

Minutes
District Citizens Oversight Committee
Friday, February 9, 2007
12 Noon to 2 PM

Board Room
770 Wilshire Blvd.
Los Angeles, CA 90017

In attendance: Business Representative, David Rattray; Taxpayer Representative, Carol Gustin; Labor Representative, Marianne Brown; Harbor College Phil Zurbrugg; Valley College, Steve Manning; Trade-Technical College David Kersh; Los Angeles Mission College, Betty Decker; Pierce College, Donna Slamon; Darroch "Rocky" Young, Chancellor; Dr. Adriana Barrera, Senior Vice Chancellor; Larry Eisenberg, Executive Director Facilities and Planning; Fred Gans, DMJM/JGM; Ray Leving, DMJM/JGM; Kim McAvoy, DMJM/JGM; Alexi Nalewaik, Moss-Adams, LLP; David Herbst, MWW; Lisa Fitch, LACCD Public Relations; Lynn Winter Gross, LACCD, Director of Public Relations

Welcome and Introductions:

In the absence of the Committee Chair and Vice-Chair, committee member Carol Gustin called the meeting to order at 12:10 p.m.

Program Management Standard Reports:

To date, 152 projects have been completed; compared to 95 completed projects one year ago. The number of projects in design has dropped; while there is an increase in projects going through bid and award.

Visual tour:

DMJM showed a video of current construction activity at all nine colleges:

City: MLK library \$16.5 million project. This is a 3 story building including classrooms and computer rooms;

ELAC: Entry Relocation Project;

Harbor: Northeast Academic Building/ Student Services, \$18 million project; one of 7 projects at Harbor that is LEEDs certified; may become Silver; Facilities Maintenance and Operation site using new technology of pre-poured concrete slabs; new Site Utilities Substation; new Track and Field bleachers;

Mission: Parking Structure A with photovoltaic panels; plans for Physical Education facility just approved by Board of Trustees Infrastructure Committee, will go out for bid early in next year;

Pierce: Temporary Village with some permanent buildings has move-in modular facilities; two 10,000 sq foot buildings immediately available for use; just had Botanical Gardens groundbreaking;

Southwest: Demolition of the Book Store; removed all salvageable items; Child Development Center, with sustainable design is 65% complete;

Trade: \$15.5 million Parking Structure;

Valley: Allied Health and Science Center with sustainable design, campus wide restrooms, Infrastructure Project, includes utilities, sewage, power, air conditioning, computer systems;

West: recently completed athletic field, new service and fire road 90% complete, 3 LEED projects, Science and Math Building, General Classroom, Administration Services and Classroom Building,

Students are involved in many phases of the program, from on-site construction to working with the program managers.

In response to faculty and staffs' request for more information, the District and DMJM/JGM have updated the accounting software with the purchase of a web based system called Proliance. The whole program will be transparent: anyone can look at the status of any project from any computer and generate their own reports.

Starting January 2007, users can access a one page dashboard report by project, college and by district.

College Reports:

LACC: construction ongoing

Mission: EIR meetings are in process;

West: Design for Haul Road is complete and in review with the city; a sound wall is in design for the Raintree Condominiums, expect to start construction in May; will recommend to Board of Trustees at their January 24, 2007 meeting to use eminent domain to acquire one piece of property, another piece will be acquired in a friendly way;.

Pierce: recent groundbreaking on botanical garden; featuring a tree from Australia, which was thought to be extinct.

Hard Cost/ Soft Costs

Moss-Adams, LLP

Shirley Komoto, Alexi Nalewaik

Hard costs include things you can touch and feel, like brick and mortar, labor, materials, heating, ventilation, air conditioning, utilities, furniture, fixture, equipment for new and/or renovation projects.

Soft costs are the indirect costs, such as architects, master planning, surveying, design, audit, legal, land acquisition, program management, project management and engineering.

Both hard and soft costs are required for a construction program.

The ratio between hard and soft costs vary depending upon the specific project location, type of construction, level of oversight required, union agreements, and owner insurance program, etc.

Moss Adams LLP experience is that soft costs for a program the size of the LACCD is between 20-25%. Soft costs are always higher in the beginning of the program.

The “formal” goal for the LACCD bond program’s for soft costs is 25%; with an aggressive, “informal” target of 19%.

The Hickling study, commissioned by the DCOC last year, reported that soft costs of 30%-40% were acceptable.

The Program Management fee is below the 4% budgeted. Based on present spending models, most CPMs will have exhausted their 6% fees prior to completion of the program and, if not adjusted, are estimating an average of 8% instead of the 6% budgeted.

The district is continually looking for ways to combat cost escalation.

Actual ratio of soft/hard costs is much better for the completed Proposition A/AA projects on new construction:

Southwest College Student Services Education Center: soft costs are 7.80%

Valley College M&O/ Sheriff’s Station: soft costs are 10.74%

Because of escalation in costs of material, many buildings had to be redesigned to stay within the budget. The redesign leads to increased costs, and in many cases double architectural fees.

Updates:

Los Angeles Mission College EIR hearing will take place at the January 10, 2007 Board of Trustees meeting. Last week, the Board heard a presentation on the draft EIR and Master Plan. When approved, Mission College will be last college to get its EIR adopted.

Program Management contract:

The current program management firm, DMJM/JGM has a 5- year contract which expires summer 2007. Five firms submitted bids for the new contract. The evaluation committee expects to make a recommendation to the Board of Trustees in January 2007.

Adjournment:

There were no public speakers. The meeting was adjourned at 2:06.p.m.

