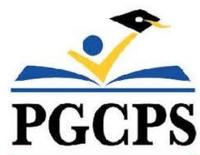




Quarterly Report 1: April 2021



PGCPS Blueprint Schools

Quarterly Report #1

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Executive Summary

Faced with unprecedented student enrollment growth that has left our elementary schools bursting at the seams: All exceed state-rated capacity; many at over 160 percent, an \$8.5 million maintenance budget backlog, and the inability to build all of the needed schools quick enough to prevent significant overcrowding at the middle school level, Prince George's County Public Schools ("PGCPS") created the Blueprint Schools Program.

The Blueprint Schools Program (the "Program") is a thirty-three (33) year (three (3) year design-build period; thirty (30) year services period) public-private partnership ("P3") that will deliver six (6) schools – one (1) K-8 school and five (5) middle schools – across Prince George's County by July 2023. The Program utilizes a design-build-finance-maintain delivery model that utilizes private financing and private capital to accelerate the design and construction of the schools and to provide long-term maintenance to the schools for the duration of the contract. In addition to the speed of delivery, the Program allows for more budget certainty. Over the term of the agreement, the Program will account for no more than approximately 10% of PGCPS' annual capital program budget – not insignificant, to be sure, but a manageable and predictive amount.

Through an over three-year procurement process, PGCPS refined the scope, developed performance-based educational specifications, set aggressive MBE/CBB requirements, and utilized the innovation of the private sector to create a program that is uniquely tailored to Prince George's County. Further, PGCPS could not have been able to effectively tailor the Program without the support and leadership of Prince George's County Executive and the Prince George's County Council. To demonstrate the shared commitment, the parties entered into a tri-partite Memorandum of Understanding that set forth the terms of the Steering Committee and provided an additional County contribution of \$15 million per year for the term of the Program.

To make a partnership, however, you must have a committed partner who shares the goals and objectives of the Program. We found that partner in Prince George's County Education and Community Partners ("PGCECP"), a development team led by Fengate Capital Management Ltd. and Gilbane Development Co. Inc. with Gilbane Building Company leading construction, Stantec leading design, and Honeywell providing maintenance services.

Utilizing the Exclusive Negotiation Agreement period, PGCPS and PGCECP were able to finalize key deal and financial terms and on December 18, 2020, the Prince George's County Public Schools' Blueprint Schools Program became a reality. Without having to sacrifice scope and staying within affordability, the Program will deliver on its audacious goal of delivering six (6) high-performing, LEED Silver equivalent schools across the County by July 2023, utilizing the first-ever K-12 schools P3 Concession Program in the Country.

This inaugural Quarterly Report (the “Report”) sets forth (i) certain final terms of the Project Agreement for the Design, Build, Finance and Maintenance of Prince George’s County Public Schools Alternative Construction Financing Package 1 (the “Project Agreement”) between PGCPs and PGCECP and, (ii) design and permitting activities and (iii) community outreach and initial procurement efforts that the Program has undertaken since the execution of the Exclusive Negotiating Agreement on October 23, 2020. Finally, the Report will outline upcoming quarterly Program activities.

Project Agreement Certain Final Terms

PGCPs entered the Exclusive Negotiation Agreement (“ENA”) on October 23, 2020 with 3 major goals to: (i) reduce the overall cost of the Program; (ii) increase and quantify PGCECP’s community investment plan commitments; and (iii) not cede any Program scope design due to cost constraints. We accomplished our goals. Set forth below are the final agreed upon terms of a few representative subject areas of the Program.

Subject Area	Final Terms
School Delivery Date	July 15, 2023
Initial Availability Payment	\$29.58M
Maximum Costs (Design-Build and Services Period)	\$770.86M
MBE Commitment ^[1]	\$206.14M
Community Investment Plan	~\$5.7M ^[2]
Base Case Equity Internal Rate of Return	14.34%
Cost of Capital	4.02%
Maintenance Period	30 yrs.
Total Cost of the Program	\$1.23B

Reducing the Overall Cost of the Program

The main purpose of the ENA period was to conduct an open book review of PGCECP's costs to determine opportunities for efficiency: to reduce cost while not significantly impacting scope. We were able to reduce the pre-development, construction, lifecycle and operating & maintenance costs by over \$21.4 million. These cost savings directly correlate to a reduction of our initial indicative availability payment by over \$200,000 from the initial bid amount of \$29.8 to \$29.58 million.

