

LACCD Spent Over \$1.3M on Additional Overhead at Van de Kamps pt.2

Records obtained by the Van de Kamps Coalition in the construction trailer at the Van de Kamps construction site reveal a total of \$7,011,273.60 of definitely unlawful or most likely unlawful expenditures by the Board of Trustees of the Los Angeles Community College District (“LACCD”) for the benefit of tenants politically linked to Los Angeles Mayor Antonio Villaraigosa. This figure is the tally so far and the VDK Coalition expects that it will identify more unlawful expenditures as it reviews more records of the District.

There are two buildings at Van de Kamps: the New Education Building (now occupied by a tenant, Alliance for College-Ready Public Schools, a private charter high school) and the historic Van de Kamps building (targeted to be turned over to four politically favored unemployment tenants linked with the Mayor’s office and funded by the Mayor’s office with Obama Administration Economic Stimulus Funds).

Ironically, occupancy was scheduled for April 1, 2010, April Fool’s Day, but has been postponed because the construction contractor can simply not finish the building as fast as Mayor Villaraigosa’s staff is demanding.

In this Part 2, the VDK Coalition will analyze how the LACCD's ill-conceived vote to transfer the Van de Kamps campus to District Administration and then expend our taxpayer bond funds to redesign the historic Van de Kamps building for "the needs of the tenants", resulted in over \$1.3 million in construction delay costs associated with the extended construction period and installing an additional layer of construction management over the District's hired construction management consultant.

Additional Layer of District Construction Management Placed Over the Contracted Original Construction Project Management Firm Harris Associates, Inc. is the contracted Construction Project Manager for the Northeast Campus. Harris has managed the construction for a period of time up to March 2009. At that time, LACCD added a second layer of Construction Project Management over Harris Associates, Inc. The VDK Coalition alleges this new layer of management was brought in to manage, enforce, and accelerate the conversion of the Van de Kamps site from a community college facility to a group of tenant-leased facilities. Therefore, all of the costs of this additional layer of previously unneeded construction management were put in place for the convenience of the Mayor's politically-favored projects: Alliance for College-Ready Public Schools (a private charter high school) and various Worksource programs that provide unemployment services.

Extra Construction Project Manager Costs:

- Salary and Fully Allocated Benefits for Richard Brand, New Construction Project Manager, and his additional LACCD staff \$UNKNOWN, but likely several hundred thousand dollars
- Cost of Additional Double Wide Construction Trailer \$20,000.00
- Utilities and Services to the Double Wide Trailer \$UNKNOWN but likely up to

\$50,000

The addition of an extra layer of Construction Project Manager to perform the same work functions as Harris Associates was of primary benefit to the tenants in order to rush the conversion of Van de Kamps into a commercial leased tenant model catering to the specific desires of the private tenants.

Conservative Benefit to Mayor's Tenants \$20,000 plus

Additional Design and Construction Management Overhead Due To Delay Caused By LACCD's Decision To Redesign The Van de Kamps Building to Meet the Desires of the Mayor's Unemployment Programs

The Van de Kamps building was supposed to be completed at the same time as the New Educational Building. When the LACCD Trustees decided to hand the campus over to the Mayor's projects, there was a decision to continue constructing the shell of the VDK Building but delete the classrooms programmed by LACCD, designed by the Project Architect, and approved by the State Architect (original classroom plans approved in November 2007).

Instead, the Project Architect, the Project Construction Manager, Project Construction Firm, and the Materials Testing Firm were asked to submit change orders to extend the time and cost of overseeing the tenant improvements.

Project Architect:

Project Architect, Quatro Design Group, was asked to propose a change order to provide a number of new services almost exclusively to enable the installation of the new tenant improvements.

