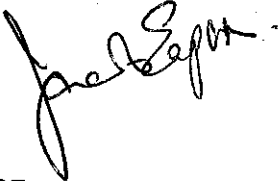


**MEETING OF THE BUSINESS AFFAIRS COMMITTEE  
OF THE BOARD OF TRUSTEES  
Community College of Philadelphia  
Wednesday, September 21, 2016 - 9:30 A.M.  
Isadore A. Shrager Boardroom, M2-1**

**TO:** Business Affairs Committee of the Board of Trustees  
**FROM:** Jacob Eapen   
**DATE:** September 16, 2016  
**SUBJECT:** **Committee Meeting**

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A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, September 21, 2016 at 9:30 A.M. in the College's Isadore A. Shrager Boardroom, M2-1.** For those members who are dialing into the meeting, the following is the conference bridge information: **DIAL-IN NUMBER: 1-888-675-6779; PARTICIPANT PASSCODE: 2050590#**

**AGENDA – PUBLIC SESSION**

**(1) Bid Results for Biology Lab Renovations (Action Item):**

The result of a multi-year collaborative study, involving specialized laboratory consultants, Biology faculty and staff, was a proposed comprehensive redesign of space on the 3<sup>rd</sup> floor of the West Building. This redesign addressed new strategies in pedagogy and included adding two new laboratories, enlarging and renovating five existing laboratory spaces (upon completion, the lab total will be 6 instructional labs and a Biology Tutoring/Open Lab), creating a faculty suite of supporting offices, student seminar and study areas, a dedicated Biology training classroom, prep area and specimen storages space.

Specifications and drawings were created by Spiezle Architectural Group and divided into seven prime contract packages: General Trades; Mechanical; Electrical; Plumbing; Demolition; Painting; and Flooring. Using PennBid, a request for proposals was posted (RFP 9869) for the College to receive bid responses on September 6, 2016.

To ensure participation of minority and women-owned businesses, a notice on the bid was sent to twenty-one support groups requesting that they disseminate our bid information. Additionally, seven individual invitations were sent to the heads of those support groups asking that they attend the pre-bid meeting. The City of Philadelphia sent its contact list, and an additional 49 invitations to bid were sent to minority and women-owned contractors. These outreach efforts are in addition to the Legal Notices advertised with two MBE publishers, *Al Dia* Newspaper and the *Philadelphia Sun*.

The PennBid program utilized by the College uses a combination of DGS (Department of General Services) codes and the Pennsylvania DGS Website to

invite all Disadvantaged Business Enterprises (DBEs) in those categories listed with the State of Pennsylvania.

A mandatory pre-bid conference was held on August 11, 2016 with 41 contractors in attendance, of which there 6 MBEs, 11 WBEs, and 2 MWBEs. College staff also attended an open house at The Enterprise Center on August 15, 2016 to promote minority and women-owned businesses to bid for College projects.

On September 9<sup>th</sup> and on September 12<sup>th</sup>, 2016, a post-bid scope conference was conducted with each of the low-bid respondents, where their scope of work was reviewed and confirmed. Subsequent to the above, the staff recommends awarding the contracts to the low bid respondents highlighted as follows:

General Trades to be awarded to Smith Construction in the amount of \$2,290,000;  
 Painting to be awarded to AP Construction in the amount of \$58,000;  
 Demolition to be awarded to Geppert Brothers in the amount of \$214,110;  
 Electrical to be awarded to Mulhern in the amount of \$838,926;  
 Plumbing to be awarded to Dolan Mechanical in the amount of \$782,000; and  
 Mechanical to be awarded to Devine Brothers in the amount of \$873,000.

Bids Rec'd	Contract	Company	Status	Amount
<b>2</b>	<b>General Trades</b>	<b>Smith Construction</b>	<b>WDBE</b>	<b>\$2,290,000</b>
		AP Construction		\$2,342,000
<b>1</b>	<b>Painting</b>	<b>AP Construction</b>		<b>\$58,000</b>
<b>3</b>	<b>Demolition</b>	<b>Geppert Brothers</b>		<b>\$214,110</b>
		Delta Bids		\$248,900
		AP Construction		\$482,274
<b>3</b>	<b>Electrical</b>	<b>Mulhern</b>		<b>\$838,926</b>
		McGoldrick Electric		\$879,799
		Carr & Duff		\$920,000
<b>1</b>	<b>Plumbing</b>	<b>Dolan Mechanical</b>		<b>\$782,000</b>
<b>3</b>	<b>Mechanical</b>	<b>Devine Brothers</b>		<b>\$873,000</b>
		Allstates Mechanical		\$909,000
		Edward J. Meloney		\$1,248,000
1	Flooring – Non-responsive/non-compliant bid submitted – Rejected.			

