

**Reynolds School District
Board of Education Committee**

May 6, 2021

6:00 PM

Virtual Meeting

| | | |
|-------|---|-----------|
| I. | 5:45p - Call to Order: Special Board Meeting | 2 |
| II. | 5:47p - Action Item: Authorization to Spend - Pence | 3 |
| III. | 5:55p - Oath of Office: Bob Fowler | 42 |
| IV. | 6:00p - Adjourn Board Meeting | 44 |
| V. | 6:00p - Call to Order: Budget Committee Meeting | 45 |
| VI. | 6:00p - Welcome and Introductions - Board Chair Valerie Tewksbury | |
| | A. Budget Committee Roll Call | |
| VII. | 6:10p - Elect Budget Committee Chair | |
| VIII. | 6:15p - Elect Budget Committee Vice Chair | |
| IX. | 6:20p - Establish Meeting Norms and Agreements - Budget Committee Chair | |
| X. | 6:30p - Public Comment | |
| | Public Comment was submitted in writing. It has been shared with all Budget Committee Members and posted online for the public to view. | |
| XI. | 6:30p - Budget Message - Superintendent Dr. Danna Diaz | |
| XII. | 6:40p - Presentation | 47 |
| | A. Budget Process | |
| | B. Budget Overview | |
| | C. Budget Resolution | 97 |
| XIII. | 8:00p - Questions from the Budget Committee | |
| XIV. | 8:15p - Closing Remarks - Superintendent Dr. Danna Diaz | |
| XV. | 8:20p - Recess to Next Scheduled Budget Committee Meeting - May 13, 2021 at 6:00p | |



To: Board of Directors
From: Dr. Danna Diaz, Superintendent of Schools
Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent

Subject: Call to Order

Policy: [Board Meetings BD/BDA](#), [Conduct of Board Meetings BDDF](#)

Date: May 6, 2021

| | |
|---------------|-------------------------------------|
| Action | <input checked="" type="checkbox"/> |
| Report | <input type="checkbox"/> |

Connection to Board Goals

- Student Achievement
 Equity
 Fiscal Responsibility
 Communications

School Board Core Belief/Commitment #4: We believe that the heart of a high-performing organization is its people. We commit to becoming an inclusive and positive organizational culture.

Summary:

- a. Call to Order: Special Board Meeting; May 6, 2021

To: Board of Directors

From: Dr. Christopher Ortiz, Assistant Superintendent of Student & Family Services and District Operations

Prepared by: Jelena Doney, Executive Assistant to the Assistant Superintendent of Student & Family Services and District Operations

Subject: Authorization to Spend over \$150,000 Reynolds High School Gym Seismic Upgrade

Policy: [Construction Contracts- Bidding and Awards – FEF/FEFB](#)

Date: May 6, 2021

| | |
|--------|-------------------------------------|
| Action | <input checked="" type="checkbox"/> |
| Report | <input type="checkbox"/> |

Connection to Board Goals

Student Achievement Equity Fiscal Responsibility Communications

School Board Core Belief/Commitment #1: We believe that all students, families, and staff deserve a safe and secure learning environment. We commit to providing physical and emotional safety across the Reynolds community.

Summary:

Pence Construction, previously designated as the Construction Management/General Contractor (CM/GC) for the Reynolds High School renovations, has submitted a proposal for the work totaling \$2,150,871.

Please refer to the following attachment(s):

- Construction Contract with Pence Construction
- Notice of Intent to Award
- Seismic Upgrade Grant Award Letter

Previous Board Action:

The Board has previously authorized construction and upgrades of Reynolds High School, named Pence Construction as the Construction Management/General Contractor for said project(s), authorized acceptance of the seismic upgrade grant from Oregon Business Development Department, and authorized spending more than \$150,000 for the architecture and engineering work by BRIC Architecture.

Background:

The Reynolds High School Gym has been awarded a Seismic Rehabilitation Grant by the Oregon

Business Development Department of Business Oregon, following a seismic evaluation conducted by BRIC Architecture last spring as a function of the Facilities Assessment and Master Plan Steering Committee. The grant awarded is a reimbursement grant in the amount of \$2,500,000. The proposal of the work to be conducted includes an estimated project cost of \$2,799,370.

Financial Implications:

The cost of this project will be paid for by a reimbursable seismic rehabilitation grant from the Oregon Business Development Department.

Alternatives:

Failure to approve may result in the need to decline the \$2,500,000 seismic rehabilitation grant.

Staff Recommendation:

Staff recommends that the Board approve the authorization to spend more than \$150,000 for the seismic upgrade for the Reynolds High School Gym and authorize staff to enter into a new contract with Pence Construction for the completion of the seismic upgrade in accordance with the attached proposal.

Motion:

I move that the Board approve the authorization to spend more than \$150,000 for the seismic upgrade for the Reynolds High School Gym and authorize staff to enter into a new contract with Pence Construction for the completion of the seismic upgrade in accordance with the attached proposal.

REYNOLDS SCHOOL DISTRICT CM/GC
CONTRACT

(Construction Manager/General Contractor)

THE CONTRACT IS BETWEEN:

OWNER:

Reynolds School District No. 7
1204
NE 201ST Avenue
Fairview, OR 97024-2499

And

TDD

CONSTRUCTIONMANAGER/
GENERALCONTRACTOR
(referred to in the Standard General
Conditions for Public Improvement
Contracts as Contractor and referred to
herein as "the CM/GC"):
LCG PENCE CONSTRUCTION, LLC
2720 SW Corbett Avenue
Portland, OR 97201

The Project: Reynolds High School Gym Seismic Upgrade

The Architect is:
BRIC Architecture, Inc.
1233 NW
Northrup
Street, Suite
100
Portland, Oregon 97209

The Owner's Authorized Representative is:
CBRE|HEERY
2 Centerpointe Dr Suite 250
Lake Oswego, OR 97035

The Owner's Target GMP Range is:

For the Reynolds High School Gym Seismic Upgrade: \$ 2.1 Million

STATE OF OREGON

CM/GC CONTRACT

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The Owner and CM/GC agree as set forth below:

ARTICLE 1
DEFINITIONS

Except as expressly defined or modified below or elsewhere in this agreement ("CM/GC Contract"), all capitalized terms shall have the meanings set forth in Section A of Part IV of the State of Oregon Standard General Conditions for Public Improvement Contracts, January 1, 2012, attached as Exhibit A hereto (the "Reynolds School District General Conditions").

The terms below are expressly defined as follows:

- 1.1 **Affiliate.** Affiliate shall mean any subsidiary of CM/GC, and any other entity in which CM/GC has a financial interest or which has a financial interest in CM/GC (including without limitation parent companies, related businesses under the same holding company, or any other business controlled by, under common control with, or which controls CM/GC).
- 1.2 **Allowances.** Allowances shall mean the allowance amounts shown in the GMP Supporting Documents, together with such further allowances as may be developed by the parties as the Project progresses.
- 1.3 **Amendment.** Amendment shall mean a written modification of the Contract (including without limitation any agreed change to the GMP), identified as an Amendment, and executed by CM/GC, the Owner's Authorized Representative, and, where required, approved in writing by the owner.
- 1.4 **Business Days.** Business Days shall mean every day except Saturday, Sunday, and legal holidays recognized for employees of Reynolds School District, OR.
- 1.5 **Change Order.** Change Order shall mean a written modification of the Contract under Section D. I of the Reynolds School District General Conditions (including without limitation any agreed change to GMP), identified as a Change Order and executed by the Owner's Authorized Representative, CM/GC, where applicable, and, where required, approved in writing by the Owner.
- 1.6 **CM Services.** CM Services shall have the meaning given in Article 3.3 below.
- 1.7 **Construction Documents.** Construction Documents shall have the meaning given in the Reynolds School District Professional Services Agreement with the Architect for this Project.
- 1.8 **Construction Phase.** The Construction Phase shall mean the period commencing on the Owner's execution of a GMP Amendment or Early Work Amendment, together with the earlier of (i) issuance by Owner of a Notice to Proceed with any on-site construction or

(ii) execution of a subcontract or issuance of a purchase order for materials or equipment required for the Work.

- 1.9 Construction Phase Services.** Construction Phase Services shall mean all of the Work other than the Preconstruction Phase Services.
- 1.10 Contract Documents.** Contract Documents shall have the meaning given in Section A of the Reynolds School District General Conditions, as supplemented by Article 2.1 below.
- 1.11 Design Development Documents.** Design Development Documents shall have the meaning given in the Reynolds School District Professional Services Agreement with the Architect for this Project.
- 1.12 Early Work.** Early Work shall mean Construction Phase Services authorized by Amendment that the parties agree should be performed in advance of establishment of the GMP. Permissible Early Work shall be limited to: early procurement of materials and supplies; early release of bid or proposal packages for site development and related activities; and any other advance work related to critical components of the Project for which performance prior to establishment of the GMP will materially affect the critical path schedule of the Project.
- 1.13 Early Work Amendment.** Early Work Amendment shall mean an Amendment to the Contract executed by and between the parties to authorize Early Work.
- 1.14 Cost for General Conditions Work.** Cost for General Conditions Work or GC Work shall mean that sum identified in Article 8.8 and/or Exhibit C. *[Note: The agency has decided not to fix General Conditions Work costs, but instead wishes to treat them as reimbursable items like all other costs of the Work. If so, this section, and all related sections should be deleted or amended as instructed in Section 8.8]*
- 1.15 General Conditions Work 1.1 CM/GC Field Work.** CM/GC Field Work shall mean customary portions of the Work of a minor nature and not feasibly part of the subcontracted work due to: exclusions by the Subcontractor not resolved through the process described in Article 11.3.3, undeveloped design owing to deviations in Work performed or materials delivered by Subcontractors or suppliers that do not represent defective or nonconforming work, a breach or failure to perform by the Subcontractor or supplier, complexity of coordination of the Work, and other similar reasons typically providing cause for "pick-up" or GC Work under industry standards; provided, however, that (i) the CM/GC has reasonably determined that doing such portion of the Work itself is in the best interests of Owner, (ii) such Work is identified as CM/GC Field Work in monthly billings, and
- 1.16 CM/GC receives prior approval of Owner's Authorized Representative as to the scope of such CM/GC Field Work.**
- 1.17 Guaranteed Maximum Price (GMP).** GMP shall mean the Guaranteed Maximum Price of the Contract, as stated in dollars within the GMP Amendment, as determined in accordance with Article 6, and as it may be adjusted from time to time pursuant to the provisions of the Contract.

- 1.18 GMP Amendment.** GMP Amendment shall mean an Amendment to the Contract, issued in the form of Exhibit B executed by and between the parties, to establish the GMP and identify the GMP Supporting Documents for Construction Phase Services.
- 1.19 GMP Supporting Documents.** GMP Supporting Documents shall mean the documents referenced in the GMP Amendment as the basis for establishing the GMP. The GMP Supporting Documents shall expressly identify the Plans and Specifications, assumptions, qualifications, exclusions, conditions, allowances, unit prices, and alternates that form the basis for the GMP.
- 1.20 Preconstruction Phase.** The Preconstruction Phase shall mean the period commencing on the date of this CM/GC Contract and ending upon commencement of the Construction Phase; provided that if the Owner and CM/GC agree, the Construction Phase may commence before the Preconstruction Phase is completed, in which case both phases shall proceed concurrently, subject to the terms and conditions of the Contract Documents.
- 1.21 Preconstruction Phase Services.** Preconstruction Phase Services shall mean all services described in Article 3.1, and any similar services described in the Request for Proposals, including such similar services as are described in the CM/GC's RFP proposal to the extent they are accepted by Owner, but excluding any Early Work. Early Work shall be considered part of Construction Phase Services.
- 1.22 Schematic Design Documents.** Schematic Design Documents shall have the meaning given in the Reynolds School District Professional Services Agreement with the Architect for this Project.
- 1.23 Scope Change.** Scope Change shall mean only (i) changed site conditions not reasonably inferable from information available to CM/GC at the time of execution of the GMP Amendment, and (ii) significant Work modifications (including additions, substitutions, and deletions), application of Allowances, and selection of alternates, all as approved by the Owner under the Contract beyond that identified or inferable from the GMP Supporting Documents (but in the case of Allowance items, the GMP will increase only if the cost to Owner of the Allowance items exceeds the total amount of the Allowances).

ARTICLE 2 CONTRACT DOCUMENTS

- 2.1 Contract Documents.** For valuable consideration as stated below, Owner and the CM/GC agree to the terms of the contract that are set forth in the Contract Documents. For purposes of this Project, the Contract Document identified as "Public Improvement Contract" in the Reynolds School District General Conditions shall mean this CM/GC Contract. The CM/GC Contract shall include all exhibits attached hereto, which by this reference are incorporated herein
- 2.2 Effective Date.** The Contract (hereafter the "Contract") shall become effective on the first date on which every party has signed this CM/GC Contract and Owner has received all necessary approvals.

- 2.3 The Contract; Order of Precedence.** This CM/GC Contract, together with the other Contract Documents, form the entire agreement between the parties. Except as expressly otherwise provided herein, the order of precedence of the Contract Documents is established in Section A.3 of the Reynolds School District General Conditions, if there are inconsistent or conflicting terms among the Contract Documents.

ARTICLE 3 **WORK OF THE CONTRACT**

- 3.1 Preconstruction Phase Services.** The CM/GC agrees to provide all of the Preconstruction Phase Services described below. Commencement of the Construction Phase shall not excuse CM/GC from completion of the Preconstruction Phase Services if such services have not been fully performed at commencement of the Construction Phase. Preconstruction Phase Services shall include CM Services performed during the Preconstruction Phase.
- 3.1.1** The CM/GC shall provide a preliminary evaluation of the Owner's program and budget requirements, each in terms of the other.
- 3.1.2** The CM/GC shall provide the following services relating to design and pre-construction tasks:
- (a) The CM/GC shall consult with, advise, assist, and provide recommendations to the Owner and the design team on all aspects of the planning and design of the Work.
 - (b) The CM/GC will assist in pre-investigation services of the existing conditions of the High School for verification and confirmation to aid in the documentation and in the ultimate incorporation of the new design element in an effort to reduce unknown situations and limit changes during construction. Work closely with the design team District to provide a comprehensive understanding of all possible conditions prior to the start of the Construction Phase Services.
 - (c) The CM/GC shall jointly schedule and attend regular meetings with the Architect and Owner's Authorized Representative. The CM/GC shall consult with the Owner and Architect and Owner's Authorized Representative regarding site use and improvements, and the selection of materials, building systems and equipment.
 - (d) The CM/GC shall provide recommendations on construction feasibility; actions designed to minimize adverse effects of labor or material shortages; time requirements for procurement, installation and construction completion; and factors related to construction cost including estimates of alternative designs or materials, preliminary budgets and possible economies.
 - (e) The CM/GC shall review in-progress design documents, including the

documents generally described in the industry as Schematic Development Documents, Design Development Documents, and Construction Documents and provide input and advice on construction feasibility, alternative materials, and availability. CM/GC shall review these completed Schematic Development Documents, Design Development Documents, and Construction Documents and timely suggest modifications to improve completeness and clarity.

3.1.3 The CM/GC shall provide the following services related to the Project schedule:

- (a) The CM/GC shall prepare, and periodically update, a Project schedule for the Architect's and Owner's Authorized Representative's review and the Owner's Authorized Representative's approval.
- (b) The CM/GC shall coordinate and integrate the preliminary Project schedule with the services and activities of the Owner, Architect, and CM/GC. As design proceeds, CM/GC shall update the preliminary Project schedule to indicate proposed activity sequences and durations, milestone dates for receipt and approval of pertinent information, submittal of a GMP proposal, preparation and processing of shop drawings and samples, delivery of materials or equipment requiring long-lead time procurement, and Owner's occupancy requirements showing portions of the Project having occupancy priority, provided that the date(s) of Substantial Completion shall not be modified without Owner's prior written approval. If preliminary Project schedule updates indicate that previously approved schedules may not be met, the CM/GC shall make appropriate recommendations to the Owner's Authorized Representative and Architect.
- (c) CM/GC shall generate and maintain the project schedule in a CPM format, using Primavera P6 scheduling software. The schedule shall be updated not less than once per month through the duration of the project

3.1.4 The CM/GC shall make recommendations to Architect and Owner's Authorized Representative regarding the phased issuance of Plans and Specifications to facilitate phased construction of the Work, if such phased construction is appropriate for the Project, taking into consideration such factors as economics, time of performance, availability of labor and materials, and provisions for temporary facilities.

3.1.5 The CM/GC shall provide the following services relating to cost estimating:

- (a) The CM/GC shall prepare, for the review of the Architect and Owner's Authorized Representative and approval of the Owner, a preliminary cost estimate utilizing area, volume or similar conceptual estimating techniques.

(b) When Schematic Design Documents have been prepared by the Architect and approved by the Owner, the CM/GC shall prepare for the review of the Architect and Owner's Authorized Representative and approval of the Owner, a more detailed estimate with supporting data. During the preparation of the Design Development Documents, the CM/GC shall update and refine this estimate at appropriate intervals agreed

to by the Owner, Architect and Owner's Authorized Representative and CM/GC.

- (c) When Design Development Documents have been prepared by the Architect and approved by the Owner, the CM/GC shall prepare a detailed estimate with supporting data for review by the Architect and Owner's Authorized Representative and approval by the Owner. During the preparation of the Construction Documents, the CM/GC shall update and refine this estimate at appropriate intervals agreed to by the Owner, Architect and Owner's Authorized Representative and CM/GC.
- (d) If any estimate submitted to the Owner exceeds previously approved estimates or the Owner's budget, the CM/GC shall make appropriate recommendations to the Architect and Owner's Authorized Representative.
- (e) CM/GC shall notify the Owner and the design team immediately if any construction cost estimate appears to be exceeding the construction budget.
- (f) At approximately the time of completion of the Design Development by the Architect, the CM/GC will update the project estimate to support his proposed GMP, the GMP amount will be negotiated and the GMP Amendment put in place by the Parties such that the GMP is within is the Target GMP Range and within Owner's schedule.

3.1.6 The CM/GC shall perform the following services relating to Subcontractors and suppliers:

- (a) The CM/GC shall seek to develop Subcontractor and supplier interest in the Project, consistent with applicable legal requirements, and shall furnish to the Owner's Authorized Representative and Architect for their information a list of possible Subcontractors and suppliers, including suppliers who may furnish materials or equipment fabricated to a special design, from whom competitive bids, quotes, or proposals (collectively, "Offers") will be requested for each principal portion of the Work. Submission of such list is for information and discussion purposes only and not for prequalification. The receipt of such list shall not require the Owner, Owner's Authorized Representative or Architect to investigate the qualifications of proposed Subcontractors and suppliers, nor shall it waive the right of the Owner or Architect later to object to or reject any proposed Subcontractor, supplier, or method of procurement.
- (b) The CM/GC shall provide input to the Owner and the design team regarding current construction market bidding climate, status of key subcontract markets, and other local economic conditions. CM/GC shall determine the division of work to facilitate bidding and award of trade contracts, considering such factors as bidding climate, improving or accelerating construction completion, minimizing trade jurisdictional disputes, and related issues. CM/GC shall advise Owner on subcontracting opportunities

for minority/women/ESB firms.

- 3.1.7** The CM/GC shall recommend to the Owner's Authorized Representative and Architect a schedule for procurement of long-lead time items which will constitute part of the Work as required to meet the Project schedule, which shall be procured by the CM/GC upon execution of either a GMP Amendment or Early Work Amendment covering such procurement, and approval of such schedule by the Owner's Authorized Representative.

The CM/GC shall expedite the delivery of long-lead time items.

