

CITY OF NEWTON

IN BOARD OF ALDERMEN

PUBLIC FACILITIES COMMITTEE REPORT

WEDNESDAY, FEBRUARY 21, 2007

Present: Ald. Schnipper (Chair), Weisbuch, Albright, Salvucci, Gentile, Yates, Mansfield and Lappin

Also present: Ald. Baker, Burg, Coletti, Danberg, Fischman, Hess-Mahan, Johnson, Lennon, Linsky, Lipof, Merrill, Parker, Samuelson, Sangiolo and Vance

City personnel and officials present: Arthur Cabral (Budget and Project Specialist; Public Buildings Department), David Olson (City Clerk/Clerk of the Board), Robert Rooney (Commissioner of Public Works), Sandy Pooler (Chief Administrative Officer), Susan Burstein (Chief Budget Officer), Al Fine (Design Review Committee), Clint Schuckel, (Traffic Engineer), Reenie Murphy (School Committee), Anne Lerner (School Committee), Ouida Young (Associate City Solicitor)

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#57-07 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$207,000 from bonded indebtedness for the purpose of replacing the roof at Fire Station #7.

[02-13-07 @ 5:30 PM]

ACTION: **APPROVED 7-0 (Gentile not voting)**

NOTE: Arthur Cabral presented the item to the Committee. The request is for funds to replace the leaking roof at Fire Station 7. Photos attached to the agenda showed the significant deterioration of the roof. There are likely cracks in the concrete deck below the layers of roofing material that will also need to be repaired. The new roof installation will include replacement of the flashings. The proposed new roof will be gravel and tar and has a twenty-year warranty. The contract also includes annual inspections of the roof.

Ald. Mansfield asked if the Public Building Department is contracting out the design and project administration portion of the project. Mr. Cabral responded that the city has two or three on-call architects that will handle that part of the project. Ald. Yates questioned whether the solar array would be left in place on the roof. The array has to be removed. It is at least 25 years old and not very effective. Ald. Yates asked if it would be possible to put another type of solar device on the roof when the replacement is completed. Mr. Cabral explained that it is possible to have solar devices on the roof and if that were to happen, the roof installer would be consulted.

Ald. Salvucci moved approval of the item, which carried unanimously.

#328-06 ALD. LINSKY, ALBRIGHT & JOHNSON, BAKER & SCHNIPPER requesting that the Design Review Committee periodically update the Board during the design phase of the Newton North High School project.

ACTION: **HELD 7-0 (Lappin not voting)**

REFERRED TO PROG. &SERV., PUB.FACILITIES AND FINANCE COMMITTEES

#56-07 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$131,883,000 for the purpose of paying costs of engineering, designing, constructing, originally equipping and furnishing a new NNHS, demolishing the old NNHS structure, and all other associated costs with these projects. The funding source is to be a combination of long-term debt, MSBA low-interest loans, and grant funds. [02-13-07 @ 5:29 PM]

ACTION: **HELD 7-0 (Lappin not voting)**
PROG. & SERV. HELD 5-0 (Johnson, Lipof, and Sangiolo not voting)

#224-06(2) ALD. LINSKY, ALBRIGHT & JOHNSON, BAKER & SCHNIPPER requesting further deliberation on the conditions set forth in the Site Plan Approval Board Order relating to the Newton North High School project, considering possible expansion and modification of the conditions.

ACTION: **HELD 7-0 (Lappin not voting)**

NOTE: The above items were discussed in conjunction. The Programs & Services Committee met jointly with the Committee for the initial discussion of #56-07. The Chair outlined the order of the discussion. First, was an update on the altered traffic flow and design of Elm Street (Option C), as requested by the Board, proceeding to the discussion of the value engineering items. It is important that the Board understands where discussion is on these items, what decisions are closer to being made and what things are simply on the list, what role the construction manager at risk will play in terms in making some of these decisions and how all of this also fits into a number of the conditions voted in the Board Order.

The Committee asked Gund Partnership to go back and look at the possibility of both entering and exiting Elm Road from Lowell Avenue and Gund Partnership has worked on the request and will present something on Elm Street; however, Option C is still a work in progress. The proposed change would have people coming in from Lowell Avenue onto Elm Street and exiting onto Walnut Street. The option was presented to Design Review Committee, and they voted in support of the change. They liked the work that the Board had done and that is work that will continue to go forward until it is at a place where it can be finalized.

It is not the Chair's intent to have a line-by-line review of the value engineering items. Ald. Schnipper would like Mr. Prokos of Gund Partnership to focus on the major items that have implications and those items that need to be decided sooner rather than later. As an example, there has been some significant discussion about the HVAC system and whether to use a univent system or a central system. The central HVAC system has a very significant price tag, more so than the unit ventilators. The decision on the HVAC system plays a significant role in terms of other decisions. If the central system is chosen there will have to be some portion of a basement built because the mechanicals will be in-house as opposed to outside or on the roof. Some of the decisions on items such as the materials to be used in the interior and curbing can be made later on in the construction. They are not decisions that need to be set firmly now. The Chair will entertain all of the Aldermen's questions and ask for follow-up if there are things that the Committee does not get an opportunity to discuss.

