

SPECIAL COMMITTEE ON THE CIVIC CENTER

November 1, 2000

Chairman Wihby called the meeting to order.

The Clerk called the roll.

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

Messrs: P. Levy, G. Goodrow, J. Taylor, S. Ashooh

Chairman Wihby addressed Items 3 & 4 of the agenda:

Review of Change Order #7 (\$19,739.00) executed by Peter Levy.

Review of Change Order #8 (\$24,476.00) executed by Peter Levy.

Alderman O'Neil asked do we have a copy of what was in contingency. All of the actions and what the balance is?

Mr. Levy replied it is attached to the memo.

Alderman O'Neil asked which memo. There is about 10 of them.

Mr. Levy answered the one that was just handed out. I have included for your reference Change Order #7 and #8. #7 which was some miscellaneous supplemental instructions architectural and some demo issues that were under the \$25,000 limit and I have signed that change order.

Chairman Wihby asked so #7 and #8 are just for our review. We don't have to okay anything because it was under \$25,000?

Mr. Levy answered that is correct.

Alderman Cashin asked this is charged against contingency right.

Mr. Levy answered #7 and #8 are both charged against contingency.

Chairman Wihby addressed Item 5 of the agenda:

Change Order #9 (\$35,591.00) which incorporates structural, precast concrete and concrete revisions to drawings.

Mr. Levy stated this change order comes out of contingency. This incorporates structural precast concrete and concrete revisions to the drawings. It covered the structural infill at a plenary that had been deleted that was no longer required for HVAC risers so we made it more of a usable square footage. We also added the lightening rod pole and clarified the ice melting pit details.

Chairman Wihby asked this is coming out of contingency.

Mr. Levy answered that is correct.

Chairman Wihby stated if you look at the contingency draw down, are those already...

Mr. Levy interjected what I did was on the ones that are pending approval this evening I put them in italics.

Alderman Cashin asked what is this change order for.

Mr. Levy answered the bulk of it is structural changes, revisions, coordination items, and instructional drawings.

Alderman Cashin replied you said revisions. What revisions?

Mr. Levy responded one of them was this plenum that we talked about. There was an area on two ends of the building that had been left open for vertical HVAC ductwork to come through. They didn't need it for the ductwork, therefore, they infilled it with steel and deck and concrete and then it became usable square footage.

Alderman Cashin asked so you are adding square footage to the building. Is that what you are doing?

Mr. Levy answered in essence that is what it was, yes.

On motion of Alderman Hirschmann, duly seconded by Alderman O'Neil, it was voted to approve Change Order #9.

Chairman Wihby addressed Item 6 of the agenda:

Change Order #10 (\$327,552.00) - largest portion is the increase in the ice system allowance.

Mr. Levy stated this change order does come out of contingency. The largest portion of this is for the ice system allowance. Early on, the construction manager had been carrying a budget of \$1.2 million. We in the value-engineering phase of the process were told by the ice consultant that he thought the budget would be adequate at \$968,000. Therefore, the construction manager reduced it and carried it as an allowance. The bids actually came in at about \$1.2 million and this is the difference. The other large one for this was we needed to on-site get rid of some more of what we call the dirty dirt and so the parking lot on the south end east corner we raised up to the Chestnut Street level and thereby got rid of about 6,000 cubic yards of dirty dirt.

Alderman O'Neil asked what does that do to the service entrance.

Mr. Levy answered it actually enhances it from the standpoint that it screens it so now you can't see it from Auburn Street where you could before.

Alderman O'Neil asked this is the area between the building and southerly towards the cemetery.

Mr. Levy answered yes.

Alderman O'Neil asked what is the breakdown of the \$327,000.

Mr. Levy answered \$241,700 was the allowance difference on the ice package. The other one was \$23,000 for the parking lot. There is some additional testing and then there were some structural sketches also involved in here.

Alderman O'Neil asked what was the number on the ice.

Mr. Levy answered the ice is \$241,702.

Alderman Cashin stated so that brings the new contract price up to \$44,448,000 million right.

Mr. Levy answered yes.

