Meeting Minutes
February 26, 2014, 5:00 p.m., SBCCD Board Room

Members Present – Ken Coate, Bob Erikson, Richard Greenhagen, Sam Irwin, Valerie Lichtman, Albert Garcia

Members Absent – Patrick Kirk Dorsey

District Staff Present

Tim Oliver, Interim Vice Chancellor, Fiscal Services
Cheryl Marshall, President, CHC

Kitchell/BRj Staff Present

Diana Johnson, Bond Program Manager
Sheila Nelson, Contract Analyst
Brooke Duncan, Project Manager
Mike Villegas, Project Manager

Guests Present

Tanya Rogers, Christy White Accountancy Corporation

Welcome/Introductions

Ken Coate started the meeting at 5:03 p.m. Self-introductions were made.

Form 700

Tim Oliver advised committee members that they will receive a notification from Larry Strong, the SBCCD Director of Internal Audits regarding the California Fair Political Practices Commission Form 700. He asked that they complete form in accordance with CBOC bylaws.

Public Comment

No members of the public were present.

Review of Board Items/Site Visits

There were no comments on the bond construction items submitted to the SBCCD Board of Trustees at the December 12, January 16, or February 6 meetings. Ken asked if any of the committee members had attended the District's Lease-Leaseback Industry Day workshops. No one had, and Ken asked Tim to explain the form of contracting.

Tim said that Lease-Leaseback is a form of contracting. He explained that in a competitive bidding situation, California law mandates that the District accept the lowest qualified bid. This means that the contractor selected might not be the best one suited to the job in terms of ability or experience. It also precludes the contractors from meeting with the architect prior to bidding. Finally, it leaves the District open to the possible expense of contractor change orders.

In using the Lease-Leaseback method, the District will enter into a ground lease that gives the contractor the right to be on that ground. Secondly, the District enters into a facilities lease, which gives the contractor the right to build a building on that property. At the end of the project, those leases will be terminated. Some advantages to this method are:

1) The District is not obligated to accept the lowest bid.
2) The District can require in its bid documents that a contractor disclose its track record along with references.
3) The District can do a “pre-contract” that enables the contractor to get together with the project team and the architect prior to the bid. The contractor then gains an understanding of what the project is about and can even suggest changes to the drawings.
4) The bid will be a fixed price bid with no change orders except items that are unforeseen or are District directed.

Tim assured committee members that District projects will continue to be competitively bid, being announced publicly just like previous projects. The New Crafton Center is currently an active project, which is schedule to receive proposals on March 14. Brooke Duncan advised the committee that there were 24 general contractors and twice as many subs at the mandatory job walk.

Richard Greenhagen asked if the contractors will still have to follow all the prevailing wage laws. Diana Johnson confirmed that they did.

Tim added that the SBCCD Board is focused on local hire and that Lease-Leaseback gives the District a much better ability to determine the subcontractors. Ken asked if that was part of the process and Brooke answered that it was part of the scoring sheet.

Ken commented that since the CBOC is supposed to make sure the District is getting the most value for its dollar, it is good for the members to know about the Lease-Leaseback method.

Sam Irwin indicated an interest in seeing what proposals come in for the New Crafton Center, and what comes out of the process because the Lease-Leaseback method sounds like an opportunity to avoid rules. Brooke reviewed the scoring process for the committee, saying that each category is weighted, i.e. history, project performance, etc. She advised that there will be a compilation of the individual proposals and firms that are short-listed will be interviewed

Ken asked what would happen if a bidder felt slighted by the process. Brooke said that the package contains a section where the contractor can score himself. Mike Villegas added that the scoring is open and transparent, not subjective. Richard asked how prior performance is scored. Brooke answered that there are 27 very detailed, project-specific questions in that category and 335 possible points. In addition, contractor references will be contacted to verify claims, and there will be monthly tracking once the project is underway to make sure the contractor stays within their promised parameters.

Brooke will provide committee members with a link to view the entire proposal package online.

Approval of Minutes

Ken recalled that he had neglected to address the approval of minutes from the previous meeting. Richard made a motion, and Valerie seconded, to approve the minutes from November 20, 2014. The minutes were approved by the following vote:

Ayes:	Ken Coate, Richard Greenhagen, Sam Irwin, Valerie Lichtman, Albert Garcia, and Bob Erikson
Noes:	None
Absent:	Patrick Dorsey
Abstentions:	None

Review of Bond Program Audit

Tanya Rogers from Christy White reviewed the audit report with committee members. She reported there were no findings. Richard made a motion, and Valerie seconded, to accept the audit report. The motion passed with the following vote:

Ayes:	Ken Coate, Richard Greenhagen, Sam Irwin, Valerie Lichtman, Albert Garcia, and Bob Erikson
Noes:	None
Absent:	Patrick Dorsey
Abstentions:	None

Adjournment

After a brief discussion, the committee scheduled the next meeting for May 14, 2014.

Ken asked members to keep in mind potential CBOC candidates. He also asked about possible site visits in the interim and promised to send an email to committee members to coordinate this effort.

The meeting was adjourned at 6:15 p.m.

Kelly Goodrich, Recorder