- 3.1.8** The CM/GC shall work with the Owner in identifying critical elements of the Work that may require special procurement processes, such as prequalification of offerors or alternative contracting methods.

- 3.1.9** The CM/GC shall Work with the Owner and the design team to maximize energy efficiency in the Project, including without limitation providing estimating and value engineering support to the Owner's analysis and application for energy related incentive programs offered by local utilities.

3.2 Construction Phase Services.

- 3.2.1** Upon execution of an Early Work Amendment or GMP Amendment, the CM/GC shall provide Construction Phase Services as provided in the Contract Documents, including without limitation bidding all remaining work if Early Work Amendments had been executed as noted below, providing and paying for all materials, tools, equipment, labor and professional and craft services, and performing all other acts and supplying all other things necessary to fully and properly perform and complete the Work, as required by the Contract Documents, to furnish to Owner a complete, fully functional Project, capable of being legally occupied and fully used for its intended purposes upon completion of the Contract (or, as to an Early Work Amendment, to furnish such Work as is described in the Early Work Amendment). Construction Phase Services shall include CM Services performed during the Construction Phase.

- 3.2.2** Notwithstanding any other references to Construction Phase Services in this CM/GC Contract, the Contract shall include Preconstruction Phase Services only unless (i) the parties execute a GMP Amendment or (ii) the parties execute an Early Work Amendment, defined below.

- 3.2.3** The parties may execute one or more Early Work Amendments identifying specific Construction Phase Services that must be performed in advance of establishment of the GMP, without exceeding a not-to-exceed budget, a maximum not-to-exceed price, or a fixed price ("Early Work Price") to be stated in such Amendment, with such Amendment including all necessary State of Oregon approvals where required. If the Early Work Price is a not-to-exceed budget, then CM/GC shall be obligated to perform the Early Work only to the extent that the Cost of Work therefor, together with the CM/GC Fee, does not exceed the Early Work Price; however if CM/CG perform Early Work with a maximum not to exceed price or fixed price, and incurs cost in excess of that maximum not to exceed price or fixed price, respectively, the CM/GC shall complete the Early Work and pay such

excess cost without reimbursement. If one or more Early Work Amendments are executed, the CM/GC shall diligently continue to work toward development of a GMP Amendment acceptable to Owner, which shall incorporate the Early Work Amendments. If Owner thereafter terminates the Contract prior to execution of a GMP Amendment, the provisions of Section J.5 of the Reynolds School District General Conditions shall apply.

- 3.2.4** Prior to commencement of the Construction Phase, and in any event not later than mutual execution of the GMP Amendment, CM/GC shall provide to Owner a full performance bond and a payment security bond as required by Section G of the Reynolds School District General Conditions in the amount of the GMP. If an Early Work Amendment is executed, CM/GC shall provide such bond in the amount of the Early Work Price under the Early Work Amendment. CM/GC shall provide to Owner additional or replacement bonds at the time of execution of any subsequent Early Work Amendment or GMP Amendment, in each case prior to execution of the Amendment and the supplying of any labor or materials for the prosecution of the Work covered by the Amendment, and in each case in a sufficient amount so that the total bonded sum equals or exceeds the total Early Work Price or the GMP, as the case may be. In the event of a Scope Change that increases the GMP, CM/GC shall provide to Owner an additional or supplemental bond in the amount of such increase prior to performance of the additional Work.
- 3.3 Construction Management (CM) Services.** Throughout the Preconstruction Phase and Construction Phase of the Project, the CM/GC shall provide CM Services, generally consisting of coordinating and managing the building process as an independent contractor, in cooperation with the Owner, Owner's Authorized Representative, Architect and other designated Project consultants (the "Construction Principals"). CM Services shall include, but are not limited to:
- 3.3.1** Providing all Preconstruction Phase Services described above;
- 3.3.2** Developing and delivering schedules, preparing construction estimates, performing constructability review, analyzing alternative designs, studying labor conditions, coordinating and communicating the activities of the Construction Principals throughout the Construction Phase to all Construction Principals;
- 3.3.3** Continuously monitoring and managing the Project schedule and recommending adjustments to ensure completion of the Project in the most expeditious manner possible;
- 3.3.4** Working with the Owner, Owner's Authorized Representative, and the Architect to analyze the design, participate in decisions regarding construction materials, methods, systems, phasing, and costs, and suggest modifications to achieve the goals of providing the Owner with the highest quality Project within the budget, GMP and schedule;
- 3.3.5** Providing Value Engineering ("VE") services ongoing through the Project. CM/GC shall develop cost proposals, in the form of additions to or deductions from the GMP, including detailed documentation to support such adjustments and shall submit such proposals to Owner for its approval. CM/GC shall actively participate in a formal VE study anticipated to be held at the end of the Design Development phase.

CM/GC acknowledges that VE services are intended to improve the value received by Owner with respect to cost reduction or life cycle of the Project;

- 3.3.6 Holding and conducting periodic meetings with the Owner and the Architect to coordinate, update and ensure progress of the Work;
- 3.3.7 Submitting monthly written report(s) to the Owner's Authorized Representative. Each report shall include, but shall not be limited to, Project updates including (i) actual costs and progress for the reporting period as compared to the estimate of costs; (ii) explanations of significant variations; (iii) work completed; (iv) work in progress; (v) changes in the work; and (vi) other information as determined to be appropriate by the Owner. Oral or written updates shall be provided to the Owner as deemed appropriate by the CM/GC or as requested by the Owner;
- 3.3.8 Maintaining a daily log containing a record of weather, Subcontractors working on the site, number of workers, Work accomplished, problems encountered, safety violations and incidents of personal injury and property damage, and other similar relevant data as the Owner may reasonably require. The log shall be available to the Owner and Architect on request;
- 3.3.9 Developing and implementing a system of cost control for the Work acceptable to Owner's Authorized Representative, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The CM/GC shall identify variances between actual and estimated costs and report the variances to the Owner and Architect at regular intervals;
- 3.3.10 Cooperating with any and all consultants hired by Owner;
- 3.3.11 At Owner's request, cooperating and performing warranty and inspection Work for the Project through the expiration date of the applicable warranty period;
- 3.3.12 Assisting Owner with start-up of the Project. Such start-up may occur in phases due to phased occupancy;
- 3.3.13 Incorporating commissioning and inspection agents' activities into the Project schedule and coordinating Subcontractors required to participate in the commissioning and inspection process;
- 3.3.14 Performing all other obligations and providing all other services set forth in the Contract Documents; and performing all other acts and supplying all other things necessary to fully and properly perform and complete the Work as required by the Contract.
- 3.3.15 Organizing and conducting weekly Owner, Architect, Contractor (OAC) Meetings to discuss project progress, decisions needed, and challenges and resolutions.

ARTICLE 4
RELATIONSHIP AND ROLES OF THE PARTIES

- 4.1 Independent Contractor.** The CM/GC is an independent contractor and not an officer, employee, or agent of Owner as those terms are used in ORS 30.265.
- 4.2 Performance of Work.** The CM/CG covenants with Owner to cooperate with the Architect and Owner's Authorized Representative and utilize the CM/GC's professional skill, efforts and judgment in furthering the interests of Owner; to furnish efficient business administration and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in conformance with the terms and conditions of the Contract Documents and in an expeditious and economical manner consistent with the interests of Owner.
- 4.3 Design Consultants.** Owner has a separate contract with the Architect related to the Project. Both the CM/GC and the Architect shall be given direction by Owner through Owner's Authorized Representative. The CM/GC agrees to support Owner's efforts to create a collaborative and cooperative relationship among the CM/GC, Architect, other Project consultants, and Owner's Authorized Representative.
- 4.4 Forms and Procedures.** The Owner has developed or may develop procedures and forms for the administration and tracking of the Contract. The CM/GC agrees to abide by those procedures and use those forms.
- 4.5 CM/GC's Project Staff.** The CM/GC's Project staff shall consist of the following personnel:
- 4.5.1** Project Manager and Assistant Project Manager/Project Engineer: TBD, shall be the CM/GC's Project Manager and TBD, shall be CM/GC's Assistant Project Manager/Project Engineer and one or both will supervise and coordinate all Construction Phase and Preconstruction Phase Services of CM/GC and participate in all meetings throughout the Project term unless otherwise directed by Owner. CM/GC represents that each of the Project Manager and Assistant Project Manager have authority to execute Change Orders and Contract Amendments on behalf of CM/GC.
- 4.5.2** Job Superintendent: If Construction Phase Services are requested and accepted by Owner, TBD shall be the CM/GC's on-site job superintendent throughout the Project term.
- 4.6 Key Persons.** The CM/GC's personnel identified in Article 4.5, and any other personnel identified by name in CM/GC's Proposal, shall be considered Key Persons and shall not be replaced during the Project without the written permission of Owner, which shall not be unreasonably withheld. If the CM/GC intends to substitute personnel, a request must be given to Owner at least 30 Days (or such shorter period as permitted by Owner) prior to the intended time of substitution. When replacements have been approved by Owner, the CM/GC shall provide a transition period of at least 10 Business Days during which the original and replacement personnel shall be working on the Project concurrently. Once a replacement for any of these staff members is authorized, further replacement shall not occur without the written permission of Owner.

ARTICLE 5
DATE OF COMMENCEMENT; SUBSTANTIAL AND FINAL

COMPLETION

- 5.1 Notice to Proceed.** If Construction Phase Services are added to the Contract as set forth in Article 3.2, then a notice to proceed will be issued by Owner to begin the designated or full Construction Phase Services ("Notice to Proceed"). It is anticipated that the Notice to Proceed will be issued on a date TBD. A separate Notice to Proceed will be given for any and every Early Work Agreement.
- 5.2 Completion of Project.** The CM/GC shall achieve Substantial Completion of the entire Work not later than: TBD and shall achieve Final Completion not later than TBD.
- 5.3 Time is of the Essence.** All time limits stated in the Contract Documents are of the essence.
- 5.4 Time Extensions.** Notwithstanding provisions for Contract time extensions in Section D.2 of the Reynolds School District General Conditions, Owner and CM/GC agree that timely completion of the Work is essential to the success of the Project, and that approval for time extension shall be granted only as a last resort. CM/GC agrees to make every effort to recover "lost" time.

ARTICLE 6 **FEES, CONTRACT SUM AND** **GMP**

- 6.1 Fees; Contract Sum; GMP.** Owner shall pay CM/GC the Preconstruction Fee described in Article 6.2. In addition, for each Early Work Amendment executed by CM/GC and Owner, Owner shall pay CM/GC, as payment for the Early Work, an amount equal to the sum of the CM/GC Fee attributable to the Early Work, and the actual cost of all Early Work completed and accepted by Owner, but not exceeding the Early Work Price.

If a GMP Amendment is executed, Owner shall pay CM/GC, as payment for the Work, the "Contract Sum" which shall equal the sum of the Preconstruction Fee, the CM/GC Fee, the actual cost of the Work including any Early Work, but not exceeding the GMP.

The GMP shall be determined in accordance with the formula set forth below and as described in Article 6.3. The "Cost of the Work" is defined in Article 8. Costs in excess of the GMP shall be paid by the CM/GC without reimbursement by Owner. Changes to the GMP shall only be authorized by Amendment or Change Order that includes any necessary Reynolds School District approvals.

$$\begin{array}{l} \text{Preconstruction Fee} + \text{CM/GC Fee}^* + \text{Estimated Cost of the Work (Est COW)} = \text{GMP} \\ \text{Cost} \qquad \qquad \qquad \% \text{ Est. COW} \qquad \qquad \text{Includes CM/GC's Contingency and} \\ \text{Reimbursement} \qquad \qquad \text{Per RFP Response} \qquad \qquad \text{the Cost for GC Work} \\ \$ \\ \text{Maximum} \end{array}$$

- CM/GC Fee is the composite of Fee/Performance & Payment Bond/Liability Insurance
- Formula assumes no Early Work is performed.

6.2 Preconstruction Fee. The Preconstruction Fee shall be payable to CM/GC on a cost reimbursement basis up to a maximum sum of \$ TBD which shall cover constructability review, value engineering, cost estimating, development of GMP, and all other Preconstruction Phase Services, as described in Article 3. If CM/GC's costs for provision of Preconstruction Phase Services exceed the maximum Preconstruction Fee, CM/GC shall pay such additional cost without reimbursement. CM/GC shall not be entitled to any CM/GC Fee upon the Preconstruction Fee. Owner shall pay the Preconstruction Fee on a cost-reimbursement basis with each application for payment during the Preconstruction Phase. If the total actual Preconstruction Fee is less than the maximum Preconstruction Fee used for initial calculation of the GMP as provided above, the GMP shall be reduced by the difference; provided that Owner may direct instead that any unapplied portion of the maximum Preconstruction Fee be applied to Construction Phase Services, in which case the GMP shall not be reduced by the portion so applied. Except to the extent the parties may expressly agree to the contrary in the GMP Amendment, no Preconstruction Fee or other fee, compensation or reimbursement shall be payable to CM/GC with respect to Preconstruction Services performed after execution of the GMP Amendment.

6.3 Establishment of CM/GC Fee; Adjustments to CM/GC Fee.

6.3.1 The "CM/GC Fee" shall be a percentage of the cost of the work to be identified in the GMP Amendment, and shall be calculated as TBD % of the Estimated Cost of the Work at the time of establishment of the GMP. In making such calculation, the Estimated Cost of the Work shall exclude the Preconstruction Fee, the CM/GC Fee itself, Performance and Payment Bond and Liability Insurance and any other cost or charge which this CM/GC Contract states is not to be included in calculating the CM/GC Fee, and

reasonable CM/GC contingencies as designated in the GMP Supporting Documents. The CM/GC Fee is inclusive of profit, overhead, liability insurance, performance and payment bond and all other indirect or non-reimbursable costs. Owner shall pay the CM/GC Fee ratably with each application for payment during the Construction Phase. In the case of Early Work, the CM/CG Fee shall be the above percentage multiplied by the actual Cost of the Early Work, until such time as a GMP Amendment is executed, at which time such CM/GC Fee payments shall be credited against the CM/GC Fee fixed therein.

- 6.3.2** Notwithstanding any provision of Section D. 1.3 of the Reynolds School District General Conditions to the contrary, and unless the parties agree in writing to the contrary, any Amendment or Change Order that increases or decreases the GMP shall adjust the CM/GC Fee then in effect by the multiplying the percentage shown in Article

6.3.1 by the change in the Estimated Cost of the Work reflected in such approved Amendment or Change Order. In addition, if the Contract is terminated for any reason prior to full completion of the Work (including, without limitation, termination during or following performance of Early Work), the CM/GC Fee shall be limited to the total CM/GC Fee multiplied by the percentage of Work completed and accepted at the time of termination. The CM/GC Fee shall not be subject to adjustment for any other reason, including, without limitation, schedule extensions or adjustments, Project delays, unanticipated costs, or unforeseen conditions.

6.4 Determination of GMP.

- 6.4.1** CM/GC shall deliver to Owner a proposed GMP and GMP Supporting Documents at a time designated by Owner during the Preconstruction Phase. If any actual subcontract Offers are available at the time the GMP is being established, CM/GC shall use those subcontract Offers in establishing the GMP.
- 6.4.2** As the Plans and Specifications may not be developed to the stage of biddable design documents at the time the GMP proposal is prepared, the CM/GC shall provide in the GMP for further development of the Plans and Specifications by the Architect that is consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order or Amendment with a corresponding GMP adjustment.
- 6.4.3** The CM/GC shall include with its GMP proposal a written statement of its basis (the "GMP Supporting Documents"), which shall include:
- (a)** A list of the Plans and Specifications, including all addenda thereto and the conditions of the Contract, which were used in preparation of the GMP proposal.
 - (b)** A list of allowances and a statement of their basis.
 - (c)** A list of the clarifications and assumptions made by the CM/GC in the preparation of the GMP proposal to supplement the information contained in the

Plans and Specifications.

(d) The proposed GMP, including a statement of the estimated cost organized by trade categories, allowances, contingency, and other items and the associated fees that comprise the GMP.

(e) The Date of Substantial Completion upon which the proposed GMP is based, and a schedule of the Construction Documents issuance dates upon which the date of Substantial Completion is based.

- 6.4.4** The CM/GC shall meet with the Owner and Architect to review the GMP proposal and the written statement of its basis. If the Owner or Architect discovers any inconsistencies or inaccuracies in the information presented, they shall promptly notify the CM/GC, who shall make appropriate adjustments to the GMP proposal, its basis or both.
- 6.4.5** Prior to the Owner's acceptance of the CM/GC's GMP proposal and issuance of a Notice to Proceed, the CM/GC shall not incur any cost to be reimbursed as part of the Cost of the Work, except as specifically provided in an Early Work Amendment.
- 6.4.6** The Owner shall authorize and cause the Architect to revise the Plans and Specifications to the extent necessary to reflect the agreed-upon assumptions and clarifications contained in the GMP Amendment. Such revised Plans and Specifications shall be furnished to the CM/GC in accordance with schedules agreed to by the Owner, Architect and CM/GC. The CM/GC shall promptly notify the Architect and Owner if such revised Plans and Specifications are inconsistent with the agreed-upon assumptions and clarifications.
- 6.4.7** The GMP shall include in the Estimated Cost of the Work only those taxes which are enacted at the time the GMP is established.
- 6.4.8** The Estimated Cost of the Work shall include the CM/GC's contingency, a sum established by the CM/GC for the CM/GC's exclusive use, with owner representative review and approval, to cover additional development of Plans and Specifications and unanticipated costs and unforeseen conditions which are properly reimbursable as Cost of the Work but which are not the basis for a Change Order.
- 6.4.9** The CM/GC shall work with the Architect and Owner to identify and confirm components and systems not specifically shown but required for a complete, fully functional Project. Owner will direct the Architect to complete the final Construction Documents in accordance with the Project scope agreed upon by all parties at the time the GMP is established.
- 6.4.10** Notwithstanding the level of detail represented in the GMP Supporting Documents, the CM/GC shall represent and warrant, at the time that it submits the GMP, that the GMP includes the entire cost of all components and systems required for a complete, fully functional facility.
- 6.4.11** In developing the GMP, the CM/GC shall include and identify such contingencies within

the GMP as may be necessary to pay for unanticipated costs and unforeseen conditions that are required for a complete, fully functional facility.

