

**Propositions S & Z Monthly Controls Status Report**

**September 2014**



**San Diego Unified School District  
Facilities Planning and Construction Division**

**All Data as of August 31, 2014  
Preliminary Year-End FY 2014 Data**

Prepared for:

Independent Citizen's Oversight Committee  
Facilities Planning and Construction Directors  
SDUSD Chief Financial Officer

## Proposition S

<b>Prop. S Percent Complete</b>	<b>Duration</b>	<b>Expended</b>
<b>15-Year \$2.28B Program (includes Prop. S and State Matching Funds)</b>	36.6%	24.1%
<b>Prop S Bond Sales Received</b>		\$ 518,095,751
<b>State Facility Program (Fund 35) Projected Revenue Thru June 2014</b>		34,251,860
<b>Current Revenue-to-Date</b>		556,452,045
<b>Projected Revenue thru June 2015</b>		621,547,771
<b>Total Expenditures-to-Date</b>		551,009,485
<b>2014 / 15 Planned Expenditures</b>		45,851,581
<b>Projected Fund Balance - June 30, 2015</b>		* 25,822,168
<b>Current Fund Balance</b>		* 70,538,286

### FY 2013 / 2014 Expenditures - Preliminary Year-End

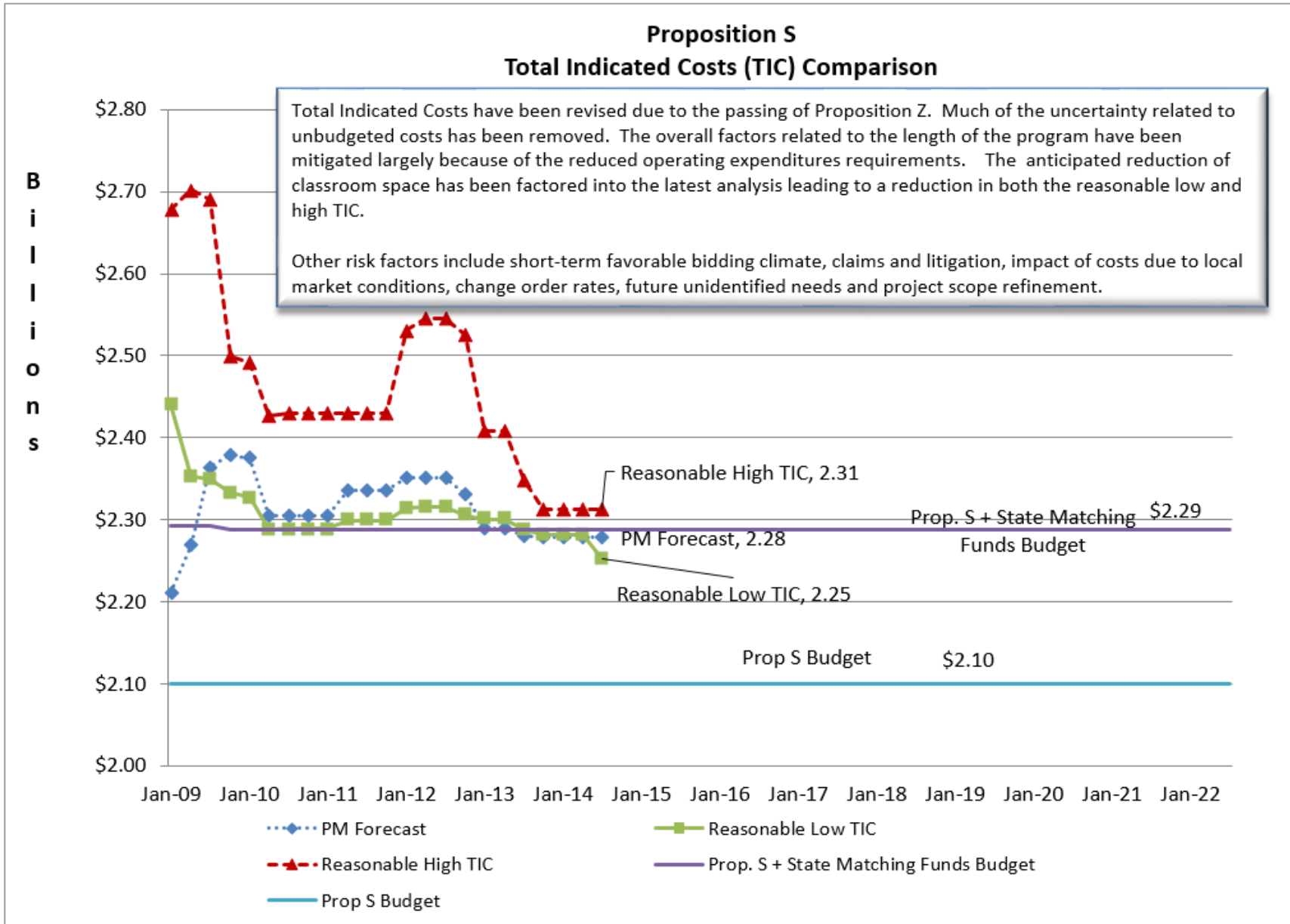
Category	Planned Percentage (Five-Year)	Percent of Expenditures	FY Expended - to date	June 2014 Expenditures	May 2014 Expenditures
Planning & Design	14.8%	11.2%	\$ 4,257,599	\$ 261,786	\$ 335,083
Construction & Equipment	80.0%	87.4%	33,301,574	1,857,272	1,775,568
Program Management Office	5.2%	1.4%	550,708	45,892	156,091
<b>Sub-Total</b>	<b>100%</b>	<b>100%</b>	<b>\$ 38,109,882</b>	<b>\$ 2,164,950</b>	<b>\$ 2,266,742</b>

