



BUILDING AUTHORITY

CITY OF NOVI

Building Authority Meeting

Thursday, September 18, 2008 | 8 A.M.

Council Chambers | Novi Civic Center | 45175 W. Ten Mile Road

Meeting was called to order at 8:06 a.m.

MEMBERS PRESENT: Larry Czekaj, Julie Farkas, Rob Hayes, Clay Pearson, Steve Rumble, Kathy Smith-Roy, Mark Sturing

OTHERS PRESENT: Mary Ellen Mulcrone, Kristin Kolb, Melissa Place

APPROVAL OF AGENDA

Motion by Sturing, seconded by Smith-Roy; CARRIED UNANIMOUSLY: To approve the agenda with the addition as 2. Discuss bid language specifications; and 3. Discuss Project Manager or General Contractor.

APPROVAL OF MINUTES

Motion by Smith-Roy, seconded by Farkas; CARRIED UNANIMOUSLY: To approve the September 4, 2008 minutes as presented.

PURPOSE OF THE MEETING

1. Discuss bid evaluation criteria

Ms. Smith-Roy began the discussion by stating the bid is based on a lump sum pursuant to the Building Authority's direction. The evaluation will be processed first by the dollar amount then based on the review of the bid package to determine the firm and bid meets qualifications (application, bid completion/verification, etc.). There is a pre-bid meeting at 10 a.m. today and the last date for questions will be given to all about one week before the bids are due. Either the Building Authority or others will evaluate the firms. Mr. Czekaj asked for Ms. Smith-Roy's preference? Ms. Smith-Roy recommended bringing in a third party at an hourly rate or a not to exceed fee. Mr. Czekaj said the evaluation would be for financials? Ms. Smith-Roy said it is for a background analysis. Ms. Farkas asked what is the cost? Ms. Smith-Roy does not know.

Mr. Czekaj asked for cost on the firing range project. Mr. Pearson answered that was a smaller project. Ms. Smith-Roy said Plante and Moran has been used for projects under \$2 million. Mr. Pearson said time is a critical component for the review process.

Ms. Farkas commented a pre-selection of contracting firms was necessary. Mr. Hayes commented it is crucial to have a narrow scope for this work. Mr. Czekaj said BEI will have input. Mr. Kittides said BEI can give some direction. Mr. Czekaj said there is no obligation. He would like to see some costs before going ahead. Ms. Smith-Roy will obtain and circulate to the

Building Authority Members. The consensus of the Members is to have the next meeting on October 9, 2008. Ms. Smith-Roy confirmed to wait till October 9. Mr. Pearson clarified that the low bidder is reviewed closely. Maybe the two lowest bidders can be reviewed in case the lowest is eliminated for any reason. Mr. Hayes commented there must be a compelling reason not to choose the lowest bidder. Ms. Smith-Roy said alternates will be a dividing factor that impact the low bid. Mr. Rumble said we can dive as deep as possible if not comfortable with a company. We will look for either the full Board or team selection in the near future.

2. Discuss bid language specifications

Mr. Pearson said a contractor gave feedback on some of the language for example the liquidation clause. Ms. Kolb explained the supplemental requirements may result in an increase in the bid by the responding contractors. Mr. Hayes asked if this was for the AIA Contract or Supplemental. Ms. Smith-Roy said for the supplemental requirements. Mr. Sturing commented we might achieve lower bids if removed. Mr. Kittides commented a contractor will include a cushion in their numbers.

Motion by Pearson, seconded by Hayes; CARRIED: To remove the “extraordinary actions” clause from the AIA Draft Contract Supplemental as follows: Section 9.5 DECISIONS TO WITHHOLD CERTIFICATION; Paragraph 9.5.1. Point .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or

Yeas: Farkas, Hayes, Pearson, Rumble, Smith-Roy, Sturing Nays: Czekaj

Discussion

Mr. Czekaj asked how much of a cost impact would this requirement be on the contractor? Mr. Pearson said it is an unknown. Mr. Pearson commented we have liquid damages in other sections of the contract.

Mr. Pearson said another item concerns the language that the “owner” must approve the list of sub-contractors. If the City rejects a sub-contractor for some reason, the contractor must hire another sub-contractor. If their bid was based on the price of the original sub-contractors, and another contractor had a higher price, this would be at the contractor’s expense.

Motion by Sturing, seconded by Pearson; CARRIED UNANIMOUSLY: To adjust the language by adding deleted word “reasonable” back in Section 5.2 AWARD OF SUBCONTRACTORS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK; Section 5.2.4. The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes *reasonable* objection to such substitution.

Discussion

Mr. Pearson indicated that a contractor had concerns regarding the exculpatory language, which puts the risk on the contractor for concealed conditions. He asked for example what if the utilities are not shown on the drawings? Ms. Kolb responded that under the broiler-plate

standards, the contractor is responsible for the concealed conditions, timetable, and money. Mr. Sturing said the contractor will get soil reports so if a concealed condition happens; he is willing to allow additional time for this situation. Mr. Czekaj commented on our reports, the contractor will be responsible. Mr. Hayes said for the technical specifications. Mr. Rumples said the soil samples will not tell us if there is a burial ground, as an example. Mr. Hayes mentioned soil borings were done and does not think it would be fair to hold the contractor accountable for an unknown item behind a wall. Mr. Sturing said this project must be worked in budget to reduce change orders that the contractor can ask for time delays. Mr. Pearson and Mr. Czekaj concurred with Mr. Hayes that it would be an unfair burden to the contractor.

Motion by Pearson, seconded by Hayes; CARRIED: To review the concealed conditions as stated in Article 3 Contractor, Section 3.1 General, Section 3.25 to revise or remove clause on financial burden. City Attorney to provide provisions to be determined contractor along with this information will be shared with attendees at mandatory pre-bid meeting.

Yes: Czekaj, Farkas, Hayes, Pearson, Rumples, Smith-Roy Nays: Sturing

3. Discuss Project Manager of General Contractor

This item was deferred to the October 9, 2008 meeting.

AUDIENCE COMMENTS

Vickie McLean – commented hazardous material is the responsibility of the owner. Regarding the first qualified bidder - there has to be a reasonable reason to reject.

Discussion

Mr. Hayes said the City is responsible for hazardous material and there does have to be a compelling reason to reject a bid.

Motion by Smith-Roy, seconded by Rumples; CARRIED UNANIMOUSLY: To adjourn the meeting at 9:21 a.m. (Czekaj absent)

Minutes approved October 9, 2008.