Alderman Pariseau asked is that still within the cap.

Mr. Levy answered yes because the contingency is covering the additional cost. If you took the original \$44 million and added the \$2.7 million in contingency and this is kind of a generalization, that would be the cap. That gets to be a little misleading. In essence, that would give you the cap for the GMP.

Alderman Cashin asked so you are telling me that the cap is \$46.7 million.

Mr. Levy answered yes.

Alderman Cashin asked that is it.

Mr. Levy answered that is it. No more.

Alderman Cashin asked you are getting pretty close aren't you.

Mr. Levy answered yes.

Alderman Cashin asked percentage wise how far along are you.

Mr. Levy answered about 40% complete. We have gotten through most of the major issues. We have a couple of more major issues coming up with the electrical and the HVAC and another one with plumbing. From there on it is more of smaller issues. It shouldn't be major scope issues. The contingency at \$1.7 million is very tight.

Alderman Pariseau asked can we anticipate an increase over that \$46 million.

Mr. Levy answered no. There is no more.

Alderman Pariseau asked so what happens.

Mr. Levy answered our directive is that we will not spend more than that. There is no more. So, we have to make it work.

Alderman Pariseau asked so there is \$1,744,000 left in contingency to take care of everything else.

Mr. Levy answered that is correct.

Chairman Wihby asked when you say the bill out is 40% are you talking about if you go over there and look right now. What do you mean by the billed out?

Mr. Levy answered the billing is at about 35% complete.

Chairman Wihby stated even though nothing has been billed yet, don't you already have numbers for huge projects.

Mr. Levy replied the majority of the sub-contracts are let. There is just a couple of more that need to have bids.

Chairman Wihby asked so when you talk about 40%, those wouldn't be in the 40% would they.

Mr. Levy answered when I said the 40% that dealt with the billings to date that they have invoiced. The construction manager has invoiced up to 40% completion of the project. If you look at where you know you are with the project, what percentage would you be at as far as total project? If you look at all of the contracts that you have looked at and accepted and even though you are not billed for anything yet because you are not there yet, what number would that be?

Mr. Levy replied I think from the standpoint of the GMP I think the construction manager is in pretty good shape. That is not a concern, but what is a concern are the future changes so as I indicated in last week's weekly update in the third week of November we are going to present to you a comprehensive breakdown of what we forecast for completing the job and at that time the balance of the sub-contractors will have been awarded.

On motion of Alderman Pariseau, duly seconded by Alderman Hirschmann, it was voted to approve Change Order #10.

Chairman Wihby addressed Item 7 of the agenda:

Change Order #11 (deduct of \$264,280.00) - internal budget transfer.

Mr. Levy stated this is another one of the OCIP credits. This does not go against the contingency, unfortunately. This is an internal transfer of the budget. We were carrying a \$1.1 million credit in the master budget. This offsets that figure.

Alderman Hirschmann moved to approve Change Order #11. Alderman Pariseau duly seconded the motion.

Alderman Cashin what is this \$1.1 million that you have been carrying.

Mr. Levy replied in the master budget they had shown a \$1.1 million credit for going with the OCIP Program, the owner controlled insurance program. This was the credit from the owner providing the insurance and instead of duplication with the contractors and sub-contractors...

Alderman Cashin interjected you got all of the sub-contractors together and you billed it out at once.

Mr. Levy replied that is correct.

Alderman Cashin stated so that is a credit of \$1.2 million. Is that what you are telling me?

Mr. Levy answered the target is \$1.1 million.

Alderman Cashin asked but that is in the \$46.7 million.

Mr. Levy answered no. That is in the master contract, the \$67 million.

Alderman Cashin asked is that in addition to the \$46.7 million.

Mr. Levy answered no. That \$1.1 million is not adjusted by the construction. That is the overall master budget; the entire project budget. If we didn't have the \$1.1 million in there, the total project cost would have been \$68 million. It reduced the overall project cost \$1 million.

Alderman Cashin asked what is the overall project cost.

Mr. Levy answered approximately \$67 million. That includes all of your fees, financing costs, and cost of issuance.

