

New Westminster School District
Capital Project Implementation Plan
Letter of Understanding
April 27, 2007

1. Background

- 1.1. This Letter of Understanding is between the Ministry of Education ("MEd") and the Board of School Trustees, School District No. 40 (New Westminster) ("SD40"), collectively "the Parties".
- 1.2. In Spring 2003, MEd included funding in Year 2 of the 2003/04 Capital Plan for renovation or replacement of New Westminster Secondary School ("the NWSS Project") and construction of a third middle school ("Middle School Project").
- 1.3. In April 2005, the Parties entered into a Project Agreement in which SD40 agreed to replace New Westminster Secondary School with a 2,400 student capacity secondary school on the existing site and MEd agreed to contribute \$51,920,708 to the NWSS Project, and additional funding for escalation up to a maximum of \$7,176,397.
- 1.4. In October 2005, SD40 called tenders for construction of the NWSS Project.
- 1.5. The low tender of \$90.433 million substantially exceeded the \$72.9 M combined total of provincial funding allocated to the NWSS Project and local funding designated for additional instructional space, additional athletic facilities, and arts enhancements.
- 1.6. In January 2006, SD40 allowed the tenders to lapse.
- 1.7. In March 2006, MEd halted the NWSS Project and initiated an independent review of the project.
- 1.8. The Review Team noted weaknesses in the project development work that was undertaken in advance of issuing a call for tenders. Specific observations were as follows:
 - (a) different grade configuration options were not evaluated
 - (b) enrolment projections did not accurately reflect the trend in actual numbers of students being generated from new development in the community
 - (c) site area available for the replacement school was constrained by the desire to accommodate additional uses on the site in the future

- (d) inclusion of additional space for ancillary programs and services complicated the building design
- (e) building was not designed to stay within the approved funding allocation updated to current market conditions.

1.9. SD40 drew down capital funds in advance of need and accounted for interest earned on these funds as additional funding for the NWSS Project. The unexpended balance at September 30, 2006 was \$2,852,066.39.

2. Undertakings of the Parties

- 2.1. The Parties agree to close Project #113486 and MEd will create a new Project #126053 for the NWSS Project.
- 2.2. SD40 will account for the remaining balance of capital funds drawn from Project No. 113486 as Ministry of Education-restricted capital funds. SD40 will only expend funds from its Ministry of Education-restricted capital funds in accordance with conditions set out in the *School Act*.
- 2.3. SD40 will establish a Project Accountabilities Framework that clearly delineates the accountabilities for completion of the projects and reflects the partnership between SD40 and MEd.
- 2.4. SD40 will assess the educational merits, operating costs and capital implications of junior middle school (grades 6-8) and senior middle school (grades 7-9) configurations.
- 2.5. SD40 will review enrolment projections taking into consideration actual enrolments, planned or anticipated development activity, and yield rates for similar forms of development in the City of New Westminster.
- 2.6. SD40 will submit a school configuration plan and proposed capacities for the NWSS Project and the Middle School Project to MEd. MEd will approve, or approve with modifications, the proposed capacities of the NWSS Project and the Middle School Project. Notionally approved capacities are as follows:

	Operating Capacity Eligible for MEd Funding	
	Jr. Middle School Configuration	Sr. Middle School Configuration
NWSS Project	1,800	1,350
Middle School Project	450	450
District Secondary Alternate Programs	250	250

2.7. MEd recognizes that a senior middle school grade configuration model, if adopted, would increase the need for additional elementary capacity. MEd would approve elementary school capacity project(s) that

accommodate the additional capacity, provided that the financial impacts of the senior middle school model are similar to the financial impacts of the junior middle school model, and subject to MEd capital plan funding constraints.

