

**Additional Information**  
September 28, 2021 Board Meeting

The following additional information was provided regarding the September 28 Board meeting agenda:

**Item 3.c, Fullerton College 300-500 Buildings Modernization Descoping:**

1. If item 3.d (FC Music-Drama Complex) is approved, how will that affect having the Measure J funds that this item would need? (Should item 3.d be considered before this one?) **If the State does not approve funding for the renovation of the 300 Building, which is estimated to be roughly \$6 million, the campus would be short an estimated \$1.5 million based on the current Measure J budget allocated to the renovation of the 300 and 500 Buildings.**

**A decision on Item 3.c needs to be made this evening so that the State Chancellor's Office can help secure funding for the 300 Building and can re-appropriate the 500 Building funds.**

**Staff will have a presentation to address Items 3.c, 3.d, and 3.e before the Board takes action on those items.**

2. If this project uses \$21 million of Measure J funds, what else will get pushed off the list of projects? **This decision would postpone the 500 Building project and \$1.5 million would need to be identified if State funding is not secured for the 300 Building.**

**Item 3.d, Fullerton College Music-Drama Complex Project Cost Increase:**

1. The original state funding (apparently about \$33.7 million) was based on 78% of the original cost estimate. Does the revised cost estimate increase the state funding by the same percentage (actually or potentially)? **A potential cost offset from the State for Index Adjustment (mid-2019-early 2024) might be attainable at an estimated amount of \$5.8 million to cover a portion of the increased construction cost.**
2. This would use \$48 million of local funds that have not been allocated for it. Where would that funding come from, and what else would be defunded to make this money available? **The funds would come from Measure J funding and potentially non-bond funds. The list of projects that would be postponed until another bond measure would include:**

Renovate Building 840	\$ 7,878,400
New Thermal Energy Storage (TEM)	10,139,524
Renovate Building 600	3,117,641
Renovate Health Center	1,323,800
Renovate Wellness Center 400	2,534,400
Renovate Faculty Lounge & Offices	6,212,250
Renovate Building 3100	2,402,940
Renovate Building 2100	8,277,500
<b>ESTIMATED TOTAL</b>	<b>41,886,455</b>
<b>ESTIMATED SHORTFALL</b>	<b>48,000,000</b>
<b>Delta</b>	<b>6,108,545</b>
<b>Potential Cost Offset from State for Index Adjustment (mid-2019-early 2024)</b>	<b>5,800,000</b>
<b>Delta</b>	<b>308,545</b>

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Some of the projects noted above are being addressed as part of other projects. For instance, the Health Center is part of the Chapman/Newell Project, the 840 Building is primarily DSS which is included in the new Welcome Center.

In addition, the following remain on the Fullerton College project list:

- New M&O Building
- Chapman Newell
- New Welcome Center
- New Parking Lot Purchase

Additionally, the campus has approximately \$23 million in infrastructure dollars that can be used.

3. I assume it's too early for any serious value engineering to have been done. What is the potential for significant cost savings from aggressive value engineering during the project execution? **We only have preliminary plans at this point. When the working drawings are developed, value engineering (Bid Alternative) will be included.**

**Item 3.e, Fullerton College Music-Drama Complex Architectural Services:**

1. The architects prepared a detailed cost estimate with the Preliminary Plan. At that time, their estimate of their overall architectural fees was \$4.071 million. The Final Project Proposal is negligibly different within the overall scope of the project (according to the agenda item 3.c text). Now they are wanting \$2 million more (\$6 vs. \$4 million) to do the same work. (The breakdown is \$473,280 more for Preliminary Design, \$939,000 more for Working Drawings, and \$605,000 for A&E Oversight.) **None of the architectural firms prepared a detailed cost estimate in the proposal phase, but instead relied on the state-approved estimated construction cost to calculate their fees. The State allows an 8% flat fee on estimated construction cost for architectural fees.**

District Master Agreements also structure architectural fees as a percentage of estimated construction costs. The industry standard is to calculate architectural fees based on the estimated construction cost. An appropriate level of detail to accurately estimate the construction cost is only possible after a certain amount of design effort has taken place. Due to the specialized nature of the spaces in the Music-Drama Complex, it may not be effective to apply a rule of thumb to the square footage cost or read too much into a label of "recording studio" or "recital hall," especially in a competitive environment, until the nature of the spaces has been preliminarily developed based on meeting with faculty and staff (following programming validation and schematic design). The spaces that are being designed are not extravagant, but current, and function according to the need of the faculty and staff who operate the existing spaces.

The overall scope of the project was increased by 2,961 gross square feet, but additional details are added once meetings with faculty and staff occur. The State allows for a very modest budget, and as experienced on most of our buildings, we will add to the project to meet overall campus needs.

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2. The design effort for a project does not increase when the materials become more expensive. The number of working drawings needed does not increase when the price of lumber or concrete increases. The hours required for oversight do not increase when the price of nails goes up. **Correct, but the original estimate of the fee was based on an undervalued state budget. The District was aware of that and made provisions for an adjustment as outlined in the agreement. The fee was later adjusted from 8% to 7% to account for the inflation factor.**

**The inflation factor calculated from January 2021 – September 2021, using the California Cost Construction Index (CCCI), shows an inflation factor of 11.42%. The 1% fee adjustment (of \$1,187,720) equates to an overall 16.15% reduction in fees which is why staff felt that 1% was a fair amount.**

3. Architects are paid for their time and their expertise. Neither of those are affected by the price of stucco. Pricing the Working Drawings by the number of drawings is reasonable and commonplace. But adding a restroom or better theatre access (noted in item 3.d) doesn't require 66% more project drawings. The architects prepared their initial cost estimate for their fees knowing what the scope of the project would be. Unless the scope changes, the basis for their estimate has not changed. Can they provide a justification for why a price increase for a 2x4 board should change their fee for putting that board into a building design? **The architect used the State approved 8% listed in the FPP and the estimated cost of \$43 million to prepare their estimates. The District knew the CCCI numbers were low and our master agreement called for an adjustment after the project scope was formalized. This process was outlined in the January 26, 2021, Board agenda item. As previously noted, we accounted for the inflation factor when agreeing on the revised fee.**