- 6.5 Failure to Furnish an Acceptable GMP.** If the CM/GC does not furnish a GMP acceptable to Owner within Owner's Target GMP Range, or if Owner determines at any time in its sole discretion that the parties may fail to reach a timely agreement on a GMP acceptable to Owner, Owner may terminate the Contract without liability, and the CM/GC shall not receive additional compensation beyond the Preconstruction Fee under the Contract and sums due under any Early Work Amendment. Termination under this provision shall proceed under Section J.5 of the Reynolds School District General Conditions as a termination for Owner's convenience. CM/GC further agrees that Owner shall not be liable for any damages whether actual, consequential or otherwise for termination of the Contract under this provision.
- 6.6 Acceptance of GMP.** Upon acceptance of the GMP by Owner, the parties shall execute a GMP Amendment.
- 6.7 Owner Savings.** If the sum of the Preconstruction Fee, plus the CM/GC Fee, plus the actual and final Cost of the Work (the Contract Sum as defined in Article 6.1) is less than the GMP, the savings shall accrue to the Owner.
- 6.8 Allowance Work.**
- 6.8.1** CM/GC shall not perform any Allowance Work without prior execution by Owner of a Change Order approving the Specifications for the Allowance Work and the price thereof.
- 6.8.2** Owner shall be entitled to apply any Allowance line items that have not been fully expended to other line item Allowances that have been fully expended, without any resulting increase in the GMP.
- 6.8.3** If the total Cost of the Allowance Work exceeds the total Allowances within the GMP, CM/GC shall not perform any Allowance Work in excess of such amount until either (i) the parties agree that the additional Allowance work will be performed within the then-current GMP or (ii) a GMP Amendment is executed to increase the GMP by the excess cost of the Allowance work.
- 6.8.4** The Contract Sum shall not include any Allowance items not identified in the GMP Amendment or the GMP Supporting Documents until such allowance item is reduced to a fixed price by Change Order or Amendment.
- 6.9 Reallocating Projected Cost Underruns after Bid (Offer) Buyout.** As soon as possible after the awarding of the Work to the primary Subcontractors, CM/GC shall review

projected costs and provide the Owner with a buy-out status report showing any projected cost underruns, reconciling accepted Offers and other reasonably anticipated costs, to the cost estimate used by CM/GC to establish the GMP. CM/GC shall include with its report any underlying documentation requested by Owner used to develop or support such report. CM/GC shall also consider the reduced risk associated with known subcontracting costs, and the impact that reduced risk has on the amount of the CM/GC's Contingency. The parties shall negotiate in good faith to execute a Change Order transferring an appropriate portion of any projected cost underruns to an Owner-controlled contingency fund to be held within the GMP to pay for additional costs arising from (a) any Owner-directed or approved change to the Work, (b) schedule changes that would otherwise entitle CM/GC to an increase in the GMP, (c) Allowance items after exhaustion of all Allowances, (d) selection by Owner of more expensive alternates than those used for calculation of the GMP, (e) Owner selection of substitutions that increase the Cost of the Work, or (f) any other costs which otherwise would entitle CM/GC to an increase in the GMP. Any transfer of projected cost underruns from CM/GC's contingency to the Owner-controlled contingency fund will not affect CM/GC's obligation to furnish Owner with a complete, fully functional facility within the GMP without use of the funds transferred to the Owner-controlled contingency fund unless such funds are released by Owner for the purposes set forth in (a) through (f) of this Article 6.9. Any transfer of funds to the Owner-controlled contingency fund will not reduce the CM/GC Fee, nor will any subsequent release and use of funds from the Owner-controlled contingency fund for the purposes set forth in (a) through (f) of this Article 6.9 increase the CM/GC Fee.

ARTICLE 7 **CHANGES IN THE WORK**

Price Adjustments. Adjustments to the Estimated Cost of the Work required by changes in the Work shall be determined by any of the methods listed in Section D of the Reynolds School District General Conditions, except that, unless the adjustment is based upon fixed pricing or unit pricing:

- 7.1.1** The overhead and profit markup for the CM/GC shall be limited to the CM/GC Fee adjustment, if any, permitted under Article 6.3.2 of this CM/GC Contract;
- 7.1.2** The increase or decrease in the Estimated Cost of the Work, other than for subcontract work, shall be calculated pursuant to Articles 8 and 9 of this CM/GC Contract, instead of being based on CM/GC's Direct Costs as defined in the Reynolds School District General Conditions; and
- 7.1.3** In calculating adjustments to subcontracts, unless the parties agree otherwise, the change shall be limited to the Subcontractor's Direct Costs plus the supplemental mark-up provided in Section D of the Reynolds School District General Conditions, and shall not be modified by Articles 8 and 9 of this CM/GC Contract.

- 7.2 Adjustments to GMP.** Adjustments to the GMP after execution of the GMP Amendment may be made only (i) in the event of Scope Changes or (ii) as otherwise expressly provided in this CM/GC Contract, and then only in accordance with the following procedure:
- 7.2.1** CM/GC shall review subsequent iterations of the Plans and Specifications as they are prepared to determine whether, in the opinion of CM/GC, they result in a Scope Change so that it can be determined if an adjustment to the GMP is warranted.
- 7.2.2** Changes to the GMP shall be initiated by written notice by one party to the other ("GMP Change Request"). CM/GC shall deliver any such GMP Change Request to Architect and Owner's Authorized Representative promptly after becoming aware of any Scope Change if, in CM/GC's opinion, it constitutes grounds for adjustment of the GMP. Any GMP Change Request shall include a proposal as to the appropriate GMP adjustment with respect to the Scope Change at issue.
- 7.2.3** CM/GC shall submit its GMP Change Requests as soon as possible, and CM/GC shall not be entitled to claim a GMP increase unless CM/GC submitted a GMP Change Request to Owner's Authorized Representative and to Architect within the earlier of (a) 30 Days after CM/GC has received the information constituting the basis for the claim, or (b) as to Work not yet bid or proposed, prior to submission of solicitations for such Work and as to Work already solicited, prior to commencement of the portion of the Work for which CM/GC intends to claim a Scope Change; and (c) in any event, prior to CM/GC's signing of a Change Order for the Scope Change.
- 7.2.4** Owner may, at any time, submit a GMP Change Request requesting a reduction of the GMP, which shall include Owner's basis for such request, which may include, for example, reduction of the CM/GC's Contingency after further development of the Plans and Specifications that form the basis for the original GMP Amendment, and/or unused Allowances.
- 7.2.5** CM/GC shall work with Architect to reconcile all differences in its GMP Change Request with Architect within seven Days from the date of submission of the GMP Change Request. "Reconciled" means that the CM/GC and Architect have verified that their assumptions about the various categories are the same, and that they have identified the reason for differences in the GMP Change Request and the Architect's position. CM/GC shall submit the Reconciled GMP Change Request to Owner, which submission shall be a condition to any CM/GC claim for a GMP increase.
- 7.2.6** If the Reconciled GMP Change Request is not acceptable to Owner, CM/GC agrees to work with the Owner and the Architect to provide a GMP Change Request that is acceptable to Owner.
- 7.2.7** CM/GC agrees to make all records, calculations, drawings and similar items relating to GMP Change Request available to Owner and to allow Architect and Owner access and opportunity to view such documents at CM/GC's offices. Upon Owner's reasonable notice, CM/GC shall deliver two copies of such documents to Owner's Representative and Architect at any regular meeting or at the Site.

- 7.2.8 GMP increases, if any, shall not exceed the increased Cost of the Work arising from the Scope Change (whether based on agreed fixed pricing, or the estimated Cost of the Work increase based on cost-reimbursable pricing), reconciled in accordance with the above provisions, as arising from the incident justifying the GMP increase, plus or minus the CM/GC Fee applicable to such change in the Cost of the Work.
- 7.2.9 Except as provided in this Article 7.2, adjustments to the GMP shall be reconciled in accordance with Section D of the Reynolds School District General Conditions.
- 7.3 **Execution by Owner.** If Architect is not the Owner's Authorized Representative, then notwithstanding any provision in the Contract to the contrary, Architect has no authority to execute Change Orders or Amendments on behalf of Owner, and only duly authorized personnel of Owner may do so.

ARTICLE 8
COST OF THE WORK
(To Be Reimbursed)

- 8.1 **Cost of the Work.** The term "Cost of the Work" shall mean the following costs. The Cost of the Work shall include only those items necessarily and reasonably incurred by CM/GC in the proper performance of the Work and specifically identified in this Article 8, and only to the extent that they are directly related to the Project.
- 8.2 **Labor Costs.**
- 8.2.1 Wages of construction workers directly employed by the CM/GC to perform the construction of the Work at the site.
- 8.3 **Subcontract Costs.**
- 8.3.1 CM/GC's actual payment to Subcontractors pursuant to CM/GC's contract with such Subcontractor for the Work on the Project. No amount paid by or payable to any such Subcontractor other than the fixed or cost reimbursement price of its subcontract shall be included in the Cost of the Work, unless otherwise approved in writing by Owner.
- 8.4 **Costs of Materials and Equipment Incorporated in the Work or Stored On Site.**
- 8.4.1 Costs, including transportation, of materials and equipment incorporated or to be incorporated in the completed Work.
- 8.4.2 Costs of materials in excess of those actually installed, but required to provide reasonable allowance for waste and for spoilage. Unused excess materials, if any, shall be delivered to Owner at the completion of the Work or, at Owner's option, shall be sold by the CM/GC. Any sale shall be commercially reasonable and CM/GC shall provide accounting for such a sale within 15 Days of the transaction. Net amounts realized, if any, from such sales shall be credited to Owner as a deduction from the Cost of the Work.

8.5 Costs of Miscellaneous Equipment and Other Items; Equipment Rental Charges.

- 8.5.1** Costs, including transportation, installation, maintenance, dismantling and removal, of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by the construction workers, which are provided by the CM/GC at the site and fully consumed in the performance of the Work; and cost less salvage value on such items if not fully consumed, whether sold to others or retained by the CM/GC; provided that Owner at Owner's option may require that CM/GC deliver to Owner (at no charge) at the end of the Project any of such items procured for this Project. Cost for items previously used by the CM/GC shall mean fair market value. CM/GC shall charge no additional administrative or other mark-up for purchased items. The CM/GC shall document all small tools purchased for the Project via invoices in monthly billing, and shall document the disposition of small tools which have an individual price that exceeds \$100. A copy of such disposition log shall accompany the payment application whenever these items are included in the application. In no case shall a tools cumulative billing to the project exceed 50% of fair market purchase price of the same new tool.
- 8.5.2** Fees and assessments for the building permit and for other permits, licenses and inspections for which the CM/GC is required by the Contract Documents to pay.
- 8.5.3** CM/GC deposits lost for causes other than the CM/GC's fault or negligence.
- 8.5.4** Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by Owner.
- 8.5.5** **Costs to Prevent Damage or Injury in Emergencies.** The Cost of the Work shall also include costs which are incurred by the CM/GC in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property.
- 8.5.6** **Cost For General Conditions Work.** CM/GC shall be paid a sum of \$TBD for all services as stated in Exhibit C as payment for the GC Work, including all labor, materials, and direct and indirect costs thereof. To the extent any General Conditions Work is listed in Exhibit C and also otherwise described above in this Article 8, CM/GC's compensation for the same is included in the Cost for GC Work and shall not otherwise be charged as Cost of the Work. The Cost of the GC shall not be increase unless there is an approved extension of time to the approved GMP schedule, which warrants only those items in Exhibit C that would increase due to the time extension. The Cost for General Conditions Work, less 5% retainage thereon, shall be paid based on actual cost of work on a reimbursable basis, commencing with the first progress billing after commencement of the scheduled Construction Phase.

ARTICLE 9
COSTS EXCLUDED FROM COST OF
WORK
(Not To Be Reimbursed)

- 9.1 Costs Excluded from Cost of Work.** The following shall not be included in the Cost of the Work:
- 9.1.1** Salaries and other compensation of the CM/GC's personnel stationed at the CM/GC's principal office or offices other than the site office except as allowed under Articles 8.2.2 and 8.2.3.
 - 9.1.2** Expenses of the CM/GC's principal office: and offices other than the site office .
 - 9.1.3** Any overhead and general expenses, except as may be expressly included in Article 8.
 - 9.1.4** CM/GC's capital expenses, including interest on the CM/GC's capital employed for the Work.
 - 9.1.5** Rental cost of machinery and equipment, except as provided in Article 8.5.2
 - 9.1.6** Any cost associated with the Project not specifically and expressly described in Article
 - 9.1.7** Costs due to the fault or negligence of the CM/GC, Subcontractors, suppliers, anyone directly or indirectly employed by any of them, or for whose acts any of them may be liable.
 - 9.1.8** The cost of correction of any repair work, nonconforming or defective work, or warranty work.
 - 9.1.9** Merit, safety, or other incentive payments, bonuses or awards, or any expenses in connection therewith, except as provided in Article 8.
 - 9.1.10** Fines and penalties.
 - 9.1.11** Except for Early Work, the cost of Preconstruction Phase Services.
 - 9.1.12** The Cost of the Work for GC Work in excess of the Proposed Cost for General Conditions Work.
 - 9.1.13** Any costs in excess of the GMP.
 - 9.1.14** Premiums for Subcontractor bonds unless authorized by Owner.
 - 9.1.15** Architect's cost to the CM/GC, subcontractors, suppliers, or anyone for requiring more than (2) two reviews of each Shop Drawing, Product Data item, sample and similar submittals to the Architect.
 - 9.1.16** Architect's cost to the CM/GC, subcontractors, suppliers, or anyone for requiring more than (1) one inspection by the Architect for any portion of the Work to determine whether such portion of the Work is substantially complete, or (I) one inspection by the Architect to determine final completion in accordance with the Contract Documents.

Sales, use, or other taxes issued by a governing entity that the General Contractor is liable for

- paying.
- 9.1.17 b. Forklifts, scissor lifts, and other dedicated CM support equipment
 - 9.1.18 c. Safety equipment including PPE, scaffolding, temporary caged ladders
 - 9.1.19 d. CM rental tools
 - 9.1.20 e. Site radios
 - 9.1.21 f. Temporary generators, if required, and fuel for the same
 - 9.1.22 g. Office trailers and;
 - 9.1.23 i. Furniture
 - 9.1.24 ii. Printers, TV monitors for web meetings, presentations
 - 9.1.25 iii. Laptop computers and monitors rental fee
 - 9.1.26 h. Trash cleanup and removal
 - 9.1.27 i. Site power (in not on generator), water, internet ISP service
 - 9.1.28 j. Drinking water and portable toilets
 - 9.1.29 Pickup truck rental for senior CM staff

ARTICLE 10

DISCOUNTS, REBATES AND REFUNDS

- 10.1 **Discounts, Rebates and Refunds.** Cash discounts obtained on payments made by the CM/GC shall accrue to Owner. Trade discounts, rebates, refunds and net amounts received from sales of surplus materials and equipment shall accrue to Owner, and the CM/GC shall make provisions so that they can be secured.
- 10.2 **Amounts Credited to Owner.** Amounts which accrue to Owner in accordance with the provisions of Article 10.1 shall be credited to Owner as a deduction from the Cost of the Work.

ARTICLE 11

SUBCONTRACTS AND OTHER CONTRACTS

- 11.1 **General Subcontracting Requirements.**
 - 11.1.1 Other than Work performed pursuant to Articles 11.4 or 11.5 of this CM/GC Contract, CM/GC shall subcontract the Work to Subcontractors other than the CM/GC and its Affiliates.
 - 11.1.2 The CM/GC shall comply with Oregon Administrative Rules ("OAR") 125-246-0200, 125-246-0210, and 125-246-0220 in all respects for the solicitation of Minority, Women and Emerging Small Business Enterprises. Compliance shall include pass-through requirements for Subcontractor demonstrations of good faith efforts for all subcontract Offer packages, for which set goals shall not be utilized.

The CM/GC shall report to Owner on the results of the good faith efforts of compliance required in Article 11.1.2 following award of all subcontracts.

The CM/GC shall also submit quarterly reports to Owner listing Work contracted to date with Minority, Women and Emerging Small Business Enterprises.

11.2 CM/GC's Obligations under Subcontracts.

11.2.1 No use of a Subcontractor or supplier shall relieve the CM/GC of any of its obligations or liabilities under the Contract. Except as may expressly otherwise be provided in the Contract, the CM/GC shall be fully responsible and liable for the acts or omissions of all Subcontractors and suppliers including persons directly or indirectly employed by them. The CM/GC shall have sole responsibility for managing and coordinating the operations of its Subcontractors and suppliers, including the settlement of disputes with or between the CM/GC and any such Subcontractor or supplier.

11.2.2 The CM/GC shall include in each subcontract and require each Subcontractor to include in any lower tier subcontract, all provisions necessary to make all of the provisions of the Contract Documents, including the Reynolds School District General Conditions, fully effective as applied to Subcontractors. CM/GC shall indemnify Owner for any additional cost based on a subcontractor claim which results from the failure of CM/GC to incorporate the provisions of this CM/GC Contract in each subcontract. The CM/GC shall provide all necessary Plans, Specifications, and instructions to its suppliers and Subcontractors to enable them to properly perform their work.

11.2.3 Retainage from Subcontractors. Except with the Owner's prior approval, payments to Subcontractors shall be subject to retainage of no more than 5%. The Owner and the CM/GC shall agree upon a mutually acceptable procedure for review and approval of payments and retainage for Subcontractors.

11.3 Subcontractor Selection.

11.3.1 Unless otherwise provided under this Article 11, the selection of all Subcontractors and suppliers shall be made by competitive Offers in a manner that will not encourage favoritism or substantially diminish competition. While not subject to the competitive procurement requirements of ORS Chapter 279C, the process shall conform to the following procedures, in general compliance with the open and competitive nature of public procurement, taking into account industry subcontracting practices.

11.3.2 CM/GC shall submit to Owner's Authorized Representative its proposed procurement documents for review and comment before they are issued for solicitation. CM/GC shall consider and respond to all Owner comments regarding any proposed Offer packages. As Offers are received, CM/GC shall submit to the Owner an Offer comparison in a mutually agreeable form together with any specific back-up documentation requested by Owner. The competitive process used to award subcontracts by the CM/GC may be monitored by the Owner's Authorized Representative; provided that such monitoring shall not excuse CM/GC from compliance with the subcontracting requirements of this CM/GC Contract. CM/GC shall cooperate in all respects with Owner's monitoring. The Owner's Authorized Representative shall be advised in advance of and be given the opportunity to be present at Offer openings, and CM/GC shall provide him or her with a summary or

abstract of all Offers in form acceptable to the Owner's Authorized Representative, and copies of particular Offers if requested, prior to CM/GC's selection of Offerors. Prior to opening Offers, the CM/GC agrees to disclose in writing to Owner any financial interest it has in any such Subcontractor, supplier or other contracting party whenever such Subcontractor, supplier or contracting party intends to compete on any Project work, directly or indirectly, including whether such party is an Affiliate of CM/GC.

11.3.3 The following minimum requirements apply to the Subcontract solicitation process:

- (a) Solicitations will be advertised at least 10 Days prior to opening in the Daily Journal of Commerce and at least one other newspaper specifically targeted to reach the Minority, Women and Emerging Small Business audience. CM/GC also agrees to advertise in a local community newspaper in the area in which the Project is located, in order to allow for local participation in the solicitation process.
- (b) Unless specific other prior arrangement has been made with Owner, all offers will be written, and submitted to a specific location at a specific time. CM/GC shall time-stamp all Offers as received. Subcontractors must be qualified to perform the Work for this Project by being appropriately registered with the State of Oregon Construction Contractors Board.
- (c) If fewer than three (3) Offers are submitted in response to any solicitation (inclusive of any Offer submitted by CM/GC), prior written approval by Owner shall be required to accept an Offer.
- (d) CM/GC may develop and implement a prequalification process for particular

solicitations, followed by selection of successful Offers among those Offerors that CM/GC determines meet the prequalification standards, with Owner's prior written approval of such prequalification process.

- (e) CM/GC shall comply, and require Subcontractor compliance with, State of Oregon Bureau of Labor & Industries prevailing wage rates as specified in the RFP.
- (f) Owner may at its sole discretion, require CM/GC to re-solicit for Offers based on the same or modified documents.
- (g) CM/GC shall review all Offers and shall work with Offerors to clarify Offers, reduce exclusions, verify scope and quantities, and seek to minimize work subsequently awarded via the Change Order process.
- (h) The CM/GC will document any and all discussions, questions and answers, modifications and responses to from any Offeror and ensure that the same are distributed to all Offerors, and Owner shall be entitled to inspect such documentation on request.
- (i) CM/GC shall determine the lowest Offer for each solicitation that meets CM/GC's reasonable performance standards for the components of the Work at issue; provided that if CM/GC determines it is unable to execute a suitable subcontract with such Offeror, CM/GC may, with Owner's prior approval, execute a subcontract with the second-lowest Offeror pursuant to Article 11.3.4 below.

