

# ***Spotlight on the Board***

## **Notes from the District 15 School Board Meetings**

### **September 15th, 2009**

This was a Special Board of Education meeting to discuss the scheduling of construction at Lake Louise School and to go into executive session for the purpose of self-evaluation in coordination with an Illinois Association of School Boards (IASB) representative. All Board members were present.

#### **Architects Update – Lake Louise Curtain Wall Project**

**Architect Steve Nelson of Studio GC, formerly named Gilfillan Callahan Nelson Architects** - They have been in discussions/meetings for several weeks with the contractor relative to what the ground rules would be working within the facilities now that they are occupied with students and staff – noise concerns, dust, security, a number of items. They also discussed the topic of moving forward with the current schedule or considering pushing it off until next summer (2010) was discussed.

There are 19 bays at Lake Louise. A number of those bays were scheduled to be done this fall and none of them have been started. The contractors have been held off for three weeks now pending this discussion/decision. They have all of the materials; they have continued to fabricate material because they do that prior to coming on site.

We asked them what the implications, schedule, cost, length would be in postponing the LL project so as not to interrupt the school process at all. They got back to us two hours before the BOE meeting last week with a number of \$85K. Nelson immediately said that he needed to review it in detail but that it was not “going to fly” and told them to go back to the drawing board; it was not going to happen. He laid out six or 7 points (to the contractors) that they were going to have economy of scale, they would have no worries working around kids and staff, and told them that needed to be factored in to the mix (when calculating a price). The fact that you didn’t get as much done as you had hoped, although material did come a little late, they may have staffed up a little bit more, they still didn’t get done what we had hoped they would get done during the summer months. Told the contractors that they needed to factor all of that in to what they wanted to propose (in terms of a price).

**Nelson** – What before us (tonight) is two options. One is to release the contractors like we did with Winston Campus and have them move forward one bay at a time. They had always hoped that they could get two bays (done at a time) although it says clearly on the drawings that after August 26<sup>th</sup>, they could have only one bay at any given school to work with. There was no question that that wasn’t clear, the contractors have acknowledged that now. So they can continue to move forward starting Monday, September 21<sup>st</sup>.

That first bay (at Lake Louise) would probably take a couple of weeks to set up, get used to what they would be working with in that addition and work their way through. There are 19 bays, two of which are stair tower bays so those don’t directly affect kids. There are 17 occupied bays. They can continue to install at around one week to 1 ½ weeks per bay after that (after the 1<sup>st</sup> bay). If you do the math, that puts you at, assuming you have reasonable weather which is a big assumption, into February 2010.

They are bound to find a couple of conditions, they are bound to have a few weather issues so all of a sudden you are inconveniencing the student body and staff longer than we would have even anticipated because now you are 2/3rds into the year. That has a definite impact but that is an option.

**Nelson** – The other option is postponing it until next summer (2010). The contractors could then literally open up the entire building if they wanted to or most likely do one half and then do the other half. They could move much faster. All of the material would certainly be fabricated at that point because they are doing that right now. The material is all here. There are some costs that are legitimate on what they knew at the time they bid. They would have to store materials for a period of

time; they would have to insure those stored materials and the time frame for that. There is a labor increase that kicks in June 1<sup>st</sup>. That is a set union contract. They could argue that they would have included that in their bid. That is still debatable. They would also have to remobilize one time.

Nelson and architects have gone back and forth with the contractors for a few days now. Their last proposal came with a two phase approach – one was definitive costs from their viewpoint that Nelson can actually say are reasonably justified. That is storage, insurance, remobilization and the moving of a couple of materials. Their 2<sup>nd</sup> phase was estimated that potentially they might have an amount for a labor increase, potentially they might have two or 3 other things. Nelson doesn't agree with a couple of those which is a cost for additional supervision and administration.

That has now lowered that \$85K (price) to about \$48K. Based on a couple of concerns the architects still have, that number would likely drop below \$40K to somewhere between \$35K and \$40K. We (architects) had the foresight to put in a sizable contingency amount of \$114K that is in the approved contract from the April BOE meeting. That has not been used, the amount can be taken from that contingency so the project would still come in "under budget" on paper. That is available to the district; it is not an additional cost to the district technically. It has been built into the contract.

**Nelson** – From Palmer's perspective (Lake Louise), it would make it much more palatable than going almost 2/3rds into the school year with relocating students. But it does have a cost impact. Now "putting my Board hat on", my question would be "why pay anything?" That is a very good question. Nelson thinks that trying to be fair with the contractor and more so looking at what we are recommending at this point as far as what is best for the district in regards to the sheer numbers of timeframe - He thinks it would be a wiser investment to look at the 2<sup>nd</sup> option which is what they would recommend. Then to say go forward.

Nelson will support either option and will make sure either is accomplished appropriately. He looks at it being an investment in allowance (contingency) monies that we put in there to accommodate it. We will continue to negotiate with that contractor to continue to drop that number down so it is ultimately under \$35K or \$40K range. Because you are asking them to do things that are beyond what they originally bid. Although they had some culpability with material not getting there in time for them and they probably could have staffed up a bit more. He still thinks realistically they may have only gotten 2 or 3 bays done at Lake Louise; there would have been a partial situation there. It is up for discussion. He is looking at just the sheer time factor at this point and the fact that we have held them (contractors) off for another three weeks and they have had good weather but haven't been able to do anything. That has pushed them back almost another month.

### ***Board questions/comments –***

**Board member Mark Bloom** – Has a comment. Nelson didn't answer the question of "why should we have to pay anything?" **Nelson** – My answer is that it is an investment in getting the project done appropriately. It would probably have a better installment although the contractors can work through the winter. They said they would work right through December, January and February if they need to. From an installation standpoint, Nelson thinks it would be a much better situation if the weather was not below freezing when they are doing some of that work.

**Bloom** – What he is looking for is "where did this project go off the rails?" He understands about the lateness of the approval of the bid, he agrees with Nelson's point on that. But in June, a month after the bid was approved by the Board, we received a project timeline which indicated that Winston Campus would be complete by the end of September, and Lake Louise would be complete by the end of October. Now from that point forward, Bloom is not aware of the Board taking any action that would impact the schedule, nor is he aware of the district taking any action that would impact that schedule. So if that schedule was impacted, it wasn't impacted by the district. So we are seeing a situation now where the district has to pay for something that was "put off the rails" by someone else. Where did it go off the rails?

**Nelson** – There are a number of items there. One is that the material showed up later than anticipated. As he said before they could have staffed up more. And as the material came late for Hunting Ridge and the start of Winston Campus, we started to get concerned that they wouldn't even get that done in time for the school year. We did give an update in administrative meetings that we had been focused on those two areas (HR and WC) to ensure that those were done before the start of the school year. If they had enough material, they could have staffed up and maybe have gotten 3 or 4 bays done at Lake Louise but realistically once that came into play (the material) they wouldn't have gotten the whole west side done as we originally anticipated.

**Board member Sue Quinn** – Her question is the same – “Why do we have to pay for it?” She doesn't think it is our fault. She isn't exactly sure between the architects and the sub-contractor where the fault lies, but doesn't really care. What she does care about and she has been a huge advocate for putting this (project) off – she thinks that is the right decision to make. The question is “where is the money going to come from?” Quinn thinks the money should come from the architects because in June, we were told one thing. From what Nelson just said, he had to pull everything off this project just so that the others (HR and WC) could make the timeline which means that everything would have gone wrong. She does think that was the right decision. But there are costs associated with doing that and that cost is due to the fact that everything was having difficulties. You as the architect are running the project, not the Board. Quinn feels like there should be at least, at the minimum, some cost-sharing. Hopefully you can negotiate even harder to get that cost lowered, share with the sub-contractor and yourself. Then maybe have the district help with that. **Nelson** – Nobody is going to argue anything there. He doesn't control their schedule. The architects were hired to oversee the project and get it done the best they could for the district.

**Board member Richard Bokor** – Is there any guarantee that it would be done during the two months of summer between the end of the school year and the beginning of the next?

**Nelson** – Yes, we asked the contractor to put that in writing. If they start a day or two after school lets out, that they would have it done in time before the start of school.

**Bokor** – He concurs with Bloom and Quinn. It was pretty well stated at the June BOE meeting that this would be done by the end of October/first part of November.

**Board member Peggy Babcock** – It seemed that the BOE (she wasn't on the BOE at the time, but attended meetings) had made their decision so these timeframes could be met. She understands that things come up. She concurs that we need to at least share in the cost.

**Nelson** – And we have done that in the past as long as it is an agreed upon situation.

**Board President Gerald Chapman** – How do we get to that point?

**Nelson** – Right now, we continue to negotiate with the contractor when you make the decision to delay or not delay.

**Chapman** – He thinks that the Board needs a decision as to what that cost is going to be. He doesn't think that the BOE makes that decision in the absence of knowing what the cost is. You can say - If we decided to delay then how do we get to an agreement between the BOE, the architect and the contractor?

**Nelson** – He can't speak for the contractor right now. **Chapman** – But you are attempting to negotiate with him. We have two of the three parties here. **Nelson** – In his opinion, we continue to negotiate with the contractor and get the dollar amount down. And that final dollar amount, maybe we split it three ways – there are three parties involved. That's a talking point.

**Board member Tim Millar** – Thinks that we have to give him (Nelson) authorization to try and settle. Give him a range of numbers. The other question is “are you able to actually get them to start on any given date?” Weather permitting. That is usually a problem with contractors in general, if they have other projects scheduled to move along. **Nelson** – That is why we asked them to set the date in writing, if the project is postponed. They will start on X date and finish by X date.

**Millar** – Just doing the math, if they do two bays a week – you are still at 10 weeks.

**Nelson** – But their biggest part will be the demolition. **Millar** – But if they don't staff up. There has to be a penalty involved. **Nelson** – Agreed

**Chapman** – He is a little foggy on the concept of this being split three ways because it seems to him that the architect is responsible to negotiate with the contractor for the lowest possible price.

Whatever that is, he doesn't think that you will then go to them and say "now you will pay a third of that." Are you? **Nelson** – Yes, I was thinking I was. **Chapman** – Oh, you were?

**Millar** – He has incentive to save too. He has "skin in the game".

**Nelson** – It is leverage.

**Chapman** – So you are saying right now that the dollar figure on the table is \$48K and if the BOE approved a settlement amount that we would be willing to pay \$16K, which is a 1/3<sup>rd</sup> of that. Do you think then that you could reach an agreement to get it done next summer?

**Nelson** – Yes, I do and I think that the number will go down.

**Babcock** – And are we all agreed that the Board isn't responsible for any of this?

**Quinn** – I don't think that we are responsible but I am willing to negotiate.

**Millar** – Well we are responsible because the contract doesn't have a penalty for not doing it by October, then yes we are responsible because we didn't put it in the contract. That is a standard contract if you have a timeframe like that. **Nelson** – Usually it is called a penalty and bonus clause. So you also have to provide an incentive to finish early too.

**Millar** – But we don't have any of those clauses in there so then it is part of our responsibility. We had that risk when we hired them. He is comfortable with the \$16K or \$20K whatever the amount.

**Chapman** – I would be more comfortable with \$20K so we don't have to have another special meeting to approve \$4K. **Millar** – Right and here again we are all in agreement that it would be terrible to do this during the school year. Thanks we are already there.

## **Action Item**

### **Lake Louise Curtain Wall Project – Direction on project schedule**

**Motion to approve up to \$20K to delay the project until the start of June, after school starts, with an agreement that they will start within a short period of time after school ends and complete before school starts in August 2010**

**Bloom AYE, Bokor AYE, Chapman AYE, Ekeberg AYE, Millar YES, Quinn YES, Babcock AYE**

## **Executive Session**

The Board went into Executive Session at approximately 6:20 p.m. They were expected to later return to Open Session to discuss "District Planning"

## **CCSD15 Summary of Board Actions and Official Minutes**

A "Summary of Board Actions" will be posted on the District 15 Web site as quickly as possible after each **Regular** Board of Education meeting, usually within two days. Official minutes of Board of Education meetings cannot be posted until after they are approved by a vote of the board at the next regular monthly meeting. Board of Education meetings are open to the public, and all board actions, with the exception of closed sessions, are considered to be public records.

[www.ccsd15.net/AboutDistrict15/BoardOfEducation/HTML/BOEMeetingDates.html](http://www.ccsd15.net/AboutDistrict15/BoardOfEducation/HTML/BOEMeetingDates.html)

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