

**CALIFORNIA STATE UNIVERSITY,  
FRESNO**

**SCIENCE II REPLACEMENT BUILDING**

Final Report

April 19, 2006

**CONSTRUCTION PROJECT EVALUATION**  
**CALIFORNIA STATE UNIVERSITY, FRESNO**  
**SCIENCE II REPLACEMENT BUILDING**

April 19, 2006

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# EXECUTIVE SUMMARY

## Summary of Findings

Based upon our evaluation, the CSU Fresno Science II Replacement Building Project was generally being administered consistent with governing Trustee policies and procedures. Some weaknesses in certain controls and processes were observed, which should be addressed.

Our observations, associated risks and recommendations are outlined below:

	<b>Observation</b>	<b>Risk</b>	<b>Recommendation</b>
1.	Work was performed by the Architect before an Agreement was formally executed.	Allowing work to be performed without an Agreement officially in place with the Architect poses a contractual risk for the University.	In the future, work should commence only after an Agreement has been formally executed.  (Ownership: CSU Fresno)
2.	Testing of Architect invoices uncovered instances where the amount invoiced was inconsistent with the terms and conditions of the Agreement. CSU Fresno has no mechanism in place to prevent components of an Agreement or ESA from being overbilled and help detect invoicing errors.	Without established means for tracking the separate components of contractual obligations, overpayments can occur on the individual components. Mistakes may not be detected and corrected as needed.	2a. In the future, CSU Fresno should ensure the amount of fee invoiced matches the contractual obligation. CSU Fresno should consider implementing stronger controls on the approval and payment process of invoices.  (Ownership: CSU Fresno)  2b. A mechanism should be established to track the components of contractual obligations and corresponding invoices and payments to prevent overpayments.  (Ownership: CSU Fresno)
3.	Certain Architectural invoices did not consistently include signature approval by an individual with direct knowledge of the work performed.	Allowing payments to be made on invoices without proper signature authority may expose CSU Fresno to potential overpayments.	On future projects, CSU Fresno should have Project Managers review and approve invoices for entitlement by signature.  (Ownership: CSU Fresno)

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	<b>Observation</b>	<b>Risk</b>	<b>Recommendation</b>
4.	The subcontractor substitution process involves both the Procurement and the Facilities Management Departments. CSU Fresno maintains documentation related to substitution requests in both locations, but did not keep a complete file at Facilities Management. Per SUAM 9821, the Construction Administrator should be responsible for the substitution process, not Procurement.	A substitution process involving multiple departments may result in discrepancies in the process and may lead to inconsistencies in the retention of related documents.	CSU Fresno should designate the Construction Administrator as responsible for the subcontractor substitution and notification process. CSU Fresno should also facilitate a better inventory of all documents related to subcontractor substitution.  (Ownership: CSU Fresno)
5.	CSU Fresno did not always execute change orders utilizing the appropriate form and did not consistently obtain the Construction Administrator's signature as required.	The lack of the Construction Administrator's signature on a change order does not signify the Construction Administrator has complied with all policies and procedures in processing the change order and is not compliant with CSU policy. The use of any form other than the designated change order form is not a CSU preferred practice.	In the future, use only the approved change order form to execute changes and obtain the Construction Administrator's signature on all change orders.  (Ownership: CSU Fresno)
6.	The change order documentation reviewed was at times incomplete or limited.	Misplaced or incomplete change order support could result in a failure to protect CSU Fresno in the event of legal action. CSU Fresno is also at risk of losing administrative staff efficiency due to time spent searching for missing documents. Finally, CSU Fresno is at risk of paying a higher cost if a change order price is not appropriately evaluated and documented.	6a. A better business practice would include implementing centralized filing of change order documentation.  6b. CSU Fresno should consistently obtain and document the basis for change order costs, including written evaluation of contractor cost proposals with complete supporting quotations from subcontractors, as applicable.  (Ownership: CSU Fresno)
7.	As calculated, it appears change orders due to errors and omissions may have exceeded the limits of 'standard of care'.	CSU Fresno may have paid excessively for change orders resulting from errors and omissions.	CSU Fresno should evaluate whether the Architect's acts on this Project fall below the 'standard of care'.  (Ownership: CSU Fresno)
8.	The billing terms in the Project Manager Agreement and subsequent Extra Service Agreements specify billing at an hourly rate; however, no hourly rate, estimate of hours, or duration of the contract is stated in the contract documents.	CSU risks overpayment if the Agreement does not clearly state the hourly rate and/or the amount of hours expected for the project.	On future projects, any consultant Agreements should clearly contain the hourly rate as well as the estimated number of hours required to complete the project, and concur with the payment terms stated in the Agreement.  (Ownership: CSU Fresno)

EXECUTIVE SUMMARY

	<b>Observation</b>	<b>Risk</b>	<b>Recommendation</b>
9.	Project Management and Inspection work was performed and invoiced exceeding the existing contract value before an Extra Service Agreement was executed.	Performing work without the extension of the contract puts CSU at unnecessary contractual risk. There is also a possibility of payment beyond the contract amount if controls are not in place to prevent it.	As a better business practice, work should only be performed when there is an existing Agreement or ESA in place. CSU Fresno should closely monitor its consultants and execute ESA's in a timely fashion to avoid billings in excess of the contractual fees.  (Ownership: CSU Fresno)
10.	Notice of Completion may have been issued prematurely.	CSU Fresno may not have any monetary recourse against the contractor after Notice of Completion has been filed. Liquidated Damages normally cease on Notice of Completion. CSU Fresno is also at risk of being charged interest for not making payments timely as retention is still being held. Retention is supposed to be released within 60 days of completion, per SUAM 9824.	On future projects, Notice of Completion should be filed only when the project is completed in all respects, per SUAM 9830. Alternatively, a conditional Notice of Completion may be initially filed.  (Ownership: CSU Fresno)
11.	The current Certificate of Occupancy retained by CSU Fresno is Conditional and contains restrictions.	A conditional Certificate of Occupancy may not be in conformance with regulatory requirements unless the restricting conditions have been expressly removed by the issuing Authority and an Unconditional Certificate of Occupancy has been issued to and retained by CSU Fresno.	CSU Fresno should obtain an unconditional Certificate of Occupancy from the issuing Authority.  (Ownership: CSU Fresno)
12.	CSU Fresno Facilities Management staff does not have the ability to produce customized reports from the PeopleSoft system. Instead, a manual "shadow system" is used with data assembled from multiple sources, resulting in discrepancies.	Errors in the accounting of committed costs, invoiced amounts and budgets may lead to overspend and ineffective cost tracking and variance reporting.	CSU Fresno should customize its reporting module in PeopleSoft to allow the Department of Facilities Management to obtain useful and relevant reports for cost tracking purposes.  (Ownership: CSU Fresno)

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## INTRODUCTION

### Purpose

KPMG LLP (“KPMG”) was retained by California State University’s (“CSU”) Office of the University Auditor on October 29, 2004 to perform an independent project evaluation of California State University, Fresno’s (“CSU Fresno”) Science II Replacement Building Project (“the Project”).

The overall objective of the construction evaluation was to assess construction management practices for the Project and to substantiate that it was managed in accordance with law and Trustee policy.

This report provides conclusions and recommendations addressing potential recovery of project costs and process improvements to the extent they were uncovered as part of our work. Recommendations are listed and numbered sequentially throughout this report.

### Scope

While the basic scope of our work matches that required by the RFP and that which KPMG has performed in years past, we also included additional tasks we believe may provide value to CSU. KPMG identified specific areas within the scope listed below that present potential for substantive loss or liability for the CSU Fresno’s University Science II Replacement Project. The various scope categories are outlined in CSU’s Request for Proposal, dated July 14, 2004 and KPMG’s Proposal, dated July 27, 2004 and contains the following sections:

- Project Background (*included for information, contains no recommendations*)
- Design Cost
- Construction Bid Process
- Construction Change Orders
- Project Management Inspection Services
- Major Equipment/Materials
- Close-Out Documentation
- Liquidated Damages
- Accounting

## Methodology

KPMG’s approach to this engagement incorporates a work plan shared with the University Auditor’s office as outlined in our Agreement with CSU. During the course of our work we expanded on tasks related to scope sections with the highest potential risk exposure. The work performed by KPMG was conducted in accordance with our aforementioned Methodology, but is not limited to, the following tasks:

- Examine financial records, reports, written CSU procedures, University contract documents and other material related to the Project and compare current practices and procedures with CSU requirements;
- Conduct a preliminary review to determine project emphasis;
- Interview key individuals involved in the project;
- Identify significant deficiencies, if any;
- Recommend changes that may result in streamlining the design/construction process, helping to assure adequate project controls and reducing costs; and
- Prepare a written report of our findings and recommendations.

## Exclusions

The services, fees and delivery schedule for this Engagement are based upon the following assumptions, representations or information supplied by CSU (“Assumptions”).

1. KPMG is not responsible for and will not make management decisions relating to this Project or any other aspect of CSU’s business. CSU shall have responsibility for making all decisions with respect to the management and administration of its real estate and capital projects.
2. CSU management accepts responsibility for the substantive outcomes of this engagement and, therefore, has a responsibility to be in a position in fact and appearance to make an informed judgment on the results of this engagement.
3. Our work under this engagement did not include technical opinions related to engineering, operations and maintenance.
4. KPMG’s work under this engagement did not include a review, audit or evaluation of financial statements, tax services, or other services of KPMG not listed in the above methodology.
5. We have, and will continue to consider the effect of this Engagement on the ongoing, planned and future audits, as required by *Government Auditing Standards* and have determined that this engagement will not impair KPMG’s independence.

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## **PROJECT BACKGROUND**

The Science II Replacement Building Project (“the Project”) involved the construction of a new three story building totaling approximately 74,000 square feet and related site work (Phase I), the renovation of approximately 12,000 gross square feet of the second floor of the Psychology/Human Services Building (Phase IIA), and the demolition of San Ramon buildings 2, 3, and 6 (Phase IIB). Grading, landscaping and irrigation in place of the demolished buildings were also part of the work. The three phased approach allowed CSU Fresno to adequately schedule moves and find temporary or new space for existing faculty, staff and students. Due to changes in project requirements and severe rain delays, the phases were modified throughout the construction.

### **Field Work Overview**

During the week of December 5 – 9, 2005, KPMG conducted its field work and reviewed project records from the following entities involved with the Science II Replacement project:

General Contractor	Lewis C. Nelsons and Sons, Inc. (“L.C. Nelson”)
Architect	The Taylor Group
Construction Management and Inspector of Record (“IOR”) Project Management	Professional Construction Consultants (“PCC”) CSU Fresno Department of Facilities Management, Department of Facilities Planning and Department of Plant Operations

Follow-up discussions to clarify issues and supplement supporting documentation were conducted through the completion of this report.

### **Delivery Methodology**

The project was delivered using a Design-Bid-Build, Lump Sum contract.

### **Timeline**

The design process began on August 14, 2001 with the effective date of the agreement with the Taylor Group Architects. Schematic and preliminary drawings were completed by December, 2002. The Project was bid on June 4, 2003 with the construction work awarded to Lewis C. Nelson and Sons, Inc. A construction contract was entered into effective June 19, 2003. A formal Notice to Proceed was issued to the Contractor on July 31, 2003 and revised on August 4, 2003 specifying a final completion date of March 6, 2005.

During construction, the project phasing plan was changed and the Psychology/Human Services Building was moved to the end of the project in order to accommodate revised occupancy requirements from CSU Fresno and to take ongoing project changes into consideration. For example, the project experienced several delays due to rain. As a result, the project was extended to a final contractual completion date of May 31, 2005.

The delays became an issue as CSU Fresno believed funding for the project would expire if not expended by June, 2005. As a result, the elevator and certain utility work were elected to be removed from the project via change order and completed separately. These items would otherwise not have been completed within the desired time frame. In late May of 2005, after discussing the issue with CPDC, it was discovered that the funding had been extended and the work was added back to the project.

The confusion on the expiration of project funds was a result of miscommunication between the Chancellor's Office and CSU Fresno. Additional resources were expended and it is possible extra costs were incurred by CSU Fresno due to the miscommunication, however no amount related to these potential extra costs has been quantified. Eventually, the project was completed under budget and on time.

A Conditional Certificate of Occupancy was issued on January 6, 2005, and a Notice of Completion was issued on May 12, 2005. No liquidated damages were assessed.

**Project Costs**

The entire project was approved by the Board of Trustees for \$22,575,000 including design, building construction, site development, some equipment, CPDC administrative fees and contingency. An additional \$1,958,000 was included with the Capital Outlay Estimate for Group II Equipment, which also was approved by the Board of Trustees, resulting in a total budget of \$24,533,000. Project expenditures at the time of our field work were \$22,398,165 for construction and \$1,729,613 for Group II Equipment, resulting in total actual expenditures of \$24,127,778 on the project.