11.3.4 Under special circumstances and only with prior written authorization by Owner, Work may be subcontracted on other than a low price basis, including without limitation, through competitive negotiation. As a condition to its authorization, Owner may require CM/GC's agreement to establish and implement qualification and performance criteria for Offerors, including a scoring system within requests for proposals. Examples include: where there are single fabricators of materials; special packaging requirements for Subcontractor work; design-build work or, where an alternative contracting method can be demonstrated to clearly benefit Owner.

11.3.5 CM/GC shall notify Owner in writing in advance before award of any proposed Subcontract, which notice shall include summaries in a form acceptable to Owner of all Offers received for the Subcontract at issue. Owner reserves the right to disapprove any proposed Subcontractors, suppliers and Subcontract or supply contract awards, based on legal standards of responsibility. Owner shall not unreasonably disapprove any proposed Subcontractor or supplier and increased costs due to Owner's disapproval shall be cause for an increase in the GMP.

11.3.6 CM/GC's subcontracting records shall not be considered public records; provided, however, that Owner and other agencies of the State shall retain the right to audit and monitor the subcontracting process in order to protect the Owner's interests.

11.4 CM/GC Field Work.

11.4.1 The CM/GC or its Affiliate may provide CM/GC Field Work required to complete the Project with its own forces, without the necessity of subcontracting such work.

11.4.2 Except as provided in Article 11.4.1, any other portion of the Work proposed to be performed by CM/GC or any Affiliate, including without limitation provision of any materials, equipment, or supplies, shall be subject to the provisions of Article 11.5.

11.5 Subcontracting by CM/GC.

11.5.1 Except to the extent otherwise approved in advance in writing by Owner's Authorized Representative, the CM/GC or its Affiliates may submit an Offer in accordance with Article 11.3 to do Work with its own forces, provided at least 50% of the labor by such work unit is performed by employees of the CM/GC or such Affiliate.

11.5.2 For those items for which the CM/GC or any of its subsidiaries intends to submit an Offer, such intent must be publicly announced with the solicitation for Offers required by Article 11.3.1, and Owner notified in writing. All Offers for this work shall be delivered to Owner and publicly opened by Owner at an announced time, date, and place.

11.6 Protests. CM/GC, acting as an independent contractor, shall include in the competitive process to award all subcontracts, a protest process for Subcontractors and suppliers that are competing Offerors, which process shall be subject to approval by Owner. CM/GC shall be solely responsible for resolving the procurement protests of Subcontractors and suppliers. CM/GC shall indemnify, defend, protect and hold harmless Owner from and against any such procurement protests and resulting claims or litigation. CM/GC shall act as an independent contractor, and not an agent of Owner, in connection with any procurement protest. The provisions of this Article 11 are solely for the benefit of Owner, and do not grant any rights or remedies (including third party beneficiary rights) to any Offeror or other protester, in connection with any procurement protest or claim.

ARTICLE 12

ACCOUNTING RECORDS

12.1 Accounting; Audit Access. The CM/GC shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under the Contract; the accounting and control systems shall be satisfactory to Owner. Owner and Owner's representatives, and auditors, shall be afforded reasonable and regular access to the CM/GC's records, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and

other data relating to the Contract, and the CM/GC shall preserve these for a period of three years after final payment, or for such longer period as may be required by law.

- 12.2 Periodic and Final Audits.** Owner may, at its discretion, perform periodic audits of the Cost of the Work and any other reimbursable costs associated with the Project. Owner intends to conduct a final audit of reimbursable costs prior to the Contract closeout. The CM/GC shall cooperate fully with Owner in the performance of such audits. Disputes over audit findings or conclusions shall be subject to the process set forth in Article 14.4.

ARTICLE 13

PROGRESS PAYMENTS

- 13.1 Integration with Reynolds School District General Conditions.** The requirements of this Article 13 and Article 14 are in addition to, and not in lieu of, the requirements of Section E of the Reynolds School District General Conditions. In the event of conflict between the provisions of Articles 13 and 14 and Section E, the provision more favorable to Owner shall control. Without limitation, the provisions of Articles 13.3 and 13.4 shall control over the corresponding provisions of Section E.2.5 of the Reynolds School District General Conditions.
- 13.2 Progress Payments.** Based upon applications for payment submitted pursuant to Section E of the Reynolds School District General Conditions, Owner shall make progress payments on account of the Preconstruction Fee, Cost of the Work, and associated CM/GC Fee, less 5% retainage, to the CM/GC as provided below and elsewhere in the Contract Documents. A progress payment shall not be considered acceptance or approval of any Work or waiver of any defects therein.
- 13.3 Percentage of Completion.** Applications for payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the application for payment. The percentage of completion shall be the lesser of
- (i) the percentage of that portion of the Work which has actually been completed; or
 - (ii) the percentage obtained by dividing (a) the expense that has actually been incurred by the CM/GC on account of that portion of the Work for which the CM/GC has made or intends to make actual payment prior to the next application for payment by (b) the share of the GMP allocated to that portion of the Work in the Schedule of Values.
- 13.4 Calculation of Payment.** Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:
- (a) Take that portion of the GMP properly allocable to completed Work as

determined by multiplying the percentage of completion of each portion of the Work under the Schedule of Values by the share of the GMP allocated to that portion of the Work in the Schedule of Values. Pending final determination of cost to the Owner of changes in the Work, amounts not indispute shall be included;

- (b) Add that portion of the GMP properly allocable to materials and equipment delivered and suitably stored and otherwise in compliance with Section E.2.3 of the Reynolds School District General Conditions;
- {c) Add the CM/GC's Fee. The portion of the CM/GC's Fee payable shall be an amount that bears the same ratio to CM/GC Fee as sum of the amounts in the two preceding Clauses bears to the estimated probable Cost of the Work described in Article 6.1.2, but in no event causing total CM/GC Fee payments to exceed the total CM/GC Fee;
- {d) Subtract the aggregate of previous payments made by and retained by the Owner;
- (e) Subtract the shortfall, if any, indicated by the documentation required to substantiate prior applications for payment, or resulting from errors subsequently discovered by the Owner in such documentation;
- (f) Subtract any amounts for which the Owner's Authorized Representative has withheld or denied payment as provided in the Contract Documents; and
- (g) Subtract 5% retainage on the entire progress payment.

ARTICLE 14
FINAL
PAYMENT

- 14.1 Final Payment Accounting.** CM/GC shall submit to Owner a final detailed accounting of the Cost of the Work together with CM/GC's final application for payment.
- 14.2 Calculation of Final Payment.** The amount of the final payment shall be calculated as follows:
 - 14.2.1** Take the sum of the CM/GC Fee, plus the Preconstruction Fee, plus the actual Cost of the Work substantiated by the CM/GC's final accounting. Said sum shall not exceed the GMP.
 - 14.2.2** Subtract amounts, if any, for which the Owner's Authorized Representative withholds, in whole or in part, approval of payment.
 - 14.2.3** Subtract the aggregate of previous payments made by Owner to CM/GC. If the aggregate of previous payments made by Owner exceeds the amount due the CM/GC,

the CM/GC shall reimburse the difference to Owner within 30 Days with interest at the rate applicable to Owner payments under the Reynolds School District General Conditions.

- 14.3 Final Payment Review.** Owner or its accountants will review and report in writing on the CM/GC's final accounting within 30 Days after delivery of the final accounting by the CM/GC. Based upon such Cost of the Work as Owner or Owner's accountants report to be substantiated by the CM/GC's final accounting, and provided the other conditions of the Contract have been met, the Owner's Authorized Representative will, within 10 Days after receipt of the written report of Owner's accountants, either issue to Owner an approval of CM/GC's final application for payment with a copy to the CM/GC or notify the CM/GC and Owner in writing of the Owner's Authorized Representative's reasons for withholding approval of any part of the application for payment, which disapproval shall include Owner's Authorized Representative's estimate of the amount that is due the CM/GC under the application for payment.
- 14.4 Payment Disputes.** If Owner's accountants report the Cost of the Work as substantiated by the CM/GC's final accounting to be less than claimed by the CM/GC or if Owner's Authorized Representative declines to approve any duly submitted payment request by CM/GC, the CM/GC shall be entitled to demand a review by the Owner's highest contracting authority of the disputed amount. Such demand shall be made by the CM/GC within 30 Days after the CM/GC's receipt of a copy of the rejection of the application for payment; failure to demand additional review within this 30-Day period shall result in the substantiated amount reported by Owner's accountants becoming binding on the CM/GC. In addition, if Owner or any other state agency performs a subsequent audit of the Cost of the Work and determines any item therein to have been unsubstantiated or that CM/GC was otherwise overpaid, CM/GC shall have 30 Days after delivery of request for reimbursement by Owner to demand additional review by Owner's highest contracting authority; failure to make such demand within this 30 Day period shall result in the requested reimbursement becoming unconditionally due and payable by CM/GC. If CM/GC timely submits a protest to the Agency's highest contracting authority, CM/GC's Claim shall be subject to the claims review process in Section D.3 of the Reynolds School District General Conditions. Pending a final resolution, Owner shall pay the CM/GC the amount of the application for payment approved by the Owner's Authorized Representative.
- 14.5 Effect of Payment.** Neither approval of an application for payment, a progress payment, release of retain age, final payment, or partial or entire use or occupancy of the Project by the Owner shall constitute acceptance of work not conforming to the Contract Documents, or waiver of the right to assert overpayment.

ARTICLE 15

TERMINATION OR SUSPENSION

- 15.1 Owner's Right to Terminate Prior to Execution of GMP Amendment.** Prior

to execution by both parties of the GMP Amendment, the Owner may terminate the Contract at any time without cause. Upon such termination, the amount to be paid to the CM/GC shall not exceed the Preconstruction Fee payable to the date of termination, together with amounts payable for Early Work if an Early Work Amendment has been executed. If Owner terminates for convenience during the Preconstruction Phase, Owner shall be entitled to copies of, and shall have the right to use, all work product of CM/GC and its Subcontractors performed to the date of termination, and CM/GC shall deliver copies of the same to Owner on request.

- 15.2 Owner's Termination for Convenience after GMP Amendment.** After the GMP Amendment is executed by both parties, the Contract may be terminated by Owner without penalty for convenience pursuant to Section J.5 of the Reynolds School District General Conditions in which case CM/GC shall be entitled to payment of the amount stated in Article 15.1, together with the actual Cost of the Work completed, plus the CM/GC's Fee prorated based on the actual Cost of the Work completed prior to the date of termination, but in any event not in excess of the GMP.
- 15.3 Owner's Termination for Cause.** In the event of termination of this Agreement by Owner for cause pursuant to Section J.4 of the Reynolds School District General Conditions, the amount, if any, to be paid to the CM/GC after application of the Reynolds School District General Conditions and Owner's rights at law shall not exceed the amount the CM/GC would be entitled to receive under Article 15.2.
- 15.4 CM/GC Termination for Cause.** CM/GC acknowledges that disputes regarding payments and Change Orders may occur as part of the CM/GC process, and that Owner's declining to pay disputed amounts shall not be grounds for suspension of the Work or termination for cause by CM/GC. If CM/GC terminates the Contract for Owner's material breach, the amount to be paid to CM/GC shall not exceed the amount CM/GC would have been entitled to receive under Article 13 above through termination and demobilization from the Project, with the CM/GC Fee prorated based on the actual Cost of the Work through the date of termination.
- 15.5 Assignment of Subcontracts.** Each subcontract and supply contract for any portion of the Work is hereby irrevocably assigned by the CM/GC to the Owner, provided that such assignment is effective only after termination of the Contract by the Owner, and only for those subcontracts and supply contracts which the Owner accepts by notifying the Subcontractor/supplier and CM/GC in writing. For those subcontracts and supply contracts accepted by Owner, if the Work has been suspended for more than 30 Days, the Subcontractor's/supplier's compensation shall be equitably adjusted for increases in cost resulting from the suspension. CM/GC shall include a provision in each subcontract and supply agreement whereby the Subcontractor/supplier acknowledges Owner's rights under this Article 15.5. With respect to any subcontracts/supply contracts that are not accepted by Owner, the provisions of Section J.6.1 of the Reynolds School District General Conditions shall apply.

ARTICLE 16
REPRESENTATIONS,
WARRANTIES AND
CERTIFICATIONS

- 16.1 Representations and Warranties.** CM/GC represents and warrants to Owner as of the effective date of the Contract:
- 16.1.1** it is qualified to do business as a licensed general contractor under the laws of the State of Oregon, and has all requisite corporate power and corporate authority to carry on its business as now being conducted;
 - 16.1.2** it has full corporate power and corporate authority to enter into and perform the Contract and to consummate the transactions contemplated hereby; CM/GC has duly and validly executed and delivered this CM/GC Contract to Owner and that the Contract constitutes the legal, valid and binding obligation of CM/GC, enforceable against CM/GC in accordance with its terms, except as enforceability may be limited or affected by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law);
 - 16.1.3** CM/GC's execution and delivery of this CM/GC Contract and the consummation of the transactions contemplated hereby will not conflict with or result in a material breach of any terms or provisions of, or constitute a material default under, (i) CM/GC's Articles of Incorporation or Bylaws; (ii) any note, bond, mortgage, indenture, license, lease, contract, commitment, agreement or other instrument or obligation to which CM/GC is a party or by which CM/GC may be bound; or (iii) any statute, order, writ, injunction, decree, rule or regulation applicable to CM/GC;
 - 16.1.4** no material consent, approval, authorization, declaration or other order of, or registration or filing with, any court or regulatory authority or any third person is required for the valid execution, delivery and performance of the Contract by CM/GC or its consummation of the transactions contemplated hereby;
 - 16.1.5** there is no action, proceeding, suit, investigation or inquiry pending that questions the validity of the Contract or that would prevent or hinder the consummation of the transactions contemplated hereby; and
 - 16.1.6** the CM/GC's Project Manager and Assistant Project Manager identified in Article 4 are duly appointed representatives and each has the authority to bind the CM/GC to any and all duties, obligations and liabilities under the Contract Documents and any Amendments thereto.
- 16.2 Tax Compliance Certification.** The individual signing on behalf of CM/GC hereby certifies and swears under penalty of perjury that she/he is authorized to act on behalf of CM/GC, she/he has authority and knowledge regarding CM/GC's payment of taxes, and to the best of her/his knowledge, CM/GC is not in violation of any Oregon tax laws. For purposes of this certification, "Oregon tax laws" are those tax laws listed in ORS 305.380(4), namely ORS Chapters 118, 314, 316, 317, 318, 320, 321 and 323 and Sections 10 to 20, Chapter 533, Oregon Laws 1981, as amended

by Chapter 16, Oregon Laws 1982 (first special session); the elderly rental assistance program under ORS 310.630 to 310.706; and any local taxes administered by the Oregon Department of Revenue under ORS 305.620.

ARTICLE 17 **MISCELLANEOUS**

- 17.1 Headings.** The headings used in this CM/GC Contract are solely for convenience of reference, are not part of the Contract and are not to be considered in construing or interpreting the Contract.
- 17.2 Merger.** The Contract Documents constitute the entire contract between the parties. No waiver, consent, modification or change of terms of the Contract shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding the Contract. CM/GC, by signature of its representative, hereby acknowledges that it has read the Contract, understands it and agrees to be bound by its terms and conditions.
- 17.3 Exemption from Competitive Bidding.** The parties acknowledge that the Contract has been awarded under an exemption from competitive bidding requirements pursuant to ORS 279C.335, as authorized by the Reynolds School District School Board.
- 17.4 Checklist.** In addition to the sample draft contract and conditions, it is further understood that any contract between the parties must meet the checklist requirements of OAR 137-049-200(1)(c) and all those items are hereby incorporated herein. This means that the eventual contract for the project must meet the following statutory requirements:
- (A) Prompt payment to all Persons supplying labor or material; contributions to Industrial Accident Fund; liens and withholding taxes (ORS 279C.505(1));
 - (B) Demonstrate that an employee drug testing program is in place (ORS 279C.505(2));
 - (C) If the Contract calls for demolition Work described in ORS 279C.510(1), a condition requiring the Contractor to salvage or recycle construction and demolition debris, if feasible and cost-effective;
 - (D) If the Contract calls for lawn or landscape maintenance, a condition requiring the Contractor to compost or mulch yard waste material at an approved site, if feasible and cost effective (ORS 279C.510(2));
 - (E) Payment of claims by public officers (ORS 279C.515(1));
 - (F) Contractor and first-tier subcontractor liability for late payment on Public Improvement Contracts pursuant to ORS 279C.515(2), including the rate of

interest;

(G) Person's right to file a complaint with the Construction Contractors Board for all Contracts related to a Public Improvement Contract (ORS 279C.515(3));

(H) Hours of labor in compliance with ORS 279C.520;

(I) Environmental and natural resources regulations (ORS 279C.525);

(J) Payment for medical care and attention to employees (ORS 279C.530(1));

(K) A Contract provision substantially as follows: "All employers, including Contractor, that employ subject workers who work under this Contract in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its subcontractors complies with these requirements." (ORS 279C.530(2));

(L) Maximum hours, holidays and overtime (ORS 279C.540);

(M) Time limitation on claims for overtime (ORS 279C.545);

(N) Prevailing wage rates (ORS 279C.800 to 279C.870);

(O) BOLI Public Works bond (ORS 279C.830(2));

(P) Retainage (ORS 279C.550 to 279C.570);

(Q) Prompt payment policy, progress payments, rate of interest (ORS 279C.570);

(R) Contractor's relations with subcontractors (ORS 279C.580);

(S) Notice of claim (ORS 279C.605);

(T) Contractor's certification of compliance with the Oregon tax laws in accordance with ORS 305.385; and

(U) Contractor's certification that all subcontractors performing Work described in ORS 701.005(2) (i.e., construction Work) will be registered with the Construction Contractors Board or licensed by the State Landscape Contractors Board in accordance with ORS 701.035 to 701.055 before the subcontractors commence Work under the Contract.

(V) Pursuant to ORS 279C.830(2), a provision stating that the Contractor and every subcontractor must have a Public Works bond filed with the Construction Contractors Board before starting Work on the project, unless otherwise exempt. This bond is in addition to performance bond and payment bond requirements. See BOLI rule at OAR 839-025-0015.

17.5 Attorneys' Fees. If any legal action, arbitration or other proceeding, is brought for the enforcement of this Agreement, or because of an alleged dispute, breach or default in connection

with any of the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees, expert fees and other costs incurred in that action or proceeding, including any appeal of such action or proceeding, in addition to any other relief to which that party may be entitled.

THIS CM/GC CONTRACT is executed in four original copies of which one is to be delivered to the CM/GC, and the remainder to Owner.

CM/GC:

Name of Firm: LCG Pence

Construction, LLC

Address: 2720 SW Corbett Avenue

Portland, Or 97201

CM/GC's Federal Tax I.D.#: 22-3878410

Construction Contractor's Board Registration No.:

Signature of Authorized Representative of CM/GC

Date _____

OWNER:

REYNOLDS SCHOOL DISTRICT SCHOOL BOARD

Signature of Reynolds School District School Board Representative

Title _____

Date _____

RSD Account Code _____

NOTIFICATION OF INTENT TO AWARD

To: Proposers and other Interested Persons

From: Reynolds School District #7

Date: August 10, 2016

RE: RFP – CM/GC Services for Reynolds High School

Reynolds School District has concluded its assessment of the proposals received and interviews held among finalists for the above referenced RFP.

The Committee has selected the following proposer for the award:

LCG Pence Construction, LLC

Per OAR 137 Division 49, Reynolds School District may enter into written agreements upon completion of Protest Period of Award.

Please direct any questions regarding this notice to the attention of Bob Collins at rcollins@daycpm.com.

