

Program Progress Update 21

July 19, 2011

Introduction

This is the 21st in a continuing series of Bond Accountability Commission reviews of the design/construction and financial performance of the Cleveland Metropolitan School District's school facilities program funded by Issue 14. The report is based largely on the Construction Manager's monthly report for June, CMSD Finance Department reports for May and June 2011, and interviews with the Construction Manager, the District's Deputy Chief of Capital Projects, and the Senior Planning Director for the Ohio School Facilities Commission.

Segment Status

Segment 1:

A.J. Rickoff (3500 E. 147th St), Miles Park (4090 East 93rd St.), Memorial (410 East 152nd St.), and Riverside (14601 Montrose Ave.) elementary schools are completed, as are John Adams (3817 Martin Luther King Jr. Blvd.), John Hay (2075 Stokes Blvd.), and SuccessTech (1440 Lakeside Ave.) high schools, the East High (1349 E. 79th St.) gym project, and the Warm, Safe and Dry program. A masonry contract claim for Rickoff remains to be resolved and is expected to go to trial.

The long-delayed demolition of the Woodhill-Quincy building is now listed as 71 percent complete and is expected to cost \$672,182.65; the original Project Agreement budget for the demolition was \$685,286.00.

Projected cost: \$206.07 million.

Segment 2:

Warner (8315 Jeffries Ave.), Daniel Morgan (1440 East 92nd St.), Mary Martin (8200 Brookline Ave.), Franklin D. Roosevelt (800 Linn Drive), Hannah Gibbons (1378 Clearaire Road), and Mary Bethune ((11815 Moulton Avenue) elementary schools are completed, as is James Rhodes High School (5100 Biddulph Ave.).

Projected cost: \$102.94 million.

Segment 3:

R.G. Jones (4550 West 150th Street); Artemus Ward (4315 West 140th Street); Garfield (3800 West 140th Street); Patrick Henry (11901 Durant Avenue); Buhrer (1600 Buhrer Avenue); Wade Park (7600 Wade Park Avenue); East Clark (885 East 146th Street); Harvey Rice (2730 East 116th St.) elementary schools and Willson elementary (1122 Ansel Road) are completed, although Willson site improvements are not due for completion until August.

Projected cost: \$138.34 million. That is \$4.65 million over the amended Project Agreement budget. The projected cost includes about \$4.52 million for Locally Funded Initiative (LFI) features not co-funded by the Ohio School Facilities Commission (OSFC); the Project Agreement budget does not include LFI costs.

The projected cost had been in excess of \$20 million over the Project Agreement budget, but the Board of Education and OSFC modified the budget after the fact. The Administration resolution approved by the Board cited market conditions as the reason for the budget increase.

Change orders for construction contracts accounted for about \$6.49 million of Segment 3's cost. The reasons for the changes orders are numerous, including "school district request," "design," "field conditions," and "unforeseen."

Segment 4:

Jamison (13905 Harvard Ave.), **George Washington Carver** (2200 East 49th St.), **Charles Dickens** (3552 East 131st St.), **Adlai Stevenson** (3938 Jo Ann Drive), **Nathan Hale** (3588 Martin Luther King Jr. Drive) and **Euclid Park** (17914 Euclid Ave.) elementary schools are completed, as is the **Thomas Jefferson** K-12 (3145 West 46th St.). Other scheduled occupancy dates: August 2011: **Anton Grdina** (3050 East 77th St.), **Mound** (Ackley Road) elementary schools. The old Stevenson, Mound, Dickens and Grdina buildings are to be demolished in 2011.

Projected cost: \$142.82 million. This amount is about \$21.65 million over the Project Agreement budget.

However, as similarly occurred previously with Segment 3, the Board of Education voted June 28, 2011, to add \$15.58 million to the Project Agreement budget "primarily due to market conditions," which if adopted by the OSFC would make the amended Project Agreement budget \$136.75 million. That in turn would make the projected cost of Segment 4 about \$6.32 million over the amended budget. The projected cost includes about \$7.79 million for Locally Funded Initiative features not co-funded by the Ohio School Facilities Commission; the Project Agreement budget does not include LFI costs.