These cost reductions demonstrate PGCP's ability to protect the public's investment and our vigilant posture to ensure that this project stays affordable. These savings also demonstrate PGCECP's commitment to partnership by actively engaging and working collaboratively to find cost savings within the Program. We were able to leverage the cost of capital and PGCECP's equity investment to further reduce costs, while also maintaining the robust MBE/CBB requirement for both the Design-Build and Services Periods.

Increasing and Quantifying Commitments

PGCECP has further demonstrated its commitment to Prince George's County, not only through words but through its actions. This is clear by its contribution of \$1 million in unrestricted funds to the Excellence in Education Foundation for PGCP, Inc. to support PGCP students. This significant long-term commitment illustrates that the Program is not only focused on building schools but also committed to building opportunity pathways for PGCP students.

Other components of the program will consist of the establishment of a PGCP ACE Mentoring program cohort, internships, apprenticeships, business mentor-protégé programs, and partnerships with Prince George's County Career and Technology Education Program, valued at over \$4.5 million.

Keeping Program Scope

PGCP had to balance reducing extraneous costs while not reducing any of our program scope. Our team helped to ensure that when cost savings were identified there were not accompanying scope de-escalations or modifications of scope but rather, in most cases, the cost savings were utilized to increase scope. For example, we have added 3 new playing fields to the Program and protective wall coverings to all schools at no additional costs to the Program. Further, based upon the terms of the Project Agreement, PGCECP is still required to design and deliver schools that are compliant to PGCP's educational specifications.

Project Profiles and Updates

ADELPHI



Grade Configuration	6-8
Project Status	Design
Sq Footage	144,800 SF
Budget	\$68.1M
Address	8820 Riggs Rd, Adelphi, MD 20783
Neighborhood	Adelphi
Principal	TBA
Assistant Superintendents	Dr. David G. Curry, Jr.
County Council District & Rep	(District 2): Deni Taveras
State Legislative District & Rep	(District 47) Sen. Malcolm Augustine
School Board Member	(District 3): Pamela Boozer-Strother
Swing Plan	SY 2021-2023: The Adelphi School program will relocate to Current Cherokee Lane ES - 9000 25th Ave, Adelphi, MD 20783 during construction.
Capacity	1,200

DREW-FREEMAN



Grade Configuration	6-8
Project Status	Design
Sq Footage	144,800 SF
Budget	\$68.1M
Address	2600 Brooks Dr, Hillcrest Heights, MD 20746
Neighborhood	Suitland, Arnold Heights
Principal	Chanita Stamper
Assistant Superintendents	Dr. David G. Curry, Jr.
County Council District & Rep	(District 2): Deni Taveras
State Legislative District & Rep	(District 25) Sen. Melony Griffith(D) Del. Darryl Barnes (D) Del. Nick Charles (D) Del. Dereck E. Davis (D)
School Board Member	(District 7): Kenneth Harris II
Swing Plan	SY 2021-2023: The Drew-Freeman School program will remain onsite, in the original school building, during construction.
Capacity	1,200

HYATTSVILLE



Grade Configuration	6-8
Project Status	Design
Sq Footage	162,610 SF
Budget	\$73.6M
Address	6001 42nd Ave #1522, Hyattsville, MD 20781
Neighborhood	Hyattsville, West Riverdale, University Park
Principal	Christian Prentice
Assistant Superintendents	Dr. David G. Curry, Jr.
County Council District & Rep	(District 3): Dannielle Glaros
State Legislative District & Rep	(District 24) Sen. Paul G. Pinsky (D) Del. Tawanna P. Gaines (D) Del. Anne Healey (D) Del. Alonzo T. Washington (D)
School Board Member	(District 3): Pamela Boozer-Strother
Swing Plan	SY 2021-2023: The Hyattsville School program will relocate to Meadowbrook School - 3413 Moylan Dr., Bowie, MD 20715 and Robert Goddard Montessori - 9850 Good Luck Rd, Seabrook, MD 20706 during construction.
Capacity	1,200

KENMOOR



Grade Configuration	6-8
Project Status	Design
Sq Footage	144,800 SF
Budget	\$68.4M
Address	2500 Kenmoor Dr, Landover, MD 20785
Neighborhood	Palmer Park, Kentland, Glen Garden
Principal	Fadi Maha
Assistant Superintendents	Dr. David G. Curry, Jr.
County Council District & Rep	(District 4): Todd M. Turner
State Legislative District & Rep	(District 23)Sen. Douglas J. J. Peters (D) Del. Geraldine Valentino-Smith (D) - District 23A Del. Marvin E. Holmes, Jr. (D) - District 23B Del. Ron Watson (D) - District 23B
School Board Member	(District 4): Shayla Adams-Stafford
Swing Plan	SY 2021-2023: The Kenmoor School program will remain onsite, in the original school building, during construction.
Capacity	1,200

SOUTHERN K-8



Grade Configuration	K-8
Project Status	Design
Sq Footage	233,865 SF
Budget	\$106.2M
Address	Plat: A05-6553, A05-6554 Fort Washington MD 20744
Neighborhood	Friendly
Principal	Kimberly Corprew (Potomac Landing ES) and Leatriz D. Covington (Issac Gourdine MS)
Assistant Superintendents	Dr. Kasandra G. Lassiter
County Council District & Rep	(District 8): Monique Anderson and (District 9): Sydney J. Harrison
State Legislative District & Rep	(District 26) Sen. Obie Patterson (D) Del. Veronica Turner (D) Del. Kriselda Valderrama (D) Del. Jay Walker (D)
School Board Member	Edward Burroughs III and Sonya Williams
Swing Plan	N/A
Capacity	2,000

WALKER MILL



Grade Configuration	6-8
Project Status	Design
Sq Footage	144,800 SF
Budget	\$69.5M
Address	800 Karen Blvd #3314, Capitol Heights, MD 20743
Neighborhood	Walker Mill
Principal	Erin Cribb
Assistant Superintendents	Dr. David G. Curry, Jr.
County Council District & Rep	(District 6): Derrick Leon Davis
State Legislative District & Rep	(District 24) Sen. Joanne C. Benson (D) Del. Erek L. Barron (D) Del. Andrea Fletcher Harrison (D) Del. Jazz Lewis (D)
School Board Member	(District 6): Belinda Queen
Swing Plan	SY 2021-2023: The Walker-Mill School program will remain onsite, in the original school building, during construction.
Capacity	1,200

MBE/CBB/CBSB Recruitment

Recognizing the tremendous impact that the Program has to create capacity and business opportunities for qualified MBEs/CBBs/CBSBs (Minority-Owned Enterprise, Community-Based Business, Community-Based Small Business) over the term of the Project Agreement, the Program has hosted two MBE/CBB/CBSB outreach events and have had over 590 companies register to attend, with over 380 companies participating to date.

The Program will continue to host outreach events every month. In addition to the outreach events, there will be frequent matchmaking and prequalification workshops to provide insights and teaming opportunities for qualified companies to participate in the Program. Further, we have begun working to develop the Program MBE/CBB/CBSB reporting mechanisms that will provide up-to-date reporting on our compliance with Project Agreement requirements.

Community Outreach

PGCPS is committed to timely, transparent, and thorough communications with both our internal and external stakeholders.

During the ENA period we also began our community outreach in earnest. From hosting five specific design presentations for the academic leadership and staff to speaking at local community groups, PTOs and civic associations, the Program has moved quickly to lay out the vision and design concepts to advance the designs of each school. Our broad community outreach plan is as follows:

Bi-Monthly Community Town Halls



- ◆ On-going town halls are provided for each school community.
- ◆ Presentations include project and community impact updates.
- ◆ Participants' questions are addressed during the meeting.
- ◆ Follow-up materials/additional info is provided on the program website: www.pgcpsblueprintschools.com

Town halls are conducted on a bi-monthly basis, or as needed, in an effort to keep all community members aware of the Program's progress. These meetings are held virtually, using GoTo Webinar and Zoom, and within the platform community members have an opportunity to submit questions and concerns to panelists. Panelists address as many questions as possible at the conclusion of the meeting. All questions are then posted to the Program website with responses from the team. PowerPoint presentations and video recordings from each town hall are also posted to the website for the public to reference.

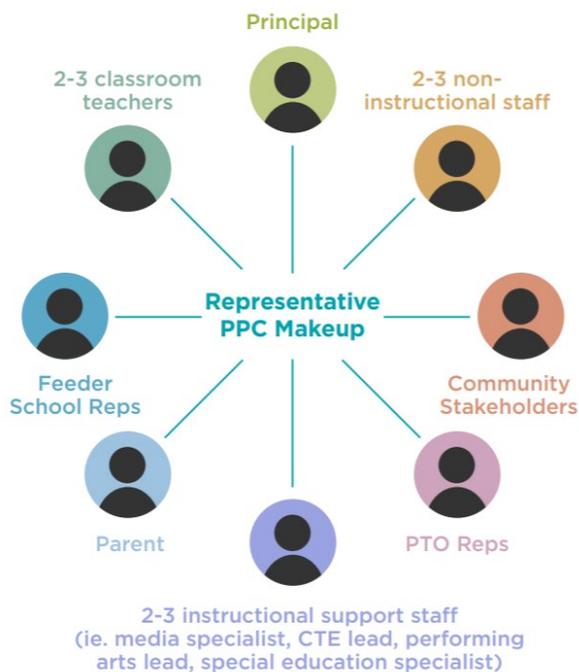
All town halls are interpreted live in Spanish. Depending on the needs of each school community presentation information is also interpreted in French, Pashto, and/or Dari. PowerPoints are, at a minimum, translated into Spanish and French and made available on the program website.

Click [HERE](#) to see a full list of town halls and other community outreach events.

Project Planning Committees (PPCs)

	<ul style="list-style-type: none">◆ PPC teams are representative of individual school communities, selected and led by school principals.◆ PPCs will use their community and school-based expertise to inform design and actively participate in each phase of the design-build period.◆ Feedback loop provides opportunities for PPCs to provide guidance and support the advancement of the school design.
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Prince George’s County Public Schools (PGCPS) is committed to engaging all of its internal and external stakeholders to advance the designs of Blueprint Schools. PGCPS, with our partner, Prince



George’s County Education Partnership (PGCECP), work closely with each school’s Project Planning Committee (PPC) to design and build modern and dynamic schools that are conducive to all learning modalities and reflect their respective communities. The purpose of the PPC is to provide thorough feedback and recommendations to ensure the design aligns with the programmatic and operational needs at each school. Chaired by school principals (or designee(s)), the PPC is self-directed and has the flexibility to determine its makeup, size, frequency of meetings (outside of scheduled meetings with the Design-Build team), and how those meetings are reported out to the broader school community.

Although the key role of each school PPC is to provide feedback on the design of the school, the program will also involve the group in the selection of their school’s FF&E (furniture, fixtures, and equipment) review process, swing space (temporary space) notifications to families, construction updates, and community asset/services planning.

To date, each schools Project Planning Committee has met twice with PGCPs and the PGCECP team to review designs. In a third round of PPC meetings, April 19th-29th, Gilbane and Stantec will present each schools' Enhanced Schematic Design. Stantec will specifically address how PPC member's original comments were considered in the final steps of design.

Community Investment Program



- ◆ PGCECP will provide monthly CBB/CSBS/MBE outreach and pre-certification events.
- ◆ Community investment opportunities and program updates will be shared at town halls, with the PPCs and on the program website.

Prince George's County Education and Community Partners is committed to leveraging this multi-school project to enhance the quality of life for the residents, workers, and communities of Prince George's County.

The program includes:

- Workforce Development
- Community Service and Amenity Plan
- Mentor - Protégé Program
- Internships and Apprenticeship Opportunities
- Scholarships and Education

Workforce Development

PGCECP's Workforce Development Plan is a partnership with EmployPG, trade contractors, and LiUNA.

- Employment opportunities will be advertised with EmployPG.
- All Trade Contractors will post job opportunities with EmployPG and will work with the County to fill opportunities and hire qualified workers from Prince George's County.
- LiUNA – will provide common and skilled labor and provides both apprentice opportunities and labor opportunities with a majority of its workers coming from Prince George's County.

