



# Finance Committee Agenda

City of Newton

In City Council

Special Meeting

**Wednesday, July 18, 2018**

**7:00 PM**

**Room 204 Please Note Room Change**

**Note: The Committee will meet jointly with the Public Facilities Committee to discuss the below item:**

**Referred to Public Facilities and Finance Committees**

**#410-18**

**Appropriate \$100,000 for schematic design study for potential boiler projects**

HER HONOR THE MAYOR requesting authorization to transfer the sum of one hundred thousand dollars (\$100,000) from Budget Reserve to the F.A. Day/Bigelow Boiler Replacement Account for the purpose of paying costs of conducting schematic design studies at F.A. Day Middle School and Bigelow Middle School for potential boiler replacement projects for which the City may be eligible for a grant from the Massachusetts School Building Authority.

Respectfully submitted,

Leonard J. Gentile, Chair

---

The location of this meeting is accessible and reasonable accommodations will be provided to persons with disabilities who require assistance. If you need a reasonable accommodation, please contact the city of Newton's ADA Coordinator, Jini Fairley, at least two business days in advance of the meeting: [jfairley@newtonma.gov](mailto:jfairley@newtonma.gov) or (617) 796-1253. The city's TTY/TDD direct line is: 617-796-1089. For the Telecommunications Relay Service (TRS), please dial 711.



RUTHANNE FULLER  
MAYOR

City of Newton, Massachusetts  
Office of the Mayor

#410-18  
Telephone  
(617) 796-1100  
Telefax  
(617) 796-1113  
TDD  
(617) 796-1089  
E-mail  
[rfuller@newtonma.gov](mailto:rfuller@newtonma.gov)

Honorable City Council  
Newton City Hall  
1000 Commonwealth Avenue  
Newton Centre, MA 02459

July 9, 2018  
RUTHANNE FULLER  
MAYOR  
NEWTON, MA 02459  
2018 JUL - 9 AM 10:39  
RUTHANNE FULLER

Ladies and Gentlemen:

I write to request that your Honorable Council docket for consideration a request to authorize the appropriation and expenditure of One Hundred Thousand Dollars (\$100,000) for the purpose of paying costs of conducting a Schematic Design Study at the F.A. Day Middle School and the Bigelow Middle School for potential boiler replacement projects, including the payments of all costs incidental or related thereto, and for which the City may be eligible for a grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended under the direction of the F.A.Day/Bigelow Boiler Replacement Committee.

To meet this appropriation I request the Honorable Council authorize the transfer of the sum of \$100,000 from Acct 0110498-5790 FY19 Current Year Budget Reserve to the F.A.Day/Bigelow Boiler Replacement Account.

The City acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the City incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the City.

Thank you for your consideration of this matter.

Sincerely,

Ruthanne Fuller  
Mayor

# Massachusetts School Building Authority

Deborah B. Goldberg  
*Chairman, State Treasurer*

James A. MacDonald  
*Chief Executive Officer*

John K. McCarthy  
*Executive Director / Deputy CEO*

June 27, 2018

The Honorable Ruthanne Fuller, Mayor  
City of Newton  
1000 Commonwealth Avenue  
Newton Centre, MA 02459

Re: City of Newton, F.A. Day Middle School, Bigelow Middle School

Dear Mayor Fuller:

I am pleased to report that on June 27, 2018, the Board of Directors (the "Board") of the Massachusetts School Building Authority (the "MSBA") voted to invite the City of Newton (the "City") into the Accelerated Repair Program to partner with the MSBA in conducting a Schematic Design Study at the F.A. Day Middle School and at the Bigelow Middle School for potential boiler replacement projects.

I do want to emphasize that this invitation to partner on a Schematic Design Study is *not* approval of a project, but is strictly an invitation to the City to work with the MSBA to explore potential solutions to the building needs that have been identified. Moving forward in the MSBA's Accelerated Repair Program process requires a partnership with the MSBA, and communities that "get ahead" of the MSBA without MSBA approval will not be eligible for grant funding. To qualify for any funding from the MSBA, local communities must follow the MSBA's statute, regulations, and policies, including the Accelerated Repair Program requirements, which require MSBA partnership and approval at each step of the process.

The Accelerated Repair Program will focus on the preservation of existing assets by performing energy-efficient and cost-saving upgrades, which will result in direct operational savings for school districts. Districts that are invited into the Accelerated Repair Program will be required to use Owner's Project Managers and Designers who are pre-selected and randomly assigned by the MSBA and must also adhere to other requirements that are unique to this program, such as implementing an accelerated project schedule and complying with the MSBA's reimbursement dollar thresholds. Districts will be expected to complete a Schematic Design Study and receive authorization for a Project Funding Agreement by the Board of Directors no later than 12 months from Program invitation. Districts seeking reimbursement under the Accelerated Repair Program will be allowed to submit requests for reimbursement monthly, but only if the total value of the invoices being submitted equals more than \$50,000.

