



Santa Monica Community College District
Citizens' Bond Oversight Committee
MEETING - APRIL 21, 2004
MINUTES

A meeting of the Santa Monica Community College District Citizens' Bond Oversight Committee was held on Wednesday, April 21, 2004 at 8 a.m. at Santa Monica College, Business Building Room 111, 1900 Pico Boulevard. Santa Monica, California.

I. CALL TO ORDER - 8:09 a.m.

2. ROLL CALL

Linda Sullivan, Chair - Present
Paul Leoni, Vice-Chair - Present
Eleanore Meyer - Not Present
Ed Moosbrugger - Present
James Mount - Present
Herb Reich - Present
Herb Rose - Present
Bertrand Staggers - Present
Irma Vargas - Present
Pierce Watson - Present
Joe Weichman - Not Present
Allen Weiss - Present

Others Present: Tom Donner,
Executive Vice-President, Business/Administration
John Jalili, Committee Advisor
Letty Kilian, Committee Staff Assistant
Lisa Rose, Committee Coordinator
Bruce Smith, Public Information Officer

3. APPROVAL OF MINUTES (As amended per Herb Rose's request)*

Motion was made by Paul Leoni and seconded by Irma Vargas to approve the minutes of January 21, 2004.

Herb Rose expressed concern that the minutes do not sufficiently reflect discussions that take place during meetings. *He specifically requested that the minutes of January 21, 2004 be amended to reflect his questions about the Bundy campus and associated costs, and matching funds efforts. Further, Herb Rose requested that detailed responses to such questions be included in the minutes and/or included on the agenda for the next meeting as unfinished business. It was agreed that this would be helpful.

Unanimously approved with amendments as requested.

It was requested by Ed Moosbrugger that staff make sure that the agendas for meetings of this committee are being posted for appropriate access by the community, specifically in the Library, and at the same posting location as agendas for meetings of the Board of Trustees. It was mentioned that all documents related to the Citizens' Bond Oversight Committee are available on the SMC website:

<http://www.smc.edu/admin/trustees/CitizensBondOversightCommittee/default.htm>

4. REPORTS and DISCUSSION

Measure U Timeline/Measure U Project List

The order on the timeline list does not indicate the priority of the project. Some buildings have to be relocated before another building can be constructed. Projects lower on the list that require something else to happen will have a greater dependency on outside funding sources than on Measure U funds.

Student Services Building

The Student Services Building is low on the project list because a number of programs must be relocated in order to start construction of this important project. The building will be placed at the Pico side of the main campus where the amphitheater and Music building are currently located. The music department will be relocated to the Madison campus. International Student Center (ISC) in the amphitheater will be temporarily housed at 14th and Pico Blvd., then moved into the Student Services building with the other student services programs. Design of the Student Services Building must start by the fall of 2004 in order to meet state guidelines for funding in 2007-2008 at the earliest. There are other potential sources of funding for the Student Services Building in the form of Federal grants.

Emeritus College

The first priority of the Board of Trustees was to obtain a permanent home for Emeritus College. This has been completed and is the extent of the Measure U funds to be used for the Emeritus College, which is very close to the allocated amount of \$8,850,000. The difference in the cost of the project is covered by the Emeritus College account in the SMC Foundation.

Physical Education Temporary Building Replacement

The Physical Education temporary building replacement allows for the removal of the temporary buildings that are in the area of Phase 2 of the Liberal Arts Replacement and the Quad development. This replacement project will be completed in June, 2004. The delays in the DSA approval have not been made up.

Liberal Arts Replacement

Budget concerns forced the College to reject the bid for Phase I construction of the Liberal Arts replacement. Hard construction costs were estimated at \$7.3 million; the low bid was \$9.9 million. The District is value engineering the project and will bid it again in May, 2004. The second phase of the Liberal Arts replacement building has also been delayed as the District tries to adjust to the rising costs reflected in the initial bid for Phase I. New estimates at \$8.1 million are more realistic.

In response to a question from Herb Rose about the high bids, Tom Donner stated that there was only one bidder - Turner Construction at \$9.9 million. The District has asked another contractor (who will not bid on the project) to review the revised bid packet with an estimate of \$8.1 million. Prevailing wage has gone up as well as the price of steel, concrete and petroleum products. The District will be going out to bid in May; the bid will be awarded at the June meeting of the Board of Trustees. The delay of Phase I obviously delays Phase 2.

