
JOINT SPECIAL SCHOOL BUILDING COMMITTEE
THURSDAY, FEBRUARY 7, 2008
NASHUA HIGH SCHOOL NORTH LECTURE HALL
7:00 PM

A meeting of the Joint Special School Building Committee was held at Nashua High North on **Thursday, February 7, 2008**. Alderman Bolton called the meeting to order at **7:15 p.m.** Mr. Kelley read the prayer, and Mr. Haas led the Pledge of Allegiance.

Present: Alderman Bolton, Alderman Clemons, Alderman Cookson, Alderman Cox, Alderman Flynn, Alderman McCarthy, Alderman Tabacsko, Alderman Tamposi, Alderman Wilshire, Mr. Haas, Mr. Hallowell, Mr. Hogan, Mr. Kelley, Mr. Vaughan, Mrs. Ziehm (*Mr. Dowd on business, Mrs. Kwan & Mr. Mosher ill*)

Also Present: Mr. Mealey, Mr. Smith, Alderman Teeboom

Also Present: Mr. Caulfield – Turner Systems, Mr. DuBois – Harvey Construction, *The Telegraph*, Channel 99 Videographer

Previous Meeting Minutes Approval

Alderman McCarthy moved to waive the reading of the minutes of the JSSBC Committee meeting held on **1/10/08**, accept them, place them and file and concur with the motions made at that meeting. **So voted.**

Remarks by Chairman

None.

Remarks by Administration

Mr. Mealey

Actually I have a question. Would you like the presentation to be done at the next Construction Committee meeting or the JSSBC?

Alderman Bolton

Why don't you schedule it for the Construction Committee portion, but make sure that everyone is notified so anyone who is interested can be here.

Committee Report – Construction Projects Committee

Alderman McCarthy moved to waive the rules to allow for an oral report of a meeting held earlier this evening. So voted.

Alderman McCarthy

The Construction Committee met earlier this evening and took 2 actions. One was to recommend approval of the contract with Harvey Construction. The other was to recommend approval of the purchase of a temporary boiler for the HVAC project from NE Mechanical at a cost of \$25,500, that having been the low bid.

ALDERMAN McCARTHY MOVED TO APPROVE THE PURCHASE OF A TEMPORARY BOILER FROM NE MECHANICAL FOR \$25,500.

SO VOTED BY ROLL CALL. (11-3, Nay: Alderman Cookson, Alderman Flynn, Mrs. Ziehm)

Items for Discussion and Approval – Contract with Harvey Construction

ALDERMAN McCARTHY MOVED TO APPROVE THE CONTRACT WITH HARVEY CONSTRUCTION.

Mr. Haas

Will abstain from the vote, as Harvey is a customer of my employer.

Mrs. Ziehm

I will be voting against this as well. I am opposed to this project. I think it's unfortunate that we don't look at these things as a whole and that's my concern. If we're going to bond for a \$23 million project and we aren't aware of the total needs of the district school's then I just think that's very poor planning. And I think to ask a casual question at a meeting that pertains to a \$23 million contract and say do we have any other boilers that have to be replaced in the future and be told no, I don't understand why we don't have some kind of report that itemizes all the major components of our buildings and says exactly how old they are. And the roofs and any major expense items. I think when you're spending this kind of money to do it one in isolation and not look at the total is poor planning.

Mr. Vaughan

Mr. Smith, if we had boilers that were in need of repair, would they be on the Capital Improvement Plan?

Mr. Smith

Yes.

Alderman Flynn

I was on the JSSBC for the past 2 years and basically most of the motions were to approve invoices for items that were already purchased as we wended down the high school project. This practice of approving things based on... maybe I haven't gone to enough Construction Committee meetings, or don't have enough information. What is the account number of who is paying for this contract that we're approving tonight?

Alderman Bolton

The Board of Alderman has approved a certain amount of money for this project. I can't give you the account number, but it was \$2 million plus that was transferred to the JSSBC specifically for this project.

As for the previous comment that was made, the JSSBC takes up projects only after the School Department has requested them. By the School Department, I mean the Board of Education. So if the Board of Education wishes to undertake some comprehensive review of its facilities, certainly this committee has no jurisdiction to stand in the way of that. I would also say that this committee has no jurisdiction to undertake that.

Mrs. Ziehm

I certainly don't mean to give you a hard time, but I would like to say that if the School Board is remiss in their responsibilities as our overseer, then that does not make it all right for you to do the same. Now I'm not saying either way, but I am saying that I don't think you can pass the buck.

