
CONSTRUCTION PROJECTS COMMITTEE
THURSDAY, AUGUST 27, 2009
6:00 P.M.
NASHUA HIGH NORTH LECTURE HALL

A meeting of the Construction Projects Committee was held at Nashua High North on **Thursday, August 27, 2009**. Alderman McCarthy called the meeting to order at **6:10 p.m.**

Present: Alderman McCarthy, Mr. Dowd, Mr. Hallowell

Also Present: Mr. Smith, Mr. Vaughan, Alderman Teeboom, Kevin Drew (Harvey Construction), Gary O'Connell & John Gaston of the Jordan Institute

DISCUSSION: Harvey Construction Report

Mr. Smith

We have Kevin Drew of Harvey Construction here tonight, along with Gary O'Connell of The Jordan Institute. You should have received construction estimates in your packet. Earlier I handed out a single sheet, which took that construction estimate and put on soft costs and potential alternatives. We can begin with Kevin going over the construction estimates.

Mr. Drew

The summary on the first sheet pretty well describes what's behind it. We took Jordan's Energy Efficient Measures (EEM) 1-7, and broke them down and provided our opinion on where these measures were at. In addition we have a line item called General Requirements. If were to look at this an entire project, this would be our cost to run the project, rather than looking at them individually. That number was pulled from the previous estimate that we gave you. Then below that we have the markups that we carried in previous estimates.

Page 2 gives a little detail on EEM 1. The number we ended up with on this one is fairly close to the one from the Jordan estimate. This item is to seal some of the leaks in the building that they found during the thermal imaging. We also have an allowance to move and replace some acoustical ceilings.

Alderman Teeboom

What exactly do the EEM numbers compare to?

Mr. Drew

The comparable Jordan numbers that I was basing our EEM numbers were:

EEM 1 - Air Sealing, \$48,700
EEM 2 - Added Insulation, \$98,750
EEM 3 - Glazing, \$110,500
EEM 4 - Ventilation, \$230,950
EEM 5 - Lighting, \$61,100
EEM 6 - Heating, \$491,050
EEM 7 - Controls, \$178,200

The total is \$1,219,250.

EEM2 was to add perimeter insulation to the slab and insulation below the slab level. We're not too far off of their number. Our total for that was \$95,000 and we have money in there for trenching, backfill, saw cutting, landscaping, and insulation.

EEM 2 numbers are very comparable. This is for glazing improvements. It involves removing glass block in the building and replacing with a translucent panel system and putting weather stripping on the doors.

EEM4, 6 and 7 are all related and have to do with the replacement of HVAC.

EEM 5 is really an allowance for relighting and re-ballasting the school with more high efficiency lamps. We carried a lower number because we're very fairly confident with the sub contractor we're speaking with in this case. But I think that is a number that we may need to explore a little bit more.

We can go back to EEM 4, because that's really the crux of the discussion. Four, six and seven each have to do with the replacement of the existing HVAC. Four is the upgrade to the ventilation. Six is the upgrades to the boiler plant and distribution piping on the west side of the school. Seven is the placement of the controls with the DDC system. Here's where the big difference, I think is.

If you had those 3 numbers of from Jordon, it's \$900,000. We're a little over \$2 million, but not necessarily the same scope... and that's what we need to get into. The Jordon Institute report I think addresses classrooms and possibly corridors. I don't think the whole school is touched. In our estimates we've considered replacing the entire system. Some of the equipment and distribution systems are at or well beyond their useful life. I think we really need to look at replacing them. Our attempt in these 3 items was that we'd be replacing the entire system throughout the school. It also takes into account some of the ancillary items, like ceiling work, demolition, electrical connections, mill work, etc.

The mechanical costs in this are fairly close to the estimate we had provided before for a replacement in kind. So it's not as if we're going beyond that scope of work in this case. With that in mind, we have the 3 values for EEM 4... the ventilation at about \$940,000; the heating upgrades of EEM 6 at about \$1,085,865 and then the controls were slightly less than what's in the report at \$158,000.

There aren't a whole lot of line items in these estimates. We did have some sub-contractor input on the mechanical and electrical part of it. We're pretty confident in their ability to budget.

