

CONSTRUCTION
HUMBOLDT STATE UNIVERSITY
FORBES PHYSICAL EDUCATION COMPLEX
RENOVATION PHASE II

Audit Report 09-27
February 11, 2010

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ABBREVIATIONS

BOT	Board of Trustees
CPDC	Capital Planning, Design and Construction
CRB	Certification Review Board
CSU	California State University
DSA	Division of the State Architect
EO	Executive Order
HSU	Humboldt State University
IOR	Inspector of Record
OSHPD	Office of Statewide Health Planning and Development
OUA	Office of the University Auditor
PE Complex	Forbes Physical Education Complex Renovation Phase II
SUAM	State University Administrative Manual

EXECUTIVE SUMMARY

At its January 2009 meeting, the Board of Trustees directed the Office of the University Auditor (OUA) to review construction activity. Construction auditing had been performed by KPMG since fiscal year 1997/98 with coordination from the OUA. In fiscal year 2008/09, OUA staff began performing construction audits.

We visited the Humboldt State University campus and the offices of the construction manager and selected subcontractors from September 14, 2009, through October 16, 2009, and audited the Forbes Physical Education Complex Renovation Phase II (PE Complex) project focusing on the construction management policies and procedures and internal controls and processes in effect at that time.

Our study and evaluation did not reveal any significant construction management or internal control problems or weaknesses that would be considered pervasive in their effects on construction activity controls. However, we did identify other reportable weaknesses that are described in the executive summary and body of this report. In our opinion, the operational and administrative controls in effect for the PE Complex project were sufficient to meet the overall audit objective stated below.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

The following summary provides management with an overview of conditions requiring attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [] refer to page numbers in the report.

CONSTRUCTION MANAGEMENT AND ACCOUNTING [6]

The project inspector of record did not have the appropriate credentials, and the campus did not have procedures to ensure adequate project monitoring. In addition, the campus did not review the hourly labor rate worksheets and payroll records that all trade subcontractors performing change order work submitted.

CHANGE ORDER ADMINISTRATION [8]

Change orders were not always supported by sufficient documentation. Changed work totaling \$79,044 lacked supporting documentation for direct costs. In addition, overhead and profit mark-ups applied by the design-builder erroneously included overcharges of \$20,717.

PROJECT COMPLETION AND CLOSEOUT [10]

The campus did not issue a field instruction or change order to the design-builder when the State Fire Marshal granted a temporary certificate of occupancy on August 5, 2008.

INTRODUCTION

BACKGROUND

In November 2004, the Board of Trustees (BOT) approved a campus master plan revision for the Humboldt State University (HSU) campus, which included a future state-funded upgrade to the Forbes Physical Education Complex that was originally constructed in the 1950s. In September 2004, the BOT approved the fiscal year 2005/06 State Funded Capital Outlay Program, which included funding from California Proposition 55 Kindergarten-University Public Education Facilities Bond Act of 2004 monies for the Forbes Physical Education Complex Renovation Phase II (PE Complex). In September 2005, the BOT approved the schematic design plans for the PE Complex at a project cost of \$43,796,000.

In August 2005, HSU executed a design and construction agreement with Kiewit Construction at a construction cost of \$35,100,000 and issued the Notice to Proceed on November 9, 2005, with a contract completion date of October 31, 2008. However, due to various design and construction delays and a state fiscal stoppage, the project was not completed as of our fieldwork date. A partial completion notice was issued for the PE Complex in August 2009, although early occupancy occurred at the beginning of fall semester 2008. On July 10, 2009, the campus executed a global settlement change order for project suspensions and extended the project completion date to September 18, 2009, with a reduced liquidated damages rate of \$1,000 per day. As of the last date of audit fieldwork, a Notice of Completion was still pending and possible liquidated damages totaled \$28,000.

The PE Complex, designed by Yost Grube Hall Architecture, was built utilizing green design elements and materials. As part of the 63,000 square foot PE Complex project, a brand-new natatorium, dance/exercise rooms, locker rooms, gymnasium, and office space were constructed. In addition, the east gym was renovated while the west gym was retained for future use. The original PE complex will continue to house office space, exercise rooms, locker rooms, and a basketball court and will be utilized academically on a very limited basis.