Alderman O'Neil stated it might be helpful and I don't know that this is particularly your responsibility, but somebody needs to take responsibility that every time we meet to present the master budget. I think you have done an admirable job with the...

Mr. Levy interjected in the future I will...

Alderman O'Neil interjected I think it would be helpful for any discussions. Again I don't know that that is your responsibility or somebody else's responsibility.

Mr. Levy replied I track the master budget and what I have been doing is issuing that on a monthly basis.

Alderman O'Neil stated so that might be helpful any time we meet to review that.

Mr. Levy replied I will issue that.

Alderman Pariseau stated I am getting confused with the two sets of figures. You have a construction budget of \$46,700,000?

Mr. Levy replied the construction contractor GMP is \$44 million. We were then carrying a \$2.7 million contingency, which in essence was to be used towards any changes in the contract so in essence you had asked what the cap was. Well, the cap on the top dollar on the GMP a week ago is approximately \$46,700,000.

Alderman Pariseau asked how about the other amenities outside of construction. What is that amount?

Mr. Levy asked like the FF&E, furniture, fixtures and equipment. That is in the main budget, the \$67 million. In FF&E we are carrying a budget of approximately \$4.2 million. That is not in the GMP. That is separate from the construction project.

Alderman Cashin stated on the FF&E budget you said you had \$4.2 million.

Mr. Levy replied yes. In the FF&E budget for furniture, fixtures and equipment.

Alderman Cashin asked now that is in addition to the \$46.7 million and the \$67 million.

Mr. Levy answered no. That is in the \$67 million.

Chairman Wihby called for a vote on the motion to approve Change Order #11. There being none opposed, the motion carried.

Chairman Wihby addressed Item 8 of the agenda:

Change Order #12 (deduct of \$21,752.00) - two largest issues were changing the four exit stairways from precast concrete to steel stairs and additional hauling cost for the street utility work.

Mr. Levy stated this is part of a larger change in the project. There were four major exits that had been designed to be pre-cast concrete and in the plan reviews it was determined that these stairs needed to be enclosed and be a rated enclosure for these four exit ways. So, it was necessary then to change from the precast stair to a steel stair. What we see here is just the deduct for the precast stair and the steel stairs and their associated enclosures will be another change order further down the road.

Alderman Hirschmann asked when you said rated what did you mean.

Mr. Levy answered according to code, well I will let Gary explain that.

Mr. Goodrow from Lavallee Brensinger stated we have designed into the plan for the civic center four major egress points. Two on the north concourse and two on the south concourse. The code review that we did for this project is performance-based. It is not by the exact letter of the code because of the type of building this is and its arena, most of the arenas that HOK Sport has done in conjunction with local architects, we hired a fire protection consultant specifically to analyze this building and its performance under the code. We have come up with an analysis that basically allowed us to leave those four stairs open as grand staircases leading from the main concourse to the suite mezzanine. The City has gotten another report done as a peer review so to speak and those folks, Ralph Jensen & Associates, have determined that they believe those egress stairs should be enclosed. Given the schedule that Gilbane is working under, they need those stairs on the job now. So, what we have agreed to do even though our report still maintains that we could keep those stairs open, we have agreed to enclose it. In so doing, we have had to change them from a single run 8' wide precast stair to two runs of 4' each metal pan stair. Now they are scissors stairs, which means that people can enter from the same level into two distinct stairs that never touch each other. As a result, we have credit for the concrete stair, but we have yet to see the add for the metal pan stairs that we are replacing and the metal stud and gypsum partition that goes around it.

Alderman Hirschmann stated so financially this only shows half the equation. There will be an add doing this action.

Mr. Goodrow replied that is correct.

Alderman Hirschmann stated I don't know if any of you gentlemen went down to South Carolina. We took a tour of another civic center. The Bi-Lo. Did they have to enclose their four concourses?

Mr. Goodrow replied I didn't go to the Bi-Lo personally so I can't answer that question, but the way that arenas are structured and designed has something to say about whether or not they need to be enclosed according to the code analysis that is done. It is not just a black and white issue. It depends on your smoke evacuation system that you have designed. It is a time exit analysis that determines how wide egress components like corridors and stairs and doors have to be. Those types of elements will change from building to building depending

on how many exits you have and where they are located, how many people you seat in the arena and that sort of thing.

