

**Manhattan Beach Unified School District (“MBUSD”)  
Measure BB Citizen’s Bond Oversight Committee  
Report Dated December 31, 2012**

**This report covers the period from July 1 through December 31, 2012**

**Executive Summary**

The overall project is on schedule and on budget, to the best of our knowledge, based on contractor (Bernards) physical progress reports, District financial reports and project inspection by the Committee.

**Phase 1** — The all new math and science building that has a \$25.8 million budget and is 48% of total project, is on schedule towards full use by Mira Costa students by fall of 2013. \$13.6 million or 53% of budgeted cost has been spent for Phase 1 as of Dec 2012.

**Phase 2** — Refurbishing and upgrading of 13 buildings that has a \$6.8 million budget and is 13% of total project, is scheduled to start in June 2013 and be complete by the end of 2013 in time for spring semester use. Only \$0.5 million or 7% of the budgeted cost has been spent as of Dec 2012. It is too early to express an opinion on the schedule and cost of this part of the project.

**Phase 3** — Tear down four old buildings and build three new buildings, plus create a large outdoor central quad that has a \$13.1 million budget and is 25% of the total project. This will start in late 2013 and be completed at the end of 2014. Virtually nothing has been spent. It is too early to express an opinion on the schedule and cost of this part of the project.

**Other costs** that include architect fees, furniture and equipment plus numerous other fees and expenses have a \$7.8 million budget and are 14% of the total project. \$5.7 million or 73% of the budgeted “Other” cost has been spent as expected through Dec 2012 because these are mostly front-end costs. This area continues to be closely monitored by the Committee. All bond spending has been in accordance with the terms and conditions spelled out by the State and District.

**Committee confidence** in a good project outcome is supported by two conditions: First, the District and contractor are working together to make small formal adjustments to construction details in order to keep on schedule and on budget. Second, the District, if required, will make adjustments to scope, within the requirements of the bond framework to keep the project within the Guaranteed Maximum Price (GMP). The District has shown good discipline to keep all aspects of the project within bond requirements. These actions are explained more fully in Section III of the following report.

**More detail** is provided by a one page financial summary on the attached “**Exhibit B**” and the one page overall schedule on the attached “**Exhibit C**” A full report follows with

more complete descriptions and status in Sections III & IV. Much greater detail is available at [www.mbusd.org](http://www.mbusd.org) by clicking on the "Mira Costa Construction Project" box.

## **I. Purpose of the Report**

In conjunction with the passing of Measure BB that provides for new and upgraded Mira Costa High School buildings and retirement of certain prior bonded indebtedness, the MBUSD Board of Trustees ("the Board") appointed a Citizens Bond Oversight Committee ("the Committee") to ensure the MBUSD's compliance with Proposition 39 (as discussed below).

For more background information regarding Measure BB, please refer to the Committee's reports as of June 30, 2012 and prior located in the MBUSD Bond Oversight Committee website folder at:

[http://www.mbusd.org/apps/pages/index.jsp?uREC\\_ID=138392&type=d](http://www.mbusd.org/apps/pages/index.jsp?uREC_ID=138392&type=d)

The purpose of this report is to inform the MBUSD Board and the public, concerning the expenditure of the bond proceeds and compliance with Proposition 39 and the MBUSD Measure BB Bylaws. This report covers the period from July 1, 2012 to December 31, 2012.

## **II. Purpose and Responsibility of the Committee**

As stated by AB 1908 (please refer to the Committee reports dated June 30, 2012 and prior for additional background regarding AB 1908, if interested), the purpose of the Committee is to inform the public at least annually in a written report concerning the expenditure of the bond proceeds. In carrying out this purpose the Committee will:

- a. Actively review and report on the proper expenditure of the taxpayers' money for school construction.
- b. Advise the public as to whether the school district is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

The Board has further clarified that the objectives for the Committee shall include the following purpose and goals:

**Purpose:** To ensure that General obligation Bond funds are used in accordance with the intention of the voters and with the highest possible level of efficiency so that Mira Costa High School is renovated and improved

to better serve the educational needs of the students in our community.

Goals: To validate to the community and to the Board of Trustees that all funds are expended as stated in the bond proposal and as approved by voters on November 4, 2008.

To provide progress reports to the Board of Trustees, MBUSD staff, parents, and members of the community.

The MBUSD Board also established Committee Bylaws, which identified additional duties and responsibilities. In addition to the responsibilities required by Proposition 39, the following are highlights from those Bylaws.

