



**Board of Trustees - Regular Meeting
Board of Trustees Governance Committee,
Teaching and Learning Committee, Planning and
Operations Committee, Facilities Committee and
Resources Committee**

**Wednesday, November 07, 2012 6:00 PM
Student Services 101, Moreno Valley College,
16130 Lasselle Street, Moreno Valley, CA 92551**

ORDER OF BUSINESS

Pledge of Allegiance

Anyone who wishes to make a presentation to the Board on an agenda item is requested to please fill out a "REQUEST TO ADDRESS THE BOARD OF TRUSTEES" card, available from the Public Affairs Officer. However, the Board Chairperson will invite comments on specific agenda items during the meeting before final votes are taken. Please make sure that the Secretary of the Board has the correct spelling of your name and address to maintain proper records. Comments should be limited to five (5) minutes or less.

Anyone who requires a disability-related modification or accommodation in order to participate in any meeting should contact the Chancellor's Office at (951) 222-8801 as far in advance of the meeting as possible.

Any public records relating to an open session agenda item that is distributed within 72 hours prior to the meeting is available for public inspection at the Riverside Community College District Chancellor's Office, Suite 210, 1533 Spruce Street, Riverside, California, 92507 or online at www.rccd.edu/administration/board.

- I. COMMENTS FROM THE PUBLIC
Board invites comments from the public regarding any matters within the jurisdiction of the Board of Trustees. Due to the Ralph M. Brown Act, the Board cannot address or respond to comments made under Public Comment.
- II. PUBLIC HEARING (NONE)
- III. CHANCELLOR'S REPORT
 - A. [Chancellor's Communications](#)
Information Only
- IV. BOARD COMMITTEE REPORTS
 - A. Governance
 - 1. [Revised and New Board Policies - First Reading](#)
The Committee to review the first reading of Board Policies 2010 and 3515.
 - B. Teaching and Learning
 - 1. [Report on Student Success Initiative](#)
Information Only
 - C. Planning and Operations (None)
 - D. Resources

1. [Contract Award for District-wide Bookstore Services to Barnes and Noble](#)
The Committee to review the Contract Award for District-wide Bookstore Services to Barnes and Noble for the period December 1, 2012 through November 30, 2017.
2. [Contract Award for District-wide Beverage Services to PepsiCo](#)
The Committee to review the Contract Award for District-wide Beverage Services to PepsiCo for the period December 1, 2012 through November 30, 2017.
3. [2011-2012 Proposition 39 Financial and Performance Audits](#)
The Committee to review the Proposition 39 independent financial and performance audits of the District's Measure C general obligation bonds for the year ended June 30, 2012 for the permanent file of the District.
4. [Recommended Firms for Furniture, Fixtures and Equipment \(FF&E\) Consulting Services](#)
The Committee to review the list of prequalified furniture, fixtures and equipment consulting firms: Dovetail Decision Consultants, Inc. HMC Architects, NTD Architecture, and Pal Id Studio, Inc.

E. Facilities

1. [Amendment 6 for Norco Secondary Effects with Hill Partnership, Inc.](#)
The Committee to review an amendment with Hill Partnership, Inc. in the amount of \$6,500 for additional architectural and engineering services, and request for approval of future amendments within the project budget.
2. [Amendment 1 for Norco Facilities Master Plan Update with HMC Architects and Project Budget Augmentation in the amount of \\$48,300](#)
The Committee to review an amendment with HMC Architects in the amount of \$48,300 for additional landscape planning design; request for approval of future amendments within the project budget; and a budget increase in the amount of \$48,300.
3. [Architectural Services Agreement for Student Services Building with HMC Architects](#)
The Committee to review an architectural services agreement with HMC Architects in an amount not to exceed \$1,715,680, and request for approval of future amendments within the project budget for the Student Services Building project at Riverside City College.

- V. OTHER BUSINESS (NONE)
VI. CLOSED SESSION (NONE)
VII. ADJOURNMENT



Agenda Item (III-A)

Meeting 11/7/2012 - Committee/Regular Board

Agenda Item Chancellor's Report (III-A)

Subject Chancellor's Communications

College/District District

Information Only

Background Narrative:

Chancellor will share general information to the Board of Trustees, including federal, state and local interests and District information.

Prepared By: Greg Gray, Chancellor
Kathy Tizcareno, Administrative Assistant

Attachments:



Agenda Item (IV-A-1)

| | |
|--------------------|---|
| Meeting | 11/7/2012 - Committee/Regular Board |
| Agenda Item | Committee - Governance (IV-A-1) |
| Subject | Revised and New Board Policies - First Reading |
| College/District | District |
| Funding | N/A |
| Recommended Action | It is recommended that the Board accept Board Policies 2010 and 3515 for first reading. |

Background Narrative:

In keeping with our current practice of updating our Board Policies, the following items come before the Board for first reading: **Board of Trustees** Board Policy 2010 Board Membership - This is a revision of the Policy that was previously approved on September 16, 2008. **General Institution** Board Policy 3515 Reporting of Crimes - This is a revision of the Policy that was previously approved on October 17, 2006.

Prepared By: Jim Buysse, Vice Chancellor, Administration & Finance
Ruth Adams, General Counsel

Attachments:

[Board Policies for November 2012 First Reading](#)

BP 2010 BOARD MEMBERSHIP

References:

Education Code Sections 72023, 72103, and 72104

The Board of Trustees of the Riverside Community College District, serving at the will of the electorate, derives its powers and duties from the Constitution and Legislature of the State of California as set forth in the Education Code and Title 5, California Code of Regulations, and directives from the Board of Governors for the California Community Colleges.

The Board of Trustees shall consist of five members elected by the qualified voters of the District. Members shall be elected **by District at large**.

The Board of Trustees is charged with the governance of the Riverside Community College District and holds the Chancellor of the District responsible for the administration and management of the District.

Any person who meets the criteria contained in law is eligible to be elected or appointed a member of the Board of Trustees.

An employee of the District may not be sworn into office as an elected or appointed member of the Board of Trustees unless he or she resigns as an employee.

No member of the Board of Trustees shall, during the term for which he or she is elected, hold an incompatible office.

Date Adopted: September 16, 2008

Revised:

BP 3515 REPORTING OF CRIMES

Reference:

Education Code Section 67380

34 Code of Federal Regulations Section 668.46(b)(7)

The Chancellor shall assure that, as required by law, reports are prepared of all occurrences reported to the District police of arrests for crimes committed on each campus ***or other District locations*** that involve violence, hate violence, theft or destruction of property, illegal drugs, or alcohol intoxication. ***This includes any criminal activity which students engaged in at off-campus locations of District/College officially recognized student organizations/clubs, including student organizations with off-campus housing.*** The Chancellor shall further assure that required reports of non-criminal acts of hate violence are prepared. Such reports shall be made available as required by law.

Date Adopted: October 17, 2006

Revised:



Agenda Item (IV-B-1)

| | |
|------------------|--|
| Meeting | 11/7/2012 - Committee/Regular Board |
| Agenda Item | Committee - Teaching and Learning (IV-B-1) |
| Subject | Report on Student Success Initiative |
| College/District | District |
| Information Only | |

Background Narrative:

This is a progress report regarding the various stages in the implementation of SB 1451. In January 2012, the Board of Governors of the California Community Colleges (CCC) approved and accepted the recommendations of the CCC Student Success Initiative Task Force. The Task Force's recommendations were aimed at improving the educational outcomes of students and the workforce preparedness of the state with a focus on strengthening student achievement and the community college system.

On September 27, 2012, Governor Brown signed into law SB 1451, which is aimed at the implementation of the Student Success Initiative and will become effective in January 2013.

Prepared By: Ray Maghroori, Provost/Vice Chancellor, Educational Services

Attachments:

[Student Success Initiative backup1.pdf](#)

[Student Success Initiative Presentationbackup2.pdf](#)

Student Success Initiative: A Progress Report

After nearly three years of planning, discussions, administrative and legislative hearings, Governor Brown signed into law on September 27, 2012 SB 1456, commonly known as the Student Success Act of 2012. The effective date of this law is January 1, 2013.

Introduced by Senator Lowenthal and co-authored by Sen. Carol Liu, SB 1456 enjoyed support from a broad coalition of students, business leaders and social justice organizations. The Academic Senate for California Community Colleges also supported the bill as did the Student Senate for California Community Colleges.

According to a press release by the Governor's office, the new law will help student's complete educational goals, and will facilitate preparing the workforce needed for California's changing economy.

The law will be phased-in over a reasonable period of time as funding allows.

This bill provides a policy framework that targets funding to the core matriculation services of orientation, assessment, counseling and advising, and development of educational plans.

The bill re-names the Matriculation program as the Student Success and Support Program.

The Student Success Act of 2012 will:

- Restructure the way student support services are delivered to improve the assistance that students receive at the beginning of their educational experience. The bill targets existing student services resources to support orientation, assessment and education planning services and lays the groundwork to expand these services as more resources become available.
- Provide that campuses using an assessment instrument for student placement utilize a statewide system of common assessment, once available, to improve consistency and efficiency within the 112-campus system.
- Require colleges receiving student support service funds to post a student success scorecard to clearly communicate progress in improving completion rates for all students and closing the achievement gap among historically under-represented students.
- Require students whose fees are waived because of their economic need to meet minimum academic standards.

Initial Implementation phase

Of the 22 Task Force recommendations, nine have been identified for the initial implementation phase:

- Common Core State Standards (Recommendation 1.1)
- Common Assessment (Recommendation 2.1)
- Enrollment Priorities (Recommendation 3.1)
- Board of Governors Fee Waiver Requirements (Recommendation 3.2)
- Enrollment Management (Recommendation 4.1)

- Improved System Leadership and Coordination (Recommendation 7.1)
- Student Success Score Card (Recommendation 7.4)
- Longitudinal Student Record System (Recommendation 7.4)
- Student Support Initiative (Recommendation 8.2)

The Chancellor's Office staff has convened work groups to develop specific implementation mechanisms and procedures for these recommendations.

The attachment provides further details on the composition of each work group as well as the designated Chancellor's Office lead for each recommendation. The listing of the work groups is provided in the attached PDF document.

SB 1451 Implementation Calendar

2012-13

System-level Planning Year:

Implementation workgroups convened October 2012 to develop proposals for Title 5 Matriculation revisions, new allocation formula, & revised MIS data elements & definitions
 New program planning & budget process developed

2013-14

District/College-Level Planning Year:

Develop program plans
 Implement MIS changes & ensure accurate & complete data reporting
 Allocations remain consistent as prior year, new formula not applied
 Funding targeted to core services of orientation, assessment, counseling & advising, & other education planning services

2014-15

District/College-Level Implementation Year 1

Program plans & budgets submitted
 Continue to ensure accurate & complete data reporting
 Allocations remain consistent as prior year, new formula not applied
 Legislative implementation report due July 1, 2014 (*bi-annually thereafter*)

2015-16

Implementation Year 2

FY 15-16 allocations based on 14-15 year end data reported
 Application of funding formula begins this year

2016-2017

Implementation Year 3

FY 15-16 allocations based on 14-15 year-end data reported
 Legislative report due July 1, 2016

Student Success Initiative



A PROGRESS REPORT

**The Student Success Act of 2012 signed into
Law on September 27, 2012 will:**

- Restructure the way student support services are delivered to improve the assistance that students receive at the beginning of their educational experience
- The bill targets existing student services resources to support orientation, assessment and education planning services and lays the groundwork to expand these services as more resources become available

- Provide that campuses using an assessment instrument for student placement utilize a statewide system of common assessment, once available, to improve consistency and efficiency within the 112-campus system

- **Require colleges receiving student support service funds to post a student success scorecard to clearly communicate progress in improving completion rates for all students and closing the achievement gap among historically under-represented students**

- **Require students whose fees are waived because of their economic need to meet minimum academic standards**

**Of the 22 Task Force recommendations,
several have been identified for the initial
implementation phase:**

- **Common Core State Standards**
- **Common Assessment**
- **Enrollment Priorities**
- **Board of Governors Fee Waiver Requirements**
- **Enrollment Management**
- **Student Success Score Card**
- **Longitudinal Student Record System**
- **Student Support Initiative**

SB 1451 Implementation Calendar

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- **Funding targeted to core services of orientation, assessment, counseling & advising, & other education planning services**

2014-15

District/College-Level Implementation Year 1

- **Program plans & budgets submitted**
- **Continue to ensure accurate & complete data reporting**
- **Allocations remain consistent as prior year, new formula not applied**
- **Legislative implementation report due July 1, 2014**
(bi-annually thereafter)

2015-16

Implementation Year 2

- **FY 15-16 allocations based on 14-15 year end data reported**
- **Application of funding formula begins this year**

2016-2017

Implementation Year 3

- **FY 15-16 allocations based on 14-15 year-end data reported**
- **Legislative report due July 1, 2016**



Agenda Item (IV-D-1)

| | |
|--------------------|---|
| Meeting | 11/7/2012 - Committee/Regular Board |
| Agenda Item | Committee - Resources (IV-D-1) |
| Subject | Contract Award for District-wide Bookstore Services to Barnes and Noble |
| College/District | District |
| Funding | N/A |
| Recommended Action | It is recommended that the Board of Trustees award the District-wide Bookstore Services contract to Barnes and Noble for the period December 1, 2012 through November 30, 2017. |

Background Narrative:

On May 23, 2012, the District released a Request for Proposal for District-wide bookstore services. On June 19, 2012, two proposals were received. The proposals were evaluated by the Contract Review Committee, comprised of faculty, staff and students from each college. This Committee was established for the purpose of evaluating Request for Proposal (RFP) responses concerning District-wide Bookstore, Food and ATM/Student ID Card Services.

The Committee recommends award of the District-wide bookstore services contract to Barnes & Noble. The contract term shall be five (5) years, for the period December 1, 2012 through November 30, 2017. In exchange for the right to be the exclusive vendor of bookstore services, Barnes & Noble guarantees a minimum annual commission of \$875,000 for the first year and 13.5% of sales each subsequent year, a one-time signing bonus of \$600,000 to the Riverside Community College District, donations and scholarships for students totaling \$26,000 annually, eTextbooks up to 60% off new print book prices, used textbooks 25% off new selling prices; book rentals at least 50% off the cost of new printed book prices, and one textbook copy of the 25 most used textbooks going to each college's library at no cost to the colleges.

Please see the attached Bookstore Proposal Comparison sheet for a breakdown of yearly commissions.

Prepared By: Jim Buysse, Vice Chancellor, Administration & Finance
Cynthia Azari, President, Riverside City College
David Bobbitt, Interim Vice President, Business Services (MVC/NC)
Charlie Wyckoff, Acting Vice President, Business Services, RCC
Reyna Philp, Accounting Services Manager, Auxiliary Business Services

Attachments:

[2012-13 Barnes and Noble Contract Bookstore Proposal Comparison](#)

**Agreement for Bookstore Services
between
Riverside Community College District
and
Barnes & Noble College Booksellers, LLC**

1. Engagement of Barnes & Noble:

Riverside Community College District hereby engages Barnes & Noble College Booksellers, LLC (“Barnes & Noble”) to operate and provide services for the bookstore of Riverside Community College District (the “Bookstore”) on the terms and subject to the conditions set forth herein, and Barnes & Noble hereby accepts such engagement.

2. Term, Amendment and Notices:

This agreement shall govern the relationship between Riverside Community College District and Barnes & Noble with regard to the Bookstore for the period December 1, 2012 through November 30, 2017.

No change, modification or amendment of this agreement shall be valid unless the same shall be in writing and signed by both parties hereto. All notifications shall be sent to the following individual by certified mail: James L. Buysse, Vice Chancellor, Administration and Finance for Riverside Community College District located at 4800 Magnolia Avenue, Riverside, CA 92506 and Kimberly Otte, Vice President, Stores for Barnes & Noble College Booksellers, LLC located at 120 Mountain View Blvd, Basking Ridge, NJ 07920.

Riverside Community College District and Barnes & Noble shall have the right to terminate this Agreement at any time by giving one hundred and twenty (120) days written notice to the other party.

3. Riverside Community College District Shall Provide to Barnes & Noble at Riverside Community College District’s Expense:

- a) Heat, light, utilities, and air conditioning as is reasonably required for operation of the Bookstore.
- b) Office equipment (including computer equipment, and safes), furniture and fixtures, file cabinets, telephone equipment and wiring and telephone service (including campus telephones and campus telephone service), and office machines currently available for Bookstore use.
- c) All repairs and maintenance for the building and the physical structure in which the Bookstore is located, as well as mechanical and HVAC systems; provided, however, that Barnes & Noble shall be responsible for any and all repairs and construction covered by the insurance policies required by this Agreement or otherwise required as a result of the acts or omissions of Barnes & Noble or its officials, officers, employees and agents, in which case the cost of repairs shall be paid by Barnes & Noble. Such repairs will be made, as the District decides in its sole discretion, either by the District or by an independent contractor, and the District shall invoice Barnes & Noble. Such invoice shall be paid to the District along with Barnes & Noble’s next normal payment to the District. In making repairs, the District will avoid jeopardizing Barnes & Noble’s business operations to the extent feasible, but Barnes & Noble understands, acknowledges and agrees that some inconvenience and disruption will occur, and Barnes & Noble will hold the District free and

harmless from any and all claims, causes of action, injuries, costs or other damages of any kind associated with such inconveniences or disruptions.

- d) Trash removal, and extermination services for the Bookstore.
- e) All debit or credit card or other financial services made available by Riverside Community College District to its students.
- f) The placement of an electronic link to your bookstore's web site on your school's home page.

4. Environmental Matters:

To the best of its knowledge, Riverside Community College District is not aware of any health or environmental problems which currently exist or are likely to develop in the building or physical facility which houses the Bookstore. Riverside Community College District shall be responsible for remedying promptly any health or environmental problem at the Bookstore, other than those caused by Barnes & Noble, and notifying Barnes & Noble accordingly.

5. Barnes & Noble Shall Provide to Riverside Community College District at Barnes & Noble's Expense:

All operating expenses of the Bookstore including those related to:

- a) Employees, including payroll and payroll system costs, and employee benefits.
- b) Bill paying and accounting, including sales tax collection, reporting and payment for merchandise sold, except any property or municipal taxes on the Bookstore.
- c) Office equipment maintenance and repair.
- d) General custodial services. Barnes & Noble must maintain good, standard housekeeping practices relative to store front windows and other glass, sweeping, dusting, disposal of trash and the keeping of aisles free of obstacles. Material Safety Data Sheets (MSDS) for any chemicals used or stored within the Bookstore Facilities must be submitted to the College Facilities Manager on or before the first date they are brought onto the campus. A master set of MSDS shall be maintain in the Facilities Office. Additional, MSDS information shall be posted where chemicals are stored and/or used.
- e) Loss prevention services.
- f) Long distance telephone services, through a vendor selected by Barnes & Noble.

6. Insurance:

Barnes & Noble shall procure at its own expense, and maintain during the existence of this agreement, the following policies of insurance in connection with the operation of the Bookstore:

- a) Worker's Compensation and Employer's Liability Insurance and such other insurance as may be required under applicable state statutes.

- b) Comprehensive General Liability Insurance subject to \$3,000,000 limits.
- c) Property Damage Liability Insurance in the amount of \$1,000,000.
- d) Motor Vehicle Liability Insurance with limits of \$100,000 per person, \$300,000 per occurrence, and \$50,000 property damage.

At the request of Riverside Community College District, Barnes & Noble shall obtain and deliver certificates evidencing such insurance from its insurers. Barnes & Noble shall save Riverside Community College District harmless from claims which may arise in connection with the operation of the Bookstore facilities specified herein and sales of products or performance of any service under this contract or injuries or death caused by Barnes & Noble vehicles on the Bookstore premises, except for claims caused by Riverside Community College District or any of its employees, agents or representatives, for which Riverside Community College District shall save Barnes & Noble harmless.

Original Certificates of Insurance, with the required endorsement, shall be delivered to the District Risk Management department within 30 days of signing this document.

Barnes & Noble's insurance policies for the Bookstore shall name Riverside Community College District as an additional insured, but only with respect to liability arising out of operations performed for such insured by or on behalf of the name insured. These policies shall be primary and noncontributing with any insurance carried by Riverside Community College District.

7. Compliance with all Laws:

Barnes & Noble shall comply with all laws, ordinances, rules, orders, and regulations of federal, state and municipal governments, and of any and all of their departments, divisions, bureaus, and subdivisions, applicable to the operation of the Bookstore.

8. Non-Discrimination

Barnes & Noble shall not discriminate against any person in the provision of services, or employment of persons on the basis of ethnic group identification, national origin, religion, age, gender, gender identity, gender expression, race, color, ancestry, genetic information, sexual orientation, physical or mental disability, or any characteristic listed or defined in Section 11135 of the Government Code or any characteristic that is contained in the prohibition of hate crimes set forth in subdivision (1) of Section 422.6 of the California Penal Code, or any other status protected by law. Barnes & Noble understands that harassment of any student or employee of Riverside Community College District with regard to ethnic group identification, national origin, religion, age, gender, gender identity, gender expression, race, color, ancestry, genetic information, sexual orientation, physical or mental disability, or any characteristic listed or defined in Section 11135 of the Government Code or any characteristic that is contained in the prohibition of hate crimes set forth in subdivision (1) of Section 422.6 of the California Penal Code, or any other status protected by law is strictly prohibited.

8. Management and Staff:

Barnes & Noble shall staff the Bookstore with experienced and qualified managerial and clerical personnel. During peak “rush” periods, Barnes & Noble shall utilize sufficient additional employees at the Bookstore to avoid unnecessary lines and to expedite making educational materials available to students.

- a) Riverside Community College District Bookstore personnel shall continue service only so long as their work and personal behavior are acceptable to Barnes & Noble and Riverside Community College District. Barnes & Noble will comply with written requests by Riverside Community College District to remove or reassign store personnel, including Bookstore managers, for good cause.

9. Staff Relations, Wages, and Benefits:

Barnes & Noble shall be responsible for the wages and benefits of all of its employees at the Bookstore. Barnes & Noble has the right to set its own wages and benefits. Barnes & Noble will employ students of Riverside Community College District at the Bookstore whenever reasonably possible.

10. Calendar of Operating Hours:

Barnes & Noble shall maintain a schedule of operating hours and weeks of business for the Bookstore in accordance with the official Riverside Community College District calendar and in mutual agreement with Riverside Community College District in meeting the needs of the students, faculty and staff. Bookstore hours will be extended during each registration period, during the first two weeks of the fall and spring semesters, and the first week of each summer session.

11. Book Orders and Deadlines:

Barnes & Noble shall fill orders for books and required supply items from term to term in accordance with textbook and supply adoptions by the faculty. The Bookstore manager shall be given notice by the faculty or authorized department designees of the textbook and supply adoptions for all courses offered as follows:

- a) On or before October 1 for the spring semester.
- b) On or before March 1 for the summer sessions.
- c) On or before April 1 for the fall semester.

Barnes & Noble shall be responsible, at its cost and expense, for contacting in a timely manner all faculty members for their textbook and supply adoptions. Riverside Community College District shall not be responsible for compiling, nor shall it maintain, a list of such adoptions.

12. Services Expected:

Barnes & Noble shall operate the Bookstore as an independent contractor and with its own credit and preferred vendors, with the facility and equipment agreed upon. Services of the Bookstore shall include the following:

- a) The Bookstore shall be Riverside Community College District's exclusive buyer and seller of all required, recommended or suggested course materials and supplies, including books, course packs, computer software, textbook rentals, and materials published or distributed electronically and/or through learning management systems, or sold over the Internet. As used in this Agreement, "Internet" includes the World Wide Web and any proprietary on-line service. Barnes & Noble will provide exclusive on-line services through our web site and have first right of refusal to fulfill any distance learning material needs during the term of this agreement.
- b) The Bookstore shall be designated the exclusive agent to accept all campus debit card and financial aid transactions for Bookstore merchandise typically sold in college bookstores. Payments for charge sales will be guaranteed by Riverside Community College District and are payable within 30 days of invoice date.
- c) The Bookstore shall also be Riverside Community College District's exclusive "on-campus" and Internet seller of other items typically sold in college bookstores, such as books in addition to those described in (a) above, educational supplies, notebooks, stationery, desk and room accessories, gift items, class and alumni rings and jewelry, and clothing, including any and all such items bearing a Riverside Community College District emblem, logo, insignia or other identifying mark.
- d) Riverside Community College District shall not contract with any third party to provide any services of the type outlined in this Agreement whether on or off campus, through e-commerce sites, hyperlinks to alternate sources, or otherwise endorsed or supported by Riverside Community College District.
- e) Barnes & Noble will have first right of refusal for other retailers that would directly compete with Barnes & Noble's academic retailing program.
- f) The Bookstore shall be the exclusive agent for the rental and/or sale of graduation caps and gowns and commencement invitations.
- g) The Bookstore shall also have a non-exclusive right to sell convenience store items such as food, health and beauty items, and other sundries; provided, however, that the stocking and sale of food or drink products by Barnes & Noble which directly competes with the District's provision of food services or its separate contract(s) for beverage and snack vending machine service for students, staff, and visitors shall be approved in writing by the District in advance. The vending services include hot and cold drinks, fruit juices, snack food items and some cold food items such as sandwiches. Any dispute regarding food or drink sales through the Bookstores shall be arbitrated by the District's representative whose decision shall be final
- h) Barnes & Noble will provide custom publishing services for Riverside Community College District. Such services will include the development of course packs for faculty members, securing the appropriate copyright clearances, printing and binding of course packs and distribution and sale of the course packs in the Bookstore. Complimentary desk copies of course packs will be provided to faculty members.

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- i) Barnes & Noble shall provide special book order services for students, faculty, and staff and make every effort to obtain the earliest possible delivery of such books.
 - j) Barnes & Noble shall provide charge sales for supplies for Riverside Community College District departments and offices. Payments for such charge sales shall be guaranteed by Riverside Community College District and payable within 30 days.
 - k) Barnes & Noble will allow full-time faculty and staff of Riverside Community College District a 10% discount on all merchandise available at the Bookstore except adopted textbooks, special orders, sale books, class and alumni rings, computer software, periodicals, discounted merchandise, computer hardware, stamps, health and beauty aids, food snacks, and beverages.
 - l) Barnes & Noble will offer a 20% discount on all authorized departmental purchases except adopted textbooks, special orders, sale books, class and alumni rings, computer software, periodicals, discounted merchandise, computer hardware, stamps, health and beauty aids, food snacks, and beverages.
 - m) If Riverside Community College District accepts advertising for any of its materials or publications that it distributes or makes available to its students, including without limitation any course offering list, or if Riverside Community College District permits tabling or other third-party promotional activities at any event sponsored by Riverside Community College District or located on the Riverside Community College District campus, Riverside Community College District agrees that:
 - (a) it shall give the Bookstore reasonable advance notice of the deadline for placing such advertising or participating in such tabling or other promotional activities;
 - (b) the Bookstore shall have the right to place its desired advertising in such materials and to participate in such tabling or other promotional activities; and
 - (c) Under the Freedom of Speech laws, Barnes & Noble understands that Riverside Community College District must allow used book sellers on District premises for the purpose of marketing used books. Said marketing will not involve the actual sale of any used books on District property, but it will include the distribution of flyers, pamphlets or other marketing materials to the students in each College's designated free speech/public forum areas.

13. Booklist:

In the course of providing the services contracted for in this contract, Barnes & Noble collects certain information from the faculty on its Course Book Information forms. Barnes & Noble also creates a computer database containing, among other things, course book information. These forms and the database are Barnes & Noble's proprietary information, created at substantial cost and expense to Barnes & Noble and used in connection with its business, the retail sale of textbooks.

Should Riverside Community College District require any information that may be contained within the forms or the database either for its educational purposes, or in order to comply with any public records request where no exemption is available (such as an exemption for commercial information), Riverside Community College District understands that it will be responsible for collecting that information from the faculty.

Subject to the “exclusive campus bookseller provision” set forth above, nothing set forth in this paragraph shall be construed to limit in any manner the right of any other off-campus vendor to use its own course book information form to obtain this information from the faculty.

14. Used Book Purchase and Resale:

Barnes and Noble shall buy books from Riverside Community College District faculty, staff and students at the following prices:

- a) When the Bookstore has been notified that the book will be used at Riverside Community College District the following semester: 50% of the customer’s purchase price (provided the book is a good used copy) until the Bookstore has filled its quota.
- b) In the absence of such notification, or if the book will not be used for the following semester, or is to be replaced shortly by a revised edition according to an announcement of the publisher, the book will be purchased at the wholesale price.
- c) Used books in good condition will be sold by Barnes & Noble at 25% less than the new selling price.

15. Refunds and Exchanges:

Barnes & Noble shall offer refunds and exchanges as follows:

a) Textbooks

The Bookstore will issue refunds in the original form of payment for textbooks purchased at the Bookstore if returned in the original condition, with an original receipt and within the first week of classes. Within 30 days of the first day of classes, textbooks will be refunded with an original receipt and with a valid proof of add/drop.

b) General Reading Books, Medical and Specialty Reference Books, Software, Audio, Video, & Small Electronics

The Bookstore will issue refunds in the original form of payment if returned in the original condition, with an original receipt and within fourteen (14) days of purchase. Opened software, audio books, DVDs, CDs, music and small electronics may not be returned for a refund but can be exchanged for the same item if defective.

c) All Other Merchandise

The Bookstore will issue refunds in the original form of payment any time during the semester for other merchandise purchased at the Bookstore if returned in the original condition and with the original receipt. If without a receipt, a store credit will be issued at the current selling price.

Refunds or Exchanges will not be issued for the following items: food and beverages, unwrapped loose leaf books, activated eBooks, custom course materials, outlines, study guides, school guides, magazines and prepaid cards.

16. Policy Posting:

Barnes & Noble shall post conspicuously and without equivocation Bookstore policies concerning refunds, buybacks, and exchanges.

17. Repurchase of Inventory (On hand):

Riverside Community College District shall repurchase, or require a successor contractor to purchase, Barnes & Noble's inventory at cost in the event of cancellation of this Agreement, in the same manner as purchased by Barnes & Noble.

Should school change logo or contracted athletic apparel provider/licensee, school will either give Barnes & Noble six months written notice or will allow Barnes & Noble to automatically deduct from commissions due the cost of unsold emblematic merchandise.

18. Repurchase of Inventory (Outstanding rentals):

In the event of cancellation of this Agreement, Riverside Community College District shall purchase, or require a successor contractor to purchase, Barnes & Noble's rental inventory outstanding at the time of the transition, at the buyback value (50% of the retail price).

19. Sales Markup Basis:

Barnes & Noble represents that the sale markup basis at the Bookstore will be as follows:

- a) New textbooks will be sold at no greater than (i) the publisher's list price or (ii) a 25 % gross margin on net priced books, inclusive of restocking fees, return penalties and freight surcharges. Net priced books are defined as books purchased from publishers that do not have a publisher's suggested list price or when the publisher's discount to the bookstore is less than 20%.
- b) Used textbooks will be sold at 25% less than the new selling price.
- c) Course packs and textbooks purchased from publishers with restrictive or non-returnable text policies will be priced at up to a 25% gross margin.
- d) Barnes & Noble will be setting rental fees for each title, and any given title's fee may vary as a percentage of the retail selling price.
- e) School supplies will be priced at or below manufacturers' suggested retail prices.
- f) eTextbooks are priced up to 60% off the new print book selling price.

Barnes & Noble shall, upon request, provide proof of conformity to pricing policies as specified herein.

20. Guaranteed Payment / Percentage of Sales:

On an annualized basis, Barnes & Noble will pay Riverside Community College District the following guaranteed payment or the applicable percentage of gross sales at the Bookstore, whichever is greater.

| Contract Year | Guaranteed Amount |
|----------------------|--------------------------|
| Year 1 | \$875,000 |

Barnes & Noble will provide a guaranteed amount in all future years of this agreement that will be an amount equal to ninety percent (90%) of the calculated commission on gross sales of the immediately preceding year.

Or:

13.5% of all gross sales up to \$6,000,000
14.5% of all gross sales over \$6,000,000

In any contract period that is less than a complete year; the payments shall be based on the percentage of gross sales at the Bookstore.

(Gross sales shall be defined as all collected sales at the Bookstore, including textbook rentals and all sales from your bookstore website, less voids, refunds, sales tax, discounted departmental sales, handling fees associated with non-return of rental textbooks, campus debit card fees, computer hardware, discounted faculty/staff sales, pass-through income, and other merchandise mutually designated as non-commissionable, etc. When Barnes & Noble sells digital content as an agent, Barnes & Noble's agency fee shall be the applicable gross sales for such digital content, and such agency fee shall be included as part of gross sales.)

If annual gross sales of the Bookstore shall materially decline as a result of declining enrollment (i.e., decrease 5% or more), public legislation, other conflicting campus agreements, material changes in school policies or the business model of the industry, such as digital books, sales directly from the publisher, or other reasons outside of the control of Barnes & Noble, Riverside Community College District agrees to negotiate in good faith with Barnes & Noble an appropriate reduction in the payments set forth above.

During any period of major construction when the Bookstore is meaningfully disrupted by construction, Barnes & Noble will pay the school according to the percentage formula only.

21. Payment Schedule:

Applicable guaranteed payments as set forth above hereof shall be made monthly by Barnes & Noble to Riverside Community College District and shall be paid within thirty (30) days after the close of the month in which they were earned. The final payment for any year shall be made within thirty (30) days after the end of the applicable contract year, and will include any adjustments required by the percentage of gross sales formula set forth above.

Each payment shall be accompanied by a detailed statement of its computation and Barnes & Noble shall furnish supporting documentation to Riverside Community College District upon request.

22. Unrestricted \$3,000 Annual Donation:

Barnes & Noble will provide a \$1,000 unrestricted annual donation to each campus Riverside City College, Norco College and Moreno Valley College to be used at their discretion.

23. Library Book Donation

Barnes & Noble will provide to each college library 1 textbook of the top 25 most used textbooks for the fall and spring semester.

24. Scholarships

To demonstrate our deep commitment to Riverside Community College District, Barnes & Noble will offer \$18,000 for annual textbook scholarships to be awarded at the discretion of Riverside Community College District.

25. Unrestricted district Foundation Donation:

Annually we will make a \$5,000 donation to the District Foundation to show support for their district events.

26. One time Signing Bonus:

Barnes & Noble will provide a \$600,000 one-time signing bonus to be used at the discretion of Riverside Community College District. Barnes & Noble will amortize this investment on a straight-line basis over the 5 year period of this agreement. Should Riverside Community College District cancel or fail to renew this agreement before the end of that period, then Riverside Community College District shall reimburse Barnes & Noble for any amount of the investment not yet amortized.

27. Renovations:

Barnes & Noble will spend up to **\$50,000** to design, construct, equip, and install fixtures in the Bookstore. Barnes & Noble will amortize this investment on a straight-line basis over the 5 year period of this agreement. Should Riverside Community College District cancel or fail to renew this agreement before the end of that period, then Riverside Community College District shall reimburse Barnes & Noble for any amount of the investment not yet amortized.

g) No modifications, renovations or improvements shall be made to the existing bookstores facilities, nor shall additional partitions or fixtures be installed in said facilities, without the prior written consent of the District. Any modification, renovation or improvement made pursuant to or during the term of this Agreement shall become the property of the District upon termination or expiration of the Agreement, and Barnes & Noble shall not be entitled to any reimbursement or compensation of any kind for the cost or expense thereof. If possible, all modifications, renovations or improvements made during the term of this Agreement, shall be made at a time during the school year that is mutually convenient to both parties.

28. Final Approval of Renovations:

In order to provide the best possible service for Riverside Community College District's students, faculty and other customers, final approval and necessary alterations of any bookstore plans will be granted to Barnes & Noble to ensure they meet with Barnes & Noble's minimum operational and retailing standards.

29. Force Majeure:

Barnes & Noble and Riverside Community College District shall be excused for the period of any delay in performance of any obligations hereunder when prevented from doing so by the wrongful or negligent acts or omissions of the other party or by causes beyond either party's control, which shall include all labor disputes, civil disturbance, reasonably unforeseeable weather conditions, war, invasions, military or usurped power, sabotage, governmental regulations or controls (including bona fide delays in obtaining building and similar permits and approvals), fires or other casualty, or acts of God.

30. Access to Point of Sale (POS) Financial and Accounting Information:

Riverside Community College District shall be provided access, with sufficient notice, to the Bookstore accounting records. This may include sales information captured by our POS system. This will be done in compliance with PCI guidelines that protect card holder information. Store POS reports are available by register. All POS activity is verified daily by the Home Office Sales Audit system. In addition, all registers have:

- a) Transaction number controls with further security level restrictions by cashier type.
- b) Electronic Journal, receipt and detail tape provisions, with required PCI protection.
- c) Display window for customer viewing.

31. Benefit and Binding Effect:

This agreement shall be binding upon and shall inure to the benefit of Riverside Community College District and Barnes & Noble and their successors and assigns.

32. Headings; Interpretation:

The headings used in this agreement are for convenience only and do not constitute substantive matter to be considered in construing its terms. The use in this agreement of the terms "include", "includes", "including", and "such as" shall be deemed in all cases to be followed by the words "without limitation".

When used in this agreement Riverside Community College District includes all segments of the institution including all alumni, athletic and academic departments.

33. Severability:

The presence in the text of this agreement of any clause, sentence, provision, paragraph or article held to be invalid, illegal or ineffective by a court of competent jurisdiction shall not impair, invalidate or nullify the remainder of this agreement. The effect of any such holding shall be confined to the portion so held invalid.

34. Confidentiality:

Each party agrees that the financial and other terms of this agreement shall be kept confidential and such terms may be disclosed to a third party only as required by law, including any public record disclosure law (but only after giving effect to all applicable exemptions), or as necessary to perform the terms of this agreement.

35. Records

a) **Auditable Records.** Barnes & Noble shall maintain complete and accurate account books and records in connection with its performance of the Agreement as may be reasonably required by the District, including adequate cash register detail to support reports of gross sales and those related to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Such books and records shall be available locally or be made readily accessible with reasonable notice. Barnes & Noble shall provide the District with notice in writing of the location, by address, of all such books and records and the name of the custodian thereof. Barnes & Noble shall, at any reasonable time during the term of this Agreement, and for two (2) years following the termination or expiration and access for this examination and audit of its records pertaining to the performance of the Agreement, and shall, upon request by the District, produce and exhibit all such records.

b) **Purchasing Records.** The District shall have complete access to the purchasing records of Barnes & Noble in order to evaluate the quality and quantity of the merchandise supplied.

c) **Separate Records.** Barnes & Noble shall maintain separate bookkeeping records for its operations on each campus.

d) **Monthly Financials.** Barnes & Noble shall prepare and maintain a monthly financial report of operations in a form acceptable to the District, and shall provide such report to the District within thirty (30) days after the end of that month. The monthly report should be sufficient detail as to show: College location; gross sales for the reported month and year-to-date category; exclusions from gross sales for the reported month and year-to-date category; net sales for the reported month and year-to-date by category; totals for the primary location for the reported month and year-to-date; totals for all locations for the reported month and year-to-date; and cumulative agreement year-to-date information. Two (2) copies of the monthly report shall be submitted – one to the Vice Chancellor of Administration and Finance and one to the District's representative.

e) **Daily Records.** The District shall have access to daily sales and deposit records upon request.

f) **Audited Statements.** Barnes & Noble shall provide audited annual operating statements prepared by an independent certified public accountant, showing the amount of the annual gross sales, as herein defined, together with credit and allowance accounts for the preceding fiscal year. Barnes & Noble shall provide the audited statements to the District within ninety (90) days after the end of its fiscal year.

g) Book Sales. Barnes & Noble shall maintain statistics on used book sales. Upon request, Barnes & Noble shall submit to the District a report showing the percentage breakdown by campus of new book sales and used book sales for the preceding semester, as well as a comparison of these results with the two (2) preceding academic years. While the District may make its request at any time, either before or after the end of any semester, Barnes & Noble shall have a reasonable time following the end of the reported semester to prepare the report; provided, however, this time shall in no event be longer than forty-five (45) days following completion of the reported semester.

IN WITNESS WHEREOF, the parties hereto have set their hands as at the day and year written below.

Riverside Community College District

By: _____

Name: James L. Buysse

Title: Vice Chancellor, Administration and Finance

Date: _____

Barnes & Noble College Booksellers, LLC

By: _____

Name: Kimberly Otte

Title: Vice President, Stores

Date: _____

Bookstore Proposal Comparison

| | <u>Barnes & Noble</u> | <u>Follett</u> |
|--|---------------------------|------------------------|
| One-Time Signing Bonus | \$ 600,000.00 | \$ 400,000.00 |
| Annual Commissions* | Year 1 \$ 875,000.00 | \$ 770,000.00 |
| | Year 2 \$ 742,500.00 | \$ 770,000.00 |
| | Year 3 \$ 742,500.00 | \$ 770,000.00 |
| | Year 4 \$ 742,500.00 | \$ 770,000.00 |
| | Year 5 \$ 742,500.00 | \$ 770,000.00 |
| Textbook Scholarships over 5 years** | \$ 90,000.00 | \$10,000 |
| District Foundation Donations over 5 years** | \$ 25,000.00 | \$ - |
| Associated Students Donation over 5 years** | \$ 15,000.00 | \$ - |
| Grand Total over 5 years | \$ 4,575,000.00 | \$ 4,260,000.00 |

*Annual Commissions calculated based on \$5.5M annual sales average for RCCD.

Barnes & Noble Annual Commissions % proposed at 13.5% up to \$6M in sales and 14.5% for any amount over \$6M

Follett Annual Commissions % proposed at 14% up to \$8M in sales and 14.5% for any amount over \$8M

**Scholarships and Donations Breakdown

Barnes & Noble

\$18,000 annual textbook scholarship

\$5,000 annual District Foundation donation

\$1,000 annual Associated Students donation for each college

Follett

\$2,000 annual textbook scholarship



Agenda Item (IV-D-2)

| | |
|--------------------|---|
| Meeting | 11/7/2012 - Committee/Regular Board |
| Agenda Item | Committee - Resources (IV-D-2) |
| Subject | Contract Award for District-wide Beverage Services to PepsiCo |
| College/District | District |
| Funding | N/A |
| Recommended Action | It is recommended that the Board of Trustees award the District-wide Beverage Services contract to PepsiCo for the period December 1, 2012 through November 30, 2017. |

Background Narrative:

On June 20, 2012, the District released a Request for Proposal for District-wide beverage services. On July 16, 2012, two proposals were received. The proposals were evaluated by the Contract Review Committee, comprised of faculty, staff and students from each college. The Committee was established for the purpose of evaluating Request for Proposal (RFP) responses concerning District-wide Bookstore, Food and ATM/Student ID Card Services. The Committee recommends award of the District-wide beverage services contract to PepsiCo. The contract term shall be for five (5) years, for the period December 1, 2012 through November 30, 2017. In exchange for the right to be the exclusive vendor of beverage products, PepsiCo guarantees a minimum commission rate of 36% of gross sales, an annual sponsorship of \$100,000, a one-time signing bonus in the amount of \$75,000, product rebate incentives estimated at \$15,658 annually, annual marketing support of \$4,000, product donations equal to \$3,000 per year and annual scholarship donations to the RCCD Foundation and the Foundation for California Community Colleges in the amount of \$2,000 and \$1,500 respectively. Please see the attached Beverage Proposal Comparison for a breakdown of incentives.

Prepared By: Jim Buysse, Vice Chancellor, Administration & Finance
Cynthia Azari, President, Riverside City College
David Bobbitt, Interim Vice President, Business Services (MVC/NC)
Charlie Wyckoff, Acting Vice President, Business Services, RCC
Reyna Philp, Accounting Services Manager, Auxiliary Business Services

Attachments:

[2012-13 Beverage Proposal Comparison](#)
[2012-13 PepsiCo Contract](#)

Beverage Proposal Comparison Highlights

| Vendor | Business Location | Commission Rate | Annual Sponsorship* | One-Time Signing Bonus |
|-----------|-----------------------|-----------------|---------------------|------------------------|
| PepsiCo | Riverside, Ca. | 36% | \$ 100,000.00 | \$ 75,000.00 |
| Coca-Cola | Rancho Cucamonga, Ca. | 30% | \$ 100,000.00 | \$ - |

*PepsiCo reduces to \$75,000 after year 1.

Beverage Proposal Comparison Details

PepsiCo Proposal

5 Year Contract

| Riverside Community College District Incentives | | | | | | | |
|---|--------------------|---------------------|--------------------|-------------------|----------------------------|-------------------|---------------------|
| Items | Signing Bonus | ***Sponsorship | Marketing | Athletic Support | *Scholarships through FCCC | Product Donation | |
| Year 1 | \$75,000.00 | \$100,000.00 | \$4,000.00 | \$1,500.00 | \$1,500.00 | \$1,500.00 | |
| Year 2 | | \$100,000.00 | \$4,000.00 | \$1,500.00 | \$1,500.00 | \$1,500.00 | |
| Year 3 | | \$100,000.00 | \$4,000.00 | \$1,500.00 | \$1,500.00 | \$1,500.00 | |
| Year 4 | | \$100,000.00 | \$4,000.00 | \$1,500.00 | \$1,500.00 | \$1,500.00 | |
| Year 5 | | \$100,000.00 | \$4,000.00 | \$1,500.00 | \$1,500.00 | \$1,500.00 | |
| TOTAL | \$75,000.00 | \$500,000.00 | \$20,000.00 | \$7,500.00 | \$7,500.00 | \$7,500.00 | \$617,500.00 |

| Items | Projected Vending Commissions (25% and 36% depending on pkg. & brand) | **Projected Rebate Incentive | RCCD Foundation Donation | Frozen Fountain Incentive | |
|--------------------|---|------------------------------|--------------------------|---------------------------|---------------------|
| Year 1 | \$35,699.00 | \$15,658.00 | \$2,000.00 | \$1,000.00 | |
| Year 2 | \$35,699.00 | \$15,658.00 | \$2,000.00 | \$1,000.00 | |
| Year 3 | \$35,699.00 | \$15,658.00 | \$2,000.00 | \$1,000.00 | |
| Year 4 | \$35,699.00 | \$15,658.00 | \$2,000.00 | \$1,000.00 | |
| Year 5 | \$35,699.00 | \$15,658.00 | \$2,000.00 | \$1,000.00 | |
| TOTAL | \$178,495.00 | \$78,290.00 | \$10,000.00 | \$5,000.00 | \$271,785.00 |
| GRAND TOTAL | | | | | \$889,285.00 |

*Through FCCC - 50 cases of carbonated soft drink and/or water, per year, per college

**Projected rebate incentive is based on \$1.00 24pk, \$.50 15pk, 12pk paid from case one & excludes full service vending

***Annual sponsorship based on a volume threshold of 23,000 cases/gallons

Beverage Proposal Comparison Details

Coca-Cola Proposal

5 Year Contract

| Riverside Community College District Incentives | | | | | | | |
|---|---------------|---------------------|--------------------|--------------------|--------------------|-------------------|---------------------|
| Items | Signing Bonus | Sponsorship | Marketing | Athletic Support | Scholarships | Free Product | |
| Year 1 | | \$100,000.00 | \$3,000.00 | \$2,000.00 | \$7,500.00 | \$200.00 | |
| Year 2 | | \$75,000.00 | \$3,000.00 | \$2,000.00 | \$7,500.00 | \$200.00 | |
| Year 3 | | \$75,000.00 | \$3,000.00 | \$2,000.00 | \$7,500.00 | \$200.00 | |
| Year 4 | | \$75,000.00 | \$3,000.00 | \$2,000.00 | \$7,500.00 | \$200.00 | |
| Year 5 | | \$75,000.00 | \$3,000.00 | \$2,000.00 | \$7,500.00 | \$200.00 | |
| TOTAL | | \$400,000.00 | \$15,000.00 | \$10,000.00 | \$37,500.00 | \$1,000.00 | \$463,500.00 |

*Free Product \$200 Value (Case Count 24 @ \$9.60 per = .40)

| Riverside Community College District Incentives | |
|---|-------------------------------|
| Items | Projected Vending Commissions |
| Year 1 | \$31,162.00 |
| Year 2 | \$31,162.00 |
| Year 3 | \$32,496.00 |
| Year 4 | \$32,496.00 |
| Year 5 | \$32,496.00 |
| TOTAL | \$159,812.00 |
| GRAND TOTAL | \$623,312.00 |



SPONSORSHIP AGREEMENT

This sets forth the agreement (“*Agreement*”) between Bottling Group, LLC and its affiliates and/or respective subsidiaries collectively comprising Pepsi Beverages Company, with an office located at 6659 Sycamore Canyon Blvd., Riverside, CA 92507 (“*Pepsi*”) and Riverside Community College District, with its principal place of business at 4800 Magnolia Avenue, Riverside, CA 92506 (the “*Customer*” or “*District*”).

WHEREAS, Pepsi desires the right to be the exclusive supplier of Beverages (as defined below) to the Customer; and

WHEREAS, Pepsi has submitted a bid in response to an invitation to bid issued by the Customer for the exclusive right to develop and carry out a program for the sale of its beverage products in all facilities owned or operated by the Customer; and

WHEREAS, Pepsi is experienced in installing, operating, servicing and maintaining equipment for dispensing beverage products and the Customer has determined that it is in the best interests of the Customer to contract with Pepsi to provide services for the sale of beverage products; and

WHEREAS, Pepsi wishes to identify itself with the Customer and to have its products promoted and sold at the Facilities (as defined below) and further wishes to receive the other promotional benefits provided for by the Customer in this Agreement; and

NOW, THEREFORE, in consideration of the terms, covenants and conditions herein contained, and the other mutual promises set forth herein, the parties agree as follows:

AGREEMENT

1. DEFINITIONS.

“*Approved Cups*” means the disposable cups approved by Pepsi from time to time as its standard trademark cups and other containers approved by Pepsi from time to time and bearing the trademark(s) of Pepsi and/or other Products. In addition, Pepsi agrees that the Customer shall have the right to produce limited-run commemorative plastic cups reasonably acceptable to Pepsi for use at the Facilities and that such cups shall also be considered to be Approved Cups, provided that Pepsi’s trademark(s) for Pepsi® shall be included on such commemorative cups. The use and size of Pepsi’s trademark(s) on such commemorative cups shall be subject to the prior approval of Pepsi.

“*Beverage*” or “*Beverages*” means all carbonated and non-carbonated, non-alcoholic drinks, however dispensed, including but not limited to, (i) colas and other flavored carbonated drinks; (ii) fruit juice, fruit juice containing and fruit flavored drinks; (iii) chilled coffee drinks; (iv) chilled tea products; (v) hypertonic, isotonic and hypotonic drinks (sports drinks and fluid replacements); (vi) energy drinks, (vii) packaged carbonated or still water (including spring, mineral or purified), (viii) liquid concentrate teas (“*LCT*”), (ix) frozen carbonated and non-carbonated beverages (“*FB*”), and (x) any future categories of nonalcoholic beverage products that may be distributed by Pepsi.

“*Cases*” shall mean the number of cases of Packaged Products purchased by the Customer from Pepsi, initially delivered in quantities of 24, 15, and 12 bottle/can units, and thereafter in such other size, quantity and type of containers as determined by Pepsi, from time to time.

“*Competitive Products*” shall mean any and all Beverages other than the Products.

“*Customer Marks*” shall mean (i) the Designations (as defined below) and (ii) the Customer’s characters, colors, emblems, designs, identifications, logos, mascots, name, service marks, symbols, trademarks, all trade names, uniforms and other proprietary designations which are owned, licensed to or controlled by the Customer and which relate to the Facilities and which are in existence on at the beginning of the Term or which will be created during the Term. For clarity purposes, Customer Marks shall include, without limitation, characters, colors, emblems, designs, identifications, logos, mascots, name, service marks, symbols, trademarks, all trade names, uniforms and other proprietary designations associated with or related to all intercollegiate athletic teams associated with the Customer, at the beginning of the Term or which will be created during the Term, if any.

“*Designations*” shall include, but not be limited to, the following: “A Proud Sponsor of Riverside Community College District,” and “Official Water and Soft Drink of Riverside Community College District.”

“*Equipment*” means the following types of equipment owned and operated by Pepsi and used to sell or dispense the Products: (i) full service vending machines (“*Vending Machines*”); (ii) retail single-serve food service equipment and (iii) fountain service equipment.