- 2.8. SD40 will assess options and prepare a business case for the provision of space to accommodate its District Secondary Alternate Programs and other Local Education Programs.
- 2.9. SD40 will assess options and prepare a business case for the provision of space to accommodate District Administration services.
- 2.10. SD40 will assess options and prepare a business case for the provision of space to accommodate District Operations and Maintenance services.
- 2.11. SD40 will examine ways to improve Massey Theatre operating arrangements and will prepare a business case for any proposed changes to the facility.
- 2.12. SD40 will submit business cases to support approval of capital funding for the District Secondary Alternate Programs, District Administration services, District Operations and Maintenance services, and the Massey Theatre to MEd. MEd will approve, or approve with modifications, requests for capital funding for these purposes.
- 2.13. MEd will provide capital funding for District Secondary Alternate Programs as part of the NWSS Project or Middle School Project, or a combination of both. Capital funding will be provided based on the increase in operating capacity, and will be conditional on the space being suitable for the delivery of regular secondary instruction in the future.
- 2.14. MEd will provide the capital funding designated for District Administration and Central Stores, that amount being \$1,571,000, for the provision of permanent District Administration facilities.
- 2.15. MEd will provide the capital funding designated for District Operations and Maintenance, that amount being \$790,000, for the provision of permanent District Operations and Maintenance facilities.
- 2.16. MEd will allow SD40 to use a portion of capital funding designated for the NWSS Project or Middle School Project for improvements to the Massey Theatre.
- 2.17. SD40 will assess options for the temporary accommodation of NWSS students during construction of the NWSS Project and Middle School Project and will develop a preferred plan that will achieve education objectives and minimize capital costs. It is anticipated that the preferred plan will involve continued use of a portion or all of the existing New Westminster Secondary School until one of the two projects is completed.

- 2.18. SD40 will develop a Master Site Plan for its lands bounded by 6th Street, 8th Street, 8th Avenue and 10th Avenue. The Master Site Plan will accommodate the NWSS Project and the Middle School Project. SD40 will pursue opportunities for a land exchange with the City of New Westminster that could reduce supplementary site costs for both projects or could improve staging of both projects.
- 2.19. SD40 will develop a sequencing plan for the projects.
- 2.20. SD40 will submit its proposed Master Site Plan, any proposed land exchanges, proposed plan for temporary accommodation, and proposed sequencing plan to MEd. MEd will approve, or approve with modifications, the Master Site Plan, any proposed land exchanges, the proposed plan for temporary accommodation, and the proposed sequencing plan.
- 2.21. SD40 will conclude all necessary land exchanges and secure any necessary land approvals prior to commencing procurement of either project.
- 2.22. SD40 will reach a consensual agreement with the Massey Theatre Society regarding any changes to operating arrangements that may be necessary during construction of the NWSS Project or the Middle School Project prior to commencing procurement of either project.
- 2.23. SD40 has determined that it will proceed with both projects using design/build procurement. The Parties will engage Partnerships BC to implement the design/build procurement process.
- 2.24. The Parties will enter into a new Project Agreement for the NWSS Project. MEd will provide capital funding based on the approved funded capacity of the facility, MEd space standards, and the unit rate for New Westminster, adjusted for the size of the project and the anticipated equivalent date of tender. For greater certainty, design costs for the NWSS Project will be funded as a percentage of the construction budget. MEd will provide supplementary capital funding for procurement advisory services. MEd will provide supplementary capital funding for owner's engineering services to assist in preparation of the functional requirements, to prepare minimum standards of acceptance, to evaluate proposals, to review and approve design submittals, and for honoraria costs. SD40 will be responsible for any costs incurred for owner's architectural services.
- 2.25. The Parties will enter into a Project Agreement for the Middle School Project. MEd will provide capital funding based on the approved funded capacity of the facility, MEd space standards, and the unit rate for New Westminster, adjusted for the size of the project and the anticipated date of tender. MEd will provide supplementary capital funding for procurement advisory services. All other advisory services will be funded through the unit cost rate.

- 2.26. The Parties agree to work in partnership to complete both projects successfully. SD40 and MEd agree that time is of the essence. SD40 and MEd will make best efforts to adhere to the work schedule that is presented in Appendix A and forms part of this Letter of Understanding.
- 2.27. MEd will appoint a Project Representative(s) to liaise with SD40 officials on project matters. SD40 will provide MEd will regular progress reports and will ensure that MEd submittals are complete. MEd will process submittals and issue approvals, or approvals with modifications, in a timely manner.

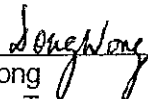
Signed at New Westminster, British Columbia on Apr. 30, 2007.

On behalf of the
Ministry of Education

On behalf of the
Board of School Trustees



Keith Miller
Assistant Deputy Minister
Resource Management Division
Ministry of Education



Doug Wong
Secretary-Treasurer
School District No. 40 (New Westminster)