Alderman McCarthy

We're still not down to where we can do an apples-to-apples comparison. I'd like to understand, where on the line items within EEM 4 and 6 the discrepancies are between the 2 different numbers.

Mr. Drew

Again I think the primary differences are that we're looking at the entire school for a replacement for everything. We feel that's the right thing to do on the HVAC. Also the other ancillary items, such as the ceiling work, demolition, etc. are primarily the differences.

Mr. Dowd

The thing I'm having a hard time grasping is that your numbers on EEM 4 is 4 times their estimate. There's got to be something really major that needs to be defined or explained a little more. You say doing the whole school. Were we doing 25% of the school before and now we're doing 100%? And why didn't they recommend doing all of that work?

Mr. Drew

Again, what we have in here is a lump sum. It's hard to put these two side by side and see where they are because we have estimates that are based on a concept without a whole lot of detail. But I can tell you that when we went in and reviewed the systems and tried to have a replacement for each piece of equipment, a unit ventilator in a classroom as replaced with another. The level of detail that went into the pricing did break down in that level of detail, but I can't show that here, unfortunately. I don't know if that helps you out.

Mr. Hallowell

No, it doesn't help us out. So I guess my question would be to the Jordon Institute. I don't know how much interaction you had together when you were doing this. Is this the first time Jordon is seeing these numbers?

Mr. Gaston

We had a meeting a month or so ago and at that time Ken had done some broad estimates because he didn't have his subs back in yet. On the day that we were supposed to submit something to Shawn, we received some additional backup and were able to look at the detail of what their subs had put together. We were in agreement fundamentally... very close with six of the energy measures that we were suggesting. The two obvious ones that we were far apart on were the ventilation and the heating upgrades. And when we looked at the subs breakdown, I think Ken is absolutely right. And I have to say we have tremendous respect for Ken and Carl's work on this. Their approach on how they're approaching the building is to try and make the building as whole as they possibly can with all the systems that may need some significant work.

Our approach is different from that. We were looking at the specific nature of the energy measure that we thought had to happen. We did have Ken's detailed estimate to see what was included in that full estimate... and we didn't want to include things that he had already included like demoing out the equipment in the boiler room. But we did have replacing the equipment, piping and accessory equipment. So they looked at it a little differently, and maybe it's a good way to look at it. To put into the most recent estimate all the things to make the system whole.

The other point that Ken has made, which I think is a good one is that we're not dealing with design drawings here. We're dealing with concepts of how each one of us would approach this problem. And I think the next logical step is to work with the design engineers... both Harvey and Jordon Institute to develop what we think is the best compromise and putting together the best and most efficient system we can.

It's a very unusual situation for Jordon to be in. There's normally not a construction manager present when we're doing this kind of work. We tried to be respectful of what Harvey had done previously and used the information that they had already produced in the estimate, and just put in the equipment that we thought was the best specification for the use. There are a lot of things that they did to make the heating and ventilation systems more whole that we would have done.

Alderman McCarthy

Let me see if I can put that in another way. First of all, for us having a construction manager involved early is our standard practice. In the past we've found that we get to a design phase and then when we get the guys like Harvey who know what the what the truth is in opening the walls up... and suddenly things are a lot more expensive that we thought they were because there are a lot of details that don't show up in the schematic design. I think this is a good exercise and my gut tells me that Harvey's number is probably not far off from what we're going to find when we start construction. I'd much rather budget high and come in under than wind up in the condition we did in several projects in years past where we couldn't get them done for what we thought.

That said, the Jordon Institute set out to look at the energy efficiency measures. If I understand you correctly, the places where there are no real energy problems with the existing systems, we didn't look at doing anything with those. But from this committee's perspective, we're also pragmatically looking at the fact that we're probably not going to go in and touch the HVAC systems for 20 years after we're done with this project. Therefore we want to get it into a condition where it has 20 years of life that we can extend to 30 years, if we follow our general practice. So there may legitimately be things in there that the committee is interested in doing that may not show up in the scope of the investigation that we asked the Jordon Institute to do.

Mr. Gaston

That's true.

