

**Board of Directors Special Meeting**

**Monday, September 16, 2019, 4:00 p.m.**

**Location: Idaho Falls Auditorium District Office**

**467 Constitution Way, Idaho Falls, Idaho 83405**

**Attendees:** Terri Gazdik, John LoBuono, Bob Nitschke, Doug Swanson

(by phone), Steve Vucovich, Rob Spear, Mark Fuller, Salem Thomas, Mike Clements, Blake Davis, Chad Hammond, Chip Swarzee, James Hammer, Vanessa Josephson, Thayne Ottley, Trenton Saxton (by phone)

**Minutes:**

1. Call to Order – at 4:01 p.m. Motion to approve the agenda. Seconded. Motion passes.
2. **Discussion Item** - Public Comment – None.
3. **Action Item** – Award Pioneer Road Re-Construction Contract – Site Construction and Site Electrical – Spear had the Board turn to information he printed out.

**Pioneer Road**

Spear described the details of the Pioneer Road bid. He explained, that HK is now low bidder on the contract because Hogan requested bid relief because of a clerical error. Evidently a figure was not carried forward correctly, resulting in an error on the bid. HK was $38,065 higher than Hogan’s erroneous bid. The overall HK bid is $1,285,565. The electrical bid portion was $190,000 and was submitted by Mountain West Electric. The $140,000 for landscaping was not part of this bid package. The overall increase from previously bid under Snake River Landing, including landscape was $292,483 ($1,768,565-$1,476,082) higher. Both Mountain West and HK were the contractors for Event Center Drive. The description of additional costs, above base bid, are as follows:

General Conditions & Insurance $23,000

Cost is only for insurance because general conditions will be covered under Event Center Phase I.

Base Bid $1,285,565

Mike Clements inserted a $100,000 line-item into the base bid for the water line support structure across the canal. He is awaiting information from HK to firm up this cost. As

Board members will recall, the Board approved a preliminary cost of $67,305 on 7-9-19. So, this $100,000 cost seems high and could result in a more realistic cost estimate.

Allowance Items:

SWPPP /Weather Protection $20,000

Nitschke commented that it is to protect the public waterways.

Traffic Control $10,000

Cost if City decides Pioneer needs to be open on 4th of July or for other significant events.

Gas/Oil Escalation $20,000

This will cover any of these escalations.

Additional Rock Removal $25,000

The base bid included the cost for removing 4000 cubic yards of rock. Any additional rock removal will be charged at $65.50 per cubic yard

Rock Quantity Verification Surveys $20,000

Cost to conduct testing to determine rock quantities. This expense might seem redundant since there were several geotechnical studies already performed. Clements was adamant this needs to be performed. It will identify neat lines (areas defining limit or edge of excavation).

Irrigation and Landscape Design $5,000

Although landscaping is not part of this scope, this expense will cover design, avoiding delays in 2020.

Project Contingency $20,000

This should cover any unforeseen items that may occur during construction. Again, another potential cost reduction area, especially since there are already contingencies for rock. Any scope change orders will be reflected in this line item. LoBuono asked if there were any budgeted items that may come in at a lower cost than anticipated. Clements said landscape design and traffic control are some options. Spear also suggested the site clean-up fee may not be needed. Clements indicated that it will be beneficial later on.

**Total Allowance Items = $120,000**

Other Items

Plan reproduction & Distribution $2,500

Cost to copy and distribute construction drawings, etc. Appears more than adequate.

General Clean-up $7,500

This is to cover costs of any cleanup necessary left by any subcontractors. This should be more than adequate. If project is carefully monitored, these costs can be minimized. Another costs reduction area.

**Total Other Items = $10,000**

**BH/Hogan 6% Fee** = **$106,114.** Spear pointed out that this fee included the cost of landscaping that had not been bid. Once the landscape fee was removed the amount being considered by the Board was:

($1,768,565-140,000)\*1.06 =$1,726,279

**Total Costs =** **$1,726,279** to be considered by the Board.

Spear explained the Owner’s Costs associated with the Pioneer road project.

Owners Costs – Outside the actual construction costs, IFAD will incur some costs not included in the CM and AE areas. These are explained below:

SWPPP Preparation $3,865 – incorrectly listed as $3,385 on estimate. This was discussed with Board on 8-27-19. This is to prepare and submit SWPPP documents . Clements stated this should have been part of the design process but wasn’t completed.

Special Inspections & Testing $20,000

Covers any special inspections and testing for Pioneer Road.

Builders Risk $5,000

This is a cost Spear is getting more information on. IFAD’s current ICRMP plan through Hartwell does not cover any early construction activity.

Remaining Utility Company Fees $250,000

Need more information on the removal of power poles for this project. According to Tana this cost is $25k to Rocky Mtn. Power and the remainder is the cost for getting all power to the building.