Ald. Salvucci agreed with some of Ald. Schnipper's points but he thinks that the Design Review Committee is looking to hear from the Board regarding what they would like to maintain in the building as far as the cuts from the building on the value-engineering list. There has been no decision on the value engineering cuts. It is his belief that the Committee should go through the list line by line and give the Design Review Committee some idea on how the Board wishes to proceed with the value-engineering list. It is important to understand what has been taken out of the building from the original concept. Ald. Schnipper would like to start with Mr. Prokos' presentation and come back into Committee. It is her understanding that these decisions are not set in stone and the Committee can continue discussions on the value-engineering list. Ald. Salvucci feels that the Design Review Committee is looking for some direction from the Board in where they should go with making the selections on what to cut. Ald. Albright stated that in attending Design Review Committee meetings that it is her impression that Design Review is looking to close in on these decisions very soon. She does not think that there is a lot of time for the Committee to spend discussing the cuts. Ald. Schnipper's understanding is that many of these are not going to be decided until the construction manager at risk is on board because they are going to be looking at the list with an entirely different view and many of the items on the list are going to remain fluid.

Mr. Prokos stated that as the Committee goes through some of the list he can talk about the things that really need to be decided now and which things could wait because there is a lot of fine tuning that will happen over the next four to six months, as the architects work with the construction manager at risk and fine tune the budget. There are some basic decisions that need to be made now. Ald. Albright pointed out that the project schedule gives a date of March, as the time to confirm value-engineering decisions. Ald. Schnipper pointed out that it is a flow chart, which does change. Ald. Johnson pointed out that there are some Aldermen that cannot make the Design Review Committee meetings and they do not have the chance to hear the discussion. She thought the purpose of the meeting and the item that several of the Aldermen docketed was to hear from the Design Review Committee and go through the value-engineering list. She does not want the Board's window of opportunity to be shut on something. Ald. Schnipper appreciated Ald. Johnson's comment but she does not believe that the Board's window of opportunity is going to be shut. Ald. Mansfield knows that the Design Review Committee has not made any decisions but they have taken some votes and made recommendations and he thinks it would be very useful as the committee goes forward to know whether the Design Review Committee has taken a position on a particular item on the list.

John Prokos of Gund Partnership gave a PowerPoint presentation. The presentation began with a plan of Elm Street depicting the proposed changes to the site with the opening of Elm Road from Lowell Avenue. The architects have looked at three or four circulation patterns on the site and those involve the school busses, the parent drop-off, accessible van drop-off and the athletic busses. Gund Partnership looked at several different iterations to come up with the ideal traffic flow on the site. The change to Elm Road seems to address a number of items that Gund Partnership was asked to study further as the design of the site progressed. The items are part of the list of conditions contained in the Board of Aldermen conditions stated in the site plan approval Board Order. The new option takes the school busses and lines them up at the north entry. They fit into the drop-off in the loop at the north entry and it puts the busses very close to the entry. It takes the busses out of the vehicular circulation loop, so the busses can stop without impeding traffic.

The concept is that Elm Road becomes a one-way street through the site, heading from Lowell down to Walnut Street. Parents would drop off children closer to Lowell Avenue and continue out to Walnut Street, without conflicting with the busses. There is the possibility of bringing cars into the loop when the busses are not there, which would allow the cars to go back out onto Lowell Avenue. However, the sentiments of the School Department, transportation experts and traffic engineers are that it is cleaner to have Elm Road one-way and keep all of the drop-off on one side of the Elm Road. The accessible vans would drop off at the east entry off Walnut Street and that entry would accommodate the athletic busses. There are also a number of drop-off and pick-up areas around the site to spread the traffic burden to all four sides of the site. Gund Partnership has also created a longer drop-off area on Elm Road, as the basketball court is no longer located there. It also allows for a few more parking spaces and a large planting area to screen the north entry from the residential neighborhood.

Mr. Prokos' presentation also included an update on the floor plans. There have been some revisions in the gym basement locker rooms, as a result of the geo-technical testing. The move of the basement locker room saves quite a bit on excavation and water proofing costs. The basement for the mechanical plant is located by the loading dock. Main Street and the lobby have been narrowed and the faculty areas have been refined and the educational space is very close to being signed off.

Mr. Prokos proceeded to the portion of the presentation that includes the value-engineering list. The slides only included the major value engineering issues. The first major item is the roof on the academic building, originally there were sloped roofs and it is being proposed that the sloped roofs be eliminated. There would still be a screen for the mechanical equipment located on the roof and some parts of the parapets would pull up to help break-up the line of the building and to screen equipment. The next item that saves quite a bit of money is the athletic building roofs; initially the design was of hipped roof trusses with clerestory windows up above and then the architects looked at removing the windows and replacing them with skylights. The architects have also looked at flat roofs with some possible skylights. With the flat roofs, there is a different pattern of windows on the gym, where translucent material could be used to bring light into the athletic area. There is a savings of over \$1 million if the roofs are flat without skylights and there would still be a nice quality of light in the gyms. There has been discussion about changes to the windows. The original design called for large areas of glass in lobbies, stairwells and classroom areas. The architects have looked at taking out some of the glass and putting in metal panels in a color that would match the windows. It would provide a substantial savings in the glass costs.

