

MINUTES OF THE PUBLIC WORKS COMMITTEE

Meeting held: Wednesday, March 4, 2015
Leawood City Hall- Main Conference Room, 7:30 AM

COMMITTEE MEMBERS PRESENT:

Carrie Rezac, CHAIR and Councilmember Ward 3
James Azeltine, Councilmember Ward 4
Jim Rawlings, Councilmember Ward 2
Andrew Osman, Councilmember Ward 1
Adam Abrams
John Burge
Ken Conrad
Abbas Haideri
Marsha Monica

COMMITTEE MEMBERS ABSENT

Jon Grams
Christopher White

STAFF PRESENT: Joe Johnson, David Ley, Julie Stasi

Chair Rezac called the meeting to order at 7:42 AM. Introductions were made of Committee Members and staff.

The first item of business was to review/approve the previous meeting Minutes.

Marsha Monica- Motioned to approve the Minutes of January 7, 2015.

John Burge- Seconded the Motion to approve Minutes.

All attending members were in favor. Motion Passed.

The second item of business was to review proposals for the Design/Build 2015 Curb and Asphalt Overlay Program. Proposal Packets and scoring sheets were delivered to committee members the week before the meeting to give Committee Members time to review each proposal and grade them. Absent Committee members Grams and White had emailed their scoring sheets in to be included in the count. Present committee members handed in their score sheets and the four teams were graded.

Joe Johnson-The contractors that are in the bid are pretty good.

Marsha Monica-Any of them would be fine. We didn't know past experience; how did last year's program go?

Joe Johnson-Of the four, the three O'Donnell, Fahey and Miles are accustomed to doing big projects and they manage their projects real good. Freeman is a good contractor, I think they are moving toward being a general contractor. They are good at the work they do, they are not as good at managing everybody. That's not to say that they haven't got some people now, but that was probably the biggest concern for our inspectors. Their concern is the ability of them to do a big project.

Ken Conrad-But Freeman listed Fahey as a sub.

David Ley-We sent this out to McAnany and Emery Sapp, but those two did not want to participate.

Grades were tallied then the sealed bids were opened by staff.

Joe Johnson-We will read the bids and then the way we have it set up, we will go from low to high that way it will score it. The formulas are all set up.

Ken Conrad-Back to the process for a minute. A couple of the hourly rates seem very different. Where

would you suggest you put something like that in the scoring, and how many points does it take to make a difference? We talked in our meeting before that it doesn't make a lot of difference, I'm trying to learn how to score these better.

Joe Johnson- On the hourly rate costs that are submitted, my guess is that is a boiler plate; not whether the CEO is going to be there or not. The contractor is bidding this so they are having to look at that and in their case- competing against four others. On this project here we do not have a lot of design to build a building or design a street. There are some design pieces in here, so the design part of it is .3% of this total project. Those costs do not have a huge impact on the costs from the contractors.

Abbas Haideri-On a different project what would probably happen is the hourly rate would still be competing in the bid with fewer hours on the design side and one team verses the other. The other part is if you ever have extra services or additional services those might be hourly and that is where it would be seen.

Joe Johnson-In what we are doing today. It will be the contractor's number and their subs. Last year when we did it, the highest score firm in the proposal was Emery Sapp. They had McAnany as a sub which had a very high price for their asphalt. They were twice as high in their asphalt prices, their bid was half a million dollars, so that is what is going to make the difference. You have O'Donnell, who does most of their work. Miles does most of their work. Fahey does most of their work. Freeman does curbs and then they'll sub to Fahey. Fahey will probably give them a little higher price than what they would have paid. But they are still going to be good prices. What is really driving this is our quantities and the contractor doing the work.

Ken Conrad-Is the only design component this sidewalk?

Joe Johnson-Yes. This year the design part of it is much greater than last year's. Last year was looking at stormsewers and set the profile for the curb. This year they are going to have to design and cost that design out. What the contractor will do is start on that design work, they'll come back in with an additional expense to move the road over above just replacing the curbs. That will go to Council and Council will have the ability to say yes we want to do that and we would do a change order for that additional sum. That dollar amount is not in this cost. But the design piece of it is.

John Burge-It's all from 83rd Terrace to 85.

Joe Johnson-From 83rd Terrace to 85th Street, yes, where we will do the narrowing of the road.

Carrie Rezac-Read them off and tell us what the bids are.

<u>David Ley</u> - O'Donnell & Sons	\$5,929,112.90
Freeman.....	\$5,995,516.15
Fahey.....	\$6,114,537.00
Miles.....	\$6,856,812.39

Joe Johnson-Based on total points, it is Freeman, Fahey, O'Donnell then Miles.

