

SPECIAL COMMITTEE ON THE CIVIC CENTER

June 17, 1999

6:15 PM

Chairman Wihby called the meeting to order.

The Clerk called the roll.

Present: Aldermen Wihby, Rivard, Cashin, Hirschmann, O'Neil

Messrs: W. Craig, S. Ashooh, P. Levy, K. Edwards

Chairman Wihby addressed Item 3 of the agenda:

Amendment to the Cooperation Agreement dated June 15, 1959, Between the City of Manchester and the Manchester Housing Authority for the Spruce Street Redevelopment Project, as Amended by Agreement dated March 3, 1965.

Mr. Craig stated I represent the Manchester Housing Redevelopment Authority. Except for one change, this is the same document you reviewed in April that on our request you didn't act on. The operative part of this is on paragraph 10 on Page 13. It is underlined. Once it is approved by the Board, this allows the process to keep going. It is nothing new. It is all that was contemplated except the authority was not ever given the redevelopment authority to proceed along these lines. The big-ticket item is to allow the authority, once it has been approved by the Board, to hire a construction manager. The construction management contract, however, will not be signed until your Committee has had an opportunity to review the parts that you are concerned about as well as anything else. In addition to that, once the financing package is all in place so that we know exactly what it is, the whole agreement will once again be brought back for your review and final approval by the Board. Other than that, either Ken or I will be happy to answer any questions.

Alderman Hirschmann asked the salary for your person would come from the Housing Authority.

Mr. Craig asked what do you mean. The salary for what person? Are you talking about the construction manager?

Alderman Hirschmann answered the person you just mentioned.

Mr. Craig stated the construction manager is a construction firm.

Alderman Hirschmann asked are we discussing a new person or are we discussing...

Mr. Craig answered no we are discussing a construction contract basically. We are talking about the initial steps of awarding a contract to a firm to construct a civic center, but the contract itself will not be signed until your Committee has had a chance to look at it. Do you mind if I say who the construction manager is that is being recommended?

Chairman Wihby stated you could have that person stand up if you want.

Alderman Rivard stated I think when you were speaking you were saying that the construction company and the construction manager are going to be one in the same but that is not true, is it. Isn't it going to be a construction manager who is going to be like the Clerk of the Works?

Mr. Craig replied no. Clerk of the Works is totally different from the construction manager. The construction manager, I am talking about a construction company.

Alderman Rivard asked who is going to build it.

Mr. Craig answered who is going to build it, yes.

Alderman Rivard asked we have already selected that guy.

Mr. Craig answered no, we haven't selected it. The Redevelopment Authority has selected one subject to approval by this Committee and the full Board after the technical people spend a full day analyzing and interviewing.

Chairman Wihby stated lets go back because some people are confused. We were going to...initially we had Peter Levy who was working for Ogden at the time or where is he from?

Mr. Craig replied I will let him speak for himself but he works for Scheer.

Chairman Wihby asked is he still going to be part of this project.

Mr. Craig answered yes although the contract has not been signed yet. It is intended that he be part of it, yes.

Mr. Clougherty stated you will recall that the bond issue was authorized and the Board appropriated \$2.5 million to move forward and as part of that, as we explained at the time, all of this deal has to come together at the same time and

there are multiple pieces. In order for us to be able to bring back before the Board all of the details of the financing plan, we have to have involved some of the consultants that are necessary to pull together some of the pricing for the building. Selecting a construction manager doesn't mean that we are committing to anything other than what we have in Phase II. This amount that we are talking about is all part of that Phase II budget that was approved by the Committee and by the Board. We are going through a series of processes to bring together all of the different people that will be necessary to pull this project together. During Phase II, you need some preliminary information. You need some of the information that the Housing Authority staff has in its experience. You also need some of the experience that Scheer Development brings to the construction of these buildings, which have some unique persona about them because of the wide span roofs that are involved. You also need to have information from the construction manager regarding the pricing of the building so that we can make sure that that budget is attached. There are little pieces in Phase II that need to be developed and have to come on in order for us to bring before the Board the final budget and that is what the cooperation agreement is trying to do. We are trying to pull together all of these different pieces during the second phase interval so that we can come back with the final product and all of the agreements at one time for the Board.

Chairman Wihby stated Manchester Housing is going to do a lot of work in this. They are going to oversee the total project, right?

Mr. Clougherty replied right.

Chairman Wihby asked explain to us what you envision happening or what could happen.