“*Facilities*” shall mean the entire premises of every Community College location owned, operated or controlled by the Customer, including every facility owned, leased, occupied or operated by the Customer or its Food Service Provider, now or in the future, including all buildings, the grounds, parking lots, dining facilities, snack bars, food carts, book stores, athletic facilities and concession stands, and, for each building, the grounds, parking, lots, dining facilities, unbranded and branded food service outlets and vending areas. “*Facilities*” shall also be deemed to include: all convenience store operations and restaurants initiated during the Term of this Agreement in space leased to third-party commercial tenants within Customer-owned buildings.

“*Food Service Provider*” shall mean any and all food service providers which may serve at the Facilities at any point during the Term. The Customer acknowledges and agrees that this Agreement, including the pricing, funding and other consideration provided for herein is based on the Customer’s current operating model/use of third party Food Service Providers. Thus, in the event that: (i) if the Customer is currently self-operated, the Customer switches to a Food Service Provider, or (ii) if the Customer currently uses a Food Service Provider to operate its concessions, such agreement between the Customer and the current Food Service Provider expires or is terminated, and the Customer enters into a new arrangement with a Food Service Provider; then any such new or subsequent agreement between the Customer and any Food Service Provider (pursuant to either (i) or (ii) above) shall require such Food Service provider to abide by the applicable pricing and other terms set forth in this Agreement to the exclusion of all other benefits, and shall specifically require such Food Service Provider to affirm that it will not be entitled or seek to receive any funding or other benefits/consideration in connection with any agreement such Food Service Provider may separately have with Pepsi or Pepsi’s affiliates. In the event

that the Customer fails to adhere to this requirement (or the Food Service Provider refuses to abide accordingly), then Customer hereby authorizes Pepsi, and Pepsi shall be entitled to adjust its pricing, funding or other consideration provided to the Customer by an amount equal to the incremental costs incurred by Pepsi as a result of the Customer's change in Food Service Providers.

“*Gallons*” shall mean the number of gallons of the Postmix Products purchased by the Customer from Pepsi.

“*Packaged Products*” shall mean Beverages that are distributed in pre-packaged form (*i.e.*, Bottles & Cans). A current list of Pepsi's Packaged Products is found in attached Exhibit A which may be amended by Pepsi from time to time.

“*Postmix Products*” shall mean beverage products used to create and dispense fountain beverages. A current list of Pepsi's Postmix Products is found in attached Exhibit A which may be amended by Pepsi from time to time.

“*Products*” shall mean Postmix Products and Packaged Products manufactured, bottled, sold and/or distributed by Pepsi.

“*Year*” shall mean each 12-month period during the Term commencing on the first day of the Term or an anniversary thereof.

2. TERM.

The term of this Agreement shall be for a five (5) year period beginning on December 1, 2012 and expiring on November 30, 2017, unless sooner terminated as provided herein (“*Term*”).

3. GRANT OF BEVERAGE AVAILABILITY AND MERCHANDISING RIGHTS.

During the Term, Customer hereby grants to Pepsi the following exclusive Beverage availability and exclusive Beverage merchandising right as set forth and described below:

A. Beverage Availability at the Facilities.

(1) Grant of Rights.

(a) Pepsi shall have the exclusive right to make Beverages available for sale and distribution throughout the Facilities, including the right to provide all Beverages sold at athletic contests (*i.e.*, concession stands, sales in stands (hawking) or other means), booster club activities, and all other special events conducted at or any location on the Facilities (“*Special Events*”). The Products shall be the only Beverages sold, dispensed or served at the Facilities (*i.e.*, at concession stands, sales in stands (hawking) or other means), and the Products shall be sold at all food service concession or vending locations located within the Facilities; and

(b) Pepsi shall have the exclusive right to install the Equipment throughout the Facilities. Pepsi shall have the further right to install additional Equipment in



buildings and facilities acquired and/or constructed by the Customer after the date of this Agreement. Pepsi shall install the Equipment at its sole expense; *provided, however*, that the Customer will be responsible for all electrical hook-ups and charges related thereto. Pepsi shall have the right to place full trademark panels on all sides of its Equipment. Pepsi, or one of its affiliates, shall retain title to all Equipment.

(2) Purchasing of Postmix Products.

The Postmix Products shall be purchased by Customer or the Food Service Provider from Pepsi at the prices established by Pepsi from time to time. Current pricing for Postmix Products is set forth in Exhibit A, attached hereto. Such Postmix Product Pricing shall remain fixed for Years One and Two of the Agreement. Thereafter, Pepsi shall have the right to increase pricing up to three percent (3%) each Year. Payment terms will be in accordance with the terms of Pepsi's standard credit agreement which may be modified by Pepsi from time to time during the Term.

(3) Purchasing of Packaged Products.

The Packaged Products shall be purchased by Customer or the Food Service Provider from Pepsi at prices established by Pepsi from time to time. Current pricing for Packaged Products is set forth in Exhibit A, attached hereto. Such Packaged Product Pricing shall remain fixed for Years One and Two of the Agreement. Thereafter, Pepsi shall have the right to increase pricing up to three percent (3%) each Year. Payment terms will be in accordance with the terms of Pepsi's standard credit agreement which may be modified by Pepsi from time to time during the Term.

(4) Food Service.

During the Term, Pepsi shall work directly with, Customer and the Food Service Provider for the Facilities, to provide all of its requirements for the Products. Customer shall cause its Food Service Provider to purchase the Product from Pepsi at prices as determined by Pepsi. The Customer shall cause its Food Service Provider to purchase Products from Pepsi in sufficient quantities to ensure the regular and continuous distribution of the Products at the Facilities. Pepsi shall work directly with Customer and its Food Service Provider to promote sales of the Products through appropriate point-of-sale and other advertising materials bearing the trademarks of the Products at Pepsi's expense. Payment terms will be in accordance with the terms of Pepsi's standard credit agreement which may be modified from time to time during the Term.

(5) Vending.

Pepsi shall have the right to place no less than Forty (40) Vending Machines at the Facilities for dispensing the Products; *provided, however*, that Pepsi shall work with Customer to identify optimal locations for such equipment. Pepsi shall not be assessed common area maintenance fees, taxes or other charges based on its occupation of the space allocated to Vending Machines.



B. Product Merchandising Rights.

During the Term and subject to the terms and conditions contained in this Agreement, Customer grants Pepsi the exclusive right to merchandise Beverages at the Facilities as set forth and described below:

(1) Menu Board Advertising.

Customer agrees that Pepsi's trademarks for products shall be listed on the menu boards at concession locations in which Products are served to customers at the Facilities. All brand identification containing Pepsi trademarks and/or service marks for menu boards set forth herein will be prepared and installed by Customer at Customer's sole cost and expense.

(2) Approved Cups; Product Hawking and Catering.

Customer agrees that all Products served, sold or dispensed at concession locations in which Products are served to customers at the Facilities shall be served in Approved Cups and all other Beverages served, sold or dispensed within the Facilities shall be served in either Approved Cups or other disposable cups which do not bear, display or contain the trademarks or service marks of a manufacturer of Competitive Products. Pepsi agrees to make Approved Cups available for purchase and the Customer shall purchase, and shall require that all concessionaires, Food Service Providers, booster clubs and other third parties selling Beverages at the Facilities purchase all Products, cups, lids and carbon dioxide directly from Pepsi at prices determined by Pepsi. Payment terms will be in accordance with the terms of Pepsi's standard credit agreement which may be modified from time to time during the Term. Customer shall cause Products to be "*hawked*" at the Facilities at all events taking place at the Facilities (including, without limitation, at all home games of all intercollegiate athletic teams associated with the Customer, if any), and served as part of the catering selection in private boxes, suite, backstage areas, lockerooms and press areas. Customer further agrees that Products to be "*hawked*" in the stands shall be sold only in Approved Cups. As used herein, "*hawking*" shall refer to the sale of single servings of a product in the seating areas of the Facilities through the use of vendors circulating through such seating areas.

4. GRANT OF ADVERTISING AND PROMOTIONAL RIGHTS.

During the Term, Customer hereby grants to Pepsi the right to advertise and promote Products in and with respect to the Customer and the Customer Marks upon the terms and conditions contained in this Agreement and as set forth and described below.

A. Advertising

(1) Facilities and Print Advertising.

Pepsi shall have the right to Facilities and print advertising as mutually agreed between the parties and as further outlined in Exhibit B.

(2) Design and Installation of Customer Advertising.

Pepsi agrees, at its own cost, to provide Customer with the general design of all Customer Advertising. The Customer Advertising shall be constructed and installed by Customer (or an agent thereof) at Customer's sole cost and expense. All Customer Advertising shall be in conformity with the general scheme and plan of the Customer and the surrounding areas.

(3) Advertising/Signage Changes.

Customer recognizes Pepsi's right to change, modify and alter its advertising for, or identification of, any of the Products or to discontinue the manufacture of any of the Products. Pepsi shall reimburse Customer for all reasonable costs and expenses incurred by Customer in changing or modifying or altering any Facilities Advertising, menu boards and other Pepsi identification or references to any of the Products necessitated by Pepsi's changes to the advertising, trademarks or trade names, designations or identification thereof. Pepsi shall have the right to modify change or alter the promotional messages appearing thereon and all such modifications, changes and/or alterations shall be at Pepsi's sole cost and expense. Customer shall use reasonable efforts to minimize the cost to Pepsi for modifying, altering and/or changing Pepsi's advertising.

(4) Maintenance of Signage.

Customer shall maintain all Facility Advertising and other signs and advertising for Products in good order. Customer shall effect any necessary repairs reasonably determined by Customer at Customer's sole cost and expense. Where practical, Customer shall consult with Pepsi prior to incurring any material signage or other related maintenance expenses.

B. Promotional Rights.

(1) General Sponsorship Designation.

Customer hereby agrees that Pepsi shall have the right to promote the fact that Pepsi is an official sponsor of the Customer and its intercollegiate athletic teams, if any, and that the Products are available at the Facilities, including the right of Pepsi to refer to itself using the Designations. Such promotion may be conducted through the distribution channels of television, radio and print media, on the packaging of (including cups and vessels) and at the point-of-sale of any and all Products wherever they may be sold or served.

(2) Grant of License to Use the Customer Marks for Promotional Activities.

Customer hereby grants to Pepsi a nonexclusive license to use the name of the Facilities and the Customer Marks for the limited purposes of promoting Products within the context of promotional activities. Customer acknowledges that, in order to make full use



of the rights granted in this Agreement, Pepsi may conduct the promotional activities through its primary distribution channels in which Pepsi sells Products to the ultimate consumer, such as at the retail level, within drug stores and other retail outlets, by and through mass merchandise campaigns and together with Pepsi's food service accounts and customers. Customer shall have the right to review promotional materials before they are distributed.

C. Representations, Warranties and Covenants regarding the Ownership and Protection of the Customer Marks and Related Proprietary Rights.

Customer represents and warrants that it is the sole and exclusive owner of all right, title and interests in and to the Customer Marks (including without limitation, all goodwill associated therewith) and Pepsi's use of the Customer Marks pursuant to this Agreement will not infringe the rights of any third parties. Pepsi acknowledges that nothing contained in this Agreement shall provide Pepsi with any right, title or interest to the Customer Marks other than the right to use such Customer Marks granted under this Agreement. Pepsi (on behalf of itself and its affiliates) agrees that it shall not attack the title or any rights of Customer and its affiliates and cooperate with Customer and its affiliates to procure any protection or to protect any of the rights of Customer and its affiliates in and to the Customer Marks. Pepsi shall cause to appear on all materials incorporating the Customer Marks such legends, markings and notices as Customer or its affiliates may request in order to give appropriate notice of any trademarks, service mark, trade name, copyright or other right with respect to the Customer Marks. Pepsi shall not make any alterations or changes to the design or type of the Customer Marks without the prior written consent of Customer.

D. Representations, Warranties and Covenants regarding the Ownership and Protection of Proprietary Rights of Pepsi.

Pepsi represents and warrants that Pepsi is authorized to use certain names, logos, service marks and trademarks of PepsiCo, Inc. (including without limitation, all goodwill associated therewith) (the "*Pepsi Marks*") under a license from PepsiCo, Inc. Customer acknowledges that nothing contained in this Agreement shall provide Customer with any right, title or interest to the names, logos, service marks and trademarks of PepsiCo, Inc. without the prior written approval of PepsiCo, Inc. Customer (on behalf of itself and its affiliates) agrees that it shall not attack the title or any rights of PepsiCo, Inc., Pepsi and its affiliates and cooperate with PepsiCo, Inc., Pepsi and its affiliates to procure any protection or to protect any of the rights of PepsiCo, Inc., Pepsi and its affiliates in and to the Pepsi Marks. Customer shall cause to appear on all materials incorporating the Pepsi Marks such legends, markings and notices as Pepsi or its affiliates may request in order to give appropriate notice of any trademarks, service mark, trade name, copyright or other right with respect to the Pepsi Marks. Customer shall not make any alterations or changes to the design or type of the Pepsi Marks without the prior written consent of PepsiCo, Inc.



5. GRANT OF OTHER RIGHTS.

A. Sampling.

Customer agrees to permit to conduct, at Pepsi's sole cost and expense, limited sampling of Pepsi products at the Facilities in a form and manner as specifically authorized and approved by Customer and in accordance with rules and procedures established by Customer, in its sole discretion, as may be amended or supplemented from time to time by Customer.

B. Additional Rights.

Customer agrees to provide Pepsi with the additional rights set forth on Exhibit B.

6. EXCLUSIVITY.

A. During the Term, Customer, its agents, representatives, intercollegiate athletic teams coaches and players, and staff (i) shall not themselves nor shall they permit a third party to, sell, serve, promote, market, advertise, sponsor or endorse Competitive Products at the Facilities or in connection with the Customer, its intercollegiate athletic teams coaches and players, and its staff and (ii) shall ensure that the Products are the only Beverages sold, served, promoted, marketed, advertised, merchandised, sponsored or endorsed, at the Facilities or in connection with the Customer, intercollegiate athletic teams coaches and players, and its staff.

B. Customer recognizes that Pepsi has paid valuable consideration to ensure an exclusive associational relationship with the Facilities, Customer, and/or Customer Marks with respect to Beverages and that any dilution or diminution of such exclusivity seriously impairs Pepsi's valuable rights. Accordingly, the Customer will promptly oppose Ambush Marketing (as defined below) and take all reasonable steps to stop Ambush Marketing and to protect the exclusive associational rights granted to Pepsi pursuant to this Agreement. In the event any such Ambush Marketing occurs during the Term, each party will notify the other party of such activity immediately upon learning thereof. As used herein, "**Ambush Marketing**" shall mean an attempt by any third party, without Pepsi's consent, to associate Competitive Products with the Facilities, Customer and/or Customer Marks, or to suggest that Competitive Products are endorsed by or associated with the Facilities, Customer and/or Customer Marks by referring directly or indirectly to the Facilities, Customer and/or Customer Marks.

1. **Permitted Exceptions**

- a. "Beverage" or Beverages" shall not include milk, flavored milk, freshly brewed coffee, freshly brewed tea, frozen smoothies, hot chocolate or powdered drink mix and water to create a coffee like drink from a dispenser.
- b. Water drawn from the public water supply and bulk water coolers located in any offices.
- c. Beverages which are part of a proprietary or self-branded food concept which offers specialized beverages, such as Starbucks. This includes brewed

coffees, frappuccinos, espresso based drinks, their proprietary bottled lines or made to order lines, hot teas and cold tea based drinks.

d. The District has a vending contract for snacks (including frozen) which is separate from this beverage vending contract. The vendor has supplied the satellite sites with 4 bottle vending machines that sell a variety of beverages that will remain in place.

e. Student groups shall have the option during times of fund raising activities to sell generic branded bottled or canned products.

7. CONSIDERATION.

In consideration for the advertising, merchandising, promotional rights, and the other related rights and benefits provided to Pepsi by Customer as described herein, and provided Customer is not in breach of this Agreement, Pepsi agrees to pay to Customer:

A. Initial Support Funds.

An Initial Support Fund in the amount of Seventy-Five Thousand Dollars (\$75,000), payable to the Customer within sixty (60) days of the signing of this Agreement by both parties (the “*Initial Support Funds*”). The Initial Support Funds are earned by the Customer over the Term. In the event Pepsi terminates this Agreement due to the Customer’s failure to cure a breach hereof, the unearned Initial Support Funds will be repaid to Pepsi pursuant to the terms of Section 10.D (Sponsorship Fees in the Event of Termination.) herein.

B. Annual Sponsorship Fees.

An Annual Sponsorship Fee (the “*Annual Sponsorship Fee*”), payable annually pursuant to the following:

| <i>Year</i> | <i>Applicable Time Period</i> | <i>Amount*</i> | <i>Due Date: within 60 days after:</i> |
|-------------|--------------------------------------|----------------|--|
| 1 | December 1, 2012 – November 30, 2013 | \$100,000 | December 1, 2012 |
| 2 | December 1, 2013 – November 30, 2014 | \$100,000 | December 1, 2013 |
| 3 | December 1, 2014 – November 30, 2015 | \$100,000 | December 1, 2014 |
| 4 | December 1, 2015 – November 30, 2016 | \$100,000 | December 1, 2015 |
| 5 | December 1, 2016 – November 30, 2017 | \$100,000 | December 1, 2016 |

* The Customer acknowledges and agrees that each Annual Sponsorship Fee payable to the Customer is based on a minimum number of Units purchased from Pepsi and sold throughout the Facilities pursuant to this Agreement during the applicable Year. The minimum number of Units per Year is 23,000 (“*Annual Units Threshold*”). As used herein, “*Units*” means Gallons and Cases. For the purposes of determining Units sold, 1 Case shall equal 1 Gallon. Therefore, if during any Year the number of Units falls below the Annual Units Threshold, then the Annual Sponsorship Fee payable for the next Year will be reduced by a percentage equal to the percentage decrease between the Annual Units Threshold and the actual number of Units purchased from Pepsi during such Year. *For example during Year 2 the actual Units purchased from Pepsi is 20,000 Units, and then the Annual Sponsorship Fee for Year 3 will be \$86,957.*

The Annual Sponsorship Fee is earned throughout the Year in which they are paid. In the event Pepsi terminates this Agreement due to the Customer's failure to cure a breach hereof, the unearned Annual Sponsorship Fees will be repaid to Pepsi pursuant to the terms of Section 10.D (Sponsorship Fees in the Event of Termination.) herein.

C. Commissions.

Commissions, as a percentage of the actual cash ("*cash in bag*" or "*CIB*") collected by Pepsi from the Vending Machines placed at the Facilities, plus actual amounts received by Pepsi in connection with credit card or debit card sales (collectively with CIB, "*Revenue*"), less any applicable reimbursements, fees or deposits ("*Commissions*"). Such Commissions shall be at the rate(s) set forth below (the "*Commission Rate*") and shall be calculated as follows:

(Revenue * Commission Rate) – applicable reimbursements/fees/deposits = Commission Due

| Product | Minimum Vend Price | Commission Rate* |
|--|---------------------------|-------------------------|
| 12 oz. cans of Carbonated Soft Drinks | \$1.25 | 36% |
| 20 oz. bottles of Carbonated Soft Drinks | \$1.75 | 36% |
| 20 oz. bottles of Aquafina | \$1.75 | 36% |
| 20 oz. bottles of Lipton Brisk | \$1.75 | 36% |
| 20 oz. bottles of Gatorade | \$2.00 | 25% |
| 20 oz. bottles of Lipton Teas | \$1.75 | 36% |
| 20 oz. bottles of SoBe Lifewater | \$2.00 | 25% |
| 15.2 oz. Ocean Spray Juice | \$1.75 | 25% |
| 16 oz. AMP Energy | \$2.50 | 25% |
| 16 oz. Rockstar Energy | \$2.50 | 25% |
| 15 oz. Starbuck Energy Coffee | \$2.50 | 25% |
| *Commission Rate stated above shall only apply to Products sold by Pepsi through its Vending Machines at the beginning of the Term. If Pepsi proposes any new Products to the Customer during the Term, then Pepsi shall have the right to apply a different Commission Rate and/or Minimum Vend Price for such new Product. | | |

(1) **Commissions Payment.** Commissions shall be remitted by Pepsi to the Customer within thirty (30) days of the end of each 4-week accounting period established by Pepsi. Pepsi shall make all pertinent revenue and sales records respecting the Vending Machines available to Customer. Customer agrees that it is responsible for reviewing such records and that any claim or dispute relating to the Commissions must be brought by Customer in writing within one (1) year of the date such Commissions payment is due. Customer further acknowledges and agrees that it shall not receive any Commissions payment from Pepsi if Commissions fail to reach a certain threshold amount per period or quarter. The applicable threshold amounts vary based on the payment period and will be established and communicated pursuant to Pepsi's policies and procedures related to its Full Service Vending business, as may be revised by Pepsi from time to time.

(2) **Change to Commission Rate.** Customer acknowledges and agrees that Pepsi established the Commission Rate based on any applicable sales tax associated with the sale of the Products through the Vending Machines as of the commencement date of this Agreement. If, during the Term, applicable sales taxes should increase by more than five percent (5%), then Pepsi shall have the right to automatically reduce the Commission Rate by the same percentage amount.

D. **Rebates.**

Each Year throughout the Term, Pepsi shall calculate the total applicable Cases of Packaged Products purchased directly from Pepsi by the Customer and its Food Service Provider pursuant to this Agreement, and shall provide the Customer with rebates calculated based on applicable amounts set forth below (the “***Rebates***”). Rebates will not be paid on cases sold through full service vending machines. The Rebates, if applicable, shall be paid by Pepsi within sixty (60) days of the end of each applicable Year during the Term.

| <i>Rebate Amount</i> | <i>Applicable Products</i> |
|-----------------------------|--|
| \$1.00/Case | 24-pk Cases of Packaged Products |
| \$0.50/Case | 12-pk and 15-pk Cases of Packaged Products |

E. **RCCD Foundation Support.**

Each Year throughout the Term, Pepsi will provide the Customer with a payment in support of the RCCD Foundation in the amount of Two Thousand Dollars (\$2,000) (the “RCCD Foundation Support Fund”). The RCCD Foundation Support Fund will be paid to the Customer within sixty (60) days of the beginning of each Year during the Term, not to exceed five (5) consecutive payments.

F. **Frozen Beverage Incentive.**

In consideration of Customer’s agreement to exclusively serve Pepsi’s Frozen Beverages at the Facilities, each Year throughout the Term, Pepsi will provide the Customer with a payment in the amount of One Thousand Dollars (\$1,000) (the “Frozen Beverage Incentive Fund”). The Frozen Beverage Incentive Fund will be paid to the Customer within sixty (60) days of the beginning of each Year during the Term, not to exceed five (5) consecutive payments.

8. ADDITIONAL CONSIDERATION.

In addition to the consideration specified above, and provided Customer is not in breach of this Agreement, Pepsi shall provide the following further consideration to the Customer:

A. Pepsi will provide annual Product donations of up to Three Hundred (300) cases of a combination of 12 oz. cans of carbonated soft drinks and 16.9 oz. Aquafina per Year across the Facilities upon request of the Customer; *provided, however*, that the Customer will administer all requests through a central contact so that the Customer may prioritize the requests. Customer



acknowledges and agrees that donated Product not used or requested in any Year shall not be carried over to the subsequent Year.

B. Pepsi will provide Gatorade Sideline Kits of up to a total value of One Thousand Five Hundred Dollars (\$1,500) per Year across the Facilities upon request of the Customer; *provided, however*, that the Customer will administer all requests through a central contact so that the Customer may prioritize the requests. Customer acknowledges and agrees that the value of Gatorade Sideline Kits not used or requested in any Year shall not be carried over to the subsequent Year.

C. Pepsi will Marketing Program Support up to a total value of Four Thousand Dollars (\$4,000) per Year across the Facilities upon request of the Customer; *provided, however*, that the Customer will administer all requests through a central contact so that the Customer may prioritize the requests. Pepsi and Customer will meet each Year to select upcoming marketing programs and to establish the upcoming marketing calendar. Customer acknowledges and agrees that value of Marketing Program Support not used or requested in any Year shall not be carried over to the subsequent Year.

D. Pepsi acknowledges that each of the three (3) community colleges in the Riverside Community College District is eligible to receive the following additional consideration pursuant to Pepsi's agreement with Foundation for California Community: (1) each Year during the Term a scholarship fund payment in the amount of Five Hundred Dollars; and (2) each Year during the Term an incremental product donation of Fifty (50) cases of a combination of 12 oz. cans of carbonated soft drinks and 16.9 oz. Aquafina.

9. EQUIPMENT AND SERVICE.

A. Beverage Dispensing and Other Equipment.

(1) Pepsi shall, based upon Pepsi's survey of the Facilities' needs, provide and install all Equipment at the Facilities for the dispensing of Product during the Term. Title to all Equipment shall be with Pepsi or its affiliates.

(2) During the Term Pepsi will provide, at no charge to the Customer, preventative maintenance and service to the Equipment. Pepsi will service and stock, if necessary, (i) the Equipment and (ii) any additional Equipment determined by the parties to be installed at new locations on the Facilities.

(3) The Equipment may not be removed from the Facilities without Pepsi's written consent, and the Customer agrees not to encumber the Equipment in any manner or permit other equipment to be attached thereto except as authorized by Pepsi. At the end of the Term, Pepsi shall have the right to, and shall upon request of the Customer, remove all Equipment from the Facilities at no expense to the Customer.

(4) Pepsi shall be responsible for collecting, for its own account, all cash monies from the Vending Machines and for all related accounting for all cash monies collected

therefrom. The Customer agrees to provide reasonable assistance to Pepsi in apprehending and prosecuting vandals. Pepsi shall not be obligated to pay commissions as provided in this Agreement on documented revenue losses resulting from vandalism or theft of product with respect to any Vending Machines on the Facilities.