### FY 2014 / 2015 Expenditures

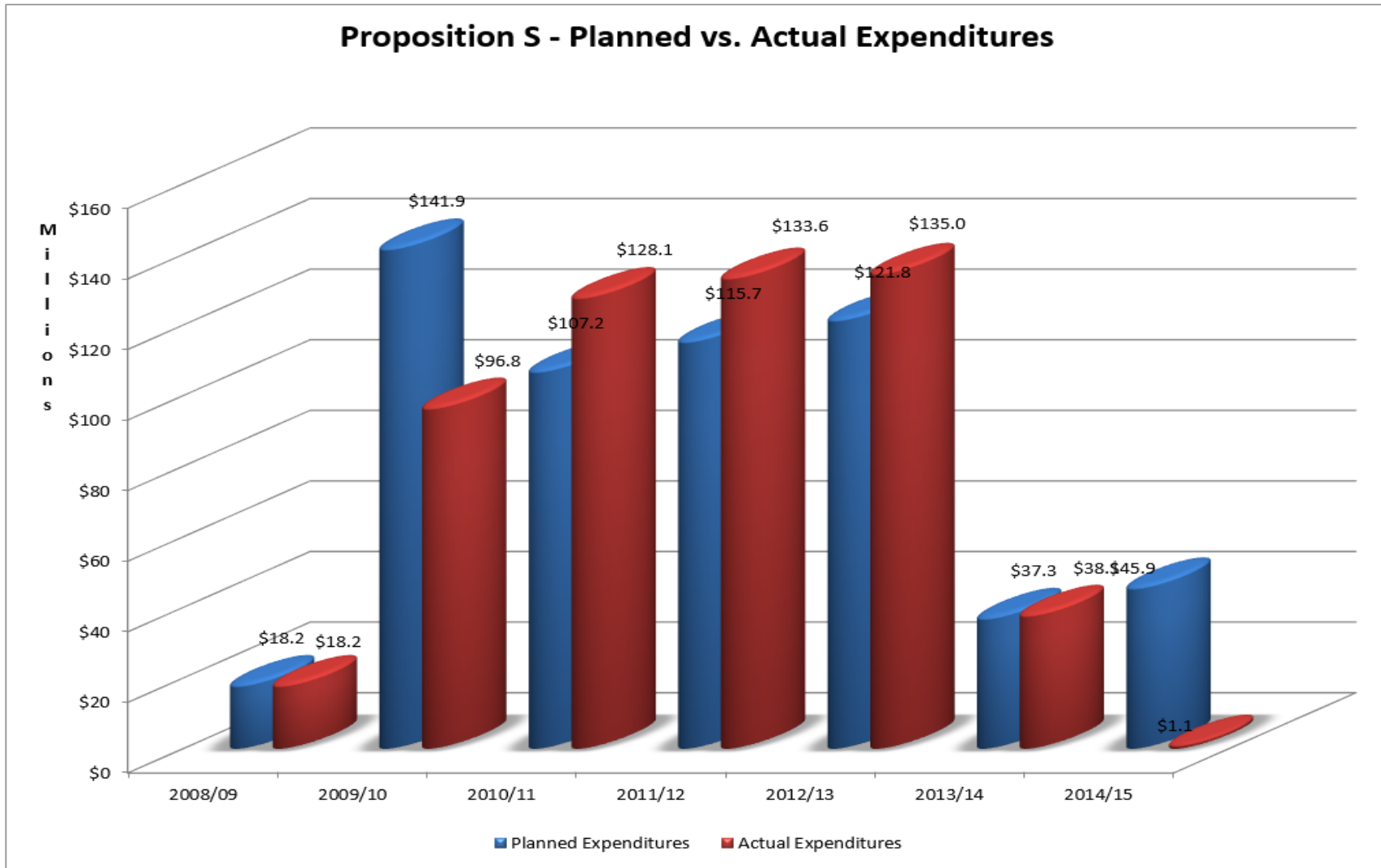
Category	Planned Percentage (Five-Year)	Percent of Expenditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
Planning & Design	14.8%	13.3%	\$ 150,486	\$ (176,225)	\$ 326,710
Construction & Equipment	80.0%	77.7%	882,456	(36,037)	918,493
Program Management Office	5.2%	9.0%	102,521	8,543	3,268
<b>Sub-Total</b>	<b>100%</b>	<b>100%</b>	<b>\$ 1,135,463</b>	<b>\$ (203,718)</b>	<b>\$ 1,248,471</b>
<b>Prop. S Percent of Budget and Amount Committed-to-Date**</b>				<b>25.0%</b>	<b>\$ 572,828,360</b>
<b>Current Remaining Uncommitted Balance***</b>					<b>48,719,411</b>

- \* Fund balance is the unspent balance of revenue (received or projected)
- \*\* Committed amount is the amount committed by salary, check authorization, contract or purchase order.
- \*\*\* Uncommitted balance is the amount that has not been committed by salary, check authorization, contract or purchase order.
- Management Costs include all labor, services, equipment and supplies that are not direct charges to projects.

