MEMORANDUM

Date: October 10, 2016

To: Facilities Master Planning and Oversight Committee:
   Mike Eng, Chairperson; Ernest H. Moreno, Vice Chairperson; Mike Fong,
   Member, Scott J. Svonkin, Alternate

From: James D. O'Reilly, Chief Facilities Executive

RE: October 19, 2016 Facilities Master Planning and Oversight Committee
    (FMP&OC) Meeting

Please find attached the following Background Materials for items on the October 19,
2016 Agenda:

   A. Draft of the Performance Audit of LACCD Proposition A/AA and Measure J Bond
      Program Fiscal Year ended June 30, 2016 conducted by KPMG.

   B. Status Update Report on 179 D Green Tax Deduction Monetization Efforts.

   C. Lead Construction Counsel's Semi-Annual Report on Bond Program Legal Fees
      and Costs.

   D. Memorandum regarding Committee Mission Statement.

   E. Presentation regarding Code of Ethical Conduct for the Program.

   F. Presentation regarding Community Economic Development Program Overview.

   G. Report regarding Request for Referral to Legislative Committee to seek two pilot
      program statutes with the California Legislature for Los Angeles Community
      College District: (1) a "Best Value" procurement statute; and (2) a "Job Order
      Contracting" procurement statute.

   H. Active Construction Summary; Projects with Construction Not Active; and
      Projects to be Completed.

I will be joined by staff at the meeting to discuss these items. Please feel free to call me
at (213) 891-2048 if you have any questions.

cc: Dr. Francisco C. Rodriguez, Chancellor
    Dr. Adriana D. Barrera, Deputy Chancellor
    Thomas Hall, Director of Facilities Planning and Development
    Paul Steinke, Program Director, BuildLACCD Program Management Office
Performance Audit of
Los Angeles Community College District
Proposition A, Proposition AA, and
Measure J Bond Programs

Fiscal Year ended June 30, 2016

October 10, 2016

KPMG LLP
550 South Hope Street
Suite 1500
Los Angeles, CA 90071
(213) 972 4000
October 10, 2016

Mr. James O'Reilly
Chief Facilities Executive
Los Angeles Community College District
770 Wilshire Boulevard, 6th Floor
Los Angeles, CA 90017

Dear Mr. O'Reilly:

This DRAFT report presents the results of our Performance Audit of the Los Angeles Community College District’s (LACCD) Proposition A, Proposition AA and Measure J bond programs for the fiscal year ended June 30, 2016, based on our agreed upon work plan with LACCD. Our work was performed during the period of July 1, 2016 through the date of this report.

We conducted this Performance Audit in accordance with Government Auditing Standards (GAS) 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 observations based on the established audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations based on our audit objectives.

This Performance Audit did not constitute an audit of financial statements in accordance with Government Auditing Standards or U.S. Generally Accepted Auditing Standards. KPMG was not engaged to, and did not render an opinion on LACCD’s internal controls over financial reporting or over financial management systems.

The report includes an executive summary, background, audit scope and methodology, audit results and recommendations, and list of acronyms, as well as appendices.

Based upon the audit procedures performed and the results obtained, we have met our audit objectives. This report provided to LACCD is for the sole use of LACCD, and is not intended to be, and may not be, relied upon by any third party.

We thank you and the members of your staff who have worked diligently with our team in providing information throughout this Performance Audit. We look forward to serving LACCD in the coming years.

Sincerely,
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EXECUTIVE SUMMARY

This Performance Audit was conducted in accordance with Government Auditing Standards (GAS) issued by the Comptroller General of the United States and as a requirement for construction bond programs under California Proposition 39, Smaller Classes, Safer Schools and Financial Accountability Act (Proposition 39). Our work for the year ended June 30, 2016, was performed during the period of May 20, 2016 through the date of this report.

Objective

A Performance Audit is an objective analysis for management and those charged with governance and oversight to use to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and to contribute to public accountability. Further, Performance Audits seek to assess the effectiveness, economy and efficiency of the bond program.

The objective of this Performance Audit was to understand certain aspects of the Los Angeles Community College District’s (LACCD or District) management of the bond program and bond program expenditures in accordance with the requirements of Proposition 39. Total approximate aggregate bond expenditures were $154 million during the fiscal year ended June 30, 2016.

As of June 30, 2016 the District reported in their Dashboard Report current program funding of approximately $6.3 billion, costs incurred of approximately $4.8 billion, and estimated additional costs (i.e. costs to be incurred) of $1.3 billion.

Scope

The scope for this year’s Performance Audit included three areas of focus:

- Program Processes: The scope of our audit included conducting an independent audit of the Bond Program’s Program select controls in 39 key process areas by comparing the Program’s Standard Operating Procedures to leading industry practices, as well as performing a walk-through of select controls. The objective of this audit was to provide an independent assessment of the Bond Program’s processes and controls and establish a baseline for identifying both areas of strengths as well as process weaknesses and areas for improvement.

- Procurement: The scope of our audit work included evaluating key steps of the procurement process including, but not limited to, forming the solicitation; advertising and outreach; vendor evaluation, selection and notification; vendor negotiation; and contracting. The objective of our procurement audit work was to evaluate adherence to the District’s Standard Operating Procedures and recognized industry practices.

- Bond Expenditures: The scope of our audit included testing bond expenditures incurred in the current fiscal year and comparing those for compliance with criteria such as the District’s Cost Principles, contract requirements and requirements of Proposition 39. The objective of testing bond expenditures was to evaluate whether the costs incurred for which bond funds were used have been spent on projects and costs approved by the voters, for allowable purposes and are accounted for properly.
Our performance audit does not opine on the internal controls structure of BuildLACCD or LACCD. In addition, our performance audit did not include testing of internal controls to determine if the internal controls are operating as designed. Our approach to evaluating the District’s Standard Operating Procedures (SOPs) is limited to the processes included with KPMG’s methodology and approach as described herein.

**Summary of Observations**

During this year’s audit, we noted that management implemented changes to some of the bond program’s key capital project delivery processes. In particular, changes were noted in the bond program process areas of procurement, change order, forecasting and cost reporting, pay applications, schedule reporting and project closeout. Although changes were noted, we did identify areas where additional improvements can be made.

The order of priority is a subjective ranking of importance among the observations as follows:

**High** - The recommendation pertains to a serious or materially significant audit finding or control weakness. Due to the seriousness or significance of the matter, immediate management attention and appropriate corrective action is warranted.

**Medium** - The recommendation pertains to a moderately significant or potentially serious audit finding or control weakness. Reasonably prompt corrective action should be taken by management to address the matter. Recommendation should be implemented no later than six months.

**Low** - The recommendation pertains to an audit finding or control weakness of relatively minor significance or concern. The timing of any corrective action is left to management's discretion.

**Process Related Observations** (Low)

1. Overall, LACCD’s Standard Operating Procedures (SOPs) are comprised of many leading industry practices as promulgated by leading construction industry organizations. However, four processes areas were identified as having room for improvement. They include: (a) Project Management Reporting, (b) Value Engineering, (c) Procurement Planning, and (d) Site Security.

**Procurement Observations** (Low/Medium)

In general, the procurement process has improved over the past years. Further improvements that could enhance the process include the following:

2a. The LACCD bond program Standard Operating Procedures (SOPs) for Contracts and Procurement Management currently do not reference two procurement/contracting methods used by the Program: (a) Construction Orders and (b) pre-qualified Multiple Award Task Order Contracts (MATOC).

2b. Supporting documentation for procurement is at times incomplete.

2c. Procurement documents do not incorporate a consistent naming convention and at times are not readily available electronically.
**Project Expenditure Observation (Low)**

3. Certain invoiced amounts do not comply with the contractual terms and conditions and certain supporting documentation is incomplete by immaterial amounts

**Summary**

Based on our audit, we did not identify any significant internal control deficiencies. We did not identify any significant charges to the Program that did not conform to the requirements of Proposition A, Proposition AA, and Measure J. We conclude that the District’s *Standard Operating Procedures (SOPs)* comprise many leading practices utilized in the industry. However, based on our audit scope this year, we made five observations where we identified opportunities for improvements.

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1 GAS 7.04: “Significance is defined as the relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors.” In the Performance Audit standards, the term “significant” is comparable to the term “material” as used in the context of financial statement audits.
BACKGROUND

In November 2000, the California legislature passed Proposition 39, **Smaller Classes, Safer Schools and Financial Accountability Act** of the State of California, which amended provisions to the *California Constitution (Article XIII)* and the *California Education Code (Section 15272)* to include accountability measures for bond programs. Specifically, the District must conduct an annual, independent Performance Audit of its construction bond program to ensure that funds have been expended only on the specific projects listed.

The District bond program is funded by Proposition A, Proposition AA, and Measure J, which were approved by voters in 2001, 2003, and 2008, respectively. The total authorized bond fund dollars are $6.2 billion and are designated for capital improvements for the renovation and replacement of aging facilities, and for the construction of new facilities.

**BuildLACCD**

BuildLACCD’s function is to facilitate the delivery of projects under the bond program. It consists of over 200 positions in a number of functional areas and includes several consultants and members of District staff. The largest function of BuildLACCD is the program management function provided by AECOM Technical Services, Inc. (AECOM or PM) as of April 4, 2013.

The Los Angeles Community College District’s (LACCD or District) bond program has operated under a decentralized model since 2007 with significant level of autonomy resting with the individual colleges, including project management decisions, documentation requirements, and methodologies. Under the AECOM program management agreement, all College Project Teams (CPTs) are contracted directly with the District but report to AECOM. This creates a centralized structure and establishes accountability by all of BuildLACCD.

**College Project Teams (CPT)**

The CPTs for each college reports directly to AECOM and are responsible for performing services to oversee college master planning, environmental impact studies, programming, design, construction, close-out, and occupancy. The CPTs are also responsible for overseeing design consultants, contractors, and vendors. Prior to 2015, the CPTs were known as College Project Managers (CPMs).

**District Expenditures**

As of June 30, 2016 the District reported in their Dashboard Report current program funding of approximately $6.3 billion, costs incurred of approximately $4.8 billion, and estimated additional costs (i.e. costs to be incurred) of $1.3 billion.
AUDIT SCOPE AND METHODOLOGY

This Performance Audit encompasses the District construction bond program and does not include the District’s business operations, administration, or management of any projects outside of the bond program. In addition, KPMG’s work under this engagement did not include providing technical opinions related to engineering, design, and facility operations and maintenance.

This Performance Audit was conducted in accordance with Government Auditing Standards (GAS) issued by the Comptroller General of the United States and as a requirement for construction bond programs under California Proposition 39, Smaller Classes, Safer Schools and Financial Accountability Act (Proposition 39). Our work for the year ended June 30, 2016, was performed during the period of May 20, 2016 through the date of this report.

Methodology

Government Auditing Standards (GAS), as promulgated by the Government Accountability Office (GAO), require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our comments and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for our comments and conclusions based on the audit objectives. As such, we followed the requirements of GAS and the District with respect to our methodology, which included the following elements:

- Conducting a risk assessment to identify areas of risk.
- Designing an audit plan based on issues and risks identified in the risk assessment phase.
- Conducting fieldwork with detail testing to further assess the risks and carry out our audit plan.
- Preparing an audit report for the District based on the results of our Performance Audit.

We reviewed the District’s internal policies, procedures, and documentation of key processes. We conducted interviews with BuildLACCD personnel and other contractors and consultants involved with BuildLACCD and the District bond program. We reviewed relevant source documentation to gain an understanding of the key functions of the District as they relate to the scope of this audit and corroborated key interview statements with test work.

Scope

The scope for this year’s Performance Audit included three areas of focus:

Program Processes

Our objective of evaluating the District’s key program processes relative was to:

(a) compare the District’s Standard Operating Procedures (SOPs) to leading practices, as promulgated by leading construction industry organizations as well as leading practices identified by KPMG;

(b) provide an independent assessment of the bond program’s key processes and controls and establish a baseline for identifying both areas of process strengths and weaknesses, as well as areas for improvement;

(c) evaluate actual process steps conducted by District and BuildLACCD employees and document instances of deviation from the SOPs.
Our approach to evaluate the District; key program processes, included KPMG’s proprietary construction Controls Assessment Tool. This tool was developed to evaluate the overall strength of a capital program’s key processes and controls included with the SOPs in five major process control categories and 39 process control subcategories and calculated a rating to each category and subcategory. Each process control included 3 to 8 specific assessment areas, 166 in total, that are rated based on leading practice criteria.

The five key program areas evaluated included:
- Strategy, organization, and administration;
- Cost and financial management;
- Procurement management;
- Project controls and risk management; and
- Schedule management.

The table below summarizes the ranking of the control ratings, although specific definitions for each score were utilized for each assessment area, based on leading practices:

<table>
<thead>
<tr>
<th>Score</th>
<th>Tier</th>
<th>Rating</th>
<th>Rating Description</th>
</tr>
</thead>
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<tr>
<td>≥3.5</td>
<td>Tier 4</td>
<td>Optimized</td>
<td>Integrated controls have been designed and are adequately documented, with real–time monitoring being completed and continuous improvement efforts underway to refine the control framework.</td>
</tr>
<tr>
<td>2.5 to 3.49</td>
<td>Tier 3</td>
<td>Monitored</td>
<td>Controls have been designed and are adequately documented for standardized use across the company. Some periodic testing is completed to report to management on the effective design and operation of the controls.</td>
</tr>
<tr>
<td>1.5 to 2.49</td>
<td>Tier 2</td>
<td>Standardized</td>
<td>Many controls have been designed and are adequately documented; but there are no established monitoring activities from which to test and improve the control framework.</td>
</tr>
<tr>
<td>1 to 1.49</td>
<td>Tier 1</td>
<td>Unreliable/Informal</td>
<td>Unpredictable environment where many controls are not designed or in place, in which no documentation exists, and therefore, no monitoring or improvement activities are occurring. Some controls may have been designed but are not adequately documented, monitored, or refined.</td>
</tr>
</tbody>
</table>

We then compared LACCD’s ratings to other higher-education institutions and leading organizations outside of the higher education industry. These entities also deliver large, complex construction programs and have utilized KPMG’s Controls Assessment Tool.

KPMG conducted meetings with subject matter experts from the Program Management Office (PMO) and College Project Teams (CPTs) to walk-through activities performed and documentation prepared for specific process areas, in order to compare the PMO’s and CPT’s actual practice against the documented SOPs. The specific process areas reviewed during the walk-throughs included: contractor payment processing; change order and field order management; cost forecasting and reporting; project closeout; and schedule reporting.
Procurement

Our objective of auditing the procurement process for the program as a whole for contracts awarded and/or negotiated in the current audit period is to understand compliance with key procurement process steps and requirements.

We selected a sample of contracts awarded during the FY2015/16 audit period based on the population as a whole. We evaluated the key steps of the procurement process including, but not limited to, forming the solicitation; advertising and outreach; vendor evaluation, selection and notification; vendor negotiation; and contracting. We performed the following activities:

- Interviewed key program personnel with a specific knowledge related to the procurement and contract process.
- Evaluated the LACCD bond program SOPs, Program Management Administration - Contract Management, revised May 24, 2016.
- Evaluated any revisions to the SOPs on Contract Management.
- Documented the process for evaluating review of procurement process by Build-LACCD.
- Evaluated (on a sample basis) procurement controls for competitive bidding. Specific areas targeted included:
  - Procurement planning
  - Solicitation planning and solicitation
  - Compliance with California Public Contract Code and LACCD requirements, outreach efforts
  - Source selection
  - Contract negotiation and execution
  - Prequalification
  - Bid and proposal evaluation
  - Contract administration
  - Conflicts of Interest (COI)
- Assessed the experience level of the key employees involved with the procurement and contracting efforts.
- Evaluated procurement/contract process against industry leading practices.
- Documented improvements to the procurement process (based on KPMG’s last assessment of procurement process in FY11/12).

Bond Expenditure Testing

Our objective of testing bond expenditures was to establish whether costs incurred, for which bond funds were used, were spent on projects and costs approved by the voters for allowable purposes and are accounted for properly. Specifically, we performed the following procedures:

We selected a sample of FY2015/16 bond expenditures and reviewed supporting documentation to validate the performance of bond program funds expended and measure against bond program criteria. Such criteria included the requirements of Proposition 39, LACCD Cost Principles, and other Performance Audit criteria, such as those set forth in and by Proposition 39, Cost Principles, the Project Management Manual, BuildLACCD SOPs, California Public Contract Code, contract language, and published industry practices. We performed the following activities:

- Performed a walkthrough of the bond funds expenditure cycle and documented instances of internal control weaknesses or non-compliance with audit criteria.
- Reconciled bond funds with project expenditures.
- Assessed whether costs incurred were compliant with bond program criteria stated above.
- Evaluated expenditure reporting to the Board of Trustees (BOT) and District Citizens’ Oversight Committee (DCOC), which include Dashboard and audit reports.
- Documented instances where processes can be improved.

We evaluated compliance with the contract funding source and with Proposition 39. We performed the following procedures related to bond expenditure compliance:

- Compared Campus capital expenditures with LACCD expenditures accounting and funding source, if a separate system or file exists, to identify discrepancies, if any.
- Compared project budget and scope to current authorized budget and scope, and allowable purposes under Proposition 39.
- Evaluated expenditure controls.
- On a sample basis, tested contractor invoiced costs for compliance with contractual terms (a full contract compliance audit was not part of this audit scope).
AUDIT RESULTS AND RECOMMENDATIONS

Program Processes

A bond program of the size and complexity like LACCD’s, requires an adequate Program internal control structure in place. A Program’s policies and procedures help create an internal control framework for an organization. It is this internal control framework that management will rely upon and that will help ensure the organization’s objectives are being met. Well-written policies and procedures also allow employees to clearly understand their roles and responsibilities within predefined limits. LACCD’s policies and procedures for the bond program are included with the Program’s SOPs.

Over the past four years, our Performance Audit results indicated that the bond program SOPs and key processes and controls were incomplete. In certain process areas, prior years’ observations identified several instances of inadequate oversight and incomplete monitoring activities by BuildLACCD. Additionally, past audit results identified a number of contract compliance issues, and insufficient Project documentation practices. These observations were attributed in part to the lack of documented leading practices incorporated with the bond program’s SOPs.

This year, we noted that management implemented changes to the bond program’s SOPs. BuildLACCD continues to improve bond program processes, incorporate leading practices and document requirements in the SOPs. Examples of changes noted are as follows:

- **Procurement** – Implementation of the web-based PlanetBids procurement system to allow for secure remote access and the ability for vendors to submit documents online.
- **Change order** – Improved organization of requirements for change order packages and definition of submittal requirements. Demonstrated understanding of required elements (i.e., forms, information, signatures) to confirm completeness of the change order package.
- **Forecasting and cost reporting** – Improved monthly cost and project status oversight and reporting process. Monthly Cost Reports included location/links to supporting documentation that justify reported costs. Project Controls Status Reports track various cost metrics using a stoplight chart to show overall status.
- **Pay applications** – Application of automated invoice routing through PMIS and staff training.
- **Schedule reporting** – Application of a third-party schedule analysis software to assess the quality of contractors’ baseline and monthly schedule updates, and preparation of monthly reports based on the schedule analysis.
- **Project closeout** – Improved documentation and understanding of the closeout process, including on-going communication and forms prepared at various milestones. Demonstration that the closeout process is actively being tracked and that closeout activities are occurring throughout the project lifecycle.
- **Conflicts of Interest (COI)** – LACCD has implemented policies and procedures to address conflicts of interest in the procurement process in order to identify personal relationships or other relationships that would constitute a conflict. The new COI policies and procedures cover both for members of selection committees as well as members of the contractor community.

Our audit results, which are based on KPMG’s controls assessment tool as described in our methodology, identified four areas where the District can continue to improve:

1. **Overall, LACCD’s Standard Operating Procedures (SOPs) are comprised of many leading industry practices as promulgated by leading construction industry organizations. However, four processes areas were identified as having room for improvement.** (Low)
**Criteria:** Leading construction industry organizations have identified leading industry practices related to capital construction Programs, which include processes or methods that, when executed effectively, lead to enhanced project performance. Such leading practices have been proven through extensive industry use and/or validation.

Leading practices in policies and procedures promulgated by leading industry organizations were reviewed and considered during this analysis. The District’s SOP’s were compared against such leading practices as well as leading practices identifies by KPMG, other organizations, and governmental agencies incorporated into KPMG’s Controls Assessment Tool. Included, but not limited to those leading practices are:

- Project Management Institute of America (PMI)
- Construction Management Association of America Construction Management Standards of Practice
- Construction Industry Institute (CII) Best Practices
- American Institute of Architects, The Architect’s Handbook of Professional Practice
- Elements of policies and procedures for a variety of agencies previously reviewed by KPMG.

The prevailing industry standards on policies and procedures prescribe the following key elements of an effective procedure:

- The procedures identifies who is responsible, accountable, consulted, and/or informed.
- The procedure includes clear objectives and detailed instructions on how to perform the task.
- The procedure states when the tasks needs to take place.
- The procedure includes references to relevant forms and documents.
- The procedure includes graphic diagrams and or business process flow charts.
- The procedure prescribes records retention and document update requirements.
- The procedure is maintained, updated, and issued by a centralized function.
- Procedure update notifications are generated and distributed automatically through a Project Management Information System (PMIS) or other leading document repository system.
- End users are involved in developing procedures.
- Superfluous terms such as “may, should, as applicable, and as necessary” are avoided and replaced with clearly defined requirements.

**Condition:** Based on KPMG’s evaluation and scoring of the District’s bond program processes utilizing KPMG’s proprietary Controls Assessment Tool, the District achieved an overall average process control rating of “Monitored” or a score between 3.04 and 3.51 on a scale where a score above 3.5 is considered optimized and a score above a 2.5 means that controls are adequately documented for standardized use across the organization. Overall, the bond program’s key processes and controls have been designed and are adequately documented for standardized use across the bond program with some periodic testing being completed and reported to management on the effective design and operation of the controls.

Table 1 below summarizes the District’s bond program’s average overall rating and the average rating for each of the five key program areas, as compared to other higher-education institutions and leading companies outside of the higher-education industry from KPMG’s controls assessment tool and global database. Refer to Table 2 for a summary table of the District’s bond program’s rating for each of the 39 sub-category process areas.

