

CAPITAL PROJECTS ADVISORY COMMITTEE

Minutes of the March 4, 1998 Meeting

Page 1

A regular meeting of the Capital Projects Advisory Committee was held on Wednesday, March 4, 1998 in the City Hall Capitol Conference Room, 201 No. Carson St., Carson City, NV at 5:30 p.m.

PRESENT: Acting Chairperson Ron Swirczek
Richard Baker
Kevin Honkump

Ed Moran
Craig Mullet

STAFF: John Berkich, City Manager
Jay Aldean, Senior Engineer - Public Works
Katherine McLaughlin, Recording Secretary
(CPAC 3/4/98 1-0000.5)

NOTE - Unless otherwise indicated each item was introduced by Acting Chairperson Swirczek. Individuals speaking are identified following the heading of each item. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

A. CALL TO ORDER - Acting Chairperson Swirczek called the meeting to order at 5:35 p.m. A roll call was taken and a quorum was present although Chairperson Sheerin and Vice Chairperson Lopiccolo were absent.

H. REPORT FROM STAFF (NON-ACTION) - (1-0017.5) Mr. Aldean said this was what he had presented to Finance Director Mary Walker for the project budget. He noted there were issues he wished to review and that they pretty much mirror what has been done thus far. He said of great interest is that instead of Change Orders 1 and 2 there are now Change Orders 1 through 9 with their corresponding values. He then reviewed Vanir's log in detail.

(1-0135.5) He also said the architects had intimated their contract ends the end of April at which time they would no longer be working for the City so the City would have to extend their contract. He said Chairperson Sheerin is aware of it and that he and Member Baker are very concerned about it. He said they would like to bring it up at the next meeting as to how this would be handled. He said there was no way of knowing how much the architects would charge the City for the additional time and how much the City feels they are responsible to pay.

(1-0167.5) At this point Mr. Aldean responded to questions from Members on various items relating to amounts and materials in the CORs. Mr. Graham also provided information in this realm. Included were his comments on the smoke sealed equipment for fire and safety issues which were not included in the documents and had subsequently been added. He said they were looking at this to make sure the prices are right and the items are not already in the base contract. He added they were not some things that had been agreed to or recommended by the architect, the City, or anyone else. He felt this could be a contentious subject because the architects are worried about the big price.

C. DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE ORDER REQUESTS ASSOCIATED WITH INFORMATION BULLETINS NOS. 1 THROUGH 6 CONCERNING ELECTRICAL, MECHANICAL, STRUCTURAL, FINISHING, SECURITY EQUIPMENT ISSUES, AND OTHER MATTERS RELATED THERETO - (1-0593.5) It was noted there are a number of outstanding change order requests from the contractor and an attempt is being made to get the design team to review them because they have the responsibility, legally and ethically, to respond. He noted under the contract they are required to review all change order requests and sign off on them. He then said the requests being presented at this meeting are a group of CORs that have been reviewed by all appropriate parties and signed off by all. However, he noted there are several change orders which are outstanding and a response from the architects is being awaited. He said Vanir has rendered an opinion of whether or not these are appropriately priced. Mr. Graham then commented on

CAPITAL PROJECTS ADVISORY COMMITTEE

Minutes of the March 4, 1998 Meeting

Page 2

the lengthy reviewing process. Details were also provided relating to how markup figures are developed. This was followed by more review of CORs.

(1-1409.5) Mr. Aldean commented that the architects were basically stating that their contract duration was set to expire at the end of April of this year. He added there are some issues that need to be resolved. He noted that he and Member Baker had talked about what the contract says. He said from the Notice to Proceed, when the drawings were ready, etc. there are key milestones that need to be met according to the contract and said the City is not sure when that time starts and stops at this point because the contract is not 100 percent clear on every aspect. He also noted that he had offered his opinion and that Member Baker had done the same. He said what he was trying to indicate was that the architects had been telling him for the past month they wanted more money. He added he had told them this is an issue that has to be put in writing to him so that he could actually respond in writing because he was not going to make any commitment from staff's standpoint that they would pay them any more money. He said that would be an issue to be decided upon by the Committee. Member Baker said the contract says the architects' services are to be extended for a period of thirty months after the date of the contract which is November 16, 1996 and said the thirty months are up April 16. He said it also says the architect is not responsible for extending the contract. He added in his opinion the architect is exactly responsible for extending it because they did not have the plans done on time. He recalled that the Committee had talked about re-doing the drawings two or three times to get the cost down and when it came time for get it ready for bid they were not out on time. He expressed his extreme concern that the architect was asking for more money. He said he did not know what the legalities are but felt this was ridiculous. He added that the thirty months had sounded reasonable, one and a half years for the bidding and one and a half years for the construction. Mr. Aldean noted that the method of payment is a fixed monthly fee and is not geared to the construction progress. It was also noted that the construction started nine months ago but it was anticipated there would be eighteen months of construction and if the agreement runs out in April, then there was a seven month delay as to when the documents should have been completed and available to bid. Member Honkump said they had the City's numbers to begin with and kept bringing numbers that did not fit the budget. Member Baker said he had made his feelings known and subsequently received a call from Simon Park telling him they were going to complete the work on the job. Mr. Aldean said the architects need to come up and meet with the Committee to discuss specific items which could involve extensive dollars. He will agenda this for the next meeting. At this point Acting Chairperson Swirczek entertained a motion to approve the CORs as submitted on March 4. Member Baker said the Committee did not have to approve these if they do not total \$50,000 and noted these individually do not. Mr. Aldean said he did not have a problem signing off on these because they are necessary items. Acting Chairperson Swirczek said based on what was presented the Committee could go ahead and recommend approval of them. Member Baker then moved to approve the change orders in an amount not to exceed \$91,203. Member Honkump seconded the motion. Motion carried 4-0. Acting Chairperson Swirczek then asked about the all risk insurance and Mr. Aldean said this had been budgeted for eighteen months and they are behind by an extra month which has not been included in the projection. He added the completion is estimated as February 1, 1999. Mr. Graham said they hoped to have the jail fully operational well before that date and then the courthouse section would come along later.