(5) Pepsi, at its sole discretion or upon mutual agreement between the parties, may agree to install magnetic strip card, online or chip card offline readers on Vending Machines placed at the Facilities. If agreed to by Pepsi, Vending Machines in locations specified by the Customer will also be fitted by Pepsi with magnetic stripe card on-line or chip card off-line readers at Pepsi's expense in accordance with a mutually agreed to conversion schedule. If Pepsi has agreed to such installation, then the Customer must comply with the following:

(i) Prior to Pepsi's commitment to provide such Vending Machines, Customer must provide Pepsi with its minimum requirements for such readers;

(ii) Pepsi will not be responsible for any transaction or maintenance fees on the debit card readers affixed to the Vending Machines;

(iii) The Customer shall arrange for the collection of monies from debit card transactions on Vending Machines equipped with debit card readers;

(iv) On or before the first Monday of each month during the Term, the Customer and/or its authorized debit card agent shall be responsible for providing a weekly report to Pepsi, in a form reasonably satisfactory to Pepsi, detailing the transactions and the dollar amounts grossed during the immediately preceding weekly period through each Vending Machine equipped with a debit card reader;

(v) On or before the first Monday of each month during the Term, the Customer and/or its authorized debit card agent shall remit payment to Pepsi for the monies collected through debit card readers during the immediately preceding monthly period;

(vi) The Customer shall retain title to the debit card readers. The Customer agrees to indemnify and hold Pepsi harmless from and against losses or costs incurred by Pepsi as a result of any dispute between the Customer and the debit card agent over monies owed to Pepsi for the sale of Pepsi product through the Vending Machines equipped with debit card readers or the failure of the debit card agent to remit payment in a timely manner if the dispute remains unresolved for a period of sixty (60) days.

(6) Pepsi reserves the absolute right to remove any glass front Vending Equipment that sells less than eight (8) cases of Product per week or any other Vending Equipment that sells less than two (2) cases of Product per week.

B. Service to Equipment.

Other than routine maintenance, which shall be the responsibility of and completed by Customer or its designee, Pepsi or its designated agents shall be responsible for maintaining, repairing and replacing the Equipment. Pepsi shall provide Customer with a telephone number



to request emergency repairs and receive technical assistance related to the Equipment. Pepsi shall respond to each Customer request and use reasonable efforts to remedy the related Equipment problem as soon as possible.

10. **REMEDIES FOR LOSS OF RIGHTS - TERMINATION.**

A. Customer's Termination Rights.

Without prejudice to any other remedy available to Customer at law or in equity in respect of any event described below, this Agreement may be terminated by Customer at any time effective thirty (30) days following written notice to Pepsi from Customer if:

(1) Pepsi fails to make any payment due hereunder, and such default shall continue for thirty (30) days after written notice of such default is received by Pepsi; or

(2) Pepsi breaches or fails to perform any other material term, covenant or condition of this Agreement or any representation or warranty shall prove to have been false or misleading in any material respect and Pepsi fails to cure such breach within forty-five (45) days after written notice of default is delivered to Pepsi. If such cure cannot reasonably be accomplished within such forty-five (45) day period, this provision shall not apply where Pepsi shall have, in good faith, commenced such cure and thereafter shall diligently proceed to completion; *provided, however*, that such cure is completed to the reasonable satisfaction of Customer within ninety (90) days from the date of Pepsi's receipt of such written notice of default.

B. Pepsi's Termination Rights.

Without prejudice to any other remedy available to Pepsi at law or in equity in respect of any event described below, this Agreement may be terminated in whole or in part by Pepsi at any time, effective thirty (30) days following written notice to the Customer if (i) any of the Products are not made available as required in this Agreement by the Customer, their agents or concessionaires; (ii) any of the rights granted to Pepsi herein are materially restricted or limited during the Term of this Agreement; (iii) a final judicial opinion or governmental regulation prohibits, or materially impacts or impairs (*e.g.*, beverage tax or size restriction) the availability or cost of Beverages, whether or not due to a cause beyond the reasonable control of the Customer; or (iv) Customer breaches any or fails to perform any other material term, covenant or condition of this Agreement or any representation or warranty shall prove to have been false or misleading in any material respect. In connection with the foregoing, Pepsi shall give Customer notice of the event and where applicable (for events within Customer's control), shall provide Customer forty-five (45) days to cure such breach. If the identified breach/event is not remedied with the applicable notice period, then Pepsi may terminate this Agreement and recover from the Customer a reimbursement in accordance with Section D below (Sponsorship Fees in the Event of Termination.). In addition to the termination rights set forth herein, in the event of any of the occurrences outlined in subsections (i) – (iii) above, Pepsi shall have the right, at its discretion and in lieu of termination, to mandate that the Customer meet and engage in good faith negotiations aimed at modifying the Agreement to reduce Pepsi's ongoing support of the Customer by an amount that is equitable in light of the diminution of right to Pepsi (*e.g.*,



equivalent to the percentage volume decline on campus). If such negotiations fail, then Pepsi shall have the right to terminate the Agreement upon thirty (30) days' notice.

C. Additional Termination Rights Available to Pepsi and Customer.

Without prejudice to any other right or remedy available to either party at law or in equity of any event described below, this Agreement may be terminated by either party if the other party, or any parent of such other party, shall: (i) have an order for relief entered with respect to it, commence a voluntary case or have an involuntary case filed against it under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (and such order or case is not stayed, withdrawn or settled within sixty (60) days thereafter) it is the intent of the parties hereto that the provisions of Section 365(e)(2)(A) of Title 11 of the United States Code, as amended, or any successor statute thereto, be applicable to this Agreement; or (ii) file for reorganization, become insolvent or have a receiver or other officer having similar powers over it appointed for its affair in any court of competent jurisdiction, whether or not with its consent (unless dismissed, bonded or discharged within 60 days thereafter); or (iii) admit in writing its inability to pay its debts as such debts become due.

D. Sponsorship Fees in the Event of Termination.

If Pepsi terminates this Agreement pursuant to Section 10 or Customer terminates this Agreement without cause, then Pepsi shall be entitled to from Customer, without prejudice to any other right or remedy available to Pepsi, and Customer shall pay to Pepsi all funding paid by Pepsi to the Customer which remains unearned as of the time of termination. With regard to the Initial Support Funds, the amount of such reimbursement shall be determined by multiplying the Initial Support Funds by a fraction, the numerator of which is the number of months remaining in the Term at the time such termination occurs and the denominator of which is 60. With regard to the Annual Sponsorship Fee, the amount of such reimbursement shall be determined by multiplying Annual Sponsorship Fee by a fraction, the numerator of which is the number of months remaining in the Year in which the Agreement is terminated at the time such termination occurs and the denominator of which is twelve (12).

11. TAXES.

Customer acknowledges and agrees that neither Pepsi nor its affiliates shall be responsible for any taxes payable, fees or other tax liability incurred by the Customer in connection with any fees payable by Pepsi under this Agreement. In addition, Pepsi shall be responsible only for the payment of taxes on the sales of Products through Vending Machines. Pepsi shall not be assessed common area maintenance fees, taxes or other charges based on its occupation of the space allocated to its Equipment.

12. CONFIDENTIALITY.

A. Except as otherwise required by law or the rules or regulations of any national securities exchange or the rules or regulation of the Customer, the Customer and Pepsi agree not to disclose Confidential Information (as hereinafter defined) to any third party other than to their respective directors, officers, employees and agents (and directors, officers, employees and

agents of their respective affiliates) and advisors (including legal, financial and accounting advisors) (collectively, “*Representatives*”), as needed.

B. “*Confidential Information*” shall include all non-public, confidential or proprietary information that Customer or its Representatives make available to Pepsi or its Representatives or that Pepsi or its Representatives make available to Customer or its Representatives in connection with this Agreement. “*Confidential Information*” shall include, but not be limited to, the terms and conditions of this Agreement. It is expressly understood that the disclosure in or pursuant to this Agreement by Customer, Pepsi or their respective Representatives of Confidential Information is not a public disclosure thereof, nor is a sale or offer for sale of any product, equipment, process or service of Customer or Pepsi.

C. These Confidentiality provisions and the obligations of the parties hereunder will survive the expiration or sooner termination of this Agreement for a period of three (3) years following such date of expiration or termination of this Agreement.

13. REPRESENTATIONS, WARRANTIES AND COVENANTS.

A. Each party represents and warrants to the other: (1) it has full power and authority to enter into this Agreement and to grant and convey to the other the rights set forth herein; and (2) all necessary approvals for the execution, delivery and performance of this Agreement have been obtained and this Agreement has been duly executed and delivered by the parties and constitutes the legal, valid and binding obligation, enforceable in accordance with its terms, and nothing contained in this Agreement violates, interferes with or infringes upon the rights of any third party; (3) the respective signatory of this Agreement is duly authorized and empowered to bind the party to the terms and conditions of this Agreement for the duration of the Term; and (4) the parties have complied with all applicable laws, ordinances, codes, rules and regulations relating to its entering into this Agreement and its performance hereunder.

B. Each of the parties hereto agree that: (1) the representations, warranties and covenants contained herein shall survive the execution and delivery of this Agreement, and (2) except as expressly set forth herein, neither party has made, and neither party is relying on, any representation or warranty, express or implied, with respect to the subject matter hereof.

C. To the extent that the any intercollegiate athletic team is relocated to a venue which is not within the Facilities as its home venue, Customer agrees that it shall ensure all rights of Pepsi hereunder shall be extended to such alternate venue as to the intercollegiate athletic team and any advertising and pouring rights contained herein.

14. INDEMNIFICATION.

A. Pepsi will indemnify and hold the Customer harmless from any and all suits, actions, claims, demands, losses, costs, damages, liabilities, fines, expenses and penalties (including reasonable attorneys’ fees) arising out of: (i) its breach of any term or condition of this Agreement; (ii) product liability suits resulting from the use or consumption of Products purchased directly from Pepsi; and/or (iii) the negligence or willful misconduct of Pepsi, (excluding claims arising out of the Customer’s negligence or willful misconduct).



B. To the extent permitted by applicable law, the Customer will indemnify and hold Pepsi, its subsidiaries, affiliates or assigns harmless from and against any and all suits, actions, claims, demands, losses, costs, damages, liabilities, fines, expenses and penalties (including reasonable attorneys' fees) arising out of (i) its breach of any term or condition of this Agreement; and/or (ii) the negligence or willful misconduct of the Customer (excluding claims arising out of Pepsi's negligence or willful misconduct).

C. The provisions of this Section shall survive the termination of this Agreement.

15. **INSURANCE.**

Pepsi

Throughout the Agreement period, Pepsi agrees to maintain in full force and effect at its sole expense the following insurances: General liability, comprehensive or commercial form with minimum limit for each occurrence of \$1,000,000 and general aggregate of \$2,000,000; Employer liability of \$1,000,000; Business automobile liability with minimum limits for owned, scheduled, non-owned, or hired automobiles with a combined single limit of not less than \$1,000,000 per occurrence; Workers Compensation as required by the State of California.

The Certificates of Insurance for each type of coverage shall include an endorsement for an additional insured as follows: Riverside Community College District, its Trustees, officers, employees, agents and volunteers with respect to liability arising out of work or operations performed by or on behalf of Pepsi. Certificate(s) and endorsement must be received and approved by the District within 10 days of signing this agreement.

Riverside Community College District

Throughout the Agreement period, District agrees to maintain in full force and effect at its sole expense the following insurances: General liability, comprehensive or commercial form with minimum limit for each occurrence of \$1,000,000 and general aggregate of \$2,000,000; Employer liability of \$1,000,000; Workers Compensation as required by the State of California.

General

Neither party shall cancel coverage without 30 days' notice to the other party by certified mail, return receipt requested.

Insurance requirements may be satisfied by a policy of insurance, in which case it will be with insurers that carry A.M. Best's rating of no less than A-VII; through a program of self-insurance; through a Joint Powers Authority (JPA), or any combination thereof.

16. **NON-DISCRIMINATION**

Pepsi shall not discriminate against any person in the provision of services, or employment of persons on the basis of ethnic group identification, national origin, religion, age, gender, gender identity, gender expression, race, color, ancestry, genetic information, sexual orientation, physical or mental disability, or any characteristic listed or defined in Section 11135 of the



Government Code or any characteristic that is contained in the prohibition of hate crimes set forth in subdivision (1) of Section 422.6 of the California Penal Code, or any other status protected by law. Pepsi understands that harassment of any student or employee of Riverside Community College District with regard to ethnic group identification, national origin, religion, age, gender, gender identity, gender expression, race, color, ancestry, genetic information, sexual orientation, physical or mental disability, or any characteristic listed or defined in Section 11135 of the Government Code or any characteristic that is contained in the prohibition of hate crimes set forth in subdivision (1) of Section 422.6 of the California Penal Code, or any other status protected by law is strictly prohibited.

17. NOTICES.

Unless otherwise specified herein, all notices, requests, demands, consents, and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when hand delivered, upon delivery when sent by express mail, courier, overnight mail or other recognized overnight or next day delivery service, or three (3) days following the date mailed when sent by registered or certified United States mail, postage prepaid, return receipt requested, or when deposited with a public telegraph company for immediate transmittal, charges prepaid, or by telecopier, with a confirmation copy sent by recognized overnight courier, next day delivery, addressed as follows:

If to Pepsi:

Pepsi Beverages Company
6659 Sycamore Canyon Blvd.
Riverside, CA 92507
Attn: Director, Food Service

With a copy to (which shall not constitute notice):

Pepsi Beverages Company
One Pepsi Way
Somers, NY 10589
Attn: Legal Department

If to Customer:

Riverside City College
4800 Magnolia Ave.
Riverside, CA 92506
Attn: Vice President, Business Services

With a Copy to:

Riverside Community College District
4800 Magnolia Avenue
Riverside, CA 92506
Attn: General Counsel

18. ASSIGNMENT.

This Agreement or any part hereof or interest herein shall not be assigned or otherwise transferred by either party without the prior written consent of the other party nor shall the same be assignable by operation of law, without the prior written consent of the other party; *provided, however*, that Pepsi may assign and transfer this Agreement (in whole and not in part) to an affiliate without the consent of Customer hereto; *provided, however*, that, (x) such affiliate is capable of fully performing all obligations of the assignor hereunder and (y) such affiliate agrees, under a separate agreement acceptable to the other party and signed by such affiliate, to perform all of the obligations and assume all liabilities of the assignor hereunder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Customer represents and warrants to Pepsi that any change in the Food Service Provider at the Facilities shall not affect Pepsi's rights or obligations hereunder.

19. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to conflicts of laws principles. Any legal proceeding of any nature whatsoever brought by either party against the other to enforce any right or obligation under this Agreement, or arising out of any matter pertaining to this Agreement, shall be submitted for trial, without jury, before the Courts of the State of California, or the United States District Court having jurisdiction in Riverside County, California, or, if neither of such courts shall have jurisdiction, then before any court sitting in Riverside County, California having subject matter jurisdiction. The parties consent and submit to the jurisdiction of any such court and agree to accept service of process inside or outside the State of California in any manner to be submitted to any such court pursuant hereto, and the parties hereto expressly waive all rights to trial by jury regarding any such matter.

20. FORCE MAJEURE.

If the performance by either party hereto of its respective nonmonetary obligations under this Agreement is delayed or prevented in whole or in part by acts of God, fire, floods, storms, explosions, accidents, epidemics, war, civil disorder, strikes or other labor difficulties, or any law, rule, regulation, order or other action adopted or taken by any federal, state or local government authority, or any other cause not reasonably within such party's control, whether or not specifically mentioned herein, such party shall be excused, discharged and released of performance only to the extent such performance or obligation is so delayed or prevented by such occurrence without liability of any kind. Nothing contained herein shall be construed as requiring either party hereto to accede to any demands of, or to settle any disputes with, labor or labor unions, suppliers or other parties that such party considers unreasonable.

21. RELEASE, DISCHARGE OR WAIVER.

No release, discharge or waiver of any provision hereof shall be enforceable against or binding upon either party hereto unless in writing and executed by both parties hereto. Neither the failure to insist upon strict performance of any of the agreements, terms, covenants or conditions hereof, nor the acceptance of monies due hereunder with knowledge of a breach of this Agreement, shall be deemed a



waiver of any rights or remedies that either party hereto may have or a waiver of any subsequent breach or default in any of such agreements, terms, covenants or conditions.

22. PRIOR NEGOTIATIONS; ENTIRE AGREEMENT.

This Agreement and the exhibits attached hereto, set forth the entire understanding between the parties in connection with respect to the subject matter hereof, and no statement or inducement with respect to the subject matter by either party hereto or by any agent or representative of either party hereto which is not contained in this Agreement shall be valid or binding among the parties. This provision shall not be read to invalidate or amend any other written agreements between Pepsi and/or any of its affiliates and any affiliate of Customer.

23. RELATIONSHIP OF THE PARTIES.

The parties are independent contractors with respect to each other. Nothing contained in this Agreement will be deemed or construed as creating a joint venture partnership between the parties.

24. EFFECT OF HEADINGS.

The headings and subheadings of the sections of this Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the agreements, terms, covenants and conditions of this Agreement in any manner.

25. CONSTRUCTION.

This Agreement has been fully reviewed and negotiated by the parties hereto and their respective legal counsel. Accordingly, in interpreting this Agreement, no weight shall be placed upon which party hereto or its counsel drafted the provision being interpreted. Wherever this Agreement provides for one party hereto to provide authorization, agreement, approval or consent to another party hereto, or provides for mutual agreement of the parties hereto, such authorization, approval, agreement or consent shall, except as may otherwise be specified herein, be given in such party's reasonable judgment and reasonable discretion, and shall be in writing unless otherwise mutually agreed by the parties.

26. SEVERABILITY.

If any term or provision of this Agreement shall be found to be void or contrary to law, such term or provision shall, but only to the extent necessary to bring this Agreement within the requirements of law, be deemed to be severable from the other terms and provisions hereof, and the remainder of this Agreement shall be given effect as if the parties had not included the severed term herein.

27. AMENDMENTS.

No provision of this Agreement may be modified, waived or amended except by a written instrument duly executed by each of the parties hereto. Any such modifications, waivers or amendments shall not require additional consideration to be effective.



28. COUNTERPARTS.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

29. FURTHER ASSURANCES.

Each party hereto shall execute any and all further documents or instruments and take all necessary action that either party hereto may deem reasonably necessary to carry out the proper purposes of this Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly entered into as of the date set forth below.

BOTTLING GROUP, LLC

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By: [Signature]

By: _____

Name: AIMEE PEINER

Name: James L. Buysse

Title: KEY ACCOUNT MANAGER

Title: Vice Chancellor,

Date: 10/7/2012

Administration and Finance

Date: _____

Exhibit A

Current description & pricing for Postmix Products and Packaged Products

Customer acknowledges and agrees (and shall require that any third parties or Food Service Providers purchasing Products through this Agreement agree) that Pepsi shall be entitled to pass-through any incremental fees, deposits, taxes or other governmentally imposed charges (whether local, state, federal or judicially imposed) and that the pass-through of any such governmentally imposed fees, deposits, taxes or charges on the Products shall not be deemed as a price increase subject to any pricing cap or notification restrictions that may be specified in this Agreement.

2012 Pepsi Beverages Company Pricing Letter

Effective through 12/1/2012 - 11/30/2014

RIVERSIDE CC; SC:E

| Product | Package | Bottle & Can | | New Price | New Unit Price | \$ Chg | % Chg |
|----------------------------|------------------|---------------|--------------------|-----------|----------------|---------|-------|
| | | Current Price | Current Unit Price | | | | |
| CSD/NCB | 12oz Can | \$10.02 | \$0.42 | \$10.12 | \$0.42 | \$0.10 | 1.0% |
| CSD | 20oz Bottle | \$21.17 | \$0.88 | \$20.50 | \$0.85 | -\$0.67 | -3.2% |
| CSD | 24oz Can | \$14.00 | \$0.58 | \$14.00 | \$0.58 | \$0.00 | 0.0% |
| CSD | 10oz Glass | \$14.51 | \$0.60 | \$14.51 | \$0.60 | \$0.00 | 0.0% |
| CSD | 1 Liter Bottle | \$20.02 | \$1.33 | \$19.75 | \$1.32 | -\$0.27 | -1.3% |
| CSD | 2 Liter Bottle | \$12.88 | \$1.61 | \$12.88 | \$1.61 | \$0.00 | 0.0% |
| Aquafina | 20oz Bottle | \$13.89 | \$0.58 | \$13.75 | \$0.57 | -\$0.14 | -1.0% |
| Aquafina | 1 Liter Bottle | \$12.26 | \$0.82 | \$12.38 | \$0.83 | \$0.12 | 1.0% |
| Aquafina | 1.5 Liter Bottle | \$13.22 | \$1.10 | \$13.22 | \$1.10 | \$0.00 | 0.0% |
| Aquafina | 24oz Bottle | \$16.59 | \$0.69 | \$16.59 | \$0.69 | \$0.00 | 0.0% |
| Aquafina Flavor Splash | 20oz Bottle | \$16.31 | \$0.68 | \$16.31 | \$0.68 | \$0.00 | 0.0% |
| O.N.E. | 6.75oz Carton | \$17.06 | \$2.13 | \$17.06 | \$2.13 | \$0.00 | 0.0% |
| O.N.E. | 8.5oz Carton | \$13.52 | \$1.13 | \$13.52 | \$1.13 | \$0.00 | 0.0% |
| O.N.E. | 11.2oz Carton | \$18.72 | \$1.56 | \$18.72 | \$1.56 | \$0.00 | 0.0% |
| O.N.E. | 16.9oz Carton | \$19.76 | \$1.65 | \$19.76 | \$1.65 | \$0.00 | 0.0% |
| O.N.E. | 1 Liter Carton | \$45.43 | \$3.79 | \$45.43 | \$3.79 | \$0.00 | 0.0% |
| Gatorade/G2 | 20oz Bottle | \$24.51 | \$1.02 | \$22.50 | \$0.94 | -\$2.01 | -8.2% |
| Gatorade/G2 | 24oz Bottle | \$27.77 | \$1.16 | \$27.77 | \$1.16 | \$0.00 | 0.0% |
| Gatorade/G2 | 32oz Bottle | \$17.87 | \$1.19 | \$18.04 | \$1.20 | \$0.17 | 1.0% |
| Gatorade/G2 | 16.9oz Bottle | \$21.42 | \$1.79 | \$21.42 | \$1.79 | \$0.00 | 0.0% |
| Gatorade | 4oz Package | \$23.24 | \$1.16 | \$23.24 | \$1.16 | \$0.00 | 0.0% |
| Gatorade Propel | 20oz Bottle | \$25.03 | \$1.04 | \$25.03 | \$1.04 | \$0.00 | 0.0% |
| Lipton Brisk | 1 Liter Bottle | \$10.20 | \$0.68 | \$10.20 | \$0.68 | \$0.00 | 0.0% |
| Lipton Brisk | 2 Liter Bottle | \$12.88 | \$1.61 | \$12.88 | \$1.61 | \$0.00 | 0.0% |
| Lipton | 20oz Bottle | \$21.37 | \$1.78 | \$20.50 | \$1.71 | -\$0.87 | -4.1% |
| Lipton | 1 Liter Bottle | \$20.02 | \$1.33 | \$20.02 | \$1.33 | \$0.00 | 0.0% |
| Lipton | 1.5 Liter Bottle | \$17.43 | \$1.45 | \$17.43 | \$1.45 | \$0.00 | 0.0% |
| Lipton Pureleaf | 18.5oz Bottle | \$14.06 | \$1.17 | \$14.06 | \$1.17 | \$0.00 | 0.0% |
| Lipton Natural | 20oz Bottle | \$16.20 | \$1.08 | \$16.20 | \$1.08 | \$0.00 | 0.0% |
| Lipton Tazo | 13.8oz Bottle | \$10.92 | \$0.91 | \$16.64 | \$1.39 | \$5.72 | 52.4% |
| Tropicana | 20oz Bottle | \$21.37 | \$0.89 | \$20.50 | \$0.85 | -\$0.87 | -4.1% |
| Tropicana | 2 Liter Bottle | \$12.88 | \$1.61 | \$12.88 | \$1.61 | \$0.00 | 0.0% |
| Tampico (12P) | 16oz Can | \$7.13 | \$0.59 | \$7.13 | \$0.59 | \$0.00 | 0.0% |
| Tampico (24P) | 16oz Can | \$14.25 | \$0.59 | \$14.25 | \$0.59 | \$0.00 | 0.0% |
| Tampico | 20oz Bottle | \$16.50 | \$0.69 | \$16.50 | \$0.69 | \$0.00 | 0.0% |
| Tampico | 12oz Bottle | \$8.10 | \$0.68 | \$8.10 | \$0.68 | \$0.00 | 0.0% |
| Dole | 15.2oz Bottle | \$13.93 | \$1.16 | \$14.06 | \$1.17 | \$0.13 | 0.9% |
| Ocean Spray | 15.2oz Bottle | \$13.93 | \$1.16 | \$14.06 | \$1.17 | \$0.13 | 0.9% |
| SoBe Juice/Tea | 20oz Bottle | \$15.59 | \$1.30 | \$15.75 | \$1.31 | \$0.16 | 1.0% |
| SoBe Lifewater | 20oz Bottle | \$13.93 | \$1.16 | \$14.06 | \$1.17 | \$0.13 | 0.9% |
| Starbucks Refreshers | 12oz Can | \$16.50 | \$1.38 | \$16.50 | \$1.38 | \$0.00 | 0.0% |
| Starbucks Frappucino (12P) | 9.5oz Glass | \$18.28 | \$1.52 | \$18.28 | \$1.52 | \$0.00 | 0.0% |
| Starbucks Frappucino (24P) | 9.5oz Glass | \$36.25 | \$1.51 | \$36.56 | \$1.52 | \$0.31 | 0.9% |
| Starbucks Frappucino (12P) | 13.7oz Glass | \$22.27 | \$1.86 | \$22.17 | \$1.85 | -\$0.10 | -0.4% |

