

**LOS ANGELES COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES  
FACILITIES MASTER PLANNING & OVERSIGHT COMMITTEE  
Educational Services Center  
Board Room – First Floor  
770 Wilshire Boulevard  
Los Angeles, CA 90017  
Wednesday, October 19, 2016  
4:45 p.m. – 6:15 p.m.**

Committee: Mike Eng, Chair; Ernest H. Moreno, Vice Chair; Mike Fong, Member

Trustee Eng called the meeting to order at 4:45 p.m.

PUBLIC SPEAKERS

None.

NEW BUSINESS

Performance Audit of LACCD Proposition A/AA and Measure J Bond Program Fiscal Year Ended June 30, 2016 Conducted by KPMG

Documents entitled “Los Angeles Community College District, Facilities Master Planning & Oversight Committee, October 19, 2016” and “Performance Audit of Los Angeles Community College District Proposition A, Proposition AA, and Measure J Bond Programs, Fiscal Year ended June 30, 2016” were distributed.

Chair Eng introduced Ms. Tracy Hensley, Engagement Partner, KPMG LLP; Ms. Erika Alvord, Director, Performance Audit; and Ms. Pamela Stowers, Director.

Ms. Hensley stated that the Performance Audit objective is to identify improvements in the effectiveness of the administrative aspects of the program. She deferred to Ms. Alvord.

Ms. Alvord highlighted the Program Processes with emphasis on the following five areas: Strategy, Organization, and Administration; Cost and Financial Management; Procurement Management, Project Controls and Risk Management; and Schedule Management.

Chair Eng posed various questions with respect to 2014-2015 Observations and Recommendations and Management Response and Status.

Mr. James D. O’Reilly, Chief Facilities Executive, and Ms. Alvord responded to Chair Eng’s inquires.

With respect to the screening of professional service personnel, Chair Eng expressed his concern that there is no statutory requirement for community college districts to perform background checks on the employees of independent contractors performing work for the Los Angeles Community College District (LACCD).

A question and answer session was conducted regarding various components regarding the LACCD desire to begin performing background checks of personnel.

Chair Eng applauded the Chancellor and staff for their efforts in addressing the deficiency of background checks and entertained a motion to direct staff to make a recommendation to the Committee in terms of background checks for personnel.

Motion by Trustee Fong, seconded by Trustee Moreno, to direct the LACCD to make a recommendation to the Committee regarding background checks for personnel of independent contractors performing work for the LACCD.

*APPROVED: 3 Ayes*

Motion by Trustee Moreno, seconded by Trustee Fong, to recommend to the full Board the acceptance of the Performance Audit of the LACCD Proposition A, Proposition AA, and Measure J Bond Programs.

*APPROVED: 3 Ayes*

#### Status Update Report on 179 D Green Tax Deduction Monetization Efforts

A document entitled "Efficiency Energy, October 7, 2016" was distributed.

Mr. John P. Dacey, Esq., Lead Construction Counsel, indicated that the purpose of the presentation is to review Efficiency Energy LLC efforts with respect to the benefits of 179 D Green Tax Deduction in identifying projects that meet the requirements for the design of energy-efficient buildings in order for the District to be eligible for savings of approximately \$800,000. He deferred to Mr. Richard E. Juday, Partner, Efficiency Energy.

Chair Eng posed various questions with respect to the negotiation process with potential designers regarding the 179 D Green Tax Deduction Monetization efforts.

Mr. Dacey and Mr. Juday responded to Chair Eng's concerns.

Motion by Trustee Moreno, seconded by Trustee Fong to accept the report.

*APPROVED: 3 Ayes*

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

A document entitled "Lead Construction Counsel's Semi-Annual Report, BuildLACCD Bond Program Legal Fees & Costs Update" was distributed.

Chair Eng posed various questions with respect to the declining legal fees, and best practice within the industry.

Mr. Dacey reported on the BuildLACCD Bond Program Legal Fees and Cost in terms of the implementation of policies and procedures that resulted in a decrease of legal fees from 2014-2016.

Trustee Moreno expressed his concern that when the LACCD settles a claim the only individuals that suffer the consequences are the taxpayers. He inquired as to how the LACCD can ensure that the same decisions rendered against that the LACCD do not occur again and that we learn from past bad judgments.

Chair Eng concurred with Trustee Moreno's observation and recommended that the Chancellor develop a legal "Boot Camp" on a voluntary bases for the Board of Trustees on how to best utilize the advice and recommendations from legal counsel on settlements on behalf of the LACCD.

Mr. Dacey discussed various steps being taken to address this issue.

Chancellor Rodriguez stated that the Committee's direction is noted.

With objection, so ordered.

*APPROVED: 3 Ayes*

### Code of Ethical Conduct for the Program

Documents entitled "Los Angeles Community College District Program Management Services, Program Code of Conduct and Ethical Business Conduct Policy" and "Global Ethical Business Conduct Policy" were distributed.

Chair Eng indicated that the AECOM Code of Ethical Conduct model is being considered for the LACCD. He inquired as to why AECOM Global Ethical Conduct Policy is being recommended as the best practice model for the LACCD.

Mr. Paul Steinke, Program Director, BuildLACCD, Program Management Office responded that AECOM has been operating under this code of conduct for almost 30 years and is viewed as one of the best companies by outside firms in the United States and internationally.

A question and answer session was conducted regarding various components with respect to the implementation of a code of ethical conduct for the LACCD.

Chair Eng requested that a matrix be prepared with the following:

- Who is currently covered under the AECOM Code of Ethical Conduct policy
- Who is not covered
- Recommendation on the implementation of the LACCD code of ethical conduct policy.

With objection, so ordered.

*APPROVED: 3 Ayes*

### Community Economic Development Program Overview

Documents entitled "Los Angeles Community College District Program Management Services, Community Economic Development Overview" and "Local, Small, Emerging, and Disabled Veteran-owned (LSEDEV) Program" were distributed.

Ms. Anabel Barragan, Community Economic Development (CED) Manager, BuildLACCD, gave an overview of the Community Economic Development Program.

Chair Eng posed various questions with respect to the Small Business Program-Prequalification Workshop.

Ms. Anabel Barragan responded to Chair Eng's inquiries.

Chair Eng requested that this item be brought back to the Committee for further discussion.

Ms. Barragan responded that she is happy to continue the discussion at the next scheduled Committee meeting.

A question and answer session was conducted regarding various components with respect to the presentation.

Request for Referral to Legislative & Public Affairs Committee to seek two pilot program statutes with the California Legislature for the Los Angeles Community College District: (1) a "Best Value" Procurement Statute; and (2) a "Job Order Contracting" Procurement Statute

Due to time constraints, this item was not discussed.

#### CONTINUED BUSINESS

Active Construction Summary

This item was not discussed.

#### SUMMARY – NEXT MEETING

None.

#### ADJOURNMENT

There being no objection, the meeting was adjourned at 6:29 p.m.