# Proposition S

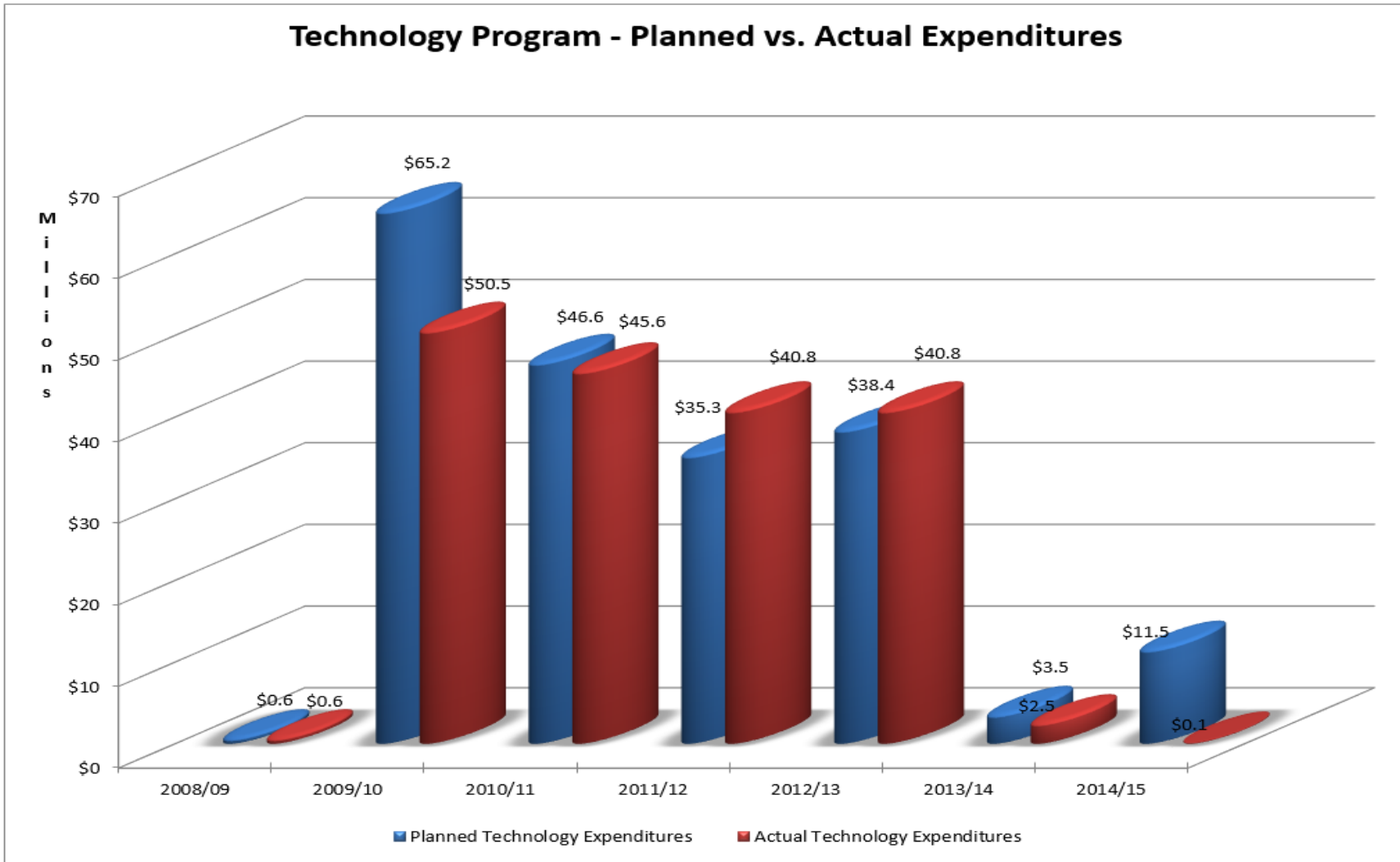


# Proposition S



Planned Expenditures shown above are adjusted based upon anticipated bid climate, change order rate and project execution plan.

# Proposition S



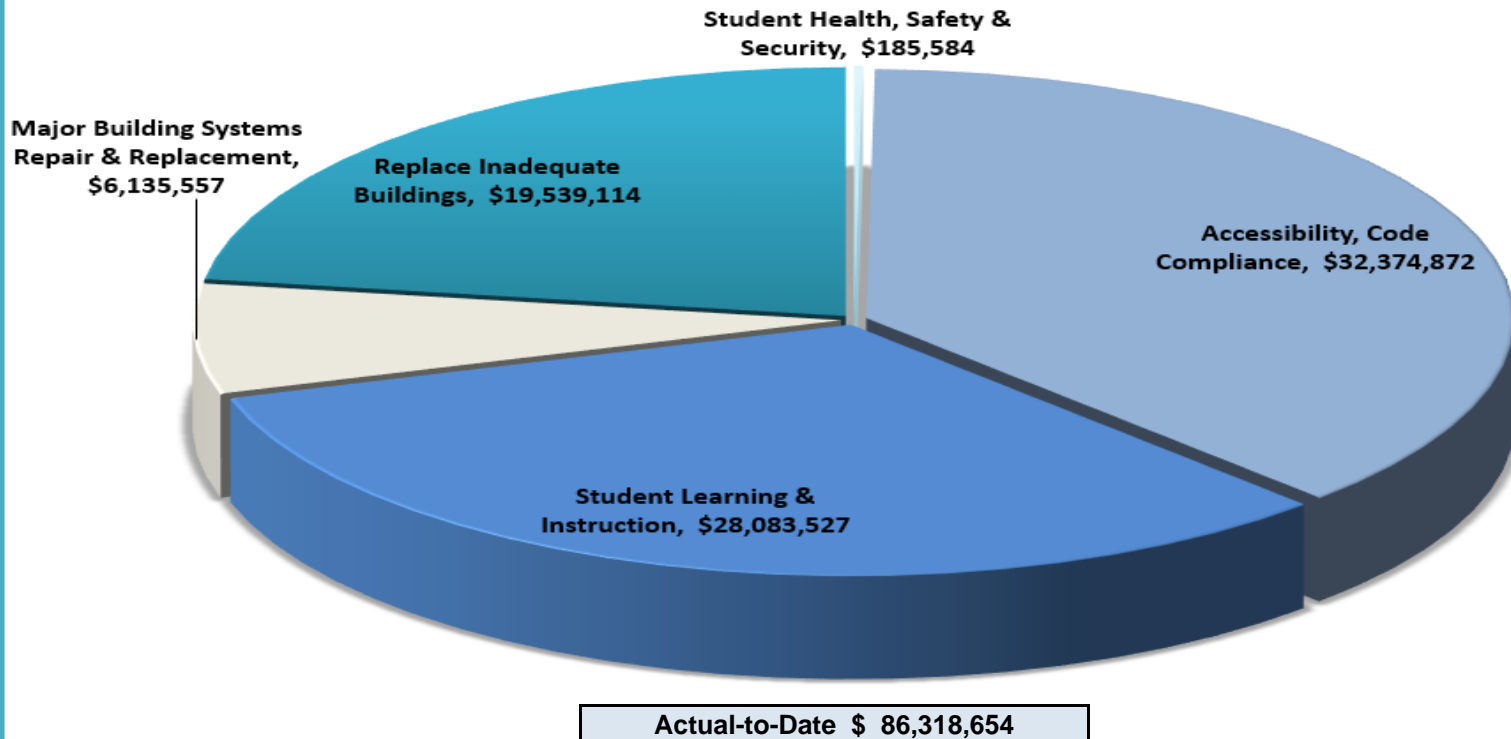
Technology Expenditure Burn Rate

Current Month	Last Month	FY 2015 to date	Total-to-date
158,295	611,639	158,295	179,213,833

Note: E-Rate discounts are paid by the Federal Government directly to the vendor as a discount to the i-21 project and are not included in Prop. S expenditures.