Mr. Craig answered the way I see this happening and all of this is subject to approval, but this Committee initially and to the full Board, some details you know but basically the principal is subject to approval by the Board. If we go forward as we request the Redevelopment Authority will enter into a construction contract with a construction manager. The construction manager will do the construction, but the construction manager will also answer to the Redevelopment Authority as far as the technical aspects are concerned and as far as the quality of inspection and things like that. In other words, it is just like building any other building. The Authority acts as an agent of the City, the City being the owner, to make sure that the building is put up by the construction manager according to the plans and specifications drawn by Lavalley Brensinger and by H.O.K., which plans by the way have to be approved by the Board. That is basically the way it works.

Chairman Wihby asked did we ever envision just having a construction manager. That we would just hire one person and that would be it.

Mr. Craig answered it would probably be easier if I just said construction company. That is really what it is. A construction company and there will be a Clerk of the Works. The Clerk of the Works will be there on a daily basis on behalf of the Authority.

Alderman Rivard stated I still don't understand this.

Chairman Wihby stated I guess what was envisioned was somewhere we were going to pick a construction manager, one person, and he was going to run the show and there was nobody else who was going to be involved and that one construction manager would report back to this Committee. Basically we are doing that except that Manchester Housing is going to be the construction manager?

Mr. Craig replied the City's point man for all practical purposes is going to be Ken Edwards who has been working for the Manchester Housing and Redevelopment Authority for at least 20 years doing construction and if there is a problem it will get to him and if there is a problem from anybody on the Board it will go to him first and he will straighten it out or try to straighten it out. If there is a problem on the site, it will get to him and he will try to work it out there.

Alderman Hirschmann asked so Mr. Edwards would be a direct liaison with Mr. Levy. Mr. Levy is going to be the project manager for the construction company? Can you tell it straight, Mr. Craig?

Mr. Craig replied I am doing my best. I thought it was straight. Mr. Levy hasn't been hired yet.

Alderman Hirschmann asked do you anticipate him being hired working with Mr. Edwards.

Mr. Craig answered that is correct.

Alderman Hirschmann asked tell us how it is going to work.

Mr. Craig answered I think I will let Mr. Levy and Mr. Edwards answer that question.

Chairman Wihby stated before that, Skip do you have something to add.

Mr. Ashooh stated I just think there was some confusion on the term that...I think you were originally anticipating the term construction manager would apply to Kevin Green, the fellow you met in Greenville. The one guy who would be there to make sure that compliance was met on the construction of the building and to resolve disputes. You heard that nice talk from him. That is Peter Levy. What Mr. Craig is talking about is the construction manager, which is the company that goes out and executes the plan. If you imagine a construction manager doing the execution and Manchester Housing and Peter Levy as the compliance officers to make sure that those standards are met. There is a program manager, a clerk of the works and a construction manager. The construction manager is the company that does the building and hires a sub. Peter Levy's job and Ken Edwards job at Manchester Housing is to make sure that the plan is executed properly and they would be the ones who would take care of disputes and bring them to this board. There is just some confusion, I think, between those two roles.

Alderman Rivard asked, Skip, so I will try to bring some of my experience into this question. At the Highway Department we had a design team who designed a project and it went out to bid and we hired a company to do that. In that company I guess we had a construction manager that worked for that company. We don't do that? We are not going to...they are not going to design this building and then have people bid on building it?

Mr. Ashooh answered I think you are further ahead in the process. We are talking about the administrative end. The people who are going to be charged with the responsibility of doing that.

Alderman Rivard asked are we hiring a construction company to build the building.

Mr. Ashooh answered we are hiring a construction company to execute that construction.

Alderman Rivard asked execute buildings, is there a difference.

Mr. Ashooh answered build the building.

Alderman Rivard stated okay so we are hiring a construction company to build it and it is a different process than we would use at the Highway Department. Is that what you are telling me? We won't build bridges from a Committee like this and select somebody. They would submit their contract and they would go over it and award it to somebody and that is what we are going to do, award it to somebody.

Whoever this is going to be or your guys are going to award it to somebody. I guess you guys are doing to do that. Who is going to award this? You folks are going to select a company. I think I agree with Alderman Hirschmann. Just tell us what is happening. Are you folks going to select a company to build this and this individual who is going to head up this company is the manager, is that what you are telling us?

Mr. Ashooh replied what you have is a selection process to select a company termed as a construction manager. MHRA goes through that process, makes a recommendation to this Committee and then the full Board. Now once they start their work, the City is going to need someone on-site to act as the owners rep, the program manager, to make sure that the building is built appropriately according to the plan that was given to the construction manager.

Alderman Rivard asked but that is not the building manager.

Mr. Ashooh answered no. The building manager, that is Ogden. That is when they start operating. You have a construction manager who builds the building. The program manager, Manchester Housing, they are the ones who make sure that the building is built according to the specs that they were given and bid on.