Most of these entities included with KPMG’s global database did not conduct continuous evaluations of their policies and procedures to the extent that LACCD has done over the years prior to their Controls Assessment. As a result of ongoing efforts and improvements to their SOPs, LACCD was able to attain a higher than average overall score when compared to their industry peers, most whom conducted the
Controls Assessment knowing or suspecting that their processes needed improvement.

### Table 1 - Process Control Ratings by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Optimized (3.5&lt;)</th>
<th>Monitored (2.5 to 3.49)</th>
<th>Standardized (1.5 to 2.49)</th>
<th>Unreliable/Informal (1 to 1.49)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>3.33</td>
<td>3.30</td>
<td>3.04</td>
<td>1.00</td>
</tr>
<tr>
<td>Program Strategy, Organization &amp; Administration</td>
<td>3.30</td>
<td>3.04</td>
<td>3.38</td>
<td>3.33</td>
</tr>
<tr>
<td>Cost &amp; Financial Management</td>
<td>3.04</td>
<td>3.38</td>
<td>3.51</td>
<td>3.33</td>
</tr>
<tr>
<td>Procurement Management</td>
<td>3.38</td>
<td>3.30</td>
<td>3.33</td>
<td>2.00</td>
</tr>
<tr>
<td>Project Controls &amp; Risk Management</td>
<td>3.51</td>
<td>3.30</td>
<td>3.33</td>
<td>3.33</td>
</tr>
<tr>
<td>Schedule Management</td>
<td>3.33</td>
<td>3.33</td>
<td>3.33</td>
<td>2.00</td>
</tr>
</tbody>
</table>

**Source:** KPMG’s Controls Assessment Tool and Global Database including 3 higher-education institutions and 40 other companies from healthcare, pharmaceuticals, power and utilities, oil and gas, manufacturing/industrial, engineering/construction, and technology industries.

1. **Project Management Reporting (Core control)**
   - The *SOPs* do not include standardized report templates or format for weekly/monthly progress reporting, internal or external or for routine compliance testing to confirm that weekly/monthly progress reporting is consistently prepared and follows a standardized format. Although the monthly *Dashboard Report* is named, it is not incorporated as a template.
   - Although required reports related to progress, cost, and schedule are mentioned throughout the SOPs there is not a comprehensive reporting matrix included with the *SOPs* to clearly identify all reports by type, timing, responsible entity, and distribution. The PMO provided a matrix, but it is not referenced by the *SOPs*.
   - *Dashboard Reports* do not include overall or project metrics on schedule, such as original completion date, forecasted completion date, schedule variance, and percentage completion. Additional metrics that may be important for management to analyze trend and historical data are not tracked and reported. These additional metrics may include the recordable incident rate, the Lost daily case rate, number and amount of contractor claims, number and amount of project rework, Architect/Engineering (AE) fee percentage, Construction Manager/General Contractor (CM/GC) fee percentage and amount, price per square foot, change order percentage, and earned value management statistics. Dashboard reporting requirements should be defined in a template in the *SOPs*.

2. **Value Engineering (Support control)**
• Although value engineering activities may be performed on projects, there is not a formal, documented value engineering process with tracking, reporting, and monitoring of value engineering activities1.

3. Procurement Planning (Support control)
• There is not a documented requirement in the SOPs to develop, review, approve, and monitor a formal project procurement plan for all projects above an established dollar threshold that is standardized across the bond program. A procurement planning process ensures that all contract activities and contract milestones are identified, and that the procurement plan is regularly updated and communicated. Procurement plans should include/address the following:
  – Identify which services are needed and which will be provided internally along with supporting justifications, key risks, assumptions/constraints, and market analysis.
  – Identify all owner procured equipment and responsible party.
  – Identify contract type/form for each major service and whether the contract will be competitively bid. This will include identifying which business unit/department is responsible for developing the scope statement.
  – Major milestones for each contract.
  – Owner's and actions for each procurement activity.

Although not audited by KPMG, the PMO reported that they conduct a number of Procurement planning activities. These activities have not been documented and incorporated with the SOPs.

4. Project Site Security (Support control)
• There are no formal site security policies and procedures in the SOPs that identify requirements for physical site access, video cameras, background checks, etc. Although contractor responsibilities are incorporated into their respective contracts, the SOPs do not reference them and the language is general in nature and language does not include all leading practices.

• Leading practices may include formalized site security policies and procedures utilized on all major construction projects with real time tracking of project personnel (professional services, construction, as well as Build and District personnel) via electronic badging system and project video cameras setup throughout project sites. District Project personnel may be vetted via formal background checks and project personnel may be required to pass drug screening, as required. Site security should perform frequent and routine project site security checks that are documented and all incidences are formally documented, tracked and investigated.

Additionally, we understand that requirement of background checks is currently being considered by the District.

Cause: The SOPs are continually refined and improved by BuildLACCD and have not optimized and documented all required core and support processes related to value engineering, project management reporting, procurement planning, and project site security, and the standardized documentation required to be prepared as part of the process.

Effect: Project Management Reporting: Without standardized reporting templates for external and internal KPI reporting and instructions how to prepare it incorporated with the SOPs, individuals tasked with reporting may report key performance data differently, and the District and management may not receive sufficient insight into overall project and program performance as it relates to schedule, change orders, contractor fees, claim, and other metrics, for example.

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1 The purpose of value engineering is to improve the value of projects by identifying opportunities to reduce cost while maintaining or improving the essential functions, performance, quality, and safety of the project.
Value Engineering: LACCD may not be maximizing opportunities to increase project value due to the lack of a documented and formalized value engineering process that is incorporated throughout the project lifecycle.

- The term Value Engineering (VE) is mentioned in several areas throughout the SOPs, however, the term Value Engineering is not defined in the SOPs nor are the required action steps explained at each point in the process where the term is mentioned.

- Leading value engineering practices include a formalized value engineering process that is incorporated throughout the project lifecycle for all major construction projects with tracking and reporting of value engineering activities via a database that provides real time updates and includes prioritization, activity scheduling/tracking, ownership identification and cost estimation.

Procurement Planning: Informal procurement planning by the PMO and CPT for major construction projects may result in limited or incomplete identification, evaluation, and communication of major contracts, contract activities, milestones, and ownership of major procurement activities.

Project Site Security: With informal or limited site security policies and procedures utilized on major construction projects, there may be little or no formal tracking and monitoring of site access, which may not be sufficiently monitored. As a result, LACCD’s bond program facilities and project information may be accessed by unauthorized individuals.

**Recommendation 1a: Project Management Reporting (Core control):** Build should consider incorporating standardized reporting template(s) with their SOPs. In addition, Build should incorporate their reporting matrix into the SOPs listing all required, reoccurring reports prepared by the PMO, CPT, and contractors, by type, timing, and distribution.

**Recommendation 1b: Value Engineering (Support control):** Build should consider documenting in their SOPs a formalized value engineering process for relevant projects an established dollar threshold, with tracking and reporting of value engineering activities that provides updates and includes prioritization, activity scheduling/tracking, ownership identification and cost estimation.

**Recommendation 1c: Procurement Planning (Support control):** Build should consider incorporating with their SOPs a formalized procurement planning process on all construction projects that includes planning for all major contracts and supplier agreements that is updated and reported on a frequent basis and includes identification of contracts, contract activities, key risks, milestones and ownership of procurement activities.

**Recommendation 1d: Project Site Security (Support control):** Build and the District should consider documenting formalized site security policies and procedures for monitoring and vetting of project personnel and site access within their SOPs and District policies, as applicable.
Table 2 – PROGRAM PROCESS RATING BY SUB-CATEGORY PROCESS AREA

The table below summarizes the District’s bond program’s rating for each of the 39 sub-category process areas.

<table>
<thead>
<tr>
<th>Overall Score: 3.33</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score: 3.3</td>
</tr>
<tr>
<td>Strategy, Organization, &amp; Administration</td>
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<tr>
<td>Score: 3.04</td>
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<tr>
<td>Cost &amp; Financial Management</td>
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<tr>
<td>Score: 3.38</td>
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<tr>
<td>Procurement Management</td>
</tr>
<tr>
<td>Score: 3.51</td>
</tr>
<tr>
<td>Project Controls &amp; Risk Management</td>
</tr>
<tr>
<td>Score: 3.3</td>
</tr>
<tr>
<td>Schedule Management</td>
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</tbody>
</table>

Legend

Core Process Control
Support Process Control

<table>
<thead>
<tr>
<th>Score</th>
<th>Tier</th>
<th>Rating</th>
<th>Rating Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥3.5</td>
<td>Tier 4</td>
<td>Optimized</td>
<td>Integrated controls have been designed and are adequately documented, with real-time monitoring being completed and continuous improvement efforts underway to refine the control framework.</td>
</tr>
<tr>
<td>2.5 to 3.49</td>
<td>Tier 3</td>
<td>Monitored</td>
<td>Controls have been designed and are adequately documented for standardized use across the company. Some periodic testing is completed to report to management on the effective design and operation of the controls.</td>
</tr>
<tr>
<td>1.5 to 2.49</td>
<td>Tier 2</td>
<td>Standardized</td>
<td>Many controls have been designed and are adequately documented, but there are no established monitoring activities from which to test and improve the control framework.</td>
</tr>
<tr>
<td>1 to 1.49</td>
<td>Tier 1</td>
<td>Unreliable/Informal</td>
<td>Unpredictable environment where many controls are not designed or in place, in which no documentation exists, and therefore, no monitoring or improvement activities are occurring. Some controls may have been designed but are not adequately documented, monitored, or refined.</td>
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</tbody>
</table>
Procurement

The FY2015/16 Performance Audit results indicated that the District has formal, standard operating procedures over the procurement process. Our prior audit of procurement in FY2011/12 identified limitations in the District’s retention of procurement documentation. As a result, we were not able to conclude that the District’s procurement process was effective, efficient, or in line with leading practices.

This year, we noted changes were implemented to the District’s procurement practices, including the District’s application of PlanetBids for procurement. PlanetBids is a web-based eProcurement solution that also used by several other public entities in California. This practice appears to have contributed to a more efficient and effective procurement process.

Additionally, BuildLACCD made changes to its procurement policies and procedures, Standard Operating Procedures (SOPs). We identified the following additional areas that could further enhance the process:

2a. The LACCD bond program Standard Operating Procedures (SOPs) for Contracts and Procurement Management currently do not reference two procurement/contracting methods used by the Program: (a) Construction Orders and (b) pre-qualified Multiple Award Task Order Contracts (MATOC). (Low/Medium)

Criteria: The bond program SOP’s dated May 24, 2016, specifically, the Professional Services Contract Management Procedure: Multiple Award Task Order Contracts and the Design Bid Build Contract Management Procedure: Projects of $45,000 or less, establishes and defines the procurement requirements.

Condition: In our discussions with the PMO about the procurement process, it was explained that there is a procedure for a Multiple Award Task Order Contract (MATOC) procurement of pre-qualified construction service providers. This type of MATOC procurement is currently not incorporated with the SOPs.

The Parking Lot Improvements at Pierce Center for the Sciences project at LAPC was procured through a construction order, which is currently used as a contract option for construction less than $30,000; however, this contracting method is not defined in the SOPs and the template used is not incorporated with the SOPs. This limit was originally set by the District.

Cause: The Procurement SOPs, just like the overall SOPs, are continually refined by BuildLACCD and have not yet documented all permitted procurement methods. The SOPs do not include defined prequalified service provider tier assignments based on contract values for MATOC procurements nor do they include a reference to the use of construction orders for procurement.

Effect: Contract values serve as a driver for MATOC procurement. Lack of specified contract value limits may lead to inconsistencies in awarding contracts, and lack of transparency and adherence to the SOPs during the procurement process. In addition, a lack of documented procurement SOPs related to the use of construction orders may lead to inconsistencies during the procurement process.

Recommendation 2a: BuildLACCD should update MATOC procurement procedures to include the process for pre-qualified constructions service providers. BuildLACCD should also update the SOPs to include the process and requirement for the use of construction orders: the construction order contracting document should be updated to reflect the $45,000 limit and included with the SOPs.

2b. Supporting documentation for procurement is at times incomplete. (Low)
Criteria: LACCD bond program SOP, Contracts and Procurement Management, effective May 24, 2016 establishes and defines procurement requirements. 

Design Bid Build Contract Management Procedure: Projects of $45,000 or less.

Professional Services Contract Management Procedure: Individual Procurement Exceeding $87,800

Design Build Contract Management Procedure

Design Bid Build Contract Management Procedure: Projects over $175,000

- Article 6.1.a states that, “PMO Program Controls confirms the available budget for the scope of work before PMO Contracts proceeds with procurement activities.”

- Article 8.2 states that, “The Construction Contracts Liaison (CCL) obtains confirmation from PMO Program controls that sufficient funds are available.”

- Article 7.2.1.b states that, “Budget Transfer or Project Budget Verification Form, signed, with transmittal copied to College President (or other verification of College President’s knowledge).”

- Article 7.2.2 states that, “The Notice to Bidders process also involves CPT/Construction Contracts Liaison (CCL) confirmation that estimates are aligned with the PMO Program Controls Budget.”

- Article 7.5.9 states that, “The Contract Administrator, CPT and Regional Program Liaison (RPL) will ascertain that the contractor has complied with all pre-award and post award requirements.”

Condition: Procurement documents do not consistently include evidence of required confirmations, approvals and validations. During our testing for existence and compliance of required procurement supporting documentation we noted 9 of 97 tests that failed or could not be performed due to missing or incomplete documentation. The test results relate to seven specific contracts out of ten contracts sampled in total:

- A project budget verification form or other verification or other sufficient form of verification of College President’s knowledge, as required by the SOPs, was not included with the procurement documentation for the following solicitation:
  - Design-bid-build (DBB) Parking Lot Improvements at Pierce Center for the Sciences project at Los Angeles Pierce College (LAPC).

- Confirmation of available budget for procurement was not included with the procurement documentation for the following solicitations:
  - OCIP Brokerage and Administrative Services throughout the District.
  - Multi-discipline Architectural-Engineering Design Services, the School of Math and Science at the Los Angeles Southwest Community College (LASC).

- Project budget verification forms were not validated (signed) by the Program Manager or Program Controls for the following solicitations:
  - Pierce Automotive CIP Architect of Record (LAPC).
  - Valley Central Plant project at Los Angeles Valley College (LAVC).

- CPT/CCL confirmation that estimates align with PMO for DBB task orders were not available for the following projects:
  - Performing Arts Amphitheater at West Los Angeles College (WLAC).
  - Central Plant Phase 2 (WLAC).

- Contract Administrator, CPT and RPL confirmation of contractor compliance with all pre- and post-award requirements for DBB task orders for the following projects:
  - Performing Arts Amphitheater (WLAC).
  - Central Plant Phase 2 at (WLAC).

Cause: The SOPs are not explicit in terms of how certain actions steps involving confirmation,
verification or compliance of various process requirements are to be documented and how that
documentation should be retained.

In the case of the missing confirmations for available budget and estimate alignment, there were no
specific forms or documents available to show record that this verification occurred. While the project
budget verification forms were not signed as validated by the Program Manager or Program Controls,
they were signed as prepared by Project Controls. Additionally, while a ‘Responsiveness Check’
document and the ‘Task Order’ document was provided to satisfy the pre-award and post-award
requirements, respectively, neither of these documents serve the purpose of verifying requirements are
met specifically during the pre-award and post award phases.

As a result of the lack of explicit compliance documentation requirements in the SOPs, it was not clear if
the SOPs were followed or enforced by Program Manager.

**Effect:** The SOPs establish required documents, confirmation and approvals necessary for procurement.
When these requirements are not obtained, the procurement and award process may be incomplete and
prone to errors or project complications during construction. Missing documents in a database result in no
back up of the original document and delays with document retrieval. Additionally, the Program Manager
may not have confirmed that there are sufficient funds available to complete the project.

| Recommendation 2b-1: | The District should document all procurement confirmations, approvals and
| | validations specific to their purpose to ensure they are official and traceable. |
| Recommendation 2b-2: | Build should incorporate the documentation requirements above with the
| | SOPs. |

2c. **Procurement documents do not incorporate a consistent naming convention and at times are not readily available electronically.** (Low)

**Criteria:** LACCD bond program Standard Operating Procedures (SOPs) for Contracts and Procurement
Management, date May 24, 2016 establishes and defines the procurement requirements.
- Professional Services Contract Management Procedure: Multiple Award Task Order Contracts
- Professional Services Contract Management Procedure: Individual Procurement Exceeding $87,800
- Design Bid Build Contract Management Procedure: Projects of $45,000 or less
- Design Bid Build Contract Management Procedure: Projects over $175,000
- Design Build Contract Management Procedure
- Master Agreement Contract Management Procedure: Formal Bids, exceeding $87,800

**Condition:** Procurement documents were difficult to locate in DocView, which serves as the bond
program’s primary document repository. No procedure or naming convention is incorporated in the
SOPs to facilitate easy location reference and searchable terms of specific documents, whether
maintained in DocView or located elsewhere.

**Cause:** Build maintains at least two document repositories, one for open Procurement files and
DocView for completed solicitations. DocView also incorporates other Build documents as it serves as
the Program’s main document control tool. The two separate systems follow two different naming
conventions, neither which is references by the SOPs.

**Effect:** As a result of the two document filing systems and the lack of a documented and meaningful
naming convention to facilitate swift location and retrieval of documents, documents required for the
audit needed to be located and retrieved by BuildLACCD and subsequently uploaded to DocView or
sent to the auditors to accommodate the audit requests. The lack of a formally documented naming convention and searchable terms incorporated with the SOPs also made searching for required documents in DocView more difficult for Build team members. Additionally, the lack of a naming convention also attributes to overlooking a document that actually has been uploaded to DocView and further complicates and delays document retrieval.

**Recommendation 2c:** Build should retain all relevant procurement documents based on the SOPs and track submission into DocView or other meaningful repository to ensure location, availability and completeness at any given point of the Procurement process (as well as other processes). Incorporating a formal naming convention will also help to improve document accessibility.

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**Expenditures**

3. **Certain invoiced amounts do not comply with the contractual terms and conditions, and supporting documentation is incomplete by immaterial amounts.** *(Low)*

Prior Performance Audit results have indicated that that certain invoices related to bond expenditures did not comply with contractual terms and conditions and/or did not contain adequate supporting documentation to support the charges. Areas of non-compliance included missing required forms and signatures, incorrectly calculated invoice amounts, and expenditures that were not compliant with certain terms and conditions of the governing contract. Our audit findings have been minor in nature and have not resulted in significant overbillings to the District.

This year, we have one repeat finding. Although the finding is minor, the District would still benefit from making adjustments to certain contractual clauses or invoice practices. Specifically, we identified the following opportunities for improvement:

**Condition:**

- Seven invoices in the amount of $203,134 did not include conditional or unconditional waivers as required by the contract terms. According to the District, waivers are not required for professional services and do not apply. However, this should be reflected in the contract. *(This is a repeat observation.)*
- Six invoices in the amount of $104,032 did not include a narrative progress report as required by the contract terms. According to the District, the invoices are for professional services and a narrative progress report does not apply. However, this should be reflected in the contract.

**Cause:** Some of the contractual requirements do not apply and, therefore, were not enforced by the project team, while other invoicing requirements have been overlooked.

**Effect:** The District may be subject to overcharges or unwarranted liens due to lacking and/or complying with proper contract terms and conditions.

**Recommendation 3:** The District should ensure appropriate contract terms related to contractor and vendor billings are executed and subsequently followed.
## MANAGEMENT RESPONSES

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<tr>
<th>N.</th>
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<th>BuildLACCD Management Response</th>
<th>BuildLACCD Process Owner</th>
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| 1a | Project Management Reporting (Core control) | **Effect:** Without standardized reporting templates for external and internal KPI reporting and instructions how to prepare it incorporated with the SOPs, individuals tasked with reporting may report key performance data differently, and the District and management may not receive sufficient insight into overall project and program performance as it relates to schedule, change orders, contractor fees, claim, and other metrics, for example.  

**Recommendation:** Build should consider incorporating standardized reporting template(s) with their SOPs. In addition, Build should incorporate their reporting matrix into the SOPs listing all required, reoccurring reports prepared by the PMO, CPT, and contractors, by type, timing, and distribution.  