Description	Budget	Actual	Variance
Construction	\$ 17,466,844	\$ 19,498,456	\$ 2,031,612
Contingency	2,148,157	558,661	(1,589,496)
Group II Equipment	1,958,000	1,729,613	(228,387)
Architect and Engineering	1,265,330	1,397,062	131,732
Contract Management	1,041,510	203,077	(838,433)
CPDC Fees	466,225	447,955	(18,270)
Construction Testing	92,189	209,358	117,169
Plan Check	61,917	53,267	(8,650)
Miscellaneous	32,828	30,329	(2,499)
<b>Total</b>	<b>\$ 24,533,000</b>	<b>\$ 24,127,778</b>	<b>\$ (405,222)</b>

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## DESIGN COSTS

### Agreement

Taylor Group Architects (“Taylor Group”) provided architectural and engineering services for the Project. A standard CSU Project Architect/Engineer Agreement in the amount of \$1,260,330 was entered into effective August 14, 2001. The scope of the Agreement included Schematic/Preliminary Design, Construction Documents, Bidding, Construction Supervision, and Landscape. Eighteen Extra Services Agreements (“ESA’s”) were executed bringing the total contract value to \$1,386,278. Many small ESA’s were issued and represent reimbursable costs, such as print charges. The following table summarizes the design contact data:

Description	Date	Amount
Schematic/ Preliminary Design	8/14/2001	\$ 415,909
Construction Documents	8/14/2001	481,320
Bidding	8/14/2001	50,665
Construction	8/14/2001	312,436
<b>Base Agreement Subtotal</b>		<b>\$ 1,260,330</b>
ESA 1	6/20/2003	1,336
ESA 2	10/21/2003	115
ESA 3	11/4/2003	1,235
ESA 3	2/2/2004	22
ESA 4	2/27/2004	91
ESA 5	3/23/2004	21
ESA 6	5/6/2004	103
ESA 7	7/16/2004	14,310
ESA 8	8/21/2004	13,440
ESA 9	9/27/2004	6,160
ESA 10	11/12/2004	35
ESA 11	3/3/2005	53
ESA 12	3/4/2005	3,520
ESA 13	6/27/2005	14
ESA 14	n/a	27
ESA 15	8/9/2005	38,100
ESA 16	8/16/2005	31,200
ESA 17	8/16/2005	16,100
ESA 18	10/26/2005	66
<b>ESA Subtotal</b>		<b>\$ 125,948</b>
<b>Total Agreement</b>		<b>\$ 1,386,278</b>

While the initial Agreement had an effective date of August 14, 2001, it was not signed by University Counsel until November 11, 2001. The Taylor Group invoiced \$24,490 on October 31, 2001 or 10% of the Schematic Design Phase, indicating work was performed before the Agreement had been formally executed.

***Observation:***

Work was performed by the Architect before an Agreement was formally executed.

***Risk:***

Allowing work to be performed without an Agreement officially in place with the Architect poses a contractual risk for the University.

***Recommendation:***

1. In the future, work should commence after an Agreement has been formally executed.

(Ownership: CSU Fresno)

***Campus Response:***

1. We concur. The campus will follow SUAM 9210.01 *Agreement Review and Approval* relative to the Agreements for future projects. The campus will also pursue with CPDC options to execute these Agreements in a more efficient and practical timeframe relative to the official allocation order to completion of the project.

**Invoices**

Testing of Taylor Group invoices uncovered instances where the amount invoiced was inconsistent with the terms and conditions of the Agreement. The amounts included one apparent double charge and two separate miscalculations of fees earned to date based on the original contracted values. The invoicing errors related to the fee were later corrected by the Architect, although slightly miscalculated. The inappropriately invoiced amounts are as follows:

Invoice Date	Invoice Number	Invoice Amount	Inappropriate Amount	Reason
10/31/01	3792	\$ 24,490	\$ 544	Fee greater than contracted
11/30/01	3838	24,490	544	Fee greater than contracted
12/31/01	3874	73,469	1,630	Fee greater than contracted
02/28/02	3910	69,121	(2,718)	Previous fee error corrected
11/30/02	4188	129,956	9,626	Invoice paid twice
09/30/03	4444	11,741	22	Fee greater than contracted
10/31/03	4464	17,182	18	Fee greater than contracted
11/30/03	4487	\$ 16,105	\$ (54)	Previous fee error corrected
<b>Total \$</b>			<b>9,612</b>	

The \$9,626 amount above was paid on two separate invoices, once on the original invoice (invoice #4131), and once as an outstanding balance on a subsequent invoice (invoice #4188) due to a mistake in a carry forward calculation by the Architect. This resulted in an overbilling.

In addition, payments were made for design development services (schematic and preliminary drawings) at various percentages on a monthly basis instead of at the 50% and 100% completion of each phase as stated in Rider A and Exhibit B of the Agreement.

CSU Fresno tracks the total agreed to contractual amount (the initial Agreement plus executed ESA's) against the total amount invoiced by the Architect, however the accounting system is limited to tracking these amounts in aggregate. There is no mechanism in place to prevent all individual components of a contract from being over billed. This becomes important as individual ESA's at times are very specific to the scope and cost of work to be performed and therefore should be tracked and monitored separately.

***Observation:***

Testing of Taylor Group invoices uncovered instances where the amount invoiced was inconsistent with the terms and conditions of the Agreement. CSU Fresno has no mechanism in place to prevent components of an Agreement or ESA from being overbilled and help detect invoicing errors.

***Risk:***

Without established means for tracking the separate components of contractual obligations, overpayments can occur on the individual components. Mistakes may not be detected and corrected as needed.

***Recommendations:***

- 2a. In the future, CSU Fresno should verify the amount of fee invoiced matches the contractual obligation. CSU Fresno should consider implementing stronger controls on the approval and payment of invoices, such as utilizing the standard CPDC invoice template, to ensure inaccurate payments do not occur.

(Ownership: CSU Fresno)

- 2b. A mechanism should be established to track the components of contractual obligations and corresponding invoices and payments to prevent overpayments.

(Ownership: CSU Fresno)

***Campus Responses:***

- 2a. & b. We concur. The campus has implemented better controls for invoice approval and processing to ensure payment is in accordance with the terms of the Agreement. The campus will also require all Architects to utilize the standard CPDC invoice template. As part of our 2006/07 Resubmission of the Operational Plan for Delegation of Capital Outlay Management Authority, the campus shall clarify Project Manager's and Construction Administrator's responsibilities.

CSU Fresno provided 55 invoices related to the project as invoiced under the base contract. Five of these invoices were not included with the job cost report provided from the accounting system. Two of these invoices were entered as different invoice numbers in the accounting system by accident. Three of the invoices, in the aggregate amount of \$56, could not be accounted for, as CSU Fresno has no records of having received these invoices from the Taylor Group. Although it is important that all invoices are appropriately tracked when received and reasons for non-payment or cancellation are documented, the \$56 amount is not significant.

Two of the Architectural invoices tested contained no approval signature and nine of the Architectural invoices tested were signed by an individual in an Administrative Analyst role without apparent signature authority or direct knowledge of the work invoiced. A Project Manager would be in a better position than an Administrative Analyst to determine whether or not an amount invoiced has been appropriately earned, especially for invoices directly related to the scope of work. The lack of appropriate signature approval for small invoices related to reimbursable costs does not pose a significant risk, however it does for larger service related invoices. CSU Fresno informed us that the Project Manager always had knowledge of the invoices although the Project Manager may not always sign the invoices to indicate approval.

Invoice Date	Invoice Number	Invoice Amount	Signature
10/31/03	4464	\$ 17,182	Administrative
10/31/03	4465	1,162	Administrative
12/31/03	4511	22	none
02/29/03	4555	22	none
07/31/04	4678	15	Administrative
08/31/04	4723	470	Administrative
10/31/04	4757	235	Administrative
10/31/04	4756	17,164	Administrative
10/31/04	4774	660	Administrative
05/31/05	4934	14	Administrative
09/30/05	5058	7,761	Administrative
<b>Total</b>		<b>\$ 44,707</b>	

**Observation:**

Certain Architectural invoices did not consistently include signature approval by an individual with direct knowledge of the work performed, such as the Project Manager.

**Risk:**

Allowing payments to be made on invoices without proper signature authority may expose CSU Fresno to potential overpayments.

**Recommendation:**

3. On future projects, CSU Fresno should have the Project Manager review and approve invoices for entitlement by signature.

(Ownership: CSU Fresno)

**Campus Response:**

3. We concur. As part of our 2006/07 Resubmission of the Operational Plan for Delegation of Capital Outlay Management Authority, the campus shall clarify Project Manager's and Construction Administrator's responsibilities. We have also implemented a process by which key personnel with direct knowledge of the project approves invoices by signature prior to approval by the Construction Administrator.

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## **CONSTRUCTION BID PROCESS**

The construction bid process for this project was administered through CSU Fresno, who also processed all payments and administered the accounting for the Science II Replacement Building project.

A pre-bid meeting walk-through was held for the project on April 30, 2003 with 18 companies and individuals in attendance. A complete set of specifications, general conditions and drawings were made available to all bidders, and a total of four addendums were issued between May 7, 2003 and May 30, 2003 postponing the bid date to June 4, 2003.

Five pre-qualified companies submitted competitive bids: Mouldin-Dorfmeier, Lewis C. Nelson, S.C. Anderson, Solpac, and David A. Bush, Inc. The bids were registered as received, a ranking was completed, and an abstract of bids was created. Lewis C. Nelson and Sons, Inc. was the lowest responsive and responsible bidder with a base bid of \$16,822,000, excluding additive alternates 1-4 (\$214,000 lower than the closest competitor).

KPMG reviewed CSU Fresno's bid files and bid process and found the project administrative team in compliance with requirements related to pre-bid meeting, advertising for bids, distribution of project plans and specifications, review of bid package, issuing of addenda during bidding, pre-qualification of bidders, obtaining required documentation from the successful bidder, and award of contract.

### **Subcontractor Compliance**

Five subcontractor substitutions were requested on the Project. Four substitutions followed the guidelines set forth by SUAM 9821-9823. In a fifth instance Lewis C. Nelson sent a Request for Substitution on December 22, 2004. A subsequent Request for Substitution from Lewis C. Nelson and Sons, Inc. was sent on January 12, 2005 referencing the previous letter. CSU Fresno responded that same day by sending a notification to the subcontractor to be substituted. The subcontractor protested on January 13, 2005 within the five day permitted period. A hearing was held on January 25, 2005 and as a result, the issue was resolved without substitution.

In the process of reviewing the subcontractor substitution process, CSU Fresno produced limited documentation related to the substitutions. The documentation was housed with the files in Facilities Management as well as the Procurement offices. A majority of the required documentation and correspondence was obtained from the Contractor. After revisiting CSU Fresno with the documents obtained from the Contractor, Procurement was able to generate additional documentation. CSU Fresno explained the project Administrator and Facilities Management do not manage the subcontractor substitution notification process, the Procurement office does.

***Observation:***

The subcontractor substitution process involves both the Procurement and the Facilities Management Departments. CSU Fresno maintains documentation related to substitution requests in both locations, but did not keep a complete file at Facilities Management. Per SUAM 9821, the Construction Administrator should be responsible for the substitution process, not Procurement.

***Risk:***

A substitution process involving multiple departments may result in discrepancies in the process and may lead to inconsistencies in the retention of related documents.

***Recommendation:***

4. CSU Fresno should designate the Construction Administrator as responsible for the subcontractor substitution and notification process. CSU Fresno should also facilitate a better inventory of all documents related to subcontractor substitution.

(Ownership: CSU Fresno)

***Campus Response:***

4. We concur in that we will designate the Construction Administrator as the official ultimately responsible for decisions on whether to substitute subcontractors. The audit finding did not sufficiently describe how the campus' procurement office provides invaluable assistance to the Construction Administrator. The campus believes that procurement's involvement provides greater internal control and therefore actually decreases risk. It is essential that procurement continue assisting with the process with oversight exercised by the Construction Administrator. We did not rely on the contractor to maintain our documentation. We had, and will continue to have, a complete inventory on campus of all documents.

As part of our 2006/07 Resubmission of the Operational Plan for Delegation of Capital Outlay Management Authority, the campus shall designate the Construction Administrator as responsible for the subcontractor substitution and notification process.