## Proposition S

### Actuals-to-Date - Categories of Work that Reduce the FCI Facility Repair Needs



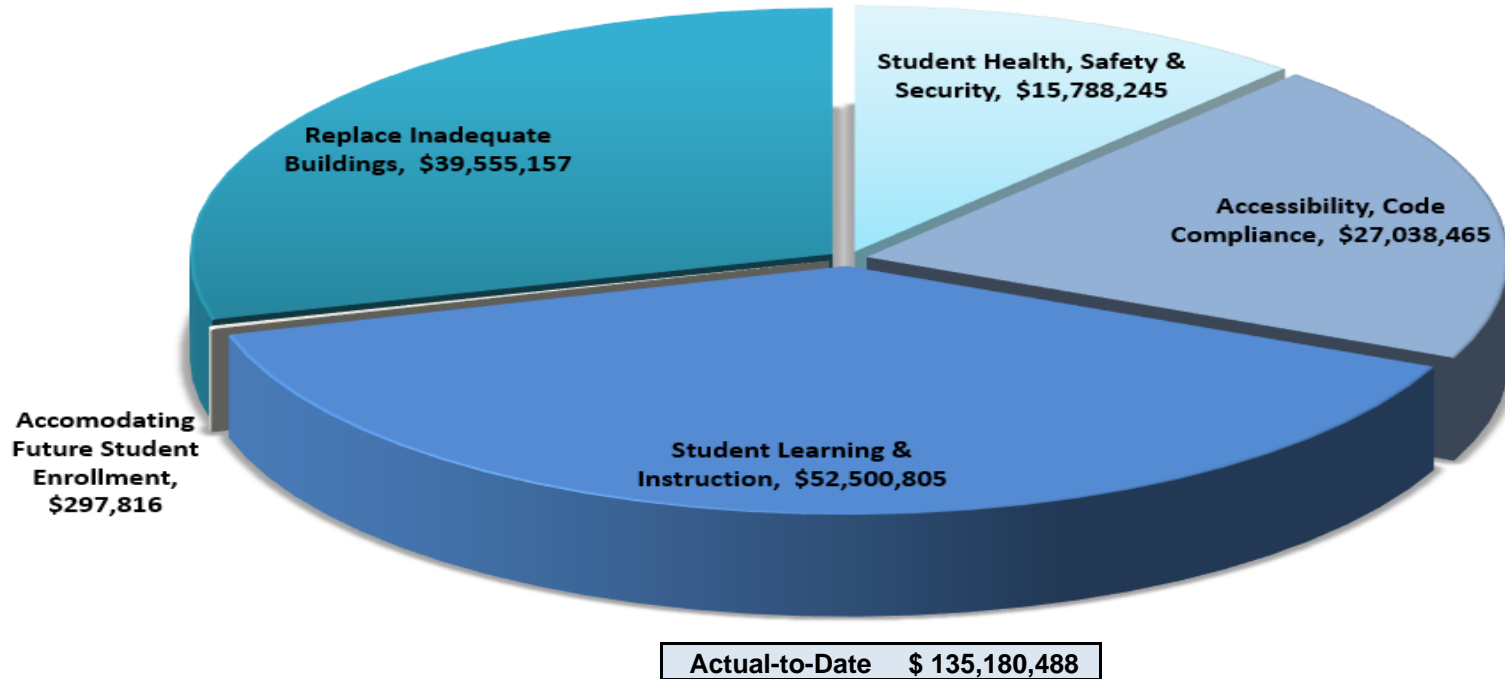
**Planned Total = \$1,004,000,000**

Major Repair and Replacement (MRR) type work is repairs to existing facilities. MRR work is done in several categories with the MRR category being the largest. For example, under Accessibility and Code Compliance restrooms, kitchens, stadiums and hard-scape are repaired and replaced.

- ◆ MRR Type work reduces the Total Cost of Facility Repairs Needs, in the Facilities Condition Index (FCI):

## Proposition S

### Actuals-to-Date - Facilities Capital Improvement Work by Category



**Planned Total = \$669,550,000**

Capital improvement work is done in many categories in Prop. S projects. Capital improvement work includes new facilities as well as upgrades to existing buildings and systems. For example, under the category Replacing Inadequate Buildings, new classroom buildings replaced old portables.

- ◆ Capital improvements contribute to the increase in the plant value of the Facilities Condition Index (FCI):  
$$FCI = \text{Total Cost of Facility Repair Needs} / \text{Current Replacement Value}$$

## Proposition Z

<b>2.8B Prop. Z Planned Revenue - 15-Years</b>	<b>Duration</b>	<b>Expended</b>
<b>Prop. Z Percent Complete</b>	9.0%	6.3%
<b>Prop Z Bond Sales Received</b>		\$ 530,000,000
<b>State Facility Program (Fund 35) Received-to-date</b>		26,463,385
<b>State Facility Program (Fund 35) Projected Revenue Thru June 2015</b>		1,945,701
<b>Projected Revenue thru June 2014</b>		559,021,839
<b>Total Expenditures-to-Date</b>		175,886,244
<b>FY 2013-2014 Planned Expenditures</b>		131,015,272
<b>FY 2015 Planned Expenditures</b>		224,806,734
<b>Projected Fund Balance - June 30, 2015</b>	*	158,328,860
<b>Current Fund Balance</b>	*	383,135,594