The HSU campus managed the PE Complex project, and it chose the Design-Build delivery method. In this method, the design and construction aspects are contracted with a single design-builder who has full responsibility for finalizing and implementing a design that meets or exceeds CSU's performance expectations. The design-build entity is responsible for the adequacy of design and any construction defects, which allows the CSU to avoid these types of claims and limits errors and omissions change orders. Further, the design-build approach shortens project completion by overlapping the design and construction project phases. This approach also minimizes the university's need to schedule and coordinate the overall project, although clear specifications of CSU performance requirements and high quality inspection of work-in-progress are required to fully realize the benefits of this approach.

Executive Order (EO) 672, *Delegation of Capital Outlay Management Authority and Responsibility*, dated July 25, 1997, delegates to campus presidents the authority to manage directly state and non-state funded capital outlay projects. The chancellor's office issues this delegated authority to the campus subject to its compliance with the capital outlay certification procedure. To comply, the campus submits a request for Delegation of Capital Outlay Management Authority to the Certification Review Board (CRB) for review. Then the executive vice chancellor and chief financial officer in the chancellor's

office must approve the request. The campus president is responsible for ensuring that: he or she exercises delegated authority in compliance with applicable statutes, regulations, and policies of the BOT; the campus manages capital projects via a process consistent with the provisions of the State University Administrative Manual (SUAM); and the campus has in place appropriate internal controls and processes to ensure that responsibilities are carried out in a manner consistent with the campus capital outlay management plan, submitted with the request for delegated authority.

The certification procedure required by EO 672 includes submission of a capital outlay management plan, which defines the campus organizational and operational structure and expenditure authority, and serves as the campus policies and procedures for the administration of construction activities. Updated plans are to be submitted when campus operational structure changes are made which impact the plan. Certification is continuous unless a Capital Planning, Design and Construction (CPDC) post project performance review determines that problems were caused by campus negligence, in which case the CRB may recommend that the campus be placed on probation. The CRB may ultimately recommend that certification be withdrawn if identified operational/management deficiencies are not remedied.

For those campuses that are not certified, the chancellor's office may execute a Memorandum of Delegation for a capital outlay project, which delegates administration, including construction management, to the campus. The CPDC construction management unit may also perform construction administration and management.

EO 666, *Delegation of Professional Appointments Related to Capital Outlay Projects and Campus Physical Development*, dated March 7, 1997, delegates the authority to each campus president or designee to make all professional appointments relative to capital outlay projects and campus physical development. Further, the campus president or designee is responsible for ensuring compliance with all applicable statutes and regulations, BOT policies, and SUAM guidelines; and the use of systemwide standardized architectural, engineering, and other professional appointment contract forms.

The SUAM, in part, contains an overview of all CPDC policies and procedures associated with the capital outlay process. SUAM §9700 through §9843, *Construction Management for Public Works Contracts*, describe the requirements for preparing and administering public works contracts under the provisions of Public Contract Code §10700 *et seq.* SUAM §9200 through §9212, *Professional Services for Campus Development*, describe the requirements for developing and administering professional services agreements with service providers such as architects and engineers and for testing services and project-related studies.

The CSU *Construction Management Procedures Manual* contains the CSU construction management policies and procedures that apply to a project, and each construction administrator, project manager, inspector of record, campus representative, and design professional is required to use this manual as appropriate during the construction administration of a project.

PURPOSE

The overall audit objective was to ascertain the effectiveness of construction management policies and procedures and internal controls and processes related to the administration of construction activities and, specifically, the PE Complex.

Within the overall audit objective, specific goals included determining whether:

- ▶ Delegated authority to manage capital outlay projects exists, and the campus capital outlay management plan is current for campus-managed projects.
- ▶ Project development is in accordance with statutory and CSU policy requirements, including required BOT and CPDC approvals.
- ▶ Administration and management of the project provide effective internal controls and processes consistent with the campus capital outlay management plan and the SUAM.
- ▶ Professional appointments are in accordance with statutory requirements, BOT policy, and the SUAM; and systemwide standardized professional appointment contract forms are used, approved by the Office of General Counsel, and fully executed prior to performance of work.
- ▶ Extra services are appropriate, authorized, and separately tracked; and an evaluation is performed for each professional service provided.
- ▶ The bidding process is rigidly controlled, performed in accordance with statutory requirements and the SUAM, and incorporates the contract documents maintained on the CPDC website.
- ▶ Contract documents are complete, routed to the Office of General Counsel as appropriate, and timely executed; required contract bonds and insurance are received; and a Notice to Proceed is issued.
- ▶ Subcontractors are adequately monitored, and requests for subcontractor substitutions are handled in accordance with statutory requirements and the SUAM.
- ▶ Operational and administrative controls ensure maintenance of financial accountability and completion of the project within the approved scope, schedule, and budget.
- ▶ Contract and service agreement payments are adequately supported, appropriately approved, and timely paid; and retention is handled in accordance with statutory requirements and the SUAM.
- ▶ Equipment is procured in the most economical method; purchased materials meet specifications required by construction documents and drawings; and all required inspections and tests are timely and properly performed and adequately documented.