Contract change orders for Segment 4 have totaled about \$8.6 million. The reasons for the changes orders are numerous, including "school district request," "design," "field conditions," and "unforeseen."

Segment 4 notes:

- Five of the schools (**Nathan Hale, Euclid Park, Dickens, Stevenson and Grdina**) are designed with geothermal heating/cooling systems. The OSFC

will no co-fund these systems, which added about \$3.6 million in LFI costs to the District's Segment 4 bill. CMSD officials hope that the additional expense will be paid off in about 12 years by lowering heating/cooling bills.

- The Academic Transformation Plan, which was adopted in March 2010, eliminated **Charles Lake**, 9201 Hillock Avenue, from the segment. The school has been demolished, and the site is among candidates for a new **Glenville K-8** planned for Segment 6.
- **Mound**, in the Slavic Village area, is intended to meet at least Silver certification standards under the Leadership in Energy and Environmental Design (LEED) program. LEED is an internationally recognized system providing third-party verification that a building was designed and built using strategies aimed at improving performance in energy savings, water efficiency, CO2 emissions reduction, indoor environmental quality, and stewardship of resources. Mound is in effect a pilot project for all future District school construction. Beginning with Segment 5, the OSFC requires that all new or renovated schools meet at least the LEED Silver standard.
- The Master Plan adopted in July 2008 deleted **Audubon** (3055 Martin L. King Jr. Drive), from Segment 4. Audubon was then scheduled to receive \$4.5 million in LFI improvements during Segment 10. The Academic Transformation Plan, however, then designated the school for closure. Audubon was then tentatively designated for demolition in Segment 6, but the Board of Education subsequently in May voted to offer the school for sale. If no buyer steps forward, the school may be demolished.
- The old Mound, Grdina, and Dickens schools are to be demolished this year.
- The occupancy dates for Segment 4 schools range from eight to 24 months beyond the original targets, due chiefly to an extended design review period aimed at controlling costs.

Segment 5:

The new Segment 5 approved as part of the revised Master Plan in July 2008 and outlined in a 2010 Master Plan revision includes three high schools: **Max Hayes Vocational** (West 65th St. and Walworth) for 800 students, targeted for occupancy in August 2015, a postponement of 15 months; **John Marshall** (3952 West 140th St.) for 1,400 students, August 2015 (a postponement of one year); **West Side** (site and completion date to be determined; project abandonment possible) for 600 students; and a preK-12 **Cleveland School of the Arts** (2064 Stearns Road) for 1,000 students, June 2014, a postponement of one month, and reduced to grades 6-12 for 775 students.

The segment as approved in 2008 also included seven PreK-8s: **Almira** (1815 Larchmere Blvd.) for 450 students, due May 2013, a postponement of two months; **Miles** (11918 Miles Avenue) for 450 students, May 2013, a postponement of two months; **Orchard** (4200 Bailey Avenue) for 450 students, June 2013, a postponement of three months; **Paul L. Dunbar** (2200 West 28th St.) for 450 students, May 2013, a postponement of one month; **Louisa May Alcott** (10308 Baltic Road) for 192 students but changed to 226, March 2013; **Forest Hill Parkway** (450 East 112th Street, 350 students), which was eliminated by the Academic Transformation Plan, and **Charles**

Mooney (650 students, 3213 Montclair Avenue), which was removed from Segment 5 last summer.

John Marshall: A problem has arisen over where Marshall's students will attend classes while a new high school is built. Plans to divide them among the Carl Shuler and Brooklawn schools have run into community opposition as well as Board of Education questions about the cost of purchasing modular classroom units to accommodate the students at Shuler and Brooklawn. To resolve these matters, the high school's demolition has been postponed by a year.

However, the neighborhood does not have any readily apparent facilities able to handle the 1,100 currently in the Marshall building. Wilbur Wright may be a candidate for paring the expected swing-school enrollments of Brooklawn and Shuler, but then some or all of the 573 preK-8 students at Wright would have to be moved somewhere.

