

CITY OF NEWTON

IN BOARD OF ALDERMEN

PUBLIC FACILITIES COMMITTEE REPORT

PART II

WEDNESDAY, JANUARY 23, 2008

Present: Ald. Schnipper (Chairman), Lennon, Albright, Salvucci, Gentile, Mansfield and Lappin

Absent: Ald. Yates

Also Present: Ald. Brandel, Coletti, Ciccone, Danberg, Freedman, Harney, Linsky, Parker, Sangiolo, and Swiston

City staff: David Turocy (Commissioner of Public Works), Arthur Cabral (Budget and Project Specialist; Public Buildings Department), Nick Parnell (Commissioner of Public Buildings), Sandy Pooler (Chief Administrative Officer), Susan Burstein (Chief Budget Officer) and Shawna Sullivan (Committee Clerk)

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#32-08 ALD. COLETTI requesting discussion of Architect Services Contract and additional \$8 million revision to the Dore & Whittier Contract for additional services. [01-15-08 @ 11:14 a.m.]

ACTION: **HELD 7-0**

NOTE: Ald. Lappin rephrased her question. She is asking through the Executive Department to authorize Commissioner Parnell to give the Board Additional Service Requests (ASRs) as they happen, prior to its authorization. She is hopeful that the Board will receive the ASRs. Ald. Schnipper stated that she and Ald. Gentile would have that conversation at the next meeting. She reminded the Committee that the Board has only authorized \$141 million and the Board and Executive Department are creating a new working relationship before the request for the additional bonding comes before the Board. She is hoping that the relationship will be very different, as the project goes forward. Ald. Gentile does not understand why there is any problem with obtaining the ASRs, as they occur. Ald. Gentile stated that the Board got a number of \$154 million and he was pleased because it was close to the \$151 million. The Board knew that the number would have all kind of contingencies in it because there was so little known. Things looked like they were very much on track at that time. The first time the Board was aware that there were these over runs was when Ald. Coletti noticed it on a recent monthly report from Public Buildings. Since then, a sub-committee of the Finance Committee has been formed and is looking at the bills that are coming in and asking questions. Ald. Gentile thinks that the Committee is having this level of discussion because the Aldermen are trying to get things answered and get out in front of it. Ald. Albright is not faulting Ald. Schnipper or Ald. Gentile but she feels that there is a lot of underhandedness going on and she hopes it will not happen in the future. Ald. Lennon is astonished that someone along the line did not let the Board know that the architectural costs had increased to the current amount. Ald. Lennon asked Mr. Dore if he

believes the estimates for the contract extension are fairly accurate. Mr. Dore responded that he asked for proposal from the sub-contractors and he is pretty confident the figures are on target at this time. Ald. Coletti asked what the drop dead date was for the new contract and allocation of work so that Dore & Whittier does not stop its work because the bill stopped being paid. Mr. Dore stated that there is one invoice before the City now, that he believes is pretty close to being covered. However, there will be another invoice at the end of the month and he will be honest, he has a lot of people to pay and to keep it going he really needs or would appreciate that this is resolved as soon as possible.

Ald. Gentile stated that the Mayor's Office has a different recollection of what the understanding and agreement is on what bills can be paid where and they were going to check to see if they had the authority to pay this bill out of contingency. Ald. Gentile does not know if they have received an answer. He is only raising it because if the Mayor's Office believes it has the authority to do and does it he does not want people to be shocked by it. Ald. Coletti stated that they have the authority to do it but they made a moral commitment: it was very clear. Ald. Coletti has no problem with the Mayor going into the contingency but it is going to run out very shortly and Dimeo's money is going to run out, so he cannot go to deep into it. There is a violation of the spirit of what we all agreed to and he would hope the Mayor would not do that without talking with the Board. Sandy Pooler is sure that something can be worked out. Ald. Albright asked who is tracking the ASRs on the City side. Commissioner Parnell responded that he has the same list as Mr. Dore. Ald. Albright asked if it was possible for the Commissioner to provide an update on ASRs every few weeks and the Commissioner responded that he was will to provide an update.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#33-08 ALD. COLETTI requesting review of the scope of work and performance of Turner Construction and review of proposed 18-month extension of the Turner Construction contract. Included in discussion will be the process for review of future invoices of Dimeo and other vendor invoices by Turner. [01-15-08 @ 11:14 AM]