## CONSTRUCTION CHANGE ORDERS

Fourteen amendments with eleven associated change orders were executed on the Project at the time of KPMG's review totaling \$1,147,217 and resulting in a final contract value of \$17,969,217. CSU Fresno used a system where amendments were executed in addition to change orders to make corrections or to make changes to the contractual General Conditions. SUAM specifies Amendments to be used for Architectural and Engineering service agreements only, not construction contracts. The table below outlines all contract amendments and change orders:

Amendment	CO	Added Amount	Credit Amount	Total	Days
1	n/a				
2	1	\$ 7,000	\$ -	\$ 7,000	
3	2	7,152	-	7,152	
4	3	88,107	(515)	87,592	17
5	4	99,358	-	99,358	9
6	n/a			-	
7	5	285,835	-	285,835	86
8	6	365,585	-	365,585	53
9	7	55,752	-	55,752	0
10	8	370,114	(263,058)	107,056	0
11	9	-	-	-	124
12	10	122,851	(3,158)	119,693	0
13	11	154,372	(142,178)	12,194	0
14	n/a				
<b>Total</b>		<b>\$ 1,556,126</b>	<b>\$ (408,909)</b>	<b>\$ 1,147,217</b>	<b>289</b>

The amendments or corresponding change orders were bilaterally signed. All change orders contained the proper signature authorization level, however the Construction Administrator did not always sign every change order. The Construction Management Project Administration Reference Manual Section 4.05c requires the construction administrator to sign or initial all change orders. The Construction Administrator did not sign or initial the following change orders:

CO#	Extra	Credit	Total
4	99,358	-	99,385
5	285,835	-	285,835
6	365,585	-	365,585
7	55,752	-	55,752
8	370,114	(263,058)	107,056
9	124 Days	-	124 Days
10	122,851	(3,158)	119,693
11	154,372	(142,178)	12,194
<b>Total Unsigned Change Orders</b>			<b>\$ 1,045,500</b>

The change orders were always signed by either the Vice President of Finance or the University Controller.

***Observation:***

CSU Fresno did not always execute change orders utilizing the appropriate form and did not consistently obtain the Construction Administrator's signature as required.

***Risk:***

The lack of the Construction Administrator's signature on a change order does not signify that the Construction Administrator has complied with all policies and procedures in processing the change order and is not compliant with CSU policy. The use of any form other than the designated change order form is not a CSU preferred practice.

***Recommendation:***

5. In the future, use only the change order form to execute changes and obtain the Construction Administrator's signature on all change orders.

(Ownership: CSU Fresno)

***Campus Response:***

5. We concur. The campus will continue to utilize the CPDC change order forms and will modify the Plan for Delegation of Capital Outlay Management Authority relative to Construction Administrator's authority on all change orders.

Limited change order information was kept in the binders provided to KPMG by CSU Fresno and the support documentation was fragmented between sources at the University with no clear single repository. In addition, the proper paperwork establishing the basis for the change order cost is not always prepared or consistently available. The lack of documentation of an agreed upon cost makes it difficult to establish the basis for some change orders.

***Observation:***

The change order documentation reviewed was at times incomplete or limited.

***Risk:***

Misplaced or incomplete change order support could result in a failure to protect CSU Fresno in the event of legal action. CSU Fresno is also at risk of losing administrative staff efficiency due to time spent searching for missing documents. Finally, CSU Fresno is at risk of paying a higher cost if a change order price is not appropriately evaluated and documented.

***Recommendations:***

6a. A better business practice would include implementing centralized filing of change order documentation.

(Ownership: CSU Fresno)

6b. CSU Fresno should consistently obtain and document the basis for change order costs, including written evaluation of contractor cost proposals with complete supporting quotations from subcontractors, as applicable.

(Ownership: CSU Fresno)

***Campus Responses:***

6a. & b. We concur. A centralized filing system has been adopted and will be housed with the Construction Administrator in the Facilities Planning office. For all future projects the campus will comply with SUAM 9820 Change Orders to Contracts for Major Capital Improvement Project for change order procedures.

**Contractor Compliance**

KPMG obtained a sample of change orders and invoices from subcontractors to Lewis C. Nelson and Sons, Inc. (“L.C. Nelson”) during a field visit to the Contractor. KPMG compared the amounts of subcontractors change orders and payments made by L.C. Nelson to the amounts L.C. Nelson represented to and invoiced CSU Fresno. KPMG found no evidence of inappropriate billings for the project by the Contractor.

**Change Order Report Analysis**

CSU Fresno provided a change order log reflecting the source of each change order; however, this log was in a spreadsheet and contained multiple errors. After discussions with CSU Fresno the data was deemed reliable for purposes of calculating errors and omissions.

The following table summarizes the data:

Class	Type of change	Amount	% of Total CO	% of Original Contract
4.1	Error in or omission from the contract documents	\$ 637,267	55.55%	3.79%
4.2	Unforeseeable fob site condition	143,730	12.53%	0.85%
4.2	Change in the requirements of a regulatory agency	(15,434)	-1.35%	-0.09%
4.4	Change originated by the University	377,653	32.92%	2.24%
4.5	Changes in specified work due to the unavailability of specified materials	-	0.00%	0.00%
4.6	Other	-	0.00%	0.00%
	No Description	4,001	0.35%	0.02%
<b>Total Change Orders</b>		<b>1,147,217</b>	100.00%	6.82%
Original Contract Amount		16,822,000		
<b>Total</b>		<b>\$ 17,969,217</b>		

Based on the information available, change orders attributable to Architect’s errors and omissions exceeded 55% of the total net change order costs and exceed the 3% of the original contract amount. Trustees generally consider incurred costs for errors and omissions by the architect/engineer of up to 3% of the initial award construction cost as being within the requirements of ‘standard of care’. However, the Agreement as executed did not contain any language related to ‘standard of care’. The Agreement stated the Architect/Engineer shall secure and maintain appropriate errors and omissions insurance of no less than \$1,000,000 per occurrence and that certification of coverage should be submitted to the Trustees. No such certificate was available at the time of our Audit.

The current SUAM section 9236 states that errors and omissions shall be evaluated with errors given potentially full value and omissions a potential 20% of full value consideration. CSU Fresno did not track errors and omission separately and as a result, it cannot be determined with certainty if the Architect performed within the requirements of ‘standard of care’.

**Observation:**

As calculated, it appears change orders due to errors and omissions may have exceeded the limits of ‘standard of care’.

**Risk:**

CSU Fresno may have paid excessively for change orders resulting from errors and omissions.

***Recommendation:***

7. CSU Fresno should evaluate whether the Architect's acts on this Project fall below the 'standard of care'.

(Ownership: CSU Fresno)

***Campus Response:***

7. We concur. The Campus has reevaluated actual Change order errors and omissions and determined that the Project Architect is well below the 3% which would be considered appropriate "standard of care". Beginning with our next Major capital project (Library), our change order log will reflect separate errors and omissions categories for easier calculations.

