

**MINUTES OF THE CITIZENS' BOND OVERSIGHT COMMITTEE MEETING
JANUARY 16, 2014
MORENO VALLEY COLLEGE**

Members Present

Nicolas Ferguson
Morrie Barembaum
Susan Cash
James Cuevas
Jeff Kraus

Members Absent

Robert Frost
Rikki Hix

Staff Present

Sandra Mayo, President, MVC
Chris Carlson, Chief of Staff and Facilities Development
Majd Askar, Purchasing Manager
Bill Bogle, Controller
Bart Doering, Facilities Development Director
Jim Parsons, AVC Strategic Communications

CALL TO ORDER: 4:38 pm (following a tour of the Student Academic Services building)

APPROVAL OF MINUTES – October 1, 2013 meeting M/Kraus S/Cash

MORENO VALLEY COLLEGE UPDATE

President Sandra Mayo completed discussion about the Student Academic Services building, noting that the campus is very excited to have it open for use and appreciates the smart technology aspect of the new facility. Dr. Mayo expects the building to be in full use in the spring semester. Discussions are still occurring regarding some specific space usage. She also mentioned the next day's MLK Breakfast on campus.

BIDDING AND PROCUREMENT PROCEDURES

RCCD Purchasing Manager Majd Askar presented a PPT discussing the purchasing procedures in the District. Main aspects covered included:

- District's purchasing procedures ensure competition, quality bids, and adherence to the public contracting code and Board policy
- Contract bid threshold requires competitive bids and awarding contracts. Ms. Askar discussed bid thresholds for public contracts and financial limits.

- CUPCCA-UCCAP (California Uniform Public Construction Cost Accounting Procedures-Uniform Construction Cost Accounting Procedures) bidding process
- How contractors register for bid notifications and how the bid process works in terms of advertising, potential bidder lists, invitations, advertising, etc.

Question from Member Cuevas: What's the difference in bids over and under \$175K in terms of bidding process? **Answer:** Advertising time, bid preparation time, Board approval timeline; under \$175K it goes under UCCAP and contractors/vendors have 10 days to bid, start to finish.

Question from Member Cash: Are contractors required to take any action to get on the list? **Answer:** Only requirement is for them to place their names on the list. Qualification occurs at the bid review level.

Question from Chair Ferguson: Is part of the qualification based on experience, too? **Answer:** Yes, determining that a contractor meets specs of bid (is judged responsive) is based partly on the types of projects the contractor has done, references, bonding, a Grade A listing from surety company, valid contractor's license, etc.

Question from Member Barembaum: How does past performance factor in? **Answer:** No way to prevent a company from bidding. **Question:** Are the bid documents written at all to ensure the quality of the contractors? **Answer:** When RCCD includes a scope of work, it makes sure that vendors/contractors fully understand the scope of work and that they can complete the required documents within the timeline.

Ms. Askar also reviewed how formal bid requirements are reviewed: prevailing wage, Board approved standards, labor compliance (state funded projects), PLA, etc.; later she discussed competitive bid exemptions--an example would be the flooding at RCC in 2013.

Question from Member Kraus: Report well done; answered 99% of questions. When can best value be considered? **Answer:** Best value can't be considered in construction, but can be in FF&E (Furniture, Fixtures, and Equipment). **Question:** Any exemptions; e.g., if a donor gave significant funds, can specific contractors be specified? **Answer:** No.

MEASURE C FINANCIAL UPDATE

Document was distributed to Committee members. In Mr. Brown's absence, any questions were to be directed to Jim Parsons via email for response by Mr. Brown or held until the next CBOC meeting.

MEASURE C PROJECT UPDATE

Chief of Staff and Facilities Development Chris Carlson reviewed the annual report regarding project change orders and the report detailing status of Measure C projects.

- **Annual Change Order Report**

Ms. Carlson discussed changes that have occurred since the previous report, noting that negative numbers are a good thing and mean that the project is under budget. She went through the projects discussing double-digit numbers in particular; most of these were when the District was using general contractors.