Contact Amendment to Quatro Design Group included the following:

"An extension of construction administration services to complete construction of the building shell due to contractor delays. This scope shall cover November 5, 2009 through March 5, 2009. Level of effort shall be per attached worksheet." \$143,300.00

"Tenant Improvements within the existing building shell of the Existing Bakery Building necessitated by a change in building use to a multi-agency configuration during construction. All changes shall be handled as part of the FCD process." [Handled through the construction change order process with the existing contractor, US Cal Builders, and not re-bid.] \$151,000.00

"Tenant Improvements related to enclosing an exterior balcony of the Existing Bakery Building to create additional useable area necessitated by a change in building use during

construction. This work shall be a separate DSA submittal and bid and built independently from the current project scope.” \$84,000.00

“Masterplanning study to demonstrate three-dimensional massing options for full site build-out (including adjacent commercial property) based on a goal of new-zero energy project footprint. This will be a one month effort.” \$10,033.00

“The addition of parapet mounted windmills braced back to the [New Education] building structure.” \$11,668.00

These new services totaled \$400,000 approved by the Board of Trustees on November 4, 2009 to further carry out changes to the Van de Kamps site that the community and VDK Coalition objected to on July 15, 2009 as lacking any environmental review.

The VDK Coalition contends that the extension of architectural construction administration services was triggered by a contractor delay because of the decision to redesign the VDK building. Therefore, the \$143,300 item is properly considered part of the cost of building out the delayed tenant improvements.

Project Construction Manager:

Harris Associates, Inc. was asked to submit a proposal regarding increased overhead to the extent needed to provide additional oversight of the Van de Kamps tenant improvements. In a spreadsheet dated September 22, 2009, Harris Associates showed an estimate of \$400,509 to complete the project oversight through May 2010. It was proposed to charge this against the “Measure J – Bench Contract.” Notes by the LACCD Project Manager state also “VDK Balcony Work not part of this schedule, separate task order”. The VDK Coalition has not found the task order for additional services to oversee construction of the Balcony project. The Balcony project is a completely illegal project to expand the usable space of the building for the convenience of the private tenants.

Project Materials Testing and Inspection Firm:

Kleinfelder, Inc. was asked to submit a proposal for additional materials testing and specialty inspection services from November 5, 2009 through May 1, 2010 at a cost of \$50,000.00.

Additional Proposed Change Orders for Overhead Delays:

VDK-203 Proposed Change Order from US Cal Builders – “Labor, material, and equipment for HVAC system due to new TI drawings. \$396,336.41

VDK-205 Proposed Change Order from US Cal Builders – Electrical overhead due to delay in VDK changes. \$99,151.45

These are just some of the pending change order proposals VDK Coalition has found. No

doubt other overhead delay change orders from other subcontractors will be submitted later. Additionally, proposed change order amounts can be negotiated up, but most likely will be negotiated down. Sometimes they are denied as already being in the scope of the existing contract. Overhead claims due to re-design delay is a meritorious basis for a change order, so VDK Coalition believes most of the proposed change orders for additional overhead will be granted just like the overhead change orders for the architect, the construction project manager, and the materials testing firm.

Benefit to Mayor's Tenants \$1,345,996.86 plus more overhead claims yet to be submitted.

Adding up the wreckage of decisions made by Northeast Board of Trustees members Mona Field, Sylvia Scott-Hayes, and Kelly Candaele and the other Board Members:

\$20,000 - Additional Layer of Construction Management

\$1,345,996.86 - Construction Overhead From Delays to Redesign At least, \$1,365,996.86 of your taxes spent to benefit private entities.

Part 3 will examine some of the financial costs incurred solely for the benefit of the Alliance for College-Ready Public Schools. As Glassell Park Neighborhood Council leader, Paula Bagaso has pointed out, the Board of Directors of the Alliance Charter High School includes some of the most politically connected and moneyed interests in the City including former Mayor Richard Riordan. Did they really need to participate in the robbery of our community college to expand their charter high school?

You will be shocked at how much money the LACCD Board and staff spent in hell-bent determination to get the Alliance High School into the unfinished New Education Building at Van de Kamps by August 30, 2009 -- the day our Northeast Youth were promised by Mona Field, Sylvia Scott-Hayes, and Kelly Candaele that a community college would open!

The Van de Kamps Coalition