John Marshall, part two: A group of neighborhood residents, preservation advocates and John Marshall alumni is campaigning to change the planned Marshall replacement, approved by the Board of Education in July 2008, to a renovation in the interest of historic preservation. The original school, built in 1932, was designed by George M. Hopkinson, who also designed John Hay High School, James A. Rhodes High School and a number of other District schools.

Aside from the perceived value of historic preservation, the question of cost arises.

A 2008 assessment by the OSFC estimated the overall cost of renovation at **\$42.51 million**, but it does not break down how much of that would be LFI costs that the OSFC would not co-fund. LFI expenditures can markedly increase local taxpayers' share of school's cost beyond the 32 percent not covered under the OSFC's co-funding rules. (LFI costs for the John Hay renovation in Segment 1 totaled \$1.15 million for features, including the auditorium and pool, not co-funded by the OSFC. Marshall also has an auditorium and pool.)

However, Marshall's rated capacity of 1,751 students is also 351 students more than provided under the current Project Agreement. The District estimates the LFI cost of renovating the excess space at \$8.23 million.

(It is worth noting that, given current enrollment at Marshall of 1,162, or combined Marshall-Carl Shuler enrollment of 1504, that the District very likely will not need space for 1,751 at Marshall in the construction program target year of 2017-18 unless the District locates a citywide-draw specialty program there.)

In fact, if Carl Shuler is kept as the Marshall 9th-grade academy, a new Marshall might only need to be built for 1,100. For further analysis of high school space needs in the District's West Region, see the Bond Accountability Commission's Master Plan Update 14, released in May 2011, at

<http://www.cmsdnet.net/en/Resources/Community/BAC.aspx>)

The current Project Agreement budget for demolition and replacement of Marshall is **\$50.03 million**, not including LFI costs.

The current LFI estimate for a new building is unknown. In 2008, the District estimated Marshall LFI expenses of \$6 million, but that figure included money for a new football stadium, because the plan at the time was to build the school on the current athletic field; now the plan is to erect Marshall on the current building site. LFI costs in

Segment 1 for the new John Adams, which does not have an auditorium or football stadium, were only \$87,678.

The District Administration currently contends that, for local taxpayers, LFI expenses would more than offset the savings from renovation.

The OSFC, in consultation with the Marshall architect, has provided these estimates of cost to local taxpayers (including swing space) for three options: total renovation, **\$30.97 million**; partial demolition, renovation and addition, **\$28.97 million**; and full demolition and replacement, **\$22.08 million**. The BAC has not yet fully evaluated those estimates. However, we should note that the estimate for replacement does not include any LFI costs for the new building, such as for an auditorium; the District has never built a new school that did not have at least some LFI costs.

West Side High: There is every indication at this point that the District will not pursue the 2008 plan to build a 600-student West Side High somewhere between West 665th St. and West 117th St. The Project Agreement budget for the school is \$21.66 million (about \$6.93 million in local tax dollars, not counting LFI costs. The LFI tab probably would be considerable due to the need to acquire land for the school and demolish any existing structures on that land).

The District's Deputy Chief of Capital Projects has expressed a desire to instead preserve available funding for LFI repairs of existing buildings.

In addition, the creation of a Lincoln-West 9th grade academy at the new Thomas Jefferson school, as well as a recent sharp drop in Marshall enrollment, have largely reduced high school overcrowding on the city's West Side, making a new West Side High expendable from that standpoint.

Segment 5 Project Agreement budget: \$201.32 million.

Segment 5 notes:

- The start of Segment 5 was delayed more than a year by the Academic Transformation Plan process. The District awarded architectural and engineering design bids in March.
- The elementary-school construction contracts are to be bid in September and October this year.
- Architectural/engineering design work continues for all schools except the West Side High.
- The previously planned demolition of Mooney is on hold.
- Forest Hill Parkway has been offered for sale to charter-school operators at the price of \$200,000. So far, there have been no takers. The offer expires Aug. 23. If no buyers come forward, the building likely will be demolished.
- The Cleveland School of the Arts is to be demolished over the next year.