*The Program Management Team feels requirements for standardized reports, including weekly/monthly progress reports at Program and Project levels, are included throughout the SOPs, including in the PMA 1.0 Overview and PMO Internal Policy SOP; PMA 5.0 Budget and Cost Management SOP; PMA 6.0 Schedule Management SOP; PMA 7.0 Finance/Accounting Management SOP; PMA 10.0 Risk Management SOP; and CP 3.0 Safety SOP. Additionally, internal monthly project progress reporting is documented during the Program Controls guided Campus Regional Review work sessions conducted for full compliance by the Deputy Program Director and Program Controls department lead. All reporting output is recorded and verified in standardized templates, and delivered to the CFE on a monthly basis, including the standardized monthly Dashboard Report posted to the BuildLACCD.org public website.*  

*However, the Program Management Team will review the SOPs for needed additional guidance on requirements for specific templates that Bond Program teams need to utilize to prepare these various reports.* | Kathleen Copus |
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<td>•</td>
<td>Although required reports related to progress, cost, and schedule are mentioned throughout the <em>SOPs</em> there is not a comprehensive reporting matrix included with the <em>SOPs</em> to clearly identify all reports by type, timing, responsible entity, and distribution. The PMT provided a matrix, but it is not referenced by the <em>SOPs</em>.</td>
<td></td>
<td><em>Late in 2013, and in the ongoing effort to track and monitor reporting compliance, a fully detailed PMO Reporting Deliverables Matrix was developed, clearly identifying all required PMO reports by type, timing, point of contact and distribution in compliance with the basic services agreement. In response to the needs of the District, in May 2015, the PMO provided and the LACCD Chief Facilities Executive authorized an update to this Deliverables Matrix showing a revised PMO-suggested frequency of reporting interval(s). This Deliverables Matrix has been subsequently updated and continues to be utilized to manage and direct PMO reporting efforts.</em></td>
<td><em>Kathleen Copus</em></td>
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<td>The Program Management Team will review the <em>SOPs</em>, in particular the Overview and PMO Internal Policy SOP, to incorporate language referencing this Deliverables Matrix as a reports management tool.</td>
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<td>1b</td>
<td>• Dashboard reports do not include overall or project metrics on schedule, such as original completion date, forecasted completion date, schedule variance, and percentage completion. Additional metrics that may be important for management to analyze trend and historical data are not tracked and reported. These additional metrics may include the Recordable Incident Rate, the Lost Daily Case Rate, number and amount of contractor claims, number and amount of project rework, AE Fee percentage, CM/GC Fee percentage and amount, price per square foot, change order percentage, and earned value management statistics. Dashboard reporting requirements should be defined in the SOPs.</td>
<td>The new enhanced Dashboard Report to be produced in October 2016 incorporates updated schedule data for each active sub-project in the program, including active construction physical percent complete. The monthly Campus Regional Reviews include a project health check reviewing and comparing current forecasts to the April 2016 Deep Dive Forecasts. In addition, PMO notes that some of additional KPMG noted metrics are considered confidential information and therefore are not appropriate for the published public Dashboard report. Some of these metrics are tracked and reported in separate KPI reports and/or to client separately. PMO will review and consider these recommendations for possible implementation.</td>
<td>Kathleen Copus Jennifer Salinas</td>
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<td></td>
<td><strong>Value Engineering (Support control)</strong></td>
<td><strong>Effect:</strong> LACCD may not be maximizing opportunities to increase project value due to the lack of a documented and formalized value engineering process that is incorporated throughout the project lifecycle.  • The term Value Engineering (VE) is mentioned in several areas</td>
<td>**The PMO regularly implements value engineering and other cost savings practices despite the lack of a formal process. PMO will add the Value Engineering (VE) definition to the SOPs as part of adding additional VE narrative in the SOPs.</td>
<td>Nader Farnoush Daynard Tullis</td>
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<td>N.</td>
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|    | throughout the SOPs, however, the term Value Engineering is not defined in the SOPs nor are the required action steps explained at each point in the process where the term is mentioned.  
• Leading value engineering practices include a formalized value engineering process that is incorporated throughout the project lifecycle for all major construction projects with tracking and reporting of value engineering activities via a database that provides real time updates and includes prioritization, activity scheduling/tracking, ownership identification and cost estimation.  
**Recommendation:** Build should consider documenting in their SOPs a formalized value engineering process for relevant projects an established dollar threshold, with tracking and reporting of value engineering activities that provides updates and includes prioritization, activity scheduling/tracking, ownership identification and cost estimation. | | | |
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<td>1c</td>
<td><strong>Procurement Planning (Support control)</strong>&lt;br&gt;There is not a documented requirement in the SOPs to develop, review, approve, and monitor a formal project procurement plan for all projects above an established dollar threshold that is standardized across the bond program. A procurement planning process ensures that all contract activities and contract milestones are identified, and that the procurement plan is regularly updated and communicated. Leading practices procurement plans include/address the following:&lt;br&gt;&lt;ul&gt;&lt;li&gt;Identify which services are needed and which will be provided internally along with supporting justifications, key risks, assumptions/constraints, and market analysis.&lt;/li&gt;&lt;li&gt;Identify all owner procured equipment and responsible party. Identify contract type/form for each major service and whether the contract will be&lt;/li&gt;&lt;/ul&gt;<strong>Effect:</strong> Informal procurement planning by the PMO and CPT for major construction projects may result in limited or incomplete identification, evaluation, and communication of major contracts, contract activities, milestones, and ownership of major procurement activities.&lt;br&gt;&lt;br&gt;<strong>Recommendation:</strong> Build should consider incorporating with their SOPs a formalized procurement planning process on all construction projects that includes planning for all major contracts and supplier agreements that is updated and reported on a frequent basis and includes identification of contracts, contract activities, key risks, milestones and ownership of procurement activities.&lt;br&gt;&lt;br&gt;<strong>Procurement planning for major capital improvements and smaller design-bid-build construction projects procured through the Prequalified Construction Service Provider (PQSP) multiple award task order contract is performed on a weekly basis through a coordination meeting between Contracts, Construction, and Program Controls utilizing the Program P6 Milestones in the Bid &amp; Award phase</strong>&lt;br&gt;&lt;br&gt;The results of this meeting are a schedule matrix comparing current procurement schedules to the April 2016 Baseline Schedule. This matrix is recorded and presented to Senior Staff weekly and to the District at the weekly Touch Base update.&lt;br&gt;&lt;br&gt;Procurement planning and aggressive management of procurement schedule have resulted in an average tender-to-award duration of 112 days. This is an improvement of 39.4% over the 185-day average pre-April 2013.&lt;br&gt;&lt;br&gt;A formal Procurement Planning process will be incorporated into the SOP in the next update cycle.</td>
<td>Bryan Payne</td>
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<td>N.</td>
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|    | competitively bid. This will include identifying which business unit/department is responsible for developing the scope statement.  
- Major milestones for each contract.  
- Owner's and actions for each procurement activity. | Effect: With informal or limited site security policies and procedures utilized on major construction projects, there may be little or no formal tracking of internal and external project site personnel, which may not be sufficiently monitored. As a result, LACCD’s bond program facilities and project information may be accessed by unauthorized individuals.  
Recommendation: Build and the District should consider documenting formalized site security policies and procedures for monitoring and vetting of project personnel and site access within their SOPs and District policies, as applicable. | RE: Campus security - The District has operational policies and procedures that are implemented in coordination with the Sheriff’s department on each campus. This is not part of the PMO contractual responsibility.  
The District construction contracts make provisions Project Site Security – This appears to be two separate issues. Construction site security and background checks for personnel who work on the program.  
RE: construction site security – security of the contractually defined limits of the construction site is the responsibility of the General Contractor. This requirement is contained within their respective contracts. The methodology for securing the area is part of the contractor’s means and methods and | Bryan Payne |
| 1d | Project Site Security (Support control)  
There are no formal site security policies and procedures in the SOPs that identify requirements for physical site access, video cameras, background checks, etc. Although contractor responsibilities are incorporated into their respective contracts, the SOPs do not reference them. The language in the contracts is general in nature and does not include all leading practices.  
Leading practices may include formalized site security policies and procedures utilized on all major construction projects with real time tracking of project personnel (professional services, construction, as well as Build and District personnel) via electronic badging system and project video cameras setup | | | |
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<td>Throughout project sites. District Project personnel may be vetted via formal background checks and project personnel may be required to pass drug screening, as required. Site security should perform frequent and routine project site security checks that are documented and all incidences are formally documented, tracked and investigated.</td>
<td>Must comply with the terms of the contract and standard industry practice. The General Contractor is also responsible for complying with the security requirements in place at the College Campus. Campus security policy is the responsibility of the College not the PMO.</td>
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<td>RE: screening of professional service personnel – There is no statutory requirement for community college districts to perform background checks on the employees of independent contractors performing work for the District. Without a statutory requirement for these checks it is a District decision whether to require them or not. Build is not legally in a position to impose such a requirement and as a result cannot unilaterally issue a policy as part of its SPOs. The District has indicated a desire to begin performing background checks of professional personnel and has engaged an outside labor law firm to develop this policy. Once put in place by the District, the PMO will incorporate the policy into its SPOs.</td>
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<td>As it relates to construction personnel, while section 45125.1 of the Education Code provides for background checks for contractors working with K-12 school districts, there is no parallel requirement for community college districts. In fact, in 1999, the Legislature rejected Senate Bill No. 358 that would have placed this requirement on community colleges. Again the decision to</td>
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<td>require background checks for construction personnel is one that is a District option. Until the District puts such a policy in place, Build is not in a legal position to require them. If a District policy is issued, Build will incorporate it into its SPOs.</td>
<td>Bryan Payne</td>
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**OBSERVATIONS OVER PROCUREMENT REVIEW**

2a The LACCD bond program Standard Operating Procedures (SOPs) for Contracts and Procurement Management do not include certain procurement requirements used by the bond program. (Low)

The bond program SOP’s dated May 24, 2016, specifically, the Professional Services Contract Management Procedure: Multiple Award Task Order Contracts and the Design Bid Build Contract Management Procedure: Projects of $45,000 or less, establishes and defines the procurement requirements.

In our discussions with the PMO about the procurement process, it was explained that part of the procedure for a Multiple Award Task Order Contract (MATOC) requires background checks for construction personnel is one that is a District option. Until the District puts such a policy in place, Build is not in a legal position to require them. If a District policy is issued, Build will incorporate it into its SPOs.

Effect: Contract values serve as a driver for MATOC procurement. Lack of specified contract value limits may lead to inconsistencies in awarding contracts, and lack of transparency and adherence to the SOPs during the procurement process. In addition, a lack of documented procurement SOPs related to the use of construction orders may lead to inconsistencies during the procurement process.

Recommendation: BuildLACCD should update MATOC procurement procedures to include the process for pre-qualified construction service providers. BuildLACCD should also

The Prequalified Construction Services Provider Multiple Award Task Order Contract (PQSP Bench) is a new process for bidding design-bid-build projects under $2.5 million in value. This process and the associated contracts were approved by the Board of Trustees in April 2016 just before commencement of this Performance Audit. Projects are bid to the entire bench of prequalified providers and selection goes to the lowest bidder in accordance with the provisions of Public Contract Code.

Bidders may only bid up to the single-project limit of their bonding capacity. This ensures that there is no inconsistency in awarding task orders to contractors who do not have the capacity. Upon advice of counsel, enforcing specific tier assignments was deemed improper and could improperly limit...
<table>
<thead>
<tr>
<th>N.</th>
<th>FY16 Audit Observation</th>
<th>KPMG Effect/Recommendation</th>
<th>BuildLACCD Management Response</th>
<th>BuildLACCD Process Owner</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>procurement of pre-qualified construction service providers. This type of MATOC procurement is currently not incorporated with the SOPs.</td>
<td>update the SOPs to include the process and requirement for the use of construction orders: the construction order contracting document should be updated to reflect the $45,000 limit and included with the SOPs.</td>
<td>competition within the bench. Accordingly, the bonding capacity limit serves as the limitation and enforcement of consistency. An SOP providing guidance to the use of the PQSP Bench will be issued pending revision of SOP Section 7.0 Design-Bid-Build Construction Contracts in the next SOP revision cycle. Because bidding of design-bid-build projects including those procured under the PQSP Bench are specifically addressed in SOP Section 7.0 in accordance with Public Contract Code and the California Uniform Construction Cost Accounting Act (CUPCCAA), this risk should be deemed low.</td>
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<td></td>
<td>The Parking Lot Improvements at Pierce Center for the Sciences project at LAPC was procured through a construction order, which states it is a contract option for construction less than $30,000; however, this contracting method is not defined in the SOPs and the template used is not incorporated with the SOPs.</td>
<td></td>
<td>Construction Orders are a form of contract used only for small informal bids. The process for procuring informal bids ($45,000 or less) is specifically addressed in SOP Section 7.2.1, page 30 in accordance with Public Contract Code Section 22032 and Board Rule 7103.08. Accordingly this risk should be deemed low. An SOP will be issued to provide guidance on the use of Construction Orders for design-bid-build projects under $30,000 pending revision of SOP Section 7.2.1 to specifically address the use of Construction Orders in the next update cycle.</td>
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<td>N.</td>
<td>FY16 Audit Observation</td>
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</table>
| 2B | Supporting documentation for procurement is at times incomplete. (Low) | Effect: The SOPs establish required documents, confirmation and approvals necessary for procurement. When these requirements are not obtained, the procurement and award process may be incomplete and prone to errors or project complications during construction. Missing documents in a database result in no back up of the original document and delays with document retrieval. Additionally, the Program Manager may not have confirmed that there are sufficient funds available to complete the project. | 2b.1 This issue is being addressed through the implementation of PMIS. Because PMIS will not allow procurement to proceed without budget authorization, this risk should be deemed low.  
2b.2 This issue is being addressed through the implementation of PMIS. Because PMIS will not allow procurement to proceed without appropriate approvals in accordance with the SOP, this risk should be deemed low.  
2b.3 This issue is being addressed through the implementation of PMIS. Because PMIS will not allow procurement to proceed without appropriate approvals in accordance with the SOP, this risk should be deemed low.  
2b.4 This issue is being addressed through the implementation of PMIS. Because PMIS will not allow procurement to proceed without appropriate approvals in accordance with the SOP, this risk should be deemed low.  
2b.5 This issue is being addressed through the implementation of PMIS. Because PMIS will not allow procurement to proceed without appropriate approvals in accordance with the SOP, this risk should be deemed low. | Bryan Payne  
Jennifer Salinas |

An SOP will be issued to provide guidance on the use of Construction Orders for design-bid-build projects under $30,000 pending revision of SOP Section 7.2.1 to specifically address the use of Construction Orders in the next update cycle.
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<th>BuildLACCD Management Response</th>
<th>BuildLACCD Process Owner</th>
</tr>
</thead>
</table>
| 2b | 2b.3 Project budget verification forms were not validated (signed) by the Program Manager or Program Controls for the following solicitations:  
  - Pierce Automotive CIP Architect of Record (LAPC).  
  - Valley Central Plant project at Los Angeles Valley College (LAVC).  
  2b.4 CPT/CCL confirmation that estimates align with PMO for DBB task orders were not available for the following projects:  
  - Performing Arts Amphitheater at West Los Angeles College (WLAC)  
  - Central Plant Phase 2 (WLAC).  
  2b.5 Contract Administrator, CPT and RPL confirmation of contractor compliance with all pre- and post-award requirements for DBB task orders for the following projects:  
  - Performing Arts Amphitheater (WLAC).  
  - Central Plant Phase 2 (WLAC). | **Recommendation 2b-2:** Build should incorporate the documentation requirements above with the SOPs. | appropriate approvals in accordance with the SOP, this risk should be deemed low. | |
| 2c | **Procurement documents do not incorporate a consistent naming convention and at times are not readily available electronically. (Low)** | **Effect:** As a result of the two document filing systems and the lack of a documented and meaningful naming convention to facilitate swift location and retrieval of documents, documents | Procurement documents for fully executed contracts are stored in the DocView document control system. Working procurement documents for ongoing procurements are contained in the PlanetBids bidding system pending full execution and | Bryan Payne |

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<thead>
<tr>
<th>N.</th>
<th>FY16 Audit Observation</th>
<th>KPMG Effect/Recommendation</th>
<th>BuildLACCD Management Response</th>
<th>BuildLACCD Process Owner</th>
</tr>
</thead>
</table>
|    | Procurement documents were difficult to locate in DocView, which serves as the bond program’s primary document repository. No procedure or naming convention is incorporated in the SOPs to facilitate easy location reference and searchable terms of specific documents, whether maintained in DocView or located elsewhere. | required for the audit needed to be located and retrieved by Build and subsequently uploaded to DocView or sent to the auditors to accommodate the audit requests. The lack of a formally documented naming convention and searchable terms incorporated with the SOPs also made searching for required documents in DocView more difficult for Build team members. Additionally, the lack of a naming convention also attributes to overlooking a document that actually has been uploaded to DocView and further complicates and delays document retrieval.  

**Recommendation:** Build should retain all relevant procurement documents based on the SOPs and track submission into DocView or other meaningful repository to ensure location, availability and completeness at any given point of the Procurement process (as well as other processes). Incorporating a formal naming convention will also help to improve document accessibility. | storage in DocView.  

Also, a redundant paper procurement file is maintained as a backup.  

The samples chosen were at different stages in the procurement lifecycle. Consequently, some documents available in PlanetBids were not available in DocView.  

Because the entire procurement file is uploaded to DocView after Board award and execution of the contract, this risk should be deemed low.  

A revised naming convention and cross-reference system will be issued in the next Contracts SOP update cycle. | Bryan Payne |
<p>| 3  | Certain invoiced amounts do not comply with the contractual terms and Effect: The District may be subject to overcharges or unwarranted liens due to lacking and/or | | Chris Bushra Bryan Payne |</p>
<table>
<thead>
<tr>
<th>N.</th>
<th>FY16 Audit Observation</th>
<th>KPMG Effect/Recommendation</th>
<th>BuildLACCD Management Response</th>
<th>BuildLACCD Process Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>conditions, and supporting documentation is incomplete. (Low)</strong></td>
<td>complying with proper contract terms and conditions</td>
<td>The professional services contracts in the 1000 series noted are in the process of being updated and amended; these provisions will also be addressed in that amendment. This amendment is expected to be completed by the end of November 2016.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Seven invoices in the amount of $203,134 did not include conditional or unconditional waivers as required by the contract terms. According to the District, waivers are not required for professional services and do not apply. However, this should be reflected in the contract. (This is a repeat observation.)</td>
<td></td>
<td>All other professional services contracts carrying these provisions will be amended according to Recommendation 3 in Q1 2017.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Six invoices in the amount of $104,032 did not include a narrative progress report as required by the contract terms. According to the District, the invoices are for professional services and a narrative progress report does not apply. However, this should be reflected in the contract.</td>
<td></td>
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</tr>
</tbody>
</table>
## APPENDIX A – LIST OF ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM</td>
<td>Program Manager or AECOM Technical Services, Inc.</td>
</tr>
<tr>
<td>AE</td>
<td>Architect/Engineering (firm)</td>
</tr>
<tr>
<td>AIA</td>
<td>American Institute of Architects</td>
</tr>
<tr>
<td>BOT or Board</td>
<td>Los Angeles Community College District Program Management Office, a blended program management team consisting of URS or AECOM (after April 4, 2013), other consultants, and members of the District.</td>
</tr>
<tr>
<td>BuildLACCD</td>
<td>Construction Industry Institute</td>
</tr>
<tr>
<td>CII</td>
<td>Construction Manager</td>
</tr>
<tr>
<td>CM</td>
<td>Construction Manager</td>
</tr>
<tr>
<td>COI</td>
<td>Conflicts of Interest</td>
</tr>
<tr>
<td>CPM</td>
<td>College Project Manager</td>
</tr>
<tr>
<td>CPT</td>
<td>College Project Team</td>
</tr>
<tr>
<td>DB</td>
<td>Design-Build</td>
</tr>
<tr>
<td>DBB</td>
<td>Design-Bid-Build</td>
</tr>
<tr>
<td>DCOC</td>
<td>District Citizens’ Oversight Committee</td>
</tr>
<tr>
<td>DocView</td>
<td>Document records and storage system maintained by Program Manager</td>
</tr>
<tr>
<td>EAC</td>
<td>Estimated Cost at Completion (for a project)</td>
</tr>
<tr>
<td>ELAC</td>
<td>East Los Angeles College</td>
</tr>
<tr>
<td>GAS</td>
<td>Government Auditing Standards</td>
</tr>
<tr>
<td>GAO</td>
<td>Government Accountability Office</td>
</tr>
<tr>
<td>GC</td>
<td>General Contractor</td>
</tr>
<tr>
<td>IOR</td>
<td>Inspector of Record</td>
</tr>
<tr>
<td>KPMG</td>
<td>KPMG LLP</td>
</tr>
<tr>
<td>LACC</td>
<td>Los Angeles City College</td>
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<tr>
<td>LACCD or District</td>
<td>Los Angeles Community College District</td>
</tr>
<tr>
<td>LAHC</td>
<td>Los Angeles Harbor College</td>
</tr>
<tr>
<td>LAPC</td>
<td>Los Angeles Pierce College</td>
</tr>
<tr>
<td>LASC</td>
<td>Los Angeles South College</td>
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<tr>
<td>LASWC</td>
<td>Los Angeles Southwest College</td>
</tr>
<tr>
<td>LATTC</td>
<td>Los Angeles Trade Technical College</td>
</tr>
<tr>
<td>LAVC</td>
<td>Los Angeles Valley College</td>
</tr>
<tr>
<td>MATOC</td>
<td>Multiple Award Task Order Contracts Technical Services</td>
</tr>
<tr>
<td>OCIP</td>
<td>Owner Controlled Insurance Program</td>
</tr>
<tr>
<td>PM or PMO</td>
<td>Program Manager or Program Management Office</td>
</tr>
<tr>
<td>PMI</td>
<td>Program Management Institute</td>
</tr>
<tr>
<td>PMIS</td>
<td>Program Management Information System</td>
</tr>
<tr>
<td>PMP</td>
<td>Program Management Plan</td>
</tr>
<tr>
<td>SOPs</td>
<td>Standard Operating Procedures Manual</td>
</tr>
<tr>
<td>Touchpoints</td>
<td>Program Touchpoints Handbook</td>
</tr>
<tr>
<td>UII</td>
<td>Universal Inquiry Interface</td>
</tr>
<tr>
<td>URS</td>
<td>URS Corporation (Program Manager from March 2007 to April 2013)</td>
</tr>
<tr>
<td>VE</td>
<td>Value Engineering</td>
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<tr>
<td>WLAC</td>
<td>West Los Angeles College</td>
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</tbody>
</table>
APPENDIX B – SUMMARY OF MANAGEMENT’S PLANS
(Improvements reported by BuildLACCD, and not subject to audit)²

The current PM has continued many initiatives to improve the bond program under its current leadership. Below are examples of leading practices that started during and after the period of audit, as represented by management, but have not yet been audited by KPMG:

Program Improvements:

- 18 Standard Operating Procedures (SOPs) were created or revised
- Over 140 bond program forms were reviewed and/or revised for enhanced efficiencies
- Program level and college level Key Performance Indicators (KPIs) criteria were reviewed and revised for improved reporting
- CPT staff training on accounting principles and fiscal year-end accrual process was enhanced
- Average major procurement tender time is currently 112 days
  - 3.4% improvement from 116 day average reported on prior performance audit
  - 6.7% improvement from 120 day average reported in April 2015
  - 39.4% improvement from 185 day average pre-April 2013
- Zero protests filed in 2016
- Automated email reminders were created and went live in June 2016 to encourage vendors and subcontractors to summit invoices to the program for payment in a timely manner
- The District worked with the BuildLACCD PMO to set up a reserve fund and put it in place in May 2016 to help improve the vendor payment process in order to help reduce the number of payment processing days
- The PMO encouraged prime contractors to pay their subcontractors using electronic funds transfer and several have accommodated as per payment process improvement recommendation from Invoice Payment and Processing Review (IPPR) conducted by Deloitte in June 2016

² KPMG did not audit these “leading practices” against PM represented performance criteria.
• The PMO has been working on improving throughput for vendor payment processing. Starting in January through June 2016, the number of days from receipt of invoice to payment to vendors had been decreased:
  – General Contractor vendors invoice receipt to payment days had declined from 30 to 28 days
  – Multiple Award Task Order Contract (MATOC) vendors invoice receipt to payment days had declined from 27 to 17 days

• In order to improve compliance and expedite approvals, beginning October 2016 Build LACCD PMO has implemented eight electronic workflow processes in PMIS. A coordinated team (led by Accounting, Contracts, Project Controls) developed these workflows to automate approval and posting of the following:
  – Master Service Agreements
  – Master Purchase Agreements
  – Professional Services Agreements
  – Purchase (PO) and Task Orders (TO)
  – Construction Contracts
  – Construction Change Orders
  – PO and TO Financial Close outs
  – Invoice approvals for all of the above
### APPENDIX C - SUMMARY AND STATUS OF 2014-15 OBSERVATIONS AND RECOMMENDATIONS
(Management’s response provided by BuildLACCD)

<table>
<thead>
<tr>
<th>2014-2015 Observations and Recommendations</th>
<th>Management’s Response and Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Scheduling</strong></td>
<td><strong>Management’s October 2016 Update:</strong></td>
</tr>
<tr>
<td>1a. The District should update their monthly Dashboard reporting practices to include schedule variances, substantial completion dates, and correct reference to source documentation.</td>
<td>1a. Closed</td>
</tr>
<tr>
<td>1b. The District should start tracking individual line item schedule changes on a monthly basis for purposes of conducting their own internal schedule variance analysis.</td>
<td>1b. Open. The PMO Project Controls team has taken great measures to implement new fields in the Program's P6 scheduling software to capture the Contract NTP and Contract Finish for active Construction projects. Variances are reviewed on a monthly basis. Implementation of a new change management log template incorporating additional data will allow increased visibility on approved contract duration changes.</td>
</tr>
<tr>
<td>1c. The District should create and implement uniform scheduling activity codes for project scheduling purposes.</td>
<td>1c. Closed</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>2. <strong>Budget and Cost</strong></td>
<td><strong>Management’s October 2016 Update:</strong></td>
</tr>
<tr>
<td>2a. The District should complete the revised project baseline effort for all projects.</td>
<td>Open</td>
</tr>
<tr>
<td></td>
<td>In April 2016 the Program performed a bottoms up estimate at each campus on the active projects. The revised baseline was presented to the District and FMPOC but not incorporated into the LACCD Dashboard at the request of the District. Starting in October 2016, the PMO kicked off a second Estimate at Completion (EAC) update exercise to confirm each active projects bottoms up estimate, and refine where necessary with the intent of incorporating a new baseline by January 2017.</td>
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<td>------------------------------------------</td>
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</tr>
<tr>
<td><strong>3. Project Expenditure</strong></td>
<td></td>
</tr>
<tr>
<td>3a. The District should ensure appropriate contract terms related to contractor and vendor billings are executed and subsequently followed.</td>
<td><strong>Management’s October 2016 Update:</strong></td>
</tr>
<tr>
<td></td>
<td>Open</td>
</tr>
<tr>
<td></td>
<td>The contracts with upcoming expiration dates will be allowed to expire.</td>
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<td></td>
<td>The professional services contracts in the 1000 series noted are in the process of being updated and amended; these provisions will also be addressed in that amendment. This amendment is expected to be completed by the end of November 2016.</td>
</tr>
<tr>
<td></td>
<td>All other professional services contracts carrying these provisions will be amended according to Recommendation 3 in Q1 2017.</td>
</tr>
</tbody>
</table>
With You Today

- Tracy Hensley, Partner
- Erika Alvord, Managing Director
- Pamela Stowers, Director

Objectives of the Performance Audit

- Performance audits seek to assess the effectiveness, economy and efficiency of the bond program and provides an objective analysis for management and those charged with governance and oversight to use to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and to contribute to public accountability.

Scope of Engagement

- Performance Audit of the construction bond program for the year ended June 30, 2016, for projects covered by Proposition A, Proposition AA and Measure J bond proceeds.

Focus Areas for Current Year Performance Audit

This year’s Performance Audit included three areas of focus:

**Program Processes:** Our audit included conducting an independent audit of the Bond Program’s Program select controls in 39 key process areas by comparing the Program’s Standard Operating Procedures to leading industry practices.

**Procurement:** Our audit included evaluating key steps of the procurement process including, but not limited to, forming the solicitation; advertising and outreach; vendor evaluation, selection and notification; vendor negotiation; and contracting. The objective of our procurement audit work was to evaluate adherence to the District’s Standard Operating Procedures and recognized industry practices.

**Bond Expenditures:** Our audit included testing bond expenditures incurred in the current fiscal year and comparing those for compliance with criteria such as the District’s Cost Principles, contract requirements and requirements of Proposition 39.
Results of Performance Audit

1. Process Related Observations (Low)

Overall, LACCD’s Standard Operating Procedures (SOPs) comprise many leading industry practices as promulgated by leading construction industry organizations. However, four processes areas were identified as having room for improvement:

- **Project Management Reporting** – Build should consider incorporating standardized reporting templates and their reporting matrix into the SOPs.

- **Value Engineering** – Build should consider documenting in their SOPs a formalized value engineering process for relevant projects, currently none is included.

- **Procurement Planning** – Build should consider incorporating with their SOPs a formalized procurement planning process.

- **Site Security** – Build and the District should consider documenting formalized site security policies and procedures for monitoring and vetting of project personnel and site access within their SOPs and District policies, as applicable.

2. Procurement Observations (Low/Medium)

In general, the procurement process has changed over the past years. Further improvements that could enhance the process include the following:

2a. The SOPs for Contracts and Procurement Management currently do not describe two procurement/contracting methods used by the Program outside of the SOPs.

2b. Supporting documentation for procurement is at times incomplete, including required documents such as budget verification forms; confirmation of available budget for procurement; estimates; and confirmation of contractor compliance with all pre- and post-award requirements.

2c. Procurement documents do not incorporate a consistent naming convention and at times are not readily available electronically leading to difficulties locating documents.

3. Project Expenditure Observation (Low)

Certain invoiced amounts do not comply with the contractual terms and conditions and certain supporting documentation is incomplete by immaterial amounts.
Los Angeles Community College District
PROGRAM MANAGEMENT SERVICES

Program Code of Conduct and Ethical Business Conduct Policy

October 19, 2016
Agenda

1. Overview

2. Current Status

3. Training and Implementation
Overview

- **Objective:** To provide and implement a Code of Conduct for the Program that sets forth ethical guidelines to be followed by Program employees to facilitate the safeguarding of people and the empowerment of employees to act with integrity, openness, respect, honesty, and accountability.

- Modeled after AECOM’s “Code of Conduct Policy” and “Global Ethical Business Conduct Policy” which applies to all AECOM employees, officers and directors, including those of our subsidiaries and joint ventures, where AECOM has the majority interest.

- Applies to all AECOM, AECOM Partners, and MATOC employees working on the BuildLACCD program through existing contract flow down provisions.

- Can be utilized by the District if requested.

- AECOM will implement, manage, and monitor the policy across the Program.
Overview (Cont.)

Topics Covered Under Policy

- Keeping our Workplace Safe
- Fostering a Diverse Workplace
- Obtaining Business with Integrity
- Complying with Applicable Laws, Rules, and Regulations
- Competing Fairly
- Avoiding Corrupt Practices
- Providing Quality Products and Services
- Maintaining Accurate Books and Records
- Maintaining Appropriate Licensing
Current Status

- Policy has been issued to all AECOM Program employees.
- Policy has been issued to all other Program staff including MATOC staffing to read and comply.
- All staff are required to acknowledge in writing that they have received, read and will comply with the Program Code of Conduct and Ethical Business Conduct Policy.
- Training program is being finalized and will be implemented starting in October.
- Working with District to evaluate whether policy should be distributed outside of Build Program staff.
Training & Implementation

- Training will be included as part of onboarding process for new staff.

- Training for current staff will take place in October and will be conducted annually thereafter.

- Program Risk Management Team will manage the training, monitoring, and compliance for the Program.
Questions/Comments
To: Trustee Mike Eng,
Chairman, Facilities Master Planning and Oversight Committee (“FMPOC”)

Trustee Ernest H. Moreno,
Vice Chair, FMPOC

Trustee Mike Fong,
FMPOC Member

Francisco C. Rodriquez,
Chancellor

From: James D. O’Reilly, Chief Facilities Executive

cc: Tom Hall, Director, Facilities Planning and Development
John P. Dacey, Lead Construction Counsel

Date: October 10, 2016

Re: Request for Referral to Legislative Committee to seek two pilot program statutes with the California Legislature for Los Angeles Community College District: (1) a “Best Value” procurement statute; and (2) a “Job Order Contracting” procurement statute.

I. INTRODUCTION

This item comes before the Committee requesting the Committee to make a referral to the District’s Legislative Committee to seek two pilot program statutes with the California Legislature for Los Angeles Community College District: (1) a “Best Value” procurement statute; and (2) a “Job Order Contracting” procurement statute.

These two requested statutes would apply to the District’s bond funded and non-bond funded projects.

II. BRIEF BACKGROUND

A. Current State of the Law for Community College District Procurements

While there are other statutory procurement methods available to community college districts for smaller projects, monetarily, and or in emergency situations, the three
predominant methods of procuring a public works project for a community college, especially larger projects as is the norm in the Build-LACCD Bond Program ("Program"), currently remain Design-Bid-Build (low bid); Design-Build; and Lease Lease Back. While Lease Lease Back remains an option, the Program has decided not to currently use this method because of the recent uncertainties created by the last Court of Apelle decision on the statute. That leaves the Program with only two viable options: Design-Bid-Build (low bid) and Design-Build. Between these two, the Design-Build statute provides more flexibility in selecting the right contractor for a particular project because it has a “Best Value” selection component in it, while the Design-Bid-Build (low bid) statute does not.

“‘Best Value’ means a value determined by objective criteria and may include, but need not be limited to, price, features, functions, life-cycle costs, and other criteria deemed appropriate by the community college district.” Education Code section 81701 (a).

However, the Design-Build statute for community college districts, while better as a selection method than Design-Bid-Build, requires the selected contractor to design and build the project and this is not always possible in every case.

B. Newly Enacted “Best Value” Statute for LAUSD

Recently, the Legislature enacted a new “Best Value” procurement statute as a pilot program for Los Angeles Unified School District which does not have a design component in it.

In enacting that pilot program statute, the Legislature has stated:

“It is the intent of the Legislature to enable school districts to use cost-effective options for building and modernizing school facilities. The Legislature has recognized the merits of the best value procurement method process in the past by authorizing its use for projects undertaken by the University of California. The Legislature also finds and declares that school districts using the best value procurement method require a clear understanding of the roles and responsibilities of each participant in the best value process. As reflected in the University of California report to the Legislature, the benefits of a best value procurement method include a reduction in contract delays, change orders, and claims producing a savings in both contract costs and administration. It is the intent of the Legislature to provide an optional, alternative procedure for bidding and building school construction projects.”

Public Contract Code section 20119 (a) – (c).

A complete copy of this new statute is affixed hereto as Attachment “A”.
III. FACILITIES PLANNING AND DEVELOPMENT REQUEST REGARDING A “BEST VALUE” STATUTE

While that statute will need to be edited for our use, we request the Facilities Planning and Oversight Committee to refer this request to the District’s Legislative Committee so that we may work with them and our state lobbyist(s) to get a similar pilot program up and running for the District’s bond and non-bond funded projects. This would then provide the District with another procurement method to try and achieve the benefits recognized by the Legislature, including, without limitation, “a reduction in contract delays, change orders, and claims producing a savings in both contract costs and administration.”

IV. JOB ORDER CONTRACTING STATUTE

A. What is Job Order Contracting?

Job Order Contracting (“JOC”) is a collaborative construction project delivery method that enables organizations to get numerous, commonly encountered construction projects done quickly and easily through multi-year contracts. JOC reduces unnecessary levels of engineering, design, and contract procurement time along with construction project procurement costs by awarding long-term contracts for a wide variety of renovation, repair and construction projects.

With an emphasis on partnering and teamwork between owners and contractors, JOC provides the methodology to execute a wide variety of minor construction and maintenance projects indefinite delivery, indefinite quantity, fixed-price, multiple simultaneous orders for renovation, rehabilitation and repair work for large facilities and infrastructures.

JOC contractors are selected on qualifications and performance at a best value, lowest responsive and responsible bidder, or a combination of both depending on local, state or federal statutes. JOC is about performance, reliability, dependability and quality. At the same time, JOC is about results and working within budget and time constraints. The JOC contractor provides "on call" construction services from concept to close-out.

JOC today has more than a 25-year record of implementation within the United States Department of Defense. Currently, there are hundreds of successful contracts going by the JOC name or by its counterparts of delivery order contracting (DOC), task order contracting (TOC) and simplified acquisition of base engineering requirements (SABER).

JOC deployment hasn’t remained solely federal. The JOC concept and principles have been further embraced in all areas of publicly funded state facilities, universities, housing authorities, transportation agencies, healthcare systems, and school systems.
Indeed, in California, several counties, the Los Angeles Unified School District, and other public entities have been granted JOC authority by the Legislature.

A complete copy of LAUSD’s JOC statutory authority is affixed hereto as Attachment “B”.

B. Why would Job Order Contracting help the District?

In addition to the benefits of having such procurement authority as outlined above, such procurement authority would also enable the District to use a JOC contractor(s) if we run into a problem contractor that we would have to terminate to get a project done. Having a stable of JOC contractors would permit us to quickly get them out onto a site and finish a job based on guaranteed pricing and without the time and expense of having to go back out to bid. Also, the performance bond surety of a problem contractor who we may need to terminate would know that we have such capability and therefore be more inclined to come in and take over quickly as we would have significant leverage having JOC contractors on standby as an alternative.

V. FACILITIES PLANNING AND DEVELOPMENT REQUEST REGARDING A “JOC” STATUTE

While Attachment “B” will need to be edited for our use, we request the Facilities Planning and Oversight Committee to refer this request to the District’s Legislative Committee so that we may work with them and our state lobbyist(s) to get a similar pilot program up and running for the District’s bond and non-bond funded projects.

This would then provide the District with another valuable procurement method.

VI. CONCLUSION

We will be ready to address any questions that the Committee may have on these topics at the Committee’s Meeting scheduled for October 19, 2016.

Lead Construction Counsel concurs with both of these requests.

Please see Attachment “A” (“Best Value” statute) and Attachment “B” (Job Order Contracting statute) on the pages that follow.

PUBLIC CONTRACT CODE SECTIONS 20119-20119.7

1 Lead Construction Counsel assisted LAUSD in obtaining its JOC authority from the Legislature and then assisted in drafting all of the various contract documents, policies and procedures pertaining thereto for LAUSD.
20119.

(a) It is the intent of the Legislature to enable school districts to use cost-effective options for building and modernizing school facilities. The Legislature has recognized the merits of the best value procurement method process in the past by authorizing its use for projects undertaken by the University of California.

(b) The Legislature also finds and declares that school districts using the best value procurement method require a clear understanding of the roles and responsibilities of each participant in the best value process. As reflected in the University of California report to the Legislature, the benefits of a best value procurement method include a reduction in contract delays, change orders, and claims producing a savings in both contract costs and administration.

(c) It is the intent of the Legislature to provide an optional, alternative procedure for bidding and building school construction projects.

20119.1. As used in this article:

(a) "Apprenticeable occupation" means an occupation for which the Chief of the Division of Apprenticeship Standards had approved an apprenticeship program pursuant to Section 3075 of the Labor Code prior to January 1, 2015.

(b) "Best value" means a procurement process whereby the selected bidder may be selected on the basis of objective criteria for evaluating the qualifications of bidders with the resulting selection representing the best combination of price and qualifications.

(c) "Best value contract" means a competitively bid contract entered into pursuant to this article.

(d) "Best value contractor" means a properly licensed person, firm, or corporation that submits a bid for and is awarded a best value contract.

(e) "Best value score" means the resulting score when the school district divides the bidder's price by the bidder's qualification score.

(f) "Demonstrated management competency" means the experience, competency, capability, and capacity of the proposed management staffing to complete projects of similar size, scope, or complexity.

(g) "Financial condition" means the financial resources needed to perform the contract. The

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criteria used to evaluate a bidder's financial condition shall include, at a minimum, capacity to obtain all required payment bonds and required insurance.

(h) "Governing board" or "governing board of the school district" means the governing board of the Los Angeles Unified School District.

(i) "Labor compliance" means the ability to comply with, and past conformance with, contract and statutory requirements for the payment of wages and qualifications of the workforce. The criteria used to evaluate a bidder's labor compliance shall include, at a minimum, the bidder's ability to comply with the apprenticeship requirements of the California Apprenticeship Council and the Department of Industrial Relations, its past conformance with such requirements, and its past conformance with requirements to pay prevailing wages on public works projects.

(j) "Project" has the same meaning as "public project" as defined in subdivision (c) of Section 22002.

(k) "Qualifications" means financial condition, relevant experience, demonstrated management competency, labor compliance, the safety record of the bidder, and, to the extent relevant, the preceding qualifications as they pertain to all subcontractors proposed to be used by the bidder for designated portions of the work.

(l) "Relevant experience" means the experience, competency, capability, and capacity to complete projects of similar size, scope, or complexity.

(m) "Safety record" shall be deemed "acceptable" if a contractor's experience modification rate for the most recent three-year period is an average of 1.00 or less, and its average total recordable injury or illness rate and average lost work rate for the most recent three-year period do not exceed the applicable statistical standards for its business category or if the bidder is a party to an alternative dispute resolution system as provided for in Section 3201.5 of the Labor Code.

(n) "School district" means the Los Angeles Unified School District.

(o) "Skilled and trained workforce" means a workforce that meets all of the following conditions:

(1) All the workers are either skilled journeypersons or apprentices registered in an apprenticeship program approved by the Chief of the Division of Apprenticeship Standards.

(2) (A) As of January 1, 2016, at least 20 percent of the skilled journeypersons employed to perform work on the contract or project by the entity and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code or located

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outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the United States Secretary of Labor.

(B) As of January 1, 2017, at least 30 percent of the skilled journeypersons employed to perform work on the contract or project by the entity and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the United States Secretary of Labor.

(C) As of January 1, 2018, at least 40 percent of the skilled journeypersons employed to perform work on the contract or project by the entity and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the United States Secretary of Labor.

(D) As of January 1, 2019, at least 50 percent of the skilled journeypersons employed to perform work on the contract or project by the entity and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the United States Secretary of Labor.

(E) As of January 1, 2020, at least 60 percent of the skilled journeypersons employed to perform work on the contract or project by the entity and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the United States Secretary of Labor.

(3) For an apprenticeable occupation in which no apprenticeship program had been approved by the chief prior to January 1, 1995, up to one-half of the graduation percentage requirements of paragraph (2) may be satisfied by skilled journeypersons who commenced working in the apprenticeable occupation prior to the chief's approval of an apprenticeship program for that occupation in the county in which the project is located.

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(p) "Skilled journeyperson" means a worker who either:

(1) Graduated from an apprenticeship program for the applicable occupation that was approved by the chief or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.

(2) Has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the chief.

20119.2.

(a) This article provides for a pilot program for the Los Angeles Unified School District to use best value procurement for projects over one million dollars ($1,000,000).

(b) The governing board, for projects over one million dollars ($1,000,000), before December 31, 2020, may use the best value procurement method in accordance with this article.

(c) The bidder may be selected on the basis of the best value to the governing board of the school district. In order to implement this method of selection, the governing board of the school district shall adopt and publish procedures and required guidelines for evaluating the qualifications of the bidders that ensure the best value selections by the school district are conducted in a fair and impartial manner. These procedures and guidelines shall conform to this article and shall be mandatory for the school district when using best value selection.

(d) If the governing board of the school district deems it to be for the best interest of the school district, the governing board of the school district, on the refusal or failure of the selected bidder for a project to execute a tendered contract, may award it to the bidder with the second lowest best value score. If the second bidder fails or refuses to execute the contract, the governing board of the school district may likewise award it to the bidder with the third lowest best value score.

(e) The governing board of the school district shall let any contract for a project pursuant to this article to the selected bidder that represents the best value or else reject all bids.

(f) (1) If the school district elects to award a project pursuant to this section, retention proceeds withheld by the district from the selected best value contractor shall not exceed 5 percent if a performance and payment bond, issued by an admitted surety insurer, is required in the solicitation of bids.

(2) In a contract between the selected best value contractor and a subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds withheld shall not exceed the percentage specified in the contract between the district and the selected best value contractor. If the selected best value contractor

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provides written notice to a subcontractor that, prior to or at the time the bid is requested, a bond may be required and the subcontractor subsequently is unable or refuses to furnish a bond to the selected best value contractor, then the selected best value contractor may withhold retention proceeds in excess of the percentage specified in the contract between the district and the selected best value contractor from any payment made by the selected best value contractor to the subcontractor.

(g) All subcontractors bidding on contracts pursuant to this chapter shall be afforded the protection contained in Chapter 4 (commencing with Section 4100) of Part 1.

20119.3.

The governing board of the school district shall proceed in accordance with the following when awarding best value contracts under this article:

(a) The school district shall prepare a solicitation for bids and give notice pursuant to Section 20112.

(b) (1) The school district shall establish a procedure to prequalify bidders as required by this code. Information submitted by the bidder as part of the evaluation process shall not be open to public inspection to the extent that information is exempt from disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(2) A best value entity shall not be prequalified or shortlisted unless the entity provides an enforceable commitment to the governing board that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades.

(3) An entity's commitment that a skilled and trained workforce will be used to perform the project or contract may be established by any of the following:

(A) The entity's agreement with the school district that the entity and its subcontractors at every tier will comply with the requirements of this subdivision and that the entity will provide the governing board of the school district with evidence, on a monthly basis while the project or contract is being performed, that the entity and its subcontractors are complying with the requirements of this subdivision.

(B) If the governing board has entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project or contract and that includes the requirements of this subdivision, the entity's agreement that it will become a party to that project labor agreement.

ATTACHMENT “A”
(C) Evidence that the entity has entered into a project labor agreement that includes the requirements of this subdivision and that will bind the entity and all its subcontractors at every tier performing the project or contract.

(c) Each solicitation for bids shall do all of the following:

(1) Invite prequalified bidders to submit sealed bids in the manner prescribed by this article.

(2) Include a section identifying and describing the following:

   (A) Criteria that the school district will consider in evaluating the qualifications of the bidders.

   (B) The methodology and rating or weighting system that will be used by the school district in evaluating bids.

   (C) The relative importance or weight assigned to the criteria for evaluating the qualifications of bidders identified in the request for bids.

(c) Final evaluation of the bidders shall be done in a manner that prevents the identity of the bidders and the cost or price information from being revealed in evaluating the qualifications of the bidders prior to completion of qualification scoring.

20119.4.

Selection of the best value contractor shall be made as follows:

(a) (1) The school district shall evaluate the qualifications of the bidders based solely upon the criteria set forth in the solicitation documents, and shall assign a qualification score to each bid.

   (2) Qualification scores shall be determined by using only the criteria and selection procedures specifically identified in the request for proposals. The following minimum factors, however, shall be weighted as deemed appropriate by the school district:

      (A) Relevant experience.

      (B) Safety record.

      (C) Other factors identified in the request for proposal.
(b) To determine the best value contractor, the school district shall divide each bidder’s price by its qualifications score. A preference of up to 5 percent shall be applied to the price of a bid submitted by a small business, as defined by the school district, before dividing the bidder's price by its qualification score. The lowest resulting cost per quality point will represent the best value bid. The award of the contract shall be made to the bidder whose bid is determined, by the school district in writing, to be the best value to the school district.

(c) The school district shall issue a written decision of its contract award or else reject all bids.

(d) Upon issuance of a contract award, the school district shall publicly announce its award identifying the project, the project price, the best value contractor to which the award is made, as well as the prices, qualification scores, and resulting costs per qualification point for all responsive bidders. The contract file shall include documentation sufficient to support the decision to award.

2019.5.

(a) (1) A school district that uses the best value procurement method pursuant to this article shall submit to the appropriate policy and fiscal committees of the Legislature an interim and final report on the use of the best value procurement method. The reports shall be prepared by an independent third party and the school district shall pay for the cost of the report. The reports shall be submitted to the appropriate policy and fiscal committees of the Legislature as follows:

(1) An interim report on or before July 1, 2018.

(2) A final report on or before January 1, 2020.

(2) A report shall include, but is not limited to, the following information:

(A) A description of the projects awarded using the best value procedures.

(B) The contract award amounts.

(C) The best value contractors awarded the projects.

(D) A description of any written protests concerning any aspect of the solicitation, bid, or award of the best value contracts, including the resolution of the protests.

(E) A description of the prequalification process.

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(F) The criteria used to evaluate the bids, including the weighting of the criteria and an assessment of the effectiveness of the methodology.

(G) If a project awarded under this article has been completed, an assessment of the project performance, to include a summary of any delays or cost increases.

(b) The requirement for submitting a report imposed pursuant to subdivision (a) is inoperative on January 1, 2021, pursuant to Section 10231.5 of the Government Code.

20119.6.

Except as otherwise provided in this article, the best value procurement method is not intended to change any guideline, criterion, procedure, or requirement of the governing board of the school district to let a contract for a project to the lowest responsible bidder or else reject all bids.

20119.7.

This article shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2021, deletes or extends that date.

[END OF ATTACHMENT “A”]
JOB ORDER CONTRACTING STATUTE FOR LAUSD

20919.20. The Legislature finds and declares all of the following:
   (a) It is the intent of the Legislature, in enacting this article, to demonstrate an alternative and optional procedure for bidding of public works projects that is applicable only to school districts. The Legislature has previously authorized the use of this alternative and optional procedure only for the Los Angeles Unified School District, which is using the procedure in conjunction with its project stabilization agreement.
   (b) Districts should be able to utilize cost-effective options for the delivery of public works projects, in accordance with the national trend, which include authorizations in California, to allow public entities to utilize job order contracts as a project delivery method.
   (c) The benefits of a job order contract project delivery system include accelerated completion of the projects, cost savings, and reduction of construction contracting complexity for the unified school district.
   (d) The job order contracting approach should be used for the purposes of reducing project cost and expediting project completion.
   (e) The availability of job order contracting as a project delivery method will not preclude the use of traditional methods of project delivery if a traditional method results in higher cost savings.
   (f) It is the intent of the Legislature that job order contracts be competitively bid and awarded to the bidders providing the most qualified responsive bids. It is further the intent of the Legislature that school districts use the job order contract process pursuant to this article only if the school district has entered into a project labor agreement that meets the requirements of Section 2500 for all its public works projects.

20919.21. As used in this chapter:
   (a) "Adjustment factor" means the job order contractor's competitively bid adjustment to the school district's prices as published in the unit price catalog.
   (b) "Indefinite quantity" means one or more of the construction tasks listed in the unit price catalog.
   (c) "Job order" means a firm, fixed priced, lump-sum order issued by the school district to a job order contractor for a definite project scope of work as compiled from the unit price catalog to be performed pursuant to a job order contract.
   (d) "Job order contract" means a contract, awarded to a most qualified bidder as described in paragraph (1) of subdivision (b) of Section 20919.24, between the school district and a licensed, bonded, and general liability insured contractor in which the contractor agrees to a fixed period, fixed-unit price, and indefinite quantity contract that provides for the use of job orders for public works or maintenance projects.

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(e) "Job order contract technical specifications" means a book, published by the school district, detailing the technical specifications with regard to quality of materials and workmanship to be used by the job order contractor in accomplishing the tasks listed in the unit price catalog.

(f) "Job order contractor" means a licensed, bonded, and general liability insured contractor awarded a job order contract.

(g) "Offer to perform work" means the job order contractor's proposal for a specific job order.

(h) "Plans and specifications" means the unit price catalog and the job order contract technical specifications. The scope of work to be performed with a job order contract is potentially, but not necessarily, all the tasks published in the unit price catalog.

(i) "Project" means the specific requirements and work to be accomplished by the job order contractor in connection with an individual job order.

(j) "Project labor agreement" means an agreement that meets the requirements of Section 2500.

(k) "Project scope of work" means the document and related drawings, specifications, and writings referenced therein which together set forth the specific requirements and work to be accomplished by the job order contractor in connection with an individual job order.

(l) "Proposal" means the job order contractor prepared document quoting those construction tasks listed in the unit price catalog that the job order contractor requires to complete the project scope of work, together with the appropriate quantities of each task. The pricing of each task shall be accomplished by multiplying the construction task unit price by the proposed quantity and the contractor's competitively bid adjustment factor. The proposal shall also contain a schedule for the completion of a specific project scope of work as requested by the school district. The proposal may also contain approved drawings, work schedule, permits, or other documentation as the school district may require for a specific job order.

(m) "Public works" has the same meaning as in Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(n) "Public works project" has the same meaning as "public project," as defined in Section 22002.

(o) "Subcontractor" means any person, firm, or corporation, other than the employees of the job order contractor, who is bonded and general liability insured and who contracts to furnish labor, or labor and materials, at the worksite or in connection with a job order, whether directly or indirectly on behalf of the job order contractor.

(p) "School district" means any school district.

(q) "Unit price catalog" means a book containing specific construction tasks and the unit prices to install or demolish that construction. The listed tasks shall be based on generally accepted industry standards and information, where available, for various items of work to be performed by the job order contractor. The prices shall include the cost of materials, labor, and equipment for

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performing the items of work. The prices shall not include overhead and profit. All unit prices shall be developed using local prevailing wages.

20919.22. Provisions in this article only apply to school districts that choose to utilize job order contracting. A school district may utilize job order contracting, when permitted by this article, as an alternative to any contracting procedures that the school district is otherwise authorized or required by law to use.

20919.23. (a) The school district may utilize job order contracting pursuant to this article only if the school district has entered into a project labor agreement or agreements that will apply to all public works in excess of twenty-five thousand dollars ($25,000) undertaken by the school district through at least December 31, 2021, regardless of what contracting procedure is used to award that work.

(b) The school district shall prepare an execution plan for all modernization projects that may be eligible for job order contracting pursuant to this article. The school district shall select from that plan a sufficient number of projects to be initiated as job order contracts during each calendar year and shall determine for each selected project that job order contracting will reduce the total cost of that project. Job order contracting shall not be used if the school district finds that it will increase the total cost of the project.

20919.24. Bidding for job order contracts shall progress as follows:

(a) (1) The school district shall prepare a set of documents for job order contracts. The documents shall include a unit price catalog and preestablished unit prices, job order contract technical specifications, and any other information deemed necessary to describe adequately the school district's needs.

(2) Any architect, engineer, or consultant retained by the school district to assist in the development of the job order contract documents shall not be eligible to participate in the preparation of a bid with any job order contractor.

(b) Based on the documents prepared under subdivision (a), the school district shall prepare a request for bid that invites prequalified job order contractors to submit competitive sealed bids in the manner prescribed by the school district.

(1) (A) The prequalified job order contractors, as determined by the school district, shall bid one or more adjustment factors to the unit prices listed in the unit price catalog based on the job order contract technical specifications. Awards shall be made to the prequalified bidders that the school district determines to be the most qualified based upon preestablished criteria made by the school district. The prequalified bidders must be in compliance with the school district's project labor agreement.

(B) Compliance shall constitute no more than three major violations on any school district projects within the last three years. If a contractor has more than three violations within a

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three-year period of time, the school district shall seek administrative review of the violations. Violations will include, but are not limited to, the following:

(i) Failure to register core workers with the appropriate building trade union.

(ii) Failure to assign apprentices in accordance with Section 1777.5 of the Labor Code.

(iii) Failure to comply with subdivision (c) of Section 20919.25.

(iv) Incorrect assignment of work in accordance with the school district's project labor agreement.

(2) The school district may award multiple job order contracts through a request for bid. Job order contracts shall be awarded to the most qualified prequalified bidders described in this subdivision.

(3) The request for bids may encourage the participation of local construction firms and the use of local subcontractors.

(c) (1) The school district shall establish a procedure to prequalify job order contractors using a standard questionnaire that includes, at a minimum, the issues covered by the standardized questionnaire and model guidelines for rating bidders developed by the Department of Industrial Relations pursuant to subdivision (a) of Section 20101. This questionnaire shall require information including, but not limited to, all of the following:

(A) If the job order contractor is a partnership, limited partnership, or other association, a listing of all of the partners or association members known at the time of bid submission who will participate in the job order contract.

(B) Evidence that the members of the job order contractor have the capacity to complete projects of similar size, scope, or complexity, and that proposed key personnel have sufficient experience and training to competently manage the construction of the project, as well as a financial statement that assures the school district that the job order contractor has the capacity to complete the project.

(C) The licenses, registration, and credentials required to perform construction, including, but not limited to, information on the revocation or suspension of any license, credential, or registration.

(D) Evidence that establishes that the job order contractor has the capacity to obtain all required payment and performance bonding and liability insurance.

(E) Information concerning workers' compensation experience history, worker safety programs, and apprenticeship programs.

(F) A full disclosure regarding all of the following that are applicable:

(i) Any serious or willful violation of Part 1 (commencing with Section 6300) of Division 5 of the Labor Code or the federal Occupational Safety and Health Act of 1970 (Public Law 91-596), settled against any member of the job order contractor.

(ii) Any debarment, disqualification, or removal from a federal, state, or local government public works project.

(iii) Any instance where the job order contractor, or its owners, officers, or managing employees submitted a bid on a public works project and were found to be nonresponsive, or were found by an awarding body not to be a responsible bidder.

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(iv) Any instance where the job order contractor, or its owners, officers, or managing employees defaulted on a construction contract.

(v) Any violations of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), excluding alleged violations of federal or state law regarding the payment of wages, benefits, apprenticeship requirements, or personal income tax withholding, or of Federal Insurance Contribution Act (FICA) withholding requirements settled against any member of the job order contractor.

(vi) Any bankruptcy or receivership of any member of the job order contractor, including, but not limited to, information concerning any work completed by a surety.

(vii) Any settled adverse claims, disputes, or lawsuits between the owner of a public works project and any member of the job order contractor during the five years preceding submission of a bid under this article, in which the claim, settlement, or judgment exceeds fifty thousand dollars ($50,000). Information shall also be provided concerning any work completed by a surety during this period.

(G) In the case of a partnership or any association that is not a legal entity, a copy of the agreement creating the partnership or association and specifying that all partners or association members agree to be fully liable for the performance under the job order contract.

(2) The information required under this subdivision shall be verified under oath by the entity and its members in the manner in which civil pleadings in civil actions are verified. Information that is not a public record under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) shall not be open to public inspection.

20919.25. (a) The maximum total dollar amount that may be awarded under a single job order contract shall not exceed five million dollars ($5,000,000) in the first term of the job order contract and, if extended or renewed pursuant to subdivision (b), a maximum of ten million dollars ($10,000,000) over the subsequent two terms of the job order contract.

(b) Job order contracts may be executed for an initial contract term of no more than 12 months, with the option of extending or renewing the job order contract for two 12-month periods. The term of the job order contract shall be for the contract term or whenever the maximum value of the contract is achieved, whichever is less. All extensions or renewals shall be priced as provided in the request for bids. The extension or renewal shall be mutually agreed to by the school district and the job order contractor.

(c) The school district may issue job orders to the job order contractor that has been awarded the job order contract. The job order issued to the job order contractor shall not commence for seven days from the time the job order was issued and the job order contractor shall provide a minimum of seven days' notice for the addition of any subcontractor or substitution of any subcontractor as described in subdivision (e) of Section 20919.26. The job order shall be based on a project scope of work prepared by the school district as well as a proposal from the job order contractor who is

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awarded the job order contract. No single job order may exceed one million dollars ($1,000,000).

d) The amounts specified in subdivisions (a) and (c) shall be adjusted on January 1, 2016, as if this section was operative beginning January 1, 2004, to reflect the percentage change in the California Consumer Price Index, and shall be adjusted each January 1 thereafter to reflect the percentage change in the California Consumer Price Index.

e) It is unlawful to split or separate into smaller job orders any project for the purpose of evading the cost limitation provisions of this chapter.

f) All work performed under the job order contract shall be covered by a project labor agreement.

g) Any change or alteration to a job order shall be in compliance with Section 20118.4.

20919.26. (a) All work bid under the job order contract shall comply with Chapter 4 (commencing with Section 4100) of Part 1 and is subject to all of the penalties and provisions set forth in that chapter.

(b) For purposes of this article, if the primary job order contractor chooses to use subcontractors, the primary job order contractor is required to verify that the subcontractors possess the appropriate licenses and credentials required to perform construction.

c) Notwithstanding subdivision (a), the primary job order contractor may use subcontractors that are not listed at the time the job order is issued if the work to be performed under that job order is less than ten thousand dollars ($10,000).

d) If the primary job order contractor chooses to use a subcontractor that is not listed at the time of bid to perform work on a job order, all of the following apply:

1) The primary job order contractor shall provide public notice of the availability of work to be subcontracted by trade. The public notice shall include the scope of work; the project location; the name, address, and the telephone number of the primary job order contractor; and the closing date, time, and location for sealed bids to be submitted.

2) The primary job order contractor shall take sealed bids from the subcontractors solicited for the proposal. These bids shall be publicly opened at a prescribed time and place by the primary job order contractor. After the bids are opened, the job order contractor shall notify the school district which subcontractor was selected.

3) The notification shall include every subcontractor for all tiers and must establish the authorized subcontractor list for the job order. Work shall not commence prior to seven days' notice of the established subcontractor list and the subsequent addition of any subcontractor to the job order.

4) The notification shall identify the scope of the work to be performed by each subcontractor to the job order, broken down by craft. If a subcontractor performs multiple crafts, the job order contractor shall identify the work of each craft to be performed.

e) If the primary job order contractor chooses to make a substitution to the subcontractor list, the primary job order

ATTACHMENT “B”
contractor shall provide a minimum of seven days' notice to the school district along with justification as to the need for the substitution. The school district may request a hearing to evaluate the substitution request, which shall be in accordance with Chapter 4 (commencing with Section 4100) of Part 1.

(f) If the school district determines that there has been a violation of Chapter 4 (commencing with Section 4100) of Part 1, including bid shopping by the primary job order contractor, the school district may terminate the job order or the contractor may lose authorization to proceed with awarded work subject to the school district's administrative due process review, if such review is established pursuant to the school district's project labor agreement. If the school district determines that a job order contractor has violated any provision set forth in Chapter 4 (commencing with Section 4100) of Part 1, the school district may declare the contractor ineligible for future job orders and may result in a loss of prequalification status for a period of time to be determined by the school district.

20919.27. (a) A job order contract shall set forth in the general conditions of the job order contract the party or parties responsible for seeing that the provisions of Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code are complied with.

(b) For purposes of job order contracting, prevailing wages when required to be paid shall apply to all work ordered under the job order contract regardless of thresholds set forth in Section 1771.5 of the Labor Code.

(c) The job order contractor shall pay the prevailing wage in effect at the time the job order is issued by the school district and all increases as published by the Department of Industrial Relations for the term of the job order contract, including all overtime, holiday, and shift provisions published by the Department of Industrial Relations.

(d) The school district shall designate one individual to act as a monitor to inspect job sites for labor compliance violations at the request of the designated labor representative in its project labor agreement.

20919.28. A willful violation of Section 20919.26 occurs when the job order contractor or subcontractor knew or reasonably should have known of his or her obligations under the public works law and deliberately fails or refuses to comply with its provisions. The school district using job order contracting shall publish and distribute to the Labor Commissioner a list of all job order contractors or subcontractors who violate this provision and the school district shall not award a job order contract or any future job orders under an existing job order contract to any contractor or subcontractor who violates this provision during the effective period of debarment of the contractor or subcontractor.

ATTACHMENT “B”
20919.29. For purposes of employment of apprentices on job order contracts, when the individual job order involves more than thirty thousand dollars ($30,000) or 20 working days, all general contractors or subcontractors shall at all times be in compliance with Section 1777.5 of the Labor Code and shall comply with the following:

(a) Prior to commencing work on an individual job order, every contractor shall submit job order award information to an applicable apprenticeship program that can supply apprentices to the site of the job order. The information submitted shall include an estimate of the journeyman hours to be performed under the contract, the number of apprenticeships proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding agency if requested by the awarding agency.

(b) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the job order may be no higher than the ratio stipulated in the apprenticeship standard under which the apprenticeship program operates where the job order contractor agrees to be bound by those standards but, except as otherwise provided in Section 1777.5 of the Labor Code, in no case shall the ratio be less than one hour of apprenticeship work for every five hours of journeyman work.

(c) Every apprentice employed under the job order contract shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(d) Every apprentice employed under the job order contract shall be hired from the local joint labor management apprenticeship committee that has jurisdiction in the geographic area of the project.

20919.30. A job order contractor or subcontractor that knowingly violates the provisions involving employment of apprentices shall forfeit as a civil penalty an amount not exceeding one hundred dollars ($100) for each full calendar day of noncompliance. The amount of this penalty shall be based on consideration of whether the violation was a good faith mistake due to inadvertence. A contractor or subcontractor that knowingly commits a second or subsequent violation of the provisions involving employment of apprentices within a three-year period where the noncompliance results in apprenticeship training not being provided as required, shall forfeit as a civil penalty a sum of not more than three hundred dollars ($300) for each full calendar day of noncompliance and shall not be awarded any further job orders under the job order contract and shall be precluded for a period of one year from bidding on any future job order contracts.

20919.31. In order to prevent fraud, waste, and abuse, the school district adopting job order contracting shall do all of the following:

ATTACHMENT “B”
(a) Prepare for each individual job order developed under a job order contract an independent school district estimate. The estimate will be prepared prior to the receipt of the contractor's offer to perform work and will be compared to the contractor's proposed price to determine the reasonableness of that price before issuance of any job order. The basis for any adjustments to the school district estimate is to be documented. In the event that the contractor's proposal for a given job order is found to be unreasonable, not cost effective, or undesirable, the school district is under no obligation to issue the job order to the job order contractor, and may instead utilize any other available procurement procedures.

(b) The school district shall not issue a job order until the job order has been reviewed and approved by the appropriate level of management.

(c) Once a job order has been issued, all documents pertaining to preparation and approval of the job order, including the independent school district estimate, shall be available for public review.

20919.32. A school district that adopts the job order contracting process shall also adopt a payment resolution process which may include, but not be limited to, the convening of a payment resolution committee.

20919.33. This article shall remain in effect only until January 1, 2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.

END OF MEMORANDUM
LEAD CONSTRUCTION COUNSEL’S
SEMI-ANNUAL REPORT

Build-LACCD Bond Program Legal Fees & Costs Update

October 19, 2016
I. INTRODUCTION

This Report is an Executive Summary prepared for the Chancellor, Facilities, and the Board of Trustees by Lead Construction Counsel, John P. Dacey, Esq. and updates the June 3, 2016 Report previously submitted.

The observations contained in this Report regarding Legal Fees and Costs (“Legal Fees”) expenditures are from near inception of the Bond Program through August 30, 2016 (“Report”)\(^1\). This update to the June 3, 2016 Report has been requested by James D. O’Reilly, Chief Facilities Executive for the District.

This Report is divided into the following sections:

(A) Increasing Legal Fees: 2008 through 2014 in the Bond Program;
(B) Decreasing Legal Fees 2015 through 2016 in the Bond Program;
(C) Ongoing and New Efforts to Continue the Curtailment of Legal Fees Incurred by the District; and
(D) Update on the Results of Facilities Management Team’s \(^2\) Efforts on Bond Program Legal Matters.

Regarding the results and observations set forth in this Report, specific supporting detail can be provided upon request.

II. REPORTING CATEGORIES

A. Increasing Legal Fees: 2008 through 2014 in the Bond Program

Following the passage of Measure J in 2008, Legal Fees in the Bond Program began an upward spiral. For example, Legal Fees:

- in 2008 were ~$845,000.00;
- in 2009 they jumped to ~$2 million;

\(^1\) This Report captures Legal Fees from 2005 through August 2016. Data from the Office of General Counsel for Legal Fees from 2002 through 2004 was not available at the time of producing this Report. The Legal Fees in this Report are “rounded” for simplicity in presentation. Specific numbers are available upon request.