Sincerely,



Michael Wong
Procurement & Accounting Specialist

May 22, 2020

Rachel Hopper, Chief Operations Officer
Reynolds School District
1204 NE 201st Ave
Fairview, Oregon 97024

RE: Award for Seismic Rehabilitation Grant Program, Reynolds High School Gym

Dear Chief Operations Officer Hopper:

Congratulations! The above referenced project was chosen for funding in this round of Seismic Rehabilitation Grant awards. The bond sale to fund the 2020 awards is scheduled for June 2020. After the sale the project will be receiving a grant of \$2,500,000.

The legal obligations for funding and for reimbursement of project expenses are subject to execution of a contract between your district and the State of Oregon acting by and through the Oregon Business Development Department – Infrastructure Finance Authority.

Once the bond sale has been completed contract documents will be delivered to you for your review and signature. **Funds cannot be spent for any project activity that will be using the grant funding until the contract has been fully executed.**

As a reminder, the project is also subject to review and compliance with the Oregon State Historic Preservation Office. The Oregon SHPO Clearance Form is available for download on their web site or by contacting me at (503) 986-0132 or gloria.zacharias@oregon.gov

We are pleased to be able to offer this assistance to your facility and the community. We look forward to partnering with you to complete this vitally important project.

If you have any questions or need further information please let me know.

Sincerely,

Gloria Zacharias, PCED
Program and Policy Coordinator

To: Board of Directors
From: Dr. Danna Diaz, Superintendent of Schools
Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent

Subject: Oath of Office

Policy: [Board Meetings BD/BDA](#), [Board Member Oath of Office – BBBB](#)

Date: May 6, 2021

| | |
|---------------|-------------------------------------|
| Action | <input checked="" type="checkbox"/> |
| Report | <input type="checkbox"/> |

Connection to Board Goals

Student Achievement Equity Fiscal Responsibility Communications

School Board Core Belief/Commitment #4: We believe that the heart of a high-performing organization is its people. We commit to becoming an inclusive and positive organizational culture.

Summary:

Position 2 on the Reynolds School District School Board was declared vacant on March 31, 2021. Bob Fowler applied to fill the vacancy. He was interviewed by the Board on April 14, 2021 and appointed on April 28, 2021. Bob Fowler will fill Position 2 until June 30, 2021.

He will now take the Oath of Office.



Code: **BBBB**
Adopted: 1/04/07
Revised/Readopted: 5/13/10; 4/26/17
Orig. Code(s): BBBB

Board Member Oath of Office

Board members when elected or appointed must qualify by taking the oath of office before assuming the duties of office. The oath of office must be taken again after each election or appointment of a board member.

The oath of office will be in the following form:

I, (name of board Electee or Appointee), having been duly elected a member of the School Board of Reynolds School District #7, Multnomah County, Oregon, do solemnly swear that I will support the Constitution of the United States and of the State of Oregon, and the policies of the Reynolds School District. During my term I will faithfully and impartially discharge the responsibilities of the office of Reynolds School District board member to the best of my ability[, so help me God¹].

END OF POLICY

Legal Reference(s):

[ORS 332.005](#)

¹Final phrase optional.

To: Board of Directors
From: Dr. Danna Diaz, Superintendent of Schools
Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent

Subject: Adjourn

Policy: [Board Meetings - BD/BDA](#), [Conduct of Board Meetings - BDDF](#)

Date: May 6, 2021

| | |
|--------|-------------------------------------|
| Action | <input checked="" type="checkbox"/> |
| Report | <input type="checkbox"/> |

Connection to Board Goals

Student Achievement Equity Fiscal Responsibility Communications

School Board Core Belief/Commitment #2: We believe that equitable practices allow everyone within the Reynolds community to thrive. We commit to using equity as a foundation in all decision-making processes in order to eliminate inequities.

Adjournment





Budget Committee Meeting

May 6, 2021

As a community, we prepare lifelong-learners to achieve their full potential in a complex and interconnected world.



Budget Committee Meeting 1 – May 6, 2021

Call to Order

Welcome and Introductions

Budget Committee Roll Call

Elect Budget Committee Chair

Elect Budget Committee Vice Chair

Public Comment

Budget Presentation



2021-2022 Proposed Budget

Budget Meeting May 6, 2021

As a community, we prepare lifelong-learners to achieve their full potential in a complex and interconnected world.





Reynolds
School District

PROPOSED BUDGET

2021-2022



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

1204 NE 201st Avenue, Fairview, OR 97024 • (503) 661-7200 • www.reynolds.k12.or.us • Multnomah County



2021-2022 Budget Message

Dr. Danna Diaz
Superintendent of Schools

Budget Committee Meetings

All Meetings are Subject to Public Meetings Law

Presiding Officer is Elected at the First Meeting

A Quorum is Required to Conduct Business

- 13 Members Appointed (14 Positions with 1 Vacancies)
- Quorum is One More than Half (7)

Majority of the Committee is Required to Take Action

Budget Committee Duties



Receive Budget Document



Receive Budget Message



Hear & Consider Public Comment



Discuss & Adjust the Budget as Determined by Majority



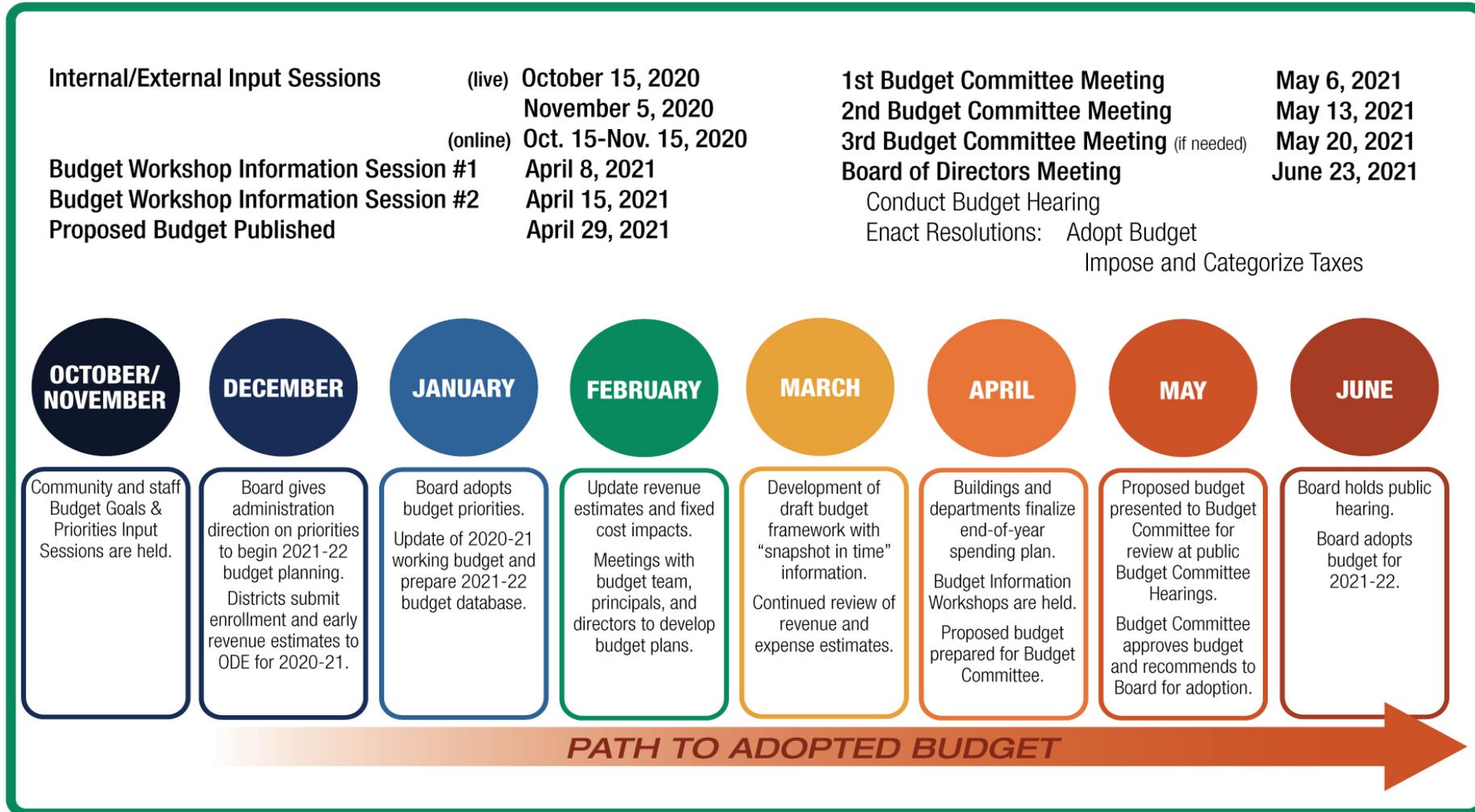
Approve the Budget & Recommend Adoption to the Board



Approve Proposed Property Taxes

50

2021-22 Budget Process



2021-22 Budget Process

Budget Priorities

- 2 Virtual Sessions
10/15/2020 and 11/5/2020
- Online Survey (with recording)
10/15/2020 -11/15/2020
- 109 Total Participation

52

Board Determined Prioritized Budget Themes

- December 2020

Board Budget Prioritized Themes Approved & Communicated to Staff and Families

- January 2021

Strategic Planning



During the 2019-2020 school year students, families, staff, and community members collaborated to define Reynolds School District's vision.

400+

stakeholders
shared input

18

focus groups

53

3

community meetings

6

Steering Committee
meetings

Mission and Vision

MISSION:

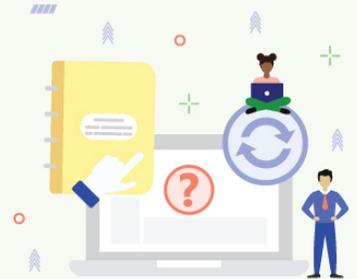
We lead with equity to educate and support all students to graduate with the skills and confidence to thrive.

VISION:

As a community, we prepare lifelong-learners to achieve their full potential in a complex and interconnected world.

Core Beliefs and Commitments (Pillars)

Throughout the process, RSD stakeholders were asked to view the District through the lens of the Board of Education’s Core Beliefs and Commitments.

| | | | |
|--|--|--|--|
|  <p>PILLAR 1</p> <p>SAFETY</p> |  <p>PILLAR 2</p> <p>EQUITY</p> |  <p>PILLAR 3</p> <p>INSTRUCTIONAL PRACTICES</p> |  <p>PILLAR 4</p> <p>ORGANIZATIONAL CULTURE</p> |
| <p>We believe that all students, families and staff deserve a safe and secure learning environment.</p> <p>We commit to providing physical and emotional safety across the Reynolds community.</p> | <p>We believe that equitable practices allow everyone within the Reynolds community to thrive.</p> <p>We commit to using equity as a foundation in all decision-making processes in order to eliminate inequities.</p> | <p>We believe that high-quality first-time instruction will eliminate the opportunity gap.</p> <p>We commit to setting high expectations and providing intentional professional development for instructional leaders.</p> | <p>We believe that the heart of a high-performing organization is its people.</p> <p>We commit to becoming an inclusive and positive organizational culture.</p> |

High-Level Architecture

Utilizing community stakeholder input, the Steering Committee and Cabinet identified four major Goal Topic Areas that were vetted through the Four Pillars of the strategic plan.



Goal Topic #1: Marginalized Students

Goal Topic #2: Culturally Responsive Instruction

Goal Topic #3: Student and Staff Wellness

Goal Topic #4: Professional Development

Prioritized 2021-2022 Budget Themes

(in order of priority)

Goal Topic #1: Marginalized Students

Goal Topic #2: Culturally Responsive Instruction

Goal Topic #3: Student and Staff Wellness

Goal Topic #4: Professional Development

#1
#2
#3
#4

Mental Health Supports

#1
#2
#3
#4

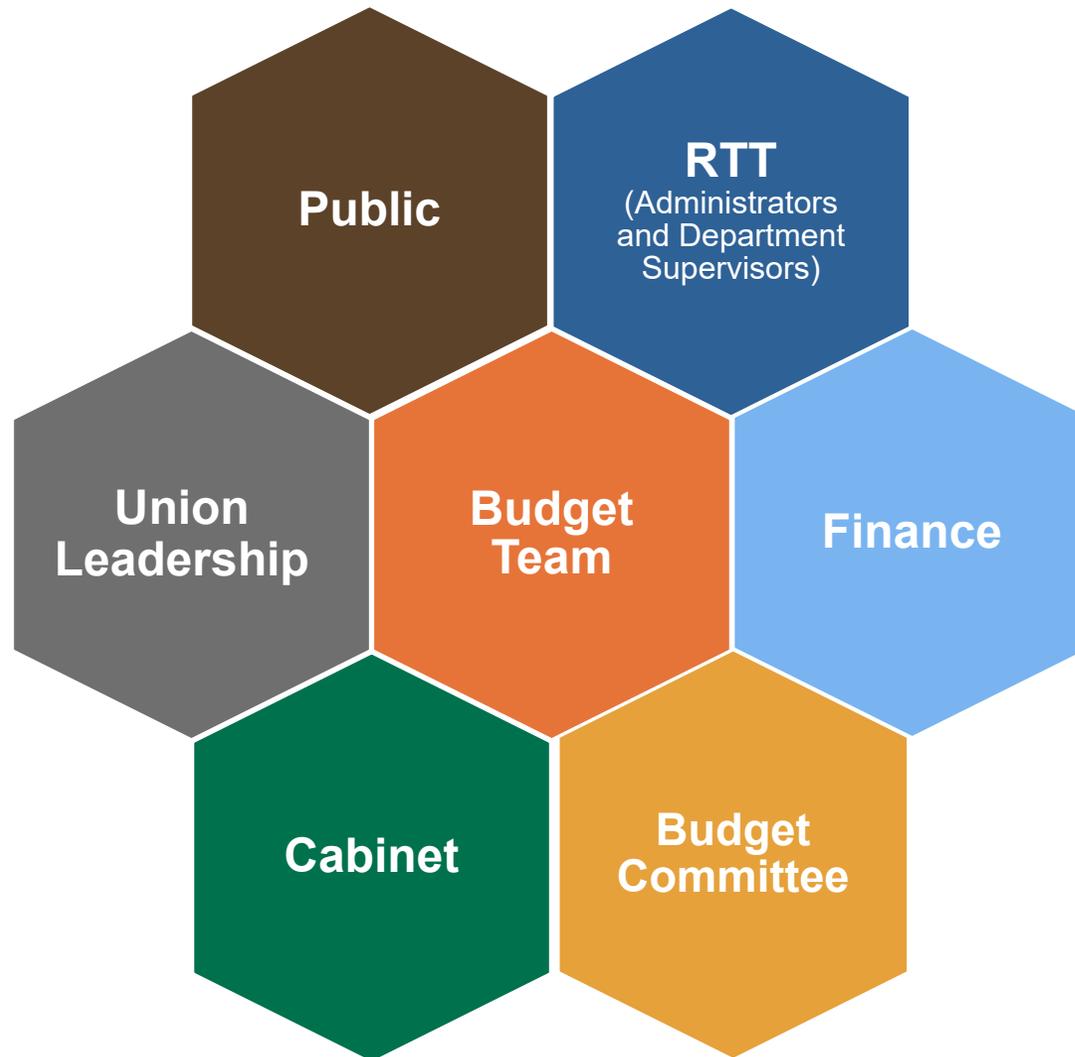
Additional Academic Supports

#1
#2
#3
#4

Culturally Responsive Curriculum

2021-22 Budget Process

Collaboration with Stakeholders



2020-21 Budget Development

Cabinet met with Building Administrators and Department Supervisors (Jan-Feb 2021)

Looking at the Boards Prioritized Themes for the 2021-22 budget, we went through:

- Current Staffing
- Needed Staffing
- Discussed plans for next year
- Asked for any requests or adds for the 2021-22 Budget

2021-22 Prioritized Themes

| | |
|----------------------|----------------------------------|
| #1 #2 #3 #4 | Mental Health Supports |
| #1 #2 #3 #4 | Additional Academic Supports |
| #1 #2 #3 #4 | Culturally Responsive Curriculum |

2021-22 Budget Process



Goal Alignment
Monitoring Throughout



Agreed Upon Decision
Making Criteria In Use



Represents a Financial
Plan Based on Good
Faith Estimates



Proposed Budget is for
One Fiscal Year – July
1 to June 30

2021-22 Budget Financial Assumptions

Revenues

- Governor's Budget
 - \$9.1 Billion K-12 through State School Fund with 49/51 Split
 - February 26, 2021 Estimate
 - First Year of Biennium
 - Early Estimate of Shortfall for Roll Up Base Budget is \$4 Million
- Fully-Funded Measure 98 at \$800 per ADMw High School Aged Student
- Student Investment Account (SIA) funded at 70% of approved plan
- District is receiving \$13.8 million ESSER II
 - 20% to address learning loss among students
 - To help with funding gap

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2020-21 Proposed Budget Revenues

- General Fund Revenue Final Assumptions & Estimates
 - Beginning Fund Balance of \$11.1 Million
 - Property Tax Revenues of \$29.2 Million
 - Local, Intermediate & Federal Revenues of \$3.7 Million
 - Portland Art Tax Revenue move to State and Local Programs

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2020-21 Proposed Budget Revenues

General Fund Revenue Final Assumptions & Estimates (continued)

- State School Fund of \$9.1 Billion at 49/51 Funding for 2021-23 Biennium
- District Share Estimated at \$97.5 Million
 - \$92.13 Million Enrollment District (including charter schools)
 - \$5.32 Million Transportation Grant
 - \$1.28 Million Common School Fund
 - \$1.54 Million High Cost Disability Grant

63

2021-22 Proposed Budget Revenues

- State School Fund ADMw (Average Daily Membership weighted)
 - Funding on Higher of Current or Most Recent Year's Enrollment
 - Enrollment Funding Increase Reflected (252.7 ADMw)

| | | |
|---------------------------------|---------------------------------|--------------------------------|
| 64 | | |
| 2021-2022 Extended ADMw | | |
| 2021-2022 ADMw 14,143.32 | 2020-2021 ADMw 13,901.00 | Extended ADMw 14,143.32 |



Higher of the two years



2021-22 SSF ADMw

Estimate

| | | |
|---------------------------------|---|--------------------------------|
| 2020-2021 ADMw 13,895.35 | 2020-2021 Extended ADMw 2019-2020 ADMw 14,240.23 | Extended ADMw 14,240.23 |
|---------------------------------|---|--------------------------------|

Estimate

Higher of the two years

| | | |
|---------------------------------|---|--------------------------------|
| 2021-2022 ADMw 14,143.32 | 2021-2022 Extended ADMw 2020-2021 ADMw 13,901.00 | Extended ADMw 14,143.32 |
|---------------------------------|---|--------------------------------|

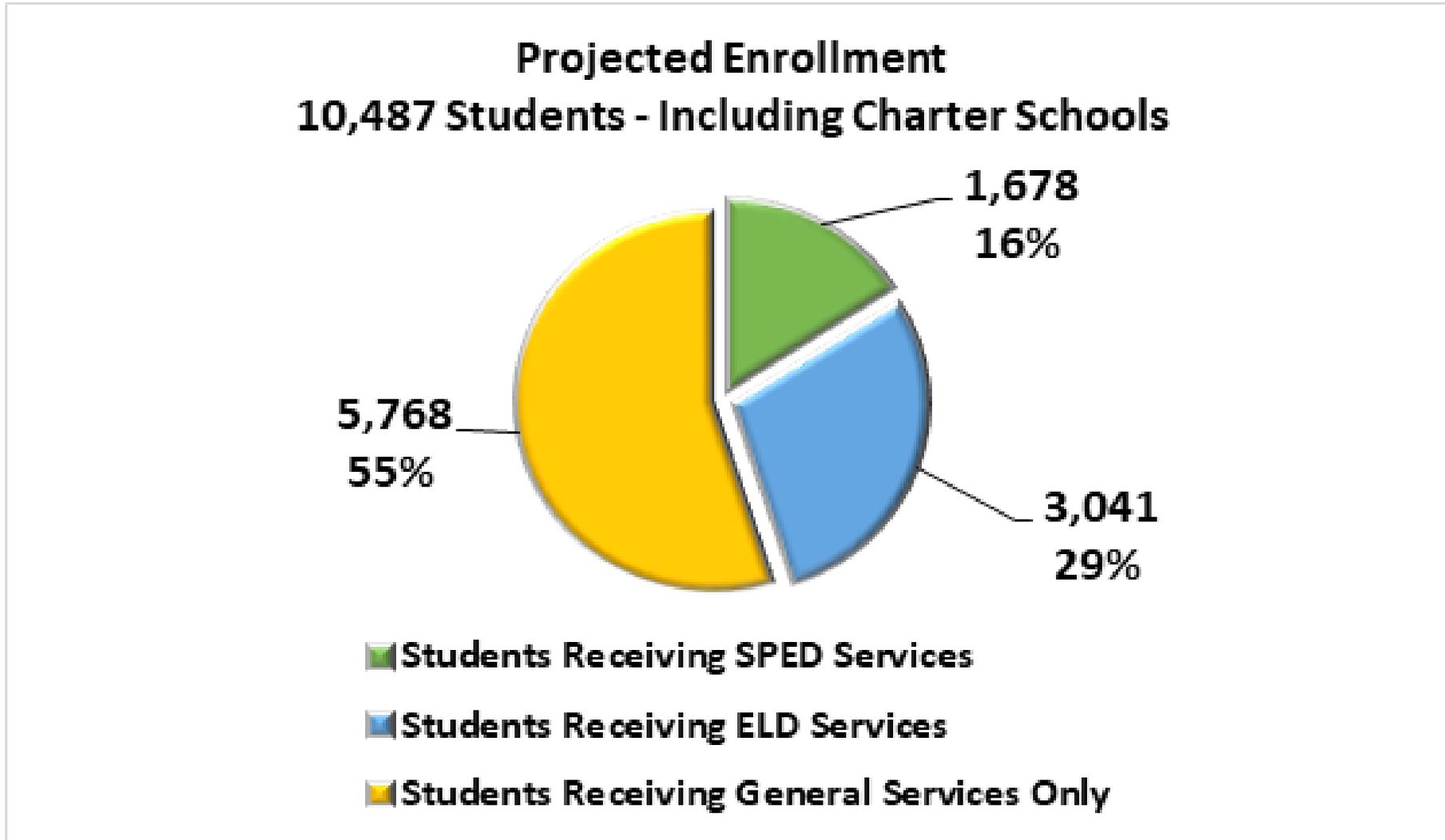
2020-21 Revenue was based on 2019-20 Extended ADMw of 14,240.23

2021-22 Revenues are based on 2021-22 Extended ADMw 14,143.32
Includes non-charter and charter schools

Reduction of 96.91 Extended ADMw

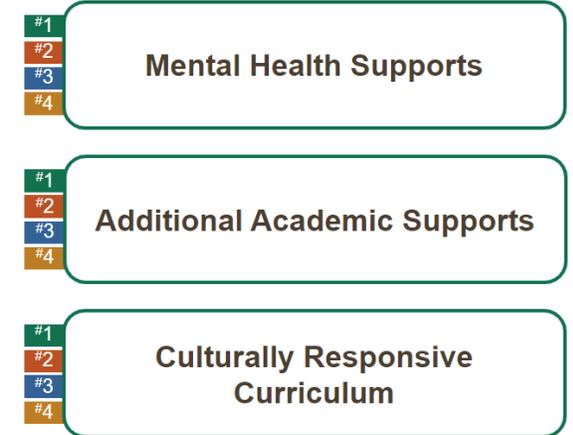


2021-22 Projected Enrollment



2021-22 Budget Financial Assumptions

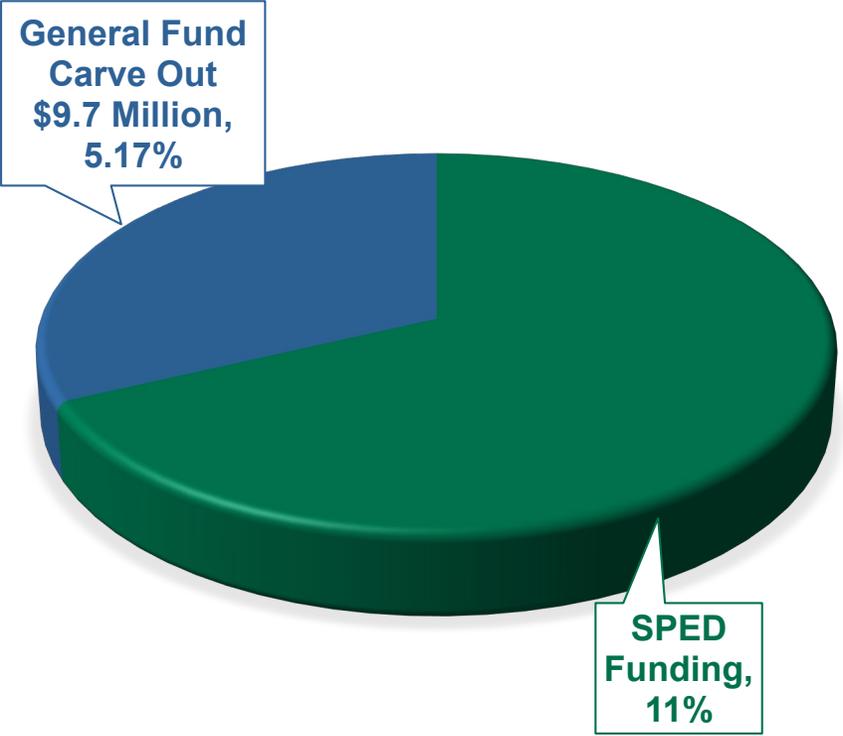
2021-22 Prioritized Themes



All Funds:

- Status Quo Discretionary Budget
- Increase Utility Cost by 3%
- Increase Liability Insurance by 15%
- Status Quo Employee Contract Cost from 2020-21 (all three groups currently in negotiation)
 - Full School Year
 - Salary Schedule Step
 - COLA:
 - REA: 2%
 - OSEA: 1%
 - RAA: 1%
- Decreased PERS cost for 2021 (about 5%)
- \$2.3 Million of General Fund expenses funded by ESSER II

2021-22 SPED General Fund Expense



- No funding for students over the 11% Funding Cap for SPED
- We are currently at 16.17%
- General Fund Carve Out to supplement SPED services is \$9.7 Million

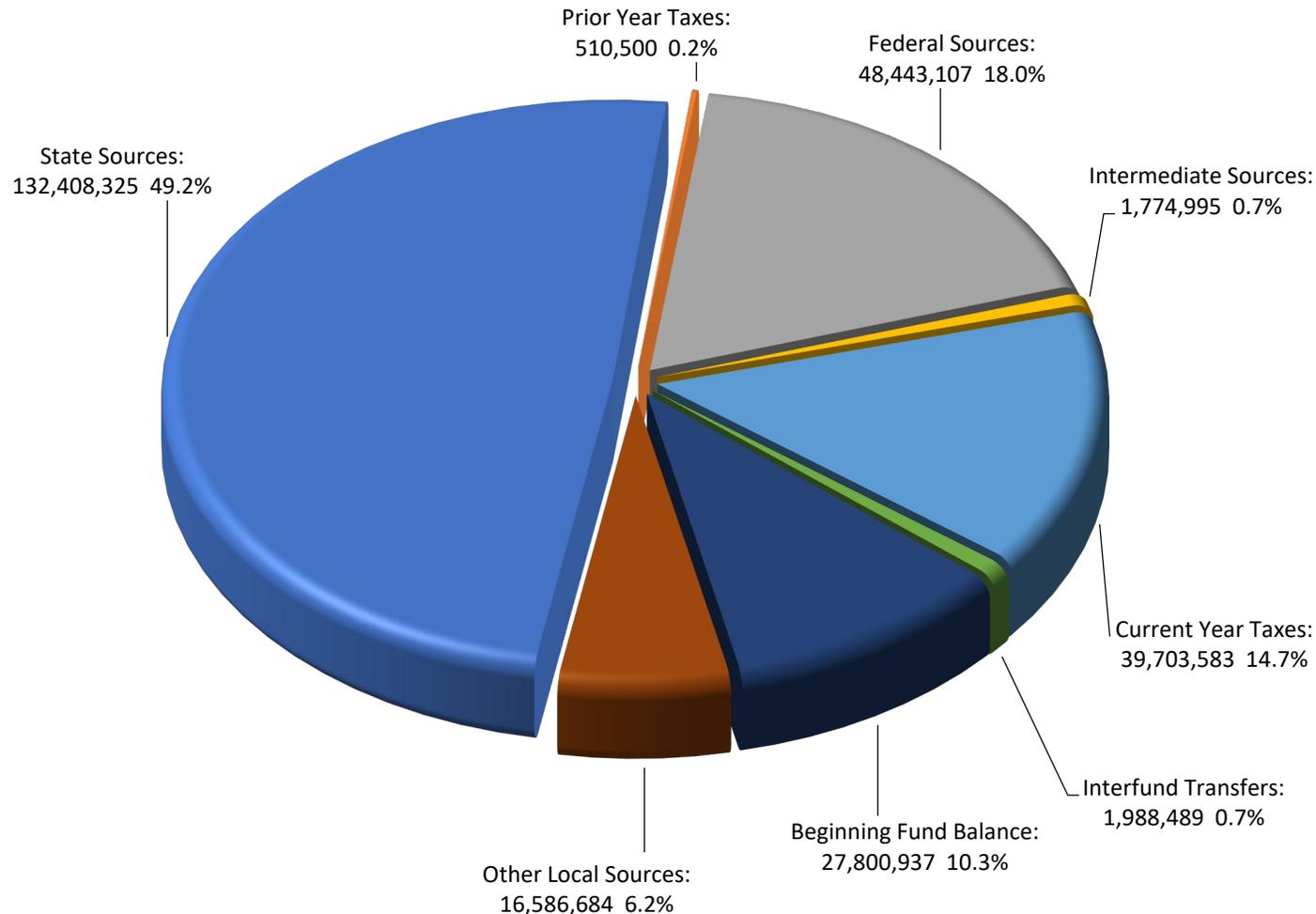
68

2021-22 Budget Development

- \$4 Million was Required to Balance the Roll-up Budget to the February 26, 2021 Revenue Estimate
 - Used ESSER II to cover \$2.3 million in General Fund Expenses for 2021-22.
 - Used General Fund Balance reserves for 2021-22.

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2021-22 Proposed Budget All Funds



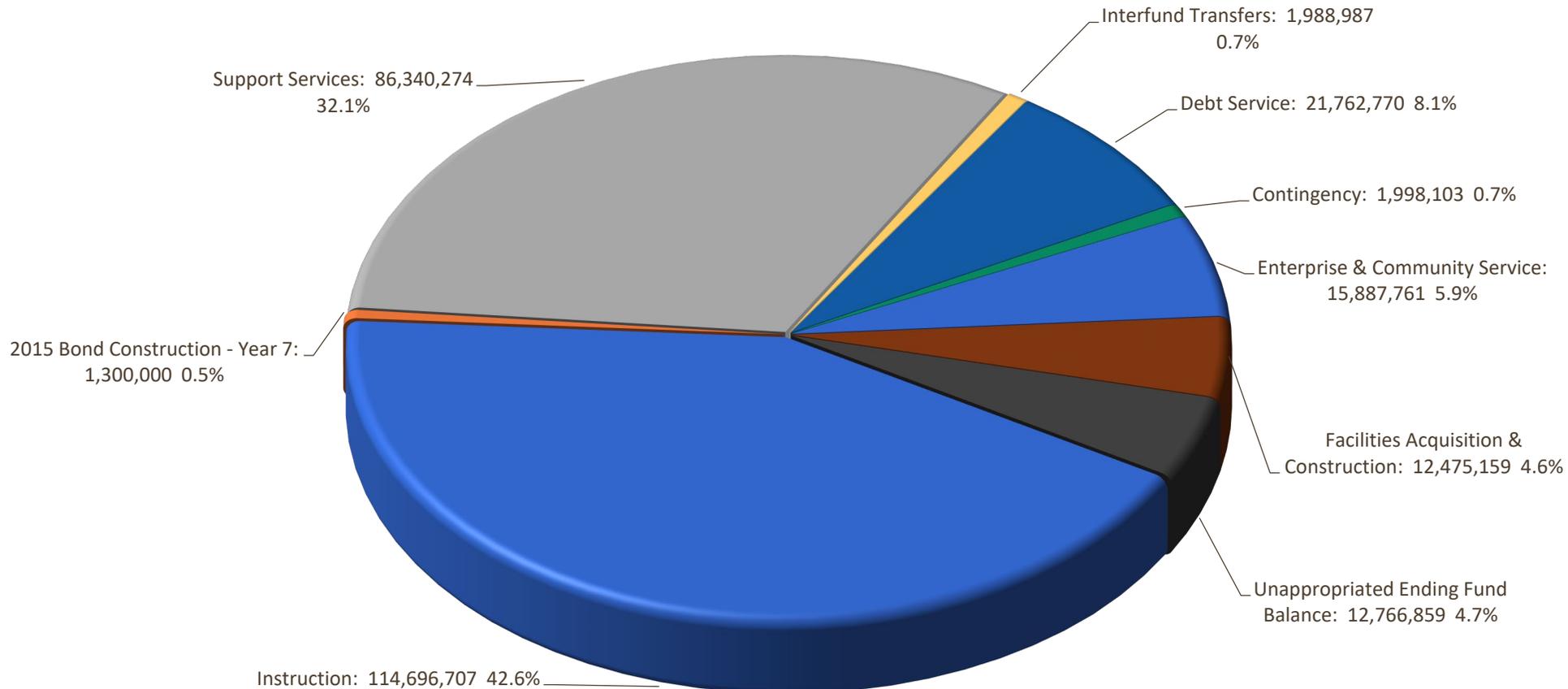
- All Funds Resources

- \$269,216,620 a increase of \$48.6 or 22.05%

- Net impact of Lower General Fund & adding the ESSER II⁷⁰ federal funding and other state grants

2021-22 Proposed Budget All Funds

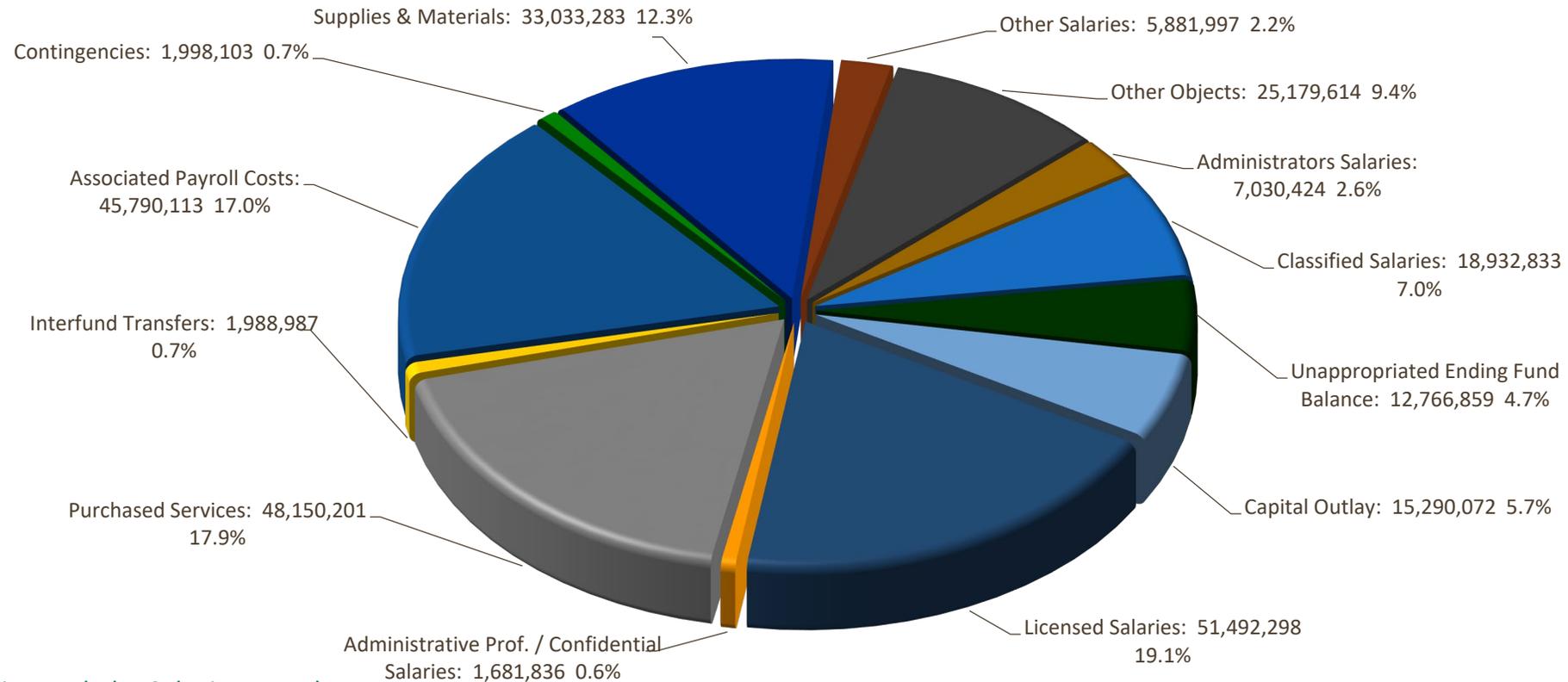
- All Funds Expenditures by Major Function



71

2021-22 Proposed Budget All Funds

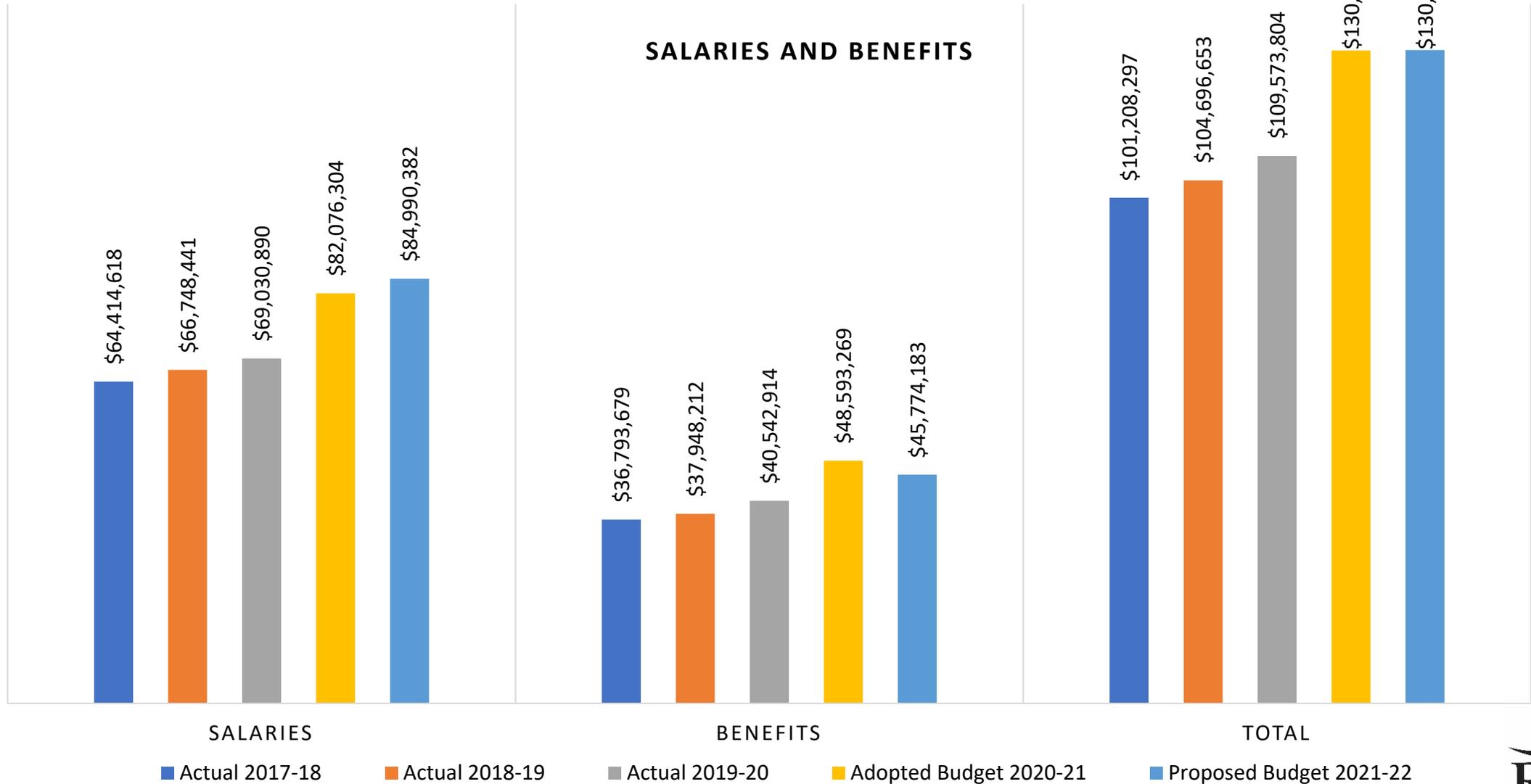
- All Funds Expenditures by Major Object
 - Salaries & Associated Payroll Costs are \$130.8 Million or 48.6%



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Purchased Services Includes Substitutes and Charter School Pass-thru

2021-22 Proposed Budget All Funds



2021-22 Proposed Budget All Funds

- All Funds Capital Expenditures (500 Object Codes)
 - General Fund
 - Mower
 - District HVAC
 - RHS Safety Improvements of Athletic Fields
 - Custodial Equipment Replacement
 - Maintenance Equipment Replacement
 - Small Phase – Replace Boilers & Generators
 - Hazard Abatement & Flooring Replacement
 - Parking lot, Sidewalk & Drive Lane Safety Repairs
 - Intercom, Locksets, Fencing – Security upgrades Districtwide
 - Districtwide Playground Replacement & Repairs
 - Bus Replacement per Schedule

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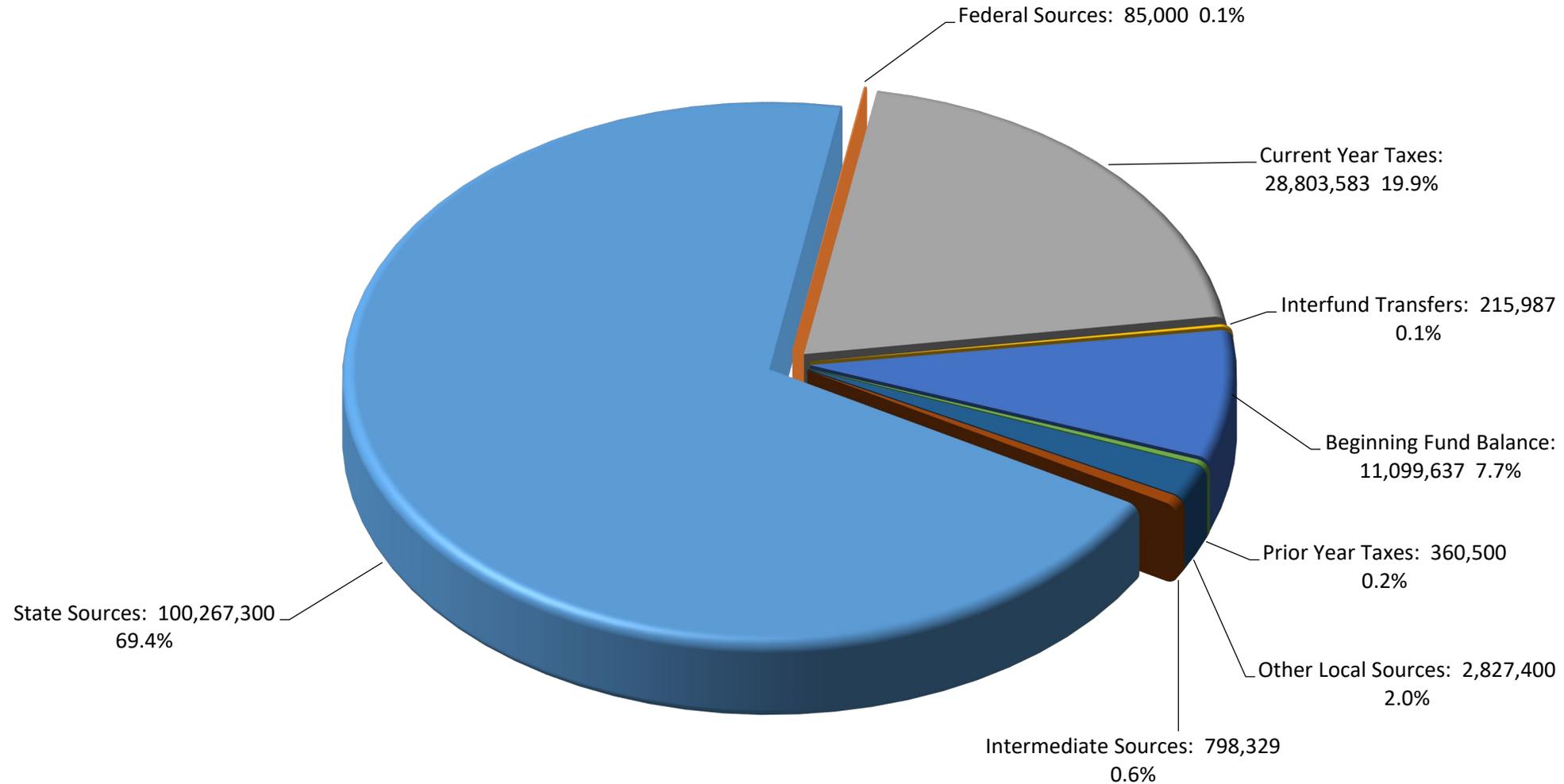
2021-22 Proposed Budget All Funds

- All Funds Capital Expenditures (500 Object Codes)
 - Federal Grants
 - Technology Improvements
 - State & Local Grants
 - Driver's Ed Car Replacement
 - Technology System Upgrades
 - Energy Efficiency Improvements
 - Seismic Upgrades at Hartley, RMS and RHS
 - CTE Equipment Replacement
 - Nutrition Services
 - Equipment Replacement
 - Bond Capital Projects Fund
 - Final Security & Safety Improvement Projects per GO Bond funds
 - Capital Projects Fund
 - Abatement and Demolition of Unoccupied Buildings, Fiber Improvements, Fire / Life /Safety Improvements

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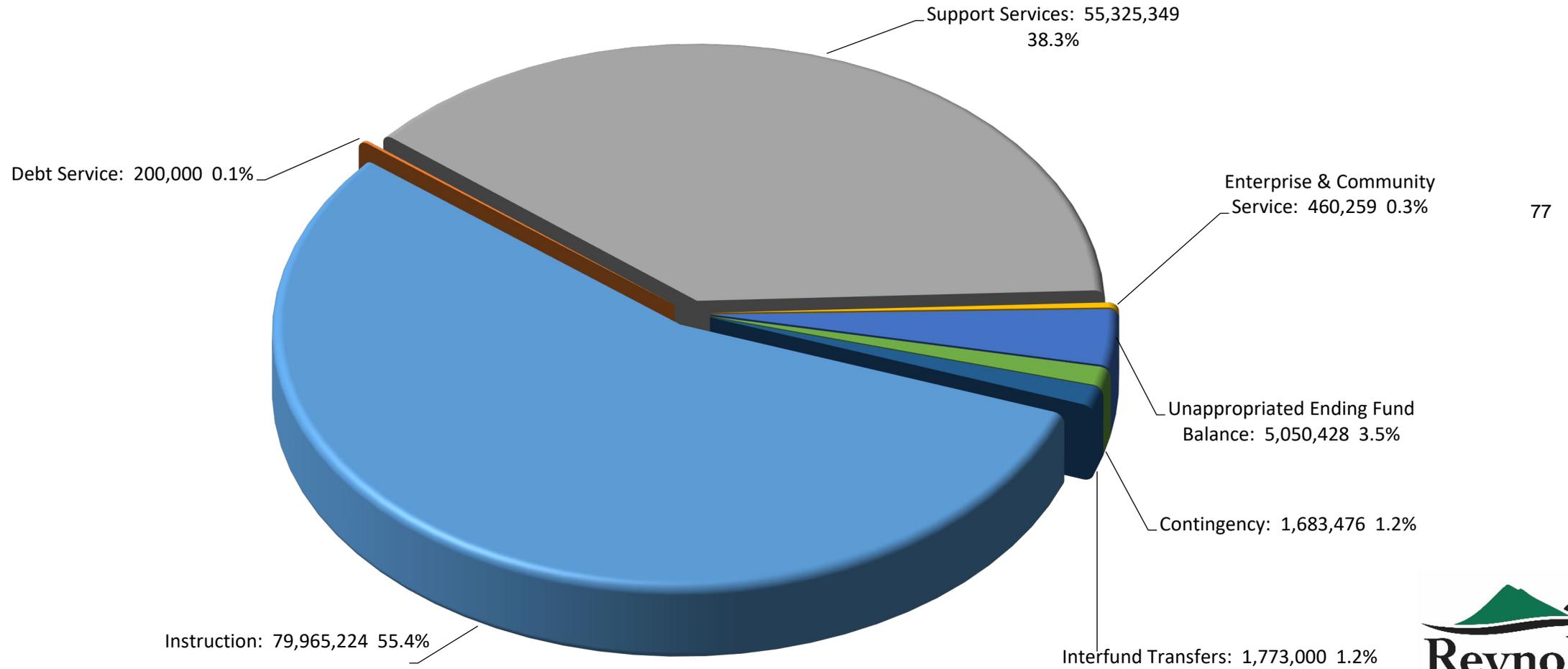
2021-22 Proposed Budget General Fund

- General Fund Resources



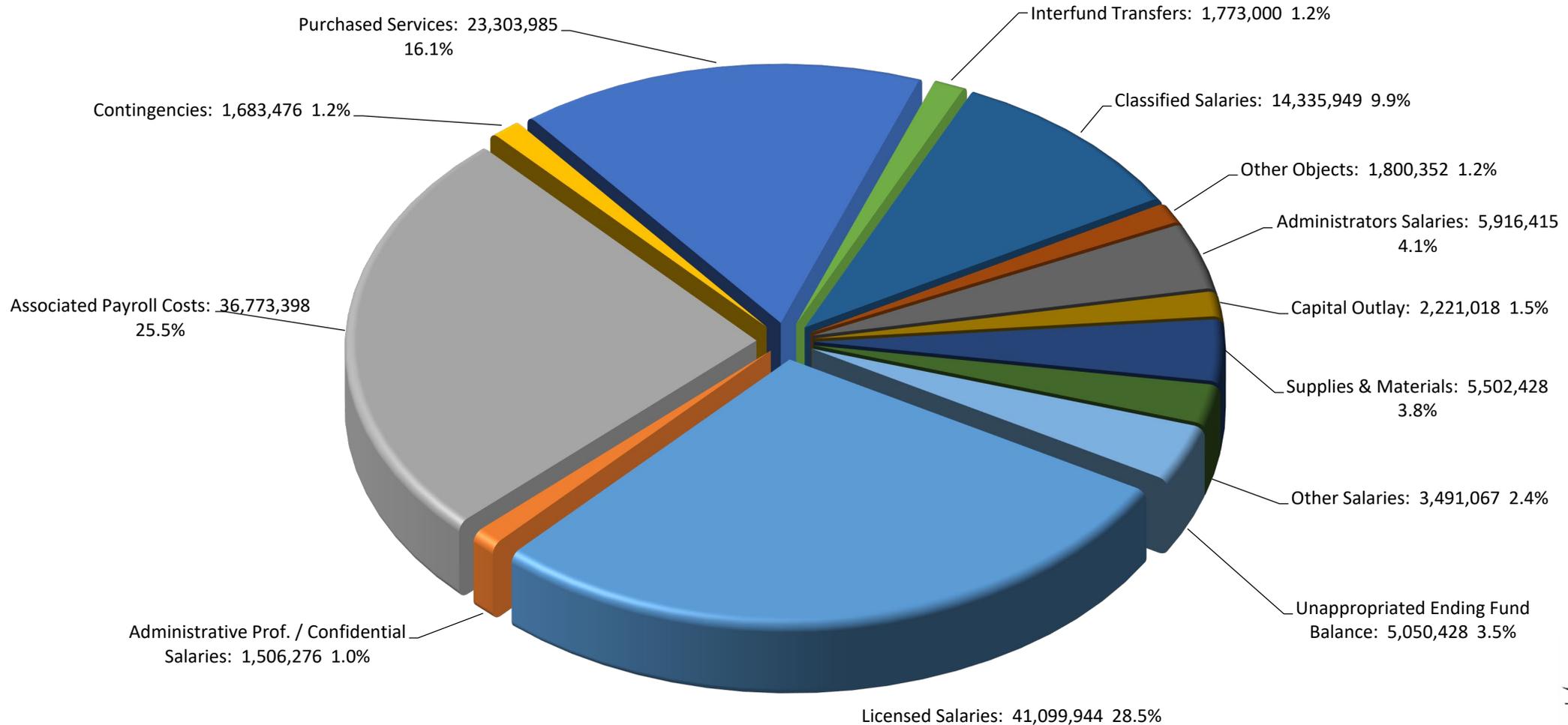
2021-22 Proposed Budget General Fund

- General Fund Expenditures by Major Function



2021-22 Proposed Budget General Fund

- General Fund Expenditures by Major Object



2021-22 Proposed Budget Changes

- General Fund Major Changes in 2021-22
 - Moved Licensed Sub Cost, Classified Sub Cost and Capital Projects to the ESSER II grant.
 - Rationale: The ESSER II grant is federal money to help bring stability after COVID-19.

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2021-22 Proposed Budget Changes

- General Fund Major Changes in 2021-22
 - The FTE was added to address class size in the 2020-21 school year for teachers at the Middle Schools. The FTE was moved to ESSER II Grant for 2021-22 school year.
 - Rationale – FTE was added in the General Fund for one year to spend down the Beginning Fund Balance. The FTE is moved to the ESSER II grant to help bring stability to the General Fund after COVID-19.

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2021-22 Proposed Budget Reserve Spend-Down

| General Fund Ending Fund Balance Policy | |
|---|---------------------|
| | 2021-22 Budgeted |
| Beginning Fund Balance | 11,099,637 |
| Budgeted Contingency | 1,683,476 |
| Budgeted Ending Fund Balance | 5,050,428 |
| Ending Fund Balance | 6,733,904 |
| Spend Down/ (Add Back) | (4,365,733) |
| Annual Revenue Budget (<i>Excludes Beginning Balance</i>) | 133,358,099 |
| Policy 5% | 6,667,905 |

- General Fund Balance
 - Proposed Spend Down of Reserves
 - Meets 5% Policy
 - Ending Fund Balance is 5.05%

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2020-21 Proposed Budget Reserve Spend-Down

| General Fund | | | | | | | | | |
|-------------------------------------|-------------|------------|-------------|-----------|-----------|------------|------------|-------------|-------------|
| Ending Fund Balance Activity | | | | | | | | | |
| | 2012-2013 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Projected | Budgeted |
| Beginning Fund Balance | 15,870,333 | 11,550,046 | 12,238,786 | 8,738,268 | 8,007,597 | 9,493,696 | 13,620,764 | 17,832,461 | 11,992,703 |
| Budgeted Contingency | | | | | | | | | 1,620,145 |
| Budgeted Ending Fund Balance | | | | | | | | | 4,980,000 |
| Ending Fund Balance | 11,550,046 | 12,238,786 | 8,738,268 | 8,007,597 | 9,493,696 | 13,620,764 | 17,832,461 | 11,992,703 | 6,600,145 |
| (Spend Down)/ Add Back | (4,320,287) | 688,740 | (3,500,518) | (730,671) | 1,486,099 | 4,127,068 | 4,211,697 | (5,839,758) | (5,392,558) |

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2021-22 Student Investment Account

How can we spend new money?



4 Categories for the Student Investment Account

As part of accepting the Student Investment Account money for our district, we must determine our local needs and priorities and develop a plan to spend the new resources in any or all of the four categories.

