



Board of Trustees Finance Committee (BFC)

Via Zoom: <https://cccconfer.zoom.us/j/549449972>

Meeting Minutes – May 14, 2020, 2:00 pm

Members Present – Trustee Harrison, Chair; Trustee Houston

Members Absent – Student Trustee Gerard, Trustee Singer

Additional Trustees Present – Trustee Williams, Trustee Reyes, Trustee Viricel

Staff Present – Interim Chancellor Torres; President Rodriguez; Vice Presidents of Administrative Services Stark and Strong, Director of Fiscal Services Strong

Presenters – Cade McMullin, AECOM

I. WELCOME & INTRODUCTIONS

Trustee Harrison called the meeting to order at 2:00 pm.

II. PUBLIC COMMENT

There were no public comments.

III. APPROVAL OF MINUTES

A. Special Meeting for Zoom Training, 1:00 pm, April 9, 2020

B. Regular Meeting, 2:00 pm, April 9, 2020

Trustee Houston made a motion to approve the minutes of April 9, 2020, which Trustee Harrison seconded. The minutes were approved by the following vote.

Ayes: Harrison, Houston

Noes: None

Abstentions: None

Absent: Singer, Gerard

IV. CURRENT TOPICS

A. Design-Build Delivery Method

i. Presentation by Cade McMullin of AECOM

Interim Chancellor Torres recalled for the group that the BFC had previously received a presentation on construction delivery methods and that today's presentation would focus on the Design-Build method. He added that a Board resolution is necessary to proceed with the Design-Build method.

Cade McMullin from AECOM proceeded to make the presentation. Committee members discussed the various methods. Design-Bid-Build is the most well-known, however, it can result in change orders and does not allow SBCCD to pursue Board Policy 6610 in influencing the use of local businesses.

Interim Chancellor Torres mentioned that staff had been hosting regular industry events, to let the community know SBCCD is looking for partners and cares about BP 6610. Trustees Reyes and Williams expressed interest in receiving details to share with their constituents. These events, which were interrupted by the onset of Covid-19, are resuming in a virtual format beginning May 26. Mr. Torres advised that staff will establish regular occurrences, if they have not already, and that he will forward scheduling information to all the Trustees.

Trustee Williams will be sharing with staff a video of the late community leader Frances Grice, who used to participate in SBCCD industry events. He mentioned it is a powerful video and feels it could be valuable in explaining why these meetings are so important.

Trustee Harrison confirmed that the Board would still receive statistics on local hire and Jose said they would, although there are no statistics for Measures CC at the current time. Mr. McMullin agreed it is important that SBCCD is engaging local contractors and the District can facilitate this introduction process between general contractors and subcontractors.

Trustee Houston asked about the acronym GMP and was advised that it stands for guaranteed maximum price. The Design-Build method allows SBCCD to determine guaranteed maximum price (or target value) and avoid additional costs from change orders, etc. Interim Chancellor Torres advised that one of the frequently asked questions about Design-Build is whether or not an owner loses a lot of say in the design of the building and the type of materials used.

Mr. McMullin mentioned a subcategory of Design-Build called Progressive Design-Build. With traditional Design-Build, the GMP is established at procurement, and the designer can sometimes cut corners to meet the price. Progressive Design-Build opens the delivery method up and can be a better fit for the collegial atmosphere of community colleges. It allows for input from client communities with the GMP being established once the design is completed. It was asked if the wording of the proposed resolution allows for Progressive Design-Build. Mr. McMullin felt the resolution to be inclusive of all types of Design-Build.