### Preliminary Year-End FY 2012 / 2014 Expenditures

Category	Planned Percentage	Percent of Expenditures	FY Expended - to date	June 2014 Expenditures	May 2014 Expenditures
Planning & Design	14.8%	15.4%	\$ 24,355,019	\$ (1,068,039)	\$ 7,586,580
Construction & Equipment	80.0%	78.6%	\$ 123,990,097	25,573,152	9,088,488
Program Management Office	5.2%	5.9%	\$ 9,343,466	2,240,760	1,403,288
<b>Sub-Total</b>	<b>100%</b>	<b>100%</b>	<b>\$ 157,688,582</b>	<b>\$ 26,745,873</b>	<b>\$ 18,078,357</b>

### FY 2015 Expenditures

Category	Planned Percentage	Percent of Expenditures	FY Expended - to date	Current Month Expenditures	Previous Month Expenditures
Planning & Design	14.8%	0.5%	\$ 762,478	\$ 3,052,634	\$ (2,290,156)
Construction & Equipment	80.0%	10.4%	\$ 16,376,162	21,772,867	(5,396,705)
Program Management Office	5.2%	0.7%	\$ 1,059,022	1,179,267	(120,245)
<b>Sub-Total</b>	<b>100%</b>	<b>12%</b>	<b>\$ 18,197,662</b>	<b>\$ 26,004,769</b>	<b>\$ (7,807,106)</b>
<b>Prop. Z Percent of Budget and Amount Committed-to-Date**</b>				<b>60.6%</b>	<b>\$ 338,570,221</b>
<b>Current Remaining Uncommitted Balance***</b>					<b>220,451,618</b>

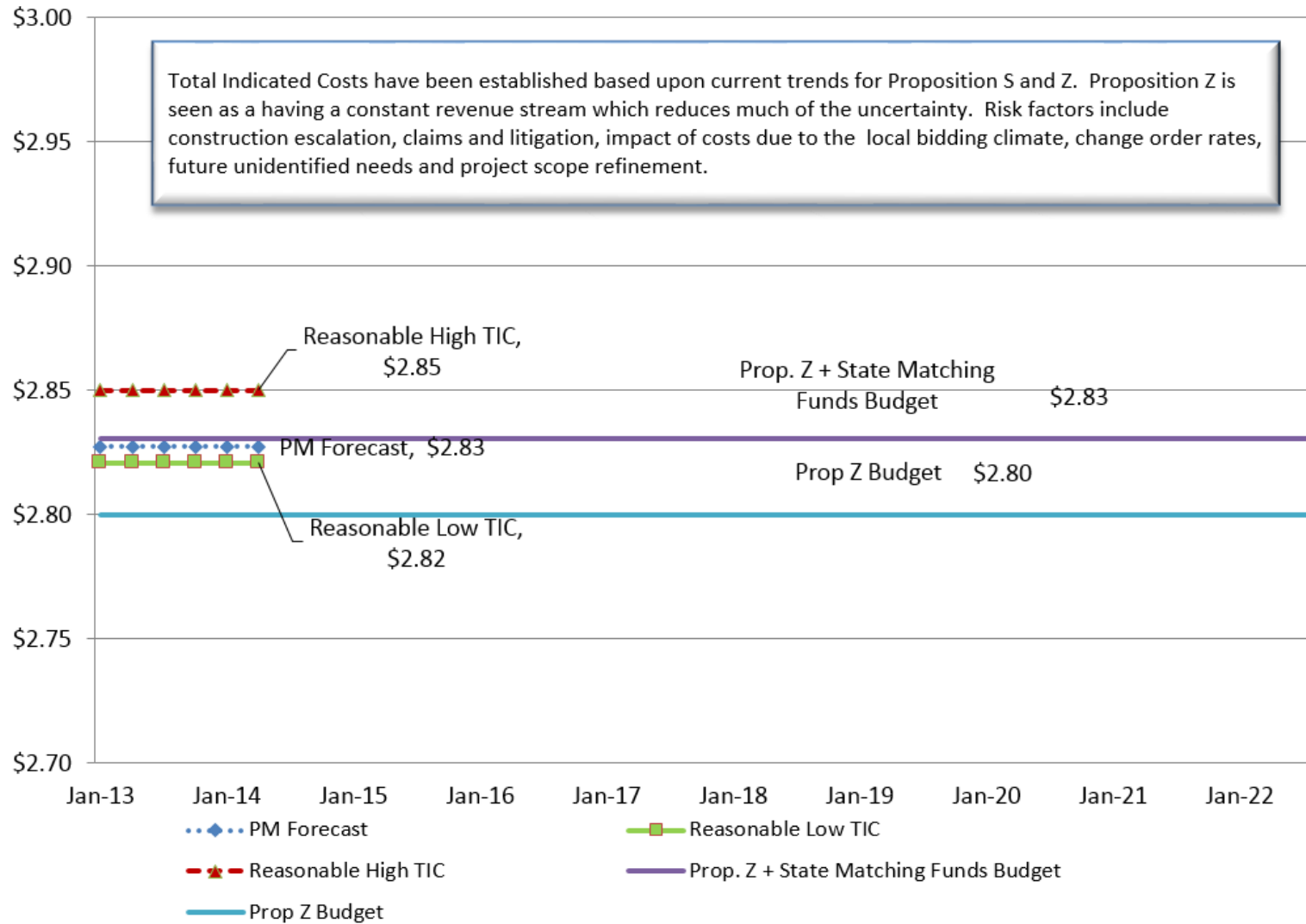
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- \*\* Committed amount is the amount committed by salary, check authorization, contract or purchase order.
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- Management Costs include all labor, services, equipment and supplies that are not direct charges to projects.