Page 2

June 27, 2018

Newton Invitation to Accelerated Repair Program Board Action Letter

During the Schematic Design Study phase, the MSBA will partner with the City and its assigned Owner's Project Manager and Designer to find the most fiscally responsible, educationally appropriate and sustainable solution to the building needs identified at the F.A. Day Middle School and at the Bigelow Middle School. The City must complete a number of pre-requisites prior to beginning work with its consultants. Please submit the following information to the MSBA by no later than the date listed below in order to fulfill these pre-requisites:

- A current routine and capital maintenance plan for the City's school facilities, to be submitted electronically using the MSBA web-based tool (submit prior to September 27, 2018); and,
- An Initial Compliance Certification (attachment to this letter) executed by the City to ensure that the City understands and will comply with the MSBA's requirements and regulations (submit prior to September 27, 2018).

The City must approve funding for the Feasibility Study/Schematic Design portion of this potential project within 60 calendar days of the date of invitation into the Accelerated Repair Program (August 27, 2018). Submission of the properly certified documentation that the City has appropriated its funding should be submitted to the MSBA prior to September 27, 2018. Future funding for the total project budget will be required within 90 days after the date of the MSBA's approval of the project scope and budget.

Once the City has completed the pre-requisites listed above according to the MSBA's standards, the MSBA will assign an Owner's Project Manager and Designer using the MSBA's list of pre-selected and randomly assigned consultants for the Accelerated Repair Program. In the meantime, I wanted to share with you the Board's decision and provide a brief overview of what this means for the City of Newton.

I look forward to continuing to work with you as part of the MSBA's Accelerated Repair Program. As always, feel free to contact me or my staff at (617) 720-4466 should you have any questions.

Sincerely,

  
John K. McCarthy  
Executive Director

Cc: Legislative Delegation  
Marc Laredo, President, Newton City Council  
Ruth Goldman, Chair, Newton School Committee  
Dr. David A. Fleishman, Superintendent, Newton Public Schools  
File: 10.2 Letters

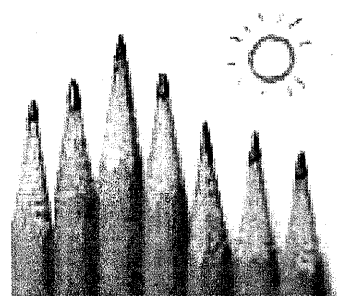
# Massachusetts School Building Authority

Deborah B. Goldberg, State Treasurer and Receiver-General

James MacDonald  
*Chief Executive Officer*

*Chairperson*

Jack McCarthy  
*Executive Director*

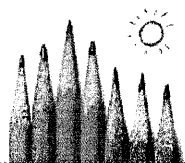


# Accelerated Repair Program Syllabus

---

2018 Invitations

June 27, 2018



# Accelerated Repair Program

## Table of Contents

- I. Process Overview
- II. Prerequisite Requirements
- III. Forming the Project Team
- IV. Schematic Design
- V. Commissioning
- VI. Funding the Project
- VII. Detailed Design
- VIII. Construction
- IX. Completing the Project

[HOME](#) : [CAREERS](#) : [CALENDAR](#) : [FOR PRESS](#) : [CONTACT](#) |

## Massachusetts School Building Authority

*Funding Affordable, Sustainable, and Efficient Schools in Partnership with Local Communities*

---

- [About Us](#)
- [Working With Us](#)
- [Building With Us](#)
- [Policies, Forms & Guidelines](#)
- [Our Programs & Initiatives](#)
- [Your School](#)
- [News & Events](#)
- [Public Records Requests](#)

\* **MSBA APPLICATIONS**

- [:: Enrollment Projection](#)
- [:: Maintenance and Capital Planning](#)
- [:: OPM Report](#)
- [:: Pro-Fey Reimbursements](#)

\* **YOUR STATEMENT OF INTEREST**

## Accelerated Repair Program

As a result of the lessons learned from its Green Repair Program, the MSBA has instituted an Accelerated Repair Program ("Program") as part of its ongoing repair program. The Program is primarily for the repair and/or replacement of roofs, windows/doors, and/or boilers with the potential to include additional systems as may be determined by the MSBA contingent upon available funding and capacity in the capital pipeline. The Program focuses on the preservation of existing assets by performing energy-efficient and cost-saving upgrades, which will result in direct operational savings for school districts. In order to maximize the impact of this Program, districts are required to use pre-selected consultants. In addition, districts are required to appropriate funding quickly in order to adhere to an accelerated project schedule.