Segment 6:

On Nov. 16, 2010, the Board of Education authorized a Segment 6 Project Agreement for construction of **Glenville** (\$15.1 million), **Case** (\$14.6 million) and **Buckeye-Woodland** (\$15.9 million) K-8s and demolition of **Mount Auburn, A.B. Hart, Alexander Hamilton, Audubon, Empire, Gracemount, Henry Longfellow, Jesse**

Owens, John Raper, Joseph Landis, Louis Pasteur, Robert Fulton, and Stephen Howe schools. However, any demolitions are pending results of the District’s offering of most of these schools to charter school operators to satisfy requirements of Ohio law. The purchase options expire Aug. 23, 2011. Empire and Howe were subsequently designated to be kept for storage or possible use as swing sites or future new school sites.

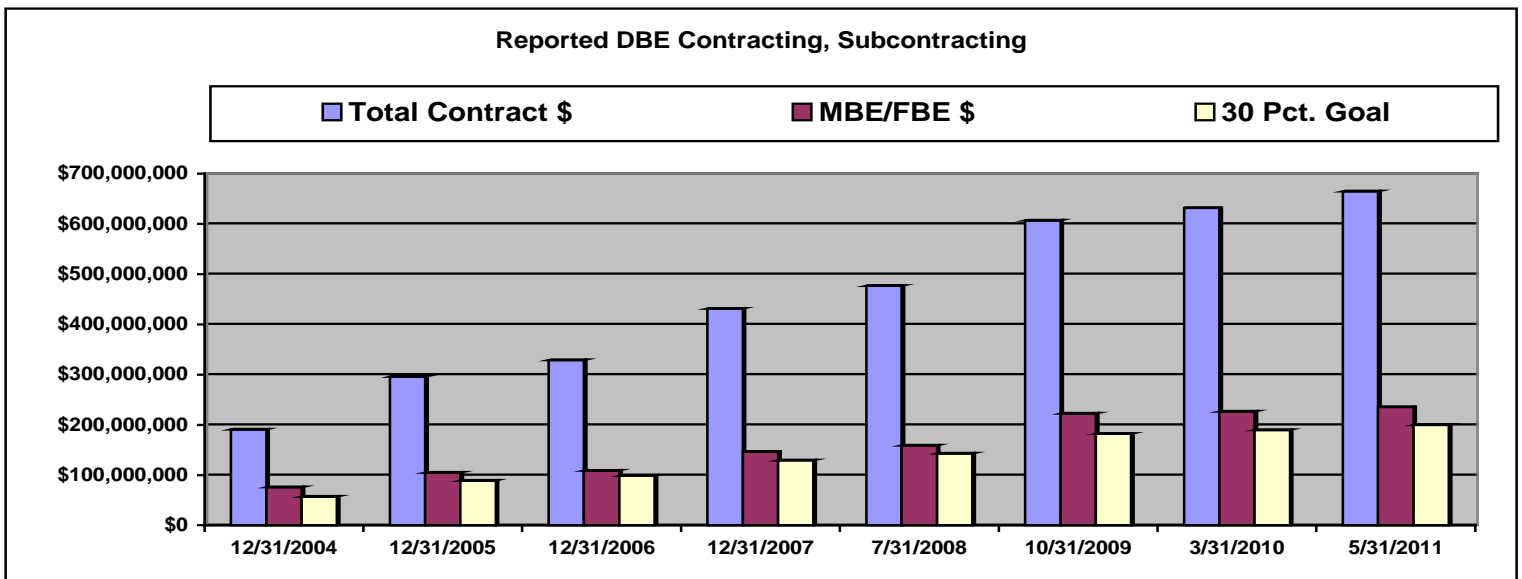
In March 2011, resolutions authorizing architects, commissioning agents, and environmental, construction-testing and maintenance plan-advisory services for Segment 6 schools were pulled from the Board agenda and have not been re-submitted.