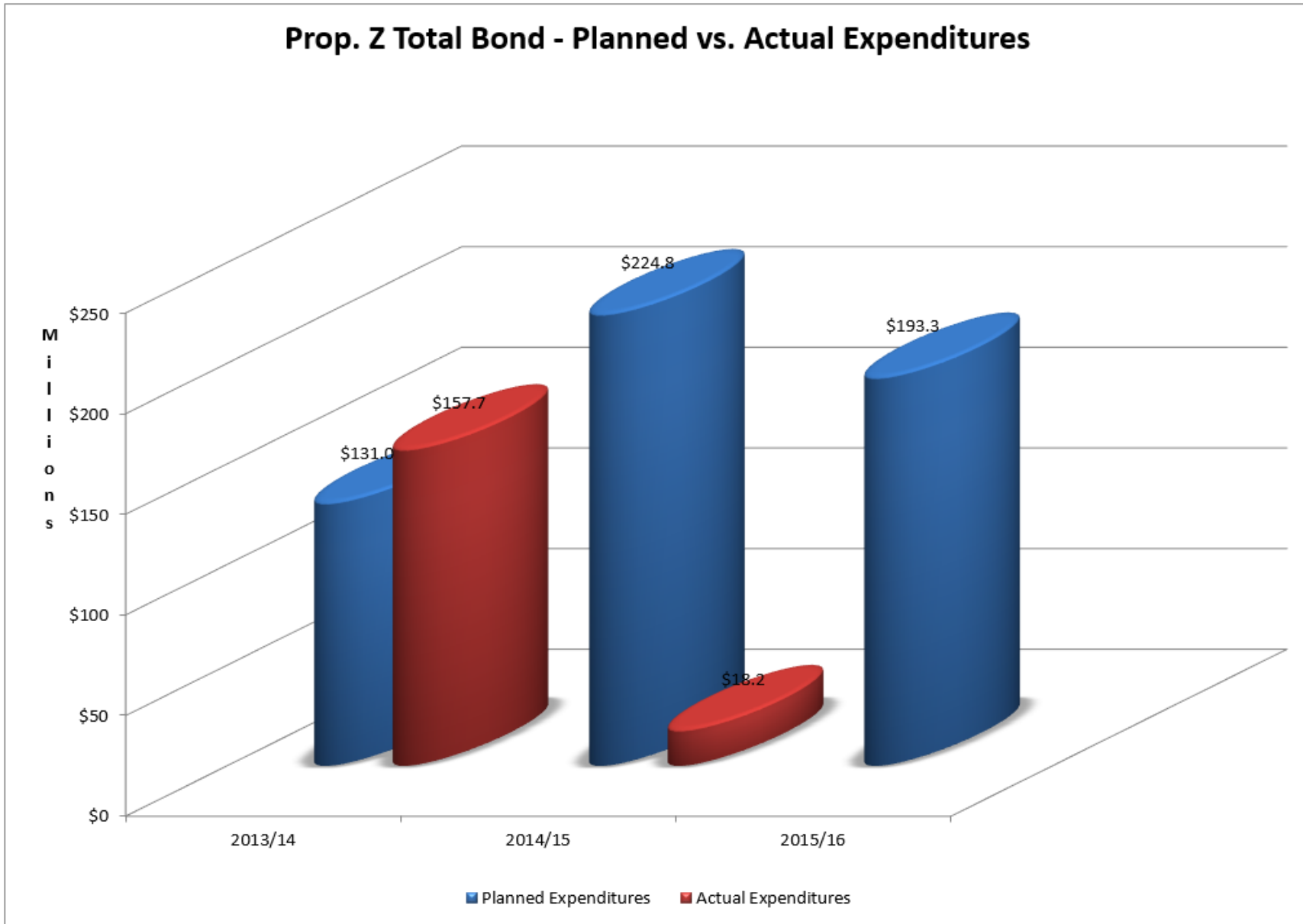
# Proposition Z

**Proposition Z  
Total Indicated Costs (TIC) Comparison**

