

Merrett R. Stierheim, Superintendent of Schools

**SUBJECT: REQUEST FOR AUTHORIZATION TO PURSUE AND, WHERE
FEASIBLE IMPLEMENT RECOMMENDATIONS FROM MIAMI-
DADE LAND ACQUISITION AND FACILITIES MAINTENANCE
OPERATIONS ADVISORY BOARD**

COMMITTEE: FACILITIES MANAGEMENT

Background:

At its meeting of June 10, 2003, the Miami-Dade Land Acquisition and Facilities Maintenance Operations Advisory Board (Advisory Board), forwarded a total of twenty-five different initiatives to the School Board (Board), for its review and action. Many of these have either already been completed by the Administration, are under study or are at some stage of implementation; the balance will be reviewed in short order by the Administration, and where feasible, further developed for implementation. The section below provides a brief analysis of the benefits, pros and/or cons associated with each of the recommended initiatives, as well as a status report on those already underway and a projected timeline for completion.

Additional Information

Following are the Advisory Board's recommended initiatives. For ease of reference, they are shown generally in the same order as proposed by the Advisory Board (see Attachment 1), except where commonalities warranted otherwise.

Recommended Initiative 1:

"Streamline bureaucracy for the construction of schools" – In the District staff's opinion, this is undoubtedly a worthy initiative. Streamlining the processes and activities currently in place, should ultimately lead to savings in time and cost, increase efficiency and productivity and enhance product delivery and responsiveness to the public. This particular initiative is broad in scope as it potentially embodies a number of other sub-initiatives; these range from reducing the number of sign-offs for a particular project, to standardizing as much as possible the design criteria and specifications to cut down on review time and project cost and duration, increasing the use of prototypes, and establishing a comprehensive information system that is user friendly and accurately tracks projects. As such, the timeline for completion of this initiative is dependent upon the timelines recommended under the related sub-initiatives, and upon receipt of the conclusions and recommendations that will be formulated as a result of the forthcoming assessment of the construction department's functions and activities. District staff anticipates that a sound analysis of how to reduce the bureaucracy associated with the construction of schools could be available by the end of calendar year 2003. Full

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implementation of the sub-components and the timeline for their implementation should also be available at that time.

Recommended Initiative 2:

"Establishing single source responsibility" – District staff has interpreted this initiative to mean that the processes and activities involved in the construction of facilities should have a coordinated, common and single focus; and that to achieve this, there must be clearly defined areas of responsibility for each of the stakeholders involved in the process, which collectively contribute to a project's success. District staff believes this initiative is not only reasonable but desirable, as it would help to identify and eliminate duplication of efforts and potentially conflicting actions or functions. This topic will be addressed as part of the forthcoming assessment of the construction department's functions and activities. Additionally, District staff is making a concerted and deliberate effort, almost on a daily basis, to eliminate unnecessary redundancy, establish clearer rules of operation, better define roles and responsibilities, and encourage and empower staff to act responsibly. As in the prior initiative, District staff anticipates that a more comprehensive analysis of the steps or actions needed to ensure these efforts are not only continued but also sustained, would be available by the end of calendar year 2003.

Recommended Initiative 3:

"Streamline construction process from one year to purchase property to one year for design and two years for construction" – District staff has interpreted this initiative to mean that purchase of property and design time would be combined into one year, followed by two years of construction, although this point may need to be further clarified with the Advisory Board. Generally, based on District staff's experience with site acquisition under the new procedures, it may be possible under ideal conditions to secure land in six to seven months, where there is a willing seller and mutually acceptable terms can be negotiated. Under that scenario, once the likelihood of a purchase became imminent, Advanced Planning could then establish an aggressive schedule for design and construction by running related activities on parallel rather than linear tracks. The use of existing prototypes could further help to shorten delivery time, by reducing the amount of time required for design. This notwithstanding, rather than adopt or commit to a "one timeline fits all" approach, District staff would recommend instead that current procedures for securing A/E services and for commissioning contractors be revised with the specific goal in mind to reduce time, that clear protocol for construction delivery be developed, and that Advanced Planning be involved as early on in the process as possible to resolve site and intergovernmental issues. Although some of these activities are already underway, solidifying recommendations for long-lasting system improvements will need to be rooted on the findings and conclusions to be formulated as part of the forthcoming assessment of the construction department. As in the prior two initiatives, final recommendations addressing this initiative should be available by or before the end of calendar year 2003.

