

MINUTES OF CONSTRUCTION SUBCOMMITTEE

There was a regular meeting of the Pine Valley construction subcommittee with CG Schmidt on Monday, January 11, 2016, starting at 1:00 p.m. in the Pine Valley Conference Room.

The meeting was called to order at 1:05 p.m. by Fred Clary.

Paul Korz, Ben Delzer, Eric Schmidt/CG Schmidt, Fred Clary, Donald Seep, Tom Crofton, Kathy Cianci, Steve Alexander, Joan Bailey and Irene Walmer were in attendance. Jeanetta Kirkpatrick participated via phone. Bob Bellman arrived at 2:35. Absent: Angie Alexander, Larry Sebranek, Virginia Wiedenfeld, Ruth Williams and Tom Baade, CG Schmidt.

Tom Crofton moved to approve the agenda and verify the posting. Donald Seep seconded the motion. Motion carried.

Tom Crofton moved to approve the minutes of the December 28, 2015 meeting. Donald Seep seconded the motion. Motion carried.

There were no comments on the prior meeting.

Exterior views of A-wing: Tom Crofton presented an alternate to EFIS with Wave Panel steel. Cost is approximately \$3.00 a square foot with around 6,000 square feet of outside walls to consider. Tom Crofton has heard from a company that may be interested in working with this area. This steel option would require EUA to redesign the exterior plans for the renovated portion of project. CG Schmidt said detailing could be an issue with added costs but may be a better option than EFIS. Donald Seep moved to proceed to investigate the steel siding option and to meet with EUA to discuss design and costs. Jeanetta Kirkpatrick seconded the motion. Discussion followed concerning hail damage and sound issues. Sound should not be an issue with the foam insulation as a barrier. Minimal to no denting would result due to hail. Motion carried.

Revised GMP Amendment: Budget line items and work category description reviewed.

- *Signage:* Construction budgeted for \$29,000 - Owner budgeted \$24,000. These will be kept and maintained in both budgets. Signage has not been bid out as of yet. Interior signage would identify way-finding. More signage may be needed due to new floor plan. Room number plan is still in process. Exterior signage would include the Pine Valley sign. Monument sign discussed being built out of block masonry matching block from new building and concrete. It was suggested to rename Pine Valley Healthcare. Name change is on the Trustee agenda for next Monday, January 18th meeting.
- *Inclusion and exclusions:* A list of qualifications that have been included to describe the scope used in assembling the Guaranteed Maximum Price (GMP) was submitted by CG Schmidt and is identified as "Inclusions and Exclusions" in the attachments. Value

engineering items were reviewed. Potential value engineering or budget reduction items that were accepted by Pine Valley on August 10, 2015 are listed in Cost Control Log document attached. Total VE items accepted to date: amount proposed = \$178,000 and amount committed = \$168,000. Jeanetta Kirkpatrick would like items identified in more detail in the minutes. Tom Crofton made a motion to put the list of accepted items in the minutes. Donald Seep seconded the motion. Motion carried.

- *Construction budget:* CG Schmidt and Richard Street Supply were identified on the schedule of values as indicated on document attachment. Discussed legislation on tax exempt entity and whether we would continue to use Richard Street Supply or could we use other entities. Purchasing of Furniture, Fixtures and Equipment (FFE) along with kitchen items may be able to use a new process such as direct purchasing by owner. GMP has increased to \$17,245,337, \$12,930,281 –CG Schmidt budget, \$4,315,837 – Richard Street Supply budget.
- *Allowances:* Paul Korz reviewed how the allowances operate and function as indicated in attached documents titled “Allowances”. Allowances include all equipment, freight, materials, installation labor, supervision and other work as may be incurred to provide the specific work. All items not listed as unit costs are lump sum Allowances. There are no other costs included in the GMP for the work described in the attached document titled “Allowances”. Any list of Allowances on any document issued prior to this document will be replaced by the Allowances described in the attached “Allowance” document. Allowances will be eliminated as costs are finalized and the Contract amended via, change orders. Acceptance of the GMP indicates that the Owner and Owner’s Representative agree these allowances are achievable and reasonable. The Construction Manager can provide additional support upon request. Total allowances to the GMP to date = \$1,093,497.
- *CG Schmidt Fees:* Fees are based on 1.65% of construction costs, \$284,000 off of the GMP amount. Change order markup is not identified.
- *Owner Contingency Log:* IGMP (Initial Guaranteed Maximum Price) was presented in May 2015. Final GMP is based on the buyouts. Poor soils and contaminated soils (\$366,275.00) was not budgeted for in the GMP. Landscaping budget was removed from owner’s budget. Nurse call system was moved to construction budget. Added winter condition’s of \$193,000, which increased the GMP.
- *Updated Owner’s Contingency Log review:*
 - #10 – Miscellaneous project costs not budgeted for, such as test pits - \$6,763
 - #11 and 12 – Added back to contingency. \$600 used for rezoning fees – budgeted \$7,500 with \$6,900 added back. Survey fees budgeted for \$12,000 not used as survey was completed under EUA.
 - #13 – Net construction budget difference with poor soils allowance and winter condition allowance not included in IGMP total to date - \$275,957

- #14 – Construction testing (concrete, mortar and soils) overage estimate - \$5,000
- #15 – Poor soils allowance overage - Poor soil allowance was exceeded by \$100,000 due to poor soils for B-wing under the West Home. Building was not recommended on West Home site without new fill being added, estimate - \$100,000
- #16 - No FM Global certification for fire-stopping estimate required - \$25,000 carried forward to owner's contingency.
- #17 - Plumbing poor soils allowance not used estimate - \$18,000
- #18 – RFI 29 – Additional lintels - \$3,837
- #19 – RFI 19 – Additional Gas regulators - \$2,402
- #20 – Added Double duplex outlets - \$7,180
- #21 – Food Service saving buyout - \$40,000

Items 13 through 21 – Carried forward to owner's contingency log.

IGMP and adjusted GMP did not allow for poor soils and winter conditions.

\$275,000 is the offset difference, increasing GMP from \$16.7M to \$17.2M.

- *New gas meter* has been hooked up to heat D-wing. This fuel source was budgeted for \$18,000 under winter conditions to Owner's side.
- *Construction Contingency Log*: Paul Korz reviewed the Construction Budget/Schedule of Values – Final GMP document attached. Document shows the contract item, work category, description, budget, CG Schmidt and Richard Street Supply costs. Total construction budget for GMP is \$17,245,337. CG Schmidt budget is \$12,930,281 which includes such items as hours, labor, crane and forklift rental and management costs. Richard Street Supply budget is \$4,315,837 which covers materials.

Break: 2:47pm-2:53pm

- *FFE and Food Service*: No additional fees will be added to the owner's side if CG Schmidt is involved in the FFE and food service purchases as they are already involved and have the man power.
- *Final GMP amendment*: CG Schmidt will finalize the GMP documents with final draft of \$17.2M for the committee to vote on.
- Bob Bellman requested clarification on the poor soil borings that were done as to what was saved and what was spent. CG Schmidt felt that a relocation of the project would be very costly compared to poor soil removal.

Architect meeting 1/13/16: There are concerns with invoices and the billing process from EUA. Currently to date, invoices paid equal \$714,675.43 with an additional \$188,129 owed. These concerns will be addressed at the meeting on Wednesday, January 13, 2016.

Remaining buyout items – Owner's and Construction Budget-Painting, EFIS, FF&E:

- *Flooring and ceramic tile* will be discussed with EUA at the meeting on Wednesday.
- *Food Service:* Kathy Cianci and Ila Hagenston (Food Service Director) will be meeting with Ben Delzer tomorrow to approve kitchen equipment. Fein Brothers may be able to help with locating used equipment if we are considering this.
- *Painting:* Discussion was held on how the contractor may handle the painting process and whether to rewrite the specs or contact the next lowest bidder. There has been as no response from the lowest bidder. Painting is scheduled to start in the D-wing in April. Donald Seep made a motion to authorize CG Schmidt to rebid this portion with the specs as they are. Tom Crofton seconded the motion. Motion carried.

Construction Bulletin #3 issued by EUA on 12/29/15: Bulletin #3 was forwarded to OAC on January 4th. CG Schmidt will be presenting cost options for the following at the next meeting on February 8, 2016:

- Remote MEP's through connector link.
- Door operation and hardware revisions.
- Additional MEP design and equipment for 2nd floor A-wing.
- Miscellaneous MEP changes and additions.

Use of West Home window: Tom Crofton made a motion to postpone discussion about the window until Larry Sebranek is in attendance. Bob Bellman seconded the motion. Motion carried.

Consideration of invoices and contracts/agreements:

Donald Seep moved to pay two invoices to True North in the amounts of \$1,865.00 and \$7,657.93 for disposal of the vessel, dry cleaning materials and the underground fuel oil storage tank. Bob Bellman seconded the motion. Motion carried.

Tom Crofton moved to pay Robinson Bros. \$79,000 for the demolition of the West Home. Base Bid was \$80,000. Donald Seep seconded the motion. Motion carried.

Tom Crofton moved to defer payment of December 30th invoice in the amount of \$9,344.01 to EUA until after discussion on Wednesday. Bob Bellman seconded the motion. Motion carried.

Tom Crofton moved to approve pay application received electronically to CG Schmidt in the amount of \$1,683,358.90 and Richard Street Supply in the amount of \$647,233.09. Jeanetta Kirkpatrick seconded the motion. Hard copies will be submitted by CG Schmidt. Motion carried.

Carol Wirth has reminded CG Schmidt the next borrowing date will be needed in March 2016. This will be addressed at the February County Board meeting for Board approval.

Next subcommittee meeting is scheduled for February 8, 2016 at 1:00 p.m. Next OAC meeting will be January 13, 2016 at 11:00a.m. The meeting with EUA will follow at noon. First DHS inspection will be January 19, 2016.

Bob Bellman made a motion to adjourn the meeting. Tom Crofton seconded the motion. Motion carried.

Meeting concluded at 4:30 p.m.

Respectfully submitted,

Kathy Cianci, Pine Valley Administrator