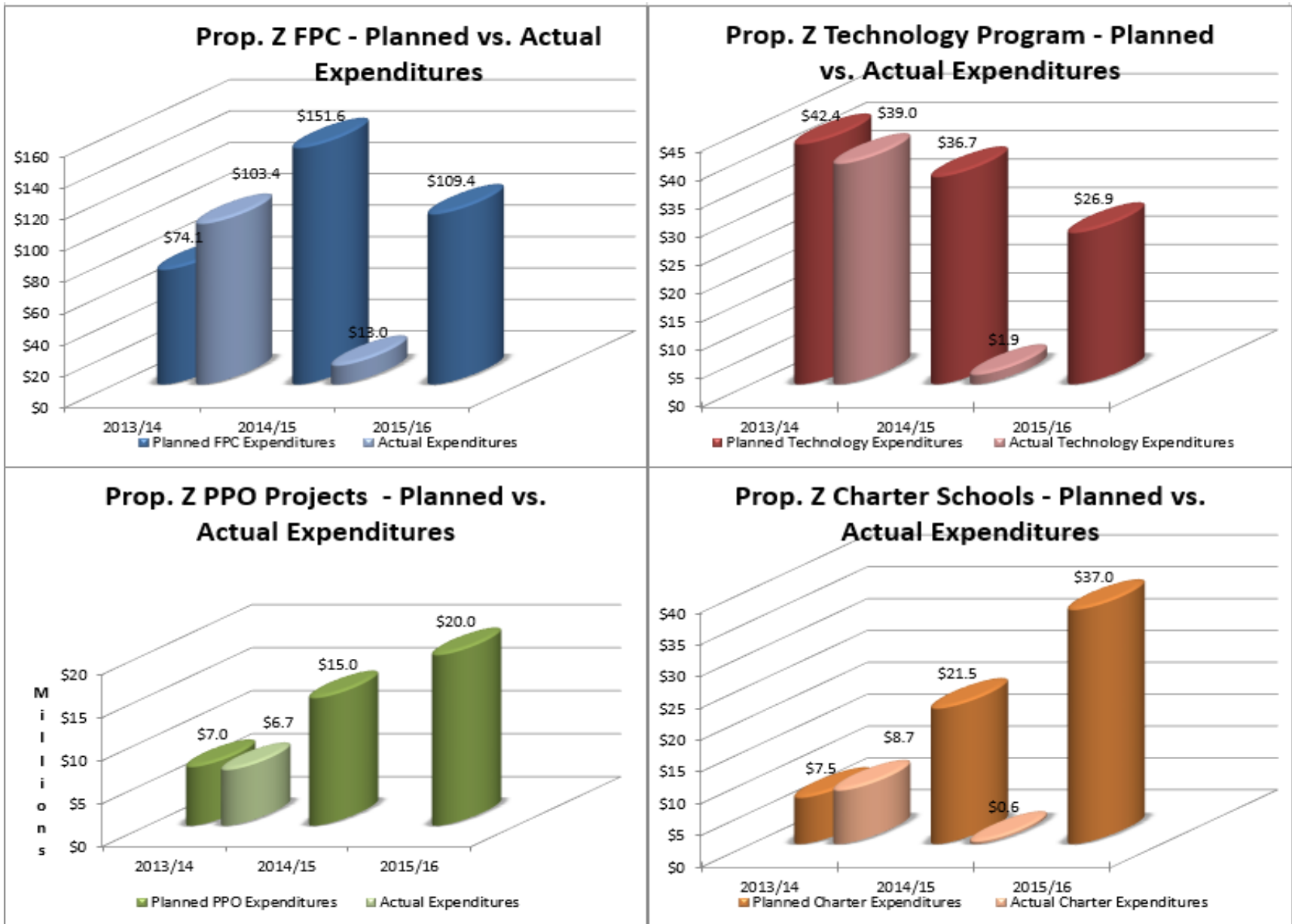
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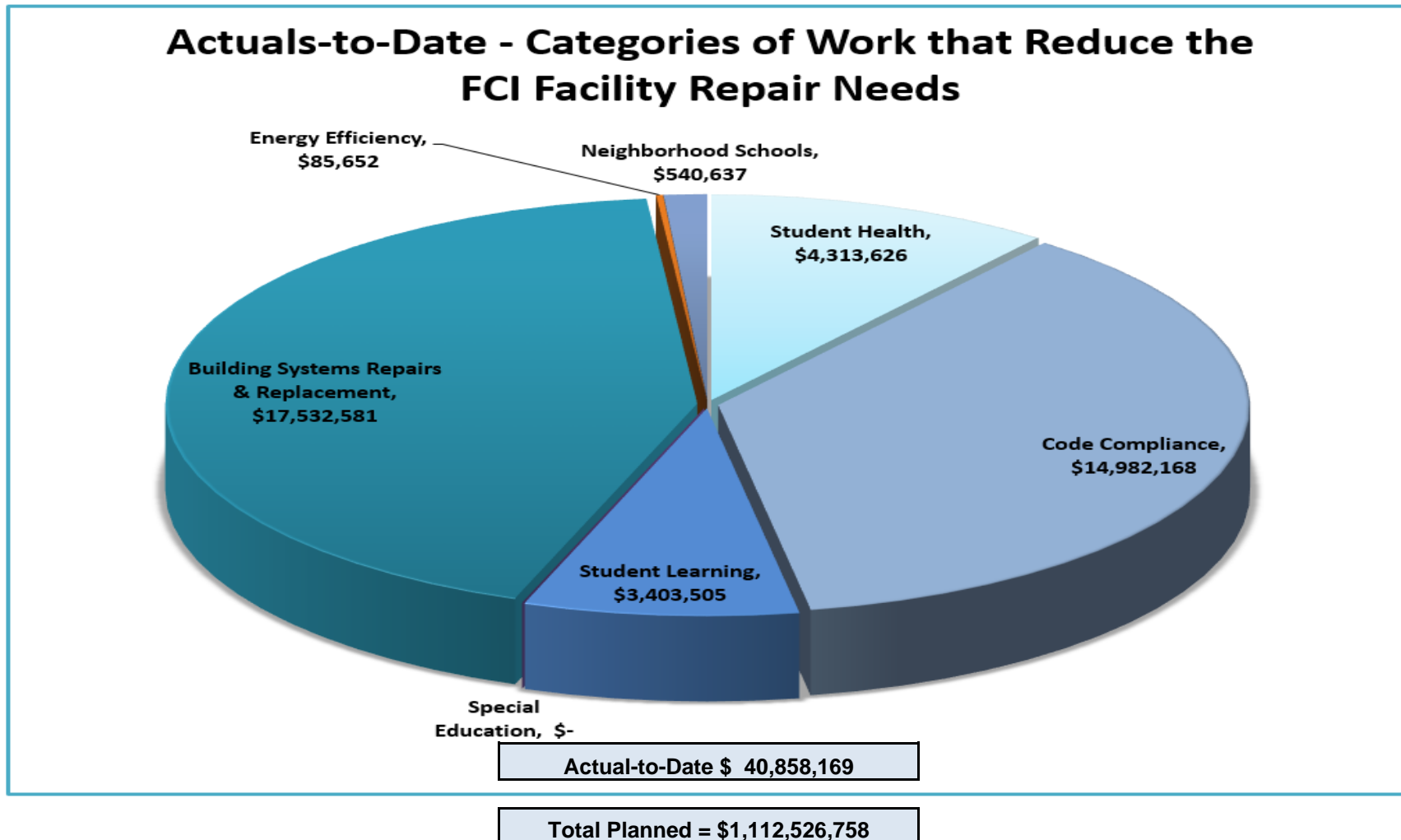
# Proposition Z