The original design had a HVAC system that had some equipment on the roof and some equipment mounted in the gyms, which was a fairly efficient system if you look at a 25-year life-cycle cost analysis. It is one of the top performing systems. However, an even more efficient system is the central heating and cooling plant where some of the equipment goes into the basement, it is a little quieter. There is less of a need for acoustical mitigation on the roof because you are taking the noisy mechanicals off the roof and putting them in the basement. This system has a very good 25-year and even better 50-year life-cycle analysis. The addition of the central HVAC system does add a cost premium to the building over the initial system but eventually the city would receive that money back due to the greater operating efficiency.

There is an overall 2'8" reduction in the height of the academic building due to the reduction of height in the classrooms to 9'6", which is the same as the classrooms at Newton South High School. There is a reduction in the size of the lobby and Main Street. The architects believe the proportions of both those spaces still work well with the reductions in size. There also is a proposed cut in the amount of interior glazing by 50%, requiring the wall at the cafeteria and library to be worked to cut out half of the glass. The change would still allow natural light to reach Main Street from the cafeteria. A decision of what types of interior materials should be used for the building. Initially, the plan was to use porcelain tile in the main lobbies, as it is a very durable material, it is easy to clean and maintain and will last for the life of the building and they are now looking at vinyl tile, which is commonly used in schools. The vinyl tiles do not have the same life expectancy as the porcelain tile. It has to be waxed and requires regular maintenance but it would create a very attractive durable floor. There is a further value-engineering item to go to stained concrete. The concern with that is that it will start to show wear patterns and the stain will have to be reapplied on a regular basis. It will be a little more work to maintain this type of floor.

Mr. Prokos reviewed the value-engineering item to keep the existing tennis courts. There are some logistical problems with doing that. The chosen construction manager at risk has provided the architects with a logistics plan for construction. The plan shows a crane in the area and they are going to have to excavate for the basement in that area. They are looking at coming through the area of the tennis courts as a construction drive. They are going to lay down steel in the area. Therefore, it is somewhat problematic to protect the courts and maintain their construction, as they are in such close proximity to the building.

Gund Partnership believes that using a larger brick on the exterior of the building could work very well. It would still be possible to use two colors of brick. They have looked at the proportions of the brick to get it to work with the windows and have talked about using jumbo size brick or possibly block in areas of the building. There are some very nice textured blocks in different colors that are available. They have looked at how much area of the building it would be necessary to use block on to cut out 50% of the brick. Mr. Prokos provided some slides depicting what the building would look like using block and brick. He believes the models show a nice scale and a nice rhythm of materials around the building. The glass handrails have been replaced with a wire mesh, which is an economical but attractive material.

The original theater design had two levels. It had the main orchestral level and a balcony level. By utilizing a balcony, which rested partially above the lower orchestra seating, it created a true theater. It gets everyone as close as possible to the stage allowing people to hear the spoken word well without amplification. There is a proposal to simplify that by putting everyone on the same rake of seating creating one block of seating. The change would make the area more of an auditorium than a true theater space. There is a savings of about \$160,000, if the change is made.

Ald. Schnipper stated that although these value-engineering items gives the Aldermen pause, as there are many things on the list that would not be the Board's first choices to cut but these value-engineering items are being looked at to hold the cost of the building to a place where many people are more comfortable with. She asked Mr. Prokos to give the Committee an idea what the most critical decisions are and when the decisions need to be made. Mr. Prokos responded that the most critical decision is the HVAC system because the engineers cannot move

forward with their design until it is decided whether it will be a roof top system or a central plant. The choice in the design of the theater space needs to be made, as it has to be designed one way or the other. The steel for the building will be ordered for the building this summer and there are different quantities of steel for each of the designs of the theater. A determination in the whether the roofs are flat or sloped needs to be made due to the amount of steel required for each.

John Prokos than spoke on the construction manager at risk. Gund Partnership has worked with Dimeo Construction on a school in Connecticut. They had a very good working relationship and the Dimeo did an excellent job on the construction of the school. Rob Juusola the Project Manager explained that the construction manager would put together its own cost estimates for the project. Therefore, every one of the items on the value-engineering list will be revisited.

Al Fine from the Design Review Committee updated the Committee on what value-engineering items have been discussed. The Design Review Committee is supportive of the central HVAC system. The Design Review Committee believes that the advantage of the savings in life-cycle costs justifies the initial expense of the central system. In addition, the system is quieter than a rooftop system, which means there is a savings of \$1 million in screens that are not needed.

They are working towards final recommendations from the Design Review Committee. They are in the process of creating a document with all of their recommendations. The intention is to vet the value-engineering document in the next week. Mr. Fine does not believe the Committee is in favor of the stained concrete or deleting the carpet in the library. The Design Review Committee under further examination does not believe the tennis courts will survive construction but want to be sure that the abutters are aware of impact of construction drive. Ald. Yates asked if the Design Review Committee and architect were discussing a specific manufacturer or the general topic. It is assumed that the HVAC system will be a high-quality system and all assumptions for cost have been made on that. Ald. Yates is concerned that there is the possibility that the HVAC system may have problems and not meet its life expectancy as the City has experienced significant problems with other HVAC systems. He also asked what level of ability the operators of the system are going to need. Mr. Prokos stated that there have been many meetings with the engineers, School Department, Design Review Committee and the High Performance Building Coalition to discuss the pros and cons of all the HVAC systems and addressing the issues raised by Ald. Yates. The consensus from all of the experts that if the City can afford it the central plant provided the best options. Mr. Fine pointed out that by taking the compressors off the roof and locating them in the basement, they are protected from the weather. The estimates factor in all of the equipment replacement over the years. Ald. Mansfield felt that the HVAC system is a very important topic and requires a thorough discussion. There are many examples of HVAC systems in public buildings that do not work well. It seems that there are two things that could cause problems with the HVAC system. First, either initial design and/or changes to that design or construction are at fault or the system is so complex in its operational design and there are not experts to deal with it on a day-to-day basis. He would like to know if the designers have examples of success that is comparable to what is being proposed that they can provide. He feels it is important to have that type of documentation.

