



BUILDING AUTHORITY

CITY OF NOVI

Building Authority Meeting

Thursday, November 1, 2007

Mayor's Conference Room | Novi Civic Center | 45175 W. Ten Mile Road

Meeting was called to order at 8:09 a.m.

Members Present: Larry Czekaj, Rob Hayes, Mary Ellen Mulcrone, Clay Pearson, Steve Rumble, Kathy Smith-Roy, Mark Sturing

Others Present: Pamela Antil, Barb Rutkowski, Margi Karp-Opperer, Bob Cutler, Tom Schultz, Melissa Place

APPROVAL OF AGENDA

Motion by Smith-Roy, seconded by Sturing; CARRIED UNANIMOUSLY: To approve agenda as presented.

APPROVAL OF MINUTES

Motion by Smith-Roy, seconded by Sturing; CARRIED UNANIMOUSLY: To approve the September 13, 2007, September 20, 2007 and September 27, 2007 minutes with changes.

PURPOSE OF THE MEETING

1. Swearing-in of Building Authority Members

City Clerk Maryanne Cornelius performed the ceremony and Members Czekaj, Hayes, Pearson, Rumble, Smith-Roy, and Sturing confirmed the Oath.

2. Election of Chair

Motion by Pearson, seconded by Smith-Roy; CARRIED UNANIMOUSLY: To approve the appointment of Larry Czekaj as Chair.

Mr. Czekaj asked if there was a Vice Chair or other appointment that needed to be addressed. Ms. Smith-Roy said there is the position of Secretary/Treasurer.

Motion by Czekaj, seconded by Smith-Roy; CARRIED UNANIMOUSLY: To approve the appointment of Mark Sturing as Secretary/Treasurer.

3. Continued discussion of BEI/Diamond & Schmitt and Project Management/Owner's Representative contract agreements.

Mr. Pearson commented that the draft contract agreement was presented to BEI/Diamond & Schmitt on Wednesday afternoon. Mr. Schultz explained BEI received the draft contract late on October 31. There are two sections within the contract. One is the agreement for the general operating process, and the other is a list of conditions of our relationship during the project. In addition, the Plante & Moran contract is for an Owner's Representative. Mr. Pearson commented the final numbers are not included in the contract. Mr. Sturing commented he has three areas for discussion regarding the BEI contract. The first involves "prevailing wages". If "prevailing wages" is not a requirement he would like it not to be included. What are the hard costs for Plante & Moran? Ms. Smith-Roy said no Federal or State grant funds are being utilized. Mr. Czekaj said the discussion lends itself to strike the prevailing wage requirement. Mr. Schultz said it will be taken out.

The second point involves the \$11 million as stated in the agreement to the \$12.5 as discussed. There was discussion as to whether the budget is \$11 million as stated or \$12.5 million. Mr. Schultz commented the \$16 million is a not-to-exceed amount for the entire project. Ms. Smith-Roy concurred that \$12.5 million is correct.

The third point involves the Plante & Moran draft agreement. Mr. Czekaj said the contract provides for an Owner's Representative. What level of service are we requiring? He gave as an example the senior housing project. The Authority used an individual who was onsite almost daily to be the ears and the eyes for the City's interest. If the Authority does a good job on getting a good contract, we most likely will have a success. However, he is not against hiring an Owner's Representative. Mr. Cutler said his experience is that when you hire someone who is working for you to oversee a project, it is beneficial. Mr. Czekaj said we have a good architectural team. Mr. Sturing commented it is critical to have an Owner's Representative like Plante & Moran if the Library Board was to oversee the project. With the shift of oversight to the Building Authority, the level of services for an Owner's Representative may have changed, due to the talent of City staff on the Authority. Someone like Plante & Moran can be helpful but we can do something on as needed base since we have a high level of talent. We do not need 100% Owner's Representative. Mr. Pearson said we need a Project Manager. Plante & Moran would be a good place to start at the next meeting. Ms. Smith-Roy said we are not doing a Request for Proposal for services. Mr. Pearson said a Project Manager could do the work. Mr. Czekaj said for discussion purposes we might want to look at an RFP. Mr. Pearson said Plante and Moran did a nice job on the architectural matrix, which was helpful.

Ms. Antil said there is City talent that will be brought to the project. Mr. Czekaj agreed that City staff is strong to assist with financials, planning and engineering related areas. Mr. Hayes clarified that engineering is not able to conduct survey work and soil samples, etc. Mr. Sturing said we know the limitations and are able to hire an independent inspector to conduct code inspections, as an example. Mr. Hayes said inspections and pay estimates are the responsibility of a Project Owner's Representative. Ms. Antil asked who will be responsible for solving issues in the field. Mr. Czekaj said the Building Authority. Ms. Antil asked how these issues get resolved in a timely fashion. As an example, the City will be hiring an Owner's Representative for the fire station improvements and police critical needs. Mr. Czekaj said they had the same issues with the General Contractor with Meadowbrook Commons project on a daily basis. The Building Authority called a meeting

as soon as humanly possible. Ms. Smith-Roy said the City could hire other consulting services for environmental issues, etc. Ms. Sturing said if an issue involves the Owner's Representative, it probably would need to be brought to the Building Authority because it would be something all Members would need to review. Mr. Hayes commented the Owner's Representative authority could be authorized to approve changes under a specific dollar cap without coming to the Board. Mr. Czekaj commented the previous projects for the Building Authority worked very well. Mr. Schultz asked if there were the same number of people. Mr. Pearson said there are more people but we need to have same framework with an Owner's Representative. There are always peaks and valleys during construction.

