

Rebuilding the Urban School District

USING PROGRAM MANAGEMENT TO
ACHIEVE SUCCESS

2012 CEFPI Northeast Regional Conference
March 30, 2012



BRAILSFORD & DUNLAVEY

INSPIRE. EMPOWER. ADVANCE.

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Presenters



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Brailsford & Dunlavy Introduction

- ◆ National program management firm headquartered in Washington, DC
- ◆ Services range from planning through implementation
- ◆ Clients include K-12 schools, colleges & universities, professional sports organizations, and municipalities / governments



Question to be Addressed

What benefit does a program manager provide to an urban school district?

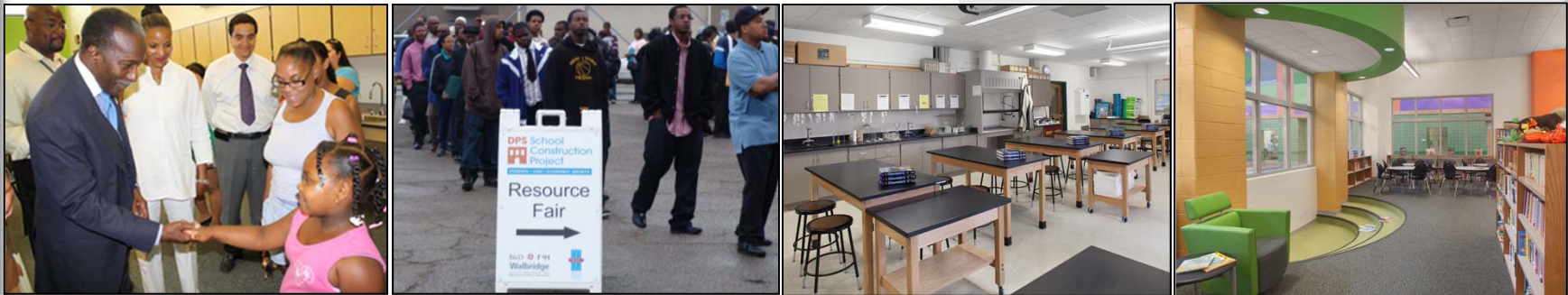
- ◆ Maximize limited financial resources
- ◆ Deliver projects within schedule constraints
- ◆ Foster client capacity to implement requirements

Learning Objectives

- ◆ *Identify* the underlying financial, demographic, and structural challenges to urban school districts.
- ◆ *Understand* the benefit of a program manager to implement a large-scale construction bond program.
- ◆ *Apply* lessons learned from Detroit Public Schools to other urban school districts.

Learning Objective #1

Identify the underlying financial, demographic, and structural challenges to urban school districts.



Portrait of the Urban School District

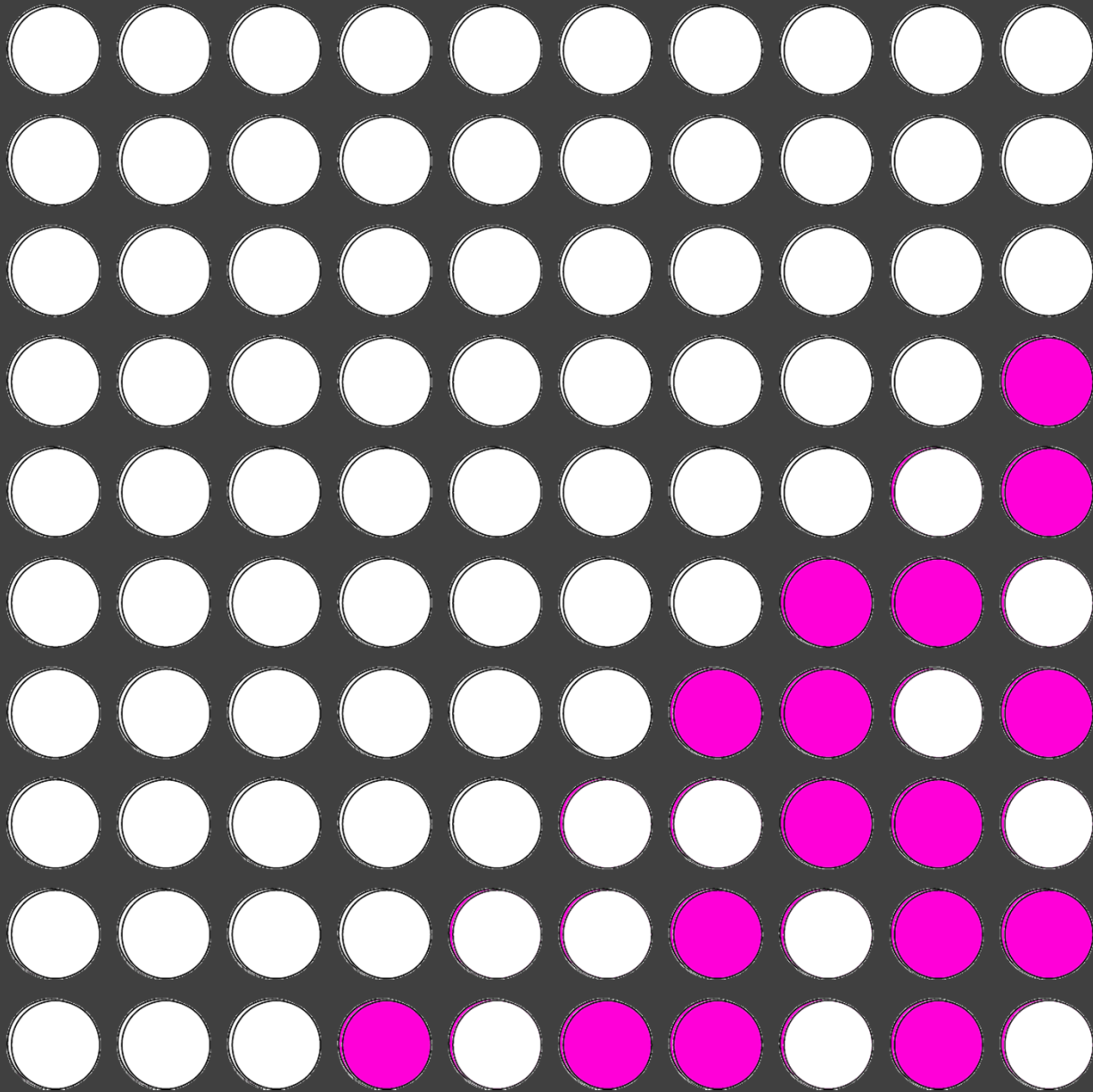
- ◆ Located within central cities faced with high rates of unemployment, poverty, and crime
- ◆ Greater proportion of low-income and high-needs students relative to enrollment of schools beyond urban fringe
- ◆ Overall trend in declining student enrollment

Challenges in Urban School Districts

- ◆ Eroding revenue from local tax base
- ◆ Resource differential
 - ◆ Antiquated buildings
 - ◆ Temporary facilities
- ◆ Inefficient use of facility inventory

The City of Detroit and its Schools

- ◆ Shrinking city population
 - ◆ Population decreased by 25% between 2000-2010
 - ◆ Decline in corresponding tax revenue
- ◆ Contracting school district
 - ◆ Student enrollment declined by nearly 50% between 2000-2010
 - ◆ Contracting district budget but growing budget deficit
 - ◆ Competition from growing charter market
- ◆ Facilities outsize student population



297,000

1968

84,000

2010

50,000

2015

EACH DOT REPRESENTS 3,000 STUDENTS



DPS has
closed
100 schools
since 2000,
totaling
7,000,000
square feet

Proposal S Ballot Measure

- ◆ Passed in November 2009 with 60.5% of the vote
- ◆ \$500.5M allocation
 - ◆ Funded through redistribution of City of Detroit property tax revenue
 - ◆ Generated funds through Build America Bonds & Qualified School Construction Bonds
- ◆ Scope
 - ◆ 10 major renovations
 - ◆ 8 new construction projects
 - ◆ District-wide security / IT infrastructure improvements
 - ◆ 2.4M square foot of new / improved space



Bond Program Goals

- ◆ Strategic allocation of bond funding to Detroit schools & communities
- ◆ Improvements to existing inventory through infrastructure upgrades
- ◆ Reduction of excess facility inventory through consolidations and closures
- ◆ Creation of economic opportunities for Detroiters and Detroit businesses

Challenges of Implementation

- ◆ Budget and scope reconciliation
- ◆ Sunset provision on bonds
- ◆ Client capacity to implement bond program
- ◆ Aggressive goals for economic inclusion of Detroit residents and businesses

Learning Objective #2

Understand the benefit of a program manager in implementing a large-scale construction bond program.



What is a Program Manager?

- ◆ Provides a broad range of services that facilitate the implementation of a capital project or program
- ◆ Guides the Owner in navigating dynamic processes from strategic planning and design through construction and closeout
- ◆ Monitors program progress with a focus toward budget, schedule, and quality compliance to assure outcomes that meet Owner requirements

Setting Expectations

- ◆ DPS solicited proposals for a program manager in December 2009
- ◆ Broad scope of services included:
 - ◆ Master planning and project planning
 - ◆ Refining design standards and specifications
 - ◆ Providing implementation oversight and management
 - ◆ Advising on project delivery method and structure
- ◆ Qualified team would combine depth of national portfolio in urban K-12 schools with local understanding of Detroit and its needs

Structuring the Joint Venture

- ◆ Comprised of industry leaders with specialized skill sets
 - ◆ Program Management
 - ◆ Planning & Design
 - ◆ Construction
- ◆ Responsive to content of Owner's requirements, providing full spectrum of program management services
- ◆ Utilized the primary talents of partner firms to meet Owner objectives and successfully achieve desired outcomes

Joint Venture Charge

- ◆ Ensure transparency in compliance to bond requirements
- ◆ Ensure consistency and quality during planning and design across all projects
- ◆ Enhance accountability of design and construction professionals contracted with DPS
- ◆ Engage and educate contracting community

Beckham J.R. King Bethune
Security / IT
Marcus Garvey East English Mumford
Harambee Center Village Prep
Denby Munger
Northwestern Earhart
Mackenzie Gompers
DPS Western Bunche
Command International Henry Ford
Center Martin Luther King

- ◆ Ambitious program of projects
 - ◆ Renovation and new construction at 18 project sites
 - ◆ Security and IT upgrades at 147 sites
 - ◆ Mechanical and building envelope improvements at 34 sites
- ◆ Over 90% of bond value committed to project costs

First Steps

- ◆ Creation of implementation infrastructure
- ◆ Development of capital improvement plan
 - ◆ Budget
 - ◆ Scope
 - ◆ Schedule
 - ◆ Projected cash flow
- ◆ Standardization of communications & reporting protocols
 - ◆ Labor management meetings with unions
 - ◆ Bond Oversight Committee
 - ◆ School constituencies

The image shows a sample bid proposal form from Detroit Public Schools. The form is titled "SECTION 004200 BID PROPOSAL FORM" and includes the following information:

- TO:** DETROIT PUBLIC SCHOOLS, Attn: Jason Thompson, 1425 East Warren Avenue, Eastland B, Detroit, MI 48207, (313) 578-7070
- DATE:** _____
- PROJECT NAME:** MARTIN LUTHER KING JR. HIGH SCHOOL
- PROJECT #:** 0100
- FROM:** Name of Bidder: _____, Business Address: _____
- Contact:** _____
- Phone Number:** _____
- Email:** _____
- Website:** _____
- Data Universal Numbering System (DUNS) #:** _____
- To whom it may concern:** _____

Additional details on the form include "March 19, 2010", "Page 1 of 18", and "Section 004200".

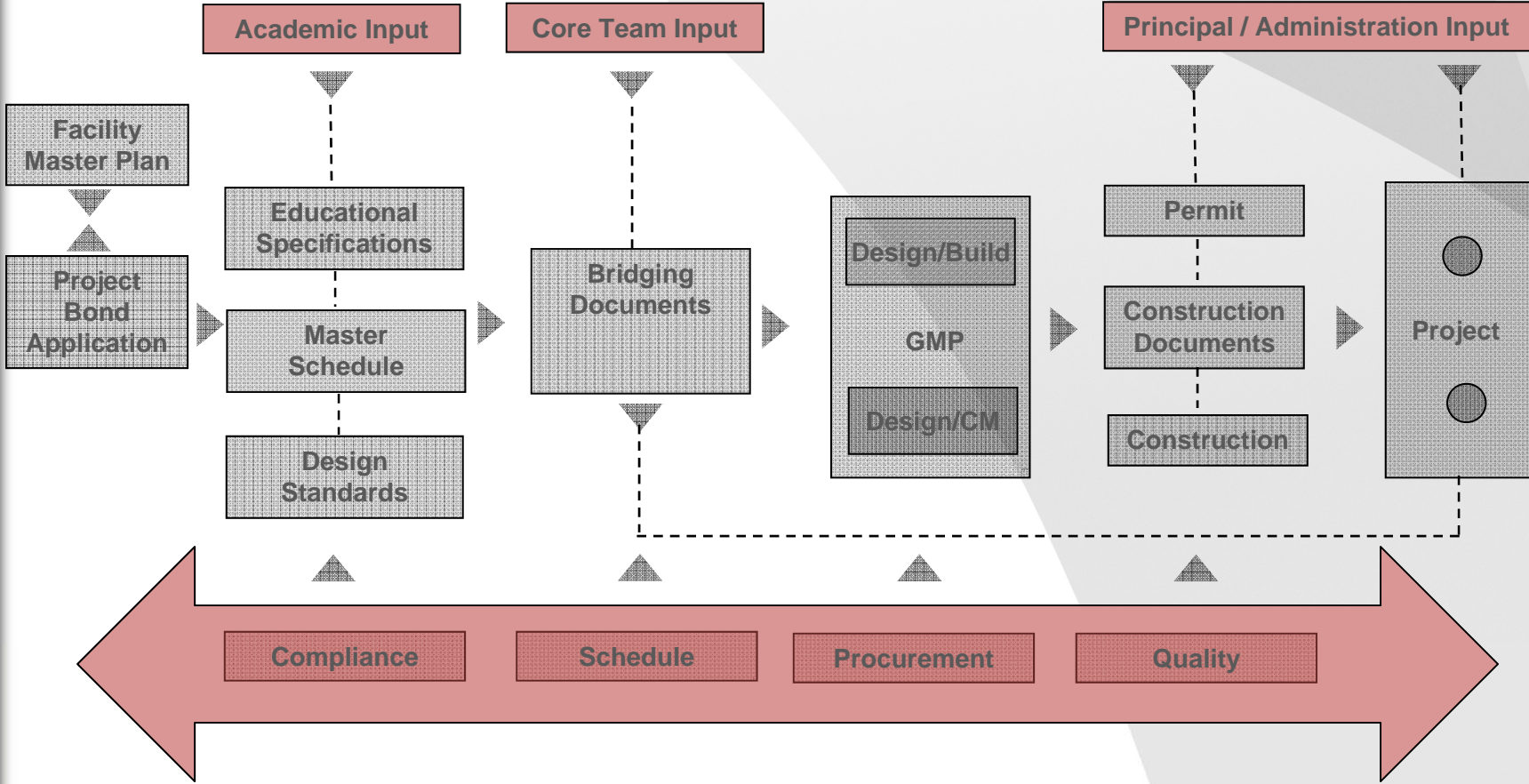
Defining Design-Build Delivery

- ◆ One entity – the design-builder – enters into contract with the owner
- ◆ Design-builder performs both A/E and construction services
- ◆ Generally considered the fastest and most cost effective project delivery method

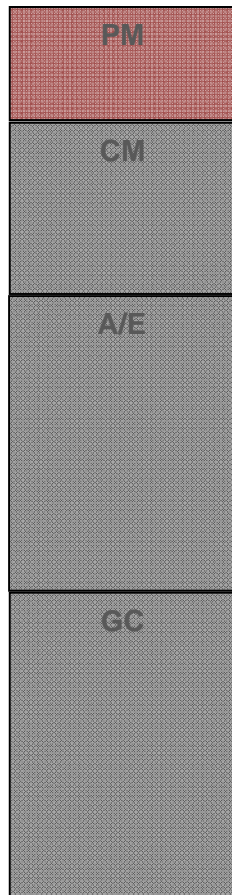
Bridging the Gap

- ◆ “Bridging Documents” developed as centerpiece of procurement effort on each project
 - ◆ Drawings set detailed to enhanced schematic design
 - ◆ Complete specifications and design guidelines
 - ◆ Front-end documents to outline Owner requirements and general conditions
- ◆ Intended to communicate design intent that awarded design-builders would complete through Construction Documents
- ◆ Critical to managing scope within aggressive budget and schedule parameters

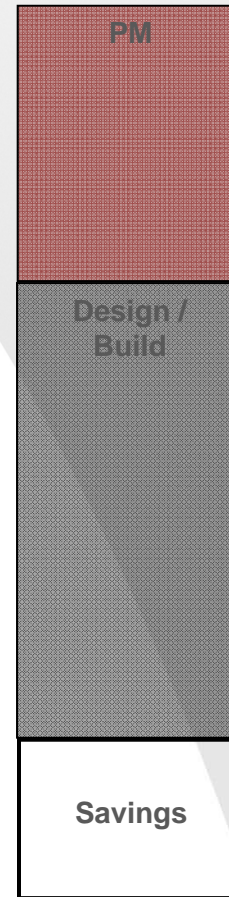
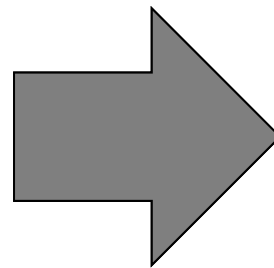
Reimagining Design-Build Delivery



Maximizing Value

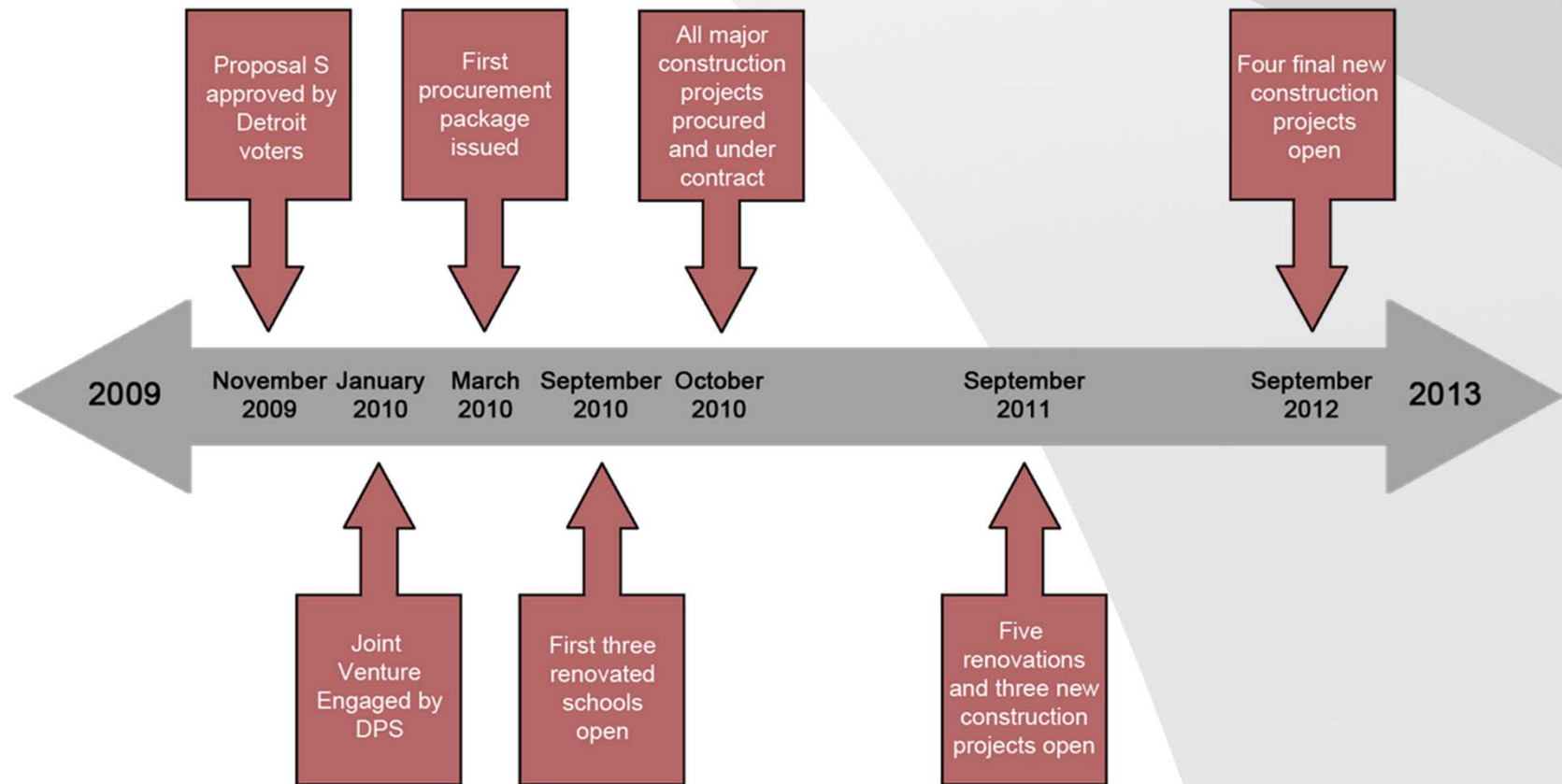


Traditional Approach
PM / CM
Design - Bid - Build



DPS Approach
PM
Design-build
At-risk

Accelerating Delivery Schedule



Creating Economic Opportunity



- ◆ Negotiated Project Labor Agreement sought 65% Detroit resident trade labor participation across the program
- ◆ Inclusion of Detroit residents in non-trade positions also required
- ◆ Design-builders incentivized to use Detroit-headquartered subcontractors and suppliers
- ◆ Directed internship program for DPS students fostered skill development and career focus in training the next generation

Program Results to Date

- ◆ Projects delivered on time and on budget
 - ◆ 9 renovation / addition projects
 - ◆ 4 new construction projects
 - ◆ Summer programs for facility improvements, Security / IT enhancements
- ◆ Students benefit
 - ◆ 20% of all DPS students will study in a school renovated or newly constructed with bond funds
 - ◆ On-site experience with student internship program
- ◆ Jobs created for Detroiters
 - ◆ Workforce development for Detroit residents
 - ◆ Capacity-building among Detroit businesses



Program Highlight

Amelia Earhart Elementary Middle School



Project type: New construction

GMP: \$22,985,742

Building area: 111,090 SF

Date of award: July 2010

School open: September 2011

Project features:

- ◆ Elementary and middle school wings separated by central administration suite, shared assembly spaces, and kitchen / dining area
- ◆ Specialty art and science classrooms in middle school wing
- ◆ Satellite administration suite in each academic wing

Program Highlight

Western International High School



Project type: Renovation / addition

GMP: \$30,635,453

Building area: 258,000 SF

Date of award: July 2010

School open: September 2011

Project features:

- ◆ New athletics complex addition with competition swimming pool, gymnasium, and fitness room
- ◆ Visual and performing arts wing with black box theatre, dance studios, and computer-aided design classrooms
- ◆ Overall aesthetic and functional enhancements with new interior finishes and upgraded MEP systems

Program Highlight

Henry Ford High School



Project type: Renovation / addition

GMP: \$17,174,852

Building area: 266,500 SF

Date of award: July 2010

School open: September 2011

Project features:

- ◆ Overall aesthetic and functional enhancements with new interior finishes, full window replacement, and upgraded MEP systems
- ◆ Specialty labs for sustainable technology
- ◆ Demonstration courtyard featuring PV panels, vertical wind turbines, bioswale, and green roof

Program Highlight

Four New Schools to Go...

Munger Elementary Middle School

New Construction

GMP: \$25.6M

Area: 111,245 SF



Samuel C. Mumford High School

New Construction

GMP: \$50.5M

Area: 242,838 SF



East English Village Preparatory Academy

New Construction

GMP: \$46.9M

Area: 218,000 SF



Mackenzie Elementary Middle School

New Construction

GMP: \$22M

SF: 111,245 SF



Learning Objective #3

Apply lessons learned from Detroit Public Schools to other urban school districts.



Lessons Learned in Detroit

- ◆ Concept of a bond TEAM

- ◆ Engagement of constituencies

Oversight Committee	Communities	Trade Unions
Contracting Community	Administrators	Facilities Management
Teachers	City Agencies	Students
Client Groups	Alumni	Parents

- ◆ Prioritization in use of buyout & project savings

- ◆ Education of contracting community

Value to Urban School Districts



- ✓ Eroding revenue from local tax base
- ✓ Resource differential
- ✓ Inefficient use of facility inventory

Questions & Answers