Alderman Teeboom

When I was sitting here 2 months ago, I asked you how accurately your estimates were. You said you know what you're doing and they're very accurate. And here, just adding the numbers up, this EEM 4 and 6 add up to \$2 million from Harvey's estimates and \$720,000 for Jordon. That's a giant difference. There may be lots of things that we'd like to do that are not necessary to do. I've always been worried about Harvey's high estimates for the past year and a half. I hear the words, but I just don't understand the big difference.

Mr. Gaston

I think the difference is a scope difference. Most of our EEM's really relate to about 50% of the building. The heating on one side of the building is hot water and on the other side is steam. We concentrated on the steam side, but included boilers that would do the entire building. But the distribution was only on the steam side. There is a difference in scope on what we & Harvey were planning for the building. That's one of the major differences. The other major difference is that if there wasn't a construction manager present, in our numbers we would have numbers like demolition requirements in the boiler room; the steam piping demolition... both of which were carried by Harvey so we didn't cover that.

Alderman Teeboom

Can you explain that? You were doing an independent estimate that Harvey would then look at. That's how I understand the arrangement. So why would you say you had something that Harvey. You were doing an estimate of your own. And then having done that to the best of your ability, that was sent over to Harvey. Why would you not have something in there because you assumed Harvey had it? I don't understand that.

Mr. Gaston

Well, we had Harvey's latest detailed estimate so we knew what they had already included in their previous estimate. We thought our position was that whatever prices we came up with, would not be in addition to what Harvey had in their estimates... so we did not include it. But we did include the things that Harvey did not have... that were in the most part substitutes for some of the geothermal work for instance... We didn't want to double up numbers. We wanted to accept the numbers they had for taking out equipment in the boiler room; accept the numbers they had for removing the steam piping; accepting the cut and patch numbers they had for the new water piping and include things that were not in that estimate that we thought were prudent to cover.

Alderman Teeboom

So the \$1.2 million that you came up with 2 months ago... are you saying there were additional costs that weren't in this report because they were already covered by Harvey?

Mr. Gaston

Right.

Alderman Teeboom

Was that mentioned in this report?

Mr. Gaston

I'm not sure if we mentioned the 9/20 report or not.

Alderman McCarthy

Where is the specific item that you were just mentioning about the demolition cost?

Mr. Gaston

Gary, you've got a breakdown of the 9/20 estimate... and it shows in there...

Alderman McCarthy

I guess what I'm concerned with, is that line item still in the estimate before us tonight?

Mr. Gaston

You'll see in our column, where we have referred to the 9/20... the other big difference is that we did not include Harvey's general conditions or fee because we did not have that agreement in front of us.

Alderman McCarthy

So your number was assumed to have general conditions for somebody on top of it.

Mr. Gaston

Yes, we assumed that Harvey would have general conditions as well as their fee on top of it. Their general conditions \$482,000 and...

Mr. Drew

What we're looking at is the spreadsheet that has a side by side comparison of all the 3 estimates that have so far been produced. The first of September, 2008 and the latest one against the ones that Jordon used for the report.

Mr. Gaston

But that was in Harvey's. We did not include it in ours.

Mr. Hallowell

So when you say 925, you mean September 25th... not \$925,000? That's one thing that keeps confusing me. So, there were a bunch of things that weren't included. Do you know what that total number was? What do you think we should have added to your \$1.2 million?

Mr. Drew

One big item, obviously in the construction management fees and general conditions.

Mr. Hallowell

No, I get the \$482,000. I'm trying to get to the bottom line of what were the actual differences between what you guys provided and what Harvey has just provided us.

Mr. Drew

I think the correct number to be comparing the Jordon figure to would be the \$2,944,400... but less the \$482,000 of general conditions.

Alderman McCarthy

At this point, I'd like to take a step back. Because I know I'm certainly having trouble following this, and by the looks of my fellow members, I think they feel that way as well. I have a suggestion... given the fact that we're not trying to bid this out this summer, I think we have time to look at this. So I'd like to give you guys an assignment for our next meeting. Shawn, let's schedule a 7:00 meeting that is not followed by a Joint Special so it can go as long as it needs. And I'd like a spreadsheet jointly generated by Jordon Institute and Harvey with all the line items, and mark the ones you basically agree on. For our purposes, I think EEM 4 and 6 are the only ones where there's any discrepancy. The other ones are in the order of the noise as far as I'm concerned. So where there are items where you believe that Harvey has included something outside of the scope of what you looked at from an energy perspective... I'd like to see those broken up into two line items that say, this is the part we agree on; this is the additional scope, and here's why Harvey thinks it necessary.

