

Board of Trustees Agenda Item

Meeting Date: April 5, 2010

Title of Item:

Measure C Project/Construction Management Review

Background and Analysis:

In response to a review of Measure C Project/Construction Management practices that was conducted by MGT of America, Inc / WLC Architects and Construction Services, our Project/Construction Management consultant, Gilbane_Maas joint venture, along with District staff has begun preparation of a plan of action to improve best practices in areas where weaknesses were identified in the review. This agenda item is intended to provide the Board with an interim update on progress to date.

Key elements of the plan are as follows

- ✓ Assignment of leads to facilitate the development and implementation of the actions needed to respond to the different items in the report where we have opportunities to strengthen our best practices. Assigned leads will be responsible for coordination and collaboration with all stakeholders as required.
- ✓ The plan will include what we are going to do, when it is going to be done, and who has the lead to develop the consensus needed to ensure success.
- ✓ Actions that define success will be clearly stated.
- ✓ Priority will be given to those items expected to provide the highest payback in terms of increases in effective management of the program/projects at the least cost.
- ✓ Initial focus will be given to those things that can be done easily and quickly.

Attached is an update of specific actions taken to date to respond to the report.

Recommendation: Information Only.

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| Submitted by: | Charles Allen, Executive Director of Facilities and Operations, ext 6150 |
| Additional contact names: | Art Heinrich, Bond Projects Director Foothill College, ext 6195; Tom |
| Is backup provided? | Armstrong, Bond Projects Director De Anza College, ext 8289 |
| | Yes |

District Initial Actions

Executive Summary

Bond Management and Construction Management Process Review

| Item Number | Functional Area | Best Practice Description | Team's Evaluation of District Performance | | Issue Affecting Operational Efficiency | | |
|-------------|----------------------|--|---|--|---|---------------------|--|
| 3 | Project Cost Control | Create accurate, independent, and complete cost estimates and bid documents. | | | District had to cancel two pre-qualifications due to issues with pre-qualification requirements | Already implemented | Prequalification requirements have been modified and used successfully multiple times in late 2009 and early 2010. |
| 6 | Project Cost Control | Modify procedures for small-dollar projects on a cost-benefit basis. | | | District generally uses the same procedures, including project management, administration, documentation, and reporting for all projects regardless of size. District has opportunities to reduce some of the administrative work for small projects with more streamlined small projects procedures. | Agree in Part | A new District employee (project manager position approved by the Board on 12/7/09) recruitment has been initiated. This position will function under the direction of Bond Project Directors to manage maintenance / small projects. The new hire will be responsible for developing more streamlined procedures. |
| 10 | Reporting | Track and report costs by project phase or category. | | | Costs are tracked and reported by category. Sometimes the data is found to be outdated or inaccurate. District should ensure that data is updated and accurate. | Do not agree | No additional action required. |
| 24 | Delivery Methods | Use a contractor prequalification process on large or complex | | | Steps should be taken to avoid any other "cancelled pre-qualifications". The District | Agree | We have initiated the Lease leaseback delivery |

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| | | projects. | | | should periodically evaluate the effectiveness of the Project Stabilization Agreement to ensure its benefit to the District. | | model as a more effective delivery model, compared to pre-qualification, in terms of quality, timeliness, responsiveness, cost effectiveness and claims avoidance for construction delivery of the PSEC and for MLC. |

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| 32 | Financial Management— Technology Exploitation | Board and Committee should monitor all direct and indirect costs. | ● | | Tracking indirect and soft costs, including overhead and staff allocations has been hampered while implementing the new banner accounting system. Until an electronic link is established between banner and prompt, delays in reporting and tracking direct and indirect costs have been experienced. Additionally, plant services "charge backs" for direct labor performed by craft personnel has been delayed due to recording and reporting difficulties. | Agree (Action Needed) | Establishment of an electronic link between Prompt and the District's new Banner accounting system has been completed to provide data within 48 hours of posting. This is a great improvement and gives more timely view and reporting to labor charges, legal charges as well as other indirect costs of the program. |