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## PROJECT MANAGEMENT INSPECTION SERVICES

Professional Construction Consultants (“PCC”) was retained on July 15, 2003 to provide Construction Inspection and Project Management services for the Science II Replacement Building Project. The original Consultant Agreement was issued in the amount of \$50,000. Two Extra Service Agreements (“ESA’s”) were added to the Agreement to allow additional Construction Inspection and Project Management services to be performed. Although the original proposal from PCC was for \$150,000, CSU Fresno elected to issue the original Agreement in the amount of \$50,000. However, as additional services proved necessary and the Agreement was increased through ESA’s accordingly. The final contractual amount was \$170,000 and was paid in full at the time of KPMG’s review.

The billing terms in the Service Agreement and subsequent Extra Service Agreements specify billing at an hourly rate for the previous 30 days; however no hourly rate, estimate of hours, or duration of the contract is stated in the contract documents.

Work was performed and invoiced on the original Agreement exceeding the \$50,000 contract value. Similarly, work was performed and invoiced exceeding the \$100,000 contract value of ESA 1 before ESA 2 was executed.

The Construction Inspection and Project Management Services agreement and Extra Service Agreements are summarized below:

Description	Total
<b>Total Base Contract</b>	\$ 50,000
ESA 1 (Construction Inspection and Management)	100,000
ESA 2 (Construction Inspection and Management)	20,000
<b>Subtotal ESA's</b>	<b>\$ 120,000</b>
<b>Total</b>	<b>\$ 170,000</b>

In addition to the work performed by PCC, other specialty testing and inspection services were conducted by other consultants for a total of \$209,538 (excluding PCC).

***Observation:***

The billing terms in the Project Management Agreement and subsequent Extra Service Agreements specify billing at an hourly rate; however no hourly rate, estimate of hours, or duration of the contract is stated in the contract documents.

***Risk:***

CSU risks overpayment if the Agreement does not clearly state the hourly rate and/or the amount of hours expected for the project.

***Recommendation:***

8. On future projects, any consultant Agreements should clearly contain the hourly rate as well as the estimated number of hours required to complete the project, and concur with the payment terms stated in the Agreement.

(Ownership: CSU Fresno)

***Campus Response:***

8. We concur. All future Agreements will include hourly rate and estimated number of hours.

***Observation:***

Project management and inspection work was performed and invoiced exceeding the existing contract value before an Extra Service Agreement was executed.

***Risk:***

Performing work without the extension of the contract puts CSU at unnecessary contractual risk.

There is a possibility of payment beyond the contract amount if controls are not in place to prevent it.

***Recommendation:***

9. As a better business practice, work should only be performed when there is an existing Agreement or ESA in place. CSU Fresno should closely monitor its consultants and execute ESA's in a timely fashion to avoid billings in excess of the contractual fees.

(Ownership: CSU Fresno)

***Campus Response:***

9. We concur. The campus has implemented stronger controls to ensure work is being performed in accordance with the terms of the Agreement and will pursue ESA's in a timely manner.

## MAJOR EQUIPMENT/MATERIALS REVIEW

At the time of KPMG's review the Science II Replacement Building was an active building and as a result, equipment and materials for review was selected partially based on accessibility.

CSU Fresno allowed full and complete access to drawings, specifications and submittals, including revisions, which were organized in a fashion easy to locate and contained all sufficient information. The equipment was verified in the field against performance specifications, submittals, and drawings available.

The following equipment items and specific model data were visually confirmed as installed on the project:

Division	Drawing No.	Brand	Model No./ Capacity	Description
15000	M5.2	McQuay	RAH0077CSY 24.7 BHP / 1023 RPM Supply Fan 10.38BHP / 0651 RPM Return Fan	Air Handling Unit AH-1
15000	M5.2	McQuay	RAH0077CSY 27.53BHP / 1061 RPM Supply Fan 11.28BHP / 0670 RPM Return Fan	Air Handling Unit AH-2
15000	M52	Grundfos	CR32-6-2 / 5HP 100/80 GPM/FT CR64 3-1 / 5 HP 171/70 GPM/FT	Pumps P-1A & P-1B
15000	M52	Grundfos	CR64.1 / 15HP 325/80 GPM/FT 325/80 GPM/FT	Pumps P-2A & P-2B
16400	E6.2	ABB	12KV to 277/480V 30 4W	Transformer
16400	E6.5	Siemens	P1C42ML250CTS 250AMP 208Y/123Ph4	Electrical Panel B3LB
16400	E6.5	Siemens	P1E42ML250CTS 250AMP 480Y/277 3 Ph4	Electrical Panel B3HA
14240	M2.2	ThyssenKrupp	4500 lbs	Elevator 2
14240	M2.2	ThyssenKrupp	5000 lbs	Elevator A3 (freight)

All items selected for testing were present in the field based on a visual inspection of equipment labeling, the items conformed to the submittals, drawings and specifications above, with the exception of the pumps. The configuration of the pumps and the absence of the identification labels made it difficult to establish if the correct configuration and of the pumps had been provided.

**Recommendation:**

None

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## **CLOSE-OUT PROCESS**

KPMG reviewed the Conditional Certificate of Occupancy, punch list, operating permits, operation and maintenance manuals, warranties, as-built drawings, inspections, and other relevant project close-out documentation, which was filed and retained at the University. It was noted that the CSU Standard Close-Out Check list was not used.

The Conditional Certificate of Occupancy found in the project files was dated January 6, 2005. It required a complete building final inspection and all certified documents to be completed and submitted for final approval on February 7, 2005. No Unconditional Certificate of Occupancy was available for KPMG's review. CSU Fresno believes this to be an oversight of the issuing Authority.

The unconditional Notice of Completion for this project indicates the project was complete on May 12, 2005. However, at this time many items were left incomplete. \$778,461 was invoiced by and paid to L.C. Nelson in July, 2005. A five page list of Problems and Concerns regarding the Science II Building was created on October 10, 2005. At the time of our field work, CSU Fresno was holding \$120,000 of the Contractor's funds as punch list work remained outstanding. In addition, record drawings from the Architect were outstanding and \$15,574 remained to be paid on the Architect's Agreement.

There was some confusion about whether the Project funds would expire in June, 2005. As a result, CSU Fresno rushed the completion of the Project. The Chancellor's Office subsequently informed CSU Fresno that the funds had been extended.