- ▶ Change orders are appropriately approved, supported, accurately priced, and sufficiently tracked; and construction allowances and contingency balances are adequately administered and controlled.
- ▶ Project completion is adequately administered, including completion of pre-final/final inspections, punch list items, project closeout checklist, and Notice of Completion; preservation of project files, equipment manuals/warranties, and spare parts/materials; and resolution of any liquidated damages.

SCOPE AND METHODOLOGY

The scope of audit included, but was not limited to, the review of design budgets and costs; the bid and award process; invoice processing and payment; change orders; construction management, architectural, and engineering services; use of major equipment/materials; the closeout process; administration of liquidated damages; and overall project cost accounting and reporting. This included any transactions or activity performed by the campus, construction management firm, and trade subcontractors.

Our study and evaluation were conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors, and included the audit tests we considered necessary in determining that operational and administrative controls are in place and operative. This review emphasized, but was not limited to, compliance with state and federal laws, BOT policies, and Office of the Chancellor and campus policies, letters, and directives.

We focused primarily on the operational and administrative controls in effect for the PE Complex project with an emphasis on compliance with the CSU *Construction Management Procedures Manual*, SUAM policies and procedures associated with the capital outlay process, the campus capital outlay management plan, and construction contract general conditions. We evaluated the effectiveness of construction management policies and procedures and adequacy of internal controls and processes, and sought opportunities for improvement to further the success of CSU's capital outlay program.

Specifically, we reviewed and tested:

- ▶ Delegation of construction management authority.
- ▶ Review and approval of project design, budget, and funding.
- ▶ Professional services agreements and any extra service changes.
- ▶ Administration of the bid and award process.
- ▶ Contract execution and required contract bonds and insurance.
- ▶ Subcontractors and subcontractor substitutions.
- ▶ Contract and service agreement payment processing.
- ▶ Procurement of major equipment and materials.
- ▶ Performance of required inspections and tests.
- ▶ Review, approval, and tracking of change orders.
- ▶ Direct labor and associated burden.
- ▶ Construction management and overall project cost accounting and reporting.
- ▶ Construction allowances and contingency balances.
- ▶ Administration of the project closeout process and resolution of any liquidated damages.

OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

CONSTRUCTION MANAGEMENT AND ACCOUNTING

INSPECTOR OF RECORD

The Forbes Physical Education Complex Renovation Phase II (PE Complex) project inspector of record did not have the appropriate credentials.

State University Administrative Manual (SUAM) §9785.01 states that the credentials of the inspector of record must be one or more of the following: Office of Statewide Health Planning and Development (OSHPD) certified, Division of the State Architect (DSA) certified, city or county trained and certified or equivalent, or inspector must be a licensed architect or registered engineer.

The project manager stated that the campus had limited staff with the required credentials and qualifications for the inspector of record assignment due to the duration of the project and multiple projects in process.

Failure to assign an inspector of record with appropriate credentials and qualifications to perform the role's duties and responsibilities can have a negative and detrimental impact on the project's progress and overall results.

Recommendation 1

We recommend that the campus allocate the proper resources or train staff to fulfill the appropriate credential requirements for the inspector of record (IOR) position.

Campus Response

We concur. To strengthen its inspection capacity and achieve compliance with the SUAM and Project Administrative Manual, the university hired a registered civil engineer as the IOR for all projects in June 2008. In addition, the university has revised its procedures to require the IOR signature for all inspection reports. In addition, the university's deputy building official was recently certified as an ICC Commercial Building Inspector.

Expected Completion Date: Fully Implemented

PROJECT MONITORING

The campus did not have procedures to ensure adequate project monitoring.

Specifically, the campus lacked evidence that it had completed and submitted weekly and monthly reports documenting project progress, budgeting analyses, contingency balances, unresolved project issues, and project schedules for the PE Complex project to the campus construction manager after September 2007.

SUAM §9792.04 states, in part, that the project manager is responsible for submitting to the construction administrator weekly and monthly written reports to reflect new and unresolved issues, schedule, quality control, submittal review, budget control (including contingency balance), and any other issues.

