

STATE PROPERTIES REVIEW BOARD

**Minutes of Meeting Held On December 19, 2019
450 Columbus Boulevard, Hartford, Connecticut**

The State Properties Review Board held a Regular Meeting on December 19, 2019 in Suite 2035, 450 Columbus Boulevard, Hartford, Connecticut.

Members Present:

Edwin S. Greenberg, Chairman
John P. Valengavich, Secretary
Jack Halpert
Jeffrey Berger
William Cianci

Members Absent:

Bruce Josephy, Vice Chairman

Staff Present:

Dimple Desai
Thomas Jerram

Guests Present

Chairman Greenberg called the meeting to order.

Mr. Halpert moved and Mr. Berger seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

1. ACCEPTANCE OF MINUTES

Mr. Halpert moved and Mr. Berger seconded a motion to approve the minutes of the December 12, 2019 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

PRB #	19-238
Origin/Client:	DAS/CSL
Transaction/Contract Type	RE / Holdover Agreement
Lessor:	Van Block Associates, LP
Property:	Hartford, Van Block Ave (75)
Item Purpose:	Holdover Agreement

At 9:45 AM, Shane Mallory and Thomas Pysh joined the meeting to discuss this proposal with the Board. Both left the meeting at 10:15 AM.

Property Description: Entire single story building with 43,806 NUSF including 5,000 NUSF of office and 38,806 NUSF of archival storage space, with fenced parking for 32 vehicles on 2.11 acre lot. The City of Hartford assessment record describes the building as being constructed in 1970 as a wood framed building with concrete block siding.

Background: On 7/20/2002, the Board approved PRB #00-302 – a five year lease agreement with one five year renewal option. The lessor invested \$51,176 in tenant improvements; the state invested \$295,633. The base rental rate for the initial and renewal terms was \$7.00/NUSF which included maintenance, grounds keeping, snow & trash removal, water, insurance and taxes.

On 9/19/2013, the Board approved PRB #13-168 – a five year lease agreement with one five year renewal option (\$8.15 & \$8.97/sf - +10%). The Lease expired on November 7, 2018 and the State has occupied the Demised Premises on a month-to-month basis.

DAS reports several water intrusions and subsequent roof installation in July 2019. During the construction significant water intrusions resulted in damages to State archives, estimated at \$30,000. The landlord is withholding approximately \$75,000 from the roof repair bill until the contractor resolves its issue with the State. As a result of the water intrusions, DAS did not exercise their right to renew the Lease in 2018.

In this proposal before the Board, DAS is requesting approval to enter into a Holdover Agreement for up to 18 months, retro-active to August 2, 2019, to provide continued occupancy of this space to allow the State and DAS the necessary time to resolve the issue with the roofing contractor and prepare a new Lease. The proposed Holdover Agreement includes a 10% rate increase to \$8.96/sf (up 10% from \$8.15/sf), the same rate contained within the original Lease, first renewal option.

There are currently 18 employees at this location. The possibility of utilizing either existing state-owned space or purchasing a building was also considered.

DESCRIPTION	Expired Agreement	Proposed Holdover
NUSF	43,806	43,806
Lease Term	5 years	5 years
Base Rent	\$8.15/nusf = \$357,018.90/year	\$8.96/nusf = \$392,720.80/year
Additional Rent	Same + recycling; also 100% of any increase in real estate taxes over the current base.	Same + recycling; also 100% of any increase in real estate taxes over the current base.
Lessor Allowance for TI	None	None
Lessee Contribution to TI	None	None
Normal operating hours	Same	Same
Parking	Same	Same
Renewal Option Term	5 years @ \$8.96/nusf (+10%) 5 years @ \$9.86/nusf (+10%)	None
Paint/Carpet	See note below	None.
Termination Clause	After year 3, Lessee may terminate but only if relocating to state-owned space. 180 days notice required.	
Other	See Exhibit D & note below	
Option to Purchase	See Exhibit H & note below	

Staff had several issues to be addressed by DAS Leasing, including:

- In the DAS Lease Proposal Evaluation and Summary Item #15 – Lease Compliance Status - states the Lessor is compliant. Please provide a copy of the Lease Compliance Officer’s written report(s) to the Board.
 - DAS Response: DAS provided the Report.

✓ Staff Response: DAS provided the Compliance Report (dated 11/3/2019) and it identifies the building is not compliant in many areas (see attached) of the building. Exhibit D requires annual carpet cleaning and annual interior/exterior window washing which, according to the Compliance Report, have not been done on a regularly-scheduled basis. I'm not sure what the value of these annual expenses are, but clearly, the State has not received these services and the Lessor has unjustly benefitted by not expending the funds to effect the work. Another item is reimbursement of up to \$450 for bottled water annually for the term of the lease including any renewals. Other items in the Compliance Report should be covered in Exhibit D under "Building Maintenance-Lessee Areas" as well as Sections 4.05 & 4.08 of the Lease and possibly Section 4.02 of the Lease and 17.11(c) of the Lease.

- Has DAS pursued any credits from the Lessor for a reduction in property taxes below the 2014 Base Year for the 2017 and 2018 Grand Lists?

- DAS Response: We have not received the tax credits, due to work load we are behind but will get them. Attached is the inspection report, nothing of significance. Please keep in mind that this is a hold over, should we finalize a long term lease we'll have everything in place.... the Board didn't identify it, we already knew about it. We are short staffed and haven't got to it and since this is a holdover we processed it. I have copied Tom to see if he can get the letter out soon, but again we are way over loaded.

- ✓ Staff Response: Upon receiving the above response, staff again followed up and inquired whether the letter went out to the lessor seeking credits.

- DAS Response: We haven't sent the letter out because we didn't want to upset the lessor until the holdover was approved. Then I plan on sending the letter out.

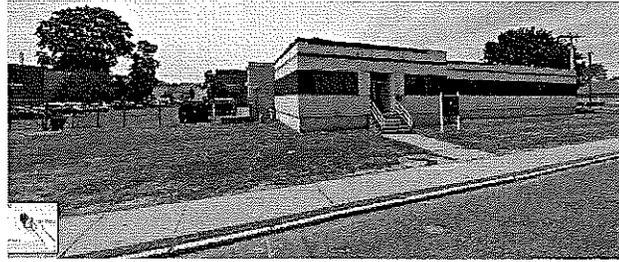
- ✓ Staff Response: Lease expired on November 7, 2018; the letter seeking credit should have been initiated after each installment of the tax due date - July 2018, Jan 2019, and July 2019. The request for holdover was submitted to DAS on June 13, 2019. Staffing issues or upsetting lessor are not reasons not to seek credits due to State.

Staff has identified that if DAS had followed through with the lessor, following credit would have been received by the State:

			Credit Due
Base Year	2014	\$99,580.54	
	2017	\$96,143.16	-\$3,437.38
	2018	\$96,143.16	-\$3,437.38
			-\$6,874.77

In summary, staff recommends that these three issues be addressed: (1) expenses related to annual cleaning; (2) tax credits and (3) water bottled water reimbursement of up to \$450 annually should have been discussed during the holdover agreement negotiations.

RECOMMENDATION: There are two options: (1) **SUSPEND** it until DCS addresses the issues raised above; or (2) **REJECT** and have DCS resubmit the proposal after they have addressed the issues.



4. REAL ESTATE – NEW BUSINESS

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session and into Executive Session at 9:58. The motion passed unanimously.

EXECUTIVE SESSION

PRB #: 19-242
Transaction/Contract Type: RE/ New Lease
Origin/Client: DAS/DDS

Statutory Disclosure Exemptions: 4b-23(e), 1-200(6)(D) & 1-210(b)(24)

PRB #: 19-243
Transaction/Contract Type: RE/ New Lease
Origin/Client: DAS/DDS

Statutory Disclosure Exemptions: 4b-23(e), 1-200(6)(D) & 1-210(b)(24)

PRB #: 19-253
Transaction/Contract Type: RE/ Purchase & Sale Agreement
Origin/Client: DAS/BOR

Statutory Disclosure Exemption: 1-210(b)(24)

At 10:03AM, Shane Mallory and Thomas Pysh were invited into the Session to discuss this proposal with the Board.

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Executive Session and into Open Session at 10:26. The motion passed unanimously.

PRB # 19-244
Origin/Client: DAS/DAS
Transaction/Contract Type RE / Lease Out
Lessee: Respler Homes, LLC
Property: Groton, Oral School Rd (240) – Mystic Oral School
Item Purpose: New 18-month Lease

DAS Proposal: Lease Out Agreement \$1.00 per 18-month term.

Pursuant to Section 3 of Public Act 15-193 the Department of Economic and Community Development has entered into a Purchase and Sale Agreement (PSA) to sell the state-owned

Mystic Oral School to Respler Homes, LLC. The Office of the AG approved the PSA on November 13, 2019.

One of the buyer's contingencies to the purchase is entitlement approvals. Respler has concluded the approval process will likely take approximately 18 to 36 months, should a lawsuit be filed regarding their development plans. Respler has voiced their concern that as the buildings continue to sit vacant and shuttered, their condition will further deteriorate and the potential for vandalism could escalate. In an effort to preserve the property in its current condition, during the approval process, Respler has requested that they be allowed to take protective measures to mitigate deterioration. These preventative measures may include the opportunity to installing lighting, security cameras and dehumidifiers in certain areas of the buildings that are prone to mold. Section 5 of the Lease specifically requires the Lessee to maintain the buildings in their current condition.

As a solution to this, the State has agreed to lease the property to Respler for an eighteen (18) month term, with one twenty four (24) month extension term, for the sole purpose of allowing Respler to implement protective measures. The lease is tied to the PSA and terminates upon the closing or early termination of the PSA. This Lease includes the State's interest in two existing third-party telecom leases on the property between DAS/Sprint and DAS/Verizon. Respler will collect the income from the telecom Lease-Outs, to be used exclusively to offset Respler's operating costs at the site. The current total income from the telecom leases to be transferred is \$66,224, which increases annually by 3%. Section 1.3 of the Lease-Out prohibits the lessee from terminating or assigning the telecom leases.

All responsibility for operating costs will be transferred from DAS to Respler through this lease-out. DAS is currently spending approximately \$50,000 annually to operate the property, not including lawn maintenance, snow removal or labor for miscellaneous repairs such as window board ups. The Lessee will be responsible for electric, water, rubbish removal, snow removal, lawn maintenance and window/door board ups as needed. The base rent is \$1.00 per year.

Description	Lease Out Proposal
Leased Premises	240 Oral School Rd, Groton
Use	Vacant Mystic Oral School
Lease Term	18-months, commencing upon approval of AG
Base Rent	\$1 per the term. \$1 per the 24-month renewal term.
Lessee responsibilities	Lessee is responsible for making temporary repairs, alterations and related activities to protect the property from further deterioration.
Insurance	Commercial General Liability: \$1 million; Workers' Compensation as required by law; Employer's Liability Insurance (Lease, Article 10)
Assignment	Lessee may not assign or sublet without prior written consent, which consent may be withheld at Lessor's sole discretion.
Termination	Lessor- may cancel immediately in event of default Automatic cancellation upon termination of PSA, or closing on the property

Staff had the following inquiries regarding this proposal:

- Please provide a copy of the correspondence to the Treasurer of the State of Connecticut regarding the lease of state-owned property pursuant to CGS §4b-38(a);

- ✓ Staff Response: DAS presumes the Lessee will expend 100% of 3rd party rental income on fulfilling the obligations of Section 4, 5, 9 & Exhibit C; however, nothing in the Lease compels the Lessee to do so and there is no mechanism to recoup any rental income not expended by Lessee.

RECOMMENDATION: SPRB staff recommendation of this 18-month Lease Out is contingent upon DAS response to the Lessee's expense of 3rd party rental income and receipt of the Treasurer's approval of the lease pursuant to CGS 4b-38.

1. This Lease Out is a byproduct of PA 15-193(3), an economic development initiative returning state-owned brownfield properties to productive use;
2. The Lease Out is contemplated in the PSA approved by the AG on November 13, 2019;
3. Upon completion of the development, the property will be returned to the local tax rolls; and
4. OPM Secretary Melissa McCaw approved of the Lease on November 25, 2019.

PA 15-193, Section 3:

Sec. 3. Section 24 of public act 11-1 of the October special session is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) The Department of Economic and Community Development, in consultation with the Department of Energy and Environmental Protection, shall identify, market and remediate five geographically diverse state-owned or formerly state-owned brownfields from the priority [brownfield] list established pursuant to subsection (b) of this section. Selection of brownfields shall be in accordance with the provisions of subsection (c) of this section.

(b) On or before January 1, [2012] 2016, the Department of Economic and Community Development shall develop a priority list of [eligible] state-owned and formerly state-owned brownfields to be marketed and remediated based on criteria to include, but not be limited to, [state-owned] brownfields that (1) have economic development viability, (2) [have a predetermined end use, (3)] are located in a municipality with an unemployment rate that exceeds the state's average unemployment rate, [(4)] (3) have access to transportation or other infrastructure, [(5)] (4) are of an environmentally urgent nature, [(6)] (5) the development of which would be consistent with the state plan of conservation and development, and [(7)] (6) the transfer of which to a private party would not conflict with state law or process.

(c) The Department of Economic and Community Development shall solicit proposals from companies interested in purchasing any of the state-owned brownfields on the priority list developed pursuant to subsection (b) of this section. The Commissioner of Economic and Community Development (1) shall review proposals, match up to five of the state-owned brownfields with companies, and sell, notwithstanding chapter 59 of the general statutes, prepermitted, cleaned sites to the selected companies, and (2) may remediate [one of] the brownfields on said priority list without identification of a specific commercial purchaser.

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

PRB #	19-181
Origin/Client:	DCS/DCS
Transaction/Contract Type	AE / On-Call Engineer-Energy Consulting Contracts
Contract:	OC-DCS-ENGY-0025
Consultant:	Fuss & O'Neill, Inc
Item Purpose:	New On-Call Consultant Contracts

PRB # 19-182
Origin/Client: DCS/DCS
Transaction/Contract Type AE / On-Call Engineer-Energy Consulting Contracts
Contract: OC-DCS-ENGY-0026
Consultant: Colliers Project Leaders USA NE, LLC
Item Purpose: New On-Call Consultant Contracts

PRB # 19-183
Origin/Client: DCS/DCS
Transaction/Contract Type AE / On-Call Engineer-Energy Consulting Contracts
Contract: OC-DCS-ENGY-0027
Consultant: WSP USA, Inc.
Item Purpose: New On-Call Consultant Contracts

PRB # 19-184
Origin/Client: DCS/DCS
Transaction/Contract Type AE / On-Call Engineer-Energy Consulting Contracts
Contract: OC-DCS-ENGY-0028
Consultant: Diversified Technology Consultants, Inc.
Item Purpose: New On-Call Consultant Contracts

December 16, 2019 Update:

At its meeting held on September 5, 2019, the State Properties Review Board voted to suspend this series of On-Call Contracts pending response to the following issues:

1. DCS clarification whether the 48 general liability or professional policy loss or claims over the last five years against Fuss and O'Neill were discussed in general and whether the outcomes of the claims will impact the Consultant's insurance coverage/liability and qualification of this consultant.

DCS Response: Interviews are not part of the on-call procurement process. Selections are based upon submitted qualifications. The forty eight claims identified by SPRB, therefore, were not discussed with the firm prior to selection. See Conn. Gen. Stat. Sec. 4b-57(c); Form 1300 RFQ Web Advertisement For On-Call Energy Consultant Services, Paragraph 16; and, 0330 On-Call Consultant Services Selections & Task Assignment Procedure Manual (Manual). The final selection of the firm is conditional upon the firm submitting various professional credentials, business credentials and insurance requirements for DAS review and approval. See Manual, Article 13.1. Information about the requirements for professional credentials, business credentials and insurance requirements are explained in Form 1150 Credentials and Insurance Requirements. Concerning the insurance requirements, the Consultant is required to provide an insurance certificate with the mandated coverages, a statement from the Consultant's insurance agent or company, and five year professional liability and claims history. The statement of the agent or company confirms that he or she has reviewed the current claims and that the Consultant has sufficient coverage reserves to handle open claims while still providing the required coverage reserves for the DAS contract. Please note, in addition, that the on-call contract states in Paragraph R that, "If any claims are paid against its professional services liability insurance policy, Engineer agrees to purchase additional insurance in order to maintain the minimum coverage of \$1,000,000 each occurrence and per aggregate."

For this on-call contract, the Consultant's insurance company's statement (Statement) identified forty eight claims/incidents reported by the Consultant to its professional liability policy carrier. As to the claims at issue, there are three open items, \$1,951 paid on three closed claims and

thirty nine claims carrying the status of "N/O" or *notice only*. Of the three open claims, two are personal injury claims. In this case, the firm is carrying professional liability insurance in the amount of \$5,000,000 per claim and \$5,000,000 aggregate, or five times the amount mandated by the DAS contract. OK

2. DCS clarification whether the 20 general liability or professional policy loss or claims over the last five years against WSP USA were discussed in general and whether the outcomes of the claims will impact the Consultant's insurance coverage/liability and qualification of this consultant.

DCS Response: As to the number of claims in general, the Consultant employs over 6,500 professional and support personnel, who are located throughout North America. Its work encompasses the design of complex highway interchanges, new commuter rail systems, bridges, parks, schools and greenways. It would seem reasonable that a large multi-state company engaged in these types of projects, would experience a higher number of incidents or claims. That being said, the claims history provided was for a period of ten years and if looking at the five year horizon there were only five claims made with three remaining open. Of these three claims, one involves the work of a subconsultant to the Consultant. All three of these claims occurred in states other than Connecticut, and are being contested by the firm. OK

3. Please clarify the divergence between the Consultant's hourly rates and whether those rates were negotiated between DCS and the Consultants.

DCS Response: We received rates from each of the four firms. Upon receipt, I reviewed the rates. I requested a reduction in rates from one firm for certain positions, in order to bring the rates more in line with the other three firms. While there may remain difference among the firms' rates, there are difference among the firms themselves, from smaller Connecticut based firm to firms with offices along the East coast and Midwest. In addition, the rates assigned by the firms can vary by position. For example, one firm may have the highest Principal in Charge Rate, but the lowest rate for a Senior Engineer. Taking the rates for each firm and all the firms as a whole, DAS believes that the rates are reasonable under the circumstances. OK

RECOMMENDATION – Staff recommend **APPROVAL** of the four On-Call Contracts that have a maximum total cumulative fee of \$300,000 per contract and a common expiration date of 11/30/2021.

This is the 6th series of On-Call Engineer-Energy Consulting Contracts awarded by the Department of Construction Services ("DCS") since 2003. The four (4) On-Call Contracts that are the subject of this memorandum have a maximum total cumulative fee of \$300,000 per contract and a common expiration date of 11/30/2021. The prior series of On-Call Scheduling Consulting Contracts expired on 04/30/2019.

DAS/DCS has made some minor revisions to the boilerplate contract for this series to include:

- Removal of references to Division of Construction Services (DCS);
- Expanded *Indemnification* language;
- Expanded *Suspension of the Work* language;
- Expanded *Termination of Contract* language; and
- Addition of *Notices* clause.

The 5th series of On-Call Engineer-Energy Consulting Contracts was approved by the Board in January 2015 under PRB Files #15-005 and #15-008. A contract amendment extending the

expiration date until April 30, 2019 was approved under PRB #16-290 to #16-292 for three of the four Consultants. Only two (2) of the firms under this current 6th series RFP submittal have been previously approved for *Engineer-Energy Consulting On-Call Contracts*: Fuss & O’Neill, Inc. and Diversified Technology Consultants, Inc.

A Request for Qualifications (RFQ) for the consultant services was released on April 11, 2019 and elicited nine responses. All respondents were considered “responsive” to the submittal requirements and as such interviewed. The State Selection Panel consisted of three members and rated each firm based upon a weighted ranking system.

At the completion of the State Selection Panel process; DCS Management Team reviewed the results and recommended the approval of four firms under this series. This submittal is for SPRB review and approval of the following four firms under this series.

PRB 19-181 – Fuss & O’Neill, LLC (“MEL”) originally established in 1971, has a staff of 200± employees including 6 project executives, over 20 professional engineers and 9 construction project managers. The company has been awarded four (4) On-call Contract with the DCS in the past two years and has been not been awarded a formal contract over the past two years. FO has been awarded the following contracts:

OC-DCS- OC-DCS-ENGY-0020

- Task Letter#1A Energy Upgrades DOC Wethersfield \$84,476 (PRB #18-216)

OC-DCS- OC-DCS-MDE-0035

- Task Letter #1 Higgins Hall Reno. WCSU, Danbury \$18,760 (Informal)
- Task Letter #2 Barnard Hall Reno. CCSU, New Britain \$18,761 (Informal)
- Task Letter#3 CT Mental Health Center, New Haven \$90,100 (PRB #18-144)

\$127,621

FO’s Joint Practice Corporation License (JPC.0000072) with the CT State DCP is active. Ames and Gough Inc. reported that FO has had 48 professional or general liability policy loss or claims during the past 5 years; five of these claims were dismissed, three of the claims were settled for less than \$2,250 each, and the balance of the claims are still open without loss reserves identified. FO scored a total of 300 out of a possible 300 points and was identified as the most qualified firm.

PRB 19-182 – Colliers Project Leaders USA NE, LLC (CPL) established in 2019 with its acquisition of Strategic Building Solutions, has a local staff of 8± employees including 1 senior director, 1 project director and 2 senior project managers. CPL has retained RZ Design Associates, Inc. as a sub-consultant for design and construction documents. The company has been awarded the following On-call or Formal Contract with the DCS in the past two years.

OC-DCS-CA-0026

- Task Letter #1 Parking Garage Repairs, Housatonic CC \$277,400 (PRB #17-151*)
- Task Letter #2 Ana Grace Academy of the Arts \$489,000 (PRB #18-209)
- Task Letter #3 Harkness Mansion – Maintenance Plan \$15,400 (Informal)

Total Fee to Date: \$781,800

*PRB 17-151, approved by the Board on July 6, 2017, was originally presented under DCS Contract OC-DCS-CA-0019, Task Letter #8. Subsequent to Board approval, the contract expired on June 30, 2017. DCS Staff informed Board Staff that at that time it was agreed to utilize the new On-Call Contract approved by the Board on June 8, 2017.

CPL will be operating under its Senior Director’s Engineering License (**PEN#0020393**). Smith Brothers Insurance reported that CPL has incurred two general liability or professional policy loss or claims during the past 5 years. One claim with the City of Hartford was closed (\$0) and one claim with O&G remains open. CPL scored a total of 298 out of a possible 300 points.

PRB 19-183 – WSP USA, Inc (WSP) is located in New York City. Parsons Engineering was established in 1985. WSP acquired Parson Brinckerhoff, Inc. in 2014 and rebranded the firm as **WSP USA, Inc.** in 2016. The company has not been awarded an On-call Contract with DCS in the past two years.

DCS presented BI-JA-465-ARC in the amount of \$2,967,170, for WSP USA, Inc. to provide ARC Services for the York Correctional Central Plant & Distribution System Project approved by the Board under PRB #17-197.

WSP will be operating under its professional engineering corporation license PEC.0000055. Arthur J. Gallagher & Co. reported that WSP has incurred 20 general liability or professional policy loss or claims during the past 5 years. Three claims remain open. None of these claims involved state-related projects. WSP scored a total of 258 out of a possible 300 points and was the third most qualified firm.

19-184 – Diversified Technology Consultants, Inc., LLC (DTC) originally established in 1979. DTC has a local staff of 52 employees including 10 civil engineers and 20 engineer design professionals for various disciplines. The company has been awarded _____ On-call Contracts and has not been awarded a formal contract with the DCS in the past two years. DTC has been awarded the following contracts:

DTC’s Engineering Corporation License (PEC.0000234) with the CT State DCP is active. Smith Brothers Insurance, LLC reported that DTC has been exposed to one professional policy or liability loss or claim during the past 5 years and that it is closed. It was not determined if it was related to a project with the State of Connecticut. DTC scored a total of 244 out of a possible 300 points and was identified as the fourth most qualified firms.

A summary of the Consultants’ professional fee schedule is as follows:

Fuss & O'Neill	Proposed	Colliers Project Leaders	Proposed
Officer/Principal	\$220	Officer/Principal	\$215
Project Manager	\$162	Project Manager	\$150
Senior Engineer	\$108	Senior Engineer	\$165
Engineer 2		Engineer 2	
Engineer	\$100	Engineer	\$150
Senior Designer	\$108	Senior Designer	
Designer	\$100	Designer	
Field Engineer	\$96	Field Engineer	\$120
CAD Operator	\$96	CAD Operator	
Administrative Assistant	\$69	Administrative Assistant	\$110
WSP USA, Inc.	Proposed	Diversified Technology	Proposed
Officer/Principal	\$220	Officer/Principal	\$200
Project Manager	\$185	Project Manager	\$180
Senior Engineer	\$175	Senior Engineer	\$165
Engineer 2		Engineer 2	
Engineer	\$155	Engineer	\$140
Senior Designer	\$155	Senior Designer	\$165
Designer	\$145	Designer	\$120
Field Engineer	\$155	Field Engineer	\$95
CAD Operator	\$125	CAD Operator	\$90
Administrative Assistant	\$72	Administrative Assistant	\$85

Staff have requested clarification of the following issues:

1. Please provide a Task Log for the Consultants under OC-DCS-ENGY – 0021-0024.
2. DCS clarification whether the 48 general liability or professional policy loss or claims over the last five years against Fuss and O’Neill were discussed in general and whether the outcomes of the claims will impact the Consultant’s insurance coverage/liability and qualification of this consultant.
3. DCS clarification whether the 20 general liability or professional policy loss or claims over the last five years against WSP USA were discussed in general and whether the outcomes of the claims will impact the Consultant’s insurance coverage/liability and qualification of this consultant.
4. Please clarify the divergence between the Consultant’s hourly rates and whether those rates were negotiated between DCS and the Consultants.

RECOMMENDATION – Staff recommend **suspension** of the four On-Call Contracts that have a maximum total cumulative fee of \$300,000 per contract and a common expiration date of 11/30/2021, pending a response to Board inquiries.

From PRB #16-290-#16-292

This series of On-Call Energy Consulting Contracts was approved by the Board in January 2015 under PRB Files #15-005 through #15-008. This was the 5th series of On-Call Energy Consulting Contracts awarded by the Department of Construction Services (“DCS”) since 2003 and included four firms. DCS is resubmitting three of the four firms to the Board for approval under a contract amendment to extend the expiration date until April 2019. The current maximum contract value will remain at \$300,000. The fourth firm Alternative Resource Management is no longer in business in CT.

RECOMMENDATION – Board approval for the following firms to have the contract expiration date extended to April 30, 2019 while maintaining the current contract value of \$300,000 is recommended. Each consultant has also provided the required updated Gift/Campaign and Consulting Affidavits accompanied by appropriate Corporate Resolutions.

PRB # 16-290, Fuss & O’Neill, Inc.....Contract #OC-DPW-ENGY-0021
 PRB # 16-291, SourceOne, Inc.....Contract #OC-DPW-ENGY-0022
 PRB # 16-292, Diversified Technology Consultants, Inc....Contract #OC-DPW-ENGY-0024

From PRB #15-005-#15-008

The original project approval memo is as follows:

This is the 5th series of On-Call Energy Consulting Contracts awarded by the Department of Construction Services (“DCS”) since 2003. The four (4) On-Call Contracts that are the subject of this memorandum have a maximum total cumulative fee of \$300,000 per contract and a common expiration date of 4/30/2017. This contract series has been developed for the purposes of procuring consultant services required for energy management and conservation related building improvement and upgrade projects. DCS has made some minor revisions to the boilerplate contract for this series to include the following; updated DAS statutory references, updated DAS Sexual Harassment Policies and revised sovereign immunity language.

The 4th series, awarded in 2011, had a term of 24 months and a maximum total cumulative fee of \$400,000/contract. Out of the first four (4) selected firms recommended under this current 5th series RFQ, Fuss & O’Neill Inc. was awarded contracts under the 2nd, 3rd and 4th series. Alternative

Resource Management was awarded a contract under the 1st, 2nd series and 4th series. Diversified Technology Consultants, Inc. was awarded a contract under the 4th series and this is the first time that SourceOne, Inc. has been awarded a contract under this on-call series.

A Request for Qualifications (RFQ) for the consultant services was issued in February 2014 and elicited 13 responses. All of the respondents were considered “responsive”. Thereafter, the DCS selection panel began the process of evaluating all 13 proposals. The State Selection Panel consisted of 5 members and rated each firm based upon a weighted ranking system with the following scoring methodology:

<i>Experience with Work of Similar Size & Scope</i>	<i>35 Points</i>
<i>Organizational / Team Structure</i>	<i>30 Points</i>
<i>Past Performance Record</i>	<i>20 Points</i>
<i>Partnering Experience</i>	<i>15 Points</i>
TOTAL POINT VALUE	100 Points

RECOMMENDATION – Board approval of the following four (4) firms as potential energy consultants for projects of various sizes and scope is recommended. All four consultants provided the required insurance, Gift/Campaign and Consulting Affidavits accompanied by appropriate Corporate Resolutions. The four firms recommended for approval at this time are the following:

- PRB # 15-005, Fuss & O’Neill, Inc.....Contract #OC-DCS-ENGY-0021
- PRB # 15-006, SourceOne, Inc.....Contract #OC-DCS-ENGY-0022
- PRB # 15-007, Alternative Resource Management, Inc..... Contract #OC-DCS-ENGY-0023
- PRB # 15-008, Diversified Technology Consultants, Inc..... Contract #OC-DCS-ENGY-0024

Fuss and O’Neill Inc.(FO) originally established in 1971, has a staff of 200± employees including 6 project executives, over 20 professional engineers and 9 construction project managers. The company has been awarded one (1) On-call Contract with the DCS in the past two years and has been not been awarded a formal contract over the past two years. FO has been awarded the following contract:

- 1. 6/2012 On-Call CIV Consultant PRB #12-055 NTE \$300,000

FO’s Joint Practice Corporation License (JPC.0000072) with the CT State DCP is active. Ames and Gough Inc. reported that FO has had over thirty professional or general liability policy loss or claims during the past 5 years; five of these claims were dismissed, seven of the claims were settled for less than \$5,000 each and the balance of the claims are still open without loss reserves identified. FO scored a total of 305 out of a possible 400 points and was identified as one of the most qualified firms.

SourceOne Inc., (SOI) is located in Boston was originally established in 1997. More recently the company was acquired by Viola Energy, Inc. SOI operates an independent subsidiary of Viola Energy. SOI has a local staff of 20± employees including 2 project executives, over 10 professional engineers and 1 construction project manager. The company has not been awarded an On-call Contract or Formal Contract with the DCS in the past two years.

SOI’s Engineering Corporation License (PEC.0001401) with the CT State DCP is active. Marsh Insurance Company reported that SOI has not had a professional policy loss or claim during the past 5 years. SOI scored a total of 293 out of a possible 400 points and was identified as one of the most qualified firms.

Alternative Resource Management Inc., LLC (ARM) originally established in 1983, has a staff of 5± employees including 1 project executive and 2 professional engineers. ARM will be partnering with Musco Engineering Associates Inc. to increase personnel capacity for this project. The company has not been awarded an On-Call Contract or a formal contract with DCS over the past two years.

ARM's Engineering Corporation License (PEC.0000483) with the CT State DCP is active. Camilleri and Clarke Insurance Company reported that ARM has not had a professional policy loss or claim during the past 5 years. ARM scored a total of 312 out of a possible 400 points and was identified as one of the most qualified firms.

Diversified Technology Consultants, Inc., LLC (DTC) established in 1979, has a staff of 70± employees including 2 project executives, over 10 professional engineers and 5 construction project managers. The company been awarded one (1) On-call Contract with the DCS in the past two years but has not been awarded a formal contract over the past two years. DTC has been awarded the following contract:

- | | | | |
|-----------|------------------------|-------------|-----|
| 1. 9/2012 | On-Call MEP Consultant | PRB #12-239 | NTE |
| \$500,000 | | | |

DTC's Engineering Corporation License (PEC.0000234) with the CT State DCP is active. RSA Insurance Company reported that DTC has had five (5) professional policy or general liability losses or claims during the past 5 years. All of these claims are currently open with loss reserves not yet established. DTC scored a total of 306 out of a possible 400 points and was identified as the one of the most qualified firms.

PRB #	19-234
Origin/Client:	DCS/CCSU
Transaction/Contract Type	AE / Amendment #1
Project Number:	BI-RC-393
Contract:	BI-RC-393-ARC
Consultant:	Sasaki Associates, Inc. (SAI)
Property:	New Britain, Stanley St (1615) – Kaiser Hall
Project purpose:	New Kaiser Hall Annex & Kaiser Hall Renovation
Item Purpose:	Amendment #1

DECEMBER 19, 2019 UPDATE

Proposed Amount: \$335,702

At the State Properties Review Board meeting held on November 18, 2019, the Board voted to suspend this file pending DCS' submission of a supplemental memo clarifying issues raised by the Board during their review of this file with DCS staff present – Kevin Kopetz, Peter Simmons, and Rahul Abraham.

DCS has responded to the issues raised by the Board as follows:

1. Early Start: (\$36,005) – This has been eliminated from the original contract.
Staff Response: The Consultant was required to perform this work regardless of Early Start reported by DCS.

2. Extended Construction Administration Services to support LBI: (\$174,428) The amendment requests for \$174,428.00 to compensate the Architect for construction administration services above and beyond standard practices to support the general contractor (LBI), including additional on-site observations, coordination, redesign of contract details for the benefit of LBI, additional quality control oversight, submittals and RFIs. (DAS plans to claim this amount from the contractor since this expenditure was caused due to the poor performance of the contractor.)

Staff Response: This remains unchanged from original contract.

3. Additional Construction Administration Services past the contractual substantial completion date until August 31, 2019: (\$39,151) The Architect's original contract included CA services during the construction phase, which was estimated to be 16 months until substantial completion and 90 days for closeout. LBI's latest schedule update shows a substantial completion date of August 23, 2019. Based on the current progress of the work, I believe LBI will not be able to meet the August 23, 2019 date. The amendment requests for \$39,151 to compensate the architect for the services to be provided from June 15, 2019 through August 31, 2019. The coverage is based on spending a total of 319 hours per month between Sasaki and their sub-consultants. This fee is calculated after accounting for the 10% additional time owed to the state per paragraph VII. C of the Terms and Conditions of the original contract.

Staff Response: DCS is now requesting additional CA services past the contractual date until substantial completion, now considered December 31, 2019 (see Item #4 below).

4. Additional Construction Administration services required from Sept 1, 2019 thru Dec. 31, 2019: (\$122,123) DAS requests to carry an allowance of \$100,000 in the contract amendment to compensate the design team for the time spent after August 31, 2019 as DAS still does not have a realistic substantial completion date. This amount will be paid on a time and expenses basis based on the backup information provided by the design team. At the end of the project, DAS will report to SPRB the total spent on this item with the backup information.

Staff Response: DCS is requesting approval of \$161,274 to compensate the Consultant for the additional services, an increase from the original \$39,151 through 8-31-19. Additionally, DCS has removed the request for a \$100,000 allowance for CA services from 8-31-19 to 12-31-19.

In conclusion, in response to Board concerns raised at the November 18th meeting, DCS has revised Amendment #1 to the contract requesting Board approval of \$335,702, a decrease of \$13,882, from their original \$349,584 request submitted in November.

RECOMMENDATION: Board recommendation is contingent upon DCS presentation to the Board at their regularly-scheduled meeting. The overall basic service rate of 10.18% exceeds the established guideline rate of 8.5% for this Group B New Construction Project.