\(^2\) Facilities Management Team refers to the District Facilities executives, Program Management Office (“PMO”) executives and Lead Construction Counsel personnel.
• in 2010 they jumped again to ~$3.6 million;
• in 2011 they experienced a slight drop to ~$3.1 million;
• but then jumped again in 2012 to ~$5.1 million;
• they increased again in 2013 to ~$7.6 million; and
• reached their Program apex in 2014 at ~$8 million.³

Since that time, the Legal Fees have been on a drastic decline.

B. Decreasing Legal Fees: 2015 through 2016 in the Bond Program

• 2015: ~$4.2 million⁴; and
• 2016: ~$3.3 million⁵.

As such, current projections indicate a further decrease for 2016 of approximately $800,000.00 to $900,000.00 in annual Legal Fees from the 2015 annual amount.

C. Ongoing and New Efforts to Continue the Curtailment of Legal Fees Incurred by the District

1. Ongoing

In my June 3, 2016 Report, I credited the reduction trend in Bond Program Legal Fees to several initiatives implemented by the Facilities Management Team. Namely:

(1) the revision and introduction of a new “10% Change Order Policy;
(2) the conception and application of a new Mutual/Partial Change Order process;

³ These prior year numbers vary slightly from the prior year numbers in the June 3, 206 Report. The variances are the result of the Program Management Office undertaking a reconciliation of such numbers recently.

⁴ From the nearly $8 million apex experienced in calendar year 2014, Legal Fees in 2015 dropped drastically to less than $4.2 million (almost a 50% drop from 2014 to 2015).

⁵ This projected annual amount for 2016 is based on actual numbers through August 2016 and projected through December 31, 2016 using the current monthly average.
(3) the implementation of an Expedited Claims process;
(4) the revamping of all Contract and Procurement Documents;
(5) the creation and employment of new Procurement Procedures and Oversight;
(6) the formation of a new Protest Procedure; and
(7) the implementation of new processes and procedures to strengthen the oversight of outside panel counsel firms working on Bond Program matters.

These new processes, practices and procedures continue to be utilized by the Facilities Management Team.

Additionally, since my June 3, 2016 Report, the Facilities Management Team has employed, or is the process of activating several additional programs to further reduce the District’s risks.

1. **New Efforts**

These New Efforts are as follows:

(1) the early investigation and in-house evaluation of claims and disputes by PMO, project staff and Lead Construction Counsel, which has led to a dramatic reduction in the amount of claims being submitted;
(2) Lead Construction Counsel’s early involvement in Change Order matters on troubled projects to help project staff and the PMO quickly assess validity and merit and resolve those Change Order Requests before they escalate into a formal dispute;
(3) the District is in the process of implementing the use of electronic signatures on Program related invoices, change orders, and field orders to help expedite their processing and reduce the District’s exposure to prompt payment claims;
(4) the employment of a standard Background Investigation procedure
for all Program Management and College Project Team staff is underway to ensure a uniform approach is applied to background checks and that all pertinent information is being ascertained and analyzed before hiring decisions are made;

(5) the Facilities Management Team is preparing a Request for Proposals to be issued in October to refresh the outside panel counsel bench for the Bond Program, so that the District has more choices when a matter requires outside counsel be engaged;

(6) the Facilities Management Team is putting plans together to embark on a significant dispute management training effort for all PMO and College Project Team staff to help further mitigate disputes in the field; this will take place after the first of the year; and

(7) the Facilities Management Team is putting plans together to embark on a significant training effort for all PMO and College Project Team personnel regarding the proper use of change orders, field orders, and other contract terms and conditions, to ensure cost effective and efficient management of each project’s risk factors.

D. Update on the Results of Facilities Management Team’s Efforts on Bond Program Legal Matters

As a result of the above mentioned efforts, the number of open matters has been reduced from 79 in 2013 to just 8 as of the date of this Report.

Moreover, in the last 3 years, the District was named as a defendant in only 2 lawsuits, both of which were assigned to outside panel counsel firms. The breakdown of current open matters by type is as follows:

- 1 outstanding Claim, which has been suspended by the claimant at as the Facilities Management Team seeks to facilitate a cost effective and expeditious;

- 1 outstanding Stop Payment Notice lawsuit; and
• 6 pending lawsuits/arbitrations.

My June 3, 2016 Report also related that from inception of the new Protest Procedure (August 2014), and the other risk prevention efforts mentioned, up through May 2016, we had approximately 90 procurement awards and only 1 protest which was abandoned. Since the June 3, 2016 Report, we have had 46 procurement awards with no protests.

[End of LCC Memorandum]
I. INTRODUCTION

This item comes before the Committee for Information Only.

The Board required, as a condition of passing the Resolution on November 4, 2015 that awarded the Professional Services Contract which is the subject of this Memorandum, that all Allocation Agreements with “Designers” have to go to the Board for discussion and approval on an agreement by agreement basis.

This Memorandum addresses the first three Allocation Agreements that are expected to go before the Board in December 2016 for approval.

II. BRIEF BACKGROUND

A. Section 179 D of the Internal Revenue Code - Energy Policy Act of 2005

Section 179 D of the Internal Revenue Code, part of the Energy Policy Act of 2005, provides a tax deduction for the costs of installing certain energy efficient building systems in government owned buildings.
The deduction currently may be up to $1.80 per square foot for improving energy efficiency in an existing building or designing energy efficiency into a new building. The types of energy efficient improvements which qualify include: (1) interior lighting systems; (2) heating, cooling, and ventilation systems; (3) hot water systems; and/or (4) the building envelope.

Government entities, such as the District do not pay taxes. However, Congress has provided incentives for governmental entities to invest in energy efficiency in both existing and new buildings. Therefore, Congress allows a governmental entity to allocate the deductions to one or more designers (e.g., architects, engineers, and others). In exchange, governmental entities can receive “value” in either: (1) reduced design fees; or (2) money from the designer(s) that receive the tax deduction (“Allocation Agreements”).

B. How Does the District Receive “Value”

The District hires a Professional Service Provider using a competitive Request for Qualifications and Proposal process to “monetize” for the District’s benefit as much “value” as can be obtained. This is done by the Professional Service Provider working with the District to: (1) identify all past projects built that still qualify for the Green Tax Deductions and negotiating how much money “Designers” on those projects are willing to pay to the District for the tax deductions; and (2) identify all future projects and negotiate a reduction in designer fees in exchange for receiving the tax deductions.

The District pays nothing to the Professional Service Provider for its efforts unless the District actually receives “value”. The contract with the Professional Service Provider here states that it receives no reimbursable costs and receives nothing unless the District receives “value”. If the Professional Service Provider produces “value” for the District, then it receives a percentage of the “value” the District receives. The percentage payment for Efficiency Energy, LLC under its contract with the District is 15% of “value” received by the District from the “Designers”.

While the foregoing description simplifies how the Professional Service Provider goes about creating “value” for the District, it is actually a much more complicated process.

IRS 179 D and other applicable laws establish a detailed and complex process to:

(1) determine eligibility of the energy efficient building elements that qualify;
(2) how many square feet will qualify;
(3) how to calculate the eligible square footage;
(4) requires the use of IRS approved software;
(5) obtain third party certification for the amount of the deduction; and without limitation;
(6) monitors the “Designer’s” submission to the taxing authority that either approves or rejects, in whole or in part, the requested tax deduction.
C. **Award of Professional Services Contract**

After a competitive Request for Qualifications and Proposal process was undertaken, the Board of Trustees awarded a professional service contract to Efficiency Energy, LLC on November 4, 2015 to act as the District’s 179D Energy Policy Act Coordinator and pursue monetization efforts on behalf of the District.

D. **Scope of Services for Efficiency Energy, LLC.**

In addition to the duties described above in Section II B, Efficiency Energy, LLC.’s contract with the District requires it to perform various tasks as part of the process to obtain the tax deductions. The process is generally described as follows:

1. Conduct Feasibility Studies of potentially eligible Projects/Buildings to determine eligible amounts of square footage and tax deductions;
2. Verify interest with participating “Designers”;
3. Negotiate Allocation Agreements;
4. Oversee Certification by qualified third-party energy modeling with Department of Energy-approved software;
5. Conduct Site visits;
6. Closing documentation with legal, accounting, governmental entity & Designer(s) and exchange of value.

The process also includes approximately 4-6 months processing time with the Federal authorities to receive the deduction.

II. **UPDATE ON EFFICIENCY ENERGY, LLC’S EFFORTS TO DATE**

Efficiency Energy, LLC’s efforts to date and the potential “Value” to the District are set forth in the Status Update Report from them affixed hereto as Attachment “A”.

In summary, to date Efficiency Energy, LLC has reviewed 167 projects and completed designer outreach for 8 Central Plant projects serving 150 buildings and for ten (10) Parking Garage projects. It has contacted 30 Designer entities.

The projected/potential “value” to the District, if the Board approves the three Allocation Agreements referenced in Attachment “A”, and if the federal taxing authority approves the requested tax deductions as and in the amounts requested, would be $883,604.00. That number is arrived at by referring to the section entitled “Pending Savings Agreements” in Attachment “A” and using the amount stated there as “Total: $ 1,039,533” and then deducting therefrom the 15% fee which would be due to Efficiency Energy, LLC for its services.

1 Total of $1,039,533.00 – 15% fee to Efficiency Energy, LLC of $155,929.00 = Net Money to District of $883,604.00.
Additionally, Efficiency Energy, LLC will also conduct further Feasibility Studies to determine if other projects/buildings are eligible for this type of tax deduction.

III. CONCLUSION

We will be ready to address any questions that the Committee may have on this topics at the Committee’s Meeting scheduled for October 19, 2016.

Please see Efficiency Energy, LLC’s Status Update Report affixed hereto as Attachment “A”.
attachment “A”

October 7, 2016

Thomas Hall, Director
LACCD Facilities Planning and Development
Via email: HallT@email.laccd.edu

John P. Dacey, Esq.,
Lead Construction Counsel
Via email: jdacey@bdgfirm.com

RE: CONTRACT # PM 02-08-15: ENERGY POLICY ACT MONETIZATION SERVICES UPDATE

Efforts to Date and Projected Return to District

Efficiency Energy, LLC (“EE”) has reviewed 167 projects and completed designer outreach for 8 Central Plant projects serving 150 buildings and for ten (10) Parking Garage projects. Our firm has contacted 30 Designer entities and received a positive response rate of 10% to date. We expect this may increase in line with industry average (15-20%) if the program is extended to projects planned by the District in 2017 and beyond.

Pending Savings Agreements

<table>
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<tr>
<th>Designer</th>
<th>LACCD Savings</th>
<th>ETA:</th>
<th>No. Buildings</th>
<th>Draft Terms</th>
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<tr>
<td>AECOM Central Plants</td>
<td>$ 804,177</td>
<td>Jan 2017</td>
<td>150</td>
<td>30% upfront</td>
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<tr>
<td>AECOM Parking Garages</td>
<td>$ 196,444</td>
<td>Jan 2017</td>
<td>8</td>
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<tr>
<td>Suffolk Construction</td>
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<td>Sept 2017</td>
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<td>32% receipt</td>
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<td><strong>Total</strong></td>
<td><strong>$ 1,039,533</strong></td>
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<td></td>
<td></td>
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</tbody>
</table>

179D Legislative Update – United States Congress

The Senate Finance Committee and House Ways and Means Committee are reviewing proposals from recent Tax Policy Hearings and comments for the record and so called “Extenders” legislation is expected late 2016/early 2017. We will keep you apprised of extension efforts to potentially expand and increase the program.

Further Work (Other projects/efforts)

1) EE to secure commitments from pending allocation agreements for LACCD approval;
2) LACCD to follow up requests for data, cease and desist letter to Alliant Group;
3) LACCD and EE to provide extension support/technical data to legislative resources; and
4) EE to provide sample contract language to integrate 179D into prospective projects.

Alliant Group activities at LACCD

Alliant Group has previously obtained and continues to seek signatures from unauthorized District personnel for 179D allocations voiding LACCD’s interest on behalf of Apollo Electric and Jacobs Engineering. 6/9 documentation request to Alliant Group has yet to receive a response. Similar data
requests to other EE clients have provided data to potentially correct and recover unauthorized or improper allocations.

We sincerely appreciate the opportunity to serve as the District’s 179D E.P. Act Coordinator. Please let me know if we may answer any questions.

Kind thanks,
William J. Volker
Efficiency Energy LLC
wvolker@wesavegreen.com

CC: Aris Hovasapian <hovasaa@email.laccd.edu>
Francisco O. Padilla <padillfo@emaiml.laccd.edu>
Los Angeles Community College District
PROGRAM MANAGEMENT SERVICES

Community Economic Development
Overview

FMPOC
October 19, 2016
AGENDA

- Project Labor Agreement
- Labor Compliance
- Local Worker Hiring Program
- College Internship Program
- Small Business Program
- ACES Program
Project Labor Agreement
Project Labor Agreement Overview

The Los Angeles Community College District entered into the Project Labor Agreement (PLA) with the local building and construction unions in 2001 and amended on July 8, 2015 (APLA). The PLA is intended to ensure labor harmony on project jobsites and provide a uniform labor relations framework for both labor and management during the construction program. Among the goals and objectives of the PLA are to:

– Prevent work stoppages or slowdowns due to labor disputes
– Establish a Community Economic Development Program to ensure a sufficient supply of qualified District residents and graduates are hired for project work
– Implement an efficient dispute resolution process and grievance procedure to resolve labor disputes quickly
– Encourage contracting with small businesses that reflects the diversity of Los Angeles
Amended Project Labor Agreement

- Amended PLA (effective August 2015) applies to all bond-funded projects and to certain non-bond funded projects
- Project Management Office (PMO) has a PLA administrator
- PLA includes enhanced Community Economic Development (CED) provisions with CED policy
- Revised PLA has increased Local Hire objective to 35 percent
- Includes 10 percent Disadvantaged Local Worker/Veteran hiring target
- Established PLA pre-job conference and Labor-Management Cooperation Committee in accordance with industry standard
- Improved enforcement of labor standards and improved CED performance
Helmets-to-Hardhats

- Contractors and unions agree to utilize the services of Helmets-to-Hardhats to help facilitate the entry of veterans into the building and construction industry.

- Contractors and unions coordinate with Helmets-to-Hardhats to create and maintain an integrated database of veterans interested in working on LACCD construction projects.
Labor Compliance
Labor Compliance Overview

California Labor Code section 1770 et seq. require contractors on public works projects to pay their workers the proper prevailing wage rates. These rates are established and issued by the Department of Industrial Relations, Division of Labor Statistics and Research. Pursuant to Labor Code 1726, the District will take cognizance of potential prevailing wage violations when executing construction projects by actively monitoring contractors for the payment of prevailing wage rates and adherence to all Labor Compliance requirements.

As part of our monitoring efforts the PMO will:

• Require weekly submission of certified payroll reports for projects awarded after October 2014 through LCP Tracker;
• Conduct site observations and field interviews of workers on the project to ensure workers are reported and paid the proper wage;
• Routinely request random payroll confirmations such as copies of check stubs, time cards, worker cancelled checks, proof of fringes, etc.
• Allow for real time monitoring of prevailing wage requirements and coordination with contractors to correct potential violations before they disrupt the project;
• Ensure that there is a level playing field for all contractors bidding with the proper prevailing wage rates in mind;
• Deter end of project worker complaints and other prevailing wage issues that may hold up project completion or closeout.
### Labor Compliance October 2014 - June 2016

- $250,000 total wages and penalties collected on behalf of workers
- 230 workers were affected
- 68 contractors made restitution payments
- 1,371 worker interviews conducted
- 225 contractors random sampled

<table>
<thead>
<tr>
<th>Campus</th>
<th>Project</th>
<th>Number of workers interviewed</th>
<th>Number of workers per Local Worker Hire Tracking Log</th>
<th>Percentage of workers interviewed</th>
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<td>City College</td>
<td>Clausen Hall</td>
<td>4</td>
<td>959</td>
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<td>City College</td>
<td>Holmes Hall</td>
<td>158</td>
<td>1073</td>
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<td>Physical Plant</td>
<td>30</td>
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<td>Red Line Pedestrian</td>
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<td>77</td>
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<td>75</td>
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<td>LATTC</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1371</strong></td>
<td><strong>18092</strong></td>
<td><strong>8%</strong></td>
</tr>
</tbody>
</table>
Local Worker Hiring Program
Local Worker Hiring Program Overview

Through the Project Labor Agreement (PLA), the Build Program and its contractors are guaranteed the skilled labor necessary to execute its capital improvement program. The PLA contains a 35% local worker hiring goal and establishes a pathway to apprenticeship for Los Angeles Trade Tech students (LATTC) that applies to all bond funded projects and to certain non-bond funded projects. These elements of the PLA are the framework for our Local Worker Hire Program (LWHP).

The LWHP provides community residents an opportunity to be referred to craft unions for membership and apprenticeship training. Project placement is made through prime and sub contractors via union dispatch or contractor sponsorship.

The PMO utilizes **LCPtracker** – LCP Tracker is an online, certified payroll system interfacing with the Bond Program server and used by the LACCD PMO Labor Compliance Department as a tool to monitor compliance with prevailing wage laws and provide reports for the Community Economic Development Program.
Report Date: 8/29/2016

### Demographic Profile

<table>
<thead>
<tr>
<th>AREA</th>
<th>Total Number of Workers</th>
<th>% of Total Workers</th>
<th>Total Hours Worked</th>
<th>% of Total Hours Worked</th>
<th>Wages w/ Benefits</th>
<th>Wages w/o Benefits</th>
<th>Number of Apprentice Hours</th>
<th>Number of Apprentices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles College Primary</td>
<td>211</td>
<td>6.24%</td>
<td>35,616.08</td>
<td>8.28%</td>
<td>$1,825,051.20</td>
<td>$1,193,693.49</td>
<td>65</td>
<td>11,025.00</td>
</tr>
<tr>
<td>LACCD Secondary</td>
<td>985</td>
<td>29.13%</td>
<td>138,554.10</td>
<td>32.22%</td>
<td>$6,849,060.18</td>
<td>$4,534,125.35</td>
<td>241</td>
<td>39,437.50</td>
</tr>
<tr>
<td>Los Angeles County</td>
<td>2193</td>
<td>64.86%</td>
<td>295,894.85</td>
<td>68.80%</td>
<td>$15,374,355.76</td>
<td>$10,166,514.33</td>
<td>506</td>
<td>76,578.60</td>
</tr>
<tr>
<td>Outside of LA County</td>
<td>1189</td>
<td>35.17%</td>
<td>134,203.30</td>
<td>31.21%</td>
<td>$7,579,484.95</td>
<td>$5,127,547.01</td>
<td>174</td>
<td>21,659.65</td>
</tr>
</tbody>
</table>

| LOCAL WORKERS                     |                         |                    |                    |                         |                   |                     |                          |                        |
| Local Worker (Primary + Secondary)| 1186                    | 35.08%             | 173,878.68         | 40.43%                  | $8,657,266.02     | $5,716,352.71       | 306                       | 50,462.50              |
| Disadvantaged Local Worker        | 120                     | 3.55%              | 29,980.00          | 6.97%                   | $1,338,616.25     | $897,172.19        | 22                        | 6,881.00               |

### Pre-Apprenticeship Program Graduate

<table>
<thead>
<tr>
<th>AREA</th>
<th>Total Number of Workers</th>
<th>% of Total Workers</th>
<th>Total Hours Worked</th>
<th>% of Total Hours Worked</th>
<th>Wages w/ Benefits</th>
<th>Wages w/o Benefits</th>
<th>Number of Apprentice Hours</th>
<th>Number of Apprentices</th>
</tr>
</thead>
<tbody>
<tr>
<td>LATTCP - Apprenticeship Prep Program</td>
<td>12</td>
<td>0.12%</td>
<td>1352.00</td>
<td>0.31%</td>
<td>$43,919.11</td>
<td>$30,882.99</td>
<td>4</td>
<td>1352.00</td>
</tr>
<tr>
<td>LATTCP - Certificate Program</td>
<td>29</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>We Build</td>
<td>5</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Conservation Corps</td>
<td>0</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Other</td>
<td>42</td>
<td>0.03%</td>
<td>284.50</td>
<td>0.07%</td>
<td>$7413.15</td>
<td>$4732.54</td>
<td>1</td>
<td>276.50</td>
</tr>
<tr>
<td>Youth Build</td>
<td>1</td>
<td>0.21%</td>
<td>216.00</td>
<td>0.05%</td>
<td>$12698.99</td>
<td>$8524.43</td>
<td>0</td>
<td>216.00</td>
</tr>
</tbody>
</table>

| Total Employees                   | 3381                    |                    |                    |                         |                   |                     |                          |                        |
LOCAL WORKER HIRING PROGRAM
Apprenticeship Placement Summary (90)

Pre-Apprenticeship Program Graduation

Craft Type

- Brick Layers
- Carpentry
- Cement Masons
- Electrical
- Flooring
- Ironworkers
- Laborers
- Plumbing
- Sheet Metal
- Tile

- Flintridge
- Homeboy Industries
- HubCities
- LATTC - 2 yr Certificate
- LATTC - Prop 39
- Local District Residents
- Salvation Army
- We Build
- WINTER
- Youthbuild
LOCAL WORKER HIRING PROGRAM cont’d

Special Worker Category

- Ex-Offenders: 31
- Veterans: 13
- Other: 46

Gender

- Male: 80
- Female: 10
Small Business Program
Local, Small, Emerging, Disabled Veteran (LSEDV) Program

LACCD is committed to the participation of Local, Small, Emerging, and Disabled Veteran (LSEDV) firms. Through Board Rule 7103.17 Opportunities for Local, Small and Emerging Businesses, the Board of Trustees established a 30% LSEDV participation goal that applies to all Build Program contracts.

Local Business Enterprise - A business having its principal place of business in the County of Los Angeles for at least the most recent twelve months.

Small Business Enterprise (SBE) - A Small Business Enterprise (SBE) means a business that has met the applicable ownership, operation, and size requirements, and has been certified by a Federal agency or a California public agency as an SBE.