Mr. McMullin commented that project quality stems from the owner establishing strong specifications up front in the Requests for Qualification (RFQs), which will lead the design. SBCCD has already begun the process of establishing strong standards. Trustee Houston mentioned that the presentation material indicates Design-Build is ideal for less complex projects, while the resolution says it is in the best interest of the colleges to use this type of contract for projects that exceed \$2.5 million. She asked for a definition of 'less complex' and questioned if there is a ceiling to the value of a project suitable for this method. Mr. McMullin advised that the \$2.5 million floor is identified by Public Contract Code and that there is no ceiling. However, in his experience in the industry he believes that projects above \$10 million would be less suited for this delivery method. Trustee Houston expressed concern that the projects in Exhibit A appear to be complex. Mr. McMullin agreed that the projects are somewhat complex but with a Progressive Design-Build approach, there is ability to influence the design.

Trustee Houston asked if Progressive Design-Build language should be included in the resolution, or would that wind up being too restrictive? How do we insert the values that we want into the projects on both campuses? Interim Chancellor expressed his preference for maintaining flexibility. If the resolution is too specific, it might cause delays with escalation and wind up costing a lot of extra money.

Trustee Williams asked whose responsibility is it to help the District with designing the standards and at what point does the Board play into the process. Mr. McMullin commented that the establishment of districtwide standards has been underway since July 2019 and is almost at the point of producing renderings. He will work with Interim Chancellor Torres and staff on bringing those before the trustees.

Trustee Houston expressed concern with Section 4 of the Resolution delegating authority to Interim Chancellor Torres to determine which projects from Exhibit A will use the Design-Build method. When will the Board know which are going to use Design-Build and which are not? Mr. Torres advised that this language we will clarify. Both Trustees Harrison and Houston find the resolution language too broad and are not comfortable not knowing which projects will use Design-Build.

Trustee Viricel confirmed that all the design standards and detail could be handled in the design of the RFP. It was clarified that there are two issues being discussed – the first is the authority to identify which projects will be Design-Build, and the second is how does the District ensure the quality of Design-Build projects.

Trustee Williams expressed concern about not having key decision makers involved in the planning/visioning process. Trustee Houston clarified that her concern is why the Board does not yet know which of the projects in Exhibit A are going to be recommended for Design-Build.

Trustee Viricel asked about the role of the Board in developing RFP content. Interim Chancellor Torres requested time to work with his team to develop a process which allows the Board to work from a policy perspective, without getting too granular. This will be brought back to the BFC

ii. Proposed Board Item

Trustee Houston made a motion to revise the Board item in preparation for the June board on the condition that the concerns discussed will be addressed, including:

- A “Whereas” statement should be added that includes SBCCD values, such as Board Policy 6610.
- A line should be added that project design will align with the desires of the Board.
- The term Progressive Design-Build should be included, rather than just Design-Build.
- Section 4 language should scale back authority of Interim Chancellor to choose which projects will be Design-Build.
- Schedule A projects should be clarified and the language less broad.

Trustee Harrison seconded the motion which was approved by the vote below.

Ayes: Harrison, Houston,
Noes: None
Abstentions: None
Absent: Singer, Gerard

B. 2020-21 Budget Update

Interim Chancellor Torres advised that the governor had just released his May revision today. The State Chancellor's office will review and report on it tomorrow. As anticipated, due to the onset of the Covid-19 pandemic there is an unprecedented financial crisis. The future is very uncertain. There is no available data to make predictions as the income tax deadline was extended. The State and County have also extended traditional budget reporting deadlines.

SBCCD management and staff are developing different strategies and scenarios, as well as investigating additional revenue streams. It was agreed that there would be more information to discuss at the May 28 Board strategy session.

V. UPDATES (as necessary)

No updates were discussed due to a lack of time.

VI. FUTURE TOPICS

A. Trustee Suggestions

Trustee Harrison advised that budget and enrollments would need to be discussed going forward. It was mentioned that summer enrollment is consistent. Vice President Strong advised that enrollment was up at CHC.

B. Deferred Maintenance

This topic was not discussed.

VII. ADJOURNMENT

The meeting was adjourned at 3:27 pm. The next meeting is scheduled for June 11 at 2:00 pm via zoom.