



LOS ANGELES COMMUNITY COLLEGE DISTRICT

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MINUTES

Bond Steering Committee

8:30 a.m. on March 17, 2015

Committee members present:

1. Deputy chancellor: Dr. Adriana Barrera
2. PMO Director: Terri Mestas, LACCD PMO
3. Academic Senate: Don Gauthier, LACCD
4. Chief Financial Officer: Jeanette Gordon, LACCD
5. Faculty Guild: Joanne Waddell, Valley College

Committee members absent:

1. Chief Facilities Executive: James O'Reilly, LACCD (committee chair)
2. Academic Senate: David Beaulieu, LACCD
3. Faculty Guild: Carole Anderson, Trade-Tech
4. College President: Dr. Otto Lee, Harbor College
5. College President: Dr. Kathleen Burke, Pierce College
6. College President: Nabil Abu-Ghazaleh, West L.A. College

Guests and staff resource persons in attendance: Mona Field (LACCD Board of Trustees), Tom Hall (LACCD), Dan Minkoff (LACCD PMO), Megan Baaske (Mercury), Kelly Cauvel (LACCD PMO), Yohan Ruparatne (LACCD PMO), Bill Sewell (LACCD PMO), Ed Molina (LACCD) Steve Springer (LACCD), John Freitas (City College).

Meeting began at 8:45 AM.

1) Approval of minutes

- a. February meeting. Action needed: committee vote.**

No quorum.

2) Energy oversight committee update

- a. Status report from the Energy Oversight Subcommittee. No committee action required.**

Mr. Gauthier said the committee members haven't met since last the last BSC and there is no meeting scheduled.

3) OCIP III feasibility analysis

- a. Present the results of an assessment of continuing an Owner Controlled Insurance Program (OCIP) for the remainder of the bond-funded construction program. Possible committee action: vote to endorse the recommendation.**

Ms. Cauvel presented the OCIP III feasibility study and the outcomes. She said the program's OCIP administrator, who performed the assessment, looked at options of contractors providing insurance, keeping an OCIP program, OCIP II performance, projected OCIP savings vs. contractor-provided insurance, coverage considerations, administrative considerations and support of small business participation.

Ms. Cauvel reviewed the pros and cons of implementing a contractor-provided insurance option and the pros and cons of continuing with an OCIP program.

Ms. Cauvel explained that contractor-provided insurance approach could result in a higher administrative burden and inconsistent and/or lapses in coverage.

Trustee Field asked for clarification about the need for the study and why the District was not proceeding with OCIP III. Ms. Cauvel said the District has never conducted a study on this effort and wanted to make sure this is the correct path forward for the program. Mr. Hall said given the amount of money remaining on the program, this was the right time to evaluate options to make the correct decision.

Mr. Gauthier asked if we're going to use the same carrier given that the current provider has a proven track record. Ms. Cauvel said the program is marketing the opportunity within the industry among various carriers to compare different providers, offerings and costs.

4) ConnectLACCD feasibility update

- a. Per committee request, a follow-up report presenting the continued assessment of the previously planned fiber ring project. Possible committee action: vote to endorse the recommended solution.**

Mr. Sewell presented the results of additional study regarding the ConnectLACCD effort as previously requested by FMP&OC. The study looked at four solutions and compared them.

Mr. Sewell reviewed the additional study findings. He said the study looked at bandwidth utilization and growth of need, and it was inconclusive about what is driving the increase. He said the PMO requested three independent estimates to get additional sources on project costs. The independent estimates ranged from \$111 million to \$183 million. Mr. Sewell said the study also looked at fiber ring maintenance costs, which was estimated to be \$150,000 annually for material and emergency response.

Based on the study, there are two solutions to compare – construct a private fiber optic network and lease network services. Mr. Sewell said the current network can meet capacity demands until at least 2018.

Mr. Sewell presented the recommended next steps as detailed in the handout.

Dr. Barrera asked when an RFP would be issued if the current network can handle capacity through 2018. Mr. Sewell said we could issue one now, but we might wait to monitor traffic growth. Mr. Sewell confirmed that funds within the bond technology budget would be reallocated to fund the lease.

Mr. Sewell explained the opinion of the District's bond counsel, David Casnocha, regarding the ability to set aside \$5 million to use for lease payments after the bond program ends.

Ms. Waddell asked about the amount budgeted for the fiber ring project. Mr. Sewell said the amount is \$27.5 million and that the lease option would cost \$5 million. Ms. Waddell asked where the remaining money would go. Mr. Sewell said it would remain within the IT budget.

Trustee Field asked what else on the IT project list needs to be funded. Mr. Sewell and Mr. Hall noted security systems, CMMS (computerized maintenance management system) and others.

The committee raised questions about enrollment growth data and assignable square footage data contained in the report. Mr. Sewell said the data came from the district website and from the state Fusion system. Mr. Sewell said he will reexamine the numbers.

5) Procurement update

a. Status of upcoming bond program procurements. No committee action required.

Ms. Mestas provided a procurement update. She reviewed the Trade Tech Culinary Arts architect of record, the Mission Central Plant design build and multiple campus security upgrade work at Pierce and West, which are all scheduled to be presented to the board in April. She reviewed projects scheduled for May, including the Trade Tech Culinary Arts Lease-Leaseback, Firestone demolition work and West campus improvement package. She said in June, the Valley Academic and Cultural Center lease-leaseback, the Trade Tech Grand Avenue Blue Line (with FTA funding) design-build and Valley Central Plan design-build projects are scheduled to go to the board.

6) Committee self-evaluation

a. Annual committee self-evaluation process. Possible committee action: subcommittee formation.

Mr. Gauthier said no additional work has been done on the self-evaluation.

Dr. Barrera requested to move this item to the top of the agenda for April.

7) New business

Dr. Freitas said the City College academic senate wants to understand why costs have escalated so much for projects on his campus. He said it came as a shock when told they had a \$14 million shortfall. Dr. Freitas said we want to understand the change in delivery methods.

Ms. Mestas said difference between design-build and lease lease-back is that the District is able to get the best value award and is not required to award to the lowest bidder. In addition, she said there is a different partnership between the designer and the builder between the two delivery methods. Ms. Mestas said with lease-lease-back, we bring in the contractor early to do preconstruction services to review the drawings, and the requirement is on both entities to design and build to budget. She said there is a separate contract with the designer and the builder.

Mr. Hall said LLB keeps the architect independent of the contractor, but still allows the district to select based on best value.

Ms. Mestas explained the specific cost impacts with projects at City College.

Trustee Field asked about internal campus maintenance standards. Mr. Hall said the district has little deferred maintenance funding, but his office works with campuses to determine highest the priorities.

The committee discussed the project approval process.

Mr. Gauthier asked for an update on the strategic execution plan and how it is compared to available budgets.

8) Adjourn

Meeting adjourned at 10 AM.

The next Bond Steering Committee meeting is scheduled for 8:30 a.m. on Tuesday, April 21, 2015 in the district office first-floor hearing room.