To date, PGCECP has engaged Employ PG, LiUNA and key trade contractors to establish this work plan. PGCECP is also committed to tracking home zip codes for workers to ensure compliance.

Community Services and Amenities Plan

The community services and amenities plan ("Amenity Plan") will be school-community focused.

Service activities in the community will be led by the on-site project teams. These could include back-to-school fundraisers, community improvement/clean-up days or any other activities determined by the needs of the neighborhood.

The Amenity Plan will be determined by each school's Project Planning Committee (PPC), which is led by the principal of each school. For example, the amenities could include:

- Public Art
- Exterior Enhancement (Green House/Garden)
- Outdoor Physical Training Circuit
- Other ideas generated by the local school

Next Step: The first Community Services and Amenities Plan meeting will be held with PPCs in June, 2021.

Mentor Protégé Program

PGCECP is implementing a robust mentor protégé program that will involve all major participants (Gilbane, Stantec, Honeywell) and many key subcontractors that will provide a diversified program of business and technical training opportunities.

Mentor	Protégé(s)
Gilbane Building Company	Warren Brothers Construction Co. Corenic Construction
Stantec	Arel Architects Leuterio Thomas

Next Steps:

- Encourage and incentivize trade contractors to provide mentor protégé opportunities at all levels.
- Implement a series of eight-session free and inclusive 'virtual' mentor protégé programs beginning in the fall of 2021.

Internships and Apprenticeships

(1) Engage local industry apprentice training groups to recruit apprentice candidates to work with our trade partners. (2) Provide vital work-based learning experience for a broad spectrum of county students and residents through internships

Local Industry Apprentice Training Groups

- Maryland Apprenticeship & Training Program
- SkillsUSA Maryland
- Iron Worker Local #5
- EC Chesapeake Electrical Apprenticeship
- Joint Apprenticeship Training Committee

- ABC Metro Washington Chapter

Next Steps:

- Gilbane will hire six (6) interns per summer that are either attending PGCC, a community college or University system in the county.
- Trades will employ interns/apprentices.
- Work with the CTE program to provide hands on learning and employment opportunities to high school students and program alumnus.

Scholarships and Educational Opportunities

Provide scholarship and educational opportunities for Prince George's County (PGC) residents/students at both Prince George's Community College and CTE.

- PGCECP, as part of its community impact commitment, made a \$1 million contribution to the Excellence in Education Foundation for PGCPs.
- PGCECP's design-build lead, Gilbane, will fund a \$60,000 scholarship fund for deserving PGC residents to financially support their enrollment at Prince George's Community College.

Next steps:

- In coordination with the CTE staff, host quarterly presentation to educate CTE students about the design-build process through workshops, field trips, afterschool programs, and design/construction competitions.
- Share employment opportunity postings with CTE staff for real time feedback on active local employers and hiring trends.

Q&A Process

As part of our effort to build robust and broad support for the Blueprint Schools, we will seek to hear from as many community groups, civic associations and organizations as possible. We have committed to answering every design, construction, community investment, academic, and swing-space related question that we receive and post them to the website, www.pgcpsblueprintschools.com*

**The PGCPs Blueprint Schools Communications & Public Engagement Team carefully monitors and filters and comments that are considered offensive or non-relevant to the Blueprint Schools Program.*

Website

In December 2020, the Prince George's County Education and Community Partners (PGCECP) team launched the project website www.pgcpsblueprintschools.com. The website serves as a one-stop shop for business owners, potential subcontractors, community stakeholders and the community-at-large to get information and updates about the program. The website highlights project updates,

outreach events, procurement forecasts and opportunities, Q&A's, a project timeline and news relevant to the program. Profiles sections for each of the six schools offer staff, students, parents and other stakeholders downloadable resources and status updates. Data analytics have shown over 4,000 site visitors within the first two months of the website's launch.

[1] 30% of total eligible Design-Build and Services Expenses.

[2] Minimum amount; includes \$1M contribution for PGCPs scholarships to be administered by the Excellence in Education Foundation for PGCPs, Inc. and \$10,000 Community Grant to each school.

[MOU] This can be a separate section incorporating more information from the D-B report and diagrams, etc.