The Board's approval is based on the representations from DCS's ADPM and PM that accumulated assessed Liquidated Damages against the General Contractor will be utilized to compensate the Consultant \$335,702 for their Services. Ultimately, this cost is not paid by the State constituting savings.

November 18, 2019 Meeting

Note: At 9:37AM Kevin Kopetz, Peter Simmons and Rahul Abraham joined the meeting regarding this proposed Amendment #1 and left the meeting at 10:50AM.

Discussion summary:

DCS informed the Board that this is a unique situation. SAI has informed DCS in writing via email that they cannot provide additional support because the contract for additional funds have not been

approved. Board asked DCS how is this proposal rejection different that the previous rejections since 1975. DCS informed that the funds for this amendment will come from LBI's retention of funds from LBI's payment requisition/invoice and not from State budget. DCS has retained \$110,530 from LBI's September 2019 invoice. These funds will be used to and will be the source of funds to pay for this amendment. DCS also informed the Board that there is 7.5% retainage in the amount of \$1.3 million. DCS has assessed \$892,815 in liquidated damages until September 30, 2019. In aggregate there will be about \$2.2 million available to DCS to recover liquidated damages. Obviously LBI can put a claim against the State. If that is the case, final determination will be made via arbitration or legal action. Consequences of not approving this amendment is that the consultant will not be able to help in closing out this project, build a claim against LBI, etc.

DCS will be submitting a revised memo identifying additional costs which will be paid via the funds retained by DCS from LBI's invoices. \$100,000 allowance be revisited. Everybody agreed that the funds for this amendment will not be State funds but funds collected from LBI.

NOVEMBER 15, 2019 UPDATE

PROPOSED AMOUNT: \$349,584

At the State Properties Review Board meeting held on September 23, 2019, a motion to approve Amendment #1 under Board File #19-192 failed.

DCS has now resubmitted this Amendment #1 for Board review and action, with the following changes to the original proposal DCS submitted to SPRB under Board File #19-192:

1. In the last two sentences of the 3rd paragraph (pg 1) of the DCS Memo to SPRB, DCS communicates that the Lawrence Brunoli, Inc (LBI) schedule was changed to show a substantial completion date of November 25, 2019 (from 8-23-19 original date); however, the DCS team does not believe this to be attainable, with no realistic completion date available at this time.
2. In the 3rd paragraph (pg 2) of the DCS Memo to SPRB, DCS communicates under request #3 that again the LBI schedule was changed to show a substantial completion date of November 25, 2019 (from 8-23-19 original date); and requests approval of a \$39,151 payment to the Consultant for additional CA Services provided during the period of August 3 to August 31, 2019. Under PRB #19-192, DCS requested approval of a \$39,151 payment to the Consultant for the period of June 15 to August 31, 2019 (319 hours total). Pursuant to the Consultant's original Contract (Section 7.C), the Board identified that the Consultant can only be compensated once the Consultant's construction duration exceeded 10 percent of the original time. In this scenario, the Notice to Proceed was February 13, 2018, construction duration was 486 days, a 10% over run was an initial 49 days, or August 3, 2019.
3. In the last two sentences within the 3rd paragraph (pg 2) of the DCS Memo to SPRB, DCS communicates to the Board the following: *"DAS has notified LBA via its letter dated September 27, 2019 that the State has assessed LBI \$892,815 in liquidated damages until September 30, 2019 and collected \$110,539 from the September 2019 payment application, and the balance is planned to be collected from future payment applications. The liquidated damages monies will be used to compensate the architect for the additional services incurred due to the GC's failure to complete the project on time."*

There are changes to the Budget included in the DCS Memo to SPRB, including a +\$15,221 to the construction budget and a +\$892,813 to the overall budget.

There do not appear to be any changes to the Consultant Contract.

Staff comments - Staff met with DCS staff. They informed us that if this architect contract is not amended (additional funds approved), the architect will not be providing services going forward. This will leave DCS without closing the project in a timely manner. Consultant may also put a claim against DCS for non-payment. DCS has reiterated that liquidated damages monies that they are trying to pursue from the contractor will be used to pay for the architect's additional services. DCS is trying to get handle on this situation and trying to recoup monies from the contractor as part of liquidated damages assessment. However, following questions needs to be answered which may change the outcome of the claim. Also, allowance for CA services in the amount of \$100,000 should not be approved regardless of the outcome of the other items.

1. Has the Architect given a written notice that he will not provide services beyond certain time?
2. Will contractor continue the work if DCS is not paying the contractor's invoices as submitted for the work completed?
3. What is the outstanding payment left to be paid to the contractor? DCS has assessed \$892,815 in liquidated damages and have collected \$110,530 from Sept. invoice (\$782,285 left)
4. Is there any response from the contractor on this reduction of \$110,530? Has the contractor notified in writing or verbally that he will stop the work?
5. Am I correct in assuming that if the contractor files a claim, it will go to arbitration and not Claims Commissioner?
6. How will the arbitrator perceive the non-payment to the contractor for actual work done but not paid (meaning reduction in payment from the invoice submitted)?
7. Is there a language in the contract between the State/DCS and the Contractor that says DCS can withhold payment/s as a result of contractor's non-performance?
8. Because there is no realistic completion date, will the Architect be engaged until the project is completed? Will it cost state additional funds beyond what is sought in this amendment?
9. What could be the worst case scenario if the amendment stands rejected?

RECOMMENDATION: Board recommendation is contingent upon DCS presentation to the Board at their regularly-scheduled meeting. The overall basic service rate of 10.18% exceeds the established guideline rate of 8.5% for this Group B New Construction Project.

PROPOSED AMOUNT: \$349,584

CONTRACT AMENDMENT #1 – DAS/DCS has submitted to the Board Contract Amendment #1 which is intended to compensate the Consultant, for additional construction administration services to support the General Contractor – Lawrence Brunoli, Inc. (LBI), which are described as follows:

5. Early Start: (\$36,005) - It was DAS' decision to start the submittal process early on time, while waiting for the DEEP Stormwater Management Permit. This period starting from December 20, 2017 to February 13, 2018 was not anticipated at the time of the original Architect contract and hence was not included in contract BI-RC-393-ARC. This amendment requests the Architect be compensated in the amount of \$36,005.00 to account for the early start. The fee is based on the actual hours spent by the design team during this period.
6. Extended Construction Administration Services to support LBI: (\$174,428) The amendment requests for \$174,428.00 to compensate the Architect for construction administration services above and beyond standard practices to support the general contractor (LBI), including additional on-site observations, coordination, redesign of contract details for the benefit of LBI,

additional quality control oversight, submittals and RFIs. (DAS plans to claim this amount from the contractor since this expenditure was caused due to the poor performance of the contractor.)

7. Additional Construction Administration Services past the contractual substantial completion date until August 31, 2019: (\$39,151) The Architect's original contract included CA services during the construction phase, which was estimated to be 16 months until substantial completion and 90 days for closeout. LBI's latest schedule update shows a substantial completion date of August 23, 2019. Based on the current progress of the work, I believe LBI will not be able to meet the August 23, 2019 date. The amendment requests for \$39,151 to compensate the architect for the services to be provided from June 15, 2019 through August 31, 2019. The coverage is based on spending a total of 319 hours per month between Sasaki and their sub-consultants. This fee is calculated after accounting for the 10% additional time owed to the state per paragraph VII. C of the Terms and Conditions of the original contract.

8. Allowance for Construction Administration services past August 31, 2019: (\$100,000) DAS requests to carry an allowance of \$100,000 in the contract amendment to compensate the design team for the time spent after August 31, 2019 as DAS still does not have a realistic substantial completion date. This amount will be paid on a time and expenses basis based on the backup information provided by the design team. At the end of the project, DAS will report to SPRB the total spent on this item with the backup information.

DAS notified LBI that liquidated damages will be assessed and has also notified LBI by letter dated January 18, 2019, that LBI is responsible for some or all of the additional expenses the State incurred as a result of LBI's failure to perform in a manner set forth in the contract documents. DAS is transferring monies from the construction contingency and other available items on the project budget to pay for these costs. DAS intends to collect the costs noted on #2, 3 and 4 above (totaling to \$313,579.00) from the contractor at the end of construction through liquidated damages and other available tools.

The overall construction budget was increased to \$18,420,801, from \$17,872,369. The total project budget remains unchanged at \$25,385,809.