The Measure BB Committee's mission is to independently review and authenticate the planning and execution of the MBUSD Measure BB bond program and inform the public and Board concerning the expenditure of bond proceeds and to ensure that such bond proceeds are expended in accordance with the intention of the voters and state law.

The Committee is required by Proposition 39 to issue a report on an annual basis. The Measure BB Committee By-Laws, however, require that a report be issued on a semi-annual basis.

At the time that Measure BB was approved by the voters, a list of proposed projects (see the list on the attached "Exhibit A"), along with the initial estimates of spending, was provided to the voters. The intent of the MBUSD was to allocate spending based on a preliminary construction plan for the high school. MBUSD is not required to complete all projects on the initially adopted project list, but Measure BB funds cannot be used for work outside of the project list. The Committee is required to report on whether the project expenditures are consistent with Measure BB.

Due to limited activity with the Measure BB Project during the years 2009 through 2011, and limited project spending during those years, this is the seventh report issued by the Committee.

### **III. Project Description and Status – Physical and Financial**

#### **Physical Project**

**Overview** — The main activity of the project, funded by the Measure BB bonds, is construction of new buildings, demolition of obsolete buildings and upgrade of buildings worth saving, plus a central outdoor area at Mira Costa High School. This is being done in three phases described below. The District is committed to completing all mandatory tasks of Measure BB within the funds allowed and to spend funds only on BB tasks. Phase 3 includes some optional tasks that will allow the District to adjust what is

accomplished (plus or minus) to use the Measure BB funds for maximum good, all within the BB formal scope.

**Build and Teach** — Most of this construction work, done over a three-year period, will happen while students and teachers at Mira Costa are doing normal school work. This requires a complex dance of moving classrooms and administration, choreographed by the joint planning effort of the contractor and the District. This is the primary reason for three distinct phases with some overlap. Many detailed milestones within the three phases are key to moving classrooms and administration from old to new or refurbished at times and in ways that will not disrupt teaching. Alternative concepts can deal with construction delays if needed but are not expected.

**Video** — An excellent animated video of the three construction phases and how this greatly improves the whole Mira Costa campus is available on YouTube at <http://www.youtube.com/watch?v=vtipbfcEA80&feature=youtu.be>

**On Schedule** — So far the project is on or ahead of schedule as the result of a number of small changes on how and when construction has been done. This includes some Phase II work done early. These adjustments have resulted in no cost changes and are formalized in writing. Opportunities for further improvements of this type will be pursued by the District working with the contractor. It is not practical or useful to determine percent completion of the physical project, only how it is doing with respect to the original schedule as stated above. A one page summary schedule of the entire building project is attached as “**Exhibit C**”. This shows how all three phases described below fit together. A much more detailed schedule is available at [www.mbusd.org](http://www.mbusd.org) as part of the latest Bernards report.

**Phase 1** — This phase is by far the largest / longest and involves building what amounts to two buildings under one roof that is called the math and science building (M&S). The southern building is three stories and the northern building is two stories. It is being built on an old parking area; a new parking area north of the M&S building is part of this phase. A total of \$25.8 million is budgeted for this phase or 48% of the construction project. Construction was started in late 2011 and is scheduled to be completed in August 2013 in time for use in fall classes.

By Dec 2012, \$13.6 million or 53% of the Phase 1 budget had been spent. The rough building structure, inside and out, is complete. Rough electrical, plumbing, heating and air conditioning is mostly complete. A substantial amount of all types of finish work has started. The building is largely sealed to weather. To accommodate classes starting in fall of 2013, regular school equipment and supplies must be moved, set up and working in the new building earlier, while the last of finish construction continues. Much of the equipment and supplies will come from the existing buildings that must be emptied in early summer in order to start the main part of Phase 2 on time. There is also some new furniture to be moved into the M&S building.

So far the new math and science building is on schedule and details are being planned on how and when to move the different equipment and supplies so that the Phase 2 buildings are empty on time. It looks like the Guaranteed Maximum Price (GMP) for Phase 1 will not be exceeded, with a possibility that there will be extra funds that can be used to enhance Phase 3.

**Phase 2** — This phase is the smallest and fastest and is totally devoted to refurbishing and upgrading 13 existing buildings, including the eight finger buildings plus administrative buildings. This has already started, in a small way, for tasks outside the schoolrooms and will accelerate in late June 2013, after school is out. Phase 2 is scheduled to be finished by late 2013. The GMP for Phase 2 is \$6.8 million, which is 13% of the total building estimate. Only \$0.5 million or 7% of the Phase 2 budget had been spent on early work by Dec 2012.