2021-22 Student Investment Account

2021-22 Prioritized Themes

| | |
|----------------------|----------------------------------|
| #1 #2 #3 #4 | Mental Health Supports |
| #1 #2 #3 #4 | Additional Academic Supports |
| #1 #2 #3 #4 | Culturally Responsive Curriculum |

2020-2021 SIA Fund Expenditures (30% Funded)

- Charter School Allocations
- 10 FTE Social Workers
- 10 FTE Counselors
- MESD Nursing Services
- 2.5 FTE Assistant Principals for Comprehensive or Targeted Schools
- Indirect Expense

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2021-2022 SIA Fund Expenditures (70% Funded)

- Maintain 2020-2021 SIA Fund Expenditures



- Maintain Class Size
- Professional Development for Social Emotional Learning (SEL)
- Culturally Responsive Curriculum
- 10 FTE Multi-Tiered Systems of Support (MTSS) Teachers on Special Assignment (TOSAs)
- 2 FTE Assistant Principals for Comprehensive or Targeted Schools
- 10 FTE Elementary Library Media Specialists

2020-21 Proposed Budget – Other Funds

| | 2020-21 | Change | 2021-22 |
|---|---------------|---------------|---------------|
| Federal Programs | \$ 10,765,202 | \$ 31,633,857 | \$ 42,399,059 |
| Increased Carry Forward, ESSER Grants, reclassifying grants | | | |
| State & Other Programs | \$ 21,926,105 | \$ 16,737,778 | \$ 38,663,883 |
| Student Investment Account (SIA) grant and Summer Grants | | | |
| Nutrition Services | \$ 8,315,050 | \$ 1,113,907 | \$ 9,428,957 |
| Roll up budget | | | |
| Early Retirement Program | \$ 300,000 | \$ 25,000 | \$ 325,000 |
| Retirees Utilizing Benefit - Eligible for Medicare | | | |
| Insurance Reserve Program | \$ 650,000 | \$ 100,000 | \$ 750,000 |
| Property Liability | | | |

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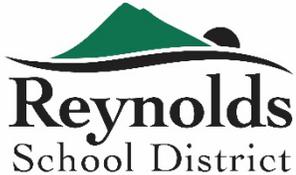
2021-22 Proposed Budget Debt Funds

| | 2020-21 | Change | 2021-22 |
|---|---------------|----------------|---------------|
| Fund 300 - 2005 Refunding of G.O. Bonds for school facilities completion | | | |
| | \$ 1,500,000 | \$ (1,500,000) | \$ - |
| Fund 315 - 2015 G.O. Bonds for school facilities | | | |
| | \$ 13,861,230 | \$ 3,743,969 | \$ 17,605,199 |
| Fund 350 - 2003 PERS UAL Bonds for unfunded actuarial liability | | | |
| | \$ 9,506,936 | \$ 771,554 | \$ 10,278,490 |
| Total | \$ 24,868,166 | \$ 3,015,523 | \$ 27,883,689 |

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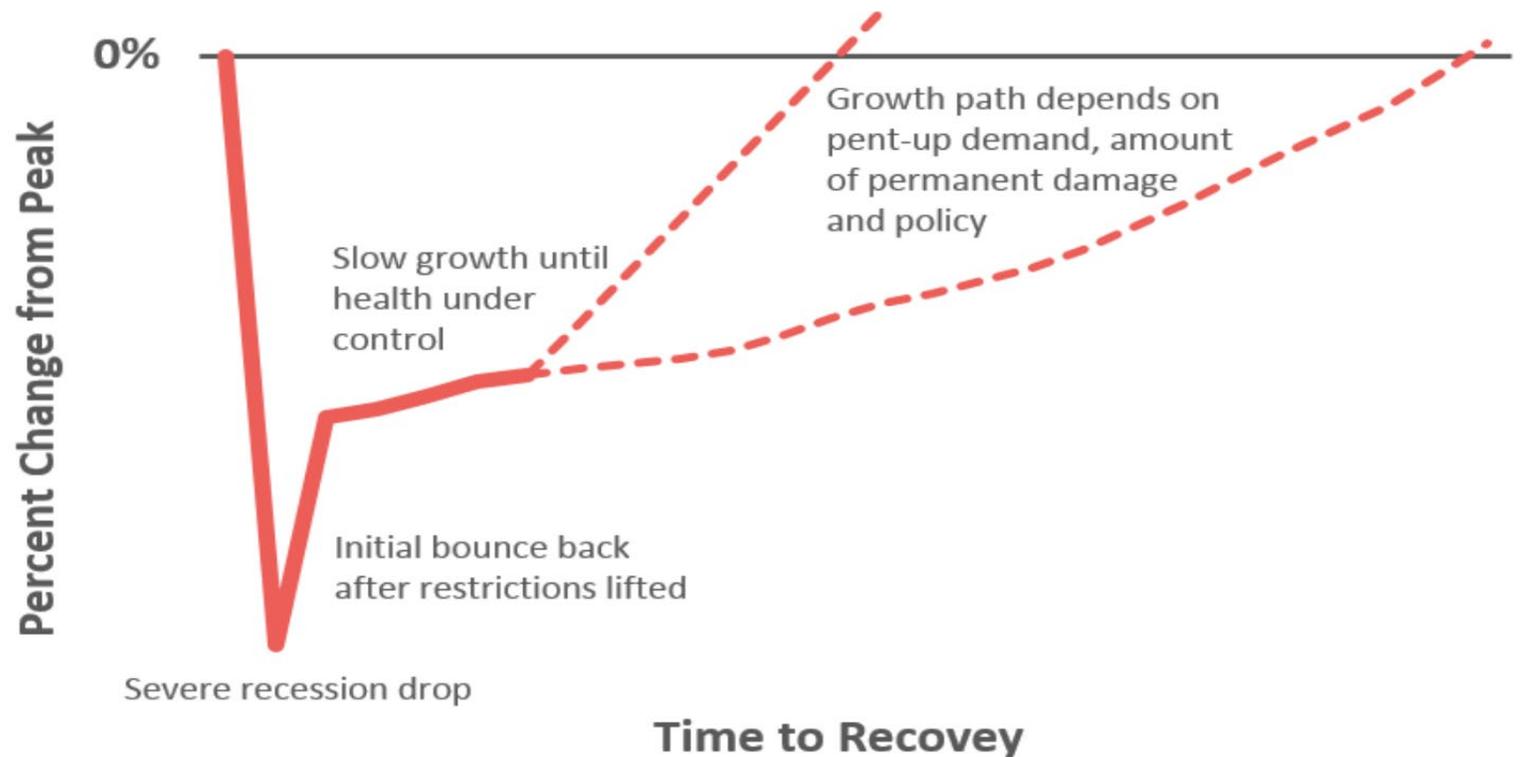
2021-22 Proposed Budget Capital Projects Funds

| | 2020-21 | Change | 2021-22 |
|--|--------------|----------------|--------------|
| Fund 400 - Provides for the payment of interest on the 2020 FFCRO Series | | | |
| | \$ 2,862,775 | \$ 912,727 | \$ 3,775,502 |
| Based on Required Debt Service for the Year associated with the refunding of the 2010 debt. | | | |
| Fund 415 - Successful May 19, 2015 bond election. Replace Fairview, Troutdale and Wilkes Elementary Schools, remodel Reynolds High School and provide safety & security upgrades to all schools | | | |
| | \$ 2,895,200 | \$ (1,595,200) | \$ 1,300,000 |
| Completion of final Capital Projects in 2021-22 | | | |
| Fund 417 - Change to District-wide school improvement projects for roof abatement and HVAC systems using the QZAB interest-free loan program, paid by the General Fund | | | |
| | \$ 175,000 | \$ 57,844 | \$ 232,844 |
| Appropriating Available Balance for abatement projects in 2021-22 | | | |
| Total | \$ 5,932,975 | \$ (624,629) | \$ 5,308,346 |



COVID-19 Impact

COVID-19: The Square Root Recovery?

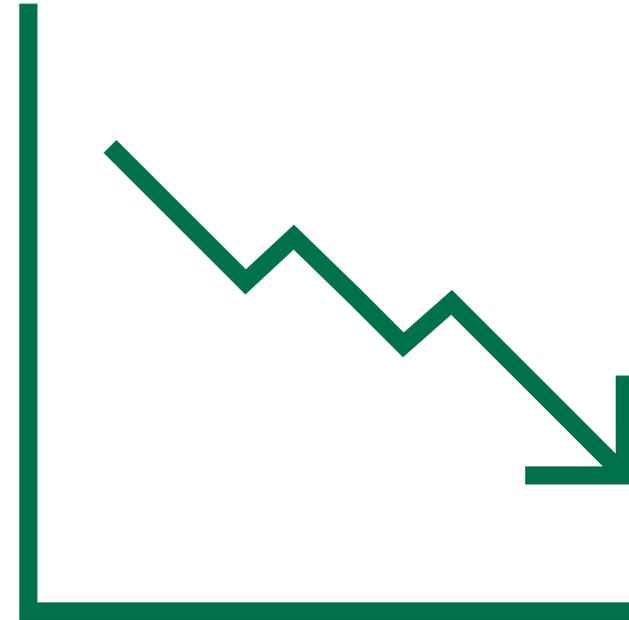


Source: Oregon Office of Economic Analysis



Shortfall Factors

- State Revenue Shortfall
- SIA Funding Not Fully Funded
- Use of State Reserves
- Reynolds General Fund Reductions
- Use of Reynolds Reserves



State School Fund

High Cost Disability

Measure 98 (High School Success)

Student Investment Account

COVID-19 Impact

State Funding Priority

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Future Budget Implications

Oregon K-12 funding is far from stable going into the 2021-2022 school year

- Economic factors are still uncertain and more complex than possibly ever before
- Impacts of the COVID-19 health crisis are only just beginning to be seen and long-term effects are unknown

Oregon's next economic forecast isn't due until May 19, 2021

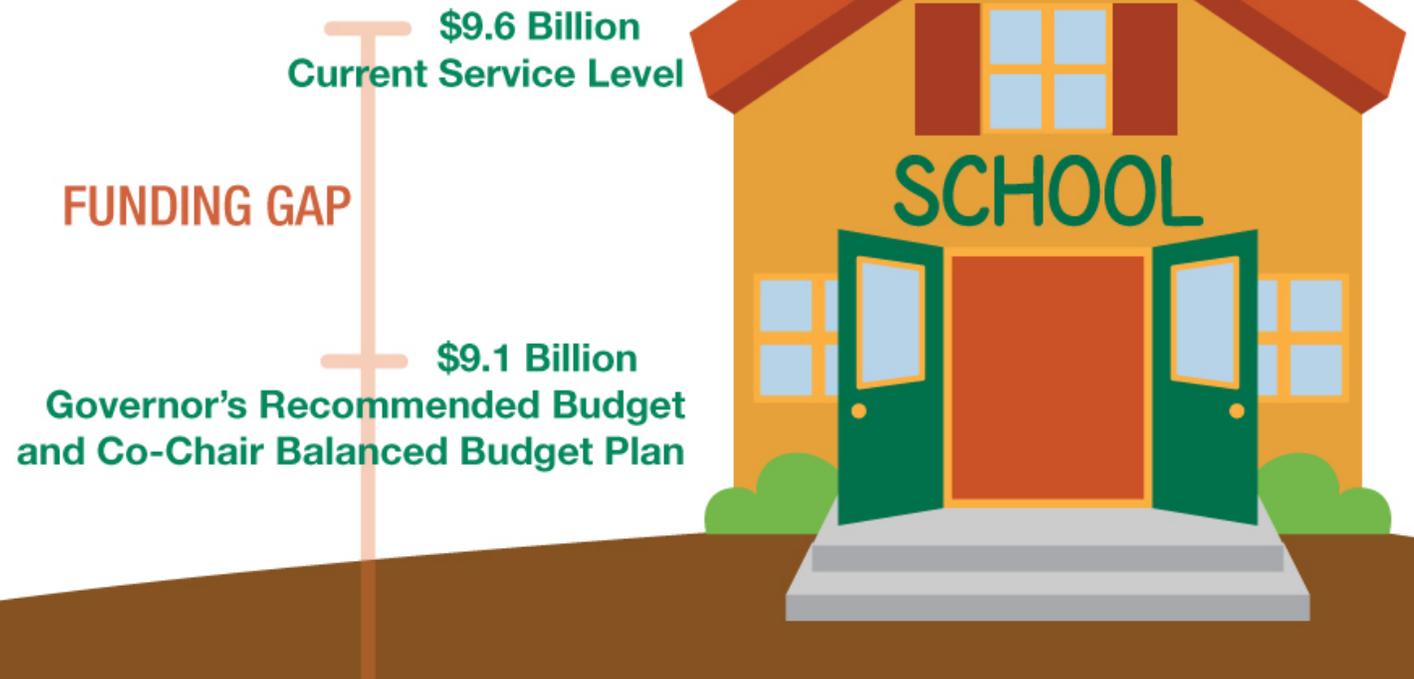
- This budget is built on the official estimate issued by Oregon Department of Education on February 26, 2021
- The 2021-2023 biennial budget and State School Fund distributions are predicated on a \$9.1 billion State appropriation
 - To maintain current service level (CSL) school districts across Oregon are reporting needing **\$9.6 Billion**
 - This amount has not yet been finalized by the legislature
 - Funding level may change based upon the current economic factors

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Current Service Level (CSL)



2021-2023 Oregon Budget for Education

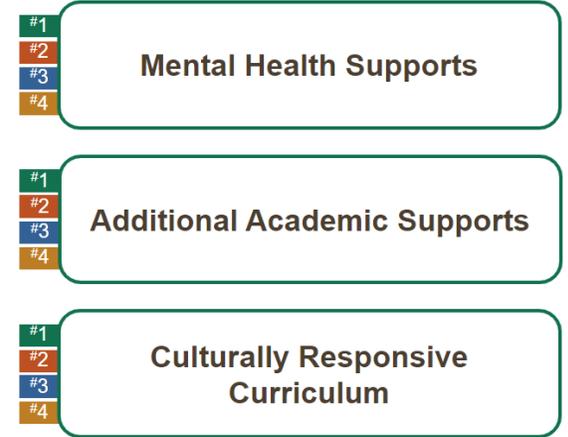


Using Available Funding

As more information becomes available, the District will use all available funding to address Board's Prioritized Themes for the 2021-22 Budget

- Federal Stimulus – ESSER II (estimate 13.8 million for Reynolds) and ESSER III (unknown amount)
- General Fund (Beginning Fund Balance)
- Federal Grants (Title I, Title II, etc.)
- State Grants (Measure 98, Summer School Grants)

2021-22 Prioritized Themes



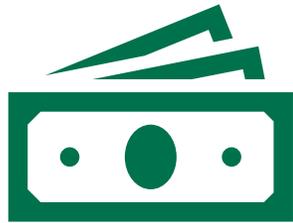
2021-22 Proposed Budget Next Steps

Budget Hearing Agenda for May 13, 2021

- Call to Order
- Welcome and Roll Call
- Public Comment
- Old Business
- Responses to questions from May 6, 2021
- Budget Committee Deliberation
- Approval of 2021-22 Budget
- Adopt Budget Resolution
- Closing Remarks
- Adjourn

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2021-22 Proposed Budget Next Steps



Budget Resolution

Copy Provided

Approves Budget by Fund and Major Function



Motion to Levy Taxes

Copy Provided

Approves Property Taxes to be Levied at Allowed Amounts



QUESTIONS?

Thank you!



As a community, we prepare lifelong-learners to achieve their full potential in a complex and interconnected world.

Reynolds School District No. 7

Motion to Approve Budget and Appropriation of Funds

May 6, 2021

BE IT MOVED, that the Budget Committee of Multnomah County School District (Reynolds School District) #7 hereby approves the 2021-22 “Proposed” budget in the total sum of **\$269,216,620** now on file in the District Administration Office.

BE IT MOVED, that the requirements for the fiscal year beginning July 1, 2021, and for the purposes shown below are hereby approved to be appropriated, provided however, that the sum of the appropriations is limited to the available resources.

General Fund

| | | | Proposed | Approved | Change |
|------|---------------------------|----|--------------------|--------------------|---------------|
| 1000 | Instruction | \$ | 79,965,224 | 79,965,224 | - |
| 2000 | Support Services | \$ | 55,325,349 | 55,325,349 | - |
| 3000 | Community Services | \$ | 460,259 | 460,259 | - |
| 5110 | Long-Term Debt Service | \$ | 200,000 | 200,000 | - |
| 5200 | Transfer of Funds | \$ | 1,773,000 | 1,773,000 | - |
| 6000 | Contingencies | \$ | 1,683,476 | 1,683,476 | - |
| 7000 | End Fund Balance | \$ | 5,050,428 | 5,050,428 | - |
| | Total General Fund | \$ | 144,457,736 | 144,457,736 | - |

Federal Programs

| | | | Proposed | Approved | Change |
|------|-------------------------------|----|-------------------|-------------------|---------------|
| 1000 | Instruction | \$ | 23,612,871 | 23,612,871 | - |
| 2000 | Support Services | \$ | 14,543,720 | 14,543,720 | - |
| 3000 | Community Services | \$ | 4,242,468 | 4,242,468 | - |
| | Total Federal Programs | \$ | 42,399,059 | 42,399,059 | - |

State and Local Programs

| | | | Proposed | Approved | Change |
|------|---------------------------------------|----|-------------------|-------------------|---------------|
| 1000 | Instruction | \$ | 11,163,548 | 11,163,548 | - |
| 2000 | Support Services | \$ | 15,092,548 | 15,092,548 | - |
| 3000 | Community Services | \$ | 2,001,682 | 2,001,682 | - |
| 4000 | Building Acquisition | \$ | 10,087,259 | 10,087,259 | - |
| 5200 | Transfer of Funds | \$ | 215,987 | 215,987 | - |
| 6000 | Contingency | \$ | 94,899 | 94,899 | - |
| 7000 | End Fund Balance | \$ | 7,910 | 7,910 | - |
| | Total State and Local Programs | \$ | 38,663,833 | 38,663,833 | - |

Nutrition Services

| | | | Proposed | Approved | Change |
|------|---------------------------------|----|------------------|------------------|---------------|
| 2000 | Support Services | \$ | 25,877 | 25,877 | |
| 3000 | Community Services | \$ | 9,183,352 | 9,183,352 | - |
| 6000 | Contingency | \$ | 219,728 | 219,728 | - |
| | Total Nutrition Services | \$ | 9,428,957 | 9,428,957 | - |

Early Retirement

| | | | Proposed | Approved | Change |
|------|-------------------------------|----|-----------------|-----------------|---------------|
| 2000 | Support Services | \$ | 325,000 | 325,000 | - |
| | Total Early Retirement | \$ | 325,000 | 325,000 | - |

Insurance Reserve

| | | | Proposed | Approved | Change |
|------|--------------------------------|----|-----------------|-----------------|---------------|
| 2000 | Support Services | \$ | 750,000 | 750,000 | - |
| | Total Insurance Reserve | \$ | 750,000 | 750,000 | - |

2015 Debt Service - G.O. Bonds

| | | | Proposed | Approved | Change |
|------|-------------------------|----|-------------------|-------------------|---------------|
| 5000 | Long-Term Debt Service | \$ | 10,829,678 | 10,829,678 | - |
| 7000 | End Fund Balance | \$ | 6,775,521 | 6,775,521 | - |
| | Total G.O. Bonds | \$ | 17,605,199 | 17,605,199 | - |

Debt Service - PERS Bonds

| | | | Proposed | Approved | Change |
|------|-------------------------|----|-------------------|-------------------|---------------|
| 5000 | Long-Term Debt Service | \$ | 9,345,490 | 9,345,490 | - |
| 7000 | End Fund Balance | \$ | 933,000 | 933,000 | - |
| | Total PERS Bonds | \$ | 10,278,490 | 10,278,490 | - |

Capital Projects Fund

| | | | Proposed | Approved | Change |
|------|------------------------------------|----|------------------|------------------|---------------|
| 4000 | Building Acquisition | \$ | 2,387,900 | 2,387,900 | - |
| 5000 | Long-Term Debt Service | \$ | 1,387,602 | 1,387,602 | - |
| | Total Capital Projects Fund | \$ | 3,775,502 | 3,775,502 | - |

2015 Capital Projects Fund

| | | | Proposed | Approved | Change |
|------|------------------------------------|----|------------------|------------------|---------------|
| 4000 | Building Acquisition | \$ | 1,300,000 | 1,300,000 | - |
| | Total Capital Projects Fund | \$ | 1,300,000 | 1,300,000 | - |

School Improvement Fund QZAB

| | | | Proposed | Approved | Change |
|------|------------------------------------|----|-----------------|-----------------|---------------|
| 2000 | Support Services | \$ | 232,844 | 232,844 | - |
| | Total Capital Projects Fund | \$ | 232,844 | 232,844 | - |

| | | | | | |
|--|------------------------|----|--------------------|--------------------|---|
| | Total All Funds | \$ | 269,216,620 | 269,216,620 | - |
|--|------------------------|----|--------------------|--------------------|---|

Budget Committee Chair

Attest:

Superintendent/Clerk

Reynolds School District No. 7

Motion Levying Taxes

May 6, 2021

BE IT MOVED, that the Budget Committee of Multnomah County School District (Reynolds School District) #7 hereby approves the 2021-22 “Proposed” budget in the total sum of **\$269,216,620** and that the permanent tax rate of \$4.4626 per \$1,000 of assessed value be levied upon all taxable property within the District.

BE IT FURTHER MOVED, that the tax of **\$12,057,745** be levied upon all taxable property and categorized as education within the District to retire a portion of the District’s long-term bonded debt obligation.

| | |
|--|--------------|
| Levy Within Tax Base (Permanent Rate) | \$4.4626 |
| Levy for Bonded Debt (excluded from all limitations) | \$12,057,745 |

Budget Committee Chair

Attest:

Superintendent/Clerk