SAI Fee for Basic Services (PRB 15-210)	COST (\$) (BASIC)	COST (\$) (SPECIAL)	C. Budget (\$)	(%) Budget
Schematic Design Phase	\$319,590			
Design Development Phase	\$259,580			
Construction Document Phase	\$412,080			
Bidding and Review Phase	\$76,250			
Construction Administration Phase	\$457,500			
TOTAL BASIC SERVICE FEE (#15-210) (A)	\$1,525,000		\$17,872,369	8.53%
Expanded Pre-Construction Services	\$36,005			
Extended Construction Administration	\$174,428			
Additional Construction Administration	\$39,151			
CA Services beyond August 31, 2019	\$100,000			
TOTAL BASIC SERVICE FEE (#19-192) (A1)	\$349,584			
TOTAL BASIC SERVICE FEE (A) + (A1)	\$1,874,584		\$18,420,801	10.18%
SPECIAL SERVICES:				
Survey and Engineering (BL Companies)		\$25,740		
Traffic Engineering & OSTA (F.A. Hesketh)		\$4,950		
AV and Acoustical Engineering (Tocci Assoc.)		\$23,300		
Geotechnical Engineering (GeoDesign)		\$36,850		
TOTAL SPECIAL SERVICES(B)		\$90,840		
TOTAL FEE (A) +(A1) + (B)		\$1,965,424	\$18,420,801	10.67%

Staff have requested clarification of the following issues:

- Please provide a revised B1105 that incorporates the new A/E fees. DCS Response: We will provide a revised 1105 with the changed budget.
- Why should any service/s related to construction start before the “notice to proceed” for construction provided by DCS? DCS Response: Knowing the contractors’ previous performance, DAS provided a soft start with submittals to get avoid any delays to the construction duration. Staff Response: It is not the responsibility of the State to provide for and pay for Architect’s services to assist the contractor before the Notice to Proceed (NTP) is issued by DCS. No services should be provided prior to the NTP date (Feb. 13, 2018)
- Clarify why a recovery schedule was requested 4 months into construction knowing that there is almost 2 months of delay in the schedule? The CA Consultant is required to request a recovery schedule from the CMR when a project falls 21 or more calendar days behind the current baseline schedule (Appendix A (H.1.3.4)). Was CA consultant monitoring the schedule from day one? DCS Response: The CA has been monitoring the project schedule from day 1. The GC fell behind on schedule on their concrete foundations activities and by June 2018 schedule analysis by the CA, it observed a 56 day schedule slip. This is when we requested for a recovery schedule. The GC failed to provide a proper recovery schedule. Staff Response: Again, this project should have been managed properly by professionals involved. There is a 21 or more calendar days requirement to request a recovery schedule. It was not until after 56 days slip, the recovery schedule was requested.
- Please clarify why SAI is requesting \$174,428 for Extended CA Services including ‘additional on-site observations, coordination, redesign of contract details for the benefit of LBI, additional quality control oversight, submittals and RFIs’ when Appendix 1, Section VII (B)(1-8) requires most of this work be completed as part of the original contract. Clarify if the “redesign” is related to any errors on part of the Architect or further “clarification” to address lack of details? DCS Response: As noted on the SPRB memo, due to the poor performance of the GC, DAS had to request Sasaki to provide additional oversight to assist the GC in the construction of this project. I am attaching the issues log as maintained by the GC that identifies the issues as observed by Sasaki during the construction. The sheer volume of the comment shows the issues during the construction. The architect also had to change the design at several occasions to assist the contractor progress the construction. Examples include the waterproofing details (the contractor failed to install the details per the contract documents), clamps/supports for the HVAC piping systems (contractor installed wrong clamps and requested to review and approved the clamps as installed and make necessary changes to the design documents) etc. Such requests were not anticipated during the predesign phase of the project. These redesigns are not due to the lack of clarity of the contract documents.
Staff Response: These services were provided to assist the contractor because of the contractor’s inability to perform the work. The State should not be held responsible to help out the contractor to finish the job they bid on.
- Please clarify how DCS is calculating additional ARC-CA fees beyond June 15, 2019 in the amount of \$39,151. SAI’s contract requires an additional 10% or about 49 days, meaning August 3, 2019 as the end of their contract. DCS Response: Please find the table below clarifying this request. Also refer to the staffing matrix as provided in the contract package.

Sasaki 10% Additional Time Breakdown

Original Substantial Completion:	15-Jun-19	
Original Contract Duration	486	days
10% Additional Time	48.6	days
Services end date (fill Substantial Completion)	2-Aug-19	
Fees to be paid for 06/16/19- 06/30/19	\$ 0	
Fees to be paid for 07/01/19- 07/31/19	\$ 0	
Fees to be paid for 08/01/19- 08/02/19	\$ 0	
Fees to be paid for 08/03/19- 08/30/19	\$ 39,151.00	

Staff Response: These delays are caused by the contractor's inability to perform the work he undertook. State should not be held liable or responsible to assist the contractor.

- What is the basis for the request for an additional allowance of \$100,000? Why should it be approved without any backup during construction? DCS Response: The GC has not provided a reliable completion date for the project to date. The GC's latest schedule shows a completion date of October 22, 2019. But DAS believes that the GC will not be able to complete the project on October 22 as projected by the GC. Since a realistic date is unknown at this time, DAS requesting for a \$100,000 allowance to be billed on a T&M basis. DAS will report back to SPRB on the spending of this allowance with details. DAS is willing to lower this allowance amount but if the cost goes over the approved allowance, we would require another amendment to the contract to account for the expenses. In all scenarios, monies spent under this allowance is expected to be collected from the GC through liquidated damages and other tools available to DAS under the contract. Staff Response: It is not a prudent practice to approve costs in advance without proper backup of hours and services to be provided. All the delays and costs requested for approval are related to contractor's inability to perform and complete the job in a timely manner.

- What date DCS has established to accrue the \$8,305/day Liquidated Damages? What is the substantial completion date per contract? Has it been extended? If yes, why? Provide a copy of the CMR contract including amendments, if any. DCS Response: The contractual substantial completion date was June 15, 2019 and was extended by 2 calendar days to June 17, 2019 to account for additional weather days above and beyond what's included in the contract. The liquidated damages will be assessed from June 18, 2019. This is not a CMR contract- it's a GC contract. Staff Response: OK

- How can DCS justify overall basic service rate of 10.18% compared to the established guideline rate of 8.5% for this Group B New Construction Project? DCS Response: The GC is performing very poorly and for the project to be completed successfully, the architect have been providing additional support above and beyond what's provided under the contract. As noted in the memo, DAS plans to back charge the GC for the additional efforts by the design team to assist the GC to complete this project. See attached letter issued to the GC in this regard for your information. Staff Response: The inability of the contractor to perform and complete the job on time is costing State additional funds which is not State's responsibility. Contractor should be held liable and pay for these costs during the liquidated damage claim negotiation.

- What are the impacts of not having this recreation center available on time to CCSU students? DCS Response: The university is using/renting alternate venues/arrangements for holding required classes and activities, including any transportation of students to such facilities. The university is also paying for storage of furniture and fitness equipment while the building is not complete. Staff Response: This is a serious issue and is costing CCSU additional funds because the project is not complete on a timely manner. These costs should be recovered during the liquidated damage claim negotiation.

RECOMMENDATION: It is recommended to REJECT this Amendment #1 for \$349,584 for the reasons provided above. The overall basic service rate of 10.18% exceeds the established guideline rate of 8.5% for this Group B New Construction Project.

FROM PRB #15-210

PROJECT BRIEF– In general this project involves the design and construction of a new 70,000 GSF Recreation Center and renovations to the existing Kaiser Hall Facility at Central Connecticut State University ("CCSU"). The new recreation center will be designed and constructed with a 50-year+ life expectancy and is anticipated to provide multi-sport courts, a wellness track, fitness areas, studio space, pilates area, offices, meeting rooms and complete shower facilities. The design and layout of this facility shall be appropriate for the recreational and educational needs of a 12,000 student campus population. The project will also include the complete renovation of the existing

Kaiser Hall Gymnasium to include a 1st and 2nd Floor entrance as well as VIP seating, a press box, elevator access and other associated basketball court amenities. The overall project will also include the demolition of the existing 34,000 GSF fabric structure currently adjacent to the athletic facility as well as a new access drive, pedestrian access and landscaping. The overall construction and total project budget have been established at \$17,872,369 and \$25,385,809 respectively.

In October 2014 the Department of Construction Services (“DCS”) issued a Request for Qualifications (RFQ) for *Architect & Consultant Design Teams* related to the Renovate/Expansion of Kaiser Hall and Kaiser Annex Project. DCS elicited eleven (11) responses to the advertisement of which all of the respondents were considered “responsive”. DCS then proceeded to review the eleven submittals and after the completion of the internal review process, four firms were selected for short-listed interviews. These firms were as follows, Centerbrook Architects and Planners, LLP, JCJ Architecture, P.C., Kaestle Boos Associates, Inc., and Sasaki Associates, Inc. The State Selection Panel consisted of 5 members and interviewed each firm for evaluation purposes based upon an established weighted ranking system. At the conclusion of the process DCS identified Sasaki Associates, Inc. (“SAI”) as the most qualified firm.

This contract is for *Architect/Engineer Consultant Design Team Services* for the completion of the Renovate/Expansion of Kaiser Hall and Kaiser Annex Project from the initiation of a schematic design phase through the construction document phase and the subsequent completion of construction. The overall compensation rate for this basic service is \$1,525,000 with an additional \$90,840 for special services. As such the total project fee is \$1,615,840. The special services detailed in the project scope include geotechnical engineering, site-civil survey design, master planning support, traffic engineering, and AV/acoustical engineering.