Community Inclusion

Contracting:

The District’s goal for construction contracts is 30 percent participation by minority- or female-owned firms. As of May 31, 2011, the reported participation level was 35.86 percent.

However, the District’s report contains this footnote: **“MBE/FBE percentages reflect negotiations with contractors at the time authorizing resolutions go to the Board for approval. These percentages may vary throughout the construction process. Final award percentages will be available at construction end.”** In other words, these percentages represent non-binding pledges by prime contractors before work has begun and therefore might not represent what really occurred. Final contract closeout of Segments 1 and 2 is expected soon, according to the Construction Manager’s report, so we hope to receive final DBE participation numbers soon thereafter. At that time, the BAC will also examine whether the District’s figures reduce the dollar amounts reported for DBE contractors by the amounts that they paid to non-DBE subcontractors.



Workforce participation:

The School District has set non-binding goals for workforce participation in the construction program as 20 percent for minorities, 5 percent for women, and 20 percent for District residents. The project-by-project breakdown below shows that the goals have largely not been met for schools but have been exceeded on smaller projects for which the District has more discretionary authority in hiring.

The District compiles these figures from certified payroll reports, and it employs a consultant to monitor work sites to ensure that the payroll reports reflect the on-the-job demographics. However, the BAC has identified a number of school-repair/improvement projects funded by Issue 14 that do not appear to be included in the District's reports, and it is working to resolve that issue.

CMSD Workforce Participation, June 30, 2011

	Total Hrs	Minority Hours	Female Hours	CMSD Resident
Segment 3				
Artemus Ward	94,357.52	11,772.07	12.48%	2,798.00 2.97% 16,032.49 16.99%
Buhrer	79,303.50	12,810.50	16.15%	3,617.00 4.56% 13,864.50 17.48%
East Clark	81,329.35	17,357.39	21.34%	1,129.75 1.39% 10,808.29 13.29%
Garfield	70,488.75	12,767.00	18.11%	2,302.75 3.27% 12,622.00 17.91%
Harvey Rice	100,251.75	18,425.25	18.38%	2,072.00 2.07% 13,219.75 13.19%
Patrick Henry	108,690.50	16,306.25	15.00%	4,506.00 4.15% 17,060.75 15.70%
RG Jones	86,097.88	12,747.57	14.81%	4,760.50 5.53% 10,148.65 11.79%
Wade Park	82,102.22	14,331.25	17.46%	2,643.50 3.22% 17,576.40 21.41%
Willson	83,344.55	21,277.00	25.53%	2,067.50 2.48% 15,240.25 18.29%
Totals	785,966.02	137,794.28	17.53%	25,897.00 3.29% 126,573.08 16.10%
Segment 4				
M. Cleaveland demo	2,546.25	1,875.75	73.67%	0.00 0.00% 1,485.00 58.32%
Charles Lake	620.50	22.50	3.63%	0.00 0.00% 62.50 10.07%
Euclid Park	44,202.75	9,739.50	22.03%	748.50 1.69% 5,896.25 13.34%
Thomas Jefferson	83,084.89	9,731.38	11.71%	1,827.50 2.20% 10,010.41 12.05%
Jamison	70,803.69	10,066.25	14.22%	1,732.00 2.45% 12,926.25 18.26%
G.W. Carver	86,324.16	15,181.75	17.59%	835.50 0.97% 13,434.00 15.56%
Mound	59,623.60	10,430.00	17.49%	1,188.50 1.99% 7,156.00 12.00%
Nathan Hale	70,450.16	14,950.13	21.22%	785.00 1.11% 16,493.00 23.41%
Adlai Stevenson	82,469.75	16,355.75	19.83%	3,928.25 4.76% 13,504.50 16.38%
Adlai Stevenson site	3,661.25	1,925.00	52.58%	851.00 23.24% 651.75 17.80%
Charles Dickens	70,705.83	15,164.78	21.45%	3,182.25 4.50% 15,901.65 22.49%
Anton Grdina	74,415.77	8,733.97	11.74%	1,060.00 1.42% 9,224.97 12.40%
Totals	648,908.60	114,176.76	17.60%	16,138.50 2.49% 106,746.28 16.45%
Segment 5				
Almira	5,389.75	1,412.25	26.20%	0.00 0.00% 873.50 16.21%
Dunbar	3,069.00	2,349.00	76.54%	120.00 3.91% 629.00 20.50%
Miles	2,374.25	1,721.25	72.50%	16.75 0.71% 1,045.75 44.05%
Orchard	4,398.75	2,865.25	65.14%	230.25 5.23% 2,528.25 57.48%
Totals	15,231.75	8,347.75	54.80%	367.00 2.41% 5,076.50 33.33%