Chairman Wihby stated so there are going to be specs that Manchester Housing...Ken is going to make sure are followed. In the meantime, somebody like Peter might be hired.

Mr. Craig asked do you mind if I take a few minutes to walk you through the construction manager process because the City cannot do construction management because of bidding requirements. It is a totally different process as far as the City is concerned and I think that this gentleman should understand this because we have involved him.

Mr. Edwards stated I am sorry for the confusion. I will try and explain. Construction management is a different kind of process than competitive bidding, which is what the City does on almost all of its projects. An architect designs a set of bid documents, it goes out for competitive bid and the low bidder usually is selected and he carries out the work. With construction management, a construction manager is hired while the architect is designing the project so that he can influence the design. It is called constructability and cost estimating which allows for the project or you are assured that the project will most likely come in at budget. Once the documents are complete or are about 30% complete in this case, a guaranteed maximum price is proposed by the construction manager. Once the guaranteed maximum price is accepted, that is the maximum price that the project is going to cost and then the construction manager goes out and bids all of

the individual parts of the project. It is his responsibility to accomplish all of that work. The owner, in this case the City, is protected and is represented on the site by the Housing Authority who oversees the construction and assures that the plans and specifications are being met and we are proposing or it is proposed that a representative from Scheer Management, in the name of Peter Levy, be hired to supervise construction and act as the so-called Clerk of the Works. Is that clearer? So you have the owner's representative on-site, you have a construction manager and you have an architect and that is the team that is going to result in the construction of the civic center.

Chairman Wihby asked but any changes or anything like that still has to come to this Committee.

Mr. Edwards answered change orders occur when the guaranteed maximum price has to be adjusted for whatever reason. If you don't increase the guaranteed maximum price, then you are building the project within the budget that has been approved.

Chairman Wihby stated yesterday I wasn't here but I heard for instance when we were just talking about those seats that had the glass next to the dining room there and I guess the four of us there thought that was going to be the set-up. We had talked about it down there and yet the architect didn't do that. Now, I don't know how they caught it yesterday. Were you just talking about it or did you see something? You went back and changed it but that wouldn't have happened normally? This Committee wouldn't have looked at that?

Mr. Craig replied before the construction management contract is signed, the wording with respect to changes over \$25,000 would be submitted to this Committee so they are comfortable with the work. In addition to that, as I said before if you approve the amendment for the urban renewal plan, which is the next item on your agenda, the building has to be built based on plans approved by the Board.

Chairman Wihby asked so we would have eventually seen that some time, right, to look at.

Alderman Rivard asked your Board has interviewed or researched and done something and you folks are the ones who are going to select this construction manager.

Mr. Edwards answered as requested, we solicited proposals.

Alderman Rivard asked requested by whom. Who requested you to do that?

Mr. Edwards answered the City.

Alderman Rivard asked what part of the City. This Committee or the Board or the Mayor or Skip? Who asked you to do that? Pardon my ignorance but this is a very complicated process and it is a little different than what I am used to. Believe it or not, people ask me questions about this project every day. You may not believe that. You might think that nobody has an interest in the City whether it is negative or positive, but I get a lot of questions, especially at Dunkin Donuts in the morning. I am just trying to...I support the project so I am just trying to be able to provide them with the information and when people ask me how these things are happening, I want to be able to give them the right information. Clear and straight.

Mr. Ashooh stated the selection process that is taking place, because of the way the construction is going to be done which is a way that has always been proposed, this construction manager type of plan, can only be done through MHRA so they are the appropriate agency to do the RFQ's, the RFP's and select a construction manager which then comes to this Committee with their recommendation and then to the full Board. That is all that has happened here. MDC was not an appropriate role to do that.

Alderman Cashin moved to approve the amendment to the Cooperation Agreement dated June 15, 1959, between the City of Manchester and the Manchester Housing Authority. Alderman Rivard duly seconded the motion. Chairman Wihby called for a vote. There being none opposed, the motion carried.

Chairman Wihby addressed Item 4 of the agenda:

Amendment to Urban Renewal Plan and the Redevelopment Plan of Spruce Street Project No. N.H. R-3 Including Amendments No. 1 and 2.

Mr. Craig stated all this does is change the Urban Renewal Plan that presently exists to allow the construction of the civic center on the site based on plans drawn by HOK and Lavallee Brensinger and approved by the Mayor and Aldermen.

On motion of Alderman Rivard, duly seconded by Alderman Cashin, it was voted to approve the amendment to the Urban Renewal Plan and the Redevelopment Plan of Spruce Street No. N.H. R-3, including amendments No 1 and 2.

There being no further business to come before the Committee, on motion of Alderman Rivard, duly seconded by Alderman Cashin, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee