

ROGERS INTER-DISTRICT MAGNET EXTENSION | PHASE 3

160 Strawberry Hill Avenue, Stamford, CT
DSC# No. 305-0277 / MAG / PP / EA
PE Project #: 61862-00

Subject: Bid Overrun
Meeting Location: Government Center, 7th Floor Small Conference Room
Meeting Date: Wednesday, April 26, 2017 at 10:30 am
Prepared by: Tina Greco, Perkins Eastman
Participants: Cindy Grafstein, Mayor's Office
Dr. Tamu Lucero, SPS
Lou Casolo, Engineering
Domenic Tramontozzi, Engineering
Lou M. Finkel, Finkel Estimating
Joe Costa, Perkins Eastman
Tina Greco, Perkins Eastman
Attachments: VE list Dated April 26, 2017

Discussion Points

A. OVERVIEW

The bids for the 200 Strawberry Avenue Inter-district Magnet School Rogers Extension came in approximately \$16 million higher than the budget estimate amount. There were only (2) GC Bidders: O&G and Bismark; they both had similar bid totals.

Since the Bid Opening (March 31st), the City has worked to understand and identify (so that they can be corrected) factors that contributed to the delta between the budget/estimate and the bids. To this end, the City has engaged Lou M. Finkel, an estimator, to do an analysis of the estimate. Lou Casolo has also called approximately (20) GC's in the State of CT to gain an understanding of why they might have not bid on the project and any other input that they could provide; Lou has notes that he will distribute on the conversations.

The City formally has 'cancelled' the bid. A summary bid was considered, but not done.

The meeting goal is to develop next steps related to a rebid. A similar outcome cannot result from a second bid.

Lou Casolo thanked Dr. Tamu Lucero for the flexible approach to the situation of missing a deadline. The BOE has stated that they can operate another year in the existing 'lightly renovated' spaces, which will allow the project more time for construction and for a rebid. Tamu Lucero, highlighted that the move into the new space should be planned to take about 2 weeks, with sufficient advance notice; also highlighting that furniture needs to be coordinated.

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B. Potential IDENTIFIED FACTORS resulting in the \$16 million DELTA

The City, with Lou Finkel's input, has concluded that there is no single factor that can be pointed to, instead that the following all seem to be contributing factors:

1) LITTLE to NO COMPETITION

There were only (2) GC bidders and a single electrical contractor. It is thought that the electrical contract is almost twice what it might otherwise be with competition.

a) 30 % Self Performance Requirement

Note, this requirement was removed in the Addendum that added the PLA, HOWEVER it is thought that if that was a factor that kept a GC from bidding, the decision was made at the initial advertisement and they did not 'watch' for and Addenda that would remove the requirement.

b) PLA

Lou Finkel pointed out that if this and the 30% self-performance were removed the competition would be opened up.

Lou Casolo highlighted that in many of his conversations with the CT GC's that PLA does not have an impact; however, it is understood that Viking did not participate because of the PLA.

2) AGGRESSIVE Project CONSTRUCTION SCHEDULE

The aggressive schedule apparently has added cost to the project. The relief in the schedule should help. Ideally, the delay would only be 6 months.

3) Large and Late ADDENDA

During a short bid period a large addendum cannot be adequately reviewed by a GC and their subcontractors, so the GC may 'throw' a value at the Addendum that will cover them, so it is likely higher in cost than the value of the Addendum.

4) ESTIMATE

Lou Finkel is doing an analysis of the estimate and has found some items that appear to have been missed or were low (see outline below). Lou Finkel will provide a report that PE can review with Gibbons for their feedback.

Missed Items

- a) Drop down partitions in the gym and the Media Center
- b) Fill at the auditorium (cyd of compacted fill +/- \$30 to \$40 / cyd)
- c) Sprinklers in the attic of Building B (1925)

Low Items

- a) Sprinkler SF number should have been higher for Building B (1925) since it is an existing building
- b) Concrete Foundation walls at Auditorium (undervalued)
- c) Miscellaneous steel was low for the Building B (1925)

Other Notes

- a) Some estimate numbers were lump sum values instead values by sf; the numbers could have been correct, but hard to know without the sf analysis.
- b) The drawings needed clarity on the insulation under the slab (scope was graphically overstated in some areas....please note (not discussed at mtg) that this was an item cleaned-up in an Addenda)
- c) Lou Finkel thinks that the estimate should have been closer to \$55-\$57 million.
- d) Lou Finkel suggested that need to eliminate the PLA and 30% Self-performance to allow for Competition.

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- e) Cost of BARN as a result of lumping with main project – many trades did not want to touch a historic timber constructed barn
- 5) **STAMFORD Factor** (related to geographic location)
Based on Lou Casolo's talks with GC's this does not appear to be as much of an issue, but could have an impact on cost.
- C. **Summary Points from discussions with GC's** (note these points are very general, Lou Casolo to provide notes) – point of discussions was to get input on why the Contractor did not bid and/or their position on PLAs and 30% self-performance, etc.