Alderman Bolton

Let me reiterate. The Board of Education has asked us to undertake this project as a number one priority. I don't know what procedure the Board of Education went through to develop that. And members of the BOE may disagree

with that conclusion or disagree with the process that the BOE went through to arrive at that conclusion. This committee has no ability to direct the BOE as to what procedures they ought to use.

Alderman Flynn

So we would be approving a construction manager and we know the source of funding for that, but we don't have the full funding for the project that they'll be working on.

Alderman Bolton

And until we do, they will not undertake to do all of the things that will earn them the amount of fee above and beyond what we have money to pay them for.

Alderman McCarthy

The contract in front of us anticipates just the pre-construction services, which are primarily asking Harvey to do schematic estimates of construction costs and to assist us in the evaluation of proposals. It does not include construction of the systems themselves. That would be an amendment to come in after we decide what kind of system to put in and secured the funding for that final cost from the Board of Aldermen.

Alderman Flynn

I don't think I've done my homework here. Could I ask one more question, please? What is the cost of this construction manager project that we're approving tonight?

Alderman McCarthy

I don't believe we know what the cost is. But we're approving a contract that allows us to have work done on a time and materials basis from Harvey. So we will understand at each point what it will cost us to get information from them. We understand in general, that the amount we have set aside is ample to do the kind of construction management services that are necessary, which normally run between architecture and construction manager between 5% and 10% of the project cost is spent on those things. We have 10% of what we anticipate to be the maximum cost in there, so we know we have the funds in there. We have not yet given Harvey specific tasks to do yet. So what we're approving is basically a time and approvals contract that we can use to get those pre-construction things done that we need to.

Alderman Tamposi

So we will have a time to discuss issues like the solar panels? That's going to be separate at other meetings?

Alderman Bolton

Yes. This does not approve any particular design.

Alderman Teeboom

I did not see a "to not exceed" in the contract. Wouldn't it be smart to have that?

Alderman Bolton

No.

Alderman Teeboom

So you basically go by the labor rates and it's up to Harvey to bill us up to the \$2.4 million.

Alderman Bolton

Presumably, we're monitoring it as we go along.

Alderman Teeboom

Exactly what is Turner's role in this contract?

Alderman Bolton

Turner is a design professional. Harvey is a construction manger. Two different functions.

Alderman Teeboom

Yes, but what is Turner's position in this contract?

Alderman Bolton

They're not on this contract. They have a separate relationship with this committee, the city and the school district. They provide services within their area of expertise. Harvey provides services within their area of expertise. They will certainly have some interaction. There is a difference between the construction manager and what he does and the design professional and what he does.

Mr. Hallowell

If we decided to end this contract, what is the process for doing that and is there an expense to that? Secondly, so Turner is paid by this committee directly?

Alderman Bolton

Yes. Both have contractual relationships with us. And we would simply pay for the work that was done and end a contract.

Aldermen Clemons

My concern in approving this contract is that I would hate to see us go down the road of the Broad Street Parkway, where we do all these preliminary studies that cost a lot of money and then we don't end up actually doing the project. So I guess my question is, what is the plan that is set out for them and what is the estimated cost of everything? What are we accomplishing here, or have we not done that yet?

Alderman Bolton

We have had a lot of different estimates. The largest and probably the most accurate estimate, depending on what the scope of the project comes out to is this \$23 million number that has been thrown around. There may be ways to get that down, there may not be. We may decide to incur less cost now and more down the road, or more up front and cheaper in the long run. We're not going to know those answers until we go through the process. But the fact is, in some point in time there is going to be significant upgrades to the heating systems in those 3 schools. Because I don't think any of us want to see us unable to heat those schools and either have them close or have the children cold. So in a reasonably short time we are going to do something. Without the expertise of a firm such as Harvey, we're going to be unable to make those choices.

Mr. Clemons

So, this contract before us could potentially answer questions outside of the geothermal system if we wanted to ask about other options.

Alderman Bolton

There had been a previous determination by this committee to explore the geothermal option. I don't want to mislead you. Yes, we have the option to do a lot of things, including saying bring your electric blankets with you when you come to school. But presently what the committee decided to explore was the geothermal option.

Alderman Cox

On the back here is attachment A and it has the rates for labor and materials that Brian was talking about. It says rates are effective 9/21/07 and should be considered in affect through 12/31/07. Do we need to have this updated? It was signed January 3, 2008, but the rates expired.

Alderman Bolton

Are you holding the rates Carl?

Mr. DuBois

Pursuant to the contract those rates should be good for one year. I'll get that changed. I apologize. Also, as a point of clarification... there is a fee established for the pre-construction. This is a 2-part contract. When you ultimately decide what to build, there is an amendment that gets attached to that contract. But up front, we were asked to establish our labor rates. And I do apologize for the confusion.