Recommended Initiatives 4, 5, 6, 7 and 23:

"Creation of an information management system", "Timeline and tracking of all projects", "Accountability for all expenditures of the facilities program", "Job cost accounting for each project", and "Management information and accounting system to allocate cost between facilities and maintenance" – District staff is well on its way in the implementation of a two-phase program to address the need for accurate and timely project tracking and cost accounting. The first phase of the program, which makes extensive use of the existing COMPASS system, entailed the assignment of numbers to all projects and the on-going population of fields to account for line item expenditures by project; this phase should be completed by Fall 2003. Phase two of the program entails the development of a scope for a new information system and the formulation of a RFP, which is anticipated to be issued in early 2004. The RFP will also include a projected timeline for implementation. Project and cost accounting will continue under COMPASS until such time that a new system is on line.

Recommended Initiatives 8, 9, 19 and 20:

"Structure a bid document that eliminates or avoids future law suits", "Modify contracts to allow the school district to collect more in liquidated damages from contractors", "Enforce warranty clause with contractors and E and O with Architects", and "Hold 10% retainage until completion of punch list" – Complete elimination or avoidance of future law suits may not be possible. Nevertheless, current contract documents should be reviewed, evaluated and enhanced to protect the School District's interests. Any clauses in the current documents dealing with assessment of liquidated damages, enforcement of warranty(ies) and retainage amounts should also be reviewed to ensure the District's interests and ability to act on delays or documented or demonstrable lack of performance are duly protected. District staff recommends this review and evaluation be conducted by outside counsel retained by the District, and that it be based on industry standards and documents used successfully by other school districts in the state, of similar size or complexity. Staff anticipates this work could be accomplished by the end of calendar year 2003 or early 2004.

Recommended Initiative 10:

"All construction contracts over 2 million and all new schools to be built using the design build technique" – District staff would recommend instead that a clear protocol be established for the selection of a delivery method, which takes into consideration a number of different elements, among them estimated project cost, scope and nature. The protocol could be formulated in collaboration with the Advisory Board, and would take into consideration relevant District experience with each of the delivery methods used as well as protocol used by other school districts in the state and results from the forthcoming assessment of the construction department's functions and activities. District staff anticipates a preliminary protocol could be formulated by or before the end of calendar year 2003.

Recommended Initiatives 11 and 12:

“Standard Modules and Facades to be developed and used whenever possible”, and “Prototype Design for schools that have the same site characteristics” – District staff recommends the development of a prototype for each of the facilities on the facilities list most recently approved by the Board. This list reflects the school within a school concept and an increased number of student stations for practically every type of facility. District staff also recommends the development of prototypical design criteria packages for each facility type. This initiative will require both funding and an adequate timeline to ensure solid results; completion of tasks relating to this initiative could be completed by or before the Spring of 2004.

Recommended Initiative 13:

“Control the amount and number of change orders on a project” – District staff would venture to say that there is universal agreement on this recommendation at the District level. Other than truly unforeseen circumstances, change orders can be controlled through increased District (owner) control over the design process and strict adherence to adopted design criteria and specifications, as well as through more aggressive monitoring of construction activities, both in terms of code compliance and enforcement of quality standards, and through greater involvement on behalf of the owner by the design criteria professional or architect of record as part of his/her duties during construction administration. Recent District initiatives in this area have included a directive from the Superintendent precluding the processing of scope changes after approval of design schematics, better and more comprehensive review of plans for compliance with approved design criteria and specifications in addition to code, and tighter control during construction by the Building Code Compliance department via the inspection process. The collective effect of these efforts may not be fully felt immediately, but should over time contribute to a reduction in the number of change orders. Additionally, training of project managers (PMs) and better communication of this goal to the PMs should further contribute to the success of these on-going efforts.

Recommended Initiative 14:

“Contractor debarment procedures” – As noted on the Advisory Board’s chart, this recommended initiative has been completed. Specifically, it has been addressed through a directive from the Superintendent. District staff is committed to making the necessary changes to current processes and procedures to ensure this directive is sustained over time.