B. PUBLIC COMMENT - (1-1651.5) Frank Page, a neighborhood resident, said they were impressed with the color of the complex. Mr. Aldean said they do not have the color board yet for the interior.

(1-1711.5) Member Honkump noted that each meeting brings horrendous numbers on the construction contingencies. He added it is roughly half way done and they are basically out of those contingencies. He asked for clarification that \$1 or \$1.5 million over budget will not have to be committed for this. Mr. Graham said the unknowns are behind, these being the site work, getting the building placed on the ground, major elements of the structure such as electrical and mechanical have all been submitted by the architects. He felt from this point on changes become much smaller. Member Honkump recalled that one of the unsuccessful bidders for the contract had said the plans were not good and that the City would pay for it. He added that \$1.5 million later the plans are not as good as originally felt. He commented that the architect has no responsibility for omitting \$1 million of items. Mr. Aldean said the architect is aware of their responsibility and that the City has not pushed the issue. Member Honkump said realistically the perpetrator of the mistakes should be here attempting to resolve the

CAPITAL PROJECTS ADVISORY COMMITTEE**Minutes of the March 4, 1998 Meeting**

Page 3

situation so that this would not result in litigation. He added that he was appalled that they do not seem to be concerned and Member Baker agreed. Member Honkump said if the architects are going to ask the Committee for more money he wants the person who sold the Committee on their services to do it. He added he would like to ask if they had worked on so many prison facilities how come they did not know enough to include certain power equipment. Mr. Graham said he shares the frustration and they have continued the value engineering effort even when it is not the most opportune time. Mr. Aldean said he had spoken to Charles Silverman and Mr. Rob Jurnegan of DMJM and had given them a deadline for submittal of certain RFIs and they had met the date and other dates as well. He added they are still behind but at this point are not causing any delays for the contractor. Mr. Aldean felt it was appropriate for Mr. Silverman to come when the architects request additional funds. He felt what would happen is that the architects would present the City with a proposal for a certain amount of dollars which would be considered an agenda item and then the Committee would have the opportunity to negotiate with them. Mr. Graham said it is a positive thing because Mr. Silverman is the only one still there that the Committee began with. Mr. Aldean then solicited ideas on when to hold that meeting. They consulted their schedules and agreed to meet March 17 at 5:30 p.m. in the Capitol Conference Room at City Hall.

D. COMMITTEE MEMBER REPORTS - (1-1945.5) None.**E. DISCLOSURES - None.****F. REPORT FROM PROJECT CONSTRUCTION MANAGER (NON-ACTION ITEM) - (1-1951.5)**
Previously discussed.**G. REPORT FROM PROJECT ARCHITECT (NON-ACTION ITEM) - None.****I. AGENDA ITEMS FOR FUTURE CAPITAL PROJECTS ADVISORY COMMITTEE MEETING -**
Previously discussed.**B. APPROVAL OF MINUTES** - Member Baker moved to approve the Minutes of the January 8, 1998 meeting. Member Honkump seconded the motion. Motion carried 4-0.**K. ADJOURNMENT** - Member Mullet moved to adjourn. Member Honkump seconded the motion. Motion carried 4-0. Acting Chairperson Swirczek adjourned the meeting at 7:30 p.m.

The Minutes of the March 4, 1998 meeting of the Capital Projects Advisory Committee

ARE SO APPROVED _____, 1998

Gary Sheerin, Chairperson