

COC finance sub-committee meeting notes 7/29/11

In attendance: Rick McConn, Caroline Ford, Andrea Baltzegar, Gary Boxeth, Dale Chamblin

Rick updated us that he would have an update on the 'unresolved items' either today or early next week

Package #39 questions:

From Larry

1. Who is monitoring change orders? Rick said that there are several different 'levels' of change orders which are mostly encompassed by the 'contingency' part of the budget. He mentioned that the presentation he has will have a whole section on the change order management process.
 - a. Caroline asked does the Hosp board review the change orders and Rick answered only if they go outside of the budget or it is a very large change
 - b. Dale mentioned that the Grossmont hospital project COC had set a guideline that they would review change orders over a certain \$ amount
2. On the Vortex Steel payment, what is the nature of the \$121,135.72 Change order #2? **Follow up item for Rick**
3. Allegro invoice was questioned by everyone present "why is there a labor burden (46%) as well as a 20% markup for overhead and profit. Rick answered that it Allegro actually was giving a 'deal' on that since many contractors just charge a flat rate which includes any 'labor burden' (taxes, workers comp ins. Etc) and Allegro charges the actual salary plus the % for the tax burden (the 46% was reviewed and found to be an accurate representation of the burden) It was noted that Allegro has chosen to show all the individual parts of their billing, as opposed to many contractors who just show "value of project x percent complete = invoice total for this period"
 - a. Allegro was paid directly instead of going through Geney as it was part of the early stages of the project before Geney was involved yet. As they reconcile to Geney each month, they will definitely know about that invoice.

From Sherrin-

1. Several different invoices appear to have labor from 3/14-3/20 added to the labor billing from 4/25-5/22 and if we interpret Sherrins question correctly, "how can we ensure that wasn't already billed to us in package #38 and #39?" **Follow up item for Rick**
2. On page #23 there is 345K for the CM fee but page 24 has \$354K for the sub-contractor. **Sherrin- we weren't sure if we had this correct, we found the \$354K for the sub contractor but couldn't find the \$345K you referenced.**
3. Central Plant invoice 09014 shows the total as 301,892.62 but the recap we were given for invoice selection shows it as \$317,361.12. Rick pointed out that there were two invoices for Stellar Energy systems that were paid direct by the district (See attached scan) if you add the two invoices \$9,500+\$5,968.50+\$301,892.62 that is the \$317,361.12
4. We did not receive the invoice for SNF Electrical for \$8171.67 **Andrea forwarded the invoice after the meeting, as it was sent in a separate email**

Andrea asked about the Mastercard charges that show on the reimbursables from Geney. They are for misc. expenses and the group had gotten satisfactory explanations in the past for these expenses. Also on the reimbursables were a lot of invoices for "ARC" which turned out to be for digital imaging.