SAI Fee for Basic Services (PRB 15-210)	COST (\$) (BASIC)	COST (\$) (SPECIAL)	C. Budget (\$)	(%) Budget
Schematic Design Phase	\$319,590			
Design Development Phase	\$259,580			
Construction Document Phase	\$412,080			
Bidding and Review Phase	\$76,250			
Construction Administration Phase	±\$457,500			
TOTAL BASIC SERVICE FEE (#15-210) (A)	\$1,525,000		\$17,872,369	8.53%
SPECIAL SERVICES:				
Survey and Engineering (BL Companies)		\$25,740		
Traffic Engineering & OSTA (F.A. Hesketh)		\$4,950		
AV and Acoustical Engineering (Tocti Assoc.)		\$23,300		
Geotechnical Engineering (GeoDesign)		±\$36,850		
TOTAL SPECIAL SERVICES(B)		\$90,840		
TOTAL FEE (PRB #15-210) (A) + (B)		\$1,615,840	\$17,872,369	9.04%

- The RFQ posted October 2014 elicited 11 candidates. The Selection Panel interviewed four firms and ultimately recommended the appointment of Sasaki Associates, Inc. (“SAI”) The selection was approved by Commissioner Currey on 3/2/2015.
- SAI is located in Watertown, Massachusetts. This firm was established in 1958 and has over 100 employees which includes 40± Architects, Landscape Architects and Interior designers. SAI is operating as a Joint Practice Corporation in the State of Connecticut and will be operating under its license No. JPC.0000009. The license is valid until 04/30/2016.

- Green IX Insurance Inc. reported that over the past 5 years SAI has not been exposed to any general liability or professional liability claims but currently has four open claims with loss reserves established between \$5,000 and \$25,000 for each of the claims.
- The submittal is accompanied by a Consulting Agreement Affidavit notarized on 8/8/2015.

RECOMMENDATION: It is recommended that SPRB Approve this new contract for Sasaki Associates, Inc. to provide design related services at the Renovate/Expansion of Kaiser Hall and Kaiser Annex Project. The overall basic service rate of 8.53% is generally consistent with the established guideline rate of 8.5% for this Group B New Construction Project.

PRB #	19-240
Origin/Client:	DCS/DESPP
Transaction/Contract Type	AE / Amendment #1
Project Number:	BI-FP-013-2DB
Contract:	BI-FP-013-2DB
Consultant:	PDS Engineering & Construction, Inc.
Property	Torrington, Burr Mtn Rd (606), Burrville Reg Fire Training School
Project purpose:	Expansion of Burrville Reg Fire Training School
Item Purpose:	Amendment #1

PROPOSED AMOUNT: \$407,427

At the State Properties Review Board meeting held on April 18, 2016, the Board approved #16-079 (BI-FP-013-2DB), in the amount of \$11,540,000, for the expansion of the Burrville Regional Fire Training School.

PROJECT BACKGROUND:

The State of Connecticut Department of Administrative Services, prior to the issuance of the RFQ/RFP for the Project, performed site remediation and provided reports of the remedial activities to the design-build proposers. The site remediation work included digging test pits and soil borings. There was nothing in the information provided to the Design-Build proposers that the site contained any unsuitable materials that would impact construction.

After the contract was awarded, and during the course of construction the Design-Builder discovered a large area of unsuitable materials. Stumps, pieces of old cars, logs, etc. had been buried on the site in the past, and needed to be removed since the location of the unsuitable materials was under the entire building footprint and parking lot area. The Design-Builder excavated the unsuitable material and installed a 3/4" stone replacement. The soil condition required an upgrade to the thickness of the vehicle maintenance slab on the Administration Building, and adding site fabric over the existing subgrade under the structural fill and under the areas to be paved in order to insure the stability of the subgrade. The removal and replacement of polluted soils delayed the start of the foundations, which pushed the vertical construction into winter conditions, including the installation of underground utilities. The Administration Building was completed using temporary protection and heat, but the Burn Building, Training Tower, utilities and paving had to be delayed until the weather permitted such work. This moved the Substantial Completion Date from November 30, 2017 to October 3, 2018, and resulted in an additional 7.5 months of General Conditions costs. The costs associated with this work are listed in the Amendment as Paragraphs 1.1A-G.

Regarding the other costs listed in the Amendment, two items (J and K) were changes requested by the user agency. Another cost item resulted from the State's survey provided to the Design-Builder. The survey showed the underground pipe, but that pipe was, in fact, damaged and needed to be repaired (Item H). Similarly the site grading would have left a dry hydrant too low for efficient use, and it was requested that the Design-Builder raise the height of the hydrant (Item I). Lastly, there were a number of value engineering items, both adds and deducts, that resulted in a total increase to the contract price (Item L).

The increase to the Contract Price for these additional costs totaled \$500,222.00. From this amount, the State received credits for deleting floor outlets in the classrooms (Item M) and for changes made to the Upper Level Training Area (Item N). The net result is a requested Amendment for \$407,427.00. The Bond Commission allocated additional funds for Payment of this amount on June 26, 2019.

A Breakdown of the individual items is as follows:

Extended General Conditions:	\$223,000
General Site Subcontractor -Removal and replacement of unsuitable soil:	\$102,136
Concrete Contractor -Revision to Floor Slab in Vehicle Bay Area:	\$8,308
PDS -Addition of Geotextile Fabric in lower area of paving:	\$5,573
Winter conditions and temporary heat:	\$85,828
Bond:	\$4,596
PDS Overhead and Profit:	\$21,482
Repair damaged underground pipe not shown on Survey:	\$1,643
Raise height of dry hydrant at existing pond:	\$771
Reinforce metal shutters on Burn Building -Requested by User Agency:	\$4,147
Add 5' wide gate through fence -requested by User Agency:	\$848
Value Engineered Changes during design:	\$41,690
Delete floor outlets in Classrooms (Credit):	-\$7,883
Change areas of Upper Level Training Area from concrete to heavy duty pavement	-\$84,912
Net Consultant Fee:	\$407,227

Staff have requested clarification of the following issues:

1. What was the date of commencement, in other words, Notice to Proceed? What was the substantial completion date based on NTP and 455 calendar days per D/B Agreement?
DCS Response: The Notice to Proceed date was September 1, 2016 and the Substantial Completion date was November 30, 2017.
2. Under PRB #13-039 (BI-FP-11-DBCA), the Consultant was authorized to retain a Sub-Consultant for the following Special Services: Wetlands & Geotechnical Engineering. What were the findings of this sub-consultant? Pl provide a copy of the deliverable.
DCS Response: Per the DBCA's contract, their Wetlands and Geotechnical Engineering consultants were tasked to review reports provided by DCS. These reports were part of Volume Two of the RFP, which you told me you have a copy.

3. When was DCS aware of the delays? Was the CPM schedule adjusted to address the concern? Provide the CPM that shows delays and adjustments
DCS Response: DCS responded the CPM schedule that identified delayed starts.

4. Was a written notice provided by the Design Builder for delays? If yes, pl provide a copy
DCS Response: I haven't been able to find a written notice of the delay other than PCO No. 2. I was on site weekly so the issue was being discussed with the contractor at that time.

5. How was the substantial completion date from November 30, 2017 to October 3, 2018 agreed upon? Was there a written agreement, if yes, pl provide a copy.
DCS Response: No, there was no written agreement for a new Substantial Completion Date. While there is no written agreement, the COP's constitute a writing that contains the proposed new SCD, which we accepted verbally and then incorporated into the Amendment.

6. The total project schedule is about 16 months. Why was additional 7.5 months (almost half of the project time) required?
DCS Response: Burrville ended up using 25 months, an extra 10 months due to the soil issues and the time needed to complete the work after the soil condition was fixed and taking into the winter conditions. I got the contractor to agree to only 7.5 months of general conditions and not the full 10 months. We also some time lost waiting for the foundation permit to be approved. This was a shared delayed caused by both the Design-Builder and the State and cost about 1 ½ months of delay.

7. Was the Design Builder provided various reports that were prepared for this site? If yes, did any of these reports identify polluted fill throughout the site?

DCS Response: Volume Two of the RFP contained all the investigations and cleanups that were done on the property. The reports did not identify or disclose areas of unsuitable soils.

8. The DCS narrative states "The removal and replacement of polluted soils delayed the start of the foundations, which pushed the vertical construction into winter conditions, including the installation of underground utilities." Was the Design Builder and DCS aware of the polluted soils throughout the site before start of construction?

DCS Response: It wasn't only that the soil was polluted, which we knew that there could be areas of polluted soil that would be discovered during the project, it was that the material was unsuitable to be built upon. There were stumps, logs, large boulders, tires, car parts, etc. mixed in with the soil that was being excavated. Not all of the excavated soil was polluted; rather, the soil encountered on the project that caused the delay was unsuitable for construction.

9. If Substantial Completion was on October 3, 2018, plus a close out period, please clarify why DCS is requesting approval for these changes now, when the site work issues were likely identified two years ago.

DCS Response: The old process for requesting changes to the Design-Builder's contract was to wait until the project was over and get the total cost before going for an Amendment. I did have a short conversation with Brian Dillon about this when it was going on and it was agreed to wait until the project was over to deal with it. However I should have gotten this Amendment to The Board as soon as the money was bonded in June 2019. I was dealing with other issues from my new position and let this slip.