Looking at the draft contract for BEI there are a couple of comments. Mr. Pearson said on page three of the agreement team, he would like to see the same description for Diamond & Schmitt as there is for BEI. He wants to have the same rights as the paragraph above. Mr. Schultz will talk with Diamond & Schmitt for a liability agreement. Mr. Sturing commented Diamond & Schmitt should be listed on page one along with BEI. Mr. Hayes commented the two firms presented themselves as a joint project. Mr. Pearson said the time and deliverables on page three should read start of construction in April 2008 with completion by 2010. There also should be a time reference to construction documents and site plan timetable.

Mr. Sturing commented Plante & Moran made a point of 1.5% for standard of care. Mr. Schultz said on page 9 of 12 of the first agreement is the standards of care clause, which is 1.95%. Mr. Pearson said the 1.95% of what number? Mr. Schultz said the actual amount of the contract will be the number.

Mr. Pearson said the next step is determining when the construction manager and owners representative roles would begin. The discussion continued regarding the responsibilities between the architectural/engineering staff and the owner's rep. Mr. Pearson answered the responsibilities of the owners representative is broken out in the Plante & Moran proposal. Ms. Mulcrone commented the earlier proposal for Plante & Moran was \$290,000 which included the architectural selection. Mr. Sturing said the \$290,000 could go down if the services were identified and selected separately. Mr. Schultz said the proposal was \$255,000 to \$290,000 which includes reimbursables. Mr. Czekaj asked Mr. Schultz to ask Plante & Moran for additional information. Mr. Czekaj said that an a la carte of services might be the way to go. Mr. Schultz said that is fine but there needs to be communication so that it is clear as to what is included. Ms. Mulcrone commented the Library Board received four proposals and two were considered for the Project Manager. Mr. Czekaj commented the two firms were Plante & Moran and Kahn Global Services, Inc. Mr. Sturing commented the Library Board stepped down when the Building Authority came forward. He is totally comfortable with Plante & Moran. They have done a good job. Ms. Antil said there is history with Plante & Moran. They have expedited the schedule in working with Mr. Schultz, the Library Board, Novi schools, as well as the gun range, and fire station. Mr. Czekaj again mentioned they might be willing to work on an a la carte menu. Mr. Czekaj suggested we ask for references from Plante & Moran for at least three or four projects over \$10 million. Mr. Sturing said there were references listed at the end of the original proposal. Ms. Mulcrone will forward the information for RFP for Owner's Representative sent out in May. Mr. Pearson asked who

is going to take the next step and make calls. Mr. Czekaj said he is willing to make phone calls because it is important. Ms. Antil volunteered to check references and will report to the Board. Mr. Hayes will help.

Mr. Czekaj asked what BEI/Diamond & Schmitt have been busy with over the last few weeks. Mr. Antil said they meet with City staff and Novi schools because they were interested in the student patterns between the school and library. Ms. Mulcrone said they have been to the library twice to meet with department heads, and have visited the school technology center. There have been some long calls between library staff and Ms. Sydney Browne. Diamond & Schmitt is looking at current and projected needs. Ms. Browne is updating the floor plans and really taking a look at the collections and space projections. The impact of this process is that it is taking staff time to count stacks, tables and chairs, etc. since Ms. Browne is not in the area. Mr. Czekaj asked Ms. Mulcrone if she was pleased from her perspective. Ms. Mulcrone answered the phone is not the best way to communicate but there is not another option always available. Ms. Smith-Roy clarified that there is not a contract so this way is not unusual. Ms. Mulcrone said there is a contract for preliminary work in the amount of \$40,000. Mr. Czekaj said Ms. Browne has a good understanding of how a library operates. Ms. Mulcrone agrees and said Ms. Brown is a good listener. Ms. Antil continued by saying BEI/Diamond & Schmitt has met with a City Planner and have requested numerous maps and other background information.

Mr. Czekaj said the School Board had no negative comments regarding a shared driveway. Mr. Pearson commented BEI will include the Fuerst Farm property in the master planning of the site. We can look to have a contract in late November. The inclusion of the property enhances the campus-like theme.

The next meeting was scheduled for Thursday, November 8, 2007 at 10 a.m. to continue discussion of the BEI/Diamond & Schmitt and Plante & Moran proposed contracts.

Motion by Smith-Roy, seconded by Sturing; CARRIED UNANIMOUSLY: To adjourn the meeting at 9:18 a.m.

Approved November 29, 2007