Alderman Hirschmann responded I don't mind accepting a deduction here, but how much is the addition for the steel going to be; the whole equation to do this change.

Mr. Levy replied that I don't know yet. We are waiting for the miscellaneous and the drywaller. We are in the process now of negotiating and awarding the interior drywall package which this would be part of.

Alderman Hirschmann asked this isn't anything that you could appeal through the State Fire Marshall or any other authority.

Mr. Levy answered this was a local building issue. It was a concession that we made.

Mr. Goodrow stated as I mentioned we feel that based on the time schedule that we are working under, Gilbane really does need those stairs. At this point in time, we thought that it was best to do that.

Alderman O'Neil stated, Gary, it doesn't sound like you necessarily agree with this but to meet the timeframe it is let's get it done. Is that correct?

Mr. Goodrow replied that is right.

Alderman O'Neil stated you mentioned an outfit, Jensen that was hired by the City.

Mr. Goodrow replied Ralph Jensen & Associates is a fire protection...

Alderman O'Neil interjected what City agency hired them to review this.

Mr. Levy stated Ralph Jensen, at the request of the building inspection department of the project under his guidance and the Housing Authority, we hired them to do a peer review of the code analysis that had been done under the architectural contract.

Alderman O'Neil asked how much did that cost.

Mr. Levy answered I believe it was about \$3,000. As a result of it, they questioned some of the conclusions of the original code analysis and that is what is in discussion right now.

Alderman O'Neil asked, Gary, do you feel that there is anything wrong as an architect with what they are asking to be done. Is there anything wrong with it?

Mr. Goodrow answered essentially what we have is a difference of professional opinions between two fire protection consultants. The one that our firm hired and the one that the City hired. As I mentioned before, it is not a black and white issue. It is a performance based code analysis. We have a volume that is quite lengthy, as does the study that was done as a peer review. I suppose we could continue to take it down the road, but we just chose not to and at this point what we are saying is even though we feel that we have created a safe condition and we have met the intent of the code with this performance based analysis, it is just at this point in time we have to move on.

Alderman O'Neil asked how many of these other peer reviews were done on other issues.

Mr. Levy answered there was a peer review done on the roof in the trusses, which is a standard procedure. That is just a double check of the structural design of the truss system in the roof.

Alderman O'Neil asked what was the finding on that.

Mr. Levy answered it was found to be adequate.

Alderman O'Neil asked so this is the only one of those to date.

Mr. Levy answered where there was some question, yes.

On motion of Alderman O'Neil, duly seconded by Alderman Pariseau, it was voted to approve Change Order #12.

Chairman Wihby addressed Item 9 of the agenda:

Changer Order #13 (\$1,157,617.00) - cost comes out of the FF&E budget - cover the purchasing and delivery of the kitchen and concession equipment.

Mr. Levy stated what we are doing is the FF&E budget that I had alluded to earlier, in it contains the kitchen equipment costs with the change over in the facility manager. SMG was not in a position to produce the necessary vending documents and put it out for bid and receive bids on it and from a time standpoint since we are pouring slabs and we need the rough in information for the final equipment, we decided that this part of it should be moved into the guaranteed maximum contract under Gilbane so what they did was put together the bidding

documents. We bid it and we are in a position now to award it and once we approve the change order they will move ahead and purchase the material. The original budget carried for the equipment was \$1,287,000 and the bids came in at \$1.1 million.

Alderman O'Neil stated you lost me. You are not talking to fit up mechanically or electrically. You are talking the actual equipment?

Mr. Levy answered just the equipment.

Alderman O'Neil asked why again does it make sense to move it.

Mr. Levy answered because we are pouring slabs and we need the rough in for drains and feeds, and electrical hook-ups because most of the stuff fits into casework and has to be fairly exact so we need to know exact sizes and dimensions of the equipment. Also, to get the equipment on order because some of the stainless steel equipment is out 20 to 22 weeks.