### ***Observation:***

Notice of Completion may have been issued prematurely.

### ***Risk:***

CSU Fresno may not have any monetary recourse against the contractor after Notice of Completion has been filed. Liquidated Damages normally cease on Notice of Completion. CSU Fresno is also at risk of being charged interest for not making payments timely as retention is still being held. Retention is supposed to be released within 60 days of completion, per SUAM 9834.

### ***Recommendation:***

10. On future projects, Notice of Completion should be filed only when the project is completed in all respects, per SUAM 9830. Alternatively, a conditional Notice of Completion may be initially filed.

(Ownership: CSU Fresno)

***Campus Response:***

10. We concur. We will continue to file the Notice of Completion after a project is completed. In this case, the campus was unfortunately misinformed on project funding expiration, which prompted the campus to initiate completion processes, including filing the Notice of Completion.

***Observation:***

The current Certificate of Occupancy retained by CSU Fresno is Conditional and contains restrictions.

***Risk:***

A conditional Certificate of Occupancy may not be in conformance with regulatory requirements unless the restricting conditions have been expressly removed by the issuing Authority and an unconditional Certificate of Occupancy has been issued to and retained by CSU Fresno.

***Recommendation:***

11. CSU Fresno should obtain an unconditional Certificate of Occupancy from the issuing Authority.

(Ownership: CSU Fresno)

***Campus Response:***

11. We concur. We have obtained the final unconditional Certificate of Occupancy from the State Fire Marshall.

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## **LIQUIDATED DAMAGES**

The original contract specified 480 calendar days for the completion of Phase I (the New Science Building); 150 days for Phase IIA (the Psychology/Human Services Building Remodel) beginning on or before June 1, 2004; and 90 days for Phase IIB (the Demolition of the San Ramon Buildings) starting November 3, 2004 or before.

Many weather delays and phasing changes required multiple amendments to the original specified completion dates. Four amendments to the contract referencing four change orders increased the contract completion date to April 30, 2005 for Phase I and May 31, 2005 for Phase II.

The Notice of Completion was executed on May 12, 2005 which is 12 days beyond the contracted completion date for Phase I. According to the contract, liquidated damages are charged at a rate of \$2,500 per day beyond the completion. However, since Phase II was completed within the said time frame and beneficial occupancy was obtained prior to Notice of Completion, no liquidated damages were deemed warranted.

***Recommendation:***

None

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## ACCOUNTING

CSU Fresno provided a number of reports from the accounting system as well as an excel spreadsheets used by CSU Fresno for cost tracking purposes as a “shadow system”. This spreadsheet was compiled using various reports available and downloaded from the mainframe PeopleSoft accounting system. Manual adjustments had to be made in order for CSU Fresno to arrive at a report that contained all necessary information related to obligated amounts, invoiced amounts and amounts paid on the various contracts for the project. A separate spreadsheet was kept for equipment.

During our field visit, we discovered several errors in the manual “shadow system”. CSU Fresno explained that they had requested customized report to be made available from the accounting system so the manual reconciliation process and resulting “shadow report” did not have to take place. At the time of our field visit, the request had not been granted. CSU Fresno recognized and corrected the discrepancies discovered by KPMG.

Going forward, CSU Fresno would benefit from having customized reports available off the mainframe accounting system rather than rely upon manually processing and reformatting data from multiple sources.

### ***Observation:***

The CSU Fresno Facilities Management staff does not have the ability to produce customized reports from the PeopleSoft system. Instead, a manual “shadow system” is used with data assembled from multiple sources, resulting in discrepancies.

### ***Risk:***

Errors in the accounting of committed costs, invoiced amounts and budgets may lead to overspend and ineffective cost tracking and variance reporting.

### ***Recommendation:***

12. CSU Fresno should customize its reporting module in PeopleSoft to allow the Department of Facilities Management to obtain useful and relevant reports for cost tracking purposes.

(Ownership: CSU Fresno)

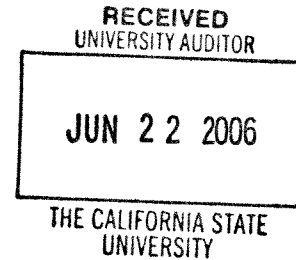
***Campus Response:***

12. We concur. A task force including Campus Information Systems, Facilities Management, and Financial Management groups will meet to determine changes to processes and reports. We plan to identify potential improvements by August 15, 2006 and deliver updated functionality by October 1, 2006.




CALIFORNIA  
STATE  
UNIVERSITY,  
FRESNO

June 21, 2006



## Memorandum

To: Larry Mandel  
University Auditor

From: Cynthia Teniente-Matson   
Vice-President for Administration  
and Chief Financial Officer

Subject: **Campus Responses to Recommendations in the  
Construction Audit Report on the Science II Building**

I have reviewed your findings and the twelve recommendations in the subject audit report. Enclosed is our set of campus responses addressing the recommendations. Please contact me if you have any questions.

### Attachment

cc: Dr. John D. Welty  
Mr. Matt Babick  
Mr. Robert Boyd  
Mr. Gary Wilson

Office of the  
Vice President  
for Administration and  
Chief Financial Officer

5241 N. Maple Ave. M/S TA52  
Fresno, CA 93740-8027

559.278.2083

Fax 559.278.2928

**CONSTRUCTION PROJECT EVALUATION**  
**CALIFORNIA STATE UNIVERSITY, FRESNO**  
**SCIENCE II REPLACEMENT BUILDING**

**DESIGN COSTS**

***Recommendations:***

1. In the future, work should commence after an Agreement has been formally executed. (Ownership: CSU Fresno)
- 2a. In the future, CSU Fresno should verify the amount of fee invoiced matches the contractual obligation. CSU Fresno should consider implementing stronger controls on the approval and payment of invoices, such as utilizing the standard CPDC invoice template, to ensure inaccurate payments do not occur. (Ownership: CSU Fresno)
- 2b. A mechanism should be established to track the components of contractual obligations and corresponding invoices and payments to prevent overpayments. (Ownership: CSU Fresno)
3. On future projects, CSU Fresno should have the Project Manager review and approve invoices for entitlement by signature. (Ownership: CSU Fresno)

***Campus Responses:***

1. We concur. The campus will follow SUAM 9210.01 *Agreement Review and Approval* relative to the Agreements for future projects. The campus will also pursue with CPDC options to execute these Agreements in a more efficient and practical timeframe relative to the official allocation order to completion of the project.
- 2a. & b. We concur. The campus has implemented better controls for invoice approval and processing to ensure payment is in accordance with the terms of the Agreement. The campus will also require all Architects to utilize the standard CPDC invoice template. As part of our 2006/07 Resubmission of the Operational Plan for Delegation of Capital Outlay Management Authority, the campus shall clarify Project Manager's and Construction Administrator's responsibilities.
3. We concur. As part of our 2006/07 Resubmission of the Operational Plan for Delegation of Capital Outlay Management Authority, the campus shall clarify Project Manager's and Construction Administrator's responsibilities. We have also implemented a process by which key personnel with direct knowledge of the project approves invoices by signature prior to approval by the Construction Administrator.