Marsha Monica-Has Freeman done any big jobs in Leawood?

Joe Johnson-Two years ago they did the first year's curb program. While they did a pretty good job, the issue we had with them was managing. They did good managing their folks. They did not do as well a job managing their subs.

Jim Rawlings-Can you refresh my memory on how we changed the scoring?

Joe Johnson-Yes last year we had 90 points for the proposal then 10 points went toward the cost. After we did that, then the Committee thought we needed to have more separation. So 75 points went to the proposal, 25 points went to the bid.

Ken Conrad-One of things you wanted Freeman to work on was what?

David Ley-Management of the entire project.

Joe Johnson-Most of the time they were a sub and they really focused on curbs. So they just had their crew and they had whoever was their foreman out there. All they had to do was manage their people.

When it got to be where they were acting as the general, we had ran into some issues in them keeping up with their subs that were working with them. They did a pretty good job of keeping track of their crews. But they had some issues.

David Ley-We had an issue on the street where the roadway was falling apart and they would meet with their sub. Well Freeman as a General was not there on site. We had to work everything out. Negotiate and do the design with their sub-contractor.

Ken Conrad-But where I'm going with this is when I sat down and read the proposals, I had none of that history. So the question becomes how do we fit those types of things into the system? The system is good too because here they are trying to build a business and get better. Did we give them feedback at the end of that project? That this is what you need to improve on?

Joe Johnson- yes, they had pretty good feedback from us.

Ken Conrad-As we read this what they said-now we need to make sure that they produce. It is important on how this agreement is finalized, if it is Freeman I think it is important for us to point out our expectations.

Joe Johnson-Right. If this is the company we go with then that will be our conversation. Who is your manager and when there is an issue, they should be out there.

James Azeltine-Was the expectation relayed the first time around?

David Ley-They were not invited last year and we talked to them about it. And that was one of the reasons we told them they didn't receive an invite last year. Because of the way they had managed their last project.

Abbas Haideri-What is the difference in price between the Fahey and Freeman?

Joe Johnson-Between Fahey and O'Donnell, it is near \$200,000. There is \$66,400 between O'Donnell & Freeman and then \$119,000 between Freeman and Fahey.

Marsha Monica-That is a lot.

John Burge-That builds your sidewalks.

Chair Rezac-However there is a reason we do this and not just the low bid. We review the proposals and those numbers come out the way they do.

Joe Johnson-Freeman has the ability to do the work. They do great curb work; that is what they do. They have a good sub in their asphalt. Their engineer is a good engineer (Cook, Flatt & Strobel).

John Burge -What percentage is the overlay of the overall project?

David Ley-It is approximately \$1 million for the overlay and 4.5 of for the curb.

Marsha Monica-What is the difference between O'Donnell & Fahey?

Joe Johnson-\$185,424.10

Marsha Monica-That is a lot.

Andrew Osman-So in the City Council; the recommendation goes from here to the City Council. What percentage of time does City Council take the second highest bid verses the lowest bid? Verses the recommendation of what the Committee recommends?

Joe Johnson-Probably what the Council as a whole would look at is the discussion that we had had here. Here is the score, this is how it scored out.

Andrew Osman-I'm trying to remember an instance where we took the second or third highest bid verses the lowest?

Carrie Rezac-Typically they are just low bid on the projects and we don't ask for the RFP's.

Joe Johnson-Maybe once or twice we've gone with the #2 low bid in the last 19 years.

Julie Stasi-Sometimes with equipment we take a different bid; when it meets those specs of the trucks (with our current inventory) for example.

Ken Conrad-Regarding the proposals, they were all put together with what the City asked for. If you look at their table of contents, they all covered everything. With regards to this type of civil engineering work, I'm a lay person. All I can do is read it and see if it sounds right. And to me for the most part,

they were all dead even. There was nothing that jumped out at me that set one apart. It was very factual answer the questions. For myself, they all looked to be the same proposal.

Carrie Rezac-They are all credible. There is a reason that that scoring system was put in the place the way it was. Some of those criteria such as Project Approach were weighted more heavily than public notification and there is a reason for that. I think all we can do is score according to what the criteria was that was set out. The criteria was listed in our RFP so we can only score what is in front of us and I think that is fair.

Ken Conrad-And if we believe in our process, then I would make a recommendation.

Ken Conrad made a motion to recommend the team of Freeman Concrete Construction/CFS Engineers to the City Council for the 2015 Design/Build Curb and Asphalt Overlay Program.

John Burge seconded the motion.

Staff will meet with Freeman/CFS Design/Build team to go over their proposal on project management, communication and project approach they proposed. This is so we are both on the same page and they understand our expectations.

more discussion...

Marsha Monica-I have a comment. I think looking at your cost scores, if cost is a very important item, I think if we really want to look at costs, those margins have to be wider.

David Ley-Or we give more percentage. KCMO does 40%.

Marsha Monica-We go basically from 25 then to 24, then 22 and then down to 11. It would seem like 25 the high, then the next 20, next 15, next 10. Just 2 points in between those, if we are really looking at price.

Carrie Rezac-But those numbers are based on their numbers. So the closer their numbers are, the closer those numbers will be. So I feel that is something we can't control as much as what David was saying; which is the percentage. We said 75% for the proposal then 25% for the cost.

Marsha Monica-Oh, those percentages would change based on what they proposed.-okay.

Marsha Monica-The other part to this that is missing is-we did our scoring, we did the cost, but then the other part is past experience information; which we didn't have.

Andrew Osman-I'm not going to dispute this, but my issue that I had was- you look at the contractors and you look at the history. Granted and you are supposed to only judge what is here, but if you know history and you know certain situations, I didn't know Joe, the situation that occurred two years ago. But when I look at a contractor, I want to make sure they have all their ducks in a row. And if I use a contractor that is subbing things out and doesn't have a process of coordinating, that is what concerns me about Freeman; that ability. I've seen it personally where a guy didn't have control and at the end of the day he hands things over and I was literally walking every step of the way through with the contractor who didn't have that experience of building the building. He had the experience of managing certain aspects, but not the whole thing. Irrespective of what it said here, I have to look at what is presented.

Carrie Rezac-That is why we have to rely on staff as they know the history and offer up if they do want to interview they could go with that. To talk to them about just that issue then maybe that is something we could have a flexibility with the staff.

Chair Rezac-There is a motion on the floor, and a second. Hearing a couple of different things. We need to take a vote. Not sure how comfortable everyone is with Freeman, we can take a vote.

Ken Conrad-We certainly have to somewhere put history into this, but, I think the history of the way we ought to put it into it is there needs to be a discussion when we talk to them about their bid and the fact that they have been awarded and do all of the check boxes for insurance and bonding and all of that kind of thing. And we need to clearly tell them what our expectations are. I think the fact that they weren't allowed to be in the 2014 Program and there was a discussion with the City. You talked about the issues, and maybe this is a little bit pie in the sky, but here's somebody who is trying to grow their

business. And I don't think that we take the past history and down grade their submittal. I think we take their past history and what we've had and make sure we have clear expectations of what we are going to do. And what they are going to do.

Joe Johnson-Right. It would be different if we had an issue with their ability to do the work. Or the ability of their sub; that is not an issue. So I agree with what you are saying. We have the ability to sit down with them and talk up front and say if we go with you guys, you guys have been selected, but the question that needs to be satisfied is that you need to manage this project and you need to manage it right. We need that assurance.

John Burge-Joe, you wouldn't even ask them to submit a bid if you were concerned that it wouldn't be right.

Joe Johnson-Right. And last year we didn't.

Abbas Haideri-So can our recommendation to the Council could be Freeman, with a caveat saying Freeman was picked, but the next selected (highest score) was whoever was next best and say this is how it came about-you choose.

Ken Conrad-They have listened to us. For the most part, they said that they would do the management. Now the question is, will they? Are we going to trust them? And we need to re-iterate that is our expectation. We've told them and this is our system. From my perspective and what I've been involved in this process I would recommend that we follow our system and recommend that we pursue them.

Joe Johnson-I think the system did a good job. I agree. I think we should stand by how things fell out and that be the point that we drive home with them. Make sure that they are on top of it and they need to do what they are supposed to do.

Jim Rawlings-Probably too late for this time as we do have a process. But I am concerned that there isn't some sort of little waiting factor based on your two (staffs) experience in working with these contractors. I don't want to see a change order coming from any one of these people.

Marsha Monica-That is what I'm saying.

Jim Rawlings- I'm comfortable if you (staff) are comfortable with them. Because you have to deal with them every day in the field. And you know what you are going to run into. That is one little element we need to think about for the next go around.

Joe Johnson-Right

Ken Conrad- I totally agree. I think in this instance it is kind of the invitation to submit it sounds like that gives me a level of assurance. That the weigh-in by staff is in this process; not in a point system, but the fact that there is an invitation. The fact that staff before has told the people, we're not going to let you do this and here is the reason why. So as somebody pointed out the fact that staff took these. I'm agreeing with what you are saying. We need somehow to have that assurance.

Jim Rawlings-And we wouldn't be having this conversation if the points were not so close.

James Azeltine-Is Shawn the Inspector that deals directly with this project?

David Ley-Shawn and Danny will be the inspectors on this project.

James Azeltine-So maybe between the four of you.

Marsha Monica-Isn't this when it comes before the Council-Isn't that the point when the Council is going to say we want input from our department to help us make the decision. Isn't that the right time to bring that aspect in?

Carrie Rezac-Personally, as a Councilmember, I would look at what this group did and how they were scored. It was a very thoughtful process and that is one thing I would look at. How thoughtful the process and how realistic it was. And if it looks like it this I would have faith in that process and the fact that everyone here scored them and this is how it came out.

Marsha Monica-The problem is we didn't have that third evaluation piece.

Carrie Rezac-Well if that's that important then maybe we want to talk about that moving forward for

other processes. We can do something similar.

Joe Johnson-To some extent you have that. Like when we do a consultant selection. We bring in four or five firms that we know who we can work with. So however the process gets voted out, we are comfortable with it. Freeman is a good contractor not a bad contractor. They are a good contractor-the part that they need to work on and they may have improved it, is their management style. That's not to say that we didn't have problems last year with Miles. They are a great contractor, but they got spread too thin and we butted heads quite a bit. So it's not the fact that even having a good contractor you may run into those issues. We are comfortable-Freeman does good work, they have a good asphalt contractor. So those are the bulk of the project, so their ability to do the work is not an issue. They just need to do a little better job in coordinating all of that. Not that they didn't do it, they did about 80% of it. 20% we had a headache with, so I think the process worked well. I think you could pick any four of these and they all would perform very well. We will work with Freeman and we will focus on their management and what we did last time and work on public notification. They laid out a pretty good plan in their proposal for that. That probably goes a long way to keep the waters calm when we go in and start ripping up streets and replacing curbs. It is all doable.

Abbas Haideri-To Kens and Carrie's point; the fact that you have faith and invited them (A) and (B) if you did give us history with that cloud, our scoring may have changed and been clouded. So maybe you wouldn't want to make us aware of the history because it would probably cloud our vision.

Joe Johnson-I think it would make it biased.

Marsha Monica-But it is an important aspect and that is why I'm saying it does not have to be when we do this, this is purely a book scoring; which is fine. But at some point it would be good (whether it's the department) that has a third tier down here on the sheet that rates them on how they worked together in the past. Maybe that is 5, 4, 3, 2, 1. Do we need to add that aspect? Not to our part? Going back to what Ken said and you are absolutely right. If you had confidence that these four firms are moving forward then we should move forward.

Chair Rezac-Called for the vote all those in favor of the Motion on the floor to recommend Freeman to the Council for the Design Build Program for 2015, say aye.

All Members present said "aye".

None opposed. Motion passed.

Ken Conrad-Asked for continued input from the staff on those proposed. It's hard to pick out what he finds. Some people commented on how some were more in-depth. The more you do and the bigger you do the more we learn how to do these.

Chair Rezac-Mentioned that Public Works does an evaluation at the end of every project. The Contractors Performance Checklist with their final payment. That information is already out there so you could incorporate that in the packet-what goes to the Committee Members prior to us voting and giving our score. I guess I weigh more on the side of things changing constantly. It is really about the people that are going to be working on the project. It's hard to say because you had problems with one group two years ago. I don't like that biased aspect either. That is my opinion. It's more about the people here today and what they are proposing today. But if we wanted to use something we already have that would be the evaluation that could help the Committee in that aspect. The whole process is subjective. We all look at the same thing a different way. It is up to each individual person as to how they are going to weigh that information included in the packet and the final scores.

Ken Conrad-Regarding the score sheets with the final payments. Do you think this is an acceptable practice if you were to bring forward four proposals and if maybe the question would be if you have worked for the City in the past. First of all we want to know that relative experience. The second thing would be how was that graded and ask them how were they graded and how would you change your project approach and put it in the next proposal. If you were to make that part of a proposal requirement. If you have worked for the City in the past and if so, what was the project close out or any issues how would you propose to address those for this next project? That would give the people

reading the proposal info. And they wouldn't be tainted that things maybe didn't go too well, but there would be a response from the contractor of how they would do it or correct it.

Carrie Rezac-and if that was to be done, would you score it or is it informational only?

Marsha Monica-Just in the proposal. For example on O'Donnell's proposal, they identified what they learned from the project last year. They mentioned the amount of communication and involvement from the residents. ...That the construction shut down at night but the interaction was just beginning in the evening for the residents and the interactions that transpired. They went into detail about things specific to Leawood that they were addressing as the contractor and doing.

Chair Rezac adjourned the meeting at 8:35 AM.

Summary reported by: Julie Stasi, Leawood Public Works Department