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October 13, 2015

The Hon. Phil Mendelson
Chairman
Council of the District of Columbia
The John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, D.C. 20004

Dear Chairman Mendelson:

I write concerning the current Department of General Services Request for Proposals for design-build services to modernize the current Ron Brown Middle School as a high school for young men of color, a key part of Mayor Bowser's Empowering Men of Color initiative. As we discussed, I will address whether and how the plans reflected in the RFP comport with the findings and recommendations of the recent audit report released July 1st this year, [*The District's School Modernization Program Has Failed to Comply with D.C. Code and Lacks Accountability, Transparency, and Basic Financial Management*](#). The following also takes into account our ongoing review of the cost-drivers in the current modernization of the Duke Ellington School for the Performing Arts, and our review of the *Department of General Services Capital Construction Procedure and Delivery Manual*.

The schedule outlined in the RFP calls for responses by October 20, 2015, selection of a contractor and notice to proceed by late November, approval of design by March 11, 2016, and submission of the contract -- in the form of a target Guaranteed Maximum Price -- to the Council by March 25, 2016. Further, the RFP envisions completion of phase one of construction and occupancy of a portion of the modernized campus by August, 2016. The DGS document lists the department's budget for the project at \$38 million, and it is unclear (without additional research) what that budget is based upon. In previous projects we have seen budget estimates based upon a square foot multiplier. The fiscal year (FY) 2016 Capital Improvement Plan (CIP) lists the estimated full funding cost at that location as \$47,347,000, which may include swing space and other fees.

I share the following concerns based on our work to date on the school modernization program:

The RFP is not consistent with the FY 2016 Capital Improvement Program as reflected in the July 17, 2015, version of the District's Financial Plan and Budget. With regard to the former Ron Brown Middle School, the CIP, on page 111-GA0, continues to refer to a "Ward 7 Specialty School" and the need "to support planning and modernization of application middle school space east of the Anacostia River." You may recall that a major finding in our July 1 report was the failure of the modernization program to comply with current law requiring that projects comply with the terms of the current Capital Improvement Plan and Facilities Master Plan. In departing from the current CIP, the RFP appears to continue to violate that provision of the code. This also raises questions about what is intended with regard to the initial intent for Ron Brown, i.e. additional middle school alternatives in Ward 7.

The project appears vulnerable to cost pressures due to the absence of fully developed, final education specifications. There has been discussion and consensus around the proposal for a specialty high school

for young men of color, but the draft “ed specs” included in the RFP are preliminary. If additional specifications emerge during or after design is finalized, costs will likely go up, as has been the case with other modernization projects we have reviewed or are reviewing.

Other factors could raise costs following approval of a Guaranteed Maximum Price. According to the RFP, the Design-Builder would undertake a hazardous materials survey, survey of existing site conditions, and environmental impact assessments, any or all of which could increase costs, as was noted by the DGS testimony before the Council on July 8, 2015. It appears that none of these has been undertaken by the District as part of its own feasibility assessments.

The timeframe itself may drive up costs of the project. Our review of school construction studies around the country as well as our review of D.C. projects points to higher costs when time is short. Our review of the Ellington project appears consistent with this conclusion. As envisioned in the RFP, the new high school would open to 150 students in fall, 2016 – providing roughly four months for construction. To be sure, there are financial incentives for meeting deadlines built into the RFP but there remains a high likelihood of the need for overtime which drives up costs.

The plan envisions continued construction after students begin attending the new high school, contrary to best practices. As proposed, a first cohort of students would begin attending the Empowering Men of Color high school in fall 2016, to be followed by a second, and third cohort in subsequent years. Additional classrooms and completion of the modernization would come on line as of the start of school in fall 2017 – that is, construction would continue throughout the first year of the new school’s operations. There may be alternatives that would still permit the opening of the new high school next fall, including a temporary co-location at nearby H.D. Woodson High School for the first 150 ninth graders, while planning and design and more cost-effective construction is secured for the Ron Brown site. This would also have the advantage of getting additional value for the \$100 million Woodson facility which was built for 1,000 students but today is serving fewer students.

The DGS-required “outreach plan” is not in evidence. Our review of the *Department’s Capital Construction Procedure and Delivery Manual* indicates that a key element of the planning phase for any project would be an Outreach Plan. This is to facilitate communications among “clients, users and initiator/sponsor of the project.” Sound practice in school design, per our earlier review, included community discussion, input that is not *pro forma* but a way to address issues and find solutions. Additional planning could address the vulnerabilities cited here, and capture opportunities to address other capital and operational issues for the school system in Ward 7. The CIP included a Ward 7 middle school to address crowding at Kelly Miller Middle School, currently the only feeder into Woodson.

Mr. Chairman, this is not an exhaustive review of the RFP for design-build services for Ron Brown Middle School, but does attempt to highlight some of the issues of timeframe and consistency with best practice, D.C. code, and DGS policies and procedures. It points to some of the reasons why, in our reviews, original budgets have born little relation to final costs. One potential way to address these concerns at this point might be to amend the scope of work in the RFP to include additional planning and community engagement. Because this is a new project, it offers both DGS and D.C. Public Schools an opportunity to provide a well-planned and cost-effective project.

Thank you for the opportunity to share this information, which I will also share with the DGS and DCPS representatives with whom we are working. Please let me know if you have any questions.

Sincerely yours,

A handwritten signature in blue ink that reads "Kathleen Patterson". The signature is written in a cursive style with a large initial "K".

Kathleen Patterson
District of Columbia Auditor

Cc: Councilmember David Grosso, Chair, Education Committee
Councilmember Mary Cheh, Chair, Committee on Transportation and the Environment