The ones I've heard so far, are that there's replacement of mechanical equipment in the building that's not related to replacing the steam side. There's a discrepancy over the ductwork sizing. I suspect there's also a general issue with what it's going to cost just to put ductwork into that building that's reflected in those costs. I suspect Harvey thinks that harder than you guys do, and I suspect they're right on that. So that's the sort of stuff I'd like to see broken out so we can understand what the base agreed amount is for the entire project with all demolition, all general conditions, etc. in it. So where there is discrepancy of scope is clearly marked out as to what those items will cost us. Then if there are real discrepancies in cost, we'll know how to figure out how to resolve those. So from my perspective, that's what I'd like to see for the next step. I welcome input from my compatriots here.

Mr. Dowd

When we go through, especially EEM 4, if we can lay out what the \$239,000 represents against the \$939,000 and if it's a particular item and Jordon has it at one price and you have it at another price, why yours is higher. To Brian's point, there are some elements in \$939,000 that weren't priced in Jordon's and that's why there's a price discrepancy. And what is it and why do we feel it needs to be done, and how critical is it to be done? And maybe we ought to go through the soft costs tonight.

Alderman Teeboom

Can we add one thing to your spreadsheet, and that's a column of annotation. So we understand the rationale.

Alderman McCarthy

Right. A column of annotation that says why the things are in there that there are questions about.

Mr. Dowd

Is there any chance we can get that a little ahead of the meeting so we can review it first?

Alderman McCarthy

I would think so.

Mr. Hallowell

While I agree that the biggest discrepancies are 4 and 6, it won't take too much longer to do the whole thing.

Alderman McCarthy

I want to see all of it in the sheet. I don't think there's much percentage in arguing over anything other than 4 and 6.

Mr. Hallowell

So does the \$480,000 include Harvey's 15% contract fee?

Mr. Drew

The \$480,000 is essentially our cost to staff the project, safety, etc. We can certainly itemize it. This figure is based on as 12-month duration. After looking at this, it may not be a 12-month project. That's a number that we would probably look at.

Mr. Hallowell

So if we did it over a summer... So on the spreadsheet that the Jordon Institute put together, they have \$201,600 for the Superintendent. So there's one guy? Or are they general Superintendent charges?

Mr. Drew

That column that you're referring to with the \$201,600... that was the original 2008 Harvey estimate. So it is somewhat of a breakdown, but totals \$432,000. A year later, that makes sense.

Mr. Gaston

I think that's one of the reasons the Chairman asked for this to be clarified. So it's more understandable and annotated and easier to follow. I agree that this is quite difficult to follow.

Mr. Dowd

I think it's also important that if some of these costs that were included before in that \$429,000 are going to cost significantly more in 2-3 years when we have to replace this stuff, that we know about that.

Alderman McCarthy

Right. We should bear in mind that the general conditions come again the next time we go in there.

Committee discussed next meeting date. Tentatively scheduled for September 23rd.

Mr. Smith

I'll go over the soft costs. For those of you who are new to the process, typically the number that is involved strictly with construction that the construction manager or general contractor provides you with is considered hard construction. That's everything being built. Soft construction costs is pretty much everything else. We can go through that spread sheet.

The Hazardous Material Removal is always the purview of the owner to take care of. I estimate about \$100,000 for that. Harvey has \$50,000 in theirs and I have \$50,000 in mine, but we should probably put it all in mine.

The Architect/Engineering Fee is based on a percentage of the hard construction costs. Turner Building Science provided a fee of 7.4%, which comes out to \$253,403.

Mr. Hallowell

Do you normally include the contingency in the hard budget?

Mr. Smith

There are generally two contingencies. There's one for the construction people and one for the owner. I believe your number is just for the construction part.

Mr. Hallowell

I'm not sure what you just said there. But the \$3,424,362 (estimated construction or hard budget amount) includes \$294,440 in contingency. And that's part of the hard budget for the construction?

Mr. Smith

Correct.

Mr. Hallowell

What happens if... I mean a contingency means you have it added in, in case you need it.

Mr. Smith

It gets returned back to us if they don't use it.

Mr. Hallowell

And what about the 7.4%? Is that based on the final hard construction cost at the end when we pay them? Or are we paying them that up front.

Mr. Smith

We pay as we go. It's based on the estimate and then everything's reconciled at the end.

Mr. Hallowell

So at the end, if it only turns out to be \$3.1 million, you only get 7.4% of \$3.1 million.

Mr. Smith

Correct.

Alderman McCarthy

It's 7.4% of bid, not of as budgeted.

Mr. Smith

Any architect engineering firm also receives reimbursables. That's for mileage, paper, etc.

Testing & Inspection Services - when you hire a specific testing firm they come and test the asphalt, soils, testing for welding, etc.

Moving & Storage - a good amount of furniture has to be relocated while we're working. If this is done in the summertime, we can probably shuffle things in the building. But if we go into the school year, we have to put the furniture someplace. By the way, none of this includes portable classrooms. If we decide we need additional classrooms, then that's a number I haven't included in here yet.

Mr. Dowd

If this project goes into the school year, we need to think about the cost of where we put these kids. Portables are not cheap. And moving to other schools, with class sizes what they are due to current budget restraints isn't going to be easy.

Alderman McCarthy

Do we currently own any portables that aren't spoken for?

Mr. Smith

We own 2 currently being used at Pennichuck. And by next summer I expect we'll need them the next year as well at Pennichuck. We're leasing 4 at Elm Street, and that's it.

Mr. Hallowell

I think when we talked about this originally we had the portable at Fairgrounds Middle School, which we don't have anymore.

Alderman McCarthy

If we had to lease 2 portables for a year, we're looking at somewhere around \$100,000?

Mr. Smith

Yes. And that may go up if want them plumbed with water available.

Alderman McCarthy

We should try to get this phased over the winter so we can get whatever done during spring vacations and then be ready to do classroom work when school lets out.

Mr. Smith

In May we could start with the boiler room. When we originally started this 3 years ago, the principal thought we had enough swing space in the school and could renovate rooms so the construction managers could do their work. Since then the population has gone up in the school. We've added kindergarten, etc.

Mr. Hallowell

We might consider if there's any swing space at the middle school, since it's right there.

Mr. Smith

We just took out their portable, so they're a little tighter.

Mr. Hallowell

Yes, but they should still have some room.

Mr. Smith

I'll look into that. Moving down the list, I spoke to John this afternoon about if we did retain the Jordon Institute, what their fee might be. This would effectively be an owner's rep to make sure that what they've specified to us actually gets installed and gets installed properly. And they'd also do a commissioning process, which is what you do to make sure that everything's working as intended. I took John's number and plugged it in there. I don't expect that we'll need a separate Clerk of the Works. It's relatively small. Gary Connor, my assistant and I are fairly versed in construction now and with Jordon Institute there, I think we'd be okay.

We'd spoken about the 2 types of contingency. I've put in a 2% contingency. That's not very much, but I'm trying to keep the costs down.

The next item we could put into the construction budget. The hallway lockers are in need of painting. The best way to do that is a hydrostatic painting process. If you want we can ask Harvey to put it in there.

So I added up all these numbers and came up with a Summary of Soft Costs (\$570,012). And then we already have the Hard Construction Costs (\$3,424,362) for a total of \$3,994,374. If we continue with Turner Building Science, we've already paid them \$115,000 towards the design fee and they've acknowledged that... so that actually reduces that number.

Then on the right side of the page are potential construction alternates... strictly my estimates. There is some paving work to do be done, etc... and again this is if the budget permits.

Mr. Dowd

For paving, are we talking on the order of Birch Hill, or Charlotte Avenue?

Mr. Smith

No. At Fairgrounds Elementary we've actually done a good deal of paving over the past 6 years. All that remains is an overlay of half of the bus loop and a section back behind the gymnasium. This is not intended to do the fire lane, or anything like that.

Plumbing... a lot of the plumbing in the school is original and we'd look into replacing a portion of it.

Roofing... this covers the roofs that are under no longer under warranty and are leaking.