**(2) Biology Lab Fume Hoods (Action Item):**

As a result of the phasing efforts (based on maintaining maximum course offerings) of the Biology Renovation project, it is necessary to pre-order long-lead laboratory hoods prior to the start of contractor services. Delivery of these items is critical to the success of the project.

Using PennBid, a request for proposals to furnish Laboratory Hoods was posted (RFP 9949) for the College to receive bid responses on August 18, 2016. Two bids were received, both offering the same product from the same manufacturer. The low-bid respondent was contacted and the scope of work was discussed in detail with the College and architect team.

Subsequent to the above, the staff recommends awarding the contract to Northeast Interior Systems, Inc. for the amount of \$164,500.

<b>Northeast Interior Systems, Inc.:</b>	<b>\$164,500</b>
VWR International:	\$195,714

**(3) Contract with Olaya Studio (Action Item):**

The College has been using the services of Olaya Studios, a MBE firm located in the City of Philadelphia, on an "On-Demand" basis. They have been responsive and a resource to the College several times. The College needs their services again, yet doing so brings the total of all their efforts to a value greater than \$100,000. The staff recommends the continued use of Olaya Studios services with the six (6) month service value as listed below:

<b>Purchase Order</b>	<b>Purpose</b>	<b>Amount</b>
P0018963	Permit drawings for building modifications in the Annex	\$1,635
P0019494	Full design documentation for Office relocations plans in Library	\$51,535
P0019495	W1-1 Office and space planning	\$17,610
Pending Approval	Full documentation for renovation to the Great Hall	\$59,680
	<b>Six Month Total</b>	<b>\$130,460</b>

**(4) 2015-16 Budget Results (Information Item):**

Staff will provide an overview of the College's budget results for fiscal year 2015-16. The College began the 2015 – 2016 fiscal year with a balanced budget. The year ended with operating revenues exceeding operating expenses by \$2,160,223.

Student credit hours were below budget as outlined in Attachment A resulting in less student tuition and fees than budgeted. State funds were budgeted at an

increased amount of \$1.98 million, as originally proposed by Governor Wolf, but as a result of state budget negotiations were only increased by \$1.64 million. More of the City appropriation was able to be allocated to the operating budget because the State began funding 50% of the debt service of the 2013 loan that financed improvements to the West Building. Both investment income and income from miscellaneous sources were above budget.

Total operating expenditures ended the year \$4 million less than budgeted. Positions that were vacant for all or part of the year resulted in spending \$1.8 million less on full-time salaries than originally budgeted. Overall, total salaries were \$1,939,000 lower than budgeted. This had the impacted of reducing FICA costs which ended the year \$132,000 lower than budgeted. The fringe benefit budget was positively affected by a favorable year for the medical self-funded program. Final expenses associated with healthcare were almost \$600,000 below budget. Administration took advantage of the savings from the salary and fringe benefit lines and other expense lines to pay-off existing longer-term leases in the amount of \$1.577 million. This strategy provides flexibility in the College's operating budget for future years. Attachment A provides detail on the revenue and expenses variances. As presented in the FY 2016-17 budget that was approved by the Board on June 30, 2016, \$915,800 of the excess revenues from FY 2015-16 is required as a revenue source for FY 2016-17. Due to the lower-than-budgeted enrollments experienced thus far in FY 2016-17, additional amounts of the FY 2015-16 excess revenues may be required as a revenue source for FY 2016-17. The remaining excess revenues may be utilized to establish reserve funds for deferred maintenance and technology refresh needs.

**(5) Next Meeting:**

The next meeting date of the Committee is scheduled for **Wednesday, October 19, 2016 at 10:00 A.M.** in the College's Isadore A. Shrager Boardroom, M2-1.

**AGENDA – EXECUTIVE SESSION**

JE/lm

Attachments

c: Mr. Jeremiah J. White, Jr.  
Dr. Donald Generals  
Mr. Todd E. Murphy  
Mr. James P. Spiewak  
Victoria Zellers, Esq.

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**ATTACHMENT A**  
**2015-16 BUDGET RESULTS**

Community College of Philadelphia  
 Enrollment Information (FTEs and Credit Hours)  
 Fiscal Year 2015-16

	Actual		Budgeted		Actual		Credit Hour		
	FTEs	Credit Hours	FTEs	Credit Hours	FTEs	Credit Hours	Variance - Budgeted vs. Actual	% Variance	
	FY 14-15	FY 14-15	FY 15-16	FY 15-16	FY 15-16	FY 15-16			
<b><u>CREDIT</u></b>									
Summer 2	1,716	20,591	1,717	20,609	1,730	20,760	151	0.7%	
Fall	12,859	158,471	12,976	159,625	12,963	160,200	575	0.4%	
Winter	46	546	50	600	47	558	(42)	-7.0%	
Spring	12,587	155,231	12,801	157,209	12,056	149,185	(8,024)	-5.1%	
Summer 1	2,494	29,926	2,550	30,600	2,216	26,595	(4,005)	-13.1%	
<b>Credit Year-to-date Totals - Annual FTEs</b>	<b><u>14,851</u></b>	<b><u>364,765</u></b>	<b><u>15,047</u></b>	<b><u>368,643</u></b>	<b><u>14,506</u></b>	<b><u>357,298</u></b>	<b><u>(11,345)</u></b>	<b><u>-3.1%</u></b>	
<b><u>NONCREDIT</u></b>									
Summer 2	54		95		64				
Fall	501		658		384				
Spring	344		615		345				
Summer 1	115		236		111				
<b>Noncredit Year-to-date Totals - Annual FTEs</b>	<b><u>507</u></b>		<b><u>802</u></b>		<b><u>452</u></b>				

**Community College of Philadelphia  
Operating Budget Projections  
Fiscal Year 2015-16**

	<u>Original Budget</u>	<u>Final at June 30, 2016</u>
<b><u>REVENUES</u></b>		
Student Tuition and Fees	\$76,691,245	\$74,647,882
Commonwealth of Pennsylvania	30,621,805	30,128,342
City of Philadelphia	23,247,363	23,367,407
Other Income	<u>1,728,720</u>	<u>2,296,953</u>
<b>TOTAL REVENUES</b>	<b>\$132,289,133</b>	<b>\$130,440,584</b>
<b><u>EXPENSES *</u></b>		
Salaries, Net of Lapsed Funds	\$75,642,290	\$73,703,012
Fringe Benefits	34,124,000	33,150,262
Other Expenses	22,322,843	21,354,784
Student Financial Aid	<u>200,000</u>	<u>72,303</u>
<b>TOTAL EXPENSES</b>	<b>\$132,289,133</b>	<b>\$128,280,361</b>
<b>EXCESS REVENUES (EXPENSES)</b>	<b><u>(\$0)</u></b>	<b><u>\$2,160,223</u></b>

\* Prior to impact of GASB 45 and 64 accruals

**Community College of Philadelphia  
Operating Budget Projection  
Fiscal Year 2015-16**

	Original Budget	Final at June 30, 2016	Comment
<b><u>OPERATING REVENUES</u></b>			
State Funding	\$30,479,415	\$29,963,726	As a result of state budget negotiations, a lessor increase in state funding was received than originally budgeted.
State Lease funding	142,390	164,616	
<b>Total State Revenues</b>	<b>30,621,805</b>	<b>30,128,342</b>	
Tuition - Credit Students , net of write-offs, discounts and other offsets	60,784,200	58,909,256	Summer and Fall, 2015 semester enrollments slightly exceeded budget but Spring and Summer, 2016 enrollments were below budget. For the year, total credit hours were 3.1% below budget resulting in less than budgeted tuition.
Technology Fee	10,631,700	10,328,094	For the year, total credit hours were 3.1% below budget resulting in less than budgeted technology fees.
Course Fees	3,591,490	3,668,652	
Net Contribution from: Contracted Noncredit Instruction; Other Noncredit Instruction; Adult Community Noncredit Instruction	506,500	453,957	
Student Regulatory Fees	1,177,355	1,287,923	
<b>Total Student Tuition &amp; Fees</b>	<b>76,691,245</b>	<b>74,647,882</b>	
<b>City Operating Funds</b>	<b>23,247,363</b>	<b>23,367,407</b>	
Investment Income	500,000	814,970	In addition ot interest earnings of \$445,000, the College also had a gain on long-term investments in the amount of \$370,000.
Vocational Education Funding	200,000	267,588	
Indirect Costs, Administrative Allowances	300,000	368,579	
Parking Proceeds & Miscellaneous Income	728,720	845,816	
<b>Total Other Income</b>	<b>1,728,720</b>	<b>2,296,953</b>	
<b>TOTAL OPERATING REVENUES</b>	<b><u>\$132,289,133</u></b>	<b><u>\$130,440,584</u></b>	



**Community College of Philadelphia  
Operating Budget Projection  
Fiscal Year 2015-16**

	<u>Original Budget</u>	<u>Final at June 30, 2016</u>	<u>Comment</u>
<b><u>OPERATING EXPENSES *</u></b>			
<u>Salaries</u>			
Full-Time Administrative Salaries	17,137,300		
Less: Projected Lapsed Salaries	(900,000)		
Net Full-Time Administrative Salaries	16,237,300	15,470,140	Higher than anticipated number of unfilled administrative positions during the year.
Full-Time Faculty Salaries	29,086,904		
Less: Projected Lapsed Salaries	(150,000)		
Net Full-Time Faculty Salaries	28,936,904	28,359,069	More lapsed funds than originally budgeted.
Full-Time Classified Salaries	11,052,934		
Less: Projected Lapsed Salaries	(450,000)		
Net Full-Time Classified Salaries	10,602,934	10,137,068	Higher than anticipated number of unfilled classified and confidential positions during the year.
<b>Subtotal - Full-Time Salaries</b>	<b>55,777,138</b>	<b>53,966,277</b>	
Part-Time & Overload Credit Salaries	10,985,389	10,975,763	
Summer Credit Instruction	4,064,938	3,954,464	
Noncredit Instructional Salaries	424,310	398,056	
All Other Salaries	3,940,515	4,138,800	
Early Retirement Incentive Payments	450,000	269,652	
<b>Subtotal - Other than Full-Time Salaries</b>	<b>19,865,152</b>	<b>19,736,735</b>	
<b>Total Salaries</b>	<b>75,642,290</b>	<b>73,703,012</b>	

**Community College of Philadelphia  
Operating Budget Projection  
Fiscal Year 2015-16**

	Original Budget	Final at June 30, 2016	Comment
<b>Fringe Benefits</b>			
Medical Program	22,853,700	22,257,501	Actual claims were lower than originally projected.
Retirement Contributions	5,893,500	5,842,259	
FICA	3,108,700	2,976,413	Lower than budgeted salary expenses resulted in a lower than budgeted FICA expense.
Tuition Remission	650,000	555,644	
Group Life Insurance	482,200	466,125	
Unemployment Compensation	200,000	232,954	
Workers' Compensation Insurance	346,700	281,691	Lower than budgeted premiums for workers' compensation insurance.
Unused Vacation	100,000	93,751	
Disability Insurance	304,200	298,785	
Forgivable Education Loan	185,000	145,139	
<b>Total Fringe Benefits</b>	<b>34,124,000</b>	<b>33,150,262</b>	
<b>Facility Expenses</b>			
Utilities	2,004,341	1,816,251	
Contracted Security	1,700,000	1,720,232	
Contracted Cleaning	1,178,760	1,205,363	
All Other Facility Expenses	2,333,717	2,291,167	
<b>Total Facility Expenses</b>	<b>7,216,818</b>	<b>7,033,013</b>	

**Community College of Philadelphia  
Operating Budget Projection  
Fiscal Year 2015-16**

	Original Budget	Final at June 30, 2016	Comment
<b>All Other Expenses</b>			
Leased Equipment & Software	5,425,659	4,981,904 +	
Catalogs and Advertising	1,418,856	1,555,482	Additional costs associated with 50th Anniversary Events and Spring 2016 Enrollment advertising
Supplies-Pool	1,395,718	1,315,273	
Contracted Services	1,805,175	1,820,065	
Consulting	538,300	836,331	Additional costs for: Facility Master Plan, Margolis-Healy Security Review, Economic Impact Study, Public-Private Partnership RFP, Hanover Research
Maintenance & Repairs	576,006	436,948	
Postage	315,200	257,348	
Insurance	662,000	622,190	
Legal Fees	322,000	808,543	Additional costs for Burt Hill claim, real estate firm, arbitrations, and negotiations.
Other Expenses	2,647,111	1,687,689	Reflects value of unspent contingency funds and various other budget lines.
<b>Total All Other Expenses</b>	<b>15,106,025</b>	<b>14,321,772</b>	
<b>Student Scholarships</b>	<b>200,000</b>	<b>72,303</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$132,289,133</b>	<b>\$128,280,361</b>	
<b>Excess Revenues (Expenses)</b>	<b>(\$0)</b>	<b>\$2,160,223</b>	

\* Prior to impact of GASB 45 and 64 accruals

+ Includes the cost of payments made to pay off certain long-term leases.