Districts that have repair needs in their school facilities that inhibit the cost-effective and energy-efficient delivery of the district's educational program expressed interest in the Accelerated Repair Program through the MSBA's Statement of Interest ("SOI") process. Since 2010, districts have been participating in our Repair Programs as indicated in the table below:

Repair Program	Districts	Schools	Total Project Costs	Maximum Facility Grants	Number of Projects Final Audit Approved
2017 Accelerated	20	35	\$77,474,638*	\$51,291,230*	0
2016 Accelerated	28	48	\$156,598,234	\$83,007,586	0
2015 Accelerated	24	43	\$136,690,652	\$91,974,052	6
2014 Accelerated	34	47	\$108,410,084	\$65,388,035	29
2013 Accelerated	25	45	\$94,650,790	\$54,662,561	39
2012 Accelerated	24	36	\$63,009,653	\$38,267,952	36
Green	93	189	\$366,647,226	\$222,889,218	188

\* Financial totals reflect the 25 projects approved for Project Funding Agreements as of the April 10, 2018 Board of Directors' Meeting.

**Accelerated Repair Program Overview**

- [2018 Accelerated Repair Program Statement of Interest \(SOI\) Information](#)

**Annual Project History**

- [2017 Accelerated Repair Program Invitations](#)
- [2016 Accelerated Repair Program Invitations](#)
- [2015 Accelerated Repair Program Invitations](#)
- [2014 Accelerated Repair Program Invitations](#)
- [2013 Accelerated Repair Program Invitations](#)
- [2012 Accelerated Repair Program Invitations](#)

**Prerequisite Documents**

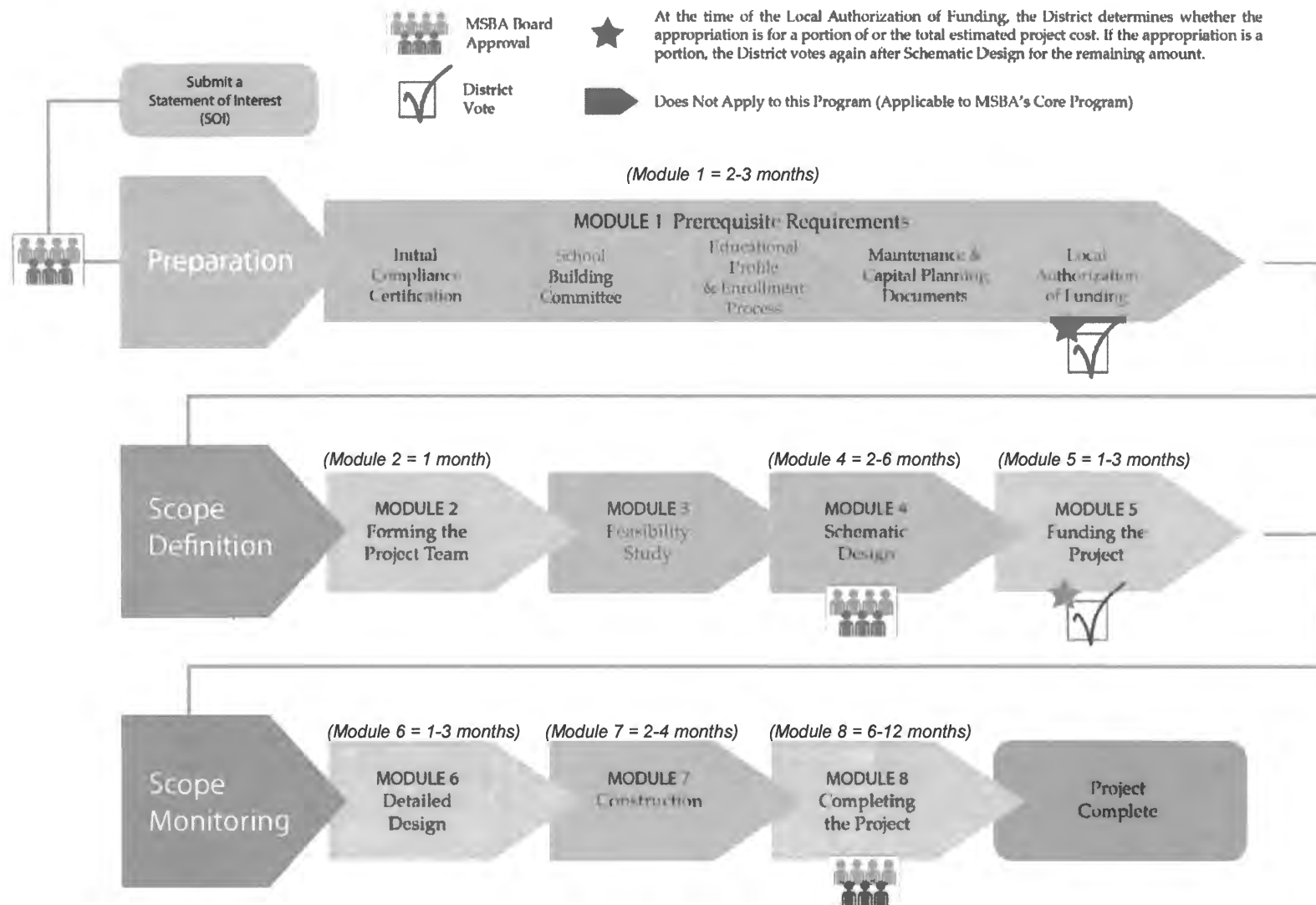
- [Initial Compliance Certification \(ICC\)](#)
- [Terms and Conditions](#)
- [Schematic Design Vote Language](#)
- [Accelerated Repair Program Syllabus for 2017 Invitations \(Updated\)](#)