## CONSTRUCTION BID PROCESS

### *Recommendation:*

4. CSU Fresno should designate the Construction Administrator as responsible for the subcontractor substitution and notification process. CSU Fresno should also facilitate a better inventory of all documents related to subcontractor substitution.  
(Ownership: CSU Fresno)

### *Campus Response:*

4. We concur in that we will designate the Construction Administrator as the official ultimately responsible for decisions on whether to substitute subcontractors. The audit finding did not sufficiently describe how the campus' procurement office provides invaluable assistance to the Construction Administrator. The campus believes that procurement's involvement provides greater internal control and therefore actually decreases risk. It is essential that procurement continue assisting with the process with oversight exercised by the Construction Administrator. We did not rely on the contractor to maintain our documentation. We had, and will continue to have, a complete inventory on campus of all documents.

As part of our 2006/07 Resubmission of the Operational Plan for Delegation of Capital Outlay Management Authority, the campus shall designate the Construction Administrator as responsible for the subcontractor substitution and notification process.

## CONSTRUCTION CHANGE ORDERS

### *Recommendations:*

5. In the future, use only the change order form to execute changes and obtain the Construction Administrator's signature on all change orders. (Ownership: CSU Fresno)
- 6a. A better business practice would include implementing centralized filing of change order documentation. (Ownership: CSU Fresno)
- 6b. CSU Fresno should consistently obtain and document the basis for change order costs, including written evaluation of contractor cost proposals with complete supporting quotations from subcontractors, as applicable. (Ownership: CSU Fresno)
7. CSU Fresno should evaluate whether the Architect's acts on this Project fall below the 'standard of care.' (Ownership: CSU Fresno)

### *Campus Responses:*

5. We concur. The campus will continue to utilize the CPDC change order forms and will modify the Plan for Delegation of Capital Outlay Management Authority relative to Construction Administrator's authority on all change orders.
- 6a. & 6b. We concur. A centralized filing system has been adopted and will be housed with the Construction Administrator in the Facilities Planning office. For all future projects the campus will comply with SUAM 9820 Change Orders to Contracts for Major Capital Improvement Project for change order procedures.
7. We concur. The Campus has reevaluated actual Change order errors and omissions and determined that the Project Architect is well below the 3% which would be considered appropriate "standard of care". Beginning with our next Major capital project (Library), our change order log will reflect separate errors and omissions categories for easier calculations.

## **PROJECT MANAGEMENT INSPECTION SERVICES**

### ***Recommendations:***

8. On future projects, any consultant Agreements should clearly contain the hourly rate as well as the estimated number of hours required to complete the project, and concur with the payment terms stated in the Agreement. (Ownership: CSU Fresno)
9. As a better business practice, work should only be performed when there is an existing Agreement or ESA in place. CSU Fresno should closely monitor its consultants and execute ESA's in a timely fashion to avoid billings in excess of the contractual fees. (Ownership: CSU Fresno)

### ***Campus Responses:***

8. We concur. All future Agreements will include hourly rate and estimated number of hours.
9. We concur. The campus has implemented stronger controls to ensure work is being performed in accordance with the terms of the Agreement and will pursue ESA's in a timely manner.

## **CLOSE-OUT PROCESS**

### ***Recommendations:***

10. On future projects, Notice of Completion should be filed only when the project is completed in all respects, per SUAM 9830. Alternatively, a conditional Notice of Completion may be initially filed. (Ownership: CSU Fresno)
11. CSU Fresno should obtain an unconditional Certificate of Occupancy from the issuing Authority. (Ownership: CSU Fresno)

### ***Campus Responses:***

10. We concur. We will continue to file the Notice of Completion after a project is completed. In this case, the campus was unfortunately misinformed on project funding expiration, which prompted the campus to initiate completion processes, including filing the Notice of Completion.
11. We concur. We have obtained the final unconditional Certificate of Occupancy from the State Fire Marshall.

## **ACCOUNTING**

### ***Recommendation:***

12. CSU Fresno should customize its reporting module in PeopleSoft to allow the Department of Facilities Management to obtain useful and relevant reports for cost tracking purposes. (Ownership: CSU Fresno)

### ***Campus Response:***

12. We concur. A task force including Campus Information Systems, Facilities Management, and Financial Management groups will meet to determine changes to processes and reports. We plan to identify potential improvements by August 15, 2006 and deliver updated functionality by October 1, 2006.

THE CALIFORNIA STATE UNIVERSITY  
OFFICE OF THE CHANCELLOR



BAKERSFIELD

August 7, 2006

CHANNEL ISLANDS

CHICO

**MEMORANDUM**

DOMINGUEZ HILLS

EAST BAY

TO: Mr. Larry Mandel  
University Auditor

FRESNO

FROM: Charles B. Reed  
Chancellor

FULLERTON

HUMBOLDT

SUBJECT: KPMG Draft Final Report on the *Science II Replacement Building*  
Construction Project at California State University, Fresno

LONG BEACH

In response to your memorandum of August 7, 2006, I accept the response as submitted with the draft final report on the *Science II Replacement Building* construction project at California State University, Fresno.

LOS ANGELES

MARITIME ACADEMY

CBR/amd

MONTEREY BAY

Enclosure

NORTHRIDGE

cc: Ms. Erika Alvord, KPMG

POMONA

Mr. Matt Babick, Internal Auditor, CSU Fresno

SACRAMENTO

Mr. Dennis Hordyk, Assistant Vice Chancellor, Financial Services

SAN BERNARDINO

Ms. Elvyra San Juan, Assistant Vice Chancellor, CPDC

SAN DIEGO

Dr. John D. Welty, President

Mr. Richard P. West, Executive Vice Chancellor and Chief Financial Officer

SAN FRANCISCO

SAN JOSÉ

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS