



# Fire Station Building Review Committee

Approved  
Meeting Minutes  
Thursday, May 19, 2016

Site-visit began at 7:00 pm

In Attendance: Selectman Allan N. Brown, Peter Wyman – Fire Department, Ed Raymond – Fire Chief, Peter Ladd – Energy Committee, Anthony Mento – resident/Architectural Designer, Kimberley Edelmann – Budget Committee, Howard Kirchner – citizen at large, Janice Loz – resident/Zoning Board of Adjustment Chair, David Hartman – citizen at large

Others present: Mike Cutting, Ralph Elwell, Clyde Carson, Stephen Hall, Ed Mical, Martha Mical, Darryl Parker, John Leavitt, Rick Davies, Shawn Nichols, Paul Raymond, Jonathan Lord, Tristan Deking, Jim Bingham, John Dabuliewicz

## **1. North Branch Construction – Design Build Presentation**

- A. Ken Holmes, President of North Branch Construction provided a presentation on three methods of construction delivery, Design-Bid-Build, Construction Management and Design/Build (attached).

## **2. Public Questions**

John Leavitt: There's a distinct difference between changes and extra's. Often times the mechanical design will not fit in a space that's in the architectural design and it happens more often than people might realize. In each one of these scenarios where does that additional cost get absorbed?

Ken: In the design build scenario the contractor will say the stuff don't fit what do I do. The owner turns to the design firm and says the stuff doesn't fit what do they do. Modifications are made in the design and the contractor charges you and then you may or may not fight with the design as to whether it's their responsibility or your responsibility to pay for it. Under design-build they will absorb the cost, under cm arrangement it's going to be in between. I would suggest if the cm approach is taken or the design build approach is taken and those teams have worked with the owner through the design there will be a lot less change orders.

John Leavitt: From a sub-contractor standpoint if you get an extra it's a change and you may charge \$1.25 over above what it's actually worth, but if there's is a credit to be given, so it's incumbent upon the design team which includes the town to not do change orders if at all possible.

Ken: I completely agree, we truly try to minimize changes.

Audience Member: Given what you know about this project, what would you recommend.

Ken: I'll be honest, either design-build or construction management because I don't believe if the money for the entire project hasn't been approved I'm not a big proponent of doing 100% design documents and going out to bid if you don't know if your going to build it. We are big proponents of construction management approach on ground up buildings. If you go with design-build that would also work but I would be fee based. I don't believe it's possible to get enough in the RFP to be apples to apples.

Anthony Mento: It can be done.

Ken: It can be, it's really hard Anthony. I've seen it not work more often than I've seen work. We don't believe enough investment is made on the design side. We really rely on the design firms, we really are big proponents on spend adequate resources on the design.

Ed Raymond: How did the Town of Newbury design their safety complex.

Ken: You mean the one that failed miserably?

Ed Raymond: Yes, how did they choose to design their building, which way did they go.

Ken: Newbury went to a design firm, they got some cost estimating but they did not hire a cm. We actually did some pro-bono cost estimating for them. But it failed in my opinion because other things besides what

we are talking about tonight that go into whether or not a project is successful at town vote and I think Newbury, there wasn't sufficient time so they didn't educate the public well at all. Politics got involved. A successful project should be more like Sutton DPW which passed with an 87% vote. That was fee based design-build.

Jim Bingham: Can you explain the fee-based versus the fixed price and how a fixed price is the same or different than the guaranteed maximum price. How does the fee-based effect the total cost of the building because we're facing the usual question which is how much is this going to cost.

Ken: For a bond vote you obviously have to have a number and that should be a fixed price number regardless of what scenario of the three you pick. Under the gmp arrangement, under either the cm approach or the design-build approach, estimates will be done and shared with the owner, line by line. Under the design-build approach that is fee based, I would suggest it's the same thing, except the fee at the bottom covers the design. For my company, design-build fee based and cm fee-based both have gmp's and their both open book. The only difference from our perspective is the owner has a contract directly with us and we in turn hire the architect and we only hire architects that we have worked with before.

Jim Bingham: How is the fee determined.

Ken: We evaluate the project in terms of what resources it's going to take from our firm, how much time we will spend on it and what those resources (people) are and a little beyond that for profit. It's is almost always a percentage of the gmp. There's something wrong if fees are 3% - 8%, we are usually within a 1/2 % or 1%, low to high of 4 or 5 firms submitting proposals.

Stephen Hall: On the two scenario's you were talking about, there's always designs in one of them, but is there a percentage difference between the two choices?

Ken: Yes, absolutely, when the design is carried into it now you have firms like mine that have a fee and then we get proposal from design firms to their design which is going to be in our contract and we basically add it to our fee.

Stephen Hall: I understand the design to be a big factor, but if you put those two together.

Ken: How will the two compare?

Stephen Hall: Right

Ken: Very similarly maybe a little lower on design-build.

Ken speaking to Anthony Mento: Do you guys give a lower, I keep putting Anthony on the spot, but he's the architect in the room, do you guys put a lower fee if your asked by a firm like ours to give us a design-build fee proposal than you would if you were doing it directly to the owner?

Anthony: Absolutely, because we are expecting it to go far quicker and because we would not be the sole one driving the bus, and the drawings do not need to be as detailed and thorough.

Ken: Design-build from our standpoint is more work than as a cm for just the reason Anthony described it. We are the bus driver, the one and only bus driver and so when I was explaining to Jim how we evaluate what our fee is going to be based on the resources we are going to have to put on the project and what kind of return we are going to get. Just today one of my partners was working on two design-build projects, he said, Ken we got to remember what a pain in the ass design-build is. He is doing work that he necessarily wouldn't be doing if there was an architect that was hired by the owner. When you combine the two, I think they will be pretty close to the same, design-build probably a little lower, even when you combine the two fees.

Stephen Hall: We already have plans that were designed for another location, can't those plans be incorporated somewhere and work with what we already have existing?

Ken: I don't know those plans, I do know that they were done and I don't know your site well enough. There's probably some value to that set of plans assuming your using the same design firm, the plans are copyrighted. I would be highly skeptical of being able to use the existing design as it is.

Stephen: We already spent a lot of money getting that design.

Ken: Hopefully there is still value there because that wasn't done that long ago, hopefully that is a very good program that's been developed that meets the needs of the fire department regardless of which site.

Allan Brown: Ken is there any particular way that any town goes after a fire station, does 99% go for design build or construction management or is it all over the place.

Ken: It's all over the place, we just finished Laconia's central fire station additions and renovations and that was a bid job, we built Sunapee and that was a cm job. Henniker was a design-build, Mount Vernon was a design-build, we've done it all. I think more are going cm design-build today than a few years ago.

Peter Wyman: I think it comes down to how much control we want during the construction process.

Ken: During the design and construction process.

Peter Wyman: Both of them give you control in the design process don't they?

Ken: Design-build does not.

Anthony: Unless it's one of the modified talked about in the beginning.

Ken: Right, the hybrids, which can get complicated and I truly don't believe the owner wins in the hybrids, usually.

Peter Wyman: There's a certain amount of control when your spec-ing our what you want.

Ken: You have control when you put that RFP together for the design builder. And under the fee design-build arrangement you have total control.

Peter Ladd: Do you have suggestions or cautions on what's the most effective way to get the Board approval, get the budget and break ground efficiently time line.

Ken: Now your asking for my secrets that I want to get paid for. Education, education, education. I'm astounded at how many people are here today. It's hard to get the public engaged. The Town of Sutton had started putting money aside for a new public works building and when it came time for our project to go to vote there was an excellent presentation done by the Budget Committee as to why the town should vote for it. We were part of the presentation. It came out that the cost for the taxpayer on an annual basis was going to go down because the cost to pay for the bond that was needed was less because the annual funding was going away. It's a marketing program.

Peter Ladd: Is one of the three systems more streamlined in terms of going through the municipal process?

Ken: Both the design-build process and the cm process are a streamlined process compared to the other.

Rick Davies: For a cm approach, what is the recommended sequence for selecting the construction manager versus selecting the architect design firm.

Ken: We'd say the same day, but the reality is its usually the design firm and they will begin to look at program needs a little bit. But we really like as a cm, we really want to be at those design meetings. That's where we bring value to the table.

Rick Davies: How important is the cm approach who has a team that worked together in the past, understand what the final design details are going to be involved.

Ken: I think it's definitely preferable that the firms have worked together.

Peter Ladd: Does that suppress innovation or trying new ideas?

Ken: I think your going to get plenty of innovation with cm and architect because your going to get both ideas. They are equals at the table. Under design-build while we really like the architects input, some design-build firms you actually won't see the design members at the meetings, some get the information and give it to the design firm. That was one of the con's, not having two separate contracts. There's a chance that your not going to get the same level of independent thinking.

John Leavitt: Tonight's presentation, it appears to me that going with a cm, with the design team and the owner are working together, the opportunity to minimize changes is pretty good.

Ken: It is also good under a design-build arrangement. The design-builder is obligated to provide the completed building. I would say both of those methods.

Allan: I think the cm builder, the Committee would put in a lot more hours I think giving the information they want put into the project, is that right?

Ken: I believe they would have more input.

Anthony: I think this is a very invested community, they care a lot, the townsfolk are very aware of the project. There's a lot of support for the department and they understand the need. It's just coming up with the right project at the right cost and this Committee is committed to doing that. And I think either approach Ken has been talking about, its going to be upon us to hire the right team and individuals and you can hire a great design-build team that speaks to providing the services we are looking for. There are definitely outfits that do cm and design separately that will be paddling in the same direction. And that's our firms approach, we do 90% cm projects because that's the best value for the client. I think sometimes when its a fixed cost and its a low total project budget that we're anticipating, sometimes we try to get a design-

build because we think it's going to be a little less costly. But, it's finding the right people and selecting the right outfits.

Ken: I would agree 100%.

John Dabuliewicz: The design-bid approach, how much work on the front end is necessary in terms of putting together what is necessary for the design.

Ken: The base design-build or the fixed price.

John: Fixed price.

Ken: A lot, somebody had better write a real tight RFP. Because what your telling the design builder is essentially bid the design and the construction and I'm giving you some parameters that you have to meet. From personal experience I have seen it too many times. We don't win the job because we are priced here and their price is there and then I look at those buildings later and say came right out of Home Depot for 29.99, that's my opinion.

Allan: The reason we are having this meeting tonight is to make sure this is as open to the public as it can be possibly made. I don't know how much more we can do other than drag people to the meeting. We are trying to be open and transparent for everyone. Allan closed the meeting at 8:30 pm.

Next meeting will be held on Wednesday, June 1 beginning at 6:00 pm.

Respectfully submitted,  
Mary Whalen  
Recording secretary