

TOWN OF NEWINGTON

TOWN HALL RENOVATIONS PROJECT BUILDING COMMITTEE

April 7, 2015

TOWN HALL MAIN LEVEL, HELEN NELSON ROOM

SPECIAL MEETING MINUTES

I. Call to Order – The meeting was called to order by Chairperson Alan Bongiovanni at 6:04 PM.

II. Roll Call – Members present: Alan Bongiovanni, Chairperson; Jim Marocchini; Dave Nagel; Sarah Jorgensen-Bucchi; Rodney Mortensen; Alan Nafis; and Whit Przech. Others present: Members of the public; Chuck Boos and Freddy Khericha, Kaestle Boos Associates; and Jeff Baron, Director of Administrative Services.

III. Public Participation - None.

IV. Approval of Prior Meeting Minutes – Mr. Mortensen made a motion to approve the minutes of the March 31, 2015 meeting as presented. A second to the motion was made by Mr. Przech. The motion passed by a vote of 6 YES to 0 NO with 1 abstention (Mr. Mortensen, not present at the meeting).

V. Hazardous Materials Report – Mr. Baron reported that a draft report had been received from EnviroMed Services. Staff is in the process of verifying its' contents for accuracy. The report is lengthy. Mr. Baron will distribute the main body of the report and the summary pages of the ancillary reports to all Building Committee members. Committee members who want the full report are asked to notify him.

VI. Discussion with Downes Construction Company on Construction Management Services – Four members of Downes Construction Company of New Britain appeared before the Committee to make a presentation and answer questions. They were Joe Desautel, Nicole Demaio, Mike MacDonald, and Ed Moriarty. They distributed a handout of their power point presentation. Mr. Desautel spoke about the history of the firm. Mr. McDonald spoke about the firm's previous referendum success and shared things that have helped other municipalities pass referendums. Mr. Moriarty spoke about the preconstruction phase. He showed comparisons of Downes Construction's estimates on other projects versus that project's final cost. He touched on three project delivery methods, Construction Manager at Risk, Design-Build, and Construction Manager as Advisor. The Construction Manager at Risk would hold the contracts for construction and has more control. Downes Construction was selected by the Town as the Construction

Manager for the project well in advance of the last referendum. The advantages of continuing with Downes Construction were presented.

Following the presentation, Mr. Nafis noted that the existing contract called for renegotiation of pre-construction fees if they were not completed within eighteen months of the contract date. The eighteen month period expired last October. Mr. Desautel noted that the Town had not accepted Downes' proposal for pre-referendum services for the previous referendum. There were more pre-construction services required than they anticipated. There were 19 cost estimates prior to the previous referendum. The project estimate at the time of the Town's Request for Proposals (RFP) was \$16 million. Downes' initial estimate was for \$24 million. A number of different options considered by the Town led to ten detailed take offs by the Construction Manager. Subcontractor input was used to develop costs. There would be a fee for additional pre-construction and/or for pre-referendum services if Downes were to continue on this project.

Chairperson Bongiovanni noted that the current contract was for a Construction Manager at Risk. Their fee was a percentage of construction cost. Mr. Desautel mentioned that this was what was called for in the RFP. He would prefer that this percentage be converted to a fixed number. The fee is a factor of time; namely the amount of staff that has to be dedicated to the project over a period of time. Mr. Bongiovanni noted that the "at risk" designation meant that if the cost of the work exceeded the Guaranteed Maximum Price (GMP), the Construction Manager would be responsible to pay the difference. Mr. Nafis noted that the GMP can be amended. Mr. Desautels informed the Committee that the GMP could be amended if the length of time of the project changes at no fault of the Construction Manager; if the scope of work changes through no fault of the Construction Manager, or if there are differing conditions. An example of differing conditions would be if there was an oil tank that had to be excavated that no one knew was present. Mr. Moriarty observed that the number a Construction Manager gives is a budget. After the project goes out to bid, if the number is below the budget, the savings goes back to the Town. There is a perception that the number is inflated with a Construction Manager at Risk. This is not true. The Committee was encouraged to refer to the table presented earlier. Projects were within 3% of the estimate. Firms that overestimated couldn't stay in business. The perception is that the cost is held down. There is some truth in that, but really, only if the Construction Manager controls the design. Value engineering is applied to the Architect's plans, but as a team, involving Facilities Management, the Architect and the Construction Manager. Mr. Desuatel noted that the State of Connecticut has historically used a Construction Manager as Advisor, but they are moving more towards a Construction Manager at Risk. In the past they have had a General Contractor lump sum bid with a Construction Manager as Advisor overseeing them. He reminded the Committee that he was not recommending any particular delivery method.