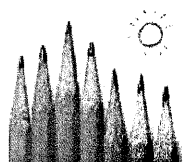
like us on **Facebook**

follow us on **twitter**



# I. Process Overview



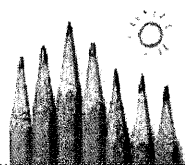


## II. Prerequisite Requirements

Per the MSBA Board Action Letter sent to all 2018 districts invited to participate in the Accelerated Repair Program, the prerequisite deliverables have the following deadlines:

Deliverable	June Invites
Certified funding vote for Schematic Design <ul style="list-style-type: none"> <li>• MSBA has issued Vote Bulletins to inform cities, towns, and regional school districts of the requirements for warrant articles, motions, orders, and votes related to any potential projects that may be eligible for MSBA funding (“Schematic Design Vote Language” link on ARP webpage)</li> <li>• “Cost Data” link on ARP webpage provides previous project budgets for reference</li> </ul>	August 27, 2018
Certified funding vote submission <ul style="list-style-type: none"> <li>• MSBA requires an original, certified copy of the vote/letter identifying the appropriated funds for the Schematic Design of Accelerated Repair project(s)</li> </ul>	September 27, 2018
Initial Compliance Certification (“ICC”) submission <ul style="list-style-type: none"> <li>• Includes Exhibit A - Accelerated Repair Program Terms and Conditions</li> </ul>	September 27, 2018
Current routine and capital maintenance plan (“MCP”) submission <ul style="list-style-type: none"> <li>• Not required if submitted within previous 36 months (See Board Action Letter if required)</li> <li>• If required, MCP access form must be submitted first (“Guidelines &amp; Forms”)</li> </ul>	September 27, 2018



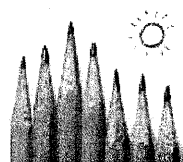


## III. Forming the Project Team | Process

---

### Process described in Consultant Assignment Procedure (ARP webpage)

- Districts receive notification of assignments after completion of prerequisite documents
  - Notification includes contact information for OPM and designer
- MSBA standard project management and design services contracts for ARP projects should be executed within **four weeks** of assignment notification
  - **District is Owner to both OPM and Designer contract and therefore must hold its consultants to the responsibilities of the contracts**
  - OPM and Designer contracts are available on ARP webpage
  - Contracts can not be altered or added to in any way
  - OPM contract executed first to allow OPM to assist with designer negotiation
    - OPM contract includes not-to-exceed fee for the Schematic Design phase depending on the number of schools and initial estimated Total Project Budget(s)
      - See Attachment A to the Contract for Project Management Services for more information
- **Initial Project Schedule (Gantt chart) will be provided to MSBA following execution of project management and design services contracts. Initial Project Schedule will identify:**
  - **Board Meeting for approval of a Project Funding Agreement (“PFA”)**
  - **Summer selected for construction (2019 or 2020)**
- If a consultant declines an assignment to a particular ARP district, fails to reach agreement with a district on an ARP project, or ceases to perform services for an ARP project for any reason, the district will be assigned a new consultant per the MSBA consultant assignment process

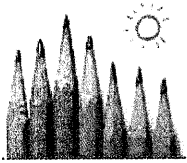


## III. Forming the Project Team | OPM Report

---

### **OPM Monthly Reporting described in OPM Contract ( Section 8.1.3)**

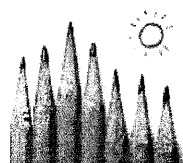
- OPM monthly reporting begins for the month when the OPM contract is executed and continues until the month in which the project receives Board of Directors' approval of the Final Audit
  - Districts must complete an OPM Report System Access Request Form with assistance from their OPMs ([massschoolbuildings.org/guidelines/guides](http://massschoolbuildings.org/guidelines/guides))
    - OPM Report Access Request Form should be submitted to the MSBA with the OPM contract upon execution of the OPM contract
  - Monthly reports are due through the MSBA online system on the 12<sup>th</sup> of each month
    - Monthly reports include the following attachments for submission:
      - Budget and Cost Report – MSBA Format
      - Project Schedule (Gantt chart)
      - Projected Cash Flow vs. Actual Cash Flow
- Failure to submit timely and complete reports may impact review and payment of reimbursement requests
  - OPM monthly reports support the MSBA's review of submitted invoices by further describing project progress



## IV. Schematic Design | Board Packages

Schematic Design Package Submission Deadline (By 5:00 PM)	MSBA Board of Directors Meeting
October 17, 2018	December 12, 2018
January 2, 2019	February 13, 2019
February 20, 2019	April 10, 2019
May 8, 2019	June 26, 2019
* Board Meeting dates in 2019 are projected. Official dates will be provided when available.	

- **Districts must return to the Board of Directors for PFA approval within 10 months of invitation. An additional 2 months can be granted with MSBA approval. If the District fails to fulfill its obligations within the timeline, the MSBA may, in its sole discretion, remove the District from the Program**
- Packages submitted after deadlines for consideration at the corresponding Board Meeting will not be processed by the MSBA
  - Late submittals will be scheduled for the following Board Meeting
- All items on the MSBA Schematic Design Checklist (ARP webpage) must be included as one submittal
  - Submittal includes hard copy (half size drawings) and electronic disc for all documents
  - District and OPM must certify that submittal is complete
- **Concerns or questions among district representatives, consultants, and sub-consultants about any part of the Schematic Design submittal should be reconciled prior to submitting the package to the MSBA**



## IV. Schematic Design | Total Project Budget

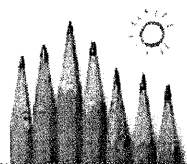
---

### **Comprehensive Schematic Design is Critical**

- Board approval is tied to the specific project scope, budget, and schedule presented in the Schematic Design
- Estimated maximum total facilities grant is the product of the eligible project scope and the reimbursement rate
  - Estimated maximum total facilities grant is calculated assuming all potentially eligible budget (including potentially eligible contingency) becomes actual eligible costs, which is unlikely
- Any third-party funding forecasted to be received by the district will not be included in the estimated basis of the total facilities grant with the exception of Clean Energy Incentive Rebates (See Project Advisory 54)
- Districts with more than one school project may not transfer grants between schools
- If the project scope includes the replacement of windows and doors, the MSBA requests that the project team confirm that the persons responsible for implementation of the District's emergency procedures as well as responding emergency medical, fire protection, and police agency representatives have been consulted regarding the inclusion of security design elements and that any associated requirements from those persons have been included in the project

### **Developing the Project Schedule**

- Project schedule must establish completion and submission of 60% and 100% Construction Documents to the MSBA as well as specific dates for bidding, notice to proceed, and substantial completion in Gantt Chart format
- Districts with more than one school or a school combining the replacements of roofs, exterior windows/doors, and/or boilers must delineate the project schedule for each school and scope
- Districts must determine during Schematic Design when construction will occur
  - Cost estimates must reflect the year of construction



## IV. Schematic Design | Total Project Budget

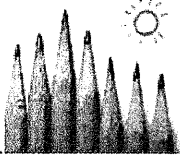
---

### Reviewing ADA Accessibility Upgrades as required by 521 CMR

- Districts and their consultants are responsible for determining the applicability of 521 CMR
- MSBA will reimburse the following ADA upgrades necessitated when the estimated cost of the project is less than 30% of the assessed value of the building but more than \$500,000:
  - Accessible public entrance as well as accessible public toilet room, telephone, and drinking fountain (if public toilets, telephones, and drinking fountains are provided)
    - If the District and their consultants propose an elevator for a building which does not have an accessible public entrance, the MSBA will review the proposed elevator to determine the eligibility
- MSBA will **not** reimburse ADA upgrades when the estimated cost of the project exceeds 30% of the assessed value of the building

### Formulating the Total Project Budget

- Project soft costs, which include OPM and Designer fees, are determined by the district; however, eligibility is capped:
  - If estimated eligible construction cost is greater than \$1.25M, eligible soft costs are capped at 20% of the estimated eligible construction cost
  - If estimated eligible construction cost is less than \$1.25M, eligible soft costs are capped at \$250,000
- Contingency funds are determined by the district with their consultants; however, eligibility is capped:
  - Construction Contingency – 5% of estimated eligible construction cost
  - Owner's Contingency – 0.5% of estimated eligible construction cost (Project soft costs cap supersedes Owner's Contingency cap)

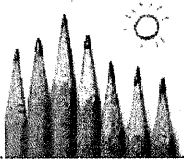


## IV. Schematic Design | Total Project Budget

---

### Developing the Cost Estimate

- Submitted cost estimates must include:
  - CSI format
  - All proposed bid alternates
  - Cost of commissioning testing
    - Including specifically identified cost of spray and air testing on window projects
  - Specific to roof projects:
    - Separately identified costs to make roof solar ready
    - Separately identified costs to remove, remediate, and replace
    - Roof areas separately identified by type (PVC, EPDM, shingle, etc.)
  - Specific to windows/doors projects:
    - Separately identified costs to remove, remediate, and replace
    - Window areas separately identified by the following:
      - Systems: punched/ribbon window, storefront, or curtainwall
      - Wind zone: wind zone per ASTM E1996
      - Frame material: aluminum, steel, wood, other
  - Specific to boiler projects:
    - Separately identified costs to remove, remediate, and replace
    - Boilers identified in size by MBH

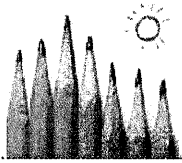


## IV. Schematic Design | Total Project Budget

---

### ARP Eligibility Determinations

- When reviewing Schematic Design submittals for districts invited in 2018, MSBA will make the following eligibility determinations:
  - MSBA will **not** participate in the estimated construction cost (including cost mark-up in the estimate) for the following:
    - Replacement of building systems with less than the required years of service (year of installation compared to year of SOI submittal)
      - Roof and Boilers = 25 years (installed in or after 1994 is ineligible)
      - Windows/Doors = 30 years (installed in or after 1989 is ineligible)
    - Replacement of underground storage tanks or gas lines up to the boiler room
    - Replacement of heating, ventilation, or air conditioning units
    - Masonry restoration including cleaning and sealing beyond the invited project scope
    - Site work associated with sub-grade roof drainage
    - Installation of canopies and vestibules beyond the existing building footprint
    - Temporary repairs



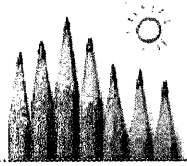
## IV. Schematic Design | Total Project Budget

---

### ARP Eligibility Determinations

- When reviewing Schematic Design submittals for districts invited in 2018, MSBA will make the following eligibility determinations:
  - MSBA will **not** participate in the estimated construction cost (including cost mark-up in the estimate) **nor** a matching proportion of soft costs for the following:
    - Building systems in spaces deemed ineligible per MSBA Regulations (swimming pools, hockey rinks, field houses and other such systems)
    - Building systems beyond ARP scope (extended floor or ceiling replacements, fire protection systems, photovoltaic panels, and other such systems)
    - ADA upgrades necessitated when the estimated cost of the project exceeds 30% of the assessed value of the building



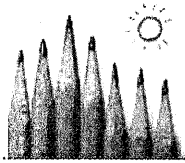


## V. Commissioning | Coordination

---

### **MSBA pays 100% of commissioning consultant costs**

- MSBA assigns commissioning consultant to each project
  - Following MSBA's receipt of district's Schematic Design package, the Schematic Design is provided to the assigned commissioning consultant to produce a work order.
  - Work order is executed following the project's approval for a PFA by the MSBA Board of Directors
- Commissioning consultant reviews the Schematic Design and 60% Construction Documents as well as develops commissioning specifications and a Commissioning Plan for the Final Construction Documents
- OPM works with commissioning consultant to coordinate site visits, testing, and training
  - MSBA recommends District participate in site visits, especially kick-off meeting, and testing
  - For boiler project, OPM also coordinates equipment training for District with contractor and commissioning consultant
- Commissioning consultant issues final report following completion of testing
- OPM coordinates with the commissioning consultant to ensure execution of MSBA Commissioning Certificate of Completion during the Closeout phase



## VI. Funding the Project | PFA Execution

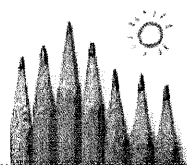
---

**For local approval of Total Project Budget funding, each district must:**

- **Secure funding within 90 days of receiving the MSBA Board of Directors' approval of the project scope and budget**
- Appropriate the total project budget including Construction and Owner's Contingencies
- Use MSBA standard vote language found on ARP webpage
  - MSBA will review District's vote language provided within Schematic Design submission

**For execution of a Project Funding Agreement, each district must:**

- Obtain funding within 90 days of Board Approval
- **Sign and return PFA to the MSBA's Legal Department within 30 days of obtaining funding or receiving the PFA, whichever is later**
  - Return of PFA includes the following documents:
    - Exhibit A – Total Project Budget executed with same signatures as Initial Compliance Certification
    - Certified funding vote
    - Certified copy of vote which authorizes the district to enter into and be bound by the PFA and authorizing the signatory to execute the PFA on behalf of the district
    - Legal Counsel Certification which requires the district's legal counsel to identify which local official or governmental body has the full legal authority to execute the PFA on behalf of the district and to bind the district to its terms

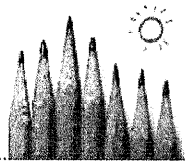


## VI. Funding the Project | ProPay

---

**Through its “pay-as-you-build” Progress Payment System, the MSBA reimburses districts for eligible project costs during construction**

- OPMs assist districts with the completion of the ProPay Access Form found on the MSBA website ([massschoolbuildings.org/guidelines/guides](http://massschoolbuildings.org/guidelines/guides))
- MSBA’s Audit Department provides ProPay training for districts following the execution of a Project Funding Agreement (<http://www.massschoolbuildings.org/programs/pro-pay>)
  - ProPay training offered at MSBA office and remotely (2<sup>nd</sup> Friday each month)
  - MSBA strongly encourages district and OPM staff to attend a training
  - District can enter Total Project Budget(s) into ProPay at MSBA training
  - District has discretion to give OPM access to operate ProPay on behalf of the District
- All Total Project Budget entries must mirror the Exhibit A - Total Project Budget, including Construction and Owner’s Contingencies, as approved by the MSBA’s Board of Directors and executed by the MSBA and district
- **Once the Total Project Budget is entered into ProPay, districts can submit requests for reimbursement monthly**
  - MSBA’s Audit Department will review requests for reimbursement of \$50,000 or more per school. Requests including less than \$50,000 will be returned to the district for future resubmission with additional invoices.



## VII. Detailed Design| CD Submissions

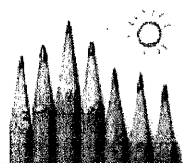
---

### **60% Construction Documents Submittal (electronic submission to Dropbox only)**

- 60% Construction Documents Submission Checklist (ARP webpage) must be submitted
  - Basis of Design Narrative
    - Reconciled with scope and construction cost estimate in Schematic Design
  - Project Manual and Drawings
  - Cost Estimate
    - Identifies all proposed bid alternates
  - Updated Project Schedule (Gantt Chart)

### **Final Construction Documents Submittal (hard copy and CD submission to MSBA PM)**

- Final Construction Document Submission Checklist (ARP webpage) must be submitted
  - Project Narrative
    - Comparison of final construction documents to PFA explaining significant deviations in cost and/or scope
  - Project Manual and Drawings (half size drawings) including all Addenda
  - Executed Contractor's Contract(s)
  - Contractor's approved Schedule of Values modeled after MSBA's standardized sample
  - Template Project Funding Agreement Bid Amendment Worksheet
  - Updated Project Schedule (Gantt Chart)

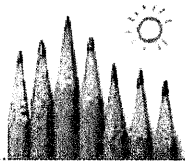


## VIII. Construction | PFA Bid Amendment

---

### Schedule for PFA Bid Amendment

- Bid results shared with MSBA upon receipt
- **Finalized Schedule of Values submitted within 60 calendar days of receipt of bids**
  - SOV data should be subtotaled in accordance with the CSI divisions of work corresponding to the divisions shown in the MSBA's ProPay system and be modeled after the SOV template shown on the (ARP webpage)
    - Schools bid together must be separated in SOV
  - ARP Bid Amendment Worksheet (ARP webpage) should be submitted and match the SOV for the MSBA to review
    - If the construction contract includes costs found ineligible within the PFA, the MSBA requests that the amount(s) be identified when submitting the SOV and ARP Bid Amendment Worksheet
  - Any Budget Revision Request ("BRR") needed to transfer soft costs should be submitted with the SOV to the MSBA
- Upon receipt of these documents, the MSBA will prepare a revised PFA Exhibit A, Total Project Budget, for review by the District and the OPM
  - MSBA requests that the District return any comments or questions within 14 calendar days of receipt of the revised PFA Exhibit A
  - Upon resolution of any comments and/or questions, the MSBA will send the PFA-Bid Amendment to the District for execution. The District is required to review, execute and return its executed PFA-Bid amendment to the MSBA within 21 calendar days of receipt of the PFA Bid Amendment.