Alderman O'Neil replied but you still haven't really told me why. I will go back to some of this is because of electrical and mechanical fit up and getting drains in the right location and all that but why move it from one budget to the other or why not move the smaller amount to do the actual mechanical and electrical work, move that over and leave the equipment purchase still on the FF&E budget?

Mr. Levy responded it was a timing issue. SMG wasn't in a position to do it promptly and quickly and that is why we moved it over.

Alderman O'Neil asked what was the intent of who was going to own the equipment originally and who owns it now.

Mr. Levy answered the City owns it now.

Alderman O'Neil asked the City didn't own it under the other...

Mr. Levy interjected yes, they still own it. All of the equipment is being purchased under the project budget. SMG will be operating the equipment.

Alderman O'Neil asked so nothing has changed on that.

Mr. Levy answered no. What it amounts to basically is a budget transfer taking it from the overall budget again and moving it into the GMP.

Alderman Cashin asked SMG had a figure of how much.

Mr. Levy answered it was an earlier number that we were carrying. We were carrying \$1,287,000.

Alderman Cashin asked and what did it come in at.

Mr. Levy answered \$1,157,617.

Alderman Cashin asked so there should be a credit here, shouldn't there.

Mr. Levy answered we came in under the budget. The money stays in the budget. The balance is left in the FF&E budget. All that we are moving out of that budget is the actual dollar value.

Alderman O'Neil stated that is why the master budget would be helpful during all of this.

On motion of Alderman Hirschmann, duly seconded by Alderman O'Neil, it was voted to approve Change Order #13.

Chairman Wihby stated we have a new change order that we received today. It is Change Order #14 for \$186,745. It was a two-page memo and then a big package.

Mr. Levy stated this cost does come out of contingency. I reflected that on the contingency status draw down. The largest share of these are what I have been alluding to for the last several weeks. The structural changes. As you recall, we put the structural drawings out for bid very early in the process when they were incomplete. Again, it was a question of time and the fabricators were filling up their schedules. Some were questioning if they could get any mill orders in so we moved ahead with the issuing of the structural drawings for bids. This is some of the coordination issues that have come up with additional steel that was required that wasn't shown. It is a number of those issues. This thing has been going back and forth for about two months. It was a whole lot more than it is now. There are going to be some more structural revisions, but not as large as this one. We also, we anticipated when we put this package out that there would be some changes to it which we haven't reflected yet if I am not mistaken. We have sitting in the GMP \$150,000 to offset some of the structural revisions.

Alderman O'Neil asked who is this money going to.

Mr. Levy answered this goes to the steel fabricator. The bulk of it goes to the steel fabricator.

Alderman O'Neil asked no money for design or anything like that.

Mr. Levy answered no.

Alderman O'Neil asked is there additional cost for the installation.

Mr. Levy answered there is some. There is an additional tonnage of steel. I can't recall what the total tonnage was on this. With the additional tonnage you do have additional construction costs.

Alderman O'Neil asked do you have any idea how it breaks down between labor and material.

Mr. Levy answered I didn't keep track of it that way. We have addressed them on a per change issue and then bunched them together. The number that sticks in my head is around 800 tons of steel has been added.

Alderman O'Neil asked and predominantly where is this.

Mr. Levy answered this is in the super structure. The trusses were pretty well detailed and I don't foresee...I think there are small details with that but there were no additional costs for the trusses.

On motion of Alderman Hirschmann, duly seconded by Alderman O'Neil, it was voted to approve Change Order #14.

Chairman Wihby asked do you have anything else you want to go over, Mr. Levy. Are we still shooting for the same deadline?

Mr. Levy answered we are still shooting for November 15. We are on schedule.

Mr. Taylor stated from the standpoint of duplication, I just wonder if the Committee really wants this thick package to look at. Is it useful? If it isn't...it is going to the whole Board and I think it is a tremendous expense so I will leave it up to you. If you want to continue to receive it that is fine, but if you don't that is an issue too.

Alderman O'Neil replied I think we should receive it. There are some who want to read it in great detail.