Mr. Bongiovanni mentioned that it might be possible to tear the building down. It was felt that this might be cheaper because it was more cost effective. Mr. Moriarty replied that the costs for renovating against building new would be very close. The estimate was \$265 per square foot for the pre-referendum project. He surmised that the architect used \$300 a square foot for a roughly \$27 million estimate. When you add in other costs, it could be closer to \$310 per square foot. Complete demolition and remediation of hazardous materials is \$2-\$2.5 million, plus the costs to rent and relocate.

There are pluses to knocking the building down, because difficult phasing goes away. Mr. Desautel observed that the projected life cycle of the project starts new when there is a new building. This could also factor into the decision. New construction builds more efficiently. If there is less square footage, this also means less money. Mr. Moriarty noted that the current building has lots of stairs and is not efficient.

Ms. Jorgensen-Bucchi reminded the Committee that there are sections of the building that have recently had money spent on them; the Transition Academy, new boilers, and the Lower Level Renovations. She wants to keep taxes down and is concerned about money that has already been spent. People expect certain things. A \$30 million project will not pass. We all need to work together. Other projects are coming that the Town needs to pay for. Under an “at risk” contract, if testing for PCBs finds more, the cost to remove would not be covered in the GMP. She thinks that “at risk” contracts are better for towns concerned about budgets.

Mr. Przech asked about a proposed fee for preconstruction services. On their experience from the history of the last referendum, Downes couldn’t anticipate budgets. Coming to a conclusion on how the Committee will move forward drives the Construction Manager’s cost. Mr. Desautel noted that the project is almost twice the value of that contained in the RFP. In a more traditional process there are a variety of options, with budgets on two or three of those options. Mr. Desautel told the Committee that he would propose a menu for pre-referendum services. The Committee could select some, all or none of those services. Downes has some information on the building already established. The Committee could anticipate something on the order of the previous pre-construction fee for a renovation project; a pre-construction fee for new construction would be five to six thousand dollars less than that.

Mr. Mortensen stated that a lot of hard work went into the previous project. That has gone by. The Town Hall needs to be fixed. His number one priority is not to do something half baked. His complaint is that government frequently doesn’t look down the road. The stingy man pays the most. The worst thing that could happen is if the Town has to keep patching things up because the referendum failed. Downes made a good presentation. The Town Hall is on the cusp of closing due to lack of heat and other problems. The Committee has a tentative schedule. He would like to stay close to that schedule. Mr. Moriarty replied that the Downes could start budgeting immediately. Mr. Nafis noted that if Downes were to be retained going forward, a supplemental agreement would be needed. That would need to include a pre-construction fee that would be dependent on a number of options. Mr. Desautel noted that to meet the schedule the Committee won’t be able to spend a lot of time on the various building options. The real decision on pre-construction is the qualifications of the firm you hire. You have to have the right number, although Mr. Desautel stated he doesn’t want to influence the Building Committee’s decision.