MR. HALLOWELL MOVED TO AMEND MOTION TO EXTEND THE RATES ON APPENDIX A TO BE EFFECTIVE THROUGH DECEMBER 31, 2008.

SO VOTED.

Voting on Main Motion:

ALDERMAN McCARTHY MOVED TO APPROVE THE CONTRACT WITH HARVEY CONSTRUCTION AS AMENDED.

Mr. Hallowell

I'm voting for this because I know they need to be replaced. I'm not necessarily saying we're going to spend \$23 million, but these systems need to be replaced. This sets in motion a process that allows us to do that. It doesn't mean we have to do geothermal. It's just the beginning of the process.

Mr. Vaughan

The Board of Education has a very lengthy discussion when this first came up around cost. There was a lot of going back and forth, but the will of the Board was to employ experts to refine those costs, define what could be done and to move forward.

Alderman Flynn

I certainly don't want the students to go cold. The Construction Project Committee had a meeting on August 8th. At that meeting, that was really the first time I was able to get a better handle on where this project was going and what the choices were. We had a handout with a breakdown of schools, and a copy of an energy audit. I don't know if the Clerk could find more copies of these, but I found them very helpful and some of the new members might as well.

Alderman Bolton

Mr. Smith or Mr. Mealey could probably find copies.

ALDERMAN FLYNN MOVED TO TABLE THE MOTION. **Motion Fails.**

Alderman Cookson

Division.

Alderman Bolton

I'm not going to ask for a division. It is clear to me that that motion was for the purpose of delay and obstruction. It was very, very clear that the vast majority did not wish to table that motion.

Mrs. Ziehm

There's nobody more concerned about the kids being in the cold than I am. That's why I opposed this project. Because from the get-go I felt that an in-kind replacement was reasonable and allowed us to have the freedom as other things come up to resolve those issues also. For instance, the ALT school is going to be a big discussion because that building is no longer going to be available to us. We also have 2 open concept schools with no doors and ¾ areas. To me, it's much more important to know that the kids are in a confined area where their attention can be kept. And the bonding on this, doubles the cost. So I would not want anybody to think I wasn't concerned about the welfare of the children.

Alderman Cookson

Mr. Chairman, your perception of my intention was inaccurate. There was a bell and an announcement during the vote and I simply asked for a division. It certainly is your position as Chairman to reject that request, but I want you to know that it was in sincerity with other conversations going on in the room that I just asked for division.

Alderman Clemons

I will vote for this because whenever we're faced with a major project I think it's good to get the options out on the table. That seems to be the scope of this contract, so I will support it.

Alderman Flynn

I believe our next meeting is only 2 weeks from tonight, so if we don't go forward with this tonight, I'm hoping that between now and the next meeting it would be possible to get out this full package from Mr. Smith to the whole Board to see the options. One of the options was replace in kind.

Alderman Bolton

Alderman Flynn, none of those options are precluded by the vote on employing Harvey. So I don't think that comment is even germane to the motion before us. So yes, everyone can get copies of that but it is not relevant to whether this contract with Harvey goes forward or not.

Alderman Flynn

It seems relevant to my vote because I feel there is information in here that would help me decide how to go forward. I don't replace that this replace in kind is going to get that highlighted attention.

Alderman Bolton

As explained, Alderman Flynn, a previous vote of this committee determined that the geothermal option would be the one pursued. You may not like that vote and that's fine you don't have to. But that was the will of the majority. Now, employing Harvey under this contract does not preclude us from visiting all other options. But it was the majority vote of this committee to pursue this option. So the fact that there were proposals in the past that tried to compare different options, at an appropriate time any member of the committee can make a motion to revisit any of those. But in my mind, you need Harvey, or someone like Harvey no matter which option you pursue. So, I've got to say that the comment, "in the past, 6 months ago there was a spreadsheet" is not germane to this motion.

Mr. Haas

All we're doing tonight is hiring an organization to help us understand. We're buying expertise.

Alderman Teeboom

You do have Turner on the contract. Turner is in fact the geothermal specialist and advisor/consultant on this job.