Mr. Taylor responded fine. It is not a problem. I just wanted to make sure that we were not giving you so much stuff that you were buried.

Chairman Wihby asked you are sending it to the full Board.

Mr. Taylor answered yes.

Alderman O'Neil stated I have three things. How are we doing with this Committee that should have been set-up months ago?

Mr. Levy replied I have a call in to Mark Holden of ABC. He has not returned my call yet. I need to call Dennis Adams with the building trade and then I will get it established.

Alderman O'Neil stated, Peter, I think you have been honest with the residency numbers you have been presenting and I have hammered you a little bit on some of the firms but one of them concerns me that they are meeting 100%. I guess my question is, if I send a couple of police officers down there to check licenses and I truly going to find 100% residency? I don't want to put anybody in a bad position. Again, I don't think you are fudging the numbers because if you were you were going to fudge the majority of them and you are not. You are being honest with us and I know we banged you on a few of them being very low. I just find it hard to believe that it is 100%. If it is, well done, but if I send a police officer down there...

Mr. Levy interjected that is what we keep seeing. I had the same question you did and I was told that it was the truth. I will go ahead and verify it and if it is not, I will be the first to tell you.

Alderman O'Neil stated if I decide to take a couple of police officers with me some day and go down there and nobody is running off the site...I don't want to see anybody get in hot water. I would rather see legitimate numbers and work to address the residency throughout the project than somebody to be providing you with bad numbers. I don't think it is you folks because I think you are reporting honestly based on...and continue to work hard with them to do it but that number bothers me.

Mr. Levy replied you are looking at payroll records. Those are affidavits of payroll. I will double-check it.

Alderman O'Neil stated there was a rumor and of course Manchester is a big town, moreso than a big city at some times, that there were problems with a steel column and it pulled out.

Mr. Levy replied not that I am aware of.

Alderman O'Neil stated again, if I find out and verify that, I don't want anybody telling me no. If it happened, I just want to know it.

Mr. Levy replied not that I am aware of.

Alderman Hirschmann stated my question is with respect to marketing. Could we meet Mr. Eisenburg and could Skip Ashooh come and talk to us about marketing efforts.

Mr. Levy stated I believe the hockey team has a big kick-off here on November 13. I don't want to blow the whistle here but that is what I am hearing.

Mr. Taylor replied that is correct and you all should be getting an invitation in the next day or so. My understanding is that the letters went out either yesterday or today to invite you to come to this thing. It is on November 13. They are going to unveil the logo and some of the material they will be selling. They are going to talk about season ticket sales and their new permanent downtown office.

Chairman Wihby asked is that going to be here.

Mr. Taylor answered it is going to be at the Center of New Hampshire.

Alderman Hirschmann asked did we hear anything on the naming rights yet.

Mr. Levy answered no.

Alderman O'Neil stated I thought at one point we asked the people responsible for all of that stuff in before us. I thought there was a request from the Committee on that. To have everybody in so we know what is going on with marketing and naming and all of that. I thought we had asked for that once.

Chairman Wihby asked do you mean at a meeting.

Alderman O'Neil answered at a meeting. At the next meeting bring them in and if they need to go into executive session to talk about it, I think we should. Again, I don't want to be reading things in the paper.

Chairman Wihby asked, Skip, do you understand what Alderman O'Neil is saying.

Mr. Ashooh answered I just want to make sure there is no duplication. I can schedule a meeting for those people to be here. What I would like to do is find out what this Committee's schedule is and if I can match it up with their travel plans I will.

Alderman O'Neil stated that is what we talked about. The next time this guy was in town was when we were supposed to have a meeting.

Chairman Wihby replied we will schedule that.

Alderman Cashin stated I am just a little concerned with the change orders. You are 40% completed in billing and you have 60% more to bill and you spent roughly \$1 million in change orders. As long as you don't exceed the \$46.7 million I guess I am not going to get too excited, but I want it understood that if we come close to that \$46.7 million before you approve any change orders you come before this Committee.

Mr. Levy answered yes. You will know.

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

A True Record. Attest.

Clerk of Committee