In response to a question from Herb Reich asked about the construction market, Tom Donner stated that the District would prefer to wait for the market to cool down, but other funding sources expect certain performance dates. Also, bids are high

because there is a fear factor on the part of the contractor
because the contractor must honor the contract even with an
increase in the costs of materials or wages.

Science Complex Addition

The Science Complex Addition must be the last project because it uses the space provided by the completion of other projects. That does not make it a low priority. The District is preparing application or Federal grants to assist in the funding of construction. The Science Complex will probably not be funded by Measure U.

Parking

The District has received a federal grant for parking at the Bundy site and for parking at the Madison side. The only source of federal construction funds received right now is through the Department of Transportation for parking.

Bundy Site

The acquisition and renovation of the Bundy site addresses the Master Plan to build off campus. Plans include renovation of the four story building (\$10 million) and demolition of two one-story buildings. Herb Rose requested a breakdown of costs for Bundy campus. This item will be included as old business on the agenda for July 21, 2004 meeting.

Discussion

Review of the charts resulted in a discussion about construction costs and bidding methods.

- o Change orders are needed when conditions are different than what the contractor expects. External forces such as a sudden increase in costs for materials are the contractor's responsibility. That is one of the problems with current low bid requirements imposed by the state - the District can't adjust for increased costs. Construction projects are low bid, fixed price.
- o Herb Reich asked if there is a way to change the structure of the bidding because nobody truly knows what a project is going to cost. Can the District consider creative financing with the builder so that leftover money could be returned to the District? Tom replied saying the law does not allow that level of creativity. There are other ways of bidding.
- o The District could do a design/build, but the Chancellor's Office must approve districts for design/build and they only allow six community colleges in the state to do design/build and projects must be over \$10 million. A design/build is when an architect and a general contractor respond to a request for proposal developed by the District and submit a proposal to design and build a project. They work hand-in-hand through the development of the project. Any change orders are absorbed by them, unless they are requested by the owner. The problem with the low bid requirement is that the low bidder looks for change orders. There is no architect that can build a multi million dollar building without change orders. The District builds in a five percent allowance for change orders. How well the architect and the contractor work together minimizes the cost of change orders. Jim Mount commented that with design/build, you get a "pedestrian" project. Tom added that many architects don't do design/build because they lose their "signature."

- o Paul Leoni asked if the move of the Music Center to Madison is part of the Madison Theater project. Tom responded that the remodel for Music at the Madison site is not part of the Madison Theater project. The Student Services building project includes relocation of the Music to the instructional building at the Madison site. That cannot occur until nursing moves to the Bundy site.

- o Ed Moosbrugger expressed concern about the completion of projects because of overbidding and shifting of state funds. Tom responded that all projects have merit; the question becomes how to modify projects and find alternate funding to supplement Measure U.
- o In response to Herb Rose's request for a matching funds report, Associate Vice-President, Planning and Development, Marvin Martinez will be invited to attend the next meeting and present an update on grants - the process, grants received and rejected.

5. SCHEDULE OF MEETINGS, 2004-2005

Quarterly meetings are scheduled on the third Wednesday of the month at 8 a.m., in Business Building Room 111 (unless otherwise indicated):

July 21, 2004 - annual meeting
(reelection of members and election of officers for
2004-2006)*

October 20, 2004
January 19, 2005
April 20, 2005

*The following members of the committee are up for re-election:

Paul Leoni
Ed Moosbrugger
Jim Mount
Herb Rose
Herb Reich
Bertrand Staggers
Pierce Watson

Ed Moosbrugger expressed concern about the resignations (Nancy Greenstein and Graham Pope) and the membership of the committee. The Board of Trustees will look into appointing additional members, specifically one to represent the "taxpayers association" vacated by the resignation of Graham Pope.

6. PUBLIC COMMENTS

None

7. ADJOURNMENT: 9:15 a.m.

The next meeting of the Citizens' Bond Oversight Committee will be held on Wednesday, July 21, 2004 at 8 a.m. in Business Building Room 111, Santa Monica College, 1900 Pico Boulevard, Santa Monica.