ACTION: **HELD 7-0**

NOTE: Trip Elmore of Turner Construction and Ald. Coletti joined the Committee for discussion of this item. Mr. Elmore addressed the invoice issue with Dimeo. Over the holidays, two invoices came through that were rushed. Turner had not paid Dimeo for approximately seven months. At the point in time, Turner looked at the lion's share of the money being to sub-contractors and Turner had issues with Dimeo's format and the information connecting on some small dollar items. Turner made a mistake on the billing but they have corrected it and Mike Burton has spent the last several days on the new invoice on Dimeo to make sure that all of the numbers jive. Mr. Burton has also expressed willingness to come to the Finance Committee or to the Comptroller's Office and run through all of the bills in detail, sharing all the information Turner has and making sure that Turner understands how to make it right. The bottom line is that Turner wants to get it right the first time so that they can continue to do it right going down the road. While Turner had an issue with the bill over the holiday, Mr. Elmore believes that the

issue has been corrected. Ald. Coletti stated that there was also an issue with the invoice from the first month and Turner authorized payment of the retainage, which was also an issue. Ald. Coletti knows that there were some specific items on the invoice that were authorized. Ald. Coletti is not concerned about the timeliness of the payment. Ald. Coletti is reviewing the invoices and he does not like to do it but the Comptroller has agreed to do it. Mr. Elmore responded that the city is paying Turner to do the review. Turner is in the process of correcting all issues.

Mr. Elmore handed out a document related to Turner's invoice, which was attached to Part I of the Report. It lists all of the invoices that the city has paid to Turner and while there was some question about one particular invoice (No. 22), where it was asked what the \$126,000 bill was for. Ald. Gentile stated that it was actually the increased invoices for the three months of August, September and October. Mr. Elmore broke the invoices down by the Turner portion, and the portions related to the increase. One of the increases is because the overseeing of the commissioning for the project is now part of Turner's responsibilities instead of in another part of the project budget. Part of commissioning a building is developing a plan, is going through and setting up the rules and regulations as to how you are going to turn everything on and make sure it works. Turner is working with the design team to make sure that all of the instructions and how it will be determined that everything is going to work right. Mr. Elmore reviewed the third page of the document. The top portion is basically how Turner came up with a base fee of \$2.4 million. It was based on number of people and number of hours and that was calculated out. Ald. Lappin asked what period of time is covered. The contract is up in December of 2009 and will need to be extended. The middle portions deals with the payment terms and scope of work. The city gave Turner the heads up that there may be additional services. The \$343,000 for commissioning includes all aspects of commissioning. The original number for commissioning was \$750,000 for commissioning. The commissioning is additional to Turner's contract; however, it was always included in the budget.

Mr. Elmore stated that he is sorry that he was not fully prepared but he was not aware that the docket item included the process for review of future invoices of Dimeo and other vendor invoices by Turner. Mr. Elmore is willing to return with any other documentation the Aldermen would like. Ald. Gentile asked how the extended contract estimate was developed. Mr. Elmore explained that it was simple. He carried out \$55,000 per month for eighteen months and he carried \$5,000 a month for commissioning. The estimate needs to be developed further. Ald. Coletti requested that Turner review Turner's commitment to the City as to how they were going to perform throughout the project (attached). Ald. Coletti's expectation of Turner's work revolves around that document. He would like a representative of Turner to tell the city how they can better get that product from their firm. Mr. Elmore has no problem living up to that commitment. Ald. Coletti would like much more details in Turner's reports to the City. Ald. Albright pointed out that the Mayor's Office may be directing Turner on what information is being distributed. Ald. Sangiolo asked if it would be possible to break down the increases in the entire project line by line. Mr. Elmore stated that it would be very difficult but they can come pretty close. However, the document would be detrimental to the public bid process.

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Ald. Lappin moved hold on the item for a more in depth discussion. The Committee voted in favor of the motion unanimously.

Respectfully submitted,

Sydra Schnipper, Chairman