Fusco

- Did not bid due to 30% self-performance
- PLA should not impact

Turner

- Mostly CM jobs
- 30% self-performance also is an issue

Morganti

- 30% self-performance is an issue
- PLA – no issue

BBE

- Note aware of the project
- They have a lot of work in Hartford, BUSY

Gilbane

- Mostly CM, don't really do GC

Rizzo

- Mostly CM, Don't really do GC
- No issues with PLA

KBE

- Did not bid because of Union requirements

Viking

- Did not bid because of PLA

Newfield

- Did not bid because of PLA
- Industry is BUSY

Downs

- Mostly/only CM

Bantum

- Did not bid because of PLA

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Brunoli

- Did not bid because of PLA

Arden

- Too BUSY

D. Value Engineering**1) Auditorium Building**a) Revise Design of Auditorium Building "C"

Lou Finkel suggested lowering the Auditorium building finished slab elevation so that the slab is close to the first floor grade of the 1925 Building (which is closer to the natural grade of the west side of the building). This would **reduce** or eliminate: East and West Side stairs, ramp length, height of the foundation walls (especially on the south west sides), fill quantity reduction. Lou thinks that this change to the Auditorium could result in approximate savings of \$500K to \$1,000,000.

PE highlighted that the current design has the floor of the Auditorium (with exception of the sloped house), aligning with the "main level" / level of the main office. This is to reinforce the program for the main level and for convenient connection, but also has an impact on what the building looks like and how it relates to the other buildings on the exterior.

b) Consider reuse of the Existing North Building

PE estimated that 300 people could be seated in the existing North Gymnasium building (number will be confirmed.....note, since the meeting PE confirmed the number, NOTE, that **egressing would need to be adjusted for that population....**). Tamu Lucero made a point that if an auditorium/gathering space is too small, its value is lost; a space that holds about 300 students would be acceptable.../To be confirmed by BOE action - significant ed spec revision.

c) Gym or Cafeteria

Either of these spaces could be made into a dual purpose space (in other words, to include the auditorium program). NOTE: Tamu Lucero voiced concern about gym and cafeteria and they should NOT share a space, becomes an operational schedule issue, etc.

2) VE List from PE

PE circulated a VE list (please see attached). Many of the items were reviewed, but the City will get back to PE with specific direction. Outlined below are some general points made about some of the items.

E. Schedule

It was noted that the GC's should be allowed to set their own Building A completion dated provided the work is done with enough notice for the City to move into the new space and the space is completed before the start of the school 2019 school year (approximately August 1, 2019). The City would need one to two weeks to move into the new spaces.

The City is thinking:

July - August: ReBid

September: Construction Start - Idea is to minimize winter conditions for masonry work

This does **not leave a lot of time** to make adjustments to the documents and, if required, a trip to the State and/or review by Spiewak, which would be required if the existing north wing is reused. So, while there is some relief in the schedule, there is not much time.

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In an effort to help the schedule, Lou Finkel suggested that after the "Notice to Proceed," the GC could start the Shop Drawing process, with the understanding that if something were to change, the loss would be the cost of the Shop Drawings (this cost risk would be on the City).

F. Thoughts on Cost

Finkel Project Estimate*:	\$57 million
Barn as separate Bid + VE**:	<u>-\$ 4 million</u>
New Total	\$53 million

Construction Budget:	- \$48.7 million
Abatement Budget	\$1.0 million +/-
Therefore DELTA to reconcile =	\$3.3 million

(note a larger delta of \$6.3 million was also discussed, if looking at the competition factor as only having a value of \$6 million: \$65 million - (\$6 million competition + \$4 million Barn, VE) = \$55 million.

*In a competitive environment (ie, no PLA and 30% self performance)

** Removal of sunshades, large glass, simplification of clgs and lighting

There is **at least a \$3.3 million delta** that must be reconciled before bidding again. One thought is that the new Auditorium would be removed from the Scope in a Summary bid or as an Alternate (again City to provide direction to PE on this). Additional VE items will be considered to lower the delta.

Furthermore, the City must determine whether there will be a PLA (while not stated during the meeting, the \$4.3 million would need to be increased, which would result in scope decreases).

G. Next Steps

- 1) VE Item List
The City will respond back to PE with direction on the VE list on Friday, April 28th.
- 2) Auditorium
City to provide input on the approach for the Auditorium. The Auditorium (with the VE lower the slab modifications) will be a part of the project but bid must be structured so that the Auditorium could be removed from the base bid as an Add Alternate or removed in Summary bid.....the scope and City direction if NO AUDITORIUM is built needs to be defined. NOTE, this direction is to be clarified and provided to PE from the City.
- 3) Other
 - a) Please see above regarding Report from Lou Finkel on the estimate and summary notes of conversations with CT GCs from Lou Casolo.
 - b) The City will be eliminating the 30% self-performance, but has not decided on the direction related to the PLA.

END OF NOTES

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