

MINUTES OF A CONTINUED MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD IN THE OLD COUNCIL CHAMBERS, CITY HALL

November 29, 2016

The Mayor and Council of the City of Coeur d'Alene met in a continued session of said Council in the Old Council Chambers of Coeur d'Alene City Hall November 29, 2016, at 12:00 p.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

Dan Gookin) Members of Council Present
Amy Evans)
Dan English)
Woody McEvers)
Kiki Miller)
Loren Ron Edinger)

Staff Present: Jim Hammond, City Administrator; Renata McLeod, Municipal Services Director; Sam Taylor, Deputy City Administrator; Randy Adams, Deputy City Attorney; Kim Harrington, Assistant Project Manager; Troy Tymesen, Finance Director

Guests Present: Corey Trapp, Longwell & Trapp Architects

CALL TO ORDER: Mayor Widmyer called the meeting to order.

REJECTION OF ALL BIDS FOR THE CITY HALL REMODEL PROJECT:

Ms. McLeod said that the lowest bid received was for \$1,755,000, without any alternates, which would leave a contingency of \$250.00, and would not leave a sufficient balance for additional expenses such as special inspections and asbestos removal. Therefore, staff is recommending rejection of all bids.

MOTION by Edinger, seconded by English, to reject all bids opened on November 16, 2016 for the City Hall Remodel Project.

Motion carried.

AUTHORIZE A CONSTRUCTION MANAGER/GENERAL CONTRACTOR REQUEST FOR QUALIFICATIONS FOR THE CITY HALL REMODEL:

Renata McLeod, Municipal Services Director, presented a request for approval of the issuance of a request for qualifications for a Construction Manager/General Contractor for the City Hall Remodel project as allowed under Idaho Code 54-4511, which would allow the CM/GC to solicit bids from a minimum of three contractors and break the project into phases as needed. The benefit includes the CM/GC having the ability to renegotiate prices, and can provide insight to

contractors about the project and ease concerns about complications. Staff believes that a CM/GC can provide value engineering and the ability to seek competitive pricing that will be within the project budget.

Ms. McLeod explained that Idaho Code 54-4511 is a seldom-used code and, if approved, the procedure would be similar to a request for bids including advertisement and request for qualifications. The qualifications would be reviewed by a selection committee on a point system basis, and the committee would make a recommendation to the council. The selection of the CM/GC would not have to be based on a low bid, which would provide flexibility moving forward. Ms. McLeod mentioned that the City of Boise has used the CM/GC method a few times, and Kootenai County is using it for their jail facility. Kootenai Health has also taken advantage of the CM/GC process. The CM/GC would have some flexibility but the subcontractor bids would still require low bid acceptance.

Mayor Widmyer asked Mr. Trapp if he has seen the CM/GC method in action and if it works. Mr. Trapp said that it has been done in Washington for probably the last ten years and the majority of schools in Washington are built this way. You can base the selection of the CM/GC on qualifications. Mr. Trapp noted that depending on when the CM/GC is brought into the process, their fee could be a little higher than the low bid general contractor. Mr. Trapp said that he spoke to Terry Blessing with the Department of Public Works and Mr. Blessing said that the city can ask about fees that the CM/GC would charge during the selection process.

Councilmember English asked if the CM/GC approach was realistic since they might charge more. Mr. Trapp said that in regard to numbers, it is not the general contractor's numbers, but the subcontractor numbers that were the issue. He noted that they only received between one and three bids from a lot of the subcontractors and some of the bids were "fat." There were several instances where there were single bids that were higher than they should have been. They also didn't get a lot of contractor bids because everyone is really busy right now. Mr. Trapp said that he felt that some of the contractors didn't really take the time to "dive into" the information.

Councilmember McEvers asked how the CM/GC approach would make it so that the city can afford it. Mr. Trapp said that typically the end of January and February is the best time to bid in a normal market. The second best time to bid is September because people are looking for winter jobs. This year there is a lot of work out there and people haven't staffed back up and their companies are still "slim." He said that he thinks the city will definitely have to put it out to rebid to the subcontractor market and will have to do some value engineering on some things so that the numbers will change. There will have to be some changes made to the drawings which will cause the subcontractors to re-look at them. The CM/GC would put out bid packages with detailed scopes of work. The CM/GC can contact at least three subcontractors and will still have to take the low bid number, but they would have the opportunity to meet with the subs regarding the accuracy of the bids. The CM/GC process provides an opportunity to take a little more time to review the bid packages in detail. There is a lot of "leg room" up front in getting the subcontractors to understand what the scope is.