CMSD Workforce Participation, June 30, 2011

	Total Hrs	Minority Hours		Female Hours		CMSD Resident	
Other projects							
Administration Bldg.	4,169.50	118.50	2.84%	19.00	0.46%	103.50	2.48%
Alexander Hamilton	90	44	48.89%	0.00	0.00%	0.00	0.00%
Collinwood	15,781.00	1,422.00	9.01%	659.00	4.18%	2,058.50	13.04%
Facelift	32,520.50	17,211.00	52.92%	4,099.00	12.60%	19,159.50	58.92%
John Raper FERP	400.50	233.00	58.18%	0.00	0.00%	13.00	3.25%
McKinley FERP	386.75	214.50	55.46%	0.00	0.00%	0.00	0.00%
Alfred Benesch	2,830.00	1,159.50	40.97%	107.00	3.78%	1,086.50	38.39%
Bratenahl	9,270.25	1,198.50	12.93%	675.50	7.29%	1,750.25	18.88%
Giddings	980.00	366.50	37.40%	0.00	0.00%	201.50	20.56%
WSD 2008	4,846.00	1,151.00	23.75%	95.00	1.96%	1,615.00	33.33%
WSD 2009 A.B. Hart	3,528.55	2,611.55	74.01%	0.00	0.00%	2,611.55	74.01%
WSD 2009 Almira	133.50	0.00	0.00%	0.00	0.00%	69.50	52.06%
WSD 2009 Davis	4,288.00	2,413.25	56.28%	440.50	10.27%	1,591.00	37.10%
WSD 2009 Pasteur	1,141.00	20.00	1.75%	0.00	0.00%	0.00	0.00%
WSD 2009 W. Wright	11,437.50	1,765.00	15.43%	668.50	5.84%	2,319.50	20.28%
WSD 2009 M. Spellacy	6,109.75	4,349.75	71.19%	239.50	3.92%	3,173.00	51.93%
WSD 2009 MLK	535.50	42.00	7.84%	0.00	0.00%	0.00	0.00%
WSD 2009 P. Dunbar	812.50	0.00	0.00%	0.00	0.00%	380.50	46.83%
WSD 2009 Lincoln-West	1,488.50	43.00	2.89%	0.00	0.00%	142.00	9.54%
WSD 2010 G. Morgan	3,562.75	265.50	7.45%	102.00	2.86%	351.00	9.85%
WSD 2010 Wash. Park	1,403.00	39.00	2.78%	3.25	0.23%	55.50	3.96%
WSD 2010 Ginn Acad	5,887.25	1,766.00	30.00%	0.00	0.00%	1,050.25	17.84%
WSD 2010 Glenville	7,596.75	3,120.25	41.07%	448.00	5.90%	3,784.50	49.82%
WSD 2010 East Tech	4,440.25	273.00	6.15%	24.00	0.54%	599.50	13.50%
WSD 2010 W. Young	2,441.50	490.50	20.09%	0.00	0.00%	298.00	12.21%
Mound Properties	1300.25	391.5	30.11%	0.00	0.00%	462	35.53%
Totals	127,381.05	40,708.80	31.96%	7,580.25	5.95%	42,875.55	33.66%

Contact the BAC: You may reach the Bond Accountability Commission at bondaccountability@hotmail.com, or call (440) 781-8654.