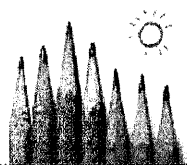


## VIII. Construction | PFA Bid Amendment

---

### Grant Adjustment per PFA Section 2.3

- If bidding results in PFA Construction Budget savings:
  - Maximum facilities grant decreases to reflect savings in reimbursable costs
    - Bid savings may be transferred to Contingencies as ineligible budget following review by district's legal counsel
    - District must provide certificate of compliance signed by voting authority with executed PFA Bid Amendment to confirm transfer
- If bidding results in overage to PFA Construction Budget:
  - Bid cost greater than the eligible PFA Construction Budget is ineligible
  - If additional construction cost requires transfer from eligible portion of Construction Contingency, that portion of the Construction Contingency becomes ineligible and the estimated basis of the maximum facilities grant is reduced proportionately



## VIII. Construction | Budget Revision Requests

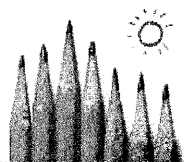
---

### Construction Contingency (hard costs)

- PFA Construction Budget overage - **Ineligible**
- Change Orders – **Potentially Eligible within Cap**
  - One CO review completed by MSBA per district
  - COs reviewed for eligibility not validity (See *Manual for the Eligibility of Change Orders* found in Module 7 – Construction on the MSBA website)
  - **COs must be submitted when executed and no later than 90 days after substantial completion**
    - COs submitted with MSBA’s Template Change Order Log (ARP webpage)
    - OPM completes Change Order Log for MSBA review
      - “Comments” column in Log provides a district and its consultants the opportunity to describe COs and their basis for eligibility
    - **If MSBA does not receive COs & Log within 90 days, MSBA will issue a letter to the district. All Change Orders not submitted to the MSBA within 120 days after substantial completion will be deemed ineligible for reimbursement.**

### Owner’s Contingency (soft costs) – **Potentially Eligible within Soft Cost & Owner’s Contingency Caps**

- Transfers for additional consultant costs may be eligible
  - Additional fees resulting from schedule extensions will not be eligible
- Transfers for additional legal fees are ineligible
- Transfers for additional utility company operating costs are ineligible
- Transfers for additional swing space/modular costs are ineligible



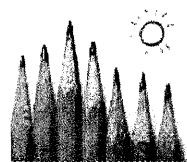
## VIII. Construction | Monitoring the Work

---

### Coordination and monitoring

- Per OPM contract, Project Representative is present during contractor operations
  - 8.6.2 The Owner's Project Manager shall provide an on-site Project Representative, who shall be dedicated exclusively to the Project, either as an employee of the Owner's Project Manager or as a subconsultant to the Owner's Project Manager.
    - 8.6.2.1 The Project Representative shall be subject to the approval of the Owner and the Owner reserves the right to require the Owner's Project Manager to replace the Project Representative at any time during the course of the Project.
    - 8.6.2.2 The Project Representative shall have at least five years of experience in on-site supervision of projects similar in size and complexity to the Project.
    - 8.6.2.3 The Project Representative shall be present at all times when the Contractor is conducting operations at the site starting from issuance by the Owner of a Notice to Proceed to the Contractor and continuing until substantial use or substantial completion as determined by the Owner and thereafter on an, as needed basis, until issuance to the Contractor of a Certificate of Final Completion by the Owner.
- Designer certifies percentage of work for contractor payment requisitions
- MSBA's Commissioning Consultant performs the following:
  - Reviews contractor submittals
  - Provides site observation reports
  - Monitors commissioning testing
- OPM assists district in completing 50% DCAMM evaluations of designer and GC





## IX. Completing the Project | Closeout

---

**Both OPM and designer play a critical role in readying projects for closeout**

- **OPM coordinates with designer, commissioning consultant, District, and MSBA to complete the steps found in Module 8 – Completing the Project (ARP webpage) within 270 days of substantial completion of construction contract**
  - Module 8 describes the closeout process and forms
    - PFA Bid Amendment budget entry into ProPay (immediately following execution of PFA Bid Amendment)
    - Change Order review (within 90 days of substantial completion)
    - Final BRR submission including Change Orders and outstanding soft cost transfers (within 90 days of substantial completion)
    - OPM assists district in completing 100% DCAMM evaluations of designer and GC
    - OPM coordinates with commissioning consultant to ensure execution of Commissioning Certification of Completion
    - Submission of final reimbursement request (immediately following payment of final project invoice)
  - Module 8 identifies the deadlines for all Audit Department deliverables in advance of Board Meetings (Submission prior to a deadline does not guarantee that a district's final audit will be presented at that Board Meeting)
- Closeout phase concludes with Final Audit Approval by a vote of the MSBA Board of Directors