to the Board that may, in turn, have an impact on governmental policies. Mr. Harvey also stressed that certain responsibilities have been delegated by the Board, which essentially makes the committee subject to the Sunshine Law.

Mr. Gilmore stated that there are numerous events happening throughout the city, and asked that Committee members take part in these community functions when possible. Mr. Martinez asked if there is a schedule of said functions posted somewhere for the public. Mr. Gilmore advised that a schedule of events can be found on the M-DCPS website. Mr. Martinez showed concern about the difficulty of attending the aforementioned functions due to the geography of such a large district, and suggested that Mr. Gilmore apportion certain events to the Committee based on proximity to their home. Mr. Gilmore welcomed the suggestion. He advised that the next Outreach meeting would be held on January 9th from 2:00 pm -3:00 pm, in the same room where the current meeting is being held. Mr. Gilmore shared how impressed he was by the Norland Senior High School groundbreaking, and expressed his appreciation for the effort put forth.

Mr. Gilmore advised that he is currently on a selection committee which affords him the opportunity to meet the amazing children of this town. Mr. Martinez encouraged everyone to visit schools as often as possible, which can be arranged through the District Leadership. He emphasized how advantageous it is to see how these sites have developed, and thanked Mr. Gilmore along with the other Sub-Committee members for their service.

Mr. Martinez provided the upcoming year's GOB Advisory Committee schedule as follows:

- February 11, 2014 (special meeting on the Disparity Study)
- March 18, 2014
- June 10, 2014
- September 9, 2014
- December 9, 2014

Ms. Wyllie asked if all these meetings will be held at 3:00 pm. Mr. Martinez confirmed that all the meetings will take place from 3:00 pm- 5:00 pm.

Mr. Martinez encouraged the committee to suggest any items which they believe may bring value to the agenda, and stated that Ms. Lerner had done so by suggesting that the topic of, "The rising seas and climate warming" be added to the next meeting's agenda. He pointed out that there is an article in the September issue of National Geographic on the rising seas, written by the head of Geology at the University of Miami. This article identifies Miami as the most vulnerable city in the United States in terms of rising seas. Mr. Martinez stressed the importance of this topic, especially with regard to any buildings which will be constructed in the future. Dr. Foreman informed the committee that Mayor Lerner will be speaking on a panel of the Greater Miami Chamber of Commerce regarding this topic.

Mr. Murphy stated that he wanted to add a topic to the Agenda, and commended Brian Williams on his initiative of encouraging the community and minority-owned businesses to participate in the Bond program. He brought up the issue of how we plug-in the youth at the schools who choose to go into the trades, adding that the school system is directly affiliated with a number of apprenticeship programs where students are learning trades. Mr. Martinez met with the staff several months ago, and it was agreed that a presentation based on this topic would be brought to the committee by no later than the summer. Mr. Williams added that they are working on a program where a point system is put into place, awarding firms that utilize an apprenticeship program, which M-DCPS will be creating. Existing programs are being reviewed to see if they could be improved and built upon, and possibly create a differently structured program.

Ms. Kairalla pointed out that the signs placed in each school advertising the scope-of-work are not only effective, but are also guiding parents to the website to give their opinions on their respective school. These signs have resulted in an increased interest in the dashboard.

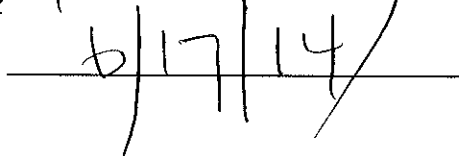
There being no further business to discuss, Mr. Martinez adjourned the meeting at 4:46 p.m.

Approved:

A handwritten signature in black ink, appearing to read "Roberto Martinez", written over a horizontal line.

Roberto Martinez, Chair

Date:

A handwritten date "6/17/14" written in black ink over a horizontal line.