Owner contingency $20,000

This is more contingency for scope protection. With contingencies for rock and BH contingency ($45,000 total), it seems like the contingencies are already adequate.

**Total Owner’s Cost = $298,865**

**Total Project Cost = $2,173,544**

Spear said $1,726,279 is the amount that needs to be approved by the Board today for the Pioneer Road early construction to move forward.

Gazdik asked if two separate bid packages went out for Pioneer Road, one for early infrastructure and another for paving. Clements said that they did not create two different bid packages. Even if IFAD is planning on delaying completion of the asphalt until later, the bid covers the whole cost and only one company will be working on the road.

Spear asked Clements if having Pioneer Road started is required before they can start on the event center itself. Clements responded that the water loop portion of Pioneer Road project must be completed before Event Center construction can begin for fire protection.

Gazdik asked what the cost would be to start construction and then stop it for a time. Clements said that the cost to maintain the site is not very high. Nitschke said his concern is not about the site protection but about public perception.

1. **Action Item** – Award of Event Center Phase I Contract – Spear shared information regarding how the Event Center contract works in relation to the Pioneer Road contract.

**Event Center Phase I Bid Review**

Spear explained the bid for the Event Center and provided the Board with documents showing the difference in original estimates provided by Clements. The bids for Event Center Phase I differed from Clements’ original estimate because Clements didn’t go back and reduce the scope of the project used in his initial estimate. In the original estimate, Clements included light poles, concrete for footings, and the bridge structure. The biggest adjustments were under Electrical ($327,500), Earthwork ($1,330,967). Those costs will be moved to Phase II. **Even though these costs will be moved to Phase II, this bid reduces the overall project cost approximately $900k (reduces it from $64.5M to $63.6M).**

Spear described in detail the current bid for Event Center Phase I.

General Conditions and Insurance: **$164,140**

These costs are for both projects, Pioneer and Event Center Drive. BH/H is not locating a trailer on site until Phase II. This helped reduce these costs.

Base Bid $2,070,000

The additional costs and description are as follows:

Allowance Items:

Weather Protection $35,000

This could be reduced but will be needed if the site needs to be protected (tarped & tired). Costs will cover the removal of frost if Phase II is started in March 2020.

SWPPP $110,000

The State of Idaho falls under the EPA. This will require the contractor and owner (IFAD) to file a Notice of Intent (NOI) by Monday 9-16. The NOI must be filed 14 days prior of any construction activity. This cost will cover any need to remove water from the site and protect storm drainage systems. This should not be an issue since the building pad will be compact pit-run rock and will be below grade. The EPA could require a soil stabilizer to be sprayed on the pad.

Additional Rock Removal $75,000

This will cover any additional rock removal. All bidders bid on two addendums, one for rock removal and one for unsuitable soil. It will identify neat lines (areas defining limit or edge of excavation). The base bid included the cost for removing 5500 cubic yards of rock. Any additional rock removal will be charged at $42 per cubic yard. Depending on the rock verification this could be a cost savings area.

Rock Quantity Verification Surveys $20,000

Cost to conduct testing to determine rock quantities. This expense might seem redundant since there were several geotechnical studies already performed. Clements was adamant this needs to be performed.

Unsuitable Soils Removal $20,000

This would include running silt, peat, logs, stumps, roots, grass, slurry, mud, etc. Most likely this cost would cover any low spots created by vehicles on the pad. This budgeted expense appears more than adequate to cover any unsuitable soils discovered. Again, this is for any unsuitable soil removal exceeding what was included in the base bid. Any additional unsuitable soil removal will be charged at $33.80 per cubic yard.

Project Contingency $75,000

This is basically for project scope protection. This should cover any unforeseen items that may occur during construction. Tthere are already contingencies for rock and unsuitable soils totaling $40,000. Any scope change orders will be reflected in this line item.

**Total Allowance Items = $337,500**

Other Items

Plan reproduction & Distribution $5,000

Cost to copy and distribute construction drawings, etc. Appears more than adequate.

General Clean-up $10,000

This is to cover costs of any cleanup necessary left by any subcontractors. This should be more than adequate. If project is carefully monitored, these costs can be minimized.

**Total Other Items = $15,000**

**BH/Hogan 6% Fee** = $155,228

**Total Costs = $2,742,368** to be considered by the Board.

Spear explained the Owner’s Costs associated with the Event Center Phase I project.

Owners Costs – Outside the actual construction costs, IFAD will incur some costs not included in the CM and AE areas. These are explained below:

SWPP Preparation $3,865 – incorrectly listed as $3,385 on estimate. This was discussed with Board on 8-27-19. This is to prepare and submit SWPPP documents. Clements stated this should have been part of the design process but it wasn’t completed.

Special Inspections & Testing $20,000

Covers any special inspections and testing for Event Center pad.

Builders Risk $17,000

This is a cost Spear is getting more information on. Our current ICRMP plan through Hartwell does not cover any early construction activity.

Building Permit and Hookup Fees $100,000

Administrative Costs for the project. Again, seems like a cost savings area.

Owner contingency $108,400

This is more contingency for scope protection. Appears to be another cost savings area. With contingencies for rock, soil and BH contingency ($170,000 total), it seems like the contingencies are already adequate.

**Total Owner’s Cost = $249,265**

**Grand Total = $2,997,633**

LoBuono moved to approve $1,726,279 for the Pioneer Road contract. Swanson seconded. Motion passed unanimously.

LoBuono moved to approve $2,742,368 for the contract of Event Center Phase 1. Vucovich Seconded. Clements made a comment about numbers that are highlighted on the sheet. Nitschke stated his concern about starting the construction now when the Board doesn’t have all the money. Spear shared that at this time there is minimal risk to the Board and because starting the project now reduces the total cost by over $900k and shows the board is being good stewards of IFAD resources. Motion passes unanimously.

1. **Action Item** – CRSA Additional Fee for Event Center Phase I Construction – The Proposed fee is $6,000. Gazdik said that this is a request for additional management of the project by the architects for ten weeks. The management date should be March 2020. This is an additional payment for them to manage the site during the early start time. Motion to approve CRSA’s $6,000 early site work administration fee for construction. Vucovich seconded. Motion passes.
2. **Action Item** – Approve Design of Third Grill for Event Center – Gazdik said the Board needs to talk about whether they want to include a third grill. The grill itself will be $135,000-$140,000. The cost to design for the third grill is significant so it needs to be decided sooner rather than later. Trenton Saxton said Centennial Management and Kevin Greene have shared that they want another grill. LoBuono said he is in favor of a third grill because if the center is at full capacity then having three grills puts the lines of customers at around 1,800 per stand instead of 2,700 if there are only 2 grills. Fuller clarified that the Board is simply approving the design of a third grill, not deciding to install a third grill. Nitschke said he feels a third grill will be beneficial. Having slow concessions lines turns people away from buying concessions at a later time. Nitschke moved to approve the design for a third grill. Seconded. Motion passes.
3. **Action Item** – Owner’s Rep Contract Award – Spear explained that this is a $900,000 expense, but the one applicant, Nations Group, says he could save the Board more than $1 million. Nations has said he will not accept a month-to-month contract. Spear said Nations only does business as an all or nothing. Spear asked Saxton if he had ever worked with Roen and Associates. Saxton said no, but other people recommended them. They do cost estimates on other companies’ services. Blake Davis said he doesn’t usually use them because it seems to be doubling the expense for cost estimates because Bateman Hall/Hogan is already providing the estimates. LoBuono asked Spear’s opinion. Spear explained that he issued a request for proposal for a potential owner’s rep because the Board asked. The cost of the Owner’s Rep is the issue. Saxton said Clements and Davis expressed that they would know where to find cost savings more than someone coming in from the outside. Clements agreed that an estimate is just an estimate until you get bids anyway. By sending the bid out at the right time, there are savings that can be found. Vucovich commented that if the cost was closer to $300k he could support an Owner’s Rep. Fuller shared he would recommend having an owner’s rep, but doesn’t feel that this is the right one because of his lack of willingness to negotiate. Davis said that the team they already have is doing a lot of an owner rep’s job. Spear said he would reach out to Nations one more time to see if he would be willing to negotiate the contract.
4. **Action Item** – CSL Proposal for Management Contract Review – Spear reached out to Bill Kruger at CSL. The proposed contract offers duration for a year at a cap amount of $15,000. Gazdik said she thinks it would be money well spent but is concerned about CSL’s ability to get back to the Board in a timely manner. It is a retainer billed hourly at $335 per hour for the project leader and $195 for support staff. Fuller shared that the Board is in a weak negotiating place and CSL’s support would be beneficial. Nitschke said he wasn’t completely satisfied with CSL previously, but would like to use their services for this evaluation. Gazdik explained that CSL could help with making sure contract negotiations are fair. They do statistical analysis and have read management contracts for event centers and have done those things for many years. The Board wants them to review the Centennial Management contract. CSL already has knowledge of IFAD and is fairly familiar with the situation. Gazdik suggested that they aren’t hired to review the whole contract, they are only there to answer specific paragraphs that are left. It was decided to make a decision at the next meeting.
5. Calendar and Announcements
	1. Upcoming IFAD Meeting/Events – **Next Meeting on September 24, 2019**
	2. **Discussion Item** - Announcements and Minor Questions
	3. **Discussion Item** - Agenda Items for September 24th meeting
6. **Action Item** - Adjournment from Public Session – Motion to adjourn. Seconded. Motion passes. Meeting adjourned at 5:41 p.m.