Ald. Gentile pointed out that one of the selling points of going with a construction manager at risk process was the early involvement of the construction manager at risk but the contract

negotiation seems to be dragging on. He is aware that these are not easy contracts but it seems like one major decision has already been made and our construction manager at risk does not seem to have participated in the decision. It sounds like there are going to be other decisions that are going to be made in the near future and it is inconsistent with what he heard in the role that the construction manager at risk was going to play in helping with the building design. He would like some assurance that it is acceptable to be moving forward without the construction manager that is supposed to be playing a vital part in these decisions. He would like to know where the City is in signing the contract with the construction manager.

Ouida Young stated that the City is very close to signing the contract. The negotiations have taken significantly less time than it took with Gund Partnership. The City started out with very strong contract documents that went out as part of the original RFP. Dimeo Construction came back with only a few exceptions and that is one of the reasons they were the preferred firm from the beginning. The contract negotiations are almost concluded. Unfortunately, the contract negotiator for Dimeo has been away on two vacations, since negotiations have begun. There are one or two provisions that still need to be smoothed over. At the last meeting with the negotiator, he made it very clear that if the City were willing to have Dimeo start in advance of the contract they would start before the contract was fully executed. They are confident that the contract will be negotiated successfully and there will be a contract signed very soon. The delay is attributable to people's schedules not protracted contract negotiations. If the negotiations are at the stage where they can start with Gund and Turner, the City will ask them to begin without the contract fully negotiated. Ms. Young is not sure exactly what the steps will be in terms of integrating the construction manager into the Turner/Gund team at this point. There will need to be discussions about how that occurs and what they are going to start doing. Ald. Gentile asked Rob Juusola and John Prokos if the rather major decisions on the HVAC system would have any impact on the construction manager. Mr. Fine responded that the recommendation for a central plant HVAC system would not have changed if the construction manager at risk were onboard. Mr. Prokos has worked with many construction managers and it is better to have them on board sooner rather than later. There are number of things that the architects would like to run by them but he does not think that they would have a strong role in the initial selection of the HVAC system. The construction manager will have input on the design development and finalization of the details.

Ald. Gentile would have thought it would be important for the construction manager to weigh in on such an important component of the school because they may have a different estimate on the cost. Mr. Juusola responded that the decision that has been made is the concept of the mechanical system not the complete design of the mechanical system. It is Dimeo's job to get the best system for the lowest cost.

Ald. Baker stated that he would like to comment on the proposed changes to the theater design. It is his understanding that this is one of the places that will be used by the public as well as by the school and it seems if the dollar difference is not great; it is not one of the best places to cut. If the City has the flexibility through the process of negotiating the prices, it should preserve what seem like a qualitatively better space than to just replicate Newton North's current auditorium. The public will be involved in that space a fair amount and it seems that the cut has a wider implication. Ald. Albright agreed with Ald. Baker regarding the theater. She does not want to pit theater against athletics, however there is a great deal of this project going into athletics and

she would like to speak in behalf of the theater program. The theater is just as important to the student as the athletics. Ald. Albright is concerned about the roof and the façade of the building. It is a major building on a major thoroughfare in Newton and when she looks at the redesign with the flat roof and change of the façade, it begins to look like a modern factory, which does not fit into the community. Ald. Lappin, Salvucci and Danberg voiced their support of Ald. Albright's statements. Ald. Burg agrees with both Ald. Baker and Ald. Albright, but it is money. The City has to see where the saving can be had. She also asked if Mr. Prokos expected a disparity between the estimates that have been given and those of the construction manager.

Mr. Prokos explained that it is an ongoing processing that continues until all of the trades are bid and all of the prices are bid. We are still in an inflationary construction environment and everyone will have to work diligently to keep control of the cost. It is not unusual that the first time the construction manager looks at it, they may come in with a higher number than that of the cost estimator. It would not be unheard of and it is something that often happens in this process. Then the architects would have to sit down and work with both estimators, determine where the discrepancies are and try to work it out. Brad Dore of Dore and Whittier Architects was present and stated that it is gut wrenching to do the value engineering but it is even worse to do it twice. It is very important to get the construction manager's input as early as possible.

Ald. Johnson agreed with the comments regarding the theater, as it is a very important program at the high school. She is very concerned about the roofline. She is worried about the view of the school from the neighborhood. You cannot cut your way to success. Are we building the newer version of the prison that we have now? Are we going to spend all this money to build something newer than what we already have? She does not believe that this is what the people voted for and she thinks it would be disingenuous to start making cuts with such large impacts. We need to be careful about the decisions we make in terms of what to cut. Ald. Johnson asked for the pros and cons and the impact of the proposed value-engineering items from the project manager, construction manager and the architects. Ald. Coletti does not truly support any of the cuts that have been made. One of the biggest problems that he has with the way this has been approached is that we have not given the construction manager the chance to use his expertise to tell us the most efficient way to build a building that we have designed to reflect the standards that we have. If we have to make a decision on where to cut, Ald. Coletti would rather wait to finish the tennis courts and fields but not skimp on the quality of what we are building. We are already telling the construction manager that we do not want to use quality material. We are talking about cuts that will create maintenance problems, whereas if we do it right from the beginning we may not have those later maintenance problems. He feels that reducing the quality of the design should not have been discussed until the construction manager came up with a cost for the project. There are other ways that we could save money. If the Design Review Committee is going to look at reductions, the reductions should have been proposed as alternates for Dimeo to look at and give estimates.

Ald. Schnipper pointed out that the decisions largely will not be made until the construction manager is onboard. The Design Review Committee is only making recommendations to the Executive Department. Sandy Pooler stated that the Executive Department ultimately has to make the final decisions and direct the people who are under contract to go this way or that way. The Design Review Committee plays an essential role in bringing their expertise and making recommendations. The Board of Aldermen has its input and the Executive Department and Board

discuss things and have some back and forth. Mr. Pooler has talked to the Mayor several times about the process and how we go forward. There are any numbers of things that are on the value-engineering list that Dimeo may look at and say good idea, lets go or some of these things they still may be thinking about in June or July. These are not going to be things that are going to be decided all at once. The Mayor has an absolute commitment to keep the Board informed, get the Board's input and concerns about the aesthetics, structure, and impact to the neighborhood and so forth, as we go forward. Nothing is going to be decided tonight or two weeks from now. We are months a way from getting a guaranteed maximum price. There is plenty of room for some back and forth. The Mayor is absolutely committed to listening to what the Board has to say. The Mayor is committed to building a school that everyone is proud of, as everyone has a lot at stake in this school. Part of tonight's presentation was to talk to the Committee about the construction manager at risk process and how that works. Ald. Schnipper stated that she promises that before any of the value-engineering items are finalized that the Mayor or his representative will meet with the Board to let the board know which of these items are likely to happen. There will be an open ended discussion so that all of the Board's feelings are clearly expressed. There will be multiple additional meetings of this type. The Mayor is committed to bringing this project in at a reasonable cost, which means it is not open ended. She cannot speak to how firm the \$141,000,000 is but there has to be some margin that allows us to get to the pride piece and still hold it at a reasonable cost. Until Dimeo has its first crack at it, we do not know where we are. Ald. Johnson asked if it would be possible to schedule the multiple meetings now, so people can plan accordingly. Ald. Schnipper will work with the President and the Clerk's Office to set up some meetings. President Baker suggested that people who have questions to forward them into the Clerk's Office.

Ald. Hess-Mahan is not in favor of the flat roof and auditorium style theater. He believes it is important to go with the highest quality materials to get a building that lasts. He would like assurance that the proposed changes do not compromise the energy efficiency and high performance of the building. John Prokos stated that the efficiency and performance would not be compromised.

Ald. Mansfield believes that if there are changes to the site plan they have to come back to the Board to be approved. Ouida Young responded that the issue of how tightly the approved site plan controls the ultimate construction document is the fact that there has to be a degree of flexibility. What were approved were schematic drawings and what you have to do to build the building is come in with much more detailed drawings that have modifications. The Board Order specifically sought to have some aspects of the site plan looked at and studied and she thinks that there is a general consensus that those items in the site plan Board Order direct the Design Review Committee or other officials in the city to explore and look at certain points on the site plan and develop them further. There was the anticipation in that Board Order that those items would be studied and there might be modifications to address specific concerns. In terms of the roofline, it is a more difficult aspect; one might consider whether that is consistent with what has been proposed. You need to look at how the process goes forward and whether at the end of the day there is a general belief that the plans that the Executive chooses to move forward to construction are so inconsistent with the approved plans that the Board feels compelled to bring them back here for amendment. 5-58 is a political ordinance and the issue of implementing it is a political process. Ald. Mansfield stated that it is the Board that makes the ultimate decision of whether it is consistent. The difficulty is how it expresses that decision and Ms. Young thinks that the commitment of the

Executive Office to talk to the Board as decisions are made through the development of the plan is a political contact between the two bodies and how they are going to address those changes. Ms. Young does think it is inherently political and you do not want to use the nuclear option, where you deny all of the appropriations because that is the authority the Board has, while the plans are in the process of being developed. She thinks it is very important that the executive and legislative bodies come to an agreement as to how they are going to handle the modifications that are coming up through the process of designing this building. Ald. Schnipper will commit as strongly as she can to continuing this discussion, to making it clear to the Executive Department that there are certain potential changes that are non-starters for the Board and that the Board is prepared to take whatever action it feels would be necessary to make certain that those are not included in the final design. She does not know how it can be stated more strongly.

Ouida Young spoke on the construction manager at risk. She introduced David Rodgers, of the firm of Edward, Engalls, Palmer and Dodge, who is the City's outside counsel. The Law Department felt strongly that outside counsel was needed due to the newness of the construction manager at risk process to public entities. Mr. Rodgers has participated in the construction manager at risk process on a public job in Massachusetts, and has been helpful in developing the contracts as well as going through the selection process that has led to the selection of Dimeo Construction as the construction manager at risk.

The construction manager will bring added value to this project. Ms. Young pointed out that while the construction manager process is new; it really has no bearing on the issue of the funding request. There is no difference in this process than the previous process in the point of time in which the Board is asked to approve the appropriation versus when they actually find out how much the construction person is going to charge for the process. If you look back at several of the prior building projects in the City, the main construction money for those projects was sought at either the same time the Board granted site plan approval or a few months after site plan approval. Actually, this appropriation request is coming to the Board several months later than the Board has gotten appropriation requests in prior instances. She would like to reassure the Board that the fact that we do not have the guaranteed maximum price yet from the construction manager at risk does not somehow change or make this project different in terms of the appropriation request from the other sorts of projects that the Board has approved capital construction money.

Mr. Rodgers prepared a brief summary regarding the process of how the construction manager at risk will go about doing their work (attached). Mr. Rodgers reviewed the handout. The construction manager at risk is a very common process in the private sectors because it provides greater opportunities for the owner to manage the risks that are inherent in large construction projects. This process allows more flexibility in managing and trying to accomplish the objectives. It begins with the selection of the construction manager, as you know it is not low bid but qualification and reference based selection. As the Board can appreciate, that is the way you want to choose a party, who is going to be critical to the success of the project. It brings the construction firm on early during the design phase to allow the City to get that input and to have the iterative process that has been described. The process allows for more reliable costs for the project. There is also the benefit of pre-qualification of the sub-contractors. Most of the work is done by sub-contractors, not by the construction manager. In the traditional design bid build method; there are a number of sub-contractors, who do not participate because they are not interested in being in a

process where they do not know who they are going to work with. With the construction manager process, we know from the beginning that it is Dimeo Construction, and they can work with the sub-contractors that they know and have worked with and convince them to bid on this project. The city can get better and more bidders for some of the sub-contracts. The iterative process over time allows good and productive relationships to be built with the project manager, the city, the architects and the construction manager.

It is Ald. Salvucci's understanding that one of the advantages of having a construction manager at risk is there are no change orders or there is a substantial reduction in the number of change orders. Mr. Rodgers responded that it is rare that there are no change orders. The hope and expectation is that there would be fewer change orders on a construction manager project. During the pre-construction phase when they are going through the drawings multiple times, they will find needed changes. Ald. Salvucci questioned why if an error is made in the design, the city pays for it when the architect has errors and omissions insurance. Ms. Young responded that there was a lawsuit regarding the existing Newton North, where the architect did pay for mistakes in the design. Some of the lawsuits that Ms. Young has participated in at the end of the day where we have found some issues of design that cost the city additional money there were trade-offs made during the close out, in terms of additional services from the designer.

Ald. Mansfield asked what the likelihood is that the city and the construction manager at risk cannot agree on a guaranteed maximum price. Mr. Rodgers responded that in his experience it is unusual. He cannot think of one in the private sector that he has been involved in where it fell apart and the owner changed course in midstream. He has heard of instances here it has happened, so it is not impossible. We put that on the outline because some people when they first hear about the guaranteed maximum price have a concern about signing up with somebody before they have the guaranteed maximum price and being put in a difficult leverage position later when the guaranteed maximum price comes in too high. In theory that can happen. If it works, the way it is supposed to work the guaranteed maximum price is not a surprise. It is the end of the logical conclusion of a process that has been going on for some time. Every once in a while you could have a contractor, who does not care about their reputation or gets a better job. We do not expect this to happen. However, if the construction manager truly cannot make the numbers work than the next one will not be able to either. Therefore, the owner has to decide whether to go back for money or go back to the drawing board but you usually do not fire the contractor in that situation.

Ald. Gentile asked about the compensation fee of 2.85% of the cost of construction for the construction managers at risk. He would like to know how the figure was arrived at and is he correct in his assumption that whatever the cost is the construction manager is entitled to 2.85%. Mr. Rodgers responded that the contractors were required to submit the compensation fee and that is the fee proposed by Dimeo Construction. Under the statute, the city is not allowed to negotiate that fee. The city can negotiate other things such as the general conditions costs. It is a good fee and within the industry range. Ald. Gentile asked what was meant by insurance listed under general conditions. Mr. Rodgers replied that in general it is typical for the contractor to provide liability insurance that protects all the different parties. In this case, we are also calling for Dimeo to provide builder's risk insurance on the new building. It is Ald. Gentile's understanding that on a job this size it would not be unusual for the contractor to be required to get some kind of specific job insurance and it has been suggested that rather than having them get it and be reimbursed for it

that the city might want to explore getting the insurance to save some money. He asked if it was a possibility and realistic on this project. Mr. Rodgers replied that owner controlled insurance programs are not uncommon on large projects. This project is sort of on the cusp. At about \$200 million, many owners consider going with an owner-controlled program. At \$100 million, it can go either way and he does not know whether it has been discussed. Ald. Gentile was contacted by someone, who claims to provide a lot of Turner Construction's insurance when they are doing construction and he stated that they are trying to work both sides. They are trying to get the insurance that Dimeo is going to get but in case they do not get it that way, they also want to talk to the city. They are claiming that they could give it to the city, which would ultimately keep some of the costs down. Mr. Rodgers stated that we know what Dimeo is going to charge for liability insurance and the city could go to an insurance broker and find out what they would charge. On owner controlled insurance programs, the biggest savings, if there are savings, is usually in the workers' compensation area opposed to liability. He does not believe the city would want to go to a workers' compensation owner controlled program for this program. The project is not big enough, there is a lot of administration, and it is not clear that there would be enough savings. Mr. Juusola stated that project specific policies would cover Dimeo, Turner, Gund and all of the engineers. It would be taking all the parties involved coverage and wrapping it into one policy. It protects everybody involved including the city. The idea is that by doing that the cost would be lower than if everybody was buying his or her own insurance. The city would need to run the numbers to determine the cost and savings.

Ald. Coletti asked if the job would be union, non-union or will there be a prevailing wage schedule that all of the sub-contractors will have to follow based on the state with wage reporting every week. Ms. Young responded that it is whoever comes in on the trade contractors and the pre-qualified low bidder that person who we assumed will get the trade sub-contracts. As long as they are Department of Capital and Asset Management certified, they do not have to be union versus non-union. There are going to be minority requirements in the job. Ald. Coletti pointed out that insurance is going to be important because the city is going to be occupying the site during construction. In this instance, we are going to be using this site as a school and there will be thousands of people there during construction. He believes it is going to be very expensive that we are going to reimburse the construction manager for that will pay for any potential injury for anyone on that site who is not related to the construction manager. It is important that we make sure that we understand how we protect the students and the neighbors that might be impacted. He also asked how we establish how much we are going to pay the construction manager before we sign the contract. Obviously, we should not be responsible for the change orders if we pay the construction manager \$1 million between the time we hired them and the time that we actually sign the guaranteed maximum price, that money should go towards some guaranteed that there are not going to be issues down the road where the city is going to have to pay again. Ald. Coletti is not sure how we are doing that right now but his assumption is that the city is going to pay the construction manager a significant amount of money to review and work with Turner, Gund and the city. Mr. Rodgers explained that the construction manager is paid during the pre-construction period. Ouida Young stated that as part of the selection process all the potential candidates, per statute, were required to give the city fixed fees in terms of their pre-construction costs. Dimeo's pre-construction fee is approximately \$410,000 for nine months of pre-construction services, which is going to overlap with commencement of construction.

Ald. Parker asked at what point in the process the does the Board get to work with the construction manager to develop a construction management plan or its equivalent, as he is concerned about the students and people using the existing school being on-site during construction. Ms. Young stated that Ald. Parker's point about safety and the safety plan is key. There is no question that safety is a very serious issue on the site. Turner Construction can answer the timing on the construction management plan. Ms. Young has made Commissioner Parnell aware of the types of things to expect in terms of the management of construction trucks in and out of the site and what the Board has normally looked at in terms of construction management. The Commissioner of Inspectional Services has been helpful in putting together types of construction management plans. Mr. Juusola stated that it would be one of the first things that Dimeo starts doing. As part of John Prokos presentation, there was a logistics plan submitted by Dimeo as part of their proposal. Dimeo put a lot of effort into the logistics' plan during the proposal period. Ald. Parker asked to have copies and be kept apprised of these kinds of decisions as they are made.

Sandy Pooler and Susan Burnstein presented the request for the appropriation and bonding authorization for the balance of the cost of the construction of Newton North High School. It is a request for \$131,883,000, which is the balance of the cost after subtracting what has been previously appropriated by the Board from the \$141 million working figure. All of the discussion this evening has amply illustrated that it is very much a dynamic work in progress but nonetheless it is something that needs to be done at this point and it is the appropriate point in the process to ask for the balance of the construction costs. It is key to understand the timing of the request. It is some months after the site plan was approved but before we know the final cost estimate of the building but yet we need this for a couple of important reasons. One is that we need to get moving on the project. Dimeo will be onboard for the remainder of this pre-construction design phase. They can actually begin work and begin the discussion and engagement of site work, buying steel and so forth. The city needs to have secured money at this point in the process in the public sector. The city needs to be in the ground by July. The other key piece is the grant and loan that the city is in line for from the state and the Board heard from the SBA directly what their expectations are. It was their hope that they would have a final vote on the appropriation by the end of January, so that we could secure the loan. They understood with the referendum that it was not going to be forthcoming by January 31 but they do want it as soon as possible to secure our place in line for the loan. The loan is the last piece of the funding for the project but we want to have given the state everything they need to secure that for us. The other thing that was mentioned was that we needed to finish getting our project funding increments into the state. This requires an appropriation for the full cost of the project. It opens up the city's ability to submit costs that we have already incurred that are eligible for reimbursement and begin the flow of funds back to the city of that funding. As soon as we have the funding in place, the sooner we can start to spend the state's money on this project, which is ideally the first money to be spent. Clearly, may need to do some borrowing up front but the hope is not to borrow too much right away. The city cannot begin to tap into that funding until we finish getting the state all of the documents and a key piece of that is getting the state the certified vote for the total cost of the project.

