

**LOS ANGELES COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES  
MINUTES - FACILITIES MASTER PLANNING & OVERSIGHT COMMITTEE  
Educational Services Center  
Board Room – First Floor  
770 Wilshire Boulevard  
Los Angeles, CA 90017  
Wednesday, November 28, 2018  
1:30 p.m. – 2:45 p.m.**

Committee: Scott J. Svonkin, Vice Chair, and Steven F. Veres, Member. Absent: Ernest H. Moreno, Chair

Trustee Svonkin called the meeting to order at 1:35 p.m.

PUBLIC SPEAKERS

None

RECOMMENDATION ITEMS

LACCD Proposition A/AA and Measure J/CC Performance Audit FY 17-18

A document entitled "LACCD, Facilities Master Planning and Oversight Committee, November 28, 2018" was distributed.

Mr. David Salazar, Chief Facilities Executive, introduced Ms. Tracy Hensley, Partner, KPMG LLP, who in turn introduced Ms. Erika Alvord, Director, KPMG LLP.

Trustee Svonkin inquired for the record how long has KPMG LLP been preparing the performance audits for the Los Angeles Community College District (LACCD) and how many other public agencies has KPMG engaged with and conducted similar performance audits.

Ms. Hensley responded that it has been eight years since they have been engaged with the LACCD and that this is the last year. She indicated that KPMG has over ten different clients with similar projects as the LACCD but the LACCD is considerably larger in volume.

Ms. Alvord discussed the document with respect to the scope and objective of the financial bond program regarding the scope for Fiscal Year 2017-18 Performance Audit for the following items:

- Program Management Office (PMO) Transition
- Cost Estimating
- Procurement

She continued to discuss the following summary results of the performance audit:

- Observation 1: Jacobs did not complete all contractual deliverables on time, and some deliverables remain in-progress
- Observation 2: During the transition process, input from the College Project Teams (CPTs) was not effectively sought or considered.

- Observation 3: The governing policies and procedures document (SOP) for the estimating process is not adequately detailed and focuses primarily on cost management on budget development, rather than adequately defining the process for developing a project estimate. Additional, there appear to be gaps in compliance with specific SOP sections.
- Observation 4: The bond program does not currently maintain a centralized cost source, such as database, of relevant project cost information and unit rates.
- Observation 5: Change order estimates were not consistently supported by the documentation required by the SOP.

Trustee Svonkin requested an explanation of the observations that were not addressed.

Ms. Alvord indicated that the draft performance audit report contains the details of the observations and will be distributed to the LACCD Tuesday.

Trustee Svonkin expressed his concern that the Committee was not provided with the draft Performance Audit of the LACCD Proposition A, Proposition AA, Measure J, and Measure CC Bond Programs, Fiscal Year ended June 30, 2018 and that standard procedure is that staff would have had the opportunity to brief the committee before the presentation. He noted that the Committee cannot make a recommendation based on a two page summary.

Mr. Salazar indicated that the Performance Audit report is a draft and the responses to the observations have not been completed as of today.

Trustee Svonkin inquired as to the items that Jacobs did not complete in terms of the contractual and PMO transition related to deliverables on time, and some deliverable remain in-progress.

Ms. Alvord responded that the Risk Management Plan was due 30 days after completion of the 30-day transition period and updates monthly. This was completed June 2018. The External Bond Program Website is Incomplete, with the exception of updates to routine bond program data, the external facing website has not been changed.

A robust detailed question and answer session was conducted regarding the Risk Management Plan and the External Bond Program Website observations.

Trustee Svonkin requested that the LACCD Proposition A/AA and Measure J/CC Performance Audit FY 17-18 be agenized again in January 2019 and that the draft performance audit be provided to all the committee members before then.

(Trustee Veres left at 1:00 p.m.)

Trustee Svonkin noted for the record that there is no quorum since Trustee Veres left and recessed the Committee until Trustee Veres returns.

(Trustee Veres returned at 1:06 p.m.)

Without objection the Committee reconvened at 1:06 p.m.

### Job Ordering Contracting

Trustee Svonkin inquired for the record if the District's Labor Agreement applies to all of the Job Order Contracts (JOC).

Mr. Rob Brykalski, Program Director, BuildLACCD, responded in the affirmative and stated that all LACCD programs are required as well.

Mr. Brykalski gave a PowerPoint presentation and discussed the JOC concept in terms of the project delivery method. In September 2017, the California State Legislature approved a pilot program which sunsets on January 1, 2022.

Trustee Veres noted for the record that the LACCD position is supportive of this legislation and has been closely monitoring it.

Trustee Svonkin noted for the record that the District's Labor Agreement applies to all of the Job Order Contracts (JOC) and the Local Small Emerging & Disabled Veteran (LSEDEV).

Motion by Trustee Veres, seconded by Trustee Svonkin, to recommend to the full Board approval of Job Order Contracting (JOC) as presented.

*APPROVED: 2 Ayes (Svonkin and Veres)  
1 Absent (Moreno)*

#### INFORMATIONAL ITEMS

##### Construction Cost Escalation

A document entitled "Construction Cost Escalation, BuildLACCD, November 28, 2018" was distributed.

Mr. Brykalski gave a brief summary of the construction cost escalation challenges and solutions in terms *Cost Estimating Modifications* and *Owner of Choice Focus*.

##### Active Construction Project Status Report (for receive and file only)

Due to time constraints, this item was not discussed.

#### FUTURE DISCUSSION/AGENDA ITEMS

Trustee Svonkin requested that staff research methods on how to save money on construction materials that we know are showing double-digit growth and present this topic at a future Committee meeting.

#### ADJOURNMENT

There being no objection, the meeting was adjourned at 2:58 p.m.