The project manager stated that her predecessor had ceased the requirement for monthly progress reporting in September 2007. She added that the campus did not re-establish reporting procedures for the ongoing project after her predecessor separated from the campus.

Failure to complete and submit weekly and monthly reports on project progress, budgeting analyses, contingency balances, unresolved project issues, and project schedules increases the risk that the campus construction manager will not be able to properly oversee the capital outlay program.

Recommendation 2

We recommend that the campus implement procedures to ensure that the project manager submits weekly and monthly reports on the project progress to the construction manager.

Campus Response

We concur. The university has reviewed reporting requirements noted in the SUAM and Project Administrative Manual. The campus will submit weekly and monthly written reports to reflect new and unresolved issues, schedule, quality control, submittal review, budget control (including contingency balance), and any other issues. Requirements for written reports will be reinstated for all current and future projects.

Expected Completion Date: April 30, 2010

LABOR RATE WORKSHEETS

The campus did not review the hourly labor rate worksheets and payroll records that all trade subcontractors performing change order work submitted.

SUAM §9824.01 states that the contractor shall submit to the construction administrator the hourly labor rate worksheet for its entire payroll, as well as for all of its subcontractors. Having hourly labor rate worksheets will allow a check on wage rates submitted for change order work.

The project manager stated that the failure to review the labor rate worksheets and payroll records was an oversight.

Failure to review the hourly labor rate worksheets and payroll records submitted for change order work may result in the campus being charged excess labor costs.

Recommendation 3

We recommend that the campus reiterate to staff that hourly labor rate worksheets for all trade subcontractors should be requested and used to verify wage rates submitted for change order work.

Campus Response

We concur. The university has reiterated to construction management staff that hourly labor rate worksheets for all trade subcontractors should be requested and used to verify wage rates submitted for change order work.

Expected Completion Date: April 30, 2010

CHANGE ORDER ADMINISTRATION

DOCUMENTATION

Change orders were not always supported by sufficient documentation.

A review of change orders from a sampling of subcontractors disclosed changed work totaling \$79,044 for site utilities and underground work for which the campus lacked supporting documentation for direct costs.

The *Contract General Conditions for Design Build Projects* §37.01 states, in part, that the design-builder must keep and submit time and materials records verified by the construction inspector to substantiate its costs and to furnish such proof.

The project manager stated that the bulk of the change orders were for design and concept, and the campus treated these change orders as an extension of the original design-build lump sum contract amount. She further stated that the campus reviewed the remaining change orders as best as possible considering best estimates and experience with prior costs.

Insufficient supporting documentation for change orders increases the risk that errors and irregularities will not be detected and excess charges and expenses will be incurred.

Recommendation 4

We recommend that the campus reiterate procedures to staff and conduct training to ensure that change orders are supported by sufficient documentation in accordance with §37.00, Changes in the Work, of the *Contract General Conditions for Design-Build Projects*.

Campus Response

We concur. The university has reiterated procedures with construction management staff. Furthermore, in March the university will conduct training with said staff to ensure change orders are supported by sufficient documentation in accordance with the *Contract General Conditions for Design Build Projects*.

Expected Completion Date: April 30, 2010

MARK-UPS

Administration of design-builder overhead and profit mark-ups needed improvement.

We reviewed overhead and profit mark-ups applied by the design-builder and found overcharges of \$20,717. Specifically:

- ▶ In one instance, the design-builder marked up the trade subcontractor cost that already included a ten percent overhead and profit mark-up. This mark-up on mark-up created an overcharge of \$4,854.
- ▶ In a second instance, the design-builder was applied a ten percent overhead and profit mark-up, as opposed to the allowable seven percent markup, to trade subcontractors' cost exceeding \$50,000. This resulted in a \$12,863 overcharge to the campus.
- ▶ In a third instance, the design-builder billed the campus \$3,000 for site overhead and cleanup, which was already included in the design-builder's 10 percent markup.

The *Contract General Conditions for Design Build Projects* §37.01.b (6) states, in part, that the design-builder may add no more than ten percent mark-up to the subcontractor's total direct cost for such work on the first \$50,000 and thereafter the mark-up is seven percent on the balance beyond \$50,000.

The *Contract General Conditions for Design Build Projects* §37.01.b (4) states that the mark-ups allowed on the direct cost of changed work include all incidental overhead support costs and profit. This includes, among others, site overhead including facilities and utilities.