Alderman McCarthy

Replacement in kind doesn't appear in the contract. Nor does geothermal or solar. This is a contract for pre-construction services for a construction manager. From my experience with these projects in the past there were many times when we didn't do it this way. We went through the entire design process listing only the architectural and design firm and then bid it out. And those projects have been highly subject to surprises, because it is the expertise of the construction manager who comes in and says, if you want to do this, we have to take this wall out and put it back, and that's where the additional costs come in. Because those are the guys who know how to build things. So my experience has been that we've had 2 kinds of projects. Where we have a construction manager up front and were able to make good decisions, and ones where we didn't, which were subject to surprises and last minute changes of scope to get things to fit into a budget that was too small because we didn't understand the costs when we set it out. For the life of me, I can't understand why we would be better off not having that expertise on board than having it. Whether we ultimately do the project in the large or small number, we need to understand the real details of what it's going to cost to make that decision. And that's what the contract does for us

Voting on Main Motion:

ALDERMAN McCARTHY MOVED TO APPROVE THE CONTRACT WITH HARVEY CONSTRUCTION AS AMENDED.

SO VOTED BY ROLL CALL. (10-3, Nay: Alderman Cookson, Alderman Flynn, Mrs. Ziehm, Mr. Haas abstained)

Alderman Cookson

The first motion we made for the boiler at \$25,500. I believe that during the Construction meeting, the Harvey representative indicated there would be a markup to that. So by us approving at \$25,500 does that in any way limit us?

Alderman Bolton

No. We'll pay Harvey in accordance with their contract the overhead and profit figures that are in that contract.

Alderman McCarthy

I thought they indicated that there was no markup in that contract.

Mr. DuBois

The costs that were provided in the spreadsheet that was presented to you tonight are hard costs as received as bids. What I would assume as this thing unfolds and we deliver a G&P, this portion will get rolled in the G&P and our fee would be added to it accordingly.

Comments by Members of the Public

None.

Comments by Committee Members**Alderman Teeboom**

I want to repeat what I said earlier in the Construction Committee. However I would like to recognize and appreciate the efforts of Mr. Shawn Smith the tour of the building. I appreciate very much Mr. Mealey coming down and taking notes and presenting to this Board the options. From all I've seen, if you're going to do it you do it right with geothermal. But I don't agree with doing all sorts of things that aren't necessary just to make it look pretty. I think the \$23.5 million can be reduced to \$6 or \$8 million for a geothermal system. Whatever is decided has to be bonded. No one has the cash, so it has to come back to the Aldermen for bonding. It won't be this year, but it takes 10 votes to bond issues. So you have to do it right and convince 10 Aldermen. I would never, ever spend \$23.5 million on 3 schools. I can just see now the next school wants it, and the next school wants it. But if you can get that geothermal in for \$6 million, that would be terrific. I have copies of the document that Alderman Flynn mentioned, if anyone wants it. Turner has a very good reputation in this business.

Mr. Kelley

In the 4 years that I've been on the BOE, this has been the number one priority for our Capital Improvements Budget and I understand that it was the number priority in prior years, which the Board of Aldermen have not seen fit to fund in all that time. And all we've been told is that we have a disaster out there waiting to happen. So this year, the School Board decided to go to the JSSBC and get this done before it became a disaster. We played by the rules up until that point and that's why the BOE voted to come this route. We don't want to face boiler collapse, so that is the reason why this is here and now.

Mr. Hallowell

I believe Mr. Mealey said that there would be an expert at the next Construction Projects Meeting. I'm not sure if it will be someone from Turner or not, but there will be more details for everyone to hear. We might want to have someone like Mr. Smith to get some education on geothermal technology itself. There are a couple of organizations who do education for consumers of geothermal. Finally, I think it's pretty clear from the extensive email I sent out,

that I'm looking at this project in great detail. The boilers need to be replaced, and I think it's geothermal, though I'm not convinced. But I think there are ways to bring down the costs. We do need to move forward on this project. What scope we have, we get to decide, but we need new boilers.

Alderman Tamposi

For residential, the state allots tax breaks for geothermal. Does that apply for this?

Alderman Bolton

There's the normal state building aid schools get, plus an enhanced amount for environmentally friendly projects and it's likely we'll qualify for that.

Mrs. Ziehm

The impression I got while on the 2 years I've been on the School Board is that we get a minimum maintenance Capital Improvement dollar, if you will. I just don't understand if we can't afford to maintain what we have, how we can afford the Cadillac model. How we can in one breath say that we've overtaxed our senior citizens and they're crying for relief, and we're denying capital improvements on all of our buildings how can we afford to get a \$23.5 million system?

Mr. Vaughan

I think we all recognize that these boilers need to be replaced. We brought it to this group, because this group has the responsibility, the expertise and the track record for doing these projects successfully. We've gotten nothing really but cooperation from the Aldermen on this project. We may disagree on this committee about what is a Cadillac and what is a Chevy? But that's the process of this committee... to get it done and get it done at a price and a performance that meets what we can do and what we like. So I applaud people for their participation.

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

Submitted by Jacki Waters