Councilman Gookin asked what work would get done. Mr. Trapp said that the majority of the work is inside, and that a lot of the fascia work is not going to be able to be done. There are also a few things inside such as the downstairs bathrooms, etc. that might not get done. Councilman Gookin inquired if there was any money that could be used to apply to the project to increase the prospect of doing more. Mr. Tymesen said that the city has a solid fund balance, but the council has not decided on the exact financing for this program. Mr. Tymesen said that he has proposed doing a lease for the improvements. He noted that this item is not in the financial plan this year. Right now, the city is running about 18% of the general fund in the fund balance.

Mayor Widmyer clarified that the goal is to hit the \$1.6 million dollar figure and still have a contingency and some alternates were the council will have an opportunity to add things back in and go beyond what they originally approved if they choose to do so.

Councilmember Gookin asked what is the philosophy on spreading this project out over a couple of years. Mr. Trapp said that he thinks that the majority of the inside work needs to happen, but you can phase in the outside work. On the inside, a big chunk of what they are doing is above the ceilings and a lot is infrastructure. The electrical component is \$400,000 by itself.

Councilmember Gookin asked if the council would take a lot of heat for spending \$1.6 million without having a lot to show for it. Mr. Trapp said that there would be new flooring, fixtures and a new layout, but not a lot of difference outside.

Councilmember Miller asked who would make the determination as to who the CM/GC is. Mr. Hammond said that staff would review the qualifications and bring forward a recommendation to council and council would make the decision.

Councilmember Miller asked how much money has been spent on this project to date and if there has been any conversation about adding security updates and moving legal into the building and doing a much more scaled-down cosmetic approach. She wondered if they are going to end up throwing good money after bad on a poor building already and asked if there has been any discussion on scrapping the building. Ms. McLeod said that from the staff's perspective, their focus has been on the ADA and security improvements, and not a new City Hall. The ADA element is a big expense in that they are adding the elevator to the front of the building, the two bathrooms, and the security, and then moving legal over. She noted that it is a pretty basic project, but if they are going to spend any more time in this building, they need to do some of those infrastructure improvements.

Councilmember English said that, to him, the number one thing was the ADA improvements and asked how not doing the bathroom downstairs would affect that. Mr. Trapp said that they would still put in a separate ADA bathroom downstairs, but won't be redoing the staff bathroom.

Councilmember Evans asked about the three packages that were previously reviewed by the council. Mr. Trapp said that the packages are pretty much the same, but the difference is the numbers. Part of the CM/GC process is to sit down with staff and determine what the high priority items are. They will be relooking at basically everything.

Mr. Hammond said that the other value of the CM/GC is that the CM/GC can sit down with Mr. Trapp and go through the plans and talk about some value engineering where something might be designed differently to make it more cost effective. He confirmed that the internal project managers will still be needed, but feels that their role will change because the CM/GC is really the overseer.

Ms. McLeod said that the goal today is to make sure that council is comfortable with the GC/CM proposal and request council's authorization to move forward with a request for qualifications and proposals.

Councilmember English said that he doesn't think that looking at a whole new building is realistic right now, but it certainly makes sense to at least take another "whack at it" and see what is the best deal they can get.

Mayor Widmyer asked Ms. McLeod to talk about the time frame. Ms. McLeod said that if the council authorized a request for qualifications today, it could be advertised in the newspaper on December 8th and 22nd, with proposals due by January 9th and then the evaluation committee could rank the proposals shortly thereafter and bring back a recommendation to the city council at the January 17th meeting. From there, Ms. McLeod is not sure how long it would take the contract manager to seek bids. Mr. Trapp said that once the CM/GC is selected, it would probably take a month just to go through the drawings and make adjustments, and then put it out to bid.

Councilmember Edinger asked if there have been any public comments to city staff about this project. Mr. Taylor said that it was posted on the website and they received a few "thumbs up" on Facebook but no comments.

MOTION by English, seconded by Miller, to authorize a construction manager/general contractor request for proposals for the City Hall remodel.

Motion carried.

ADJOURNMENT: Motion by Gookin, seconded by McEvers, that there being no other business this meeting be adjourned. **Motion carried.**

The meeting adjourned at 12:30 p.m.

ATTEST:

Steve Widmyer, Mayor

Amy Ferguson, Deputy City Clerk