The Phase 2 scheduled completion date allows the refurbished classrooms and administrative buildings to be in full use for the spring semester starting in early 2014. At the end of the fall semester, these Phase 2 refurbished buildings will be filled mostly by moving teaching and administration out of buildings that will be demolished or refurbished in Phase 3. This schedule will allow the major work of Phase 3 to start on time in late 2013. It is too early to express an opinion on the schedule and cost of Phase 2.

**Phase 3** — This phase contains a variety of tasks that wrap up the project to meet overall Measure BB requirements. These include destruction of four old buildings, construction of three new buildings, more refurbishment of sound old buildings and major landscaping for a student outdoor area. The new buildings include: 1) multipurpose / theater, 2) band and orchestra practice, and 3) satellite café buildings. The landscaping will provide a new sizable central quad area for students and significantly change the look and feel of the whole campus.

As noted above, there are optional, relatively minor, Phase 3 tasks that can be added or subtracted to optimize use of BB funds. An example is details of how the interior of the new multipurpose building is finished that does not change the basic function but could enhance the quality of sound. Decisions on these optional tasks will probably be made by the District starting near the end of Phase 2 in late 2013. Based on progress to date, the district hopes to add tasks to Phase 3 while staying within the fixed budget.

Phase 3 is scheduled to start in late 2013 and be complete by the end of 2014, which will also complete the entire building project. The GMP for Phase 3 is \$13.1 million, which is 24% of the total building estimate. It is too early to express an opinion on the schedule and cost of Phase 3. Very little has been spent on Phase 3 by Dec 2012 (0%).

**Other Costs** — These are costs for tasks directly related to the construction project that are not assigned to the individual phases above. These tasks are estimated to cost \$7.8 million, which is 14% of the total building estimate. The largest of these tasks by far is architect fees, with engineering, inspection, legal, consulting and insurance fees much smaller. Some furniture and equipment plus several smaller miscellaneous costs are also

included. These costs are paid as services are rendered and are independent of Bernards costs or billing. Many of these tasks have been done early in the project, as planned, so \$5.7 million or 73% of the budget is already spent. There appears to be enough funds in this category to finish the project as planned but continues to be closely monitored by the Committee.

## **Financial Project**

**Lease-Leaseback** — A “Lease-Leaseback” (LLB) agreement / contract with the contractor (Bernards) governs how monthly payments are made and locks in the fixed Guaranteed Maximum Price (GMP) for the District’s carefully defined work scope. An LLB is authorized under Ed. Code 17406 by the State. LLBs have become widely used and are well tested statewide.

**LLB Advantages** — At the beginning of the project an LLB allows the District to select the winning contractor based upon overall qualifications and eliminates the requirement to select the lowest bidder. Nevertheless, price competition drove down the GMP to an attractive level for the District allowing increased scope. During the project, an LLB simplifies monthly payments to Bernards to costs incurred less a 10% of costs lease payment holdback that will eventually be paid. Bernards provides monthly detailed financial / spending reports on how money was spent to standard construction categories such as “concrete, equipment, electrical, etc”. At the end of the project, the LLB keeps the total funds paid to complete the project to the fixed GMP as long as the scope has not changed.

**LLB Requirements** — The three most important requirements to make the LLB work well for the District are: first, an accurate and sufficiently detailed set of architectural plans that describe the project, second, discipline by the District not to change the scope so as to increase the GMP and third, hiring a contractor that will live within the GMP no matter what. After 14 months (of 38) of construction both the architectural plans and the District’s discipline have been up to the challenge of staying within the GMP. So far, Bernards is proving to be a good partner. There are some indications the project is slightly under spending that could allow increased scope in Phase 3 as mentioned above.

**Contract Changes** — The contract provides for Contract Change Orders (CCO) that change the scope. There have been no CCOs and it is possible there will be none for the whole project as that is the District’s intent. The contract also provides for Construction Change Directives (CCD) that only change how construction is done without changing scope. So far there have been 25 CCDs that have had a plus and minus effect on contract dollars with a cumulative zero change. Both CCOs and CCDs are formal written contract documents with detailed information.

The District and Bernards have used CCDs to deal with both minor and significant construction issues that have arisen during the project. The district is committed to finding ways to keep the net effect of CCDs to be no change at worst and allowing

enhancements to Phase 3 at best. So far the District has been successful at accomplishing this.