Ald. Salvucci asked if the city was not going to get the bonds right a way but wait and use the state money first. Mr. Pooler responded that the city would spend the state's money first and then start spending our money. Ald. Salvucci asked what happens in the event the bond

rates goes up. Mr. Pooler explained that the city is still estimating a bond cost that is higher than what has been sold lately. He will keep an eye on the rates but there are certain rules from the federal government about how early you can borrow money before you spend it. Therefore, he is trying to link those two up as closely as possible.

Ald. Vance stated that during his own work in public contracting that it was regarded as illegal not to have funds appropriated for the cost of the project because it was felt as a legal you could not ask people who are putting in bids to put in a bid on something where the funding was not available. He wonders whether that applies here and if so, that would be another reason to get the bonding for the construction costs prior to the time that you actually get the sub-contractor bids and other bids on the project. Mr. Pooler does not know the legal answer to the question but as a general matter it is his understanding is that the city does not put out bids unless it has funding in place. As the city is going forward this spring and summer, as opportunities arise to put out contracts, we want to have the ability to get the contracts. In order to do that we will have to have funding in place at the time the contract is put out. It is necessary for the city to have the \$131 million in place, so that the city can grab those things when it is in the city's best financial interest to do so. It means that the Board's approval of the money sometime in the next month.

Ald. Coletti stated that he has no problem with the fact that the Board has to vote the entire bond money when the time comes. He wants to be sure that everyone understands that the Public Facilities and Programs and Services can talk about the item but the Finance Committee wants a financing plan that is going to have information about when and how the bonds are going to be sold. He has been under the assumption that we were going to sell the \$79.9 million in bonds first and it will have to be discussed in Finance. If the city is not going to do that, than the bonds that we are going to have to sell for the state money, whether it be short-term instruments that may not even be bonds, it is his assumption that we should not be selling 20-year bonds for money we are going to get back within the next few years from the state. There is a lot of work that needs to be done, if that is the case. Mr. Pooler responded that showing a cash flow and a bonding plan is something that they anticipate bringing up in the Finance Committee. One of the things Ald. Coletti believes that the substantive committees should be talking about is whether they wish to specifically identify how much funding is for the construction, soft costs, etc...It is interesting question whether the Board can preempt and say that the physical construction of the school should not be \$107 million but \$112 million as it is proposed in the original plan. The Board could at least be sure that the way that the building was proposed is actually funded. The \$131 million may not be enough and he is wondering what the Mayor's Office thinks about if the Board specifically indicates that in the approval of the funding it was breaking out the construction costs, soft costs and the contingency and saying this is what we are anticipating spending on the construction of this building and fund it at the maximum.

Ald. Baker stated that the Board needs to sort out how it proceeds. The joint meeting this evening was designed to get out on the table a lot of these issues so that the Board would have a chance to scope what the Board needed to ask and what answers were needed from whom and when the answers would come forward. It needs to be determined is what is the work that the substantive committees need to do on the appropriation request and what is needed to vote that money. Finance needs to determine what it wants independent of that information. The

Chairman has indicated that there are certain things that are particularly appropriate for the Finance Committee that the other committees may not want to get into. Ald. Baker suggested that the Finance Committee take up the item at their next meeting and try and focus on some of the issues that are unique to Finance and then have the substantive committees meet jointly and see if they are ready to vote on the substance. Ald. Coletti stated that the usual procedure is that Finance does not take the item up until the other committees have acted. Ald. Coletti is going to give the outline of his questions to Sandy Pooler and meet with him to scope out the best way to proceed. He is planning to get started after the March 7, 2007 meetings.

Ald. Gentile does not disagree with a lot of what Ald. Coletti stated except he could vote the funding right now because what he has heard from the comments is the school is not going to cost less money than what is being requested. He has heard from the public that if the city is going to build the school build it right. Therefore, if we are going to build it right we know that it is going to cost at least this amount of money. He has no problem with moving the process along because we are going to need all of this money. How we sell the bonds is something that needs to be taken up in Finance. The city cannot figure out a price tag with any certainty because we do not have the construction manager on board yet to help give the city the additional information to make some of those more educated decisions that have to be made. What he heard was an assurance from the Chair and the Mayor's Department that if the money is approved that none of the changes that people are worried about will be made without an in depth discussion with the Board before the decisions are made. It seems people are worried about releasing their control over the money because they want to make sure that they end up with a hip roof versus a flat roof, etc...but we have been given that assurance. He believes that the funding needs to be approved in order to keep the process going. Ald. Coletti pointed out that the expected date of the Board vote is April so the Board has some time to work to come up with numbers for the project.

Mr. Pooler stated that there are many issues about the cost of this project, some of which are going to get decided in the next two weeks, some in the next six weeks and some in the next four months. The city is not going to know the final price and negotiate the ins and outs in terms of the elements for months. The Mayor is committed to building a good building that has the elements that are going to make the city proud of it. He is committed to discussing with the Board and the Community about what that looks like.

Ald. Baker suggested that the two substantive committees meet in two weeks and see if it is possible to take a vote on it at that time and for Finance to work on the finance plan. Ald. Parker moved hold in Programs and Services on #56-07, which carried five in favor and none opposed. Ald. Yates moved hold on #328-06, 224-06(2) and #56-07, which carried unanimously.

Respectfully submitted,

Sydra Schnipper, Chairman