



Agenda Item #:	IV F- Action Item
Date:	November 14, 2019
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“MPS”) Board of Directors (the “MPS Board”)
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Patrick Ontiveros, General Counsel & Director of Facilities
RE:	Prop 39 Energy Upgrade Grans – Contract Amendments / Changes

I. Proposed Recommendation(s)

At an earlier board meeting, the Facilities Committee of the MPS Board was designated by the MPS Board as an Ad Hoc Committee to review and approve Prop 39 energy grant contracts. Staff now recommends and moves that the MPS Board grant the Facilities Committee, as the Ad Hoc Committee, the authority to review and approve any change orders to the executed Prop 39 energy grant contracts.

II. Prop 39 Background

A. General

MPS applied for and received grants for its schools under the Proposition 39 California Clean Energy Jobs Act (“Prop 39”), a state program providing funding to local educational agencies for improving energy efficiency and creating clean energy jobs. Under Prop 39, all MPS schools except for MSA-Santa Ana received funding. According to Prop 39 rules and regulations, Prop 39 projects must be under contract (aka encumbered) by June 30, 2019. Otherwise, such Prop 39 funds which have already been received must be returned to the State of California.

MPS signed an agreement with First Note Finance, inc. (“FNF”) to manage MPS’s Prop 39 projects. FNF performs site walks, issues RFPs and, together with MPS Staff, selects a contractor for each scope of work.

All eligible Prop 39 contracts have been executed and the funds encumbered by the statutory deadline. Multiple Prop 39 projects have been completed or are in the process of commencing.

B. Possible Change Orders

At the time of contract execution, multiple Prop 39 projects for MPS schools that are co-located on Los Angeles Unified School District (“LAUSD”) property were in the process of being reviewed by LAUSD. Certain of such projects may require the expenditure by MPS schools of funds in addition to the Prop 39 grant fund money received as a result of such review by LAUSD. For example, materials and equipment may need to be changed to meet LAUSD requirements.



III. Budget Impacts

On a case by case basis, Staff may need to return to the Ad Hoc Committee to have change orders approved for already executed Prop 39 contracts. Such change orders may require the subject MPS school expend additional funds in order to complete certain energy efficiency upgrades. All such change orders will require review by the MPS Finance Department to confirm that funds are available for such purpose.