**Contingency Funds** — The contract included contingency funds of \$0.6 million for Bernards’ construction effort. Bernards has reduced its estimate for Phase 1 by about \$0.6 million, thus increasing the total contingency to about \$1.2 million. The contract allows Bernards to use contingency funds only for situations where subcontractors are unable to fulfill their contractual obligations. Selection of reliable subcontractors minimizes this expense. Bernards has agreed to allow any unused contingency funds at the end of the project to revert to the District. The District intends to use any such funds to increase the scope of Phase 3 as noted above.

**Spending Status** — Because of the nature of the LLB monthly and cumulative payments, spending gives, at best, only a general idea of how much work is completed. It is not practical or useful to give too much meaning to spending in relation to the amount of physical project completed. This result is not different from other contract forms. Total construction spending to date is \$18.5 million, which is 35% of the total \$53.6 million construction budget. This is detailed in the table below and is further detailed in the one page attached “**Exhibit B**”. Bernards supplies a much more detailed monthly spending report at [www.mbusd.org](http://www.mbusd.org).

Overall BB Bond budget and spending in millions through 12/31/12

Spending Category	Current Budget	% of Build	Spent 12/12	% Spent	To Be Spent
Phase 1	\$25.8	48%	\$13.6	53%	\$12.2
Phase 2	\$6.8	13%	\$0.5	7%	\$6.4
Phase 3	\$13.1	24%	\$0.2	0%	\$12.9
Lease Credit*	--	--	-\$1.4	--	\$1.4
Sub Total Bernards LLB	\$45.8	85%	\$12.9	28%	\$32.9
Other Construction	\$7.8	15%	\$5.7	73%	\$2.1
Total Building	\$53.6	100%	\$18.5	35%	\$35.1
Debt Service	\$12.7	--	\$13.7	108%	-\$1.0
Insurance & Underwrite	\$1.2	--	\$0.6	50%	\$0.6
Total Budget / BB Bond	\$67.5	--	\$32.8	49%	\$34.7

\* Lease credit is a mutually agreed lease hold back that will eventually be paid. Spending is generally as expected and planned and is being audited by an independent auditor as required by State law. The Bond Oversight Committee is comfortable that the physical and financial progress to date is at least as good as planned and maybe slightly better.

#### IV. Measure BB Project Scope, Budget and Spending Summary

The Measure BB *initial* project scope and budget, totaling \$67,480,000, included: (1) \$13,500,000 for the payoff of existing debt and (2) \$53,980,000 for new construction and enhancements. The attached “**Exhibit B**” outlines the Measure BB budget as revised and reported in the Committee’s report dated December 31, 2011. In addition, actual spending as of December 31, 2012 is compared to the budgeted amounts in “**Exhibit B**”.

As of December 31, 2012, the following amounts have been disbursed related to Measure BB (as summarized on the attached “**Exhibit B**”). Expenses incurred after June 30, 2011 are due to be audited in the first quarter of 2013 by the firm of Vavrink, Trine, Day, & Co., LLP. Total project spending as of December 31, 2012 is \$ \$32,783,356.

**Existing Debt:** a total of \$13.7 million from Measure BB funds was used to retire the existing debt (incurred during previous MBUSD projects) since the inception of Measure BB. \$7.6 million was paid during 2012, most of which was paid ahead of schedule. The Board made the decision in early 2012 to pay off all the debt in advance in order to avoid higher costs in the future. Although a total of \$12.7 million was initially budgeted for in Measure BB, the total debt retired was \$13.7 million. The Board has indicated that, if necessary, the additional \$1 million of debt paid down can be funded or supplemented by another MBUSD fund. These payments were made in compliance with the Measure BB guidelines.

**Bond Issuance Costs:** \$575,441 has been paid for costs related to the issuance of bonds.

**Construction and Related Expenses:** \$18,507,870 has been spent on Measure BB construction related activities through December 31, 2012. Expenditures to date include the following, which are all within the expected spending levels:

Inception through December 31,2012	
	Amount
<b>Construction:</b>	
Phase I	\$13,617,509
Phase II	454,606
Phase III	208,534
Gross Construction Spending	14,280,649
Lease Payment Credit (10% Retention)	(1,428,064)
<b>Net Construction Spending</b>	<b>\$12,852,585</b>



<b>Soft Costs:</b>	
Architectural Fees	3,091,053
Engineering Fees	481,514
Building Inspections	306,554
Legal Fees and Department of State Architects Costs	402,405
Pre LLB Construction Costs	456,669
Insurance	801,504
All Other	115,586
<b>Total Soft Costs</b>	<b>\$5,655,285</b>
<b>Grand Total Construction and Soft Cost Spending</b>	<b>\$18,507,870</b>

The Board brought to the Committee's attention that approximately \$67,000 of architect fees were charged to Measure BB that do not relate to Measure BB activities. Adjustments totaling \$28,329 have been made to remove such charges from Measure BB Spending as of December 31, 2012. The District is continuing to investigate these charges and will adjust the remaining balance in future months.

## V. Recent Committee Activities and Measure BB Highlights this Reporting Period

The following activities have been conducted and milestones achieved during the period from July 2012 through December 2012 by the Committee.

1. The Committee held five meetings during the six-month period. The July 16, 2012 meeting was cancelled due to vacation commitments on the part of Committee members. On December 10, 2012 the Committee welcomed five new members appointed by the Board to replace termed-out members. Seven members were termed out including Chairman, Tim Flake and Vice-Chairman, Gary Osterhout. The Committee elected Greg Vena as Chairman and Kathleen Paralusz as Vice-Chairman. Chris Bremer was elected to aid Linda Huber, District administrative secretary, in recording the minutes of Committee meetings, presenting the minutes to the Committee for approval and acting as Webmaster. Members Paul Gross, Chris Bremer and Jacqueline Zuanich-Ferrell will be responsible for the writing of the two semi-annual reports for 2013. Section VI further discusses the Committee membership transition.

2. The Committee business during this period was primarily related to review of construction progress, expenses incurred, the semi-annual report for period January 1, 2012 through June 30, 2012 and the legally required independent audit reports. Many members of the Committee participated in visits to the construction site in September and November. Site visits were led by Dan Petite of Bernards. Committee members expressed satisfaction with overall progress and being able to view first-hand the complexity of the building process.
3. The Bernards' monthly status reports provided to the Board have also been provided to the Committee. The reports include project status, photographs of work in progress, financial data, and detailed schedules. They are posted on the Measure BB website in the Reports, Documents and Resources folder.
4. The Committee asked for a copy of the written procedures used by the District's auditors and MBUSD board member, Ida VanderPoorte, agreed to this request and will supply the Committee with same.

## **VI. Committee Appointment and Membership**

Pursuant to Proposition 39 and the MBUSD Bylaws, the Committee shall consist of at least seven members (and may be larger) to serve for a term of two years, without compensation, and for no more than two consecutive terms. The Committee may not include any employer or official of the school district or any vendor, contractor, or consultant of the school district. The Committee must include all of the following:

- One member who is active in a business organization representing the business community located within the school district;
- One member active in a senior citizen's organization
- One member active in a bona fide taxpayer association;
- One member shall be the parent or guardian of a child enrolled in the district.
- One member shall be both a parent (or guardian) of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or school site council.

As of the date of this report, there are eleven Committee members, and all of the above committee member requirements have been met.

## VII. Conclusion

It is the opinion of this Committee that:

- The projected budget for Measure BB is in compliance with Proposition 39 and with the Measure BB as approved by the Manhattan Beach community voters on November 4, 2008.
- All Measure BB spending incurred as of December 31, 2012, appears to be appropriate based on the projected budget of Measure BB.
- The Committee and the Committee members meet the requirements as set forth in Proposition 39 and the Bylaws.
- The MBUSD Board and management have been cooperative with requests for information from the Committee, and have been attentive and responsive to the Committee's recommendations.

Respectively submitted by Measure BB Oversight Committee Members:

Chris Bremer:	Parent of MBUSD student
Austin Garrison*:	Parent of MBUSD student and PTA member
Paul Gross*:	Manhattan Beach citizen
Duane Hove:	Member of senior citizen's organization
Steven Nicholson*:	Manhattan Beach citizen
Kathleen Paralusz*:	Manhattan Beach citizen
Lester Silverman:	Parent of MBUSD student and Member of business organization
Anthony Craig Underwood*:	Parent of MBUSD student
Greg Vena:	Parent of MBUSD student
Carlos Vigon:	Manhattan Beach citizen
Jacqueline Zuanich-Ferrell:	Taxpayers' Organization member

Newly appointed Committee members denoted by \*

## EXHIBIT A

### PROJECT LIST

The District intends to use the proceeds of the Bonds to finance or refinance some or all of the below-listed projects, upon voter approval, at tax rates not exceeding \$37.00 per \$100,000 of assessed value::

#### **MIRA COSTA HIGH SCHOOL**

##### **NEW MATH/SCIENCE INSTRUCTIONAL BUILDING**

- Replace deteriorated, outdated classrooms with new math/science classrooms
- Replace 58-year-old obsolete science labs with new science labs aligned to current science curriculum standards and graduation requirements
- Construct 3 science/math teacher preparation rooms
- Replace deteriorated restrooms, plumbing and water/sewer systems with new facilities
- Replace all deteriorated electrical, mechanical, heating, cooling, ventilation and utility systems and improve energy efficiency to meet new construction high efficiency standards

##### **NEW ACADEMIC INSTRUCTIONAL BUILDING**

- Replace aging classrooms with new academic classrooms
- Construct a multi-purpose lecture classroom for large group instruction/events
- Replace deteriorated restrooms, plumbing and water/sewer systems with new facilities
- Replace all deteriorated electrical, mechanical, heating, cooling, ventilation and utility systems and improve energy efficiency to meet new construction, high efficiency standards

**TECHNOLOGY UPGRADES:** Improve educational technology infrastructure throughout campus, including upgrading outdated cable, fiber-optics, hardware, technology and telecommunications infrastructure

**CAREER/TECHNICAL SKILLS CENTER:** Repair and renovate large multi-purpose classroom facilities for high-tech job training (Career Technical Education), including, but not limited to, auto diagnostics, computer aided design (CAD), sheet metal fabrication, etc.

**ARTS INSTRUCTIONAL FACILITIES:** Repair/renovate/reconfigure deteriorated 58-year old classrooms, studios, art labs, practice rooms, etc. in this building

**SAFETY:** Upgrade fire safety, emergency communications systems indoor/outdoor lighting, walkways, hardscape, fencing and security systems for improved safety/security

**STUDENT SUPPORT:** Relocate/reconstruct/reconfigure school spaces/facilities to improve one-stop access for student support services—e.g. counseling, administration, special education, speech therapy, occupational therapy, health services, Independent Study, food services, etc.

**HIGH SCHOOL MAINTENANCE BUILDING:** reconstruct facility to replace 58-year old deteriorated, inadequate maintenance/grounds building.

## **DISTRICT-WIDE**

- Pay or prepay the District's remaining Certificates of Participation, Series A of 2001 and the District's Certificates of Participation (2002 Capital Improvement Project), in the total outstanding principal amount of \$12,195,000.

## **AT LOCATIONS WHERE RENOVATION, MAJOR REPAIRS AND/OR NEW CONSTRUCTION IS UNDERTAKEN**

- Remove hazardous materials (asbestos, lead, mold, mildew, etc.) where necessary
- Address unforeseen conditions revealed by construction/modernization (e.g. plumbing, or gas line breaks, dry rot, seismic structural, etc.)
- Improve schools as required to comply with existing building codes, including the Field Act, and access requirements of the Americans with Disabilities Act
- Provide adequate furniture and equipment for all classrooms, and spaces to be newly constructed or reconstructed, including classroom technology, computer and science equipment, and book storage, and replacement of worn/broken/out-of-date furniture and equipment
- Demolition of existing buildings to be replaced
- Acquisition of any of the facilities on the Project List through temporary lease or lease-purchase arrangements, or execution of purchase options under a lease for any of these authorized facilities
- Necessary site preparation/restoration in connection with new construction, renovation or remodeling, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to property
- Replacement construction if Board of Trustees determines that replacement is more economical than rehabilitation/renovation of existing classrooms
- Provide temporary (interim) classrooms and other school facilities as needed to accommodate students and school functions displaced during construction

**MBUSD Measure BB Bond Oversight Committee Report, December 31, 2012**

**Exhibit B - Project Budget and Spending**

Phase 1	Bernard's Estimate as of 12/31/11	Expenditures			Remaining Balance Available	
		Inception through 12/31/11	Jan - Dec. 2012	Total through Dec. 31, 2012		
1	General Requirements	\$ 2,679,678	\$ 693,013	\$ 1,267,383	\$ 1,960,396	\$ 719,282
2	Site Construction	\$ 2,362,451	\$ -	\$ 831,534	\$ 831,534	\$ 1,530,917
3	Concrete	\$ 2,361,903	\$ -	\$ 2,076,834	\$ 2,076,834	\$ 285,069
4	Metals	\$ 4,068,315	\$ -	\$ 3,567,147	\$ 3,567,147	\$ 501,168
5	Wood and Plastics	\$ 147,944	\$ -	\$ 18,188	\$ 18,188	\$ 129,756
6	Therm and Moisture Protection	\$ 1,045,655	\$ -	\$ 452,509	\$ 452,509	\$ 593,146
7	Doors and Windows	\$ 1,984,159	\$ -	\$ 462,457	\$ 462,457	\$ 1,521,702
8	Finishes	\$ 2,051,542	\$ -	\$ 823,593	\$ 823,593	\$ 1,227,949
9	Specialities	\$ 419,115	\$ -	\$ 2,159	\$ 2,159	\$ 416,956
10	Equipment	\$ 459,860	\$ -	\$ 14,285	\$ 14,285	\$ 445,575
11	Furnishings	\$ 848,315	\$ -	\$ 125,893	\$ 125,893	\$ 722,422
12	Special Construction	\$ 121,877	\$ -	\$ 73,616	\$ 73,616	\$ 48,261
13	Conveying Systems	\$ 119,306	\$ -	\$ 53,482	\$ 53,482	\$ 65,824
14	Mechanical	\$ 3,859,452	\$ -	\$ 2,043,389	\$ 2,043,389	\$ 1,816,063
15	Electrical	\$ 2,717,696	\$ -	\$ 1,112,027	\$ 1,112,027	\$ 1,605,669
16	Contingency	\$ 562,982	\$ -	\$ -	\$ -	\$ 562,982
	<b>Total Phase 1</b>	<b>\$ 25,810,250</b>	<b>\$ 693,013</b>	<b>\$ 12,924,496</b>	<b>\$ 13,617,509</b>	<b>\$ 12,192,741</b>
<b>Phase 2</b>						
1	General Requirements	\$ 380,385	\$ -	\$ -	\$ -	\$ 380,385
2	Site Construction	\$ 652,870	\$ -	\$ 25,777	\$ 25,777	\$ 627,093
3	Concrete	\$ 16,442	\$ -	\$ -	\$ -	\$ 16,442
4	Masonry	\$ 34,969	\$ -	\$ -	\$ -	\$ 34,969
5	Metals	\$ 44,226	\$ -	\$ 4,474	\$ 4,474	\$ 39,752
6	Wood and Plastics	\$ 356,478	\$ -	\$ 35,648	\$ 35,648	\$ 320,830
7	Therm and Moisture Protection	\$ 538,892	\$ -	\$ 383,564	\$ 383,564	\$ 155,328
8	Doors and Windows	\$ 1,143,036	\$ -	\$ -	\$ -	\$ 1,143,036
9	Finishes	\$ 912,810	\$ -	\$ -	\$ -	\$ 912,810
10	Specialities	\$ 158,113	\$ -	\$ -	\$ -	\$ 158,113
11	Equipment	\$ 345,324	\$ -	\$ -	\$ -	\$ 345,324
12	Mechanical	\$ 910,741	\$ -	\$ 5,143	\$ 5,143	\$ 905,598
13	Electrical	\$ 1,353,403	\$ -	\$ -	\$ -	\$ 1,353,403
	<b>Total Phase 2</b>	<b>\$ 6,847,689</b>	<b>\$ -</b>	<b>\$ 454,606</b>	<b>\$ 454,606</b>	<b>\$ 6,393,083</b>
<b>Phase 3</b>						
1	General Requirements	\$ 1,141,154	\$ -	\$ -	\$ -	\$ 1,141,154
2	Site Construction	\$ 2,719,702	\$ -	\$ -	\$ -	\$ 2,719,702
3	Concrete	\$ 563,166	\$ -	\$ -	\$ -	\$ 563,166
4	Masonry	\$ 720,392	\$ -	\$ -	\$ -	\$ 720,392
5	Metals	\$ 1,197,327	\$ -	\$ 52,968	\$ 52,968	\$ 1,144,359
6	Wood and Plastics	\$ 334,147	\$ -	\$ 22,770	\$ 22,770	\$ 311,377
7	Therm and Moisture Protection	\$ 306,320	\$ -	\$ -	\$ -	\$ 306,320
8	Doors and Windows	\$ 475,599	\$ -	\$ -	\$ -	\$ 475,599
9	Finishes	\$ 1,160,134	\$ -	\$ -	\$ -	\$ 1,160,134
10	Specialities	\$ 41,695	\$ -	\$ -	\$ -	\$ 41,695
11	Equipment	\$ 1,086,724	\$ -	\$ 90,003	\$ 90,003	\$ 996,721
12	Furnishings	\$ 228,798	\$ -	\$ 6,795	\$ 6,795	\$ 222,003
13	Special Construction	\$ 121,877	\$ -	\$ -	\$ -	\$ 121,877
14	Conveying Systems	\$ 91,183	\$ -	\$ -	\$ -	\$ 91,183
15	Mechanical	\$ 1,251,174	\$ -	\$ 5,143	\$ 5,143	\$ 1,246,031
16	Electrical	\$ 1,702,893	\$ -	\$ 30,855	\$ 30,855	\$ 1,672,038
	<b>Total Phase 3</b>	<b>\$ 13,142,285</b>	<b>\$ -</b>	<b>\$ 208,534</b>	<b>\$ 208,534</b>	<b>\$ 12,933,751</b>
	Lease Payment Credit	\$ -	\$ (69,301)	\$ (1,358,763)	\$ (1,428,064)	\$ 1,428,064
	<b>Total for All Phases of Project (Phases 1 through 3)</b>	<b>\$ 45,800,224</b>	<b>\$ 623,712</b>	<b>\$ 12,228,873</b>	<b>\$ 12,852,585</b>	<b>\$ 32,947,639</b>
	Furniture, Fixtures and Equipment	\$ 900,000	\$ -	\$ -	\$ -	\$ 900,000
	<b>Non-Construction (Soft Costs)</b>					
	Repairs and Non-Capitalized Improvements	\$ 75,000	\$ 14,750	\$ -	\$ 14,750	\$ 60,250
	Advertising	\$ 4,776	\$ 2,081	\$ 4,257	\$ 6,338	\$ (1,562)
	Professional Consulting Services	\$ 100,000	\$ 7,500	\$ 36,500	\$ 44,000	\$ 56,000
	Technology Improvement to Site	\$ 200,000	\$ 50,499	\$ -	\$ 50,499	\$ 149,501
	Architect Fees	\$ 4,000,000	\$ 2,643,398	\$ 447,655	\$ 3,091,053	\$ 908,947
	Other Costs - Division of State Architects	\$ 400,000	\$ 206,127	\$ 90,041	\$ 296,168	\$ 103,832
	Other Costs - Insurance (ASCIP)	\$ 700,000	\$ 641,203	\$ 160,301	\$ 801,504	\$ (101,504)
	Other Costs - Legal	\$ 200,000	\$ 92,408	\$ 13,828	\$ 106,237	\$ 93,763
	Building Construction - Pre GMP	\$ 485,000	\$ 481,484	\$ (24,815)	\$ 456,669	\$ 28,331
	Tests on Buildings and Improvements	\$ 360,000	\$ 160,071	\$ 321,443	\$ 481,514	\$ (121,514)
	Building Inspections	\$ 350,000	\$ 54,483	\$ 252,071	\$ 306,554	\$ 43,446
	Indirect and Soft Costs	\$ 7,774,776	\$ 4,354,004	\$ 1,301,282	\$ 5,655,285	\$ 2,119,491
	<b>Total Construction Spending</b>	<b>\$ 53,575,000</b>	<b>\$ 4,977,716</b>	<b>\$ 13,530,155</b>	<b>\$ 18,507,870</b>	<b>\$ 35,067,130</b>
	Debt Service	\$ 12,705,000	\$ 6,102,255	\$ 7,597,789	\$ 13,700,044	\$ (995,044)
	Costs of Issuance and Underwriter's Discount	\$ 1,200,000	\$ 270,000	\$ 305,441	\$ 575,441	\$ 624,559
	<b>Total Measure BB</b>	<b>\$ 67,480,000</b>	<b>\$ 11,349,971</b>	<b>\$ 21,433,384</b>	<b>\$ 32,783,356</b>	<b>\$ 34,696,644</b>

### Schedule Summary Snapshot

	2011					2012					2013					2014					2015																	
	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	
<b>PHASE 1</b>						■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■																	
Temp Facilities																																						
Initial Sitework																																						
Superstructure																																						
Building Envelope																■	■	■	■	■	■																	
Building Interiors																■	■	■	■	■	■																	
Building Systems																■	■	■	■	■	■																	
Site Improvements																																						
Closeout																																						
<b>PHASE 2</b>																																						
Temp Facilities																																						
Demolition																																						
Building Envelope																																						
Building Interiors																																						
Site Improvements																																						
Closeout																																						
<b>PHASE 3</b>																																						
Temp Facilities																																						
Initial Sitework																																						
Superstructure																																						
Building Envelope																																						
Building Interiors																																						
Building Systems																																						
Site Improvements																																						
Closeout																																						

### MBUSD MEASURE BB CAMPUS IMPROVEMENTS