Recommended Initiative 15:

“Modified construction inspection procedures” – As noted on the Advisory Board’s chart, this recommended initiative has been completed. Specifically it has been addressed through the creation and staffing of a Building Code Compliance unit, which acts

independently from the construction department and acts as a watchdog on behalf of the District. This unit inspects for both code and quality.

Recommended Initiative 16:

“Have the maintenance department become part of the final punch list procedure” – This initiative is fully endorsed by District staff and protocol is under development to ensure involvement by the maintenance department in the completion and inspection of punch list items by the contractors, and that it is done consistently for all projects. It is anticipated the protocol will be in place by or before the Fall of 2003.

Recommended Initiative 17:

“Requested that staff create its own sub-committee to suggest cost savings measures” – District staff fully endorses the creation of an interdisciplinary in-house team to brainstorm and recommend cost savings measures. Presently, District staff is encumbered with numerous commitments and, it may be difficult to fully develop and implement a program that can be meaningful and sustainable, much before next calendar year. As such, this initiative is highly recommended for development and implementation by or before the Spring of 2004. In the interim, it should go without saying that District staff should and will make a concerted effort to be judicious and frugal in its allocation of available resources. It should also be noted that the School Board directed staff at its meeting of April 9, 2003 to review current District criteria and specifications for school construction with an eye towards reducing construction costs. Staff anticipates recommendations will be presented to the School Board by or before September 2003.

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Recommended Initiative 18:

“Soft costs are too high compared to private construction and other public schools” – This has been a widely debated topic, although there does not seem to be any disagreement on the fact that reducing the administrative costs charged to capital projects is a worthy endeavor, as it would help optimize funding availability for “bricks and mortar.” An official District position on this recommended initiative will require judicious analysis by and recommendations from the financial affairs staff, as ultimately, more than just capital funds will be impacted. In the interim, facilities staff will compile information from other similar districts for purposes of comparison and analysis. It is anticipated this initial phase can be completed by Fall of 2003.

Recommended Initiative 21:

“Selling of surplus land/property” – District staff will review the inventory of available land vis-à-vis the 5, 10 and 20 year student population projections by Minor Statistical Area (MSA) and vis-à-vis the District’s 5-year work plan, and prepare recommendations for review and discussion by the School Site Planning and Construction Committee at its September 2003 meeting. It is anticipated that the Committee’s findings and

recommendations can be submitted to the School Board for consideration by the end of calendar year 2003.

Recommended Initiative 22:

“Private management of maintenance department” – As noted on the Advisory Board’s chart, this initiative has been fully implemented.

Recommended Initiative 24:

“Separate current maintenance cost from deferred maintenance” – The maintenance staff has developed a needs assessment database that differentiates between maintenance costs resulting from deferred maintenance and anticipated maintenance needs over the next ten (10) years. This database is under final review and validation; it is anticipated this work should be completed by July 2003. It should be noted that an update report on deferred maintenance and future needs assessment was presented to the Facilities Management School Board Committee at its June 13, 2003 meeting and directly responds to School Board initiatives approved at its March 13, 2003 meeting.

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Recommended Initiative 25:

“After true costs of maintenance have been established compare to proxy, and other systems and private industry and reduce if practical” – Efforts to establish a realistic baseline are on-going, and have focused on defining real costs for labor and materials. Thirty plus initiatives have already been formulated that aim to increase productivity and reduce costs wherever possible. Many of these initiatives are anticipated to be fully implemented by the end of calendar year 2003.

Recommended Initiative 26:

“Replace or modify the Compass Work order system with a computer system that can maintain a multi-year historical data for as long as the District owns its vehicles and which provides ready access to work orders, parts and management information” – Requested modifications to the Compass work order system have been initiated. However, Request for Proposals (RFP) for vehicle maintenance software to address each of these issues in a cost effective, integrated approach, is in its final review stage and is expected to go to the Board in July.

Recommended Initiative 27:

“Implement a specialized payroll software system.” – This is in the early stages of development. Several vendors have been contacted and our staff has reviewed their capabilities.

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Recommended Initiative 28:

"Reallocate a Certified Buyer from the procurement department to work exclusively for and in the transportation department." – A PAC was transferred to Procurement for this purpose and a certified buyer is being allocated as well. This should be in place in a matter of a few days.

Recommended Initiative 29:

"Negotiate labor contracts to allow the transportation department to give employee evaluations." – This request has been made to Labor Relations who will address this item in the next round of negotiations.

Recommended Initiative 30:

"Establish a zero tolerance policy to drugs and alcohol usage in safety sensitive positions by making positive drug test results grounds for immediate termination." – Staff has met with Labor Relations, the Chief Personnel Officer, the Deputy Board Attorney, and other District staff to address this issue. The plan to implement zero tolerance is ongoing.

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Recommended Initiative 31:

"Zero tolerance for post trip inspection violations." – This is in place, however, modifications may be required based upon recent arbitration decisions.

Recommended Initiative 32:

"Establish a Miami-Dade County School Board rule that allows moneys received from the auction of equipment and buses from transportation's inventory to be reallocated to the transportation department budget." – This request has been initiated by the Chief Financial Officer.

RECOMMENDED:

That the School Board of Miami-Dade County, Florida, authorize the Superintendent of Schools to pursue the Advisory Board's initiatives in the way described above, and to provide progress reports at the School Board's October and December 2003 meetings.

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Revised
Recommendations presented by the Miami-Dade Land Acquisition and Facilities
Advisory Board to the Miami-Dade County School Board

1. Streamline bureaucracy for the construction of schools – **s**
2. Establishing single source responsibility –**s**
3. Streamline construction process from one year to purchase property to one year for design and two years for construction --**s**
4. Creation of an information management system – **ip**
5. Timeline and tracking of all projects – **ip**
6. Accountability for all expenditures of the facilities program -- **ip**
7. Job cost accounting for each project – **ip**
8. Structure a bid document that eliminates or avoids future law suits -- **na**
9. Modify contracts to allow the school district to collect more in liquidated damages from contractors -- **na**

Procedures:

10. All construction contracts over 2 million and all new schools to be built using the design build technique -- **na**
11. Standard Modules and Facades to be developed and used whenever possible -- **na**
12. Prototype Design for schools that have same site characteristics -- **pc**
13. Control the amount and number of change orders on a project --**c**

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June 12, 2003

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- 14. Contractor debarment procedure--c
- 15. Modified construction inspection procedures --c
- 16. Have the maintenance department become part of the final punch list procedure --ip
- 17. Requested that staff create its own subcommittee to suggest costs saving measures --ip

Cost reduction

- 18. Soft costs are too high compared to private construction and other public schools (Las Vegas 10%)vs. 20 to 27% --s
- 19. Enforce Warranty clause with contractors and E and O with Architects--s
- 20. Hold 10% retain age until completion of punch list --na
- 21. Selling of surplus land/property --na

The above recommendations should reduce the cost of creating new schools by at least 10% to 20%

Maintenance

- 22. Private management of maintenance department --c
- 23. Management information and accounting system to allocate cost between facilities and maintenance--ip
- 24. Separate current maintenance cost from deferred maintenance--ip
- 25. After true costs of maintenance have been established compare to proxy, and other systems and private industry and reduce if practical--ip

Revised
Recommendations presented by the Miami-Dade Land Acquisition and Facilities
Advisory Board to the Miami-Dade County School Board

Transportation

26. Replace or modify the Compass Work order system with a computer system that can maintain a multi-year historical data for as long as the District own its vehicles and which provides ready access to work orders, parts and management information.
27. Implement a specialized payroll software system
28. Reallocate a Certified Buyer from the procurement department to work exclusively for and in the transportation department.
29. Negotiate labor contracts to allow the transportation department to give employee evaluations.
30. Establish a zero tolerance policy for drugs and alcohol usage in safety sensitive positions by making positive drug test results grounds for immediate termination.
31. Zero tolerance for post trip inspection violations.
32. Establish a Miami-Dade County School Board rule that allows moneys received from the auction of equipment and buses from transportation's inventory to be reallocated to the transportation department budget.

These recommendations have not been rated at this time

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