

To: David Adams, Chair, Citizens' Bond Oversight Committee

From: Norma Hernandez, President, Southwestern College Governing Board

Re: Proposition R Citizens Bond Oversight Committee Report

Date: April 11, 2012

Thank you for the seriousness in which you and the members of the Citizens' Bond Oversight Committee have prepared the second annual report.

Your conclusions mirror many of the concerns we, as College leadership, have had with the direction of Proposition R. Among those concerns we share are:

- Potential cost overruns for Phase I projects
- Business system processes
- Business procurement processes

That is why the Governing Board has taken definitive actions:

- Conducting a focused special review of Proposition R (Seo Consulting)
- Developing recommendations and implementing action plans based upon the special review
- Implementing immediate and long-term personnel actions

We understand that there must have been a philosophical struggle to address issues within the period covered by this report—July 1, 2010 through June 30, 2011—knowing the major changes that have occurred at the College in the period from July 1, 2011 until the final preparation of the report on March 16, 2012.

We appreciate the attention the CBOC has for the 2010-11 reporting period because, as you know, that timeframe was also the focus of the Seo Consulting report and of the District Attorney's investigation. As a Governing Board, we have held special closed session meetings and shared our actions with the public and the CBOC.

It is understandable that members of the CBOC may have wanted additional information regarding the progress of the focused review as it was being conducted. However, to protect the integrity of the process and maintain its confidentiality, the investigator and the drafts of the investigation were protected by attorney-client privilege. As soon as we were legally allowed, we released the findings of the report to the public.

Since the November, 2010, Governing Board election, the College has taken significant actions to restore credibility and confidence in the Proposition R building program.

- 1) Southwestern College outside counsel retained a consultant to conduct a focused special review of Proposition R.

- 2) We placed a copy of the review on the College's website on March 14 and released the report's findings to the public at large on March 15. That is also the time the report was provided to all members of the CBOC.
- 3) We directed our contractual relationships with Seville, BCA and Echo Pacific Construction be severed.
- 4) We've increased our efforts to be more transparent.
 - a. The Governing Board has participated in ethics and contract procurement training to formalize stricter business procurement practices and eliminate conflicts of interest.
 - b. We've posted the Form 700s on the College website for public review.
 - c. Bid and selection information for all Proposition R projects is much more detailed on Governing Board agendas.
- 5) We are restructuring the business division and will appoint a full-time, in-house program manager for Proposition R. This will allow the College to review business practices and increase internal capacity and accountability.
- 6) The College is and will continue to update policies, including those concerning procurement and contracting matters.
- 7) We are updating the College's educational master plan and we will create a long-range facilities master plan that is in alignment with the College's educational master plan.
- 8) When the College recommences bidding for additional Proposition R projects—beginning in April 2013—we will be shaving 10 years off the construction schedule. This will allow students to use the facilities earlier and offering long-term cost savings for the college.

To further support the efforts of the CBOC, we are recommending to staff that they provide annual training to the CBOC of its bylaws, roles and responsibilities. We are also asking staff to assist the CBOC in an annual evaluation process that reflects the achievements of CBOC-generated goals and objectives.

We value the time and energy that all CBOC members dedicate to the committee. We stand committed to partnering with you as we move through the restructuring of Proposition R. We wholeheartedly share your commitment that Proposition R funds are spent in the most efficient manner. As our representatives to the community, you are powerful advocates for the work that we are all doing. Thank you for your valuable service.