Painting... it's nice to have a fresh coat of paint in the school, so that's what this number is.

So the subtotal is \$596,000. And every time you something to the construction job, you're adding to the architect's fee and the construction manager's fee. I just threw in the contingency as being another fee. So the total cost of the alternates if you went with all them totals \$752,748.

Mr. Dowd

Does that painting cover the entire interior of the school?

Mr. Smith

Any parts of the school that we haven't painted ourselves recently. There is another cost that John hasn't talked about. This is an item you're still looking at, and that's the building wrap. That's where Merrimack Valley High School showed taking off the outside finish from the school and re-insulating it and then putting a new exterior skin on it. I got the impression talking to Dick Henry that you still wanted to pursue that but needed more time to look at it. I pressed him for what that would cost and it came to about \$500,000.

I put in a grant request through the Department of Energy, which has programs for things like this and it seems like a perfect fit. I won't have a sense from them until mid to late September.

Alderman McCarthy

What's the change in our value that we achieve from it, and what's the finished surface on the outside when we're through? I assume it's not brick.

Mr. Gaston

No. The insulation value I think adds R26 to what you presently have. And it comes in a number of finishes. It has a very hard finish that looks a little bit like a pre-cast finish. Sort of a small stone finish. How would you describe it Kevin?

Mr. Drew

It does appear to be like a simulated stone. But there are a number of finishes you could choose from.

Alderman McCarthy

How do those finishes stand up to objects thrown at it from close range?

Mr. Gaston

That's what our biggest concern was, and this is really a tough, tough product. We can bring in a sample at our next meeting.

Alderman Teeboom

I thought it was felt that there was not much value to be gained by that skin at the presentation made about a month ago.

Mr. Gaston

Well, the Director felt pretty strongly about it at one of his presentations. We've looked at it pretty carefully and when you add R26 to the entire surface area of a building like Fairgrounds... it's a very unusual school in terms of how much wall surface it has. And we haven't done a cost savings analysis yet, but will have it done by the next meeting, so you'll know if it makes sense or not.

Alderman McCarthy

I walked away from some meeting we had with the same impression that Alderman Teeboom has, where we decided that it was not substantial enough savings to pursue. So if it's not true, we should know about that.

Mr. Gaston

We'll give you the numbers, and you'll know.

Mr. Vaughan

Did you say that the building envelope enhancement would bring the overall insulation up to R26, or add it?

Mr. Gaston

It would add R26 up to the existing shell component.

Alderman Teeboom

These numbers vary from what looks like about \$4 million to \$4.6 million the way I see it... with the alternatives included. Did we intend to bond this? Or was this bonding included in CFO Gilbar's 20-year layout?

Alderman McCarthy

A cost that's approximately the same was included in his 20-year layout. It was originally intended to be funded from the School Capital Reserve Fund, which there may be a need now of course to bond some to supplant that, depending on what options we agree on.

Alderman Teeboom

He had some money in there for HVAC in his layout?

Alderman McCarthy

Yes. I think that was about \$7 million.

Alderman Teeboom

Okay, because now if you multiply that by 3 schools, that's a substantial budget here.

Alderman McCarthy

The discussion we've had in the past is that we need to proceed with Fairgrounds and Ledge, but at Charlotte we may be looking at either a much reduced project, or deferring it for a number of years. Because the equipment that's there is reasonably new. There is one boiler that's old, but we may look at the boiler we now possess and using it as a replacement. But I don't think we're looking at a \$5 million renovation at Charlotte at this point. I think it's a fairly small scope.

Alderman Teeboom

My only concern is that we asked Gilbar to do this somewhat detailed analysis of a 20-year expense taking into account all bonding expenses for the HVAC. And we're now a little bit more...

Alderman McCarthy

At the most we're looking at a \$2-3 million variance of what he had.

Mr. Hallowell

How does total Additional CM Fees & Contingency get to be \$100,000 on a \$600,000 addition? Or am I missing something?

Mr. Smith

If you take a look at all their fees that they provided in their spreadsheet and add them up, it comes to around 16-17%. So I just applied that percentage to the sub total.

Mr. Drew

Ten percent is a contingency, though.

Mr. Smith

But 10% of nearly \$600,000 is \$60,000.

Mr. Hallowell

So the grant money that you went for, if I look at the EEM numbers I think I could make a strong case that some of those items also qualify for energy grants. Have we thought about that?

Mr. Smith

There is one grant that I came across. Actually Dick Henry brought it up, and \$500,000 was the most any one school district could get. But they've seen the entire package and presentation including all the EEM's and the building wrap. But we'll keep on looking to see if there are other grants out there.

Mr. Hallowell

We sort of added on a piece to go get the grant. It seems like we could have covered some of these costs by trying to put them in a grant. Is it that the wrapping was more applicable for the grant that we were trying to go for?

Mr. Smith

I felt so. They were looking at what we can do to existing buildings to improve them. I think once they call us and tell us we have the money, we can talk to them further about where it's going to go. I worded it so that this was the overall picture, and if we have the extra money we can complete the entire project.

Alderman McCarthy

When in the process would we think we're establishing the GMP (Guaranteed Maximum Price) ?

Mr. Drew

Typically, we're at probably 75% design at a minimum. Where that ends up is probably opened up to debate. But that's usually where the minimum is. We prefer 90%.

Alderman McCarthy

Here's where I was going with that. We anticipate that we would do Fairgrounds next year and try to do Ledge the year after that. So at some point next year before we get into Ledge in earnest we would know how the contingencies are going to shake out and be able to know if we're going to adjust them. So getting back to Mr. Teeboom's point, if we need to bond, we'll need to bond at the end of the 2 projects. And before that, we'll understand how much we've been able to save out of contingency. From experience, we've done fairly well with that and haven't tapped very much into the contingency at all. And if we don't spend the contingency, then the fees are also lower.

Mr. Hallowell

So are you saying that we can actually wait until the 2 projects are done and then bond the money?

Alderman McCarthy

There are a couple of ways we can do it. We won't need to pay bills for Ledge for a couple of years. We probably have about \$8 million total. So it's just the last couple of million that we'd be short. In the past, we've advanced that out of the General Fund and reimbursed it after construction with a bond. We don't like to do that, but we wouldn't have to let bonds until the end of FY2012, which means we'd have a good handle on where the contingency was for both projects by the time we had to do that. If we're careful about that, we may be able to rein those costs in and get it back to a number that we can actually afford with cash.

Mr. Smith

Going back to your comments about Charlotte Avenue, yes we have a boiler that was installed in 1997. So as boilers go, that's pretty young. Everything else in the front part of the school though is the original. The back half is where the water is and is newer. Getting back to John's point about looking at those other systems that Jordon hadn't, those systems are now 18 years old. My point on Charlotte is that because of the overall cost of the project we can push it off. But I don't think we're talking about 10 years. It's got to be sooner than that.

Mr. Hallowell

I guess the rationale for doing the roofing is that we have leaks already. There's no huge benefit in doing it in staging. We can do that without having kids leave the school.

Mr. Smith

We typically do all roofing in the summertime. Does it all have to be done now? No. There are sections of the roofing that I would like to address as soon as we can.

Alderman McCarthy

It is less expensive while we have mobilized contractors already.

Mr. Hallowell

What's the status of the paving and the roof at Fairgrounds?

Mr. Smith

The roof, like most of our schools is patch work. The front is in very good condition. The next section back is a little older and the back section goes back to at least 1991. The paving is pretty good. I just think we need overlay at half of the bus loop and the playground section behind the gymnasium.

Mr. Hallowell moved, seconded by Mr. Dowd, to go into nonpublic session under RSA 91:A:3:II (c), Matters which, if, discussed in public, likely would affect adversely the reputation of any person, other than a member of the body or agency itself, unless such person requests an open meeting.

So voted by roll call at 7:35 p.m.

Mr. Hallowell moved, seconded by Mr. Dowd to return to public session.

So voted by roll call at 8:05 p.m.

Mr. Hallowell moved, seconded by Mr. Dowd to keep the minutes of the nonpublic session confidential, because divulgence of the information would likely affect adversely the reputation of a person who is not a member of the Board, or render the proposed action ineffective. . **So voted by roll call at 8:05 p.m.**

Mr. Hallowell moved to adjourn. **So voted at 8:05 p.m.**

Submitted by Jacki Waters