10. Provide a proposed adjustment of contract price summary in detail; provide backup as to how these \$ values derived at.

DCS Response: See PCOs and Backup.

11. Pl explain why Overhead and Profit is included and what is it based on?

DCS Response: Our usual General Contractor Mark up on Change Orders is 6%. They only asked for 5% so I said OK.

12. Were there any other reasons for the delays in the project?

DCS Response: Time was lost waiting for the foundation permit to be approved. This was a shared delayed caused by both the Design-Builder and the State and cost about 1 ½ months of delay. Add to that the 2 ½ months moving and replacing material under the Administration Building and Vehicle Maintenance Building this pushed the foundation work into winter conditions for the other buildings on the site.

Staff Comments:

Based on the above DCS responses, staff have following comments:

- This Design-Build (DB) project requires the DB entity to examine the site and the obstacles that may be encountered and all other conditions having a bearing upon the performance of the project (Vol 1 of 3; Sec 00 52 53; Article 6; Page 13 of 36)
- It also requires under Design Responsibilities that the DB will be furnish all the design, architectural and engineering services, surveying services, among other things such as testing, subsurface borings, and geo-technical data, etc. (Vol 1 of 3; Sec 00 52 53; Article 6; Page 16 of 36)
- The Design Program (Vol. 2 of 3), Section 2.02, Site Design Narrative specifically identifies that – *“There is no Geotechnical Report provided, the basis of design is a spread footing. The Design Build Team is to design the footings and walls for the foundation. Refer to Exhibits 15 and 16, which contain boring information and test pit data for your use.”*

• These two exhibits provide lot of data related to the soil conditions. It mentions that there is fill material that was imported onto the Site by the ConnDOT from the construction of Route 8 in the 1960s. There were soil borings (pages E.188 thru. E.194) that showed fill material containing cobble and asphalt fragments. Fuss and O’Neill report dated Nov. 2013 identified the following (page 9) – Fill Material – they calculated that there is over 11,000 tons of soil that is fill material.

There was a letter from AECOM to Mr. McClure dated October 9, 2014 (E-16; Pg E.390) that discusses the presence of an area that was built up using excess materials from the improvements on Rt 8 in the 1960s. Their two test pits No. 2 and No. 3 did not encounter natural soils (it mentions concrete debris, asphalt chunks, large rocks, etc).

It is the responsibility of the D/B to review the documents provided before providing the cost proposal or make allowances for unsuitable soils at the site and associated time frames.

Therefore, the costs associated with the fill materials should be rejected (\$451,123). Following costs associated with changes as a result of changes requested by the user agency and value engineering are recommended to be approved (\$49,099). Credits should be adjusted accordingly (\$92,795).

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RECOMMENDATION: Staff recommends certain items be approved, while other be rejected as described above.

FROM PRB #16-079

PROJECT BRIEF– In general the project involves the complete renovation and reconstruction of the Burrville Regional Fire Training Center at 606 Burr Mountain Road in Torrington. The existing site comprises a vintage 1970s administrative building, a confined space simulator, multi-story training tower, maintenance facility and storage shed. All of these improvements except the maintenance building and storage shed are considered to be beyond their useful life expectancy and will be demolished as part of the project. The overall scope of the project will include the design and construction of site amenities including parking, site circulation, storm-water management, site lighting, fencing and utility improvements. The project is also intended to include the construction of a 16,653 SF administration and educational facility, a 5,900 SF Class “A” Burn Building, a 1,500-SF rehab shelter, a new 5-story training tower, new drafting pit as well as a low angle rescue and cell tower props. The overall project budget is also intended to include various other training and simulation props.

In August 2011 the Department of Construction Services (“DCS”) issued a Request for Qualifications (RFQ) for *Design Build Criteria Architect Consultant Teams* related to the New Regional Fire Training Schools Project. DCS elicited one (1) response to the advertisement and after completion of the internal review process interviewed the firm; Tecton Architects, P.C. The State Selection Panel consisted of 5 members and interviewed the firm for evaluation purposes based upon an established weighted ranking system. At the conclusion of the process DCS agreed that Tecton Architects, P.C. (“TAC”) was qualified for this work.

The contract was approved by the Board under PRB #13-039 for *Design Build Criteria Architect Consultant Services* for the development of the *D-B Criteria* through the completion of *Project Design Oversight*. The total compensation rate approved by the Board for this project was \$440,630 with basic services and special services accounting for 426,630 and 14,000 respectively. This contract was the basis for the project design and programming at each facility.

In December 2013 the Department of Construction Services (“DCS”) issued a Request for Qualifications (RFQ) for *Design Build Criteria Architect Consultant Teams* related to the *Renovation of the Burrville Regional Fire Training School Project*. The project was advertised with a total construction budget of \$7-Million dollars. The following four firms all responded to the RFQ; Carlin Construction, Inc., Consigli Construction Company, O&G Industries, Inc. and PDS Engineering & Construction, Inc. and submitted proposals ranging from \$10-14 Million Dollars. DCS’s initial review confirmed that all of the firms were qualified to complete the project. Although, upon review of the submittals, DCS acknowledged a wide range of discrepancies and assumptions concerning the project scope and therefore proceeded to reject all submissions. DCS then proceeded to clarify the project scope and revise the criteria specifications. Once completed, DCD resubmitted the RFP to the four pre-qualified firms. Upon receipt of the revised RFP only O&G Industries, Inc. and PDS Engineering & Construction, Inc. submitted a new proposal which were in the amounts of \$11.662M and \$11.540M respectively. DCS then proceeded to interview both firms and at the conclusion of the process identified PDS Engineering & Construction, Inc. (“PDS”) in partnership with edm-CT Architects, LLC as the most qualified firm. The contract was subsequently approved by Commissioner Currey in November 2015.

This contract is for *Design –Build Total Cost Project Value Teams* related to the Renovation of the Burrville Regional Fire Training School Project from the initiation of the design phase through the completion of construction. DCS has submitted to SPRB a binder containing the D-B Agreement between DAS/DCS – PDS as well as standard DCS project submittals which include the following:

- Scope of Work Summary
- the Project Advertisement,
- the Internal Review Ranking,
- the Selection Approval Memo
- the Project Schedule
- Total Cost Proposal Form
- Agency Funding Verification Form – Bond Authorization Only – Bond Approval Pending
- DCS B-1105
- Detailed Cost Breakdown
- Required Licenses

DCS has also provided SPRB a copy of all the project volumes which shall be utilized as the basis of design.

RECCOMENDATION: Based on the submittal materials provided and the satisfactory narrative regarding the bid process; SPRB Staff recommends approval of this contract for PDS Engineering & Construction, Inc. in partnership with edm-CT Architects, LLC to act as the Design-Build Entity for the Burrville Regional Fire Training School Renovation Project at total fee of \$11,540,000.

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

A motion was made by Mr. Halpert and seconded by Mr. Valengavich to approve Board Fees and Mileage for Mr. Berger to attend meetings at the Legislative Office Building on December 18, 2018. The motion passed unanimously.

8. VOTES ON PRB FILE:

PRB FILE #19-238 – Mr. Berger moved and Mr. Halpert seconded the motion to approve PRB File #19-238. The motion passed unanimously. The Board's approval is based on the representations from DAS's Administrator of Leasing & Property Transfer that the issues notated in the minutes will be resolved prior to DAS proposing a new Lease for the using Agency

PRB FILE #19-242 – Mr. Berger moved and Mr. Valengavich seconded a motion to approve PRB FILE #19-242. The motion passed unanimously.

PRB FILE #19-243 – Mr. Berger moved and Mr. Halpert seconded a motion to approve PRB FILE #19-243. The motion passed unanimously.

PRB FILE #19-253 – Mr. Halpert moved and Mr. Berger seconded a motion to suspend PRB FILE #19-253, pending receipt of Corporate Resolution/Authorization stating Ben Adams has the authority to enter the Purchase & Sale Agreement on behalf of Apex Machine Tool Company, Inc. There are no other issues with this item. As soon as the Corporate Resolution/Authorization is provided, the Board will put this item on agenda for action. The motion passed unanimously.

PRB FILE #19-244 – Mr. Halpert moved and Mr. Berger seconded a motion to approve PRB FILE #19-244. The motion passed unanimously.

PRB FILES #19-181, #19-182, #19-183 and #19-184 – Mr. Halpert moved and Mr. Berger seconded a motion to approve PRB FILES #19-181, #19-182, #19-183 and #19-184. The motion passed unanimously.

PRB FILE #19-234 – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #19-234. The motion passed unanimously. The Board's approval is based on the representations from DCS's ADPM and PM that accumulated assessed Liquidated Damages against the General Contractor will be utilized to compensate the Consultant \$335,702 for their Services. Ultimately, this cost is not paid by the State constituting savings.

PRB FILE #19-240 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #19-240. The motion failed with all Members voting against.

9. NEXT MEETING – Monday, December 23, 2019

The meeting adjourned.

APPROVED:  Date: 12/23/19
John Valengavich, Secretary