Mr. Marocchini stated he favored retaining Downes Construction. They gave a great presentation. This would be in the interests of saving time also. They have been in business for 81 years. An “at risk” contract makes him comfortable. They hold the contract and control the flow of the money. He favors keeping Downes, as Construction Manager at Risk, with pre-referendum and pre-construction fees. Chairperson Bongiovanni stated that the Committee would want updated pricing. Mr. Mortensen agreed with Mr. Marocchini. He was also comfortable with retaining Downes

Construction as a Construction Manager at Risk. Mr. Nagel also favored an at risk contract. He appreciates Downes Construction's hard work with the previous Project Building Committee. Their inclusion would make the process more cost effective. He also wanted to remind the Committee to consider, in terms of moving, the services that can't or would be difficult to move, such as the Transition Academy. Downes will be able to provide figures no matter which option the Building Committee chooses. Their selection would result in quality on everybody's part. Ms. Jorgensen-Bucchi noted that when the Committee voted on the Project Architect their contract required a subsequent amendment. The same would be required in this instance. Mr. Baron concurred. Mr. Przech stated he was not in favor of a Construction Manager at Risk. He favors a Construction Manager as Advisor. His experience suggests that the Committee could use someone else for cost estimates. Mr. Bongiovanni stated that while he has had a good experience with a Construction Manager as Advisor, Downes Construction made a good presentation, and with either "at risk" or "as advisor", the Committee would get a good project. He felt the public would be more confident with a Construction Manager at Risk. Mr. Mortensen stated that there was sensitivity to what happened previously and why that referendum failed. He also felt a Construction Manager at Risk would help public confidence. Mr. Marocchini made a motion to keep Downes Construction Company as a Construction Manager at Risk in accordance with their contract, with amendments to that contract to provide agreement on their fee and scope of services. A second to the motion was made by Ms. Jorgensen-Bucchi. Discussion: there would be a menu of services within the pre-referendum services category, with options that the Town could then select from. The motion passed by a vote of 6 YES (Marocchini, Nagel, Jorgensen-Bucchi, Mortensen, Nafis and Bongiovanni) to 1 NO (Przech).

VII. Town Hall Conceptual Design Update –Mr. Boos stated that his firm had been working diligently on updating the design concept for a new building. He will be ready for a presentation at the next Project Building Committee meeting. He was told by the Committee that Kaestle Boos Associates could contact Downes Construction and share with them conceptual drawings and other documentation related to the project.

VIII. Other Business Pertinent to the Committee – Mr. Nagel inquired about the charge of the Committee. Mr. Baron stated that the charge had been distributed to the Committee since the last meeting. While it referred to renovation, it did not exclude new construction if that was the Committee's proposed solution to the Town Council, any more than for the previous Committee, which had proposed a new building in Mill Pond Park. It would be a different matter if the Committee was considering a new building on a different site. Mr. Nafis stated that the definition of renovation is to make new. He asked, as a recently added member to the Committee, what the Committee's goal was. Mr. Baron stated that the Building Committee would determine its other goals and incorporate them in passing along a project recommendation to the Town Council for their approval. Mr. Bongiovanni stated that the Committee was trying to meet the space and program needs that have been established, and were now trying to fit them within a budget. Ms. Jorgensen-Bucchi stated that the charge was less focused. The Committee is looking at everything within this building. Mr. Nafis responded that he was just trying to establish what the Committee's goal was. Mr. Nagel, stated that as the initiator of the discussion,

he was simply trying to clarify the Committee's charge and whether new construction was an option that was within the Committee's charge. Mr. Marocchini felt it was the Committee's responsibility to bring all options to the table. Mr. Bongiovanni observed that various options had been discussed. The Committee did not have a budget. It was attempting to apply the requirements of the needs assessments. There may be three or four options. Mr. Marocchini noted that there had not been a vote on which direction to go in. Most want a longer building life and so does he. Mr. Mortensen stated that the Town Council would be looking to the Building Committee for a plan. Chairperson Bongiovanni stated that the Committee will arrive at a cost and a time frame for different scenarios, and then attempt to reach a consensus.

The Committee agreed to meet again the following week, as the Town Council had moved their meeting to the third Tuesday of the month. The structural report has been delayed due to cold weather. Mr. Boos will look to get that completed now that weather is improving. The hazardous materials report will be provided to Downes Construction after it has been distributed to the Committee.

IX. Public Participation – None.

X. Response to Public Participation – None.

XI. Adjournment – the meeting adjourned at 7:27 PM.

Respectfully submitted,

Jeff Baron

Jeff Baron
Director of Administrative Services