Question from Member Cuevas: When you said contractors in the past, what did you mean: general contractors vs. the current model of construction manager and multi-prime contractors? **Answer:** Not all contractors are adept at all the various aspects required, leading to fluctuations in bid vs. final costs. Examples include the Quad, the Alumni Carriage House, and the Wheelock Gym renovation. The District has re-evaluated how it does its site analysis and assessment to try to better identify potential unexpected issues or risks. She discussed current projects underway, including ADA, utility infrastructure, etc.

Question from Member Kraus: Appreciate the explanation about the anomaly (general contractors and older building issues); do Measure C utility costs go into the total cost? **Answer:** If the rebate is a true rebate, it is credited back to the construction dollars. Operational rebates are different. RCCD Facilities, Planning & Development is preparing a presentation on sustainability of sites and Measure C constructed projects.

Question from Member Kraus: What was the cumulative aggregate number? Is it higher now than it was then? Any reason? **Answer:** Probably because the previous report did not include some projects; FP&D will look into it and return information.

Question from Member Cuevas: What do you expect change orders to be? **Answer:** By code, if the change order is less than 10%, staff doesn't have to go back to Board if the amount is within the project contingency. Depending on the type of project, the anticipated change order percentage might change.

Ms. Carlson discussed a contractor outreach event hosted by RCCD and talked about getting the word out about the \$100 million in construction projects and the fact that local companies can qualify under the PLA without being union. Other questions to be answered: project scope, bid process, etc., to make sure contractors are totally informed.

Question from Member Cash: Change orders: original project, what's the estimate? **Answer:** Full contractor and contractor contingencies vary depending on the trade. When RCCD staff is designing projects, they keep contingency high; when projects go to DSA, contingency levels are refined; when projects go out to bid, those levels are pretty set. The challenge is in balancing the number of trades, likely contingencies, and how those spread out in order to achieve an anticipated total project contingency. Generally, smaller projects require more latitude in percentage amount because there is less room for error.

- Current Project Status Report

Ms. Carlson reviewed the current project status: report is limited to current Measure C projects and broken out by entity. She discussed the MVC community partners meeting; consultant was out meeting with college/community group, talking about site conditions, constraints, challenges. She also reviewed the 5-year CIP (Capital Improvement Plan) for each college, as well as the last state education bond that was on ballot. She touched on RCCD/MVC programs at the Ben Clark Public Safety Training Center and the State's current position on center status.

Dr. Mayo gave the committee the website--www.mvc.edu/CMP--to view the MVC master plan.

Ms. Carlson talked about the importance of understanding state funded construction/qualifying processes, and a FUSION training for District and College business and facility staff, certificated administrators, etc., to show them how to effectively use the system (which governs how projects are submitted and processed to the state). She discussed the new block process used by the state that gives colleges more flexibility in planning space usage once it's been designated as classroom, laboratory, etc. -- i.e., a classroom block could end up being a single large lecture space or multiple classrooms.

In closing, Ms. Carlson reported that the ADA Transition Plan across the District is virtually completed.

Question from Member Kraus: Will the Centennial Plaza be bid as two projects or one? **Answer:** Centennial Plaza is being bid as one project, but the District will track the projects separately for budget and financial integrity, as well as economies of scale potential.

Question from Member Cuevas: How are project augmentations handled? **Answer:** Projects and budgets go to the Board, and then the 10% contingency rule applies; beyond that the Board must approve. In the future, Facilities, Planning & Development staff will update the CBOC on any project augmentations or change orders that have gone to the Board since the previous meeting.

BUSINESS FROM BOARD MEMBERS

Committee members were given a copy of the 2003 Facilities Improvement Plan (via email prior to the meeting), along with a document containing questions and answers regarding the 2012-13 Audit. If CBOC has additional questions, they should forward them to Mr. Parsons.

Request from Member Cash: Can the CBOC receive background information in advance of the three-day posting of the meeting agenda? **Response:** Mr. Parsons will add an additional two (2) business days, so CBOC will receive five (5) business days.

Request from Member Kraus: He would be interested in having updates on the education master plans as well as construction. **Response:** Ms. Carlson will gather the information--

including the PowerPoint presentation that is presented to the Board--and make sure there is a presentation of the education master plans at a future meeting.

PUBLIC COMMENT - NONE

Meeting adjourned: 5:55 p.m.

Next meeting is April 17 at Norco College - 4 p.m.