## Proposition Z



## Proposition Z



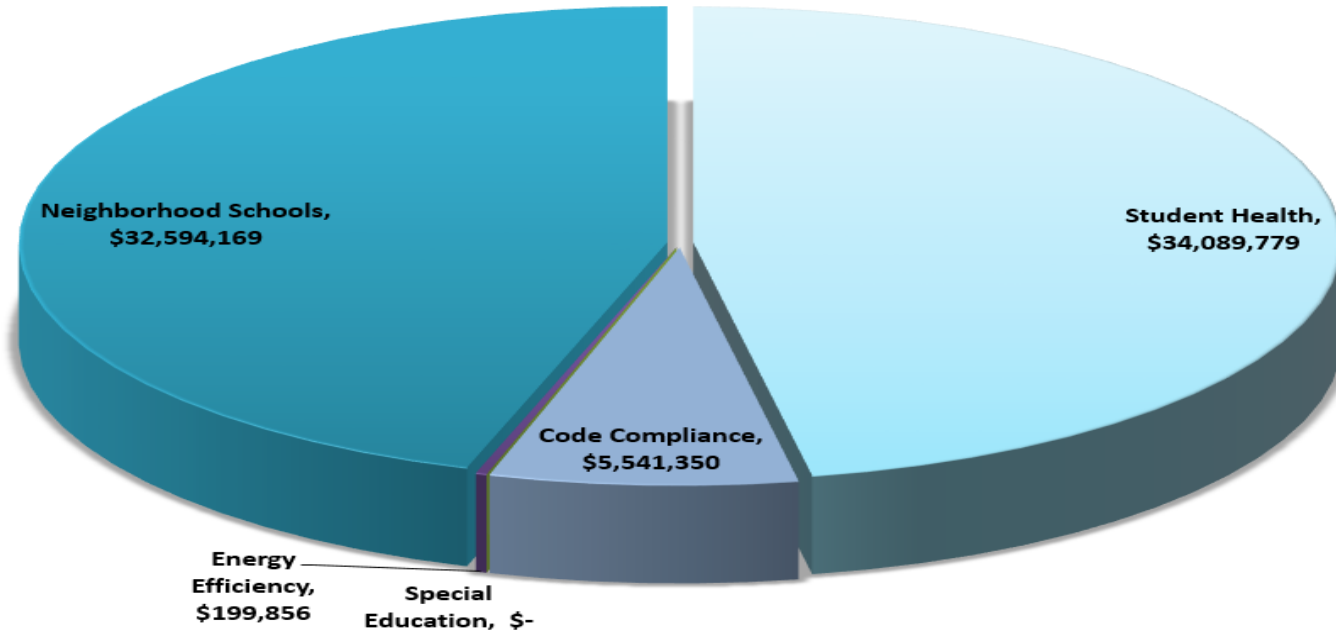
Major Repair and Replacement (MRR) type work is repairs to existing facilities. MRR type work is done in several categories with the BSRR category being the largest. For example, under Accessibility and Code Compliance restrooms, kitchens, stadiums and hardscape are repaired and replaced.

- ◆ MRR Type work reduces the Total Cost of Facility Repairs Needs, in the Facilities Condition Index (FCI):

$$\text{FCI} = \text{Total Cost of Facility Repair Needs} / \text{Current Replacement Value}$$

## Proposition Z

### Actuals-to-Date - Facilities Capital Improvement Work by Category



Actual-to-Date \$ 77,668,490

Total Planned = \$ 1,294,849,894

Capital improvement work is done in many categories in Prop. Z projects. Capital improvement work includes new facilities as well as upgrades to existing buildings and systems. For example, under the category Replacing Inadequate Buildings, new classroom buildings replaced old portables.

- ◆ Capital improvements contribute to the increase in the plant value of the Facilities Condition Index (FCI):  
$$\text{FCI} = \text{Total Cost of Facility Repair Needs} / \text{Current Replacement Value}$$

## Propositions S and Z

Engineering News Record's (ENR) most recent Construction Cost Index, Building Cost Index, Materials Cost Index, which are updated monthly. Tables include monthly and annual percent changes. The indices base of 100 started in 1913 and are based upon costs at 20 cities throughout the United States. More information is available at ENR.Com. ENR's most recent data is shown here.

### Trends

<b>Construction Cost Index (CCI)</b> +3.3%	The annual escalation rate for the CCI increased to 3.3% from the previous month's 3.2%, as the index's labor cost component rose 0.2%.	<b>1913 = 100</b>	<b>INDEX VALUE</b>	<b>MONTH</b>	<b>YEAR</b>
		<b>CONSTRUCTION</b>	9870.1	0.3%	3.3%
		<b>COMMON LABOR</b>	21069.9	0.2%	3.9%
		<b>WAGE \$/HR.</b>	40.03	0.2%	3.9%
<b>Builder Cost Index (BCI)</b> +2.3%	Annual inflation measured by the BCI climbed back to 2.3% after falling as low as 1.7% last May. The gain is due mostly to a 0.3% increase in the MCI	<b>1913 = 100</b>	<b>INDEX VALUE</b>	<b>MONTH</b>	<b>YEAR</b>
		<b>BUILDING</b>	5408.5	0.3%	2.3%
		<b>SKILLED LABOR</b>	9340.8	0.3%	3.1%
		<b>WAGE \$/HR.</b>	51.84	0.3%	3.1%
<b>Material Cost Index (ICI)</b> +1.0%	Lumber prices jumped 1.2% for the second consecutive month.	<b>1913 = 100</b>	<b>INDEX VALUE</b>	<b>MONTH</b>	<b>YEAR</b>
		<b>MATERIALS</b>	3005.8	0.3%	1.0%
		<b>CEMENT \$/TON</b>	114.8	0.2%	3.8%
		<b>STEEL \$/TON</b>	49.6	0.1%	-1.2%
		<b>LUMBER \$/TON</b>	454.10	1.2%	6.1%

- The Common Labor Index is the labor component of ENR's Construction Cost Index and tracks the union wage, plus fringe benefits, for laborers.
- The Skilled Labor Index is the labor component of ENR's Building Cost Index and tracks union wages, plus fringe benefits, for carpenters.

#### Overall Impacts

- The CCI, BCI and MCI all increased over the last year. Lumber, steel and cement increased over the last month. Labor increased over last month and is up over 3% over the last year.
- SDUSD FPC is currently applying a 2.5% yearly escalation factor for our internal construction estimates. The Office of Public School Construction is applying 4.28% per the Marshall and Swift CCI.
- Over the last 31 months SDUSD construction projects were awarded at 4.7% less than the budget, down from the average of 20% during the initial project awards from 2009-2011. The median of bids to budget is now at a 1.2% variance.
- Program change order (CO) rate is 2.3%.

# Propositions S and Z

This chart measures general contractor construction bids as a percentage of the construction budget for projects awarded since July 2011. The award amount during this period is 3% under budget. Since the inception of Prop. S, the overall award amount is 8.7% under budget.

