



LOS ANGELES COMMUNITY COLLEGE DISTRICT

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MINUTES

Bond Steering Committee

8:30 a.m. on March 29, 2016

Committee members present:

1. College President: Dr. Erika Endrijonas, Valley College
2. Chief Facilities Executive: Jim O'Reilly, LACCD (committee chair)
3. PMO Director: Tom Donovan, LACCD PMO
4. Faculty Guild: Joanne Waddell, Valley College
5. College President (interim): Bob Sprague, West L.A. College

6. Academic Senate: Don Gauthier, LACCD
7. Deputy chancellor: Dr. Adriana Barrera

Committee members absent:

1. Faculty Guild: Carole Anderson, Trade-Tech
2. College President: Dr. Linda Rose, Southwest College
3. Chief Financial Officer: Jeanette Gordon, LACCD
4. Academic Senate: vacant

Guests and staff resource persons in attendance: Tom Hall (LACCD), Dan Minkoff (LACCD PMO), Lisa Turnbaugh (LACCD PMO), Bryan Payne (LACCD PMO), Kelly Cauvel (LACCD PMO), John Dacey (LACCD PMO), Wayne Kalayjian (Deloitte).

Meeting began at 8:39 AM.

1) **Approval of minutes**

- a. **March 1, 2016 BSC meeting. Action needed: committee vote.**

Ms. Waddell moved to approve the minutes from the March 1 BSC meeting. President Endrijonas seconded the motion. The committee approved.

2) **Program Management Office invoice and payment process review by Deloitte status update**

- a. **Review Facilities Master Planning and Oversight Committee request for Deloitte to assess the invoice and payment process at BuildLACCD. No committee action required.**

Mr. O'Reilly said this presentation was delivered at the most recent FMP&OC meeting.

Mr. Kalayjian explained Deloitte's role on the program.

Mr. Kalayjian explained the request from FMP&OC to analyze the PMO's invoice process and interview those involved in the process.

Mr. Kalayjian explained the invoice process and payment review in terms of actual and observed lifecycle analysis. He said LACCD is meeting its contractual obligation regarding invoice processing and payment.

Mr. Kalayjian suggested process improvements, such as electronic payment process from PMO to prime and from the prime to subs, and electronic submission of labor logs. He suggested having an electronic signature option, as well. Mr. Kalayjian said the next step is to evaluate improvements.

Mr. Gauthier asked if we play a role to make sure primes pay subs in a timely manner. Mr. Donovan said their contracts say they must pay subs in 10 days.

Ms. Waddell asked about the change in the invoicing process to submit to the PMO instead of to the CPT. Mr. Donovan explained that signature approval process required and the new procedure was meant to compress the schedule, but caused confusion and expanded the time.

Ms. Waddell asked whether primes could be contractually required to submit invoices within a designated timeframe. Mr. Kalayjian said the MATOC contracts are directly with the district, not AECOM, but that provision could be included in the contract.

3) 2014-15 committee self-evaluation

a. Annual committee self-evaluation process. Possible committee action: vote to accept subcommittee recommendations.

Dr. Barrera said the evaluation subcommittee added obstacles, changes, additional goals and successes to the self-evaluation.

Ms. Waddell asked that BSC see presentations made before going to FMP&OC and Committee of the Whole. Ms. Waddell asked to see presentations first that don't have a board deadline. Mr. O'Reilly agreed.

Ms. Waddell said open discussion is important, but the committee should get through as much of the agenda we can get through.

The committee discussed the idea of holding BSC meetings at the colleges on a rotating basis. Ms. Waddell suggested to coordinate with each college's active bond committee.

Mr. Minkoff will coordinate.

Dr. Barrera said another suggestion is to summarize committee proceedings at end of each meeting.

Mr. Minkoff will follow up.

Ms. Waddell suggested to report KPIs at future meetings.

Ms. Cauvel will coordinate.

The committee discussed the need to expand and improve communication.

Mr. Donovan suggested that he will share the two-page report submitted monthly to the board. Mr. O'Reilly said staff is being reduced, so the ability to produce additional reports will be more difficult.

Mr. Donovan will send his February report to BSC.

Ms. Waddell moved to approve the self-evaluation report. Mr. Gauthier seconded the motion. Committee approved the motion.

4) 40J fund status

a. Review of the original allocation and amount remaining in central services accounts. No committee action required.

Ms. Turnbaugh reviewed the breakdown in the 40J central services account and noted the \$1.9 million variance in the corporate center account. She provided an explanation of the payments to remodel the 1055 Corporate Center office instead of being used for rent for downtown office space.

Ms. Turnbaugh reviewed the amounts expended for the 40J central services accounts.

Dr. Barrera explained that the task force is doing assessment on districtwide IT.

5) Legal fees and expenditures

a. Review of the bond program legal fees and expenditures since 2008. No committee action required.

Ms. Cauvel provided update on policies and procedures put in place by the bond program to improve management of legal construction matters. Ms. Cauvel reviewed the yearly legal fees from 2008 through 2013 and the causes for escalation in costs. She said new controls have resulted in a decrease in legal fees and costs. Ms. Cauvel reviewed FPD management efforts that led to reduction in legal fees and costs. Ms. Cauvel explained the change from the old to the new change order policy, which Mr. O'Reilly said is in line with industry standard.

Mr. Dacey explained change order percentage for new construction and renovation projects, and said although it doesn't legally apply to design-build or lease-lease-back, the district still adheres to the same policy for alternative delivery methods.

Ms. Cauvel reviewed the new protest procedure. Mr. O'Reilly explained that the old policy led to additional costs and delays.

Ms. Cauvel reviewed the revised legal vendor/outside counsel contract review and selection process. She explained the process and controls in place to select firms for specific matters, and also to track firms doing work for the district and their monthly billing amount.

Ms. Cauvel outlined the achievements of the new management efforts. She reviewed the remaining bond program civil lawsuits, arbitrations and stop notice actions.

Mr. Dacey explained that there is not a direct correlation to the amount of ongoing work. He said the reduction is mostly attributable to the revised policies, procedures and management actions, including management of outside counsel.

6) Prequalified service providers procurement
a. Overview of upcoming prequalified service providers procurement. No committee action required.

Mr. Payne reviewed the bench of small- to mid-range contracts that do small- to mid-sized projects. Mr. Payne explained that this procurement will include firms that can do work on bond and non-bond projects. Mr. Payne explained the LSEDV scoring bonus, the task order process and the tiered approach. Mr. Payne reviewed currently planned small projects, up to \$2.3 million, that total more than \$19 million. He also mentioned that the large contractors will not be competing against small contractors for the listed projects.

7) Change order analysis report
a. Review of change order summary by college and active project summary by college. No committee action required.

Mr. Donovan reviewed the current change orders on the program, which have been reported in several categories, including renovation contracts, infrastructure contracts and new facility contracts. He said change orders are reported in total for each college and its elements, including owner request, unforeseen conditions and additional requirements.

Mr. Donovan said the program has about \$500 million left to award and a priority is managing contractors to make sure they can execute the remaining work without delays and within budget.

Mr. Minkoff will send change order detail about individual active projects.

8) Old Business

None.

9) New business

None.

10) Adjourn

Meeting adjourned at 10:30 AM.

*Upcoming Bond Steering Committee meetings: **May 3 and June 7**. All meetings will be held at 8:30 a.m. in the Educational Services Center first-floor board hearing room unless otherwise noted.*