2012 Pepsi Beverages Company Pricing Letter

Effective through 12/1/2012 - 11/30/2014

RIVERSIDE CC; SC:E

| | | | | | | | |
|----------------------------------|-------------|---------|--------|---------|--------|----------|--------|
| Starbucks Double Shot (12P) | 6.5oz Can | \$20.47 | \$1.71 | \$20.47 | \$1.71 | \$0.00 | 0.0% |
| Starbucks Double Shot (24P) | 6.5oz Can | \$40.93 | \$1.71 | \$40.94 | \$1.71 | \$0.01 | 0.0% |
| SB Energy+Coffee | 15oz Can | \$21.70 | \$1.81 | \$21.70 | \$1.81 | \$0.00 | 0.0% |
| Seattle's Best Iced Coffee (12P) | 9.5oz Can | \$12.98 | \$1.08 | \$12.98 | \$1.08 | \$0.00 | 0.0% |
| Seattle's Best Iced Coffee (24P) | 9.5oz Can | \$24.34 | \$1.01 | \$25.96 | \$1.08 | \$1.62 | 6.7% |
| Muscle Milk | 14oz Bottle | \$29.87 | \$2.49 | \$30.16 | \$2.51 | \$0.29 | 1.0% |
| Rockstar (24P) | 16oz Can | \$39.52 | \$1.65 | \$37.50 | \$1.56 | -\$2.02 | -5.1% |
| Rockstar (24P) | 15oz Can | \$39.52 | \$1.65 | \$26.50 | \$1.10 | -\$13.02 | -32.9% |
| Rockstar (12P) | 12oz Can | \$14.35 | \$1.20 | \$14.35 | \$1.20 | \$0.00 | 0.0% |
| Rockstar (24P) | 12oz Can | \$28.70 | \$2.39 | \$28.70 | \$2.39 | \$0.00 | 0.0% |
| Rockstar (12P) | 24oz Can | \$24.96 | \$2.08 | \$25.96 | \$2.16 | \$1.00 | 4.0% |
| AMP/No Fear (12P) | 12oz Bottle | \$15.41 | \$1.28 | \$15.41 | \$1.28 | \$0.00 | 0.0% |
| AMP/No Fear (12P) | 16oz Can | \$20.55 | \$1.71 | \$20.55 | \$1.71 | \$0.00 | 0.0% |
| AMP/No Fear (12P) | 24oz Can | \$23.25 | \$1.94 | \$23.25 | \$1.94 | \$0.00 | 0.0% |

Fountain & Supplies

| Product | Package | Current Gallon Price | Current Box Price | New Gallon Price | New Box Price | \$ Chg | % Chg |
|-----------------|---------|----------------------|-------------------|------------------|---------------|---------|-------|
| Pepsi | 5G BIB | \$11.36 | \$56.80 | \$11.36 | \$56.80 | \$0.00 | 0.0% |
| Crush | 5G BIB | \$16.08 | \$80.40 | \$16.08 | \$80.40 | \$0.00 | 0.0% |
| Dr. Pepper | 5G BIB | \$16.08 | \$80.40 | \$16.08 | \$80.40 | \$0.00 | 0.0% |
| Mt. Dew | 5G BIB | \$11.36 | \$56.80 | \$11.36 | \$56.80 | \$0.00 | 0.0% |
| Manzanita Sol | 5G BIB | \$11.36 | \$56.80 | \$11.36 | \$56.80 | \$0.00 | 0.0% |
| Mug | 5G BIB | \$11.36 | \$56.80 | \$11.36 | \$56.80 | \$0.00 | 0.0% |
| Sierra Mist | 5G BIB | \$11.36 | \$56.80 | \$11.36 | \$56.80 | \$0.00 | 0.0% |
| West | 5G BIB | \$11.36 | \$56.80 | \$11.36 | \$56.80 | \$0.00 | 0.0% |
| Mirinda | 5G BIB | \$11.36 | \$56.80 | \$11.36 | \$56.80 | \$0.00 | 0.0% |
| CSD | 3G BIB | \$11.67 | \$35.01 | \$11.67 | \$35.01 | \$0.00 | 0.0% |
| Lipton Brisk | 5G BIB | \$11.36 | \$56.80 | \$11.36 | \$2.27 | \$0.00 | 0.0% |
| Lipton Iced Tea | 3G BIB | \$15.60 | \$46.80 | \$15.00 | \$45.00 | -\$0.60 | -3.8% |
| Tropicana | 5G BIB | \$11.36 | \$56.80 | \$11.36 | \$56.80 | \$0.00 | 0.0% |
| SoBe | 3G BIB | \$16.87 | \$50.61 | \$16.87 | \$50.61 | \$0.00 | 0.0% |
| Gatorade | 3G BIB | \$16.87 | \$50.61 | \$20.60 | \$61.80 | \$3.73 | 22.1% |
| Dole | 1G BIB | \$24.66 | \$24.66 | \$26.00 | \$26.00 | \$1.34 | 5.4% |

| Product | Package | Current Price | Current Unit Price | New Price | New Unit Price | \$ Chg | % Chg |
|-----------------|---------|---------------|--------------------|-----------|----------------|---------|-------|
| Cups (1,000c) | 16oz | \$60.83 | \$0.06 | \$60.83 | \$0.06 | \$0.00 | 0.0% |
| DP Cups (1,000) | 22oz | \$65.50 | \$0.07 | \$65.50 | \$0.07 | \$0.00 | 0.0% |
| Cups (1,000c) | 24oz | \$52.64 | \$0.05 | \$65.60 | \$0.07 | \$12.96 | 24.6% |
| Cups (480c) | 32oz | \$43.87 | \$0.09 | \$43.87 | \$0.09 | \$0.00 | 0.0% |
| Cups (480c) | 44oz | \$51.47 | \$0.11 | \$51.47 | \$0.11 | \$0.00 | 0.0% |
| Lids (2,000c) | 12oz | \$51.47 | \$0.03 | \$51.47 | \$0.03 | \$0.00 | 0.0% |
| Lids (2,000c) | 16oz | \$51.47 | \$0.03 | \$51.47 | \$0.03 | \$0.00 | 0.0% |
| Lids (2,000c) | 22oz | \$51.47 | \$0.03 | \$51.47 | \$0.03 | \$0.00 | 0.0% |
| Lids (2,000c) | 24oz | \$51.47 | \$0.03 | \$51.47 | \$0.03 | \$0.00 | 0.0% |
| Lids (960c) | 32oz | \$42.11 | \$0.04 | \$42.11 | \$0.04 | \$0.00 | 0.0% |
| Lids (960c) | 44oz | \$42.11 | \$0.04 | \$42.11 | \$0.04 | \$0.00 | 0.0% |



Exhibit B

Facilities & Printing Advertising and Additional Rights to be Provided to Pepsi

A. Facilities and Print Advertising.

- (1) Facilities Advertising.
Such advertising as may be mutually agreed upon between the parties
- (2) Print Advertising.
Such advertising as may be mutually agreed upon between the parties

B. Additional Rights.

- (1) Tickets and Hospitality.

Customer will provide Pepsi during the Term with tickets to athletic and other events conducted at the Facilities as reasonably requested by Pepsi from time to time during the Term.



Agenda Item (IV-D-3)

| | |
|--------------------|--|
| Meeting | 11/7/2012 - Committee/Regular Board |
| Agenda Item | Committee - Resources (IV-D-3) |
| Subject | 2011-2012 Proposition 39 Financial and Performance Audits |
| College/District | District |
| Funding | N/A |
| Recommended Action | It is recommended that the Board of Trustees receive the Proposition 39 independent financial and performance audits of the District's Measure C general obligation bonds for the year ended June 30, 2012 for the permanent file of the District. |

Background Narrative:

Background information relative to the 2011-2012 Proposition 39 independent financial and performance audits of the District's Measure C general obligation bonds is attached.

Prepared By: Jim Buysse, Vice Chancellor, Administration & Finance
Aaron Brown, Associate Vice Chancellor, Finance
Bill Bogle, Controller

Attachments:

[2011-2012 Proposition 39 Financial and Performance Audits Background Information](#)

2012-2012 Proposition 39 Financial and Performance Audits November 7, 2012

In accordance with the provisions of Proposition 39, independent financial and performance audits of the Measure C general obligation bonds were performed by Vicenti, Lloyd and Stutzman LLP. The audit report was presented to the Citizens Bond Oversight Committee at its regularly scheduled meeting on October 11, 2012. A representative of the audit firm will be available to present and discuss the reports. Results of the audits are summarized below.

Auditor's Opinion

The auditors have issued unqualified opinions for both the Financial and Performance Audits; excerpts of which are as follows:

Financial Audit - "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations for the General Obligation Bond Funded Capital Outlay Projects of the Riverside Community College District as of June 30, 2012, in conformity with accounting principles generally accepted in the United States of America."

Performance Audit - "The results of our tests indicated that, in all significant respects, Riverside Community College District expended Measure C General Obligation Bond funds for the year ended June 30, 2012 only for the specific projects developed by the District's Board of Trustees, and approved by the voters in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution."

Audit Findings

There were no findings or questioned costs related to the audits of the Measure C general obligation bonds for the year ended June 30, 2012.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

RIVERSIDE COUNTY

**REPORT ON PROPOSITION 39 FUNDING
FINANCIAL AND PERFORMANCE AUDITS**

June 30, 2012

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**REPORT ON PROPOSITION 39 FUNDING
FINANCIAL AND PERFORMANCE AUDITS**

June 30, 2012

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**INDEPENDENT AUDITOR'S REPORT ON
PROPOSITION 39 GENERAL OBLIGATION BOND
FUNDED CAPITAL OUTLAY PROJECTS**

The Board of Trustees
The Measure C Citizens' Bond Oversight Committee
Riverside Community College District
Riverside, California

We have audited the accompanying Balance Sheet, Statement of Revenues, Expenditures and Change in Fund Balance and Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual for the General Obligation Bond Funded Capital Outlay Projects of the Riverside Community College District (the District) as of and for the fiscal year ended June 30, 2012. These statements are the responsibility of the District's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit of the General Obligation Bond Funded Capital Outlay Projects in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements for the General Obligation Bond Funded Capital Outlay Projects are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the General Obligation Bond Funded Capital Outlay Projects financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations for the General Obligation Bond Funded Capital Outlay Projects of the Riverside Community College District as of June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

The Board of Trustees
The Measure C Citizens' Bond Oversight Committee
Riverside Community College District
Riverside, California

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2012 on our consideration of the Riverside Community College District's internal control over the General Obligation Bond Funded Capital Outlay Projects financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over the General Obligation Bond Funded Capital Outlay Projects financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



VICENTI, LLOYD & STUTZMAN LLP

September 27, 2012

RIVERSIDE COMMUNITY COLLEGE DISTRICT

BALANCE SHEET

GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS

June 30, 2012

ASSETS

| | |
|-------------------------|-----------------------------|
| Cash in County Treasury | \$ 90,583,545 |
| Accounts Receivable | 146,585 |
| Due from Other Funds | <u>1,335</u> |
| TOTAL ASSETS | <u>\$ 90,731,465</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|--------------------------|-------------------------|
| Accounts Payable | \$ 4,428,838 |
| Due to Other Funds | <u>27,382</u> |
| TOTAL LIABILITIES | <u>4,456,220</u> |

FUND BALANCE

| | |
|---------------------------|--------------------------|
| Restricted | <u>86,275,245</u> |
| TOTAL FUND BALANCE | <u>86,275,245</u> |

| | |
|---|-----------------------------|
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 90,731,465</u> |
|---|-----------------------------|

The accompanying notes are an integral part of the financial statements.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

For the Fiscal Year Ended June 30, 2012

REVENUES

Revenue from Local Sources

| | |
|--------------------------------|----------------|
| Contributions | \$ 101,048 |
| Interest and Investment Income | <u>496,430</u> |

| | |
|-----------------------|-----------------------|
| TOTAL REVENUES | <u><u>597,478</u></u> |
|-----------------------|-----------------------|

EXPENDITURES

| | |
|---------------------|-------------------|
| Classified Salaries | 283,960 |
| Benefits | 106,894 |
| Other Services | 825,239 |
| Capital Outlay | <u>36,273,080</u> |

| | |
|---------------------------|--------------------------|
| TOTAL EXPENDITURES | <u><u>37,489,173</u></u> |
|---------------------------|--------------------------|

| | |
|--|--------------|
| Deficiency of revenues over expenditures | (36,891,695) |
|--|--------------|

| | |
|-----------------------------------|--------------------|
| Fund Balance at Beginning of Year | <u>123,166,940</u> |
|-----------------------------------|--------------------|

| | |
|-----------------------------|-----------------------------|
| Fund Balance at End of Year | <u><u>\$ 86,275,245</u></u> |
|-----------------------------|-----------------------------|

The accompanying notes are an integral part of the financial statements.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS
 For the Fiscal Year Ended June 30, 2012**

| | <u>Budget *</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|-------------------------|----------------------|---|
| REVENUES | | | |
| Revenue from Local Sources | | | |
| Contributions | \$ - | \$ 101,048 | \$ 101,048 |
| Interest and Investment Income | <u>585,000</u> | <u>496,430</u> | <u>(88,570)</u> |
| TOTAL REVENUES | <u>585,000</u> | <u>597,478</u> | <u>12,478</u> |
| EXPENDITURES | | | |
| Classified Salaries | 479,180 | 283,960 | 195,220 |
| Benefits | 219,974 | 106,894 | 113,080 |
| Other Services | 854,128 | 825,239 | 28,889 |
| Capital Outlay | <u>116,136,585</u> | <u>36,273,080</u> | <u>79,863,505</u> |
| TOTAL EXPENDITURES | <u>117,689,867</u> | <u>37,489,173</u> | <u>80,200,694</u> |
| Deficiency of revenues over expenditures | <u>\$ (117,104,867)</u> | (36,891,695) | <u>\$ 80,213,172</u> |
| Fund Balance at Beginning of Year | | <u>123,166,940</u> | |
| Fund Balance at End of Year | | <u>\$ 86,275,245</u> | |

* The budget for revenues reflects estimated amounts to be received in the current year. The budget for expenditures reflects amounts remaining and available for current and subsequent years' expenditures and does not necessarily coincide with actual planned expenditures in the current year.

The accompanying notes are an integral part of the financial statements.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

FUND STRUCTURE

The Statement of Revenues, Expenditures, and Change in Fund Balance is a statement of financial activities of the General Obligation Bond Funded Capital Outlay Projects related to the current reporting period. Fund expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

BASIS OF ACCOUNTING

The General Obligation Bond Funded Capital Outlay Projects is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

During the year, Cash in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

BUDGET

The Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual includes a column entitled “Budget”. The amounts in this column represent the budget adopted by the Board of Trustees and all amendments throughout the year.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

FUND BALANCE CLASSIFICATION

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Riverside Community College District General Obligation Bond Funded Capital Outlay Projects does not currently have any nonspendable fund balance.

Restricted: Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Trustees. These amounts cannot be used for any other purpose unless the District Board of Trustees removes or changes the specified use by taking the same formal action (vote or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. Riverside Community College District General Obligation Bond Funded Capital Outlay Projects does not currently have any committed fund balance.

Assigned: Amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. Riverside Community College District General Obligation Bond Funded Capital Outlay Projects does not currently have any assigned fund balance.

Unassigned: The residual fund balance and all other spendable amounts. Riverside Community College District General Obligation Bond Funded Capital Outlay Projects does not currently have any unassigned fund balance.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

CAPITAL ASSETS AND LONG-TERM DEBT

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the General Obligation Bond Funded Capital Outlay Projects is determined by its measurement focus. The General Obligation Bond Funded Capital Outlay Projects are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the Balance Sheet. The reported fund balance is considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the General Obligation Bond Funded Capital Outlay Projects are accounted for in the basic financial statements of the Riverside Community College District.

NOTE 2 - DEPOSITS – CASH IN COUNTY TREASURY:

In accordance with Education Code Section 41001, the District maintains all of its cash in the Riverside County Treasury as part of the common investment pool. These pooled funds are carried at cost which may differ from fair value. The fair market value of the District’s deposits for the General Obligation Bond Funded Capital Outlay Projects in this pool as of June 30, 2012, as provided by the pool sponsor, was \$90,474,845.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, bankers’ acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the County are either secured by federal depository insurance or are collateralized. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012**

NOTE 3 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS:

There were no excesses of expenditures over appropriations by major object accounts.

NOTE 4 – BONDED DEBT:

On March 2, 2004, the voters of Riverside Community College District approved Measure C, a \$350 million bond measure designed to provide funds to improve facilities and safety at the Moreno Valley, Norco, and Riverside campuses.

The outstanding related bonded debt for the Riverside Community College District at June 30, 2012 is:

| <u>Issue Date</u> | <u>Interest Rate %</u> | <u>Maturity Date</u> | <u>Amount of Original Issue</u> | <u>Outstanding July 1, 2011</u> | <u>Issued Current Year</u> | <u>Redeemed Current Year</u> | <u>Outstanding June 30, 2012</u> |
|-------------------|------------------------|----------------------|---------------------------------|---------------------------------|----------------------------|------------------------------|----------------------------------|
| 2004A | 4.00-5.25% | 2030 | \$ 55,205,000 | \$ 3,475,000 | \$ | \$ 500,000 | \$ 2,975,000 |
| 2005 Refunding | 3.00-5.00% | 2025 | 58,386,109 | 50,626,109 | | 1,252,016 | 49,374,093 |
| 2007C | 4.00-5.00% | 2033 | 90,000,000 | 68,510,000 | | | 68,510,000 |
| 2010D | 2.36-5.53% | 2026 | 7,699,278 | 7,699,278 | | | 7,699,278 |
| 2010D-1 | 6.97-7.02% | 2040 | 102,300,000 | 102,300,000 | | | 102,300,000 |
| | | | <u>\$ 313,590,387</u> | <u>\$ 232,610,387</u> | <u>\$ -</u> | <u>\$ 1,752,016</u> | <u>\$ 230,858,371</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012**

NOTE 4 – BONDED DEBT: (continued)

Series A & B

In August 2004, the District issued the General Obligation Bonds, Series A in the amount of \$55,205,000. Series A Bonds were issued to finance the acquisition, construction, and modernization of property and school facilities and to refund the District’s outstanding Certificates of Participation (1993 Financing Project). Series B Bonds for \$9,795,000 were also issued in August 2004 to advance refund the District’s outstanding Certificates of Participation (2001 Refunding Project). The Series B Bonds were paid in full as of June 30, 2008.

The annual requirements to amortize Series A Bonds payable, outstanding as of June 30, 2012, are as indicated below:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|----------------------------|--------------------------|----------------------------|
| 2013 | \$ 620,000 | \$ 113,675 | \$ 733,675 |
| 2014 | 795,000 | 85,375 | 880,375 |
| 2015 | 1,000,000 | 49,475 | 1,049,475 |
| 2016 | 15,000 | 29,156 | 44,156 |
| 2017 | 15,000 | 28,463 | 43,463 |
| 2018-2022 | 120,000 | 126,650 | 246,650 |
| 2023-2027 | 215,000 | 83,681 | 298,681 |
| 2028-2030 | 195,000 | 16,638 | 211,638 |
| | <u>\$ 2,975,000</u> | <u>\$ 533,113</u> | <u>\$ 3,508,113</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012**

NOTE 4 – BONDED DEBT: (continued)

Refunding

In June 2005, the District issued the General Obligation Refunding Bonds, Series 2004A in the amount of \$58,386,109 to advance refund all or a portion of the outstanding principal amount of the District’s General Obligation Series A Bonds and to pay costs of issuance associated with the Bonds.

The annual requirements to amortize Refunding Bonds payable, outstanding as of June 30, 2012, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Accreted Interest Component</u> | <u>Total</u> |
|---------------------------------------|-----------------------------|-----------------------------|---|-----------------------------|
| 2013 | \$ 876,061 | \$ 2,298,250 | \$ 1,138,939 | \$ 4,313,250 |
| 2014 | 837,747 | 2,298,250 | 1,327,253 | 4,463,250 |
| 2015 | 797,240 | 2,298,250 | 1,517,760 | 4,613,250 |
| 2016 | 898,045 | 2,298,250 | 2,031,955 | 5,228,250 |
| 2017 | 3,165,000 | 2,219,125 | | 5,384,125 |
| 2018-2022 | 22,555,000 | 8,124,875 | | 30,679,875 |
| 2023-2025 | 20,245,000 | 1,583,375 | | 21,828,375 |
| | <u>\$ 49,374,093</u> | <u>\$ 21,120,375</u> | <u>\$ 6,015,907</u> | <u>\$ 76,510,375</u> |

Capital appreciation bonds were issued as part of the 2005 refunding issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Accreted interest accrued has been reflected in the long term debt balance on the District’s financial statements.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012**

NOTE 4 – BONDED DEBT: (continued)

Series C

In June 2007, the District issued the General Obligation Bonds, Series C in the amount of \$90,000,000. The bonds were issued to finance the repair, acquisition, construction, and equipping of certain district facilities, and to pay all legal, financial, and contingent costs in connection with the issuance of the Bonds.

The annual requirements to amortize Series C Bonds payable, outstanding as of June 30, 2012, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|-----------------------------|-----------------------------|------------------------------|
| 2013 | \$ | \$ 3,425,500 | \$ 3,425,500 |
| 2014 | | 3,425,500 | 3,425,500 |
| 2015 | | 3,425,500 | 3,425,500 |
| 2016 | | 3,425,500 | 3,425,500 |
| 2017 | | 3,425,500 | 3,425,500 |
| 2018-2022 | | 17,127,500 | 17,127,500 |
| 2023-2027 | 15,340,000 | 16,377,750 | 31,717,750 |
| 2028-2032 | 52,170,000 | 7,211,750 | 59,381,750 |
| 2033 | 1,000,000 | 25,000 | 1,025,000 |
| | <u>\$ 68,510,000</u> | <u>\$ 57,869,500</u> | <u>\$ 126,379,500</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
 GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2012**

NOTE 4 – BONDED DEBT: (continued)

Series D & D-1

In October 2011, the District issued General Obligation Bonds, Series D and D-1 in the amount of \$109,999,278. These bonds consisted of \$7,699,278 tax-exempt Series D bonds and \$102,300,000 in federally taxable Build America Bonds Series D-1. The Build America Bonds program was created by the American Recovery and Reinvestment Act to assist state and local governments in financing capital projects at lower borrowing costs and to stimulate the economy and create jobs.

The District elected to treat the Series D-1 bonds as “Build America Bonds” under Section 54AA of the Tax Code, and the Series D-1 Bonds be “qualified bonds” under Section 54AA(g)(2) of the Tax Code which make the District eligible for a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Series D-1 Bonds. The District will deposit the cash subsidy payments with the County to be credited to the Debt Service Fund for the Series D-1 Bonds. Cash subsidy payments are expected to be received contemporaneously with each interest payment date.

Debt service requirements for Series D Bonds are as follows:

| Year Ended June 30, | Principal | Accreted Interest | Total |
|--------------------------------|---------------------|------------------------------|----------------------|
| 2013 | \$ | \$ | \$ |
| 2014 | | | |
| 2015 | | | |
| 2016 | 216,214 | 158,786 | 375,000 |
| 2017 | 292,495 | 277,505 | 570,000 |
| 2018-2022 | 2,653,403 | 3,176,597 | 5,830,000 |
| 2023-2026 | 4,537,166 | 4,607,834 | 9,145,000 |
| | <u>\$ 7,699,278</u> | <u>\$ 8,220,722</u> | <u>\$ 15,920,000</u> |

Capital appreciation bonds were issued as part of the 2011 Series D issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Accreted interest accrued has been reflected in the long term debt balance on the District’s financial statements.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012**

NOTE 4 – BONDED DEBT: (continued)

Series D & D-1 (continued)

Debt service requirements for Series D-1 Build America Bonds are as follows:

| Year Ended June 30, | Principal | Interest | Total |
|--------------------------------|-----------------------|-----------------------|-----------------------|
| 2013 | \$ | \$ 7,164,193 | \$ 7,164,193 |
| 2014 | | 7,164,193 | 7,164,193 |
| 2015 | | 7,164,193 | 7,164,193 |
| 2016 | | 7,322,979 | 7,322,979 |
| 2017 | | 7,441,697 | 7,441,697 |
| 2018-2022 | | 38,997,562 | 38,997,562 |
| 2023-2027 | | 40,428,798 | 40,428,798 |
| 2028-2032 | 760,000 | 35,820,965 | 36,580,965 |
| 2033-2037 | 46,980,000 | 29,641,871 | 76,621,871 |
| 2038-2040 | 54,560,000 | 9,945,247 | 64,505,247 |
| | <u>\$ 102,300,000</u> | <u>\$ 191,091,698</u> | <u>\$ 293,391,698</u> |

NOTE 5 – COMMITMENTS AND CONTINGENCIES

A. Litigation

The District is a defendant in a pending liability lawsuit. At this early stage of the litigation and without concluding discovery, it is difficult to evaluate the likelihood of an unfavorable outcome. Any estimated possible judgment(s) against the District are unknown and are not reflected in these financial statements.

B. Purchase Commitments

As of June 30, 2012, the District was committed under various capital expenditure purchase agreements for bond projects in process totaling approximately \$70,159,000.



**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Trustees
The Measure C Citizens' Bond Oversight Committee
Riverside Community College District
Riverside, California

We have audited the Balance Sheet, Statement of Revenues, Expenditures and Change in Fund Balance and Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual for the General Obligation Bond Funded Capital Outlay Projects of the Riverside Community College District as of and for the fiscal year ended June 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Riverside Community College District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Riverside Community College District's internal control over the General Obligation Bond Funded Capital Outlay Projects financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the fund financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over General Obligation Bond Fund Capital Outlay Projects financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverside Community College District's General Obligation Bond Funded Capital Outlay Projects financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests of the General Obligation Bond Funded Capital Outlay Projects disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the District's Board of Trustees, the Citizens' Bond Oversight Committee and District management. It is not intended to be and should not be used by anyone other than these specified parties.



VICENTI, LLOYD & STUTZMAN LLP

September 27, 2012

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**FINANCIAL AUDIT
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2012**

There were no findings related to the financial audit of the General Obligation Bond Funded Capital Outlay Projects for the years ended June 30, 2012, and June 30, 2011.

**PERFORMANCE AUDIT OF THE GENERAL OBLIGATION BOND
FUNDED CAPITAL OUTLAY PROJECTS**



**INDEPENDENT AUDITOR'S REPORT
ON PROPOSITION 39 GENERAL OBLIGATION
BOND FUNDED CAPITAL OUTLAY PROJECTS
COMPLIANCE REQUIREMENTS**

The Board of Trustees
The Measure C Citizens' Bond Oversight Committee
Riverside Community College District
Riverside, California

We have conducted a performance audit of the Riverside Community College District (the "District"), Measure C General Obligation Bond funds for the year ended June 30, 2012.

We conducted our performance audit in accordance with *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives.

Our audit was limited to the objectives listed on page 20 of this report which includes determining the Riverside Community College District's compliance with the performance requirements for the Proposition 39 Measure C General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the Bonds and the net proceeds thereof. Management is responsible for the Riverside Community College District's compliance with those requirements.

Management of Riverside Community College District is responsible for establishing and maintaining effective internal control. Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal control of Riverside Community College District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on the internal control.

The results of our tests indicated that, in all significant respects, Riverside Community College District expended Measure C General Obligation Bond funds for the year ended June 30, 2012 only for the specific projects developed by the District's Board of Trustees, and approved by the voters in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

Vicenti, Lloyd & Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP

September 27, 2012

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
June 30, 2012**

BACKGROUND INFORMATION

In November, 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions. On March 2, 2004, the voters of Riverside Community College District approved Measure C, a \$350 million bond measure designed to provide funds to improve facilities and safety at the Moreno Valley, Norco, and Riverside campuses.

Pursuant to the requirements of Proposition 39, and related state legislation, the Board of Trustees of the District established a Citizens' Bond Oversight Committee and appointed its members. The principal purpose of the Citizens' Bond Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure C Bond authorization. The Citizens' Bond Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct, an annual independent performance audit to ensure that the proceeds of the bonds deposited into the General Obligation Bond Funded Capital Outlay Projects — Measure C Bond Program have been expended only for the authorized bond projects.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
June 30, 2012**

OBJECTIVES

The objectives of our performance audit were to:

- Document the expenditures charged to the Riverside Community College District Measure C General Obligation Bond Funded Capital Outlay Projects.
- Determine whether expenditures charged to the Measure C General Obligation Bond Funded Capital Outlay Projects have been made in accordance with the bond project list approved by the voters through the approval of Measure C in March 2004.
- Determine compliance with specific Education Code Sections related to oversight of bond expenditures.
- Note any incongruities or system weaknesses and provide recommendations for improvement.
- Provide the District Board of Trustees and the Measure C Citizens' Bond Oversight Committee with a performance audit as required under the provisions of the California Constitution and Proposition 39.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2011 to June 30, 2012. The expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other state or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2012 were not reviewed or included within the scope of our audit or in this report.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
June 30, 2012**

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure summary reports and detail prepared by the District for the period of July 1, 2011 to June 30, 2012 for the General Obligation Bond Funded Capital Outlay Projects — Measure C Bond Program. We also reviewed documentation, including the District website, for Compliance with Education Code Sections 15278-15282. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Proposition 39 and Measure C with regards to the approved bond projects list and performed the following procedures:

- We reviewed the projects listed to be funded with general obligation bond proceeds as set forth in the Measure C election documents.
- We selected a sample of expenditures for the fiscal year ended June 30, 2012 and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects.
- We verified that funds from the General Obligation Bond Funded Capital Outlay Projects — Measure C Bond Program were generally expended for the construction, reconstruction, acquisition, furnishing and equipping of District facilities constituting the authorized bond projects. In addition, we verified that funds held in the General Obligation Bond Funded Capital Outlay Projects — Measure C Bond Program were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
June 30, 2012**

CONCLUSION

The results of our tests indicated that, in all significant respects, the Riverside Community College District has properly accounted for the expenditures of the funds held in the Bond Funded Capital Outlay Projects — Measure C Bond Program and that such expenditures were made for authorized bond projects. Further, it was noted that the funds held in the Bond Funded Capital Outlay Projects — Measure C Bond Program and expended by the District, were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2012**

There were no findings related to the performance audit for the fiscal years ended June 30, 2012, and June 30, 2011.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
BOND PROJECT SUMMARY
June 30, 2012**

The District has identified the following projects to be funded with proceeds from the general obligation bonds. The District incurred costs of \$194,155,728 through June 30, 2012 for these construction projects. Capital outlay and other financing expenditures were as follows:

| | BUDGET | TOTAL PROJECT COSTS THROUGH June 30, 2011 | 2012 ACTUAL COSTS | TOTAL PROJECT COSTS THROUGH June 30, 2012 |
|--|---------------|---|-------------------------|---|
| Parking Structure - Riverside | \$ 20,940,662 | \$ 20,940,661 | \$ | \$ 20,940,661 |
| PE Complex / Athletic Field Phase I - Riverside | 4,516,435 | 4,516,435 | | 4,516,435 |
| Lovekin Complex (Swing Space) | 3,958,308 | 3,958,308 | | 3,958,308 |
| Quad Modernization Project | 8,918,800 | 8,934,677 | 50,890 | 8,985,567 |
| RCC System Office - Purchase Option | 2,629,982 | 2,629,982 | | 2,629,982 |
| MLK Renovation | 1,010,614 | 1,010,614 | | 1,010,614 |
| Bridge Space Project | 1,175,132 | 1,175,132 | | 1,175,132 |
| Phase III - Norco | 9,620,416 | 9,568,372 | 146,977 | 9,715,349 |
| District Computer / Network / Phone Upgrades | 1,351,043 | 1,306,498 | 36,668 | 1,343,166 |
| Scheduled Maintenance - District Match for State Allocation | 1,403,045 | 1,403,045 | | 1,403,045 |
| Administration Building Remodel | 186,100 | 186,100 | | 186,100 |
| Business Education Building Remodel | 129,325 | 129,325 | | 129,325 |
| Nursing / Sciences Building Riverside | 18,272,600 | 10,215,702 | 5,800,395 | 16,016,097 |
| Phase III - Moreno Valley | 5,393,265 | 1,318,285 | 1,148,530 | 2,466,815 |
| Physical Education Phase II | 13,738,332 | 5,984,465 | 7,328,861 | 13,313,326 |
| Feasibility and Planning | 1,171,554 | 762,611 | 286,867 | 1,049,478 |
| Innovative Learning Center | 7,399,505 | 7,399,410 | 95 | 7,399,505 |
| Moreno Valley Secondary Effects | 286,227 | 286,226 | | 286,226 |
| Norco Campus Room Renovations | 100,020 | 100,019 | | 100,019 |
| Riverside Food Services Remodel | 987,705 | 987,705 | | 987,705 |
| Moreno Valley Food Services Remodel | 2,654,335 | 2,654,337 | (4,729) | 2,649,608 |
| Infrastructure Studies Project | 484,414 | 484,414 | | 484,414 |
| Moreno Valley Hot Water Loop System | 869,848 | 869,848 | | 869,848 |
| Emergency Phones Installation Project | 379,717 | 379,717 | | 379,717 |
| Noresco Utility Retrofit Improvement | 6,181,188 | 6,181,189 | | 6,181,189 |
| Modular Redistribution Norco/MoVal/BC/Riv | 8,431,362 | 8,431,361 | | 8,431,361 |
| ECS Upgrade/Retrofit Norco/MoVal | 389,561 | 389,561 | | 389,561 |
| PBX Operations Center Riv/Nor/MV | 15,227,201 | 1,553,698 | 1,137,227 | 2,690,925 |
| Phys/Life Science Secondary Effects StSvc | 152,500 | 151,000 | 1,500 | 152,500 |
| Norco Campus Student Support Center | 15,635,918 | 15,592,511 | 2,406 | 15,594,917 |
| Staff Costs | 1,588,166 | 896,510 | 338,009 | 1,234,519 |
| Long Range Master Plan Project | 1,439,077 | 1,439,077 | | 1,439,077 |
| Construction Management Services | 232,775 | 210,331 | | 210,331 |
| Logic Domain CPMX | 124,125 | 114,750 | 9,375 | 124,125 |
| Aquatic Pool Project | 11,028,683 | 10,799,591 | 19,286 | 10,818,877 |
| Norco Soccer Field | 3,904,973 | 3,850,500 | 28,814 | 3,879,314 |
| Moreno Valley Parking Structure | 5,269,307 | 4,917,775 | 175,312 | 5,093,087 |
| Bradshaw Building Electrical | 366,353 | 366,353 | | 366,353 |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
 GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
 BOND PROJECT SUMMARY
 June 30, 2012**

| | BUDGET | TOTAL PROJECT COSTS THROUGH June 30, 2011 | 2012 ACTUAL COSTS | TOTAL PROJECT COSTS THROUGH June 30, 2012 |
|---|------------|--|-------------------|--|
| Quad Basement Remodel | 467,500 | 68,664 | 284,277 | 352,941 |
| Black Box Theatre Remodel | 10,955 | 10,955 | | 10,955 |
| Technology Building - A | 11,375 | 11,375 | | 11,375 |
| Center for Health, Wellness and Kinesiology | 83,000 | 83,000 | | 83,000 |
| Health Science Center | 164,971 | 164,970 | | 164,970 |
| ADA Transition Plan | 6,360,000 | 742,422 | 200,548 | 942,970 |
| March Dental Education Center | 10,700,181 | 4,934,804 | 4,923,292 | 9,858,096 |
| Norco Secondary Effects Project | 16,044,292 | 3,436,321 | 10,516,574 | 13,952,895 |
| Utility Infrastructure Upgrade Project | 6,200,000 | 456,326 | 262,623 | 718,949 |
| Norco Campus Safety & Site Improvement Project | 967,442 | 903,398 | 64,044 | 967,442 |
| Moreno Valley Campus Safety & Site Improvement Project | 719,827 | 719,827 | | 719,827 |
| Moreno Valley Campus Administrative Move to Humanities | 25,990 | 25,990 | | 25,990 |
| Moreno Valley Campus Science Laboratories Remodel | 500,000 | 143,425 | 44,335 | 187,760 |
| Ben Clark Public Safety Training Center Project | 84,500 | 46,125 | 7,000 | 53,125 |
| Riverside Interim Parking Lease | 177,023 | 177,004 | 19 | 177,023 |
| Moreno Valley Center for Human Performance | 103,559 | 103,559 | | 103,559 |
| Riverside Cosmetology Building | 139,000 | 136,000 | 3,000 | 139,000 |
| Alumni Carriage House Restoration Project | 150,000 | 19,682 | 94,547 | 114,229 |
| District Wide IT Audit | 5,840,000 | 178,606 | 1,129,880 | 1,308,486 |
| District Culinary Arts / District Office Building | 32,866,261 | 619,834 | 1,898,558 | 2,518,392 |
| Parking Structure Fall Deterrent | 7,576 | 7,576 | | 7,576 |
| Nursing Portables | 705,338 | 705,338 | | 705,338 |
| Central Plant Boiler Project | 161,848 | 161,847 | | 161,847 |
| DSA Project Closures | 75,000 | 5,660 | 1,774 | 7,434 |
| Scheduled Maintenance - New | 1,680,000 | 390,367 | 601,558 | 991,925 |
| Electronic Contract Document Storage | 50,000 | | | |
| 2010 IPP/FPP District | 647,200 | | | |
| Program Contingency | 4,242,897 | | | |
| Program Reserve | 6,656,746 | | | |
| District Design Standards | 355,000 | 40,500 | 259,479 | 299,979 |
| Moreno Valley Learning Center | 127,000 | 127,000 | | 127,000 |
| Student Services and Workforce Development Bldg. | 27,730,875 | | | |
| Lovekin Parking/Tennis Project | 3,378,125 | | | |
| Food Services "grab-n-go" Facility Project | 891,000 | | | |
| Master Plan Updates | 927,000 | 15,400 | 111,675 | 127,075 |
| Swing Space - Market Street Properties | 484,500 | 129,989 | 125,078 | 255,067 |
| Groundwater Monitoring Wells | 100,000 | 4,496 | 60,430 | 64,926 |
| Emergency Phone Project - Moreno Valley | 450,000 | | 280,379 | 280,379 |
| Self-Generation Incentive Program- Norco | 10,000 | | 9,000 | 9,000 |
| Physicians Assistant Laboratory Remodel - Moreno Valley | 120,000 | | 7,720 | 7,720 |
| Visual and Performing Arts Center - Norco | 114,000 | | 96,900 | 96,900 |
| Audio Visual Upgrade Project - Moreno Valley | 200,000 | | | |
| Mechanical Upgrade Project - Moreno Valley | 875,000 | | | |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT
 GENERAL OBLIGATION BOND FUNDED CAPITAL OUTLAY PROJECTS**

**PROPOSITION 39 PERFORMANCE AUDIT
 BOND PROJECT SUMMARY
 June 30, 2012**

| | <u>BUDGET</u> | <u>TOTAL PROJECT COSTS THROUGH June 30, 2011</u> | <u>2012 ACTUAL COSTS</u> | <u>TOTAL PROJECT COSTS THROUGH June 30, 2012</u> |
|--|-----------------------|--|----------------------------------|--|
| Coil School for the Arts | 24,280,000 | | | |
| Coil School for the Arts - Parking Structure | 1,456,076 | | | |
| Total Capital Outlay | <u>334,889,630</u> | <u>156,666,555</u> | <u>37,489,173</u> | <u>194,155,728</u> |
| Series A Refunding Escrow | 57,686,474 | 57,686,474 | | 57,686,474 |
| COPS Payoffs | 11,582,875 | 11,582,873 | | 11,582,873 |
| Costs of issuance | 2,839,859 | 2,839,858 | | 2,839,858 |
| Debt service | 2,835,612 | 2,835,612 | | 2,835,612 |
| Election costs | 98,236 | 98,236 | | 98,236 |
| Total Other Financing Uses | <u>75,043,056</u> | <u>75,043,053</u> | <u>-</u> | <u>75,043,053</u> |
| TOTALS | <u>\$ 409,932,686</u> | <u>\$ 231,709,608</u> | <u>\$ 37,489,173</u> | <u>\$ 269,198,781</u> |



October 11, 2012

The Board of Trustees
The Measure C Citizens' Bond Oversight Committee
Riverside Community College District
Riverside, California

This letter is intended to ensure that the Board of Trustees and the Measure C Citizens' Bond Oversight Committee of Riverside Community College District (the "District") receives additional information regarding the scope and results of the audit of the General Obligation Bond Funded Capital Outlay Projects that may assist in overseeing the financial reporting and disclosure process for which management is responsible. These communications relate to the financial statement audit of the General Obligation Bond Funded Capital Outlay Projects that has been performed by Vicenti, Lloyd & Stutzman LLP ("VLS") for the year ended June 30, 2012, and other relevant information relating to VLS' relationship with the District. Our objective is to communicate certain information that is required to be communicated to those charged with governance by professional auditing standards.

The following summarizes various matters which must be communicated to you under auditing standards generally accepted in the United States of America.

The Auditor's Responsibility under Applicable Auditing Standards

Our audit of the financial statements of the General Obligation Bond Funded Capital Outlay Projects for the year ended June 30, 2012 was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplished that objective.

Qualitative Aspects of Accounting Practices

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The significant accounting policies used by the District are described in Note 1 to the financial statements. The District did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period which should be brought to

2210 E. Route 66, Suite 100, Glendora, CA 91740

Tel 626.857.7300 | Fax 626.857.7302 | E-Mail INFO@VLSLLP.COM | Web WWW.VLSLLP.COM

Riverside Community College District
October 11, 2012
Page 2

your attention for approval. No significant or unusual transactions or significant accounting policies related to controversial or emerging areas for which there is a lack of authoritative guidance or consensus were noted. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses its knowledge and experience about past and current events, and certain assumptions about future events. Management has informed us it used all the relevant facts available at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Estimates significant to the financial statements include such items as establishing the accruals of receivables and liabilities. We believe management's estimates are reasonable, based on our audit. However, estimates are subject to change because of future events, and the ultimate amounts realized may differ from those provided.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

There were no difficulties encountered in dealing with management in performing and completing both the financial and performance audits.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no audit adjustments made to the original trial balance presented to us.

We accumulated no uncorrected misstatements for the fiscal year ended June 30, 2012.

Disagreement with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the audit report. We are pleased to report that we encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments or any significant matters.

Management Representations

We have requested certain representations from management including but not limited to the fair presentation of the financial statements, application of generally accepted accounting principles and management's responsibility for establishing and maintaining effective internal controls. These as well as other representations are included in the management representation letter dated September 27, 2012.

Riverside Community College District
October 11, 2012
Page 3

Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. We are not aware of any consultations management had with other accountants about auditing and accounting matters related to the General Obligation Bond Funded Capital Outlay Projects.

Other Information in Documents Containing Audited Financial Statements

We are not aware of other documents that contain the audit report of the General Obligation Bond Funded Capital Outlay Projects. When such documents are to be published, such as an Annual Report, we have a responsibility to determine that such financial information is not materially inconsistent with the audited statements of the General Obligation Bond Funded Capital Outlay Projects.

Other Audit Findings or Issues

No management letter was issued related to the audit of the General Obligation Bond Funded Capital Outlay Projects for the year ended June 30, 2012.

No major issues were discussed with management prior to our recurring retention to perform the aforementioned audit.

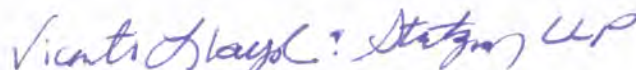
Independence

Vicenti Lloyd & Stutzman LLP is independent with respect to the District. Our quality control processes are established to ensure our continuing independence.

Closing

We will be pleased to respond to any questions you have about the foregoing. If you would like any information or would like to discuss any of the matters raised, please do not hesitate to contact Renee Graves or Patricia Stover at (626) 857-7300. We appreciate the opportunity to continue to be of service to Riverside Community College District.

This letter is intended solely for the information and use of the Board of Trustees, Measure C Citizens' Bond Oversight Committee, management and others within the District and is not intended to be and should not be used by anyone other than these specified parties.


VICENTI, LLOYD & STUTZMAN LLP



Agenda Item (IV-D-4)

| | |
|--------------------|--|
| Meeting | 11/7/2012 - Committee/Regular Board |
| Agenda Item | Committee - Resources (IV-D-4) |
| Subject | Recommended Firms for Furniture, Fixtures and Equipment (FF&E) Consulting Services |
| College/District | District |
| Funding | N/A |
| Recommended Action | It is recommended that the Board of Trustees approve the list of prequalified furniture, fixtures and equipment consulting firms: Dovetail Decision Consultants, Inc., HMC Architects, NTD Architecture, and Pal Id Studio, Inc. |

Background Narrative:

The District's colleges have engaged consulting firms on an "as needed" basis to assist with the furniture, fixtures and equipment (FF&E) phase of facility projects. The consultants assisted with the selection of furniture; the layout of furniture within the facility; design specifications; delivery schedules; and installation, coordination and inspection. Prior to the use of such FF&E consultants, college personnel assumed these responsibilities.

Typically, the FF&E consultants were engaged in the later stages of a facility project. However, it is considered more effective to have these consultants as active participants during all phases of the lifecycle development of a project, including the initial design phase. Thus, it is deemed necessary to establish a list of qualified FF&E consultants from which cost proposals can be obtained and a firm engaged during the initial phase of a facility project. The establishment of a pre-qualified list of FF&E consultants will allow for a fair and competitive selection process.

On July 9, 2012 the Riverside Community College District advertised a Request for Qualifications (RFQ) for the purpose of establishing a list of pre-qualified FF&E consulting firms for new and renovation facility projects. This list will be used to solicit fee proposals and negotiate contracts to perform project specific FF&E consulting assignments.

On August 6, 2012, six (6) statements of qualifications were received. Firm qualifications were evaluated by the members of the FF&E Review Committee as follows:

David Bobbitt Moreno Valley/Norco Colleges – Interim Vice President, Business Services
Linda Wright Norco College – Administrative Assistant IV, Business Services
Laurens Thurman District - Consultant
Chris Carlson District – Chief of Staff
Orin Williams District – Associate Vice Chancellor, Facilities Planning and Development
Bart Doering District – Director, Construction (Moreno Valley Colleges)
John Baker District – Interim Director, Construction (Riverside City College)
Majd Askar District – Manager, Purchasing

Staff presents to the Board of Trustees four (4) firms who have been selected to be included in the list of pre-qualified FF&E consulting firms.

Prepared By: Jim Buysse, Vice Chancellor, Administration & Finance
Orin Williams, Associate Vice Chancellor, Facilities Planning & Development
David Bobbitt, Interim Vice President, Business Services (MVC/NC)
Majd Askar, Purchasing Manager

Attachments:

[20121106_FFE_Consulting_Services_List.pdf](#)

RIVERSIDE COMMUNITY COLLEGE DISTRICT

**Furniture, Fixtures and Equipment (FF&E) Consulting Services
List of Recommended Firms**

Firm

Location

Dovetail Decision Consultants, Inc.
HMC Architects
NTD Architecture
Pal Id Studio, Inc.

San Anselmo
Ontario
San Diego
Fullerton



Agenda Item (IV-E-1)

| | |
|--------------------|---|
| Meeting | 11/7/2012 - Committee/Regular Board |
| Agenda Item | Committee - Facilities (IV-E-1) |
| Subject | Amendment 6 for Norco Secondary Effects with Hill Partnership, Inc. |
| College/District | Norco |
| Funding | College Allocated Measure C Funds |
| Recommended Action | It is recommended that the Board of Trustees approve Amendment 6 with Hill Partnership, Inc., in the amount of \$6,500, for additional architectural and engineering services, and approval of future amendments within the project budget. |

Background Narrative:

Staff requests approval of Amendment 6 with Hill Partnership, Inc. (HPI) in an amount not to exceed \$6,500 for additional architectural and structural engineering services for redesign of canopy connection to the concrete support structure for Building A and verify non-structural slab-on-grade for Building G, including all future amendments for additional cost or extended time, with the understanding that said amendment costs are within the Board approved project budget, and authorize the Vice Chancellor of Administration and Finance to sign the agreement, and any amendments for additional cost or time.

Amendment 6 is attached for the Board's review and consideration. The HPI agreement, including the amendments and reimbursable expenses, totals \$982,192.60.

Requested amendment is within the original project budget approved by the Board of Trustees, and will be paid from project contingency.

Prepared By: Paul Parnell, President, Norco College
David Bobbitt, Interim Vice President, Business Services (MVC/NC)
Laurens Thurman, District Consultant
Orin Williams, Associate Vice Chancellor, Facilities Planning & Development

Attachments:

[20121107_Amendment 6_HPI](#)

SIXTH (6) AMENDMENT TO AGREEMENT
BETWEEN
RIVERSIDE COMMUNITY COLLEGE DISTRICT
AND
HILL PARTNERSHIP, INC.
(Secondary Effects Project – Norco College)

This document amends the original agreement and amendments between the Riverside Community College District and Hill Partnership, Inc., which was originally approved by the Board of Trustees on May 19, 2009.

The agreement is hereby amended as follows:

Additional compensation of this amended agreement shall not exceed \$6,500.00 including reimbursable expenses, totaling agreement to \$982,192.60. The term of this agreement shall be from the original agreement date of May 20, 2009, to the extended estimated completion date of May 31, 2013. Payments and final payment shall coincide with original agreement.

Additional scope of work shall be provided in Exhibit I, Attached.

All other terms and conditions of the original agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 6 as of the date written below.

HILL PARTNERSHIP, INC.

RIVERSIDE COMMUNITY COLLEGE
DISTRICT

By: _____

Lawrence A. Frapwell
President
115 Twenty-Second Street
Newport Beach, CA 92663

By: _____

James L. Buysse
Vice Chancellor
Administration and Finance

Date: _____

Date: _____

Exhibit I

Project: Secondary Effects at Norco College

SCOPE REVISIONS

Provide architectural and structural engineering design services for the following:

1. Prepare structural calculations and/or detailing as required for the redesign of the steel canopy connection in Bldg. A to the concrete support structure as proposed by contractor. (Per Myers Houghton Partners' proposal dated 3/19/12)
2. Process Field Change Directive to Division of the State Architect.
3. Prepare structural calculations to verify that the existing steel moment frames in Bldg. G does not rely on the slab for resistance to sliding. (Per Myers Houghton Partner's proposal dated 5/12/2011)
4. Process Field Change Directive to Division of the State Architect
5. Coordination of engineering disciplines.

COMPENSATION

Services outlined above are on a fixed fee basis of \$6,500.00 as outlined below:

Structural Engineering (MHP)

Fixed Fee of \$5,000.00 x 1.1 = \$5,500.00

Architectural Services (HPI)

Project Architect (PA) 8 hrs. x \$125.00 = \$1,000.00

Total Additional Services for Amendment 6: \$6,500.00



Agenda Item (IV-E-2)

| | |
|--------------------|---|
| Meeting | 11/7/2012 - Committee/Regular Board |
| Agenda Item | Committee - Facilities (IV-E-2) |
| Subject | Amendment 1 for Norco Facilities Master Plan Update with HMC Architects and Project Budget Augmentation in the amount of \$48,300 |
| College/District | Norco |
| Funding | District Wide Measure C Funds |
| Recommended Action | It is recommended that the Board of Trustees: 1) approve Amendment 1 with HMC Architects in the amount of \$48,300, for additional landscape planning design; 2) approve future amendments within the project budget; 3) and approve an increase to the budget in the amount of \$48,300. |

Background Narrative:

Staff requests approval of Amendment 1 with HMC Architects in an amount not to exceed \$48,300 for additional services to include landscape planning design within the Norco Facilities Master Plan Update contract. With the amendment, the project will include preparation of site master plan recommendations for the exterior spaces on campus including sport facilities, parking facilities, gardens, courtyards, outdoor classrooms and the perimeter areas. The HMC agreement, including the amendment and reimbursable expenses, will then total \$178,300.

The contract amendment includes language to provide for future amendments for additional cost or extended time so long as amendments are within the approved project budget.

The Capital Program Executive Summary (CPES) identified \$927,000 in District-wide Measure C funds for Master Plan Updates for all three colleges. The project budget and amendment are funded under these district wide Measure C funds.

Prepared By: Paul Parnell, President, Norco College
David Bobbitt, Interim Vice President, Business Services (MVC/NC)
Laurens Thurman, District Consultant
Orin Williams, Associate Vice Chancellor, Facilities Planning & Development

Attachments:

[20121107_Amendment 1_HMC](#)

FIRST (1) AMENDMENT TO AGREEMENT
BETWEEN
RIVERSIDE COMMUNITY COLLEGE DISTRICT
AND
HMC ARCHITECTS
(Facilities Master Plan Update – Norco College)

This document amends the original agreement between the Riverside Community College District and HMC Architects, which was originally approved by the Board of Trustees on May 15, 2012.

The agreement is hereby amended as follows:

Additional compensation of this agreement shall not exceed \$48,300 including reimbursable expenses, totaling agreement to \$178,300. The term of this agreement shall be from the original agreement date of May 16, 2012, to the extended estimated completion date of May 31, 2013.

Payments and final payment shall coincide with original agreement.

Additional scope of work shall be provided in Exhibit I, Attached.

All other terms and conditions of the original agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date written below.

CONSULTANT NAME

RIVERSIDE COMMUNITY COLLEGE
DISTRICT

By: _____

By: _____

Chris R. Taylor, AIA
Executive Vice President
3546 Concours Street
Ontario, CA 91764

James L. Buysse
Vice Chancellor
Administration and Finance

Date: _____

Date: _____

Exhibit I

Project: Facilities Master Plan Update at Norco College

SUMMARY

The project will add to the current Norco College Facilities Master Plan Update contract to include landscape planning design. The project will include preparation of site master plan recommendations for the exterior spaces on campus including sport facilities, parking facilities, gardens, courtyards, outdoor classrooms and the perimeter areas. The landscape plan will support the ideas set forth by the facilities master plan, and include schematic level design sketches, descriptive project narratives, and the submittal of inspirational precedent imagery.

SCOPE REVISIONS

Expanded services to provide Landscape Planning Design for the following:

1. Phase 1.0: Pre-Design

The purpose of this phase is to establish the design process, schedule, general budget, program requirements, and site constraints.

- Prepare basic assessment of exterior spaces on campus including landscape typology, atmosphere qualities, microclimate and usability, and identify the site main opportunities and constraints for the exterior spaces.
- Prepare site analysis diagrams and outline design issues.

2. Phase 2.0: Landscape Programming and Master Plan Development

This phase will be an interactive design process that includes meetings, design pin-ups, conceptual design discussions, and further definition of Norco College's needs.

- Develop landscape master plan options that focus on programming and spatial character of the outdoor environments. Specific areas of focus include:
 - Courtyards and seating areas
 - Amphitheater
 - Parking lots, plaza and arrival zones
 - Walkways and Site Entries
 - Sports Facilities
 - Perimeter landscape areas

The schematic concepts will be illustrated with sections, elevations, and image board(s) to describe the design intent.

- Develop preferred landscape master plan alternative with enlarged design studies of special features and key programming areas.
- Prepare design diagrams, narratives, and sketches of final landscape master plan.

3. Phase 3.0: Drainage and Stormwater Infrastructure Planning

The purpose of this phase is to assist in the planning of drainage and stormwater infrastructure to comply with the Federal Clean Water Act and current and future National Pollutant Discharge Elimination System (NPDES) Permit requirements.

- Review the existing conditions and as-built drawings.
- Provide a Technical Memorandum highlighting existing conditions, applicable requirements, and alternatives for the capture, reuse, infiltration, and treatment of stormwater runoff.

SCHEDULE

The schedule for the development of the landscape planning design will follow the project timeline established to date.

COMPENSATION

Services outlined above are on a fixed fee basis of \$48,300.



Agenda Item (IV-E-3)

| | |
|--------------------|--|
| Meeting | 11/7/2012 - Committee/Regular Board |
| Agenda Item | Committee - Facilities (IV-E-3) |
| Subject | Architectural Services Agreement for Student Services Building with HMC Architects |
| College/District | Riverside |
| Funding | College Allocated Measure C Funds |
| Recommended Action | It is recommended that the Board of Trustees approve the architectural services agreement with HMC Architects in an amount not to exceed \$1,715,680, and approve future amendments within the project budget. |

Background Narrative:

The College Revised Facility Master Plan was presented to the Board of Trustees, including an establishment of a project budget for the Student Services Building (SSB), on April 17, 2012.

Staff now recommends approval of an architectural services agreement with HMC Architects at a fixed fee amount of \$1,715,680 for the SSB project at Riverside City College, including all future amendments for additional cost or extended time, with the understanding that said amendment costs are within the Board approved project budget, and authorize the Vice Chancellor of Administration and Finance to sign the agreement, and any amendments for additional cost or time.

Said agreement includes services pertaining to programming and site selection, schematic design, design development, construction documents, Leadership in Energy and Environmental Design (LEED) certification, Division of the State Architect (DSA) approval, construction administration, Division of the State Architect certification of the project, and additional enhanced services. The entire agreement is attached for the Board's review and consideration.

Prepared By: Cynthia Azari, President, Riverside City College

Charlie Wyckoff, Acting Vice President, Business Services, RCC

Orin Williams, Associate Vice Chancellor, Facilities Planning & Development

John Baker, Interim-Director of Construction

Attachments:

[20121107_Agreement_HMC](#)

**ARCHITECTURAL SERVICES AGREEMENT BETWEEN
RIVERSIDE COMMUNITY COLLEGE DISTRICT
AND
HMC ARCHITECTS**

This AGREEMENT is made and entered into on October 17, 2012, by and between the RIVERSIDE COMMUNITY COLLEGE DISTRICT, hereinafter referred to as "DISTRICT", and HMC ARCHITECTS, hereinafter referred to as "ARCHITECT". This AGREEMENT shall include all terms and conditions set forth herein. The DISTRICT and the ARCHITECT are sometimes referred to herein individually as a "PARTY" and collectively as the "PARTIES". This AGREEMENT is made with reference to the following facts:

WHEREAS, DISTRICT desires to obtain architectural services for Student Services Building project, hereinafter referred to as "PROJECT", located at Riverside, California in the DISTRICT; and

WHEREAS, ARCHITECT understands that \$27,730,875 funding for this PROJECT is a condition precedent to the effectiveness of this AGREEMENT. If funding is not received for the PROJECT, this AGREEMENT is void except to the extent services have been rendered pursuant to DISTRICT authority; and

WHEREAS, ARCHITECT is fully licensed to provide architectural services in conformity with the laws of the State of California.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I – ARCHITECT’S SERVICES AND RESPONSIBILITIES

1. The ARCHITECT’s services shall consist of those services performed by the ARCHITECT and ARCHITECT’s employees and ARCHITECT’s consultants as enumerated in Articles II and III of this Agreement.

2. The ARCHITECT’s services shall be performed in a manner which is consistent with professional skill and care and the orderly progress of the work. The ARCHITECT represents that he/she will follow the standards of his/her profession in performing all services under this Agreement. Upon request of the DISTRICT, the ARCHITECT shall submit for the DISTRICT’s approval a schedule for the performance of the ARCHITECT’s services. The schedule may be adjusted as the PROJECT proceeds by mutual written agreement of the parties and shall include allowances for time required for the DISTRICT’s review and for approval by authorities having jurisdiction over the PROJECT. The time limits established by this schedule shall not, except for reasonable cause, be exceeded by the ARCHITECT.

3. The schematic design, design development and construction document services covered by this agreement shall be completed and submitted to the Division of the State ARCHITECT for review and approval as directed by the DISTRICT.

ARTICLE II – SCOPE OF ARCHITECT’S SERVICES

1. The ARCHITECT’s services include those described in this Article, Attachment “A”, and include structural, civil, mechanical and electrical engineering and landscape architecture services and any other services necessary to produce a reasonably complete and accurate set of Construction Documents defined as including, but not limited to, the following: The agreement between DISTRICT and contractor awarded the PROJECT (“Contractor”), general and supplementary conditions of the contract between DISTRICT and contractor, drawings, specifications, addenda and other documents listed in the agreement, and modifications issued after execution of the DISTRICT and Contractor Contract.

2. The ARCHITECT shall assist the DISTRICT in obtaining required approvals from governmental agencies responsible for electrical, gas, water, sanitary or storm sewer, telephone, public utilities, as well as the Division of the State Architect (DSA).

3. The ARCHITECT shall be responsible for determining the capacity of existing utilities, and/or for any design or documentation required to make points of connection to existing utility services that may be located on or off the PROJECT site and which are required for the PROJECT.

4. The ARCHITECT shall provide a PROJECT description which includes the DISTRICT’s needs, program and the requirements of the PROJECT prior to preparing preliminary designs for the PROJECT.

5. The ARCHITECT shall provide a written preliminary evaluation of the DISTRICT’s PROJECT schedule and construction budget requirements. Such evaluation shall include alternative approaches to design and construction of the PROJECT, evaluation and application of Educational specification requirements under Education Code Section 17251 and under Title 5, California Code of Regulations Section 14000 et seq.

6. The ARCHITECT shall provide planning surveys, site valuations and comparative studies of prospective sites, buildings or locations.

7. The ARCHITECT shall attend regular PROJECT coordination meetings between the ARCHITECT, its Consultants, the DISTRICT’s representative(s), and other Consultants of the DISTRICT during PROJECT development.

8. The ARCHITECT shall make revisions in Drawings, Specifications, the PROJECT Manual or other documents when such revisions are necessary due to the ARCHITECT’s failure to comply with approvals or instructions previously given by DISTRICT, including revisions made necessary by adjustments in the DISTRICT’s program or PROJECT Budget.

9. The ARCHITECT shall provide services required due to programmatic changes in the PROJECT including, but not limited to, size, quality, complexity, method of bidding or negotiating the contract for construction.

10. The ARCHITECT shall provide services in connection with the work of a construction manager or separate consultants retained by DISTRICT.
11. The ARCHITECT shall provide detailed estimates of construction costs at no additional cost to DISTRICT as further described in Articles V and VI.
12. The ARCHITECT shall provide detailed quantity surveys which provide inventories of material, equipment or labor.
13. The ARCHITECT shall provide analyses of DISTRICT ownership and operating costs for the PROJECT.
14. The ARCHITECT shall provide interior design and other services required for or in connection with graphics and signage. All other interior design services are addressed under Article III as an additional service.
15. The ARCHITECT shall visit suppliers, fabricators, and manufacturers' facilities such as for carpet, stone, wood veneers, standard or custom furniture, to review the quality or status of items being produced for the PROJECT.
16. The ARCHITECT shall cooperate and consult with DISTRICT in use and selection of manufactured items on the PROJECT, including, but not limited to, paint, hardware, plumbing, mechanical and electrical equipment, fixtures, roofing materials, and floor coverings. All such manufactured items shall be standardized to DISTRICT's criteria to the extent such criteria do not interfere with PROJECT design and are in compliance with the requirements of Public Contract Code §3400.
17. The ARCHITECT shall certify to the best of its information pursuant to 40 Code of Federal Regulations §763.99(a)(7), that no asbestos-containing material was specified as a building material in any construction document for the PROJECT and will ensure that contractors provide DISTRICT with a certification that all materials used in the construction of any school building are free from any asbestos-containing building materials ("ACBM's"). ARCHITECT shall include statements in specifications that materials containing asbestos are not to be included. This certification shall be part of the final PROJECT submittal.
18. The ARCHITECT shall consider operating or maintenance costs when selecting systems for the DISTRICT. The ARCHITECT shall utilize grants and outside funding sources and work with the DISTRICT to utilize and consider funding from grants and alternative funding sources.
19. The ARCHITECT shall prepare for and make formal presentations to the Governing Board of DISTRICT, attend public hearings and other public meetings. In addition, ARCHITECT shall attend and assist in legal proceedings that arise from errors or omissions of the ARCHITECT.

20. The duties, responsibilities and limitations of authority of the ARCHITECT shall not be restricted, modified or extended without written agreement between the DISTRICT and ARCHITECT.

21. The ARCHITECT shall comply with all federal, state and local laws, rules, regulations and ordinances are applicable to the PROJECT.

22. The ARCHITECT shall have access to the work at all times.

23. **Schematic Design Phase**

a. The ARCHITECT shall review the program furnished by the DISTRICT to ascertain the requirements of the PROJECT and shall review the understanding of such requirements with the DISTRICT.

b. The ARCHITECT shall prepare, for approval by the DISTRICT, Schematic Design Documents consisting of drawings and other documents illustrating the scale and relationship of PROJECT components, codes, rules and regulations which are applicable to these documents. The ARCHITECT shall prepare the Schematic Design Documents to comply with the requirements of all governmental agencies having jurisdiction over the PROJECT including, but not limited to, the Division of State Architect (DSA) and the local Fire Department.

c. The ARCHITECT shall prepare schematic design studies and site utilization plans leading to a recommended solution together with a general description of the PROJECT for approval by the DISTRICT.

d. If directed by the DISTRICT at the time of approval of the schematic design, the Construction Documents shall be prepared so that portions of the work of the PROJECT may be performed under separate construction contracts, or so that the construction of certain buildings, facilities, or other portions of the PROJECT may be deferred. Alternate construction schemes made by the DISTRICT subsequent to the Schematic Design Phase shall be provided as an additional service pursuant to Article III unless the alternate construction scheme arises out of the PROJECT exceeding the estimated Budget constraint as a result of the ARCHITECT's services under this agreement.

e. ARCHITECT shall submit a list of qualified engineers for the PROJECT for the DISTRICT's approval in conformance with Article XII. ARCHITECT shall ensure that each engineer places his or her name, seal and signature on all drawings and specifications prepared by said engineer.

f. The ARCHITECT shall investigate existing conditions or facilities and verify drawings of such conditions or facilities.

g. The ARCHITECT shall perform Schematic Design Services to keep the PROJECT within all Budget and scope constraints set by the DISTRICT, unless otherwise modified by written authorization by the DISTRICT.

h. The ARCHITECT shall submit to the DISTRICT a written estimate of the construction cost to reflect actual plan scope at the conclusion of each development phase, in conformance with Articles V and VI and shall advise the DISTRICT, in writing, of any adjustments to the estimate of Construction Cost.

24. Design Development Phase (Preliminary Plans)

a. Upon approval by the DISTRICT of the services set forth in Article II, paragraph 23, the ARCHITECT shall prepare Design Development Documents for approval by the DISTRICT. Such documents shall consist of site and floor plans, elevations, cross sections, and other documents necessary to depict the Design of PROJECT, and shall outline specifications to fix and illustrate the size, character and quality of the entire PROJECT as to the program requirements, landscapes, architecture, civil, structural, mechanical, and electrical systems, materials, and such other essentials as may be appropriate. The ARCHITECT shall prepare the Design Development Documents to comply with the requirements of all governmental agencies having jurisdiction over the PROJECT, including, but not limited to Division of the State Architect (DSA) and the local Fire Department.

b. The ARCHITECT shall establish an estimated PROJECT Construction Cost.

c. The ARCHITECT shall perform Design Development Services to keep the PROJECT within all Budget and scope constraints set by the DISTRICT, unless otherwise modified by written authorization by the DISTRICT.

25. Construction Document Phase (Final Plans)

a. The ARCHITECT shall prepare, from the Design Development Documents approved by the DISTRICT, Construction Documents in an AutoCAD and PDF format acceptable to the District and specifications setting forth, in detail, the requirements for the construction of the entire PROJECT in conformity with all applicable governmental and code requirements, including, but not limited to, the requirements of the DSA and local Fire Department having jurisdiction over the PROJECT. The Construction Documents shall show all the work to be done, the materials, workmanship, finishes, and equipment required for the PROJECT.

b. The ARCHITECT shall prepare and file all documents required for and obtain the required approvals of all governmental agencies having jurisdiction over the PROJECT, including the DSA, local Fire Department, City Design Review (CDR), County Health Department, Department of Public Works, and others which may have jurisdiction over the PROJECT. The DISTRICT shall pay all fees required by such governmental authority. ARCHITECT shall, whenever feasible, establish beforehand the exact costs due to governmental

agencies and submit this cost information to DISTRICT so payments may be prepared. ARCHITECT shall not charge a mark-up on costs associated with governmental agency fees when the ARCHITECT pays such fees for the DISTRICT.

c. The ARCHITECT shall immediately notify the DISTRICT of adjustments in previous estimates of the PROJECT Construction Cost arising from market fluctuations or approved changes in scope or requirements.

d. If the estimated PROJECT Construction Cost exceeds the Budget constraint, the ARCHITECT shall make all necessary design revisions at no cost to the DISTRICT to comply with the Budget and scope set by the DISTRICT in conformance with Articles V and VI, unless otherwise modified by written authorization of the DISTRICT.

26. **Bidding & Award Phase**

a. The ARCHITECT, following the DISTRICT's approval of the Construction Documents and of the latest estimate of Construction Cost, shall assist the DISTRICT in obtaining bids and awarding the Contract for the construction of the PROJECT.

b. The ARCHITECT shall prepare all necessary bidding information and bidding forms required by the DISTRICT and shall assist the DISTRICT in preparing the Contractor's contract and general conditions, including providing plans or specifications, which include a requirement that the Contractor provide operation manuals and adequate training for the DISTRICT in the operation of mechanical, electrical, heating, air conditioning and other systems installed by the Contractor, all of which shall be part of the bid documents prepared by the ARCHITECT.

c. The ARCHITECT shall print and distribute necessary bidding information, general conditions of the contract, and supplemental general conditions of the contract, and shall assist the DISTRICT's legal advisor in the drafting of proposal and contract forms.

d. The ARCHITECT shall deposit a reproducible set of Construction Documents and specifications at a reprographics company specified by DISTRICT for the bid and for printing of additional sets of plans and specifications during the PROJECT. IN addition, ARCHITECT shall provide DISTRICT with an AutoCAD diskette file.

e. If the lowest bid exceeds the Budget for the PROJECT, the ARCHITECT, in consultation with and at the direction of the DISTRICT, shall provide such modifications in the Construction Documents as necessary to bring the cost of the PROJECT within its Budget as set forth in Articles V and VI.

27. **Construction Phase**

a. The Construction Phase will commence with the award of the Construction Contract to Contractor.

b. The ARCHITECT shall reproduce fifteen (15) full size sets of contract documents and all progress prints for the DISTRICT's and consultants' use at the ARCHITECT's expense. The remaining sets are to be provided as reimbursable expenses in conformance with Article XI.

c. The ARCHITECT shall provide technical direction to a full time PROJECT inspector employed by and responsible to the DISTRICT as required by applicable law. The ARCHITECT shall advise the Contractor in the preparation of a marked set of prints indicating dimensioned location of buried utility lines (record drawings) which shall be forwarded to the DISTRICT upon completion of the PROJECT.

d. The ARCHITECT will endeavor to secure compliance by Contractor with the contract requirements, but does not guarantee the performance of Contractor's contracts.

e. The ARCHITECT shall provide general administration of the Construction Documents, including, but not limited to, periodic visits at the site as ARCHITECT deems necessary to render architectural observation which is distinguished from the continuous personal inspection of the PROJECT inspector (in no case shall the number of visits be less than once every week); make regular reports as may be required by governing agencies; keep the DISTRICT informed of the progress of construction; answer RFI's and review submittals promptly to maintain project schedule; review schedules and shop drawings for compliance with design; approve substitution of materials, equipment, and the laboratory reports thereof subject to DISTRICT knowledge and approval; maintain construction accounts; prepare change orders for written approval of the DISTRICT; examine Contractor's applications for payment and issue certificates for payment in amounts approved by the ARCHITECT and DISTRICT; provide a color schedule of all materials in the PROJECT for DISTRICT's review and approval; determine date of completion of the PROJECT; make final punch-list inspection of the PROJECT; assemble and deliver to the DISTRICT written guarantees, instruction books, diagrams, and charts required of the Contractor; and issue the ARCHITECT's certificate of completion and final certificate for payment. ARCHITECT shall not be compensated any fee for work required as a result of any error or omission. Errors shall be charged to the ARCHITECT at 100% of corrective cost, while omissions shall be charged at a rate of 20% of the corrective cost.

f. The ARCHITECT, as part of his/her basic services, shall advise the DISTRICT of any deficiencies in construction following the acceptance of the work and prior to the expiration of the guarantee period of the PROJECT.

g. The ARCHITECT shall be the interpreter of the requirements of the Construction Documents and advise the DISTRICT as to the performance by the Contractor there under.

h. The ARCHITECT shall make recommendations to the DISTRICT on claims relating to the execution of and progress of the work and all matters and questions relating thereto. The ARCHITECT's recommendations in matters relating to artistic effect shall be consistent with the intent of the Construction documents.

i. The ARCHITECT shall advise the DISTRICT to reject work which does not conform to the Construction Documents. The ARCHITECT shall promptly inform the DISTRICT, whenever, in the ARCHITECT's opinion, it may be necessary, to stop the work to avoid the improper performance of the agreement. The ARCHITECT has authority to require additional inspection or testing of the work in accordance with the provisions of the Construction Documents, whether work is fabricated, installed or completed.

j. The ARCHITECT shall not issue orders to the Contractor that might commit the DISTRICT to extra expenses or otherwise amend the Construction Documents without first obtaining the written approval of the DISTRICT.

k. The ARCHITECT shall be the DISTRICT's representative during construction and shall advise and consult with the DISTRICT. The ARCHITECT shall have authority to act on behalf of the DISTRICT only to the extent provided in this agreement unless otherwise modified in writing.

l. The ARCHITECT shall at no additional cost provide services made necessary by defect or deficiencies in the work of the Contractor which through reasonable care should have been discovered by the ARCHITECT and promptly reported to the DISTRICT and Contractor, but which ARCHITECT failed to do.

m. The ARCHITECT shall review and certify the amounts due the Contractor. The ARCHITECT's certification for payment shall constitute a representation to the DISTRICT, based on the ARCHITECT's observations and inspections at the site, that the work has progressed to the level certified, that quality of the work is in accordance with the Construction Documents and that the Contractor is entitled to payment in the amount certified.

n. The ARCHITECT shall review and approve or take other appropriate action upon Contractor's submittals of shop drawings, product data, and samples for the purpose of checking for conformance with the Construction Documents. The ARCHITECT's action shall not delay the work, but should allow for sufficient time in the ARCHITECT's professional judgment to permit adequate review.

o. The ARCHITECT shall prepare change orders with supporting documentation and data for the DISTRICT's review in accordance with the Construction Documents, and may authorize minor changes in the work not involving an adjustment in the contract sum or an extension of time. The ARCHITECT shall promptly evaluate and make written recommendations regarding Contractor's proposals for possible change orders in order to maintain project schedule and resolve claims. ARCHITECT shall, at ARCHITECT's expense, prepare a set of reproducible record drawings, as well as AutoCAD and PDF versions, acceptable to the District, showing significant change in the work made during construction based on marked-up prints, drawings, addenda, change orders, RFI responses, show drawings, and other data furnished by the Contractor to the ARCHITECT.

p. The ARCHITECT shall inspect the PROJECT to determine the date or dates of final completion, receive and forward to the DISTRICT for the DISTRICT's review all written warranties and related documents required by the Construction Documents and issue a final certificate for payment upon Contractor compliance with the requirements of the Construction Documents.

q. The ARCHITECT shall provide written evaluation of the performance of the Contractor under the requirements of the Construction Documents when requested in writing by the DISTRICT.

r. The ARCHITECT shall provide services in connection with evaluating substitutions proposed by the Contractor and making subsequent revisions to drawings, specifications and other documentation resulting there from.

s. The ARCHITECT shall be responsible for gathering information and processing forms required by applicable governing authorities, such as DSA closure with certification and local Fire Departments, in a timely manner and ensure proper PROJECT close-out.

t. The ARCHITECT shall evaluate and render written recommendations, within a reasonable time on all claims, disputes or other matters at issue between the DISTRICT and Construction Manager or Contractor relating to the execution or progress of the work as provided in the construction contract. Under no circumstances should this evaluation take longer than 20 calendar days from the date the claim is received by ARCHITECT.

u. The ARCHITECT shall prepare, in versions acceptable to the District, AutoCAD and PDF files of all as-built conditions in concert with item "o." above, at no additional cost.

v. Prior to start of construction, the following two documents are required:

- (i) Contract Information Form DSA-102.
- (ii) Inspector Qualification Record Form DSA-5 should be Submitted 10 days prior to the time of starting construction.

w. The ARCHITECT shall provide assistance in the utilization of equipment or systems such as testing, adjusting and balancing, preparation of operation and maintenance manuals, training personnel for operation and maintenance and consultation during operation.

28. **PROJECT Close-Out**

a. The ARCHITECT shall assure delivery of the following documents described below to the DSA for review prior to issuance of a "Certificate of Completion".

b. During the period the PROJECT is under construction the following documents are required:

- (i) Copies of the Inspector of Record's semi-monthly reports.
- (ii) Copies of the laboratory reports on all tests or laboratory inspections as returned and done on the PROJECT.

c. Upon completion of construction of the PROJECT, the following reports are required:

- (i) Copy of the Notice of Completion.
- (ii) Final Verified Report Form DSA-6A/E certifying all work is 100% complete from the ARCHITECT, Structural Engineer, Mechanical Engineer and Electrical Engineer.
- (iii) Final Verified Report Form DSA-6 certifying all work is 100% Complete from the Contractor or Contractors, Inspector of Record and Special Inspector(s).
- (iv) Verified Reports of Testing and Inspections as specified on The approved drawings and specifications, i.e., Final Laboratory Report, Welding, Glued-Laminated Timber, etc.
- (v) Weighmaster's Certificate (if required by approved drawings And specifications).
- (vi) Copies of the signature page of all Addenda as approved by DSA.
- (vii) Copies of the signature pages of all Deferred Approvals as Approved by DSA.
- (viii) Copies of the signature page of all Change Orders as Approved by DSA.
- (ix) Verification by the I.O.R. that all items noted on any "Field Trip Notes" have been corrected.

ARTICLE III – ADDITIONAL ARCHITECT'S SERVICES

1. ARCHITECT shall notify the DISTRICT in writing of the need for additional services required due to circumstances beyond the ARCHITECT's control. ARCHITECT shall obtain written authorization from the DISTRICT before rendering such services. Compensation

for such services shall be negotiated and approved in writing by the DISTRICT. Such services shall include:

- a. Making material revisions in drawings, specifications or other documents when such revisions are required by the enactment or revision of laws, rules or regulations subsequent to the preparation and completion of the Construction Documents.
- b. Preparing drawings, specifications and other documentation and supporting data, and providing other services in connection with Change Orders required by causes beyond the control of the ARCHITECT which are not the result of the direct or indirect negligence, errors or omissions on the part of ARCHITECT.
- c. Providing consultation concerning replacement of work damaged by fire and furnishing services required in connection with the replacement of such work.
- d. Providing services made necessary by the default of the Contractor, which does not arise directly or indirectly from negligence, errors or omissions of ARCHITECT.
- e. If the DISTRICT requests the PROJECT be let on a segregated basis after the completion of Design Development where segregation does not arise from ARCHITECT exceeding the estimated budget constraint, then plan preparation and/or contract administration work to prepare the segregated plans is an extra service subject to prior negotiation and DISTRICT approval.
- f. Providing contract administration services after the construction contract time has been exceeded through no fault of the ARCHITECT, where it is determined that the fault is that the Contractor, and liquidated damages are collected therefore. The ARCHITECT's compensation is expressly conditioned on the lack of fault of the ARCHITECT and payment will be made upon collection of liquidated damages from the Contractor. Payment of the ARCHITECT shall be made from collected liquidated damages.
- g. Providing any other services not otherwise included in this AGREEMENT or not customarily furnished in accordance with generally accepted architectural practice.

2. If authorized in writing by DISTRICT, ARCHITECT shall provide one or more PROJECT Representatives to assist in carrying out more extensive representation at the site than is described in Article II. The PROJECT Representative(s) shall be selected, employed and directed by the ARCHITECT, and the ARCHITECT shall be compensated therefore as agreed by the DISTRICT and ARCHITECT. Through the observations of such PROJECT Representative(s), the ARCHITECT shall endeavor to provide further protection for the DISTRICT against defects and deficiencies in the work, but the furnishing of such PROJECT representation shall not modify the rights, responsibilities or obligations of the ARCHITECT as described elsewhere in this AGREEMENT. Such services shall be negotiated and approved in writing by the DISTRICT.

ARTICLE IV – DISTRICT’S RESPONSIBILITIES

1. The DISTRICT shall provide to the ARCHITECT information regarding requirements for the PROJECT, including information regarding the DISTRICT's objectives, schedule, budget constraints as well as any other criteria provided by the DISTRICT.

2. Prior to the Schematic Design Phase, the ARCHITECT shall prepare a current overall budget for the PROJECT, including the construction cost for the PROJECT. The budget shall be based upon the DISTRICT's objectives, schedule, budget constraints and any other criteria that are provided to the ARCHITECT pursuant to Article IV, Paragraph 1 above. The DISTRICT shall approve the budget prepared by the ARCHITECT pursuant to this Paragraph and this shall be the "Budget" for the PROJECT as set forth in this AGREEMENT.

3. The DISTRICT shall notify the ARCHITECT of administrative procedures required and name a representative authorized to act on its behalf. The DISTRICT shall promptly render decisions pertaining thereto to avoid unreasonable delay in the progress of the PROJECT. The DISTRICT shall observe the procedure of issuing any orders to Contractors only through the ARCHITECT.

4. The DISTRICT shall give prompt written notice to the ARCHITECT if the DISTRICT becomes aware of any fault or defect in the PROJECT or nonconformance with the Construction Documents. However, the DISTRICT's failure or omission to do so shall not relieve the ARCHITECT of ARCHITECT's responsibilities under Title 21, Title 24, and the Field Act hereunder. The DISTRICT shall have no duty to observe, inspect or investigate the PROJECT.

5. The proposed language of certifications requested of the ARCHITECT or ARCHITECT's consultants shall be submitted to the ARCHITECT for review and approval at least fourteen (14) days prior to execution.

ARTICLE V – COST OF CONSTRUCTION

1. During the Schematic Design, Design Development and Construction Document Phases, Construction Cost ("Construction Cost") shall be reconciled against the DISTRICT's Budget for the PROJECT.

2. PROJECT Construction Cost as used in this agreement means the total cost to the DISTRICT of all work designed or specified by the ARCHITECT, including work covered by approved change orders and/or alternates approved by the DISTRICT, but excluding the following: Any payments to ARCHITECT or consultants, for costs of inspections, surveys, tests, and landscaping not included in PROJECT.

3. When labor or material is furnished by the DISTRICT below its market cost, the Construction Cost shall be based upon current market cost of labor and new material.

4. The Construction Costs shall be the acceptable estimate of construction costs of the DISTRICT as submitted by the ARCHITECT until such time as bids have been received, whereupon it shall be the bid amount of the lowest responsible responsive bidder.

5. Any Budget or fixed limit of construction cost shall be adjusted if the bidding has not commenced within ninety (90) days after the ARCHITECT submits the Construction Documents to the DISTRICT, to reflect changes in the general level of prices in the construction industry between the date of submission of the Construction Documents to the DISTRICT and the date on which bids are sought for the PROJECT.

6. If the lowest bid received exceeds the Budget:
- a. The DISTRICT may give written approval of an increase of such fixed limit;
 - b. The DISTRICT may authorize rebidding of the PROJECT within a reasonable time.
 - c. If the PROJECT is abandoned, the DISTRICT may terminate this AGREEMENT in accordance with Article VIII, Paragraph 2;
 - d. The DISTRICT may request the ARCHITECT prepare, at no additional cost, deductive change packages acceptable to the District that will bring the PROJECT within the Budget; or
 - e. The DISTRICT may request the ARCHITECT cooperate in revising the PROJECT scope and quality as required to reduce the construction cost.

7. If the DISTRICT chooses to proceed under Article V, paragraph 6(e), the ARCHITECT, without additional charge, agrees to redesign until the PROJECT is brought within the Budget set forth in this agreement. Redesign does not mean phasing or removal of parts of the PROJECT unless agreed in writing by the DISTRICT. Redesign means redesign of the PROJECT with all its component parts to meet the Budget set forth in this AGREEMENT.

ARTICLE VI – ESTIMATE OF PROJECT CONSTRUCTION COSTS

1. Estimates referred to in Article II shall be prepared on a square foot/unit cost basis, or more detailed computation if deemed necessary by the DISTRICT, considering prevailing construction costs and including all work for which bids will be received. It is understood that the PROJECT Construction Cost is affected by the labor and/or material market as well as other conditions beyond the control of the ARCHITECT or DISTRICT.

2. The ARCHITECT shall review the estimate at each phase of the ARCHITECT's services. The ARCHITECT shall provide the DISTRICT with a written evaluation of the estimate at each phase of the ARCHITECT's services. The ARCHITECT's written evaluations shall, among other things, evaluate how the estimates compare to the Budget. If such estimates are in excess of the Budget, the ARCHITECT shall revise the type or quality of construction to

come within the budgeted limit at no additional cost to the DISTRICT. ARCHITECT's initial budget and scope limitations shall be realistic and be reviewed with the DISTRICT prior to formalization.

3. The ARCHITECT, upon request of the DISTRICT, shall prepare a detailed estimate of construction costs at no additional cost.

ARTICLE VII – ARCHITECT'S DRAWINGS AND SPECIFICATIONS

1. All documents including, but not limited to, plans, drawings, specifications, record drawings, models, mock-ups, renderings and other documents (including all computer file and/or AutoCAD files) prepared by the ARCHITECT or the ARCHITECT's Consultants for this PROJECT, shall be and remain the property of the DISTRICT pursuant to Education Code Section 17316 for the purposes of repair, maintenance, renovation, modernization or other purposes as they relate to the PROJECT. The DISTRICT, however, shall not be precluded from using the ARCHITECT's or ARCHITECT's Consultant's documents enumerated above for the purposes of additions, alignments or other development on the PROJECT site.

ARTICLE VIII – TERMINATION

1. This AGREEMENT may be terminated by either party upon fourteen (14) days written notice to the other party in the event of a substantial failure of performance by such other party, including insolvency of ARCHITECT, or if the DISTRICT should decide to abandon or indefinitely postpone the PROJECT.

2. In the event of a termination based upon abandonment or postponement by DISTRICT, the DISTRICT shall pay to the ARCHITECT for all services performed and all expenses incurred under this AGREEMENT supported by documentary evidence, including payroll records, and expense reports up until the date of the abandonment or postponement plus any sums due the ARCHITECT for Board approved extra services. In ascertaining the services actually rendered hereunder up to the date of termination of this AGREEMENT, consideration shall be given to both completed work and work in process of completion and to complete and incomplete drawings and other documents whether delivered to the DISTRICT or in the possession of the ARCHITECT. In the event termination is for a substantial failure of performance, all damages and costs associated with the termination, including increased consultant and replacement ARCHITECT costs shall be deducted from payments to the ARCHITECT.

3. In the event a termination for cause is determined to have been made wrongfully or without cause, then the termination shall be treated as a termination for convenience in accordance with Article VIII, Paragraph 4 below, and ARCHITECT shall have no greater rights than it would have had if a termination for convenience had been claimed, requested or recovered by ARCHITECT.

4. This AGREEMENT may be terminated without cause by DISTRICT upon fourteen (14) days written notice to the ARCHITECT. In the event of a termination without

cause, the DISTRICT shall pay to the ARCHITECT for all services performed and all expenses incurred under this AGREEMENT supported by documentary evidence, including payroll records, and expense reports up until the date of notice of termination plus any sums due the ARCHITECT for Board approved extra services. In ascertaining the services actually rendered hereunder up to the date of termination of this AGREEMENT, consideration shall be given to both completed work and work in process of completion and to complete and incomplete drawings and other documents whether delivered to the DISTRICT or in the possession of the ARCHITECT. In addition, ARCHITECT will be reimbursed for reasonable termination costs through the payment of 3% beyond the sum due the ARCHITECT under this paragraph through 50% completion of the ARCHITECT's portion of the PROJECT and if 50% completion is reached, payment of 3% of the unpaid balance of the contract to ARCHITECT as termination cost. This 3% payment is agreed to compensate the ARCHITECT for the unpaid profit ARCHITECT would have made under the PROJECT on the date of termination and is consideration for entry into this termination for convenience clause.

5. In the event of a dispute between the parties as to performance of the work or the interpretation of this AGREEMENT, or payment or nonpayment for work performed or not performed, the parties shall attempt to resolve the dispute. Pending resolution of this dispute, ARCHITECT agrees to continue the work diligently to completion. If the dispute is not resolved, ARCHITECT agrees it will neither rescind the AGREEMENT nor stop the progress of the work, but ARCHITECT's sole remedy shall be to submit such controversy to determination by a court having competent jurisdiction of the dispute, after the PROJECT has been completed, and not before.

ARTICLE IX – AUDIT OF ACCOUNTING RECORDS OF THE ARCHITECT

Architect shall maintain, on a generally recognized accounting basis, auditable books, records, documents, and other evidence pertaining to direct personnel, costs and expenses in this Agreement. These records shall be maintained for a period of at least three (3) years after final payment has been made, subject to any applicable rules, regulations or statutes.

District's authorized representative(s) shall have access, with reasonable notice, to any books, documents, papers, electronic data, and other records which they determine to be pertinent to this Agreement for performing an audit, evaluation, inspection, review, assessment, or examination. These representative(s) are authorized to obtain excerpts, transcripts, and copies, as they deem necessary.

Should Architect disagree with any audit conducted by District, Architect shall have the right to employ a licensed, Certified Public Accountant (CPA) to prepare and file with District a certified financial and compliance audit that is in compliance with generally-accepted government accounting standards of related services provided during the term of this Agreement. Architect shall not be reimbursed by District for such an audit.

In the event Architect does not make available its books and financial records at the location where they are normally maintained, Architect agrees to pay all necessary and reasonable expenses, including legal fees, incurred by District in conducting any audit.

ARTICLE X – COMPENSATION TO THE ARCHITECT

The DISTRICT shall compensate the ARCHITECT at a fixed fee in the amount of One Million, Four Hundred Seventy-Three Thousand, Six Hundred Eighty Dollars (\$1,540,680) and shall be compensated as follows:

1. ARCHITECT change orders fees are paid as approved by the DISTRICT Board. If a change order is approved without ARCHITECT fee, no fee will be paid to the ARCHITECT unless negotiated prior to commencing change order work.

2. Payment to the ARCHITECT will be as follows:

| | |
|---------------------------------|---|
| Schematic Design: | 10% of estimated Architect Fee; |
| Design Development: | 15% of estimated Architect Fee; |
| Construction Documents: | 40% of estimated Architect Fee, to be paid monthly Based on actual level of completion; |
| D.S. A. Approval: | 5% of estimated Architect fee; |
| Bidding Phase: | 3% of estimated Architect fee; |
| Construction Admin: | 25%, of estimated Architect fee, to be paid monthly based on actual level of completion, based on accepted bid. |
| DSA Closure with Certification: | 2% of estimated Architect fee; |

TOTAL THROUGH RECORDATION OF NOTICE OF COMPLETION 100% of actual Architect Fee based on accepted bid.

3. When ARCHITECT's Fee is based on a percentage of construction cost and any portions of the PROJECT are deleted or otherwise not constructed, compensation for those portions of the PROJECT shall be payable to the extent actual services are performed, in accordance with the schedule set forth in Article X, Paragraph 2, based on the Bid Price.

4. To the extent that the time initially established for the completion of ARCHITECT's services is exceeded or extended through no fault of the ARCHITECT, compensation for any services rendered during the additional period of time shall be negotiated and subject to prior approval by DISTRICT Board. Assessment and collection of liquidated damages from the Contractor is a condition precedent to payment for extra services arising from Contractor-caused delays.

5. Expenses incurred by the ARCHITECT and ARCHITECT's employees and Consultants in the interest of the PROJECT shall have prior DISTRICT written approval before they are incurred and records of such expenses shall be provided to DISTRICT for the DISTRICT's review.

ARTICLE XI – REIMBURSABLE EXPENSES

1. Reimbursable expenses are in addition to compensation for basic and extra services, and shall be paid to the ARCHITECT at one and one-tenth (1.1) times the expenses incurred by the ARCHITECT, the ARCHITECT's employees and Consultants for the following specified items:

a. Approved reproduction of drawings and specifications in excess of the copies provided by this AGREEMENT, which includes sets of construction documents and all progress prints.

b. Fees advanced for securing approval of authorities having jurisdiction over the PROJECT.

2. Reimbursable expenses are estimated to be One Hundred Seventy-Five Thousand Dollars (\$175,000), and this amount shall not be exceeded without the prior written approval of the DISTRICT.

3. Reimbursement for fees and other expenses, except for construction administration services associated with delay caused solely by the Contractor, shall be made to the ARCHITECT as incurred. Reimbursable expenses shall not include:

- a. Travel expenses;
- b. Check prints;
- c. Prints or plans or specifications made for ARCHITECT's Consultants and all progress prints;
- d. Preliminary plans and specifications;
- e. ARCHITECT's consultants' reimbursables;
- f. Models or mock-ups
- g. Meetings with cities, planning officials, fire departments, the DSA, State Allocation Board or other public agencies.

ARTICLE XII – EMPLOYEES AND CONSULTANTS

1. The ARCHITECT, as part of the ARCHITECT's basic professional services, shall furnish the necessary services of landscape architect, structural, mechanical, electrical, civil and traffic engineers to complete the PROJECT. All consultant services shall be provided at the ARCHITECT's sole expense.

2. The ARCHITECT shall submit, for written approval by the DISTRICT, the names of the consultant firms proposed for the PROJECT. Nothing in this AGREEMENT shall

create any contractual relation between the DISTRICT and any Consultants employed by the ARCHITECT under the terms of this AGREEMENT.

3. ARCHITECT's consultants shall be licensed to practice in California and have relevant experience with California school design and construction during the last five (5) years. If any employee or consultant of the ARCHITECT is not acceptable to the DISTRICT, then that individual shall be replaced with an acceptable, competent person at the DISTRICT's request.

4. The construction administrator, or field representative, assigned to this PROJECT by ARCHITECT shall be licensed as a California ARCHITECT and able to make critical PROJECT decisions in a timely manner and shall be readily available and provide by phone, facsimile and through correspondence, design direction and decisions when the construction administrator is not at the site.

ARTICLE XIII – MISCELLANEOUS

1. The ARCHITECT shall make a written record of all meetings, conferences, discussions and decisions made between or among the DISTRICT, ARCHITECT and Contractor during all phases of the PROJECT and concerning any material conditions in the requirements, scope, performance and/or sequence of the work. The ARCHITECT shall provide a copy of such record to the DISTRICT.

2. To the fullest extent permitted by law, ARCHITECT agrees to indemnify and hold DISTRICT harmless from all liability arising out of:

a. Workers' Compensation and Employer's Liability. Any and all claims under Workers' Compensation acts and other employee benefit acts with respect to ARCHITECT's employees or ARCHITECT's subcontractor's employees arising out of ARCHITECT's work under this AGREEMENT;

b. General Liability. Liability arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the ARCHITECT for damages related to (1) death or bodily injury to person; (2) injury to, loss or theft of property; (3) any failure or alleged failure to comply with any provision of law; or, (4) any other loss, damage or expense arising under either (1), (2), or (3) above, sustained by the ARCHITECT or the DISTRICT, or any person, firm or corporation employed by the ARCHITECT or the DISTRICT upon or in connection with the PROJECT, except for liability resulting from the sole or active negligence, or willful misconduct of the DISTRICT, its officers, employees, agents or independent ARCHITECTS who are directly employed by the DISTRICT.

c. Professional Liability. Liability arising out of, pertaining to, or relating to the professional negligence, recklessness, or willful misconduct of the ARCHITECT, which the ARCHITECT shall indemnify and hold the DISTRICT entirely harmless from and including any loss, injury to, death of persons or damage to property caused by any act, neglect, default or omission of the ARCHITECT, or any person, firm or corporation employed by the ARCHITECT, either directly or by independent contract, including all damages due to loss or

theft, sustained by any person, firm or corporation including the DISTRICT, arising out of, or in any way connected with the PROJECT, including injury or damage either on or off DISTRICT property; but not for any loss, injury, death or damages caused by sole or active negligence, or willful misconduct of the DISTRICT.

d. The ARCHITECT, at its own expense, cost, and risk, shall defend any and all claims, actions, suits, or other proceedings that may be brought or instituted against the DISTRICT, its officers, agents or employees, on account of, or founded upon any cause, damage or injury identified here in Article XIII, Section 2, and shall pay or satisfy any judgment that may be rendered against the DISTRICT, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

3. ARCHITECT shall purchase and maintain policies of insurance with an insurer or insurers qualified to do business in the State of California and acceptable to DISTRICT which will protect ARCHITECT and DISTRICT from claims which may arise out of or result from ARCHITECT's actions or inactions relating to the AGREEMENT, whether such actions or inactions be by themselves or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The aforementioned insurance shall include coverage for:

a. The ARCHITECT shall carry Workers' Compensation and Employers Liability Insurance in accordance with the laws of the State of California. However, such amount shall not be less than ONE MILLION DOLLARS (\$1,000,000).

b. Commercial general and auto liability insurance with limits of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit, bodily injury and property damage liability per occurrence, including:

1. Owned, non-owned and hired vehicles;
2. Blanket contractual;
3. Broad form property damage;
4. Products/completed operations; and,
5. Personal injury.

c. Professional liability insurance, including contractual liability, with limits of ONE MILLION DOLLARS (\$1,000,000) per claim. Such insurance shall be maintained during the term of this AGREEMENT and renewed for a period of at least five (5) years thereafter and/or at rates consistent with the time of execution of this AGREEMENT adjusted for inflation. Failure to maintain professional liability insurance is a material breach of this AGREEMENT and grounds for immediate termination.

d. Valuable Document Insurance. The ARCHITECT shall carry adequate insurance on all drawings and specifications as may be required to protect the DISTRICT in the amount of its full equity in those drawings and specifications, and shall file with the DISTRICT a certificate of that insurance. The cost of that insurance shall be paid by the ARCHITECT, and the DISTRICT shall be named as an additional insured.

e. Each policy of insurance required in b. above shall name DISTRICT and its officers, agents and employees as additional insureds; shall state that, with respect to the operations of ARCHITECT hereunder, such policy is primary and any insurance carried by DISTRICT is excess and non-contributory with such primary insurance; shall state that no less than thirty (30) days' written notice shall be given to DISTRICT prior to cancellation; and shall waive all rights of subrogation. ARCHITECT shall notify DISTRICT in the event of material change in, or failure to renew, each policy. Prior to commencing work, ARCHITECT shall delivery to DISTRICT certificates of insurance as evidence of compliance with the requirements herein. In the event ARCHITECT fails to secure or maintain any policy of insurance required hereby, DISTRICT may, at its sole discretion, secure such policy of insurance in the name of and for the account of ARCHITECT, and in such event ARCHITECT shall reimburse DISTRICT upon demand for the cost thereof.

f. In the event that ARCHITECT subcontracts any portion of ARCHITECT's duties, ARCHITECT shall require any such subcontractor to purchase and maintain insurance coverage for the types of insurance referenced in Article XIII 3 (a)(b)(c)(d), in amounts which are appropriate with respect to that subcontractor's part of work which shall in no event be less than \$500,000 per occurrence.

4. ARCHITECT, in the performance of this AGREEMENT, shall be and act as an independent contractor. ARCHITECT understands and agrees that ARCHITECT and all of ARCHITECT's employees shall not be considered officers, employees or agents of the DISTRICT, and are not entitled to benefits of any kind or nature normally provided employees of the DISTRICT and/or to which DISTRICT's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Workers' Compensation. ARCHITECT assumes the full responsibility for the acts and/or omissions of ARCHITECT's employees or agents as they relate to the services to be provided under this AGREEMENT. ARCHITECT shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes for the respective ARCHITECT's employees.

5. In the event that this project includes the repair or replacement of more than 25% of a roof, then, in accordance with Public Contracts Code, §3006, ARCHITECT will complete the CERTIFICATION OF FINANCIAL RELATIONSHIP DISCLOSURE, which is attached hereto as Attachment B, and return it with the signed copy of this Agreement.

6. Nothing contained in this AGREEMENT shall create a contractual relationship with or a cause of action in favor of any third party against either the DISTRICT or ARCHITECT.

7. The DISTRICT and ARCHITECT, respectively, bind themselves, their partners, officers, successors, assigns and legal representatives to the other party to this AGREEMENT with respect to the terms of this AGREEMENT. ARCHITECT shall not assign this AGREEMENT.

8. This AGREEMENT shall be governed by the laws of the State of California.

9. Each of the PARTIES have had the opportunity to, and have to the extent each deemed appropriate, obtained legal counsel concerning the content and meaning of this AGREEMENT. Each of the PARTIES agrees and represents that no promise, inducement or agreement not herein expressed has been made to effectuate this AGREEMENT. This AGREEMENT represents the entire AGREEMENT between the DISTRICT and ARCHITECT and supersedes all prior negotiations, representations, or agreements, either written or oral. This AGREEMENT may be amended or modified only by an agreement in writing signed by both the DISTRICT and the ARCHITECT.

10. The rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this AGREEMENT.

The parties, through their authorized representatives have executed this AGREEMENT as of the day and year written below.

HMC ARCHITECTS

RIVERSIDE COMMUNITY COLLEGE
DISTRICT

By: _____

Chris R. Taylor, AIA
Executive Vice President
3546 Concourses Street
Ontario, CA 91764

By: _____

James L. Buysse
Vice Chancellor
Administration and Finance

Date: _____

Date: _____

ATTACHMENT "A"

SCOPE OF WORK:

1. Basic Services: The following Basic Services are provided at a fixed fee of \$1,416,680, and include Civil, Landscape, Architectural, Structural, MEP and Interior Design (Group I).

HMC Architects (HMC) will provide Architectural/Engineering (A/E) services related and incidental to the design and construction for the Student Services Building project. The A/E services provided will be consistent with the District's Project Architect and Engineer Agreement. Services will include, but not necessarily be limited to:
 - a. Schematic Design documents for presentation to and approval of the Board of Trustees
 - b. Develop Design Developments
 - c. Construction and Bidding documents
 - d. LEED Certified design services
 - e. Obtain all agency approvals
 - f. Assist the District and Construction Manager with bidding
 - g. Provide Construction and Contract Administration
 - h. Project Close-Out
2. Enhanced Services: The following Enhanced Services are provided at a fixed fee of \$124,000.
 - a. Design and engineering for a Security/Card Reader system for all exterior doors.
 - b. Storm Water Pollution Prevention Plan (SWPPP), Notice of Intent (NOI) and the Water Quality Management Plan (WQMP).
 - c. Design and engineering for a fully Automatic Fire Sprinkler System (AFSS) as required by the Division of the State Architect (DSA) Policy 10-01.
 - d. LEED Certification processing through the USGBC.
3. Reimbursable Expenses: In addition to the fees for Basic and Enhanced Services, the District will reimburse for certain project related expenses such as milestone deliverables, agency printing, bid printing and construction administration related printing as identified in ARTICLE XI. The reimbursable amount is established at a fixed amount of \$175,000.

ASSUMPTIONS AND EXCLUSIONS:

1. It is assumed that the building design and construction will be completed in one phase and will not require separate phasing.
2. LEED Commissioning Agent (CxA) will be provided by the District or CM, as a third party provider.
3. GBCI LEED project registration fee (approx. cost USGBC members \$900/non-members \$1,200).

ATTACHMENT “A” (Continued)

4. GBCI LEED CIR (Credit Interpretation Ruling), if any (CIR Fee \$220/credit).
5. GBCI LEED Appeal Fee, if necessary (\$500/credit).
6. GBCI LEED design and construction points review fee (design fee: \$2,000; construction review fee: \$500).
7. LEED energy and water usage data submittal to GBCI as required for a minimum of 5 consecutive years following project completion.
8. LEED plaque and certification fees (varies from \$55 for a translucent sticker to \$1,200 for a brushed aluminum plaque plus the cost of installation).
9. Any subsequent measurement and verification surveys required by specific LEED point credits after project completion.
10. Separate bid package preparation will not be required.
11. Basic services do not include specific design, selection, purchasing and installation of the Group II FF&E. This is identified as an optional service in the RFP. Basic Services includes Group II FF&E test and fit only.
12. Optional Phase II, Administration Building demolition and parking expansion is excluded in the Basic Services scope. This is identified as an optional service in the RFP.
13. The District will prepare or cause to be prepared all hazardous material reports, including design and construction documents related to hazardous materials abatement if required.
14. The District will prepare or cause to be prepared all Seismic and Geotechnical Reports.
15. Specialty consultants for an acoustic study, Audio/Visual (AV) system design and engineering, and the Data/Telecom (IT) systems design and engineering are not included in Basic Services. These services will be re-visited after selection of the Construction Manager.
16. Detailed quantity survey of existing Student Services and Administration spaces is excluded. It is assumed that, if needed, the District will provide the necessary plans of the existing buildings where Student Services and Administration spaces are currently housed.
17. It is assumed that the landscape design will be within the site boundary including the adjacent parking area. Enhanced landscape design to comply with the Master Plan and connect the site to the main campus core is excluded.
18. Preparation of alternate designs for comparative bidding purposes is excluded.