Emerging Business - A Small Business Enterprise (SBE) that has been in business in its substantially current form for up to five (5) years.

Disabled Veteran Business Enterprise (DVBE) - is a business that is 51% owned and operated by one or more disabled veterans certified by the State of California Department of General Services or Federal government agency.
Local Small Emerging Disabled Veteran (LSEDV) FACT SHEET

1. California Contractors State License
   https://www2.cellb.ca.gov/OnlineServices/default.aspx

2. Department of Industrial Relations Public Works Contractor (PWC) S300 Registration Fee https://esfiling.dir.ca.gov/PWC/

3. Access to Capital/Financing
   - Bank Line of Credit
   - U.S. Small Business Administration (SBA) Loan Program
   - Business Development Centers

4. Bonding, Insurance, and Certification
   - Contractors State License Bond
   - Bid, Performance, and Payment Bonds
   - Experience Modification Rate (EMR) less than 1.24

5. Community Economic Development Program
   - Meet with Small Business Coordinator
   - LACCD Small Contractor Boot Camp
   - Workshops and Seminars

6. Submit Bids
   - Register on Planet Bids Vendor Portal
   - Pre-Qualification for Small Contractors
   - Submit bids as a Prime or Subcontractor to large pre-qualified General Contractors

“Local” shall mean a business that has its principal headquarters located within Los Angeles County;
“Small” shall be defined in the same terms established by the U.S. Small Business Administration;
“Emerging” shall mean a firm that has been in business in its substantially current form for up to five (5) years; and
“Disabled Veteran” shall be defined in the same terms established by the State of California Department of General Services.

BuildLACCD
Building for tomorrow’s leaders
Small Business Program

118 Small Contractors attended (3) Small Contractor Boot Camp Cohorts from Spring 2015 through Spring 2016:

- 58 Small Business Enterprise (SBE)
- 77 Local Business Enterprise (LBE)
- 27 Emerging Business Enterprise (EBE)
- 4 Disabled Veteran Business Enterprise (DVBE)
- 15 Minority Business Enterprise (MBE)

*Firms may have multiple certifications*
Small Business Program-Prequalification Workshop

- 102 small contractors attend the workshop

**Purpose:**

Small Businesses Pre-Qualification Workshop!

Learn how to successfully complete the Request for Qualification (RFQ) submission forms for upcoming bid opportunities on the Los Angeles Community College District (LACCD) Build Program. Firms can attend both sessions despite license classification.

The BuildLACCD Contracts Department will assist small contractors on how to complete RFQ forms for small construction projects and provide a list of future contracting opportunities. Several upcoming projects will only be open to firms that are prequalified.

**Morning Session** - 9:30 am – 12:30 pm
- B General Contractors and C-6, C-9, C15, C33

**Afternoon Session** - 1:30 pm – 4:00 pm
- C-7, C10, C20, C36, and C39

**Location:**

1055 Corporate Center Drive
Monterey Park, CA 91754
(Free Parking located in the parking structure)

**Registration:** Click [Here](#): REGISTER NOW! [Procurement No. DW-10-16 Prequalification Workshop](#) Space is limited!

**Information:** lasedvinfo@build-laccd.org or (323)981-7225
Small Business Program
“Meet the Pre-Qualified Firms”

Meet LACCD Prequalified General Contractors for Projects Under $2.5MM

THURSDAY, JULY 21, 2016 | 10:00AM – 12:00PM

89 small contractors attend the workshop

PURPOSE:
Small construction subcontractors will have an opportunity to introduce their firms and provide a Statement of Qualification (SOQ) to twenty (20) LACCD Prequalified General Contractors for potential subcontracting opportunities on projects from $100K – $2.5MM.

General Contractors are expected to comply with the Los Angeles Community College Districts thirty percent (30%) Local, Small, Emerging, and Disabled Veteran Goal that is applied to all BuildLACCD Program projects.

Please Note: The District utilizes a 1.24 Experience Modification Rate (EMR) for all contractors performing work.

LOCATION:
BUILDLACCD PROJECT MANAGEMENT OFFICE
1055 Corporate Center Drive
Los Angeles, CA 91754 (Free Parking located in the parking structure)

REGISTER: Click here:

INFORMATION:
For more information, contact: LSEDVinfo@build-laccd.org or (323) 981-7225
Small Business Program Boot Camp
Fall 2016

SMALL CONTRACTOR BOOT CAMP
Fall 2016 ~ Every Wednesday ~ 5:30 p.m. - 8:00 p.m.
Los Angeles Trade Tech College

The Los Angeles Community College District (LACCD) Small Contractor Boot Camp is a six-week program that provides small contractors with the tools necessary to improve their competitive capacity through a comprehensive, hands-on curriculum. At the conclusion of the program, small contractors will be ready to bid on BuildLACCD contracts.

LACCD’s $6.2 billion Build Program is funded mostly by taxpayer-approved bonds. LACCD’s nine colleges are benefiting from brand new and renovated academic buildings, sport facilities, arts and culture complexes, administrative buildings, early child development centers, and parking structures.

**Upcoming Contract Opportunities**
LACCD has completed hundreds of projects, with over a hundred more in the planning or construction stages. A 30% LSEDV participation goal applies to all Build Program contracts. Below are contracting opportunities for prime and subcontractors:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pierce Gate Student Terrace</td>
<td>$0.1 M</td>
</tr>
<tr>
<td>West Watson Center (3)</td>
<td>$9.1 M</td>
</tr>
<tr>
<td>Trade CDC Weather Proofing</td>
<td>$1.3 M</td>
</tr>
<tr>
<td>City Cesar Chavez</td>
<td>$12.0M</td>
</tr>
<tr>
<td>City Security and Landscape</td>
<td>$1.7 M</td>
</tr>
<tr>
<td>Trade Campus Improvement</td>
<td>$14.4 M</td>
</tr>
<tr>
<td>Pierce Expanded Automotive</td>
<td>$24.0 M</td>
</tr>
<tr>
<td>Harbor Stormwater</td>
<td>$0.1 M</td>
</tr>
<tr>
<td>Southwest Transit Center</td>
<td>$1.0 M</td>
</tr>
<tr>
<td>City TAI and Storm Water</td>
<td>$4.1 M</td>
</tr>
<tr>
<td>Mission Storm Water</td>
<td>$1.2 M</td>
</tr>
<tr>
<td>Pierce Ag Ed</td>
<td>$3.1 M</td>
</tr>
<tr>
<td>Mission Barrier Removal</td>
<td>$0.9 M</td>
</tr>
</tbody>
</table>

**WEEK 1**

**WEEK 2** Oct 5

**WEEK 3** Oct 12

**WEEK 4** Oct 19

**WEEK 5** Nov 2

**WEEK 6** Nov 9

**WEEK 7** Nov 16

**Bonding & Certification**
Learn how to increase your company’s bonding capacity through the US SBA’s Surety Bond Guarantee Program and how to apply for Small Business Enterprise (SBE) certification to capitalize on the District’s 30% LSEDV participation goal.

**Access to Capital**
Public and private sector financial services professionals will guide contractors through eligibility criteria, loan options, and lending terms for small business loans.

**How to Bid on BuildLACCD Contracts**
Learn how to prepare a bid for informal contracts, step-by-step instruction to become prequalified to bid; and receive an overview of the contract and Design-Build project delivery process from the pre-bid phase, through the bid and award phase, and project completion.

**The Principles of Estimating**
An engineer will show contractors how to break down project costs and prepare a price estimate utilizing standard industry principles.

**The Principles of Scheduling**
A seasoned construction scheduler will show contractors the principles of developing a project schedule using Primavera software.

**How to Develop a Safety Plan**
Safety experts will guide you through the process of developing an Injury & Illness Prevention Program (IIPP) and Hazard Communication Program to facilitate compliance with Cal OSHA, LACCD safety requirements and protocols, and guidance for Safety Trained Supervisor (STS) will also be shared to ensure contractor readiness and project success.

**Labor Compliance**
Obtain the information you need to determine and comply with public works prevailing wage requirements and regulations. Get an overview of LACCD’s electronic certified payroll system and learn how to avoid common Labor Compliance violations and mistakes.

**Project Labor Agreement (PLA)**
Learn how to successfully perform work under the BuildLACCD PLA. Get an overview of the required procedures for working with the signatory craft unions, hiring craft workers, making employee benefit contributions and other policies established by the PLA.

**Local Hire**
The seminar also includes learning about the BuildLACCD Local Worker Hiring Program (LWHP) best practices on how contractors can meet their local hire and disadvantaged participation goals.

**FREE ENROLLMENT**
Please contact BuildLACCD at:
(323) 981-7225
LSEDVinfo@build-laccd.org
Internship Program
Internship Program Overview

The **College Internship Program** provides students meaningful internship employment with firms and contractors performing work on the Build Program that reinforce an academic pathway to careers in Science Technology Engineering Art and Mathematics (STEAM) versus short-term job placement. The College Internship Program works in professional collaboration with Industry Partners to identify internship opportunities and provide students an avenue to engage, learn and pursue STEAM academic pathways and careers.

The College Internship Program also includes the **ACES (Architecture Construction Engineering Students) Engineering Pathway Program** that provides local high school students an opportunity to co-enroll in community college to begin their academic pathway into a STEAM-related discipline. ACES seeks to engage, expose and challenge students to explore architecture, engineering and construction careers by capitalizing on the Build Program, college STEAM course offerings, and Los Angeles strong industry base.
Engineering Pathway Program

Mission: To engage, expose and challenge students to explore architecture, engineering and construction careers by capitalizing on the Build Program, LACCD college STEM course offerings, and strong industry participation.

Goals: To increase community college enrollment in STEM academic pathways, graduation and transfer rates by:

✔ Provide an engaging learning environment that provides an introduction to STEAM careers in architecture, engineering and construction.
✔ Facilitate college enrollment and college credit while in high school.
✔ Increase the diversity of students entering the design and building industries.
✔ Develop sustainable mentorship relationships between industry professionals and students.
✔ Provide hands-on experience through paid internships that make students capable and marketable prior to attending college or union apprenticeship.
College/ ACES Internship Program

Majors
(89 Students)

- ACES: 31
- Architecture: 14
- Civil Engineering: 23
- Construction Management: 5
- Design Engineering: 1
- Document Control: 1
- Electrical Engineering: 4
- Mechanical Engineering: 10

Gender

- Male: 72%
- Female: 28%
College/ ACES Internship Program

Sponsorship (89 Students)
Thank You
<table>
<thead>
<tr>
<th>#</th>
<th>Project #</th>
<th>Project Name</th>
<th>Current Funding DD 09/01/16</th>
<th>EAC DD 09/01/16</th>
<th>NTP</th>
<th>Sub Comp Forecasted Contract</th>
<th>Current SC (DD 10/11/16)</th>
<th>Current SC vs Contract Var</th>
<th>Recovery Potential</th>
<th>Root Cause for Delay*</th>
<th>Recovery Plan/ Non-Recovery Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Los Angeles City College</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>01C-134</td>
<td>Student Services Center</td>
<td>38,105,141</td>
<td>38,105,141</td>
<td>Feb-14</td>
<td>Aug-15</td>
<td>Oct-16</td>
<td>432</td>
<td></td>
<td>Root cause under expert analysis</td>
<td>A recovery plan to achieve Substantial Completion forecast is underway.</td>
</tr>
<tr>
<td>2</td>
<td>01C-144</td>
<td>Monroe Street Plaza</td>
<td>1,354,563</td>
<td>1,354,563</td>
<td>May-16</td>
<td>Aug-15</td>
<td>Oct-16</td>
<td>432</td>
<td></td>
<td>Root cause under expert analysis</td>
<td>A recovery plan to achieve Substantial Completion forecast is underway.</td>
</tr>
<tr>
<td>3</td>
<td>01C-173.03</td>
<td>RWGFL - Traffic Mitigation (Red-Line)</td>
<td>8,471,879</td>
<td>8,471,879</td>
<td>Dec-14</td>
<td>Jan-16</td>
<td>Nov-16</td>
<td>321</td>
<td></td>
<td>Root cause under expert analysis</td>
<td>A recovery plan to achieve Substantial Completion forecast is underway.</td>
</tr>
<tr>
<td><strong>East Los Angeles College</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>02E-207</td>
<td>Performing and Fine Arts Complex</td>
<td>87,551,125</td>
<td>88,539,618</td>
<td>Feb-16</td>
<td>Jan-17</td>
<td>Jan-17</td>
<td>0</td>
<td></td>
<td></td>
<td>Contractor will achieve current Contract Substantial Completion date.</td>
</tr>
<tr>
<td>5</td>
<td>401-202.01</td>
<td>ADA Compliance Phase 1 - Exterior</td>
<td>5,895,717</td>
<td>5,895,717</td>
<td>May-16</td>
<td>Mar-17</td>
<td>Apr-17</td>
<td>37</td>
<td></td>
<td>Anticipated additional work.</td>
<td></td>
</tr>
<tr>
<td><strong>Los Angeles Harbor College</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>03H-350.03</td>
<td>S.A.I.L.S - Infrastructure/ Land &amp; Hardscape/ Security</td>
<td>22,128,594</td>
<td>21,165,808</td>
<td>Jan-11</td>
<td>Apr-17</td>
<td>Apr-19</td>
<td>746</td>
<td></td>
<td>Demo of buildings and Infrastructure/Hardscape cannot occur until Student Union is complete. Student Union delayed due to subsurface conditions &amp; inaccurate as-buils that caused additional design, DSA approval, and re-routing of utilities.</td>
<td>A time extension will be executed for the current impacts and accelerating the project completion into 2018 may be achievable through extended work hours, deferring scope, and resequencing work. However the costs to accelerate the completion into 2018 may cause the project costs to exceed the project budget.</td>
</tr>
<tr>
<td>7</td>
<td>03H-350.01</td>
<td>SAILS Student Union</td>
<td>54,481,751</td>
<td>62,040,126</td>
<td>Sep-16</td>
<td>Apr-17</td>
<td>Jul-18</td>
<td>474</td>
<td></td>
<td>Owner directed site changes unforeseen subsurface conditions &amp; inaccurate as-buils that caused additional design, DSA approval, and re-routing of utilities.</td>
<td>A time extension will be executed for the current impacts beyond the Contract Substantial Completion date.</td>
</tr>
<tr>
<td><strong>Los Angeles Mission College</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>04M-405</td>
<td>Media Arts Center</td>
<td>46,378,970</td>
<td>47,777,785</td>
<td>Apr-12</td>
<td>Feb-14</td>
<td>Mar-17</td>
<td>1,134</td>
<td></td>
<td>Take over by surety Defective work performed by structural steel subcontractor &amp; subsequent DSA involvement Correction of defective work</td>
<td>No mitigation plan in place due to the extent of the impacts and current Substantial Completion forecast.</td>
</tr>
</tbody>
</table>

*The word "delay" as used here means the number of calendar days beyond the original substantial completion date as set forth in the respective contract for a project. It is not an assessment of whether the delay is compensable to the District or the Contractor, which requires expert analysis and a determination by a Court, Jury, or Arbitrator.
# Project # | Project Name | Current Funding DD 09/01/16 | EAC DD 09/01/16 | NTP | Sub Comp Forecasted Contract | Current SC DD 10/11/16 | Current SC vs Contract Var | Recovery Potential | Root Cause for Delay* | Recovery Plan/ Non-Recovery Explanation
--- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
9 | OSP-502 | Life Science, Chemistry, Physics Building | 18,931,616 | 18,931,616 | Aug-15 | May-16 | Oct-16 | 148 | [ ] | Mitigation of impacts to accelerate the project completion may not be achievable given the extent of the impact, current Substantial Completion forecast and the desire to maintain budget. |  |
10 | OSP-505.02 | Phase II Renovations - Administration Building - Interior and Exterior | 10,022,112 | 10,022,112 | Aug-15 | May-16 | Oct-16 | 148 | [ ] | [ ] |  |
12 | OSP-510 | Phase II Renovations - Behavioral Science, Social Science, Mathematics, and English Buildings | 16,527,547 | 16,527,547 | Aug-15 | May-16 | Oct-16 | 148 | [ ] | [ ] |  |
13 | OSP-530.01 | Campus Center (Existing) - General | 2,574,634 | 2,574,634 | Aug-15 | May-16 | Oct-16 | 148 | [ ] | [ ] |  |
14 | OSP-535.07 | SLE Faculty Center/Campus Center | 3,902,073 | 3,902,073 | Aug-15 | May-16 | Oct-16 | 148 | [ ] | [ ] |  |
15 | OSP-535.02 | SLE - North of Mall - Classroom Modernization/Technology/Building Exterior (PH 1) | 10,240,942 | 10,240,942 | Aug-15 | May-16 | Oct-16 | 148 | [ ] |  |
16 | OSP-542.06 | SLE - North of Mall - ADA/landscaping | 10,769,647 | 10,769,647 | Aug-15 | May-16 | Oct-16 | 51 | [ ] |  |
17 | OSP-535.05 | Community Services / Agriculture Science Building Renovation | 7,648,394 | 7,648,394 | May-16 | Dec-16 | Oct-16 | 66 | [ ] |  |
18 | OSP-527.01 | Physical Education Facilities General | 21,973,447 | 21,973,447 | Jun-16 | Nov-16 | Nov-16 | 0 | [ ] |  |
19 | OSP-663 | Campus-wide Infrastructure Upgrades/ADA Phase II | 2,086,679 | 2,086,679 | Jul-16 | Jan-17 | Jan-17 | 0 | [ ] | The forecasted date included the potential risk if the Contractor was not able to finish the CDC work during the summer break. There was a risk that the GC may have had to stop work and restart next summer. |  |
20 | 401-602.01 | 401-ADA | 934,678 | 934,678 | Jul-16 | Jan-17 | Jan-17 | 0 | [ ] | The Contractor completed the CDC work during Summer 2016 and the Substantial Completion forecast of Jan 2017 will be achieved. |  |
21 | 407-720.01 | East Parking Structure | 40,803,429 | 40,803,429 | Aug-11 | Jul-16 | Dec-16 | 142 | [ ] | •Unforeseen removal of the manlift by contractor & elevator inspection failure •Owner requested changes to low voltage security system •Unforeseen completion of 4th flr roof deck & fire alarm system |  |
22 | 407-701.05 | East Parking Structure Additional PV | 1,040,390 | 1,041,515 | Aug-11 | Jul-16 | Dec-16 | 142 | [ ] | Work delayed due to accessibility issues on East Parking Structure. |  |
24 | 407-772.06 | East Campus Substation and Electrical Distribution System | 7,036,866 | 7,036,866 | Jul-15 | Jul-16 | Dec-16 | 142 | [ ] | •Unforeseen soil contamination conditions •Added LADWP requirements. |  |

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# Active Construction Projects

**Delays to Contract Completion Include Root Cause and Potential Mitigation Efforts**

<table>
<thead>
<tr>
<th>#</th>
<th>Project #</th>
<th>Project Name</th>
<th>Current Funding DD 09/01/16</th>
<th>EAC DD 09/01/16</th>
<th>NTP</th>
<th>Sub Comp Forecasted Contract</th>
<th>Current SC (DD 10/01/16)</th>
<th>Current SC vs. Contract Var</th>
<th>Recovery Potential</th>
<th>Root Cause for Delay*</th>
<th>Recovery Plan/ Non-Recovery Explanation</th>
</tr>
</thead>
</table>
| 25 | 08V-836   | Community Workforce Development Center/New Administration a.k.a. Valley Glen Gateway (VGG) | 44,465,184                  | 46,678,335      | Jan-14 | Sep-15 | Dec-16                    | 476                       |                        | • Extended DSA review time & back checks  
   |           |                                                               |                             |                 |       |                             |                            |                         | • DSA Structural integrity concerns regarding systems selections | Mitigation of impacts to accelerate the project completion may not be achievable given the extent of the impact, current Substantial Completion forecast and the desire to maintain budget. |
| 26 | 08V-801   | Media & Performing Arts Center (VACC)                                       | 93,669,762                  | 105,992,219     | Sep-16 | Dec-18 | Dec-18                    | 0                        |                        |                                  |                                                          |

## West Los Angeles College

| 27 | 09W-941   | Physical Education & Dance                                                  | 870,701                     | 870,701         | Aug-16 | Sep-16 | Oct-16                    | 22                       |                        | Delay due to AQMD permit process and the need to preserve the fire not shown on the plans. | Substantial Completion is impacted however Academic Occupancy is not going to be impacted. |
| 28 | 09W-979.34| Central Plant Phase 2                                                       | 1,729,309                   | 1,729,309       | Jul-16 | Nov-16 | Nov-16                    | 0                        |                        |                                  |                                                          |

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**Legend**

- \( \square \) - Project not able to recover partial time to bring SC closer to Contract SC
- \( \triangle \) - Project able to recover partial time to bring SC closer to Contract SC
- \( \bigcirc \) - Project can recover and bring SC back to Contract SC
### Southgate Education Center

<table>
<thead>
<tr>
<th>#</th>
<th>Project #</th>
<th>Project Name</th>
<th>Current Funding DD 08/31/16</th>
<th>EAC DD 08/31/16</th>
<th>Current SC (DD 10/01/16) # Cal Days &gt; 12/31/18</th>
<th>Sub Comp &gt; 2018 Appr 2014 Baseline</th>
<th>Recovery Potential</th>
<th>Root Cause for Delay*</th>
<th>Recovery Plan/Non-Recovery Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>22G-261</td>
<td>Firestone Site</td>
<td>95,962,945</td>
<td>95,421,668</td>
<td>Feb-21 766</td>
<td>Mitigation of impacts due to the delivery approach and site conditions to accelerate the project completion into 2018 may not be achievable given the extent of the impact and the desire to maintain budget.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Offsite Improvements Ph2</td>
<td>-</td>
<td>Feb-21 766</td>
<td>Untimely Completion of Supplemental EIR (SEIR) due to prolonged City negotiations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Building Construction &amp; Onsite Work</td>
<td>-</td>
<td>Feb-21 766</td>
<td>SEIR will go to Board for approval Novembe 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Los Angeles City College

<table>
<thead>
<tr>
<th>#</th>
<th>Project #</th>
<th>Project Name</th>
<th>Current Funding DD 08/31/16</th>
<th>EAC DD 08/31/16</th>
<th>Current SC (DD 10/01/16) # Cal Days &gt; 12/31/18</th>
<th>Sub Comp &gt; 2018 Appr 2014 Baseline</th>
<th>Recovery Potential</th>
<th>Root Cause for Delay*</th>
<th>Recovery Plan/Non-Recovery Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>01C-172</td>
<td>Emergency Lighting, Fire Alarm, &amp; Security Systems</td>
<td>5,931,368</td>
<td>5,931,368</td>
<td>Apr-19 91</td>
<td>Project has a completion after 2018 due to the need to secede the completion of Cesar Chavez’s Modernization (Admin Bldg)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>01C-173.02</td>
<td>RWGPL - Landscaping/ Hardscape Improvements</td>
<td>8,630,017</td>
<td>7,841,280</td>
<td>Mar-19 84</td>
<td>A time extension will be executed for the current impacts and accelerating the project completion into 2018 may be achievable through extended work hours, deferring scope, and resequencing work. However the costs to accelerate the completion into 2018 may cause the project costs to exceed the project budget.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>401-109.01</td>
<td>Storm Water (Ph2) @ Landscaping Project</td>
<td>2,900,000</td>
<td>2,900,000</td>
<td>Mar-19 84</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>401-102.01</td>
<td>ADA Phase 2 Building Upgrades</td>
<td>2,891,610</td>
<td>2,891,610</td>
<td>Mar-19 84</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Los Angeles Harbor College

<table>
<thead>
<tr>
<th>#</th>
<th>Project #</th>
<th>Project Name</th>
<th>Current Funding DD 08/31/16</th>
<th>EAC DD 08/31/16</th>
<th>Current SC (DD 10/01/16) # Cal Days &gt; 12/31/18</th>
<th>Sub Comp &gt; 2018 Appr 2014 Baseline</th>
<th>Recovery Potential</th>
<th>Root Cause for Delay*</th>
<th>Recovery Plan/Non-Recovery Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>03H-350.03</td>
<td>S.A.L.S - Infrastructure/ Land &amp; Hardscape/ Security</td>
<td>22,128,594</td>
<td>21,165,808</td>
<td>Apr-19 119</td>
<td>Demo of buildings and Infrastructure/Hardscape cannot occur until Student Union is complete.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Demolition of Old Library, Seahawk &amp; Cafeteria</td>
<td>-</td>
<td>Jan-19 4</td>
<td>Student Union delayed due to subsurface conditions &amp; inaccurate as-built that caused additional design, DSA approval, and re-routing of utilities. The current forecast start date is based on Beneficial Occupancy of Student Union Bldg. in August 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Los Angeles Pierce College

<table>
<thead>
<tr>
<th>#</th>
<th>Project #</th>
<th>Project Name</th>
<th>Current Funding DD 08/31/16</th>
<th>EAC DD 08/31/16</th>
<th>Current SC (DD 10/01/16) # Cal Days &gt; 12/31/18</th>
<th>Sub Comp &gt; 2018 Appr 2014 Baseline</th>
<th>Recovery Potential</th>
<th>Root Cause for Delay*</th>
<th>Recovery Plan/Non-Recovery Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>0SP-533</td>
<td>Digital Arts &amp; Media Building</td>
<td>32,950,719</td>
<td>32,950,719</td>
<td>Jan-21 749</td>
<td>Project scope will be revised from a new building to renovation of existing building given the need to stay within budget.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>#</th>
<th>Project #</th>
<th>Project Name</th>
<th>Current Funding DD 08/31/16</th>
<th>EAC DD 08/31/16</th>
<th>Current SC (DD 10/01/16)</th>
<th>Sub Comp &gt; 2018 Appr 2014 Rebaseline</th>
<th>Recovery Potential</th>
<th>Root Cause for Delay*</th>
<th>Recovery Plan/ Non-Recovery Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>05P-534</td>
<td>Agricultural Education Center</td>
<td>4,773,253</td>
<td>4,773,253</td>
<td>Mar-20</td>
<td>450</td>
<td>✓</td>
<td>✓</td>
<td>Mitigation of impacts due to the redesign to accelerate the project completion into 2018 may not be achievable given the extent of the impact and the desire to maintain budget.</td>
</tr>
<tr>
<td>12</td>
<td>05P-521</td>
<td>Horticulture Building</td>
<td>74,049</td>
<td>74,049</td>
<td>Jun-19</td>
<td>159</td>
<td>✓</td>
<td>✓</td>
<td>Mitigation of impacts due to change in scope may be partially achievable once the full scope of the renovation is defined but the cost to accelerate the completion into 2018 may cause the project costs to exceed the project budget.</td>
</tr>
<tr>
<td>13</td>
<td>05P-521.03</td>
<td>Horticulture Facility</td>
<td>9,274,014</td>
<td>9,274,014</td>
<td>Jun-19</td>
<td>159</td>
<td>✓</td>
<td>✓</td>
<td>Mitigation of impacts due to change in scope may be partially achievable once the full scope of the renovation is defined but the cost to accelerate the completion into 2018 may cause the project costs to exceed the project budget.</td>
</tr>
<tr>
<td>14</td>
<td>05P-535.03</td>
<td>SLE - South of Mall - Classroom Modernization/ Technology/ Low Voltage</td>
<td>15,201,009</td>
<td>15,201,009</td>
<td>Nov-19</td>
<td>322</td>
<td>✓</td>
<td>✓</td>
<td>Mitigation of impacts due to change in scope may be partially achievable once the full scope of the renovation is defined but the cost to accelerate the completion into 2018 may cause the project costs to exceed the project budget.</td>
</tr>
<tr>
<td>15</td>
<td>05P-542.07</td>
<td>SLE - South of Mall - ADA/ Landscaping</td>
<td>966,087</td>
<td>966,087</td>
<td>Nov-19</td>
<td>322</td>
<td>✗</td>
<td>✓</td>
<td>Mitigation of impacts due to change in scope may be partially achievable once the full scope of the renovation is defined but the cost to accelerate the completion into 2018 may cause the project costs to exceed the project budget.</td>
</tr>
<tr>
<td>16</td>
<td>05P-544.05</td>
<td>Central Plant Expansion - West Central Plant</td>
<td>7,399,175</td>
<td>7,399,175</td>
<td>Dec-19</td>
<td>365</td>
<td>✗</td>
<td>✓</td>
<td>Change in project bundling strategies and consideration of alternative procurement methods.</td>
</tr>
<tr>
<td>17</td>
<td>05P-536</td>
<td>Expanded Automotive &amp; New Technical Education Facilities</td>
<td>36,366,599</td>
<td>36,366,599</td>
<td>Jun-20</td>
<td>526</td>
<td>✗</td>
<td>✓</td>
<td>Mitigation of impacts due to change in procurement strategies may be partially achievable. However, the costs to accelerate the completion into 2018 may cause the project costs to exceed the project budget.</td>
</tr>
<tr>
<td>18</td>
<td>05P-542.01</td>
<td>Campus Fire Access Road Improvements</td>
<td>701,126</td>
<td>701,126</td>
<td>Jun-20</td>
<td>527</td>
<td>✗</td>
<td>✓</td>
<td>The mitigation of impacts may be achievable after logistical planning is completed with campus ops for street outages, etc.</td>
</tr>
<tr>
<td>19</td>
<td>05P-543.03</td>
<td>Mason Reroute</td>
<td>5,674,516</td>
<td>5,674,515</td>
<td>Feb-19</td>
<td>44</td>
<td>✗</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>40I-502.01</td>
<td>Transportation &amp; Accessibility Improvements</td>
<td>4,960,300</td>
<td>4,960,300</td>
<td>Nov-19</td>
<td>322</td>
<td>✗</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>40I-509.01</td>
<td>Storm Water</td>
<td>3,413,997</td>
<td>3,413,997</td>
<td>Mar-20</td>
<td>431</td>
<td>✗</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

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### Projects with Construction Not Active

#### Substantial Completion > 12/31/18 and Potential Mitigation Efforts

<table>
<thead>
<tr>
<th>#</th>
<th>Project #</th>
<th>Project Name</th>
<th>Current Funding DD 08/31/16</th>
<th>EAC DD 08/31/16</th>
<th>Current SC (DD 10/01/16)</th>
<th># Cal Days &gt; 12/31/18</th>
<th>Recovery Potential</th>
<th>Root Cause for Delay*</th>
<th>Recovery Plan/ Non-Recovery Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>065-618.01</td>
<td>School of Math &amp; Sciences</td>
<td>44,199,069</td>
<td>44,641,139</td>
<td>14</td>
<td>Jan-19</td>
<td></td>
<td></td>
<td>Mitigation of impacts due to over directed changes may be achievable by expediting the design process, expediting the DSA process, or performing overtime during construction. However, the costs to accelerate the completion into 2018 may cause the project costs to exceed the project budget.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mitigation of impacts due to over directed changes may be achievable by expediting the design process, expediting the DSA process, or performing overtime during construction. However, the costs to accelerate the completion into 2018 may cause the project costs to exceed the project budget.</td>
</tr>
<tr>
<td>23</td>
<td>07T-709.02</td>
<td>Art &amp; Culinary Arts Building - Ph2</td>
<td>55,949,224</td>
<td>55,949,224</td>
<td>Nov-19</td>
<td>333</td>
<td></td>
<td></td>
<td>•Project delivery method changed from Lease Lease Back to Design-Build •There was additional building area and scope added to this design, along with a change to the current contract, to make this a programming criteria document •DSA approval time has increase by 3 months based upon the recent approval durations</td>
</tr>
<tr>
<td>24</td>
<td>07T-721.01</td>
<td>South Campus Athletic Field</td>
<td>6,760,800</td>
<td>6,760,799</td>
<td>Nov-19</td>
<td>305</td>
<td></td>
<td></td>
<td>Mitigation of impacts to accelerate the project completion into 2018 may not be achievable given the extent of the impact and the desire to maintain budget.</td>
</tr>
<tr>
<td>25</td>
<td>40J-701.06</td>
<td>Olive Street Parking Structure PV</td>
<td>2,806,022</td>
<td>2,806,022</td>
<td>Nov-19</td>
<td>333</td>
<td></td>
<td></td>
<td>•Project delivery method changed from Lease Lease Back to Design-Build •Original Criteria Architect advertisement was unsuccessful</td>
</tr>
<tr>
<td>26</td>
<td>07T-779.16</td>
<td>Miscellaneous Improvements</td>
<td>-</td>
<td>-</td>
<td>Jul-19</td>
<td>192</td>
<td></td>
<td></td>
<td>Mitigation of impacts to accelerate the project completion into 2018 may not be achievable given the extent of the impact and the desire to maintain budget.</td>
</tr>
<tr>
<td>27</td>
<td>07T-772.05</td>
<td>Upgrade Campus Main Electrical Distribution System</td>
<td>6,046,396</td>
<td>6,046,395</td>
<td>Apr-19</td>
<td>101</td>
<td></td>
<td></td>
<td>•Project delivery method changed from Lease Lease Back to Design-Build •Original Criteria Architect advertisement was unsuccessful</td>
</tr>
<tr>
<td>28</td>
<td>40J-701.07</td>
<td>C-W Energy Mgmt. Infrastructure &amp; Sys Improvements</td>
<td>-</td>
<td>-</td>
<td>Jul-19</td>
<td>206</td>
<td></td>
<td></td>
<td>Mitigation of impacts to accelerate the project completion into 2018 may not be achievable given the extent of the impact and the desire to maintain budget.</td>
</tr>
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<th>Project #</th>
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<th>Current Funding DD 08/31/16</th>
<th>EAC DD 08/31/16</th>
<th>Current SC (DD 10/01/16) # Cal Days &gt; 12/31/18</th>
<th>Sub Comp &gt; 2018 Appr 2014 Rebaseline Recovery Potential</th>
<th>Root Cause for Delay*</th>
<th>Recovery Plan/Non-Recovery Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>08V-872 Campus-Wide Improvements - Emergency Lighting, Fire Alarm &amp; Security System</td>
<td>1,749,460</td>
<td>1,749,460</td>
<td>Jul-20</td>
<td>556</td>
<td></td>
<td>Mitigation of impacts to accelerate the project completion into 2018 may not be achievable given the extent of the impact and the desire to maintain budget.</td>
</tr>
<tr>
<td>30</td>
<td>08V-819.05 Campus Center - Alpha Data Center Upgrade</td>
<td>1,057,500</td>
<td>1,057,500</td>
<td>Jul-19</td>
<td>212</td>
<td></td>
<td>Mitigation of impacts to accelerate the project completion into 2018 may not be achievable given the extent of the impact and the desire to maintain budget.</td>
</tr>
<tr>
<td>31</td>
<td>08V-819.02 Campus Center Building - Basement &amp; 1st Floor</td>
<td>2,728,804</td>
<td>2,728,804</td>
<td>Jul-19</td>
<td>212</td>
<td></td>
<td>Mitigation of impacts to accelerate the project completion into 2018 may not be achievable given the extent of the impact and the desire to maintain budget.</td>
</tr>
<tr>
<td>32</td>
<td>09W-951.01 Technology Learning Center 2</td>
<td>26,101,291</td>
<td>26,101,291</td>
<td>Aug-19</td>
<td>229</td>
<td></td>
<td>Mitigation of impacts to accelerate the project completion into 2018 may not be achievable given the extent of the impact and the desire to maintain budget.</td>
</tr>
<tr>
<td>33</td>
<td>40J-902.04 ADAs - Lot 5 Elevator &amp; Albert Vera Ramp</td>
<td>3,204,304</td>
<td>3,204,304</td>
<td>Aug-19</td>
<td>229</td>
<td></td>
<td>Mitigation of impacts to accelerate the project completion into 2018 may not be achievable given the extent of the impact and the desire to maintain budget.</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>No.</th>
<th>College Name</th>
<th>PMO Project Code</th>
<th>PMO Sub Project Name</th>
<th>Activity Name</th>
<th>Actual Finish</th>
<th>Aug EAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Los Angeles City College</td>
<td>01C-110</td>
<td>Holmes Hall Modernization</td>
<td>Substantial Completion</td>
<td>01-Jul-16 A</td>
<td>13,009,791</td>
</tr>
<tr>
<td>2</td>
<td>Los Angeles City College</td>
<td>01C-146</td>
<td>Physical Plant (M&amp;O Building)</td>
<td>Substantial Completion</td>
<td>01-Mar-16 A</td>
<td>9,064,289</td>
</tr>
<tr>
<td>3</td>
<td>Los Angeles City College</td>
<td>01C-152</td>
<td>Tennis Courts</td>
<td>Substantial Completion</td>
<td>09-Feb-16 A</td>
<td>1,254,465</td>
</tr>
<tr>
<td>4</td>
<td>East Los Angeles College</td>
<td>02E-231</td>
<td>Campus Student Center/Book Store Complex</td>
<td>Substantial Completion</td>
<td>06-Jan-16 A</td>
<td>39,901,148</td>
</tr>
<tr>
<td>5</td>
<td>East Los Angeles College</td>
<td>02E-234.02</td>
<td>Site Restorations at Bungalow Complexes</td>
<td>Substantial Completion</td>
<td>01-May-16 A</td>
<td>2,550,422</td>
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<td>6</td>
<td>East Los Angeles College</td>
<td>02E-234</td>
<td>Student Success and Retention Center</td>
<td>Substantial Completion</td>
<td>17-Jun-16 A</td>
<td>77,490,823</td>
</tr>
<tr>
<td>7</td>
<td>East Los Angeles College</td>
<td>02E-273.03</td>
<td>Proposed Central Fire Pump</td>
<td>Substantial Completion - Central Fire Pump</td>
<td>17-Jun-16 A</td>
<td>52,651</td>
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<tr>
<td>8</td>
<td>East Los Angeles College</td>
<td>02E-222.03</td>
<td>Science Career &amp; Mathematics Building G5 Classroom/Labs</td>
<td>Substantial Completion</td>
<td>29-Aug-16 A</td>
<td>57,912,528</td>
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<tr>
<td>9</td>
<td>East Los Angeles College</td>
<td>02E-222.04</td>
<td>Science Career &amp; Mathematics Building G7 (Lecture Bldg.)</td>
<td>Substantial Completion</td>
<td>22-Aug-16 A</td>
<td>3,870,121</td>
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<td>10</td>
<td>Los Angeles Harbor College</td>
<td>03H-307</td>
<td>Theater Drama Speech Building</td>
<td>Substantial Completion</td>
<td>30-Sep-16 A</td>
<td>17,023,406</td>
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<td>11</td>
<td>Los Angeles Mission College</td>
<td>04M-420</td>
<td>Campus Modernization Phase 2</td>
<td>Substantial Completion</td>
<td>11-Apr-16 A</td>
<td>8,109,422</td>
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<td>12</td>
<td>Los Angeles Mission College</td>
<td>04M-419</td>
<td>Campus Modernization Phase 1</td>
<td>Substantial Completion</td>
<td>25-May-16 A</td>
<td>21,703,956</td>
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<td>13</td>
<td>Los Angeles Mission College</td>
<td>04M-421</td>
<td>Campus Demad Side Management</td>
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<td>27-May-16 A</td>
<td>3,981,611</td>
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<td>14</td>
<td>Los Angeles Pierce College</td>
<td>05P-S01</td>
<td>Center for the Sciences</td>
<td>Substantial Completion - Re-installation of Smart Boards</td>
<td>04-Jan-16 A</td>
<td>62,064,688</td>
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<td>15</td>
<td>Los Angeles Pierce College</td>
<td>05P-S44.03</td>
<td>Photovoltaic Arrays for Parking Lots 1 &amp; 8</td>
<td>Substantial Completion - LLB</td>
<td>25-Jan-16 A</td>
<td>7,930,175</td>
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<td>16</td>
<td>Los Angeles Pierce College</td>
<td>05P-521.03</td>
<td>Horticulture Facility</td>
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<td>08-Sep-16 A</td>
<td>9,274,014</td>
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<tr>
<td>17</td>
<td>Los Angeles Southwest College</td>
<td>40I-609.02</td>
<td>Storm Water Pony Wall Southwest</td>
<td>(M)-Notice of Substantial Completion</td>
<td>04-Apr-16 A</td>
<td>419,654</td>
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<td>18</td>
<td>Los Angeles Valley College</td>
<td>0BV-879.06</td>
<td>Campus Improvement - Building Upgrade</td>
<td>BRF - Substantial Complete</td>
<td>04-Mar-16 A</td>
<td>5,112,094</td>
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<td>19</td>
<td>Los Angeles Valley College</td>
<td>0BV-837</td>
<td>Athletic Training Facility</td>
<td>FLD HSE - Substantial Complete</td>
<td>18-Mar-16 A</td>
<td>35,842,334</td>
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<td>20</td>
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<td>0BV-842</td>
<td>Monarch Center</td>
<td>MC - Substantial Completion</td>
<td>31-May-16 A</td>
<td>37,632,079</td>
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<td>21</td>
<td>Los Angeles Valley College</td>
<td>0BV-839</td>
<td>Multi-purpose Community Services Center</td>
<td>CSC - Project Substantial Completion</td>
<td>25-Aug-16 A</td>
<td>25,163,821</td>
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<td>22</td>
<td>West Los Angeles College</td>
<td>09W-916</td>
<td>Performing Arts Amphitheater</td>
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<td>No.</td>
<td>College Name</td>
<td>PMO Project Code</td>
<td>PMO Sub Project Name</td>
<td>Activity Name</td>
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<td>1</td>
<td>Los Angeles Pierce College</td>
<td>0SP-502</td>
<td>Life Science, Chemistry, Physics Building</td>
<td>Substantial Completion (bldg 800, 900, 1700)</td>
<td>7-Oct-16</td>
<td>18,931,616</td>
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<td>2</td>
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<td>0SP-505.02</td>
<td>Phase II Renovations - Administration Building</td>
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<td>16,527,547</td>
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<td>5</td>
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<td>0SP-527.01</td>
<td>P.E. Facilities - General</td>
<td>Substantial Completion of PQSP contract</td>
<td>15-Nov-16</td>
<td>21,973,447</td>
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<td>Campus Center (Existing) - General</td>
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<td>7</td>
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<td>North of Mall - Classrooms/Technology/Library</td>
<td>Substantial Completion (NOM phase I)</td>
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<td>10,240,942</td>
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<td>SLE - Faculty Center / Campus Center</td>
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<td>SLE - North of Mall - ADA/Landscaping</td>
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<td>Student Services Center</td>
<td>Substantial Completion</td>
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<td>11</td>
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<td>14-Oct-16</td>
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<td>Los Angeles City College</td>
<td>01C-173.03</td>
<td>RWGPL Red Line Pedestrian Corridor</td>
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<td>13</td>
<td>West Los Angeles College</td>
<td>09W-941</td>
<td>Physical Education &amp; Dance</td>
<td>Substantial Completion (9/15/2016) 45 days</td>
<td>7-Oct-16</td>
<td>870,701</td>
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<td>14</td>
<td>West Los Angeles College</td>
<td>09W-979.34</td>
<td>Central Plant Phase 2</td>
<td>Substantial Completion - Central Plant 2 (11/18/2016)</td>
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<td>15</td>
<td>Los Angeles Trade Technical College</td>
<td>07T-720.01</td>
<td>East Parking Structure</td>
<td>Substantial Completion</td>
<td>15-Dec-16</td>
<td>40,803,429</td>
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<td>Los Angeles Trade Technical College</td>
<td>07T-40J-701.05</td>
<td>East Parking Structure Additional PV</td>
<td>Substantial Completion</td>
<td>15-Dec-16</td>
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<td>17</td>
<td>Los Angeles Trade Technical College</td>
<td>07T-720.03</td>
<td>East Campus Grounds Improvements</td>
<td>Substantial Completion</td>
<td>15-Dec-16</td>
<td>1,581,881</td>
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<td>Los Angeles Trade Technical College</td>
<td>07T-772.06</td>
<td>East Campus Substation and Electrical Distribution Substation</td>
<td>Substantial Completion</td>
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<td>19</td>
<td>Los Angeles Valley College</td>
<td>08V-836</td>
<td>Work Force Development Ctr/Admin. Bldg</td>
<td>Substantial Completion</td>
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<td>46,678,335</td>
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**Total Aug EAC:** 358,291,927