The project manager stated that the design-builder did not apply the proper mark-ups and that the campus should have had a more proactive review process to detect such errors.

Failure to review design-builder mark-ups increases the risk that errors and irregularities will not be detected and may result in increased project costs.

Recommendation 5

We recommend that the campus:

- a. Pursue recovery of the \$20,717 of overcharges.
- b. Conduct staff training to ensure that design-builder mark-ups are appropriate and accurate in accordance with *Contract General Conditions for Design Build Projects* §37.01.b (4) and (6).

Campus Response

We concur. The university will endeavor to recover the \$20,717 of overcharges. In light of the fact that a global settlement change order was previously negotiated with the contractor and the project is now closed, the university will conduct research to determine whether cost recovery is possible. The university will also conduct training with construction management staff to ensure contractor mark-ups are appropriate and accurate in accordance with *Contract General Conditions for Design Build Projects*.

Expected Completion Date: April 30, 2010

PROJECT COMPLETION AND CLOSEOUT

The campus did not issue a field instruction or change order to the design-builder when the State Fire Marshal granted a temporary certificate of occupancy on August 5, 2008.

SUAM §9830.02 states that the Trustees reserve the right to occupy all or any part of a project prior to completion of the contract. In this event, the construction administrator shall issue a field instruction to the contractor, noticing the contractor that the campus will be taking beneficial occupancy of all or portions of the project on a specific date at a specific time. A change order must be executed which will document the date, liability, and start of warranty.

The project manager stated that the campus failed to issue a field instruction and change order when the temporary certificate of occupancy was granted due to oversight.

Failure to issue a field instruction and change order to the design-builder when early beneficial occupancy is granted increases the risk of misunderstandings and miscommunication regarding rights and responsibilities.

Recommendation 6

We recommend that the campus reiterate to staff that a field instruction and change order should be issued to the design-builder when the State Fire Marshal grants a temporary certificate of occupancy.

Campus Response

We concur. Following on-campus interviews with the auditor, the second phase of the project received a temporary certificate of occupancy from the State Fire Marshal; the university issued a field instruction and change order to commemorate such. The university has reiterated to construction management staff that a field instruction and change order should be issued when a temporary certificate of occupancy is granted.

Expected Completion Date: Fully Implemented

APPENDIX A: PERSONNEL CONTACTED

Name

Title

Office of the Chancellor

Elvyra San Juan

Assistant Vice Chancellor, Capital Planning, Design and Construction

Humboldt State University

Rollin C. Richmond

President

Mark Baker

Construction Manager and Campus Building Official

A. Gail Dungan

Buyer III and Contracts Specialist

Traci Ferdolage

Project Manager

Burt Nordstrom

Vice President, Administrative Affairs

Lynne Sandstrom

Director, Financial Services

Carol Terry

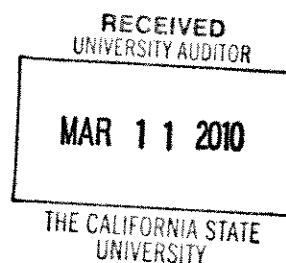
Associate Vice President for Business Services



HUMBOLDT STATE UNIVERSITY

Vice President of Administrative Affairs

March 4, 2010



Larry Mandel
University Auditor
The California State University
401 Golden Shore
Long Beach, CA 90802-4210

Forbes Physical Education Complex Renovation Phase II Audit Report 09-27

Dear Mr. Mandel:

Please find enclosed Humboldt State University's response to Forbes Physical Education Complex Renovation Phase II Audit Report 09-27, findings #1 through #6.

Please review the information and let us know if there are any questions, concerns, or if we can provide additional information. We appreciate the effort you and your staff have made to indicate areas where our procedures could be strengthened.

Please direct questions regarding the responses to Lynne Sandstrom, CPA, Financial Services at (707) 826-4031 or les37@humboldt.edu.

Sincerely,

Burt Nordstrom
Vice President

Copy: Rollin C. Richmond, President (w/o enclosures)
Carol Terry, Associate Vice President of Business Services (w/o enclosures)

CONSTRUCTION
HUMBOLDT STATE UNIVERSITY
FORBES PHYSICAL EDUCATION COMPLEX
RENOVATION PHASE II
Audit Report 09-27

CONSTRUCTION MANAGEMENT AND ACCOUNTING

INSPECTOR OF RECORD

Recommendation 1

We recommend that the campus allocate the proper resources or train staff to fulfill the appropriate credential requirements for the inspector of record position.

Campus Response

We concur. To strengthen its inspection capacity and achieve compliance with the SUAM and Project Administrative Manual, the University hired a registered civil engineer as the IOR for all projects in June 2008. In addition, the University has revised its procedures to require the IOR signature for all inspection reports. In addition, the University's Deputy Building Official was recently certified as an ICC Commercial Building Inspector.

Expected Completion Date: Fully Implemented

PROJECT MONITORING

Recommendation 2

We recommend that the campus implement procedures to ensure that the project manager submits weekly and monthly reports on the project progress to the construction manager.

Campus Response

We concur. The University has reviewed reporting requirements noted in the SUAM and Project Administrative Manual. The Campus will submit weekly and monthly written reports to reflect new and unresolved issues, schedule, quality control, submittal review, budget control (including contingency balance), and any other issues. Requirements for written reports will be re-instituted for all current and future projects.

Expected Completion Date: April 30, 2010

LABOR RATE WORKSHEETS

Recommendation 3

We recommend that the campus reiterate to staff that hourly labor rate worksheets for all trade subcontractors should be requested and used to verify wage rates submitted for change order work.

Campus Response

We concur. The University has reiterated to construction management staff that hourly labor rate worksheets for all trade subcontractors should be requested and used to verify wage rates submitted for change order work.

Expected Completion Date: April 30, 2010

CHANGE ORDER ADMINISTRATION

DOCUMENTATION

Recommendation 4

We recommend that the campus reiterate procedures to staff and conduct training to ensure that change orders are supported by sufficient documentation in accordance with §37.00, Changes in the Work, of the *Contract General Conditions for Design-Build Projects*.

Campus Response

We concur. The University has reiterated procedures with construction management staff. Furthermore, in March the University will conduct training with said staff to ensure change orders are supported by sufficient documentation in accordance with the *Contract General Conditions for Design Build Projects*.

Expected Completion Date: April 30, 2010

MARK-UPS

Recommendation 5

We recommend that the campus:

- a. Pursue recovery of the \$20,717 of overcharges.
- b. Conduct staff training to ensure that design-builder mark-ups are appropriate and accurate in accordance with *Contract General Conditions for Design Build Projects* §37.01.b (4) and (6).

Campus Response

We concur. The University will endeavor to recover the \$20,717 of overcharges. In light of the fact a global settlement change order was previously negotiated with the Contractor and the project is now closed, the University will conduct research to determine whether cost recovery is possible. The University will also conduct training with construction management staff to ensure Contractor mark-ups are appropriate and accurate in accordance with *Contract General Conditions for Design Build Projects*.

Expected Completion Date: April 30, 2010

PROJECT COMPLETION AND CLOSEOUT

Recommendation 6

We recommend that the campus reiterate to staff that a field instruction and change order should be issued to the design-builder when the State Fire Marshal grants a temporary certificate of occupancy.

Campus Response

We concur. Following on-campus interviews with the Auditor, the second phase of the project received a temporary certificate of occupancy from the State Fire Marshal; the University issued a field instruction and change order to commemorate such. The University has reiterated to construction management staff that a field instruction and change order should be issued when a temporary certificate of occupancy is granted.

Expected Completion Date: Fully Implemented



THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

BAKERSFIELD

March 29, 2010

CHANNEL ISLANDS

CHICO

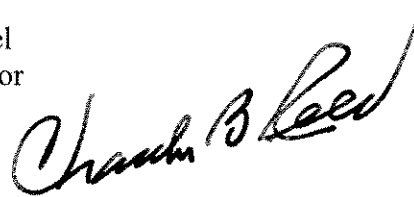
MEMORANDUM

DOMINGUEZ HILLS

EAST BAY

TO: Mr. Larry Mandel
University Auditor

FRESNO

FROM: Charles B. Reed
Chancellor


FULLERTON

HUMBOLDT

SUBJECT: Draft Final Report 09-27 on the
Forbes Physical Education Complex Renovation Phase II,
Humboldt State University

LONG BEACH

LOS ANGELES

MARITIME ACADEMY

In response to your memorandum of March 29, 2010, I accept the response as submitted with the draft final report on the *Forbes Physical Education Complex Renovation Phase II*, Humboldt State University.

MONTEREY BAY

NORTHRIDGE

POMONA

CBR/amd

SACRAMENTO

SAN BERNARDINO

SAN DIEGO

SAN FRANCISCO

SAN JOSÉ

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS