

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On February 24, 2020 450 Columbus Boulevard, Hartford, Connecticut

The State Properties Review Board held a Meeting at 9:30AM on February 24, 2020 in Suite 2035, 450 Columbus Boulevard, Hartford, Connecticut.

Members Present:

Edwin S. Greenberg, Chairman
Bruce Josephy, Vice Chairman
William Cianci

Members Absent:

John P. Valengavich, Secretary
Jeffrey Berger
Jack Halpert

Staff Present:

Dimple Desai
Thomas Jerram

Guests Present

Keith Martin, Project Executive, Skanska (9:45-10:04AM)
Kevin Kane, Senior Project Manager, Skanska (9:45-10:04AM)
Peter Simmons, ADPM DAS/DCS (9:45-10:04AM)
Michael Milne, PM DAS/DCS (9:45-10:04AM)
Stephen Burke, PM DAS/DCS (9:45-10:04AM)

Chairman Greenberg called the meeting to order.

Mr. Josephy moved and Mr. Cianci seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

1. ACCEPTANCE OF MINUTES

Mr. Josephy moved and Mr. Cianci seconded a motion to approve the minutes of the February 20, 2020 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

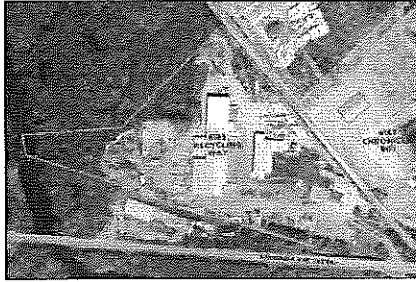
3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

<i>PRB #</i>	20-025
<i>Transaction/Contract Type:</i>	RE/ Voucher
<i>Origin/Client:</i>	DOT/DOT
<i>Project Number:</i>	163-196-001
<i>Grantee:</i>	185 Recycling Way, LLC
<i>Property:</i>	Windham, Recycling Way (185, 186 & 227)
<i>Project Purpose:</i>	Rehabilitation of Bridge No. 00488 & 00489 Rt 66

Item Purpose: over P&W & NECR Railroad Bridges
Voucher

DAMAGES: \$10,100



Subject Property Description, Before the Taking: The subject property consists of three non-contiguous parcels of land totaling a 13.98 acres (608,968 sq.ft.) with frontage on Recycling Way. There is an active rail spur along the southerly boundary. The site is improved with multiple buildings utilized in a municipal recycling business. The improvements are not impacted by the taking.

Valuation: An appraisal was done by independent appraiser Howard Russ, as of 10/01/2019.

Land Valuation - Before: Based on the sales data comparison approach, the appraiser analyzed three sales of similarly zoned parcels of land in greater Windham area and concluded that the fair market value of the subject land was \$1.00/sf of land area, or

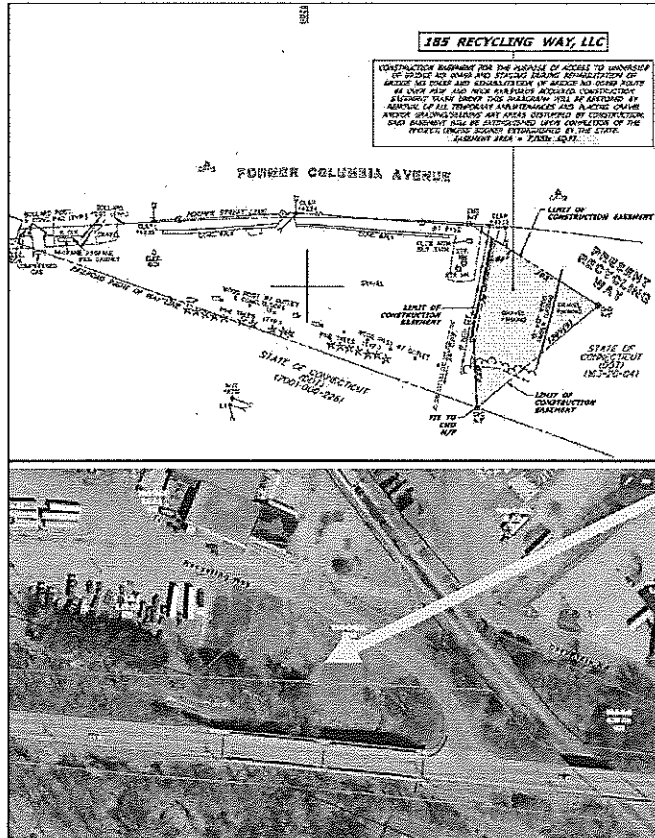
Item	Calculation	Value
Fee Simple	608,968 sf x \$1.00/sf =	\$608,968

Improvements Valuation - Before: Based on the cost approach, the most appropriate method to valuing a special purpose property the appraiser concluded a \$4,475,000 market value, as follows:

Base Cost Per Square Foot			\$32.00
Square Foot Refinements			
Heating/Cooling/Ventilation	\$0.00		
Security	\$0.00		
Sprinklers	\$0.00		
Base Cost Plus Refinements	\$0.00		\$32.00
Height And Size Refinement Multipliers			
Story Height Multiplier	1.000		
Floor Area Perimeter Multiplier	1.000		
Combined Height and Size Multiplier			1.000
Final Calculations			
Refined Square Foot Cost		\$32.00	
Current Cost Multiplier		1.07	
Local Cost Multiplier		1.09	
ADJUSTED SQUARE FOOT COST NEW			\$37.52
Gross Building Area		132,275	
Cost New per Sq Ft		\$37.52	
REPRODUCTION COST NEW OF BUILDING			\$4,934,715
Less Depreciation:			
Physical	22.23%	\$1,097,048	
Functional	0.00%	\$0	
Economic	0.00%	\$0	
TOTAL DEPRECIATION FROM ALL CAUSES			(\$1,097,048)
DEPRECIATED VALUE, BUILDING			\$3,839,667
PLUS DEPRECIATED VALUE UTILITY CONNECTIONS			\$25,000
			\$3,864,667
	SF	\$ / SF	
SITE VALUE BEFORE:	608,968	\$1.00	\$608,968
			\$4,473,635
VALUE INDICATED BY COST APPROACH		ROUNDED	\$4,475,000

The Taking: DOT will acquire the following:

1. Construction Easement Area containing 7,020± square feet of land for the purpose of access to Bridge No. 00488 and staging during rehabilitation of Bridge No. 00488 and rehabilitation of Bridge No. 00489.



Land Valuation - After: Based on the sales data comparison approach, the appraiser analyzed the same three sales of similarly zoned parcels of land in greater Windham area and concluded that the fair market value of the subject lot was \$1.00/sf of land area, or

Item	Calculation	Value
Fee Simple	608,968 sf x \$1.00/sf =	\$608,968

Based on the cost approach, the most appropriate method to valuing a special purpose property the appraiser concluded a \$4,475,000 market value.

Calculation of Permanent Damages

Item	Value
Before Valuation	\$4,475,000
After Valuation	\$4,475,000
Permanent Damages	\$0

Calculation of Temporary Damages

Temporary Damages due to the Temporary Construction Easement are calculated as follows:

<i>Item</i>	<i>Calculation</i>	<i>Damag</i>
Construction Easement #1	7,020± SF @ \$1.00/SF x 8% x 2 years	\$1,123
	<i>Rounded</i>	<i>\$1,150</i>

Calculation of Temporary Severance Damages

In addition to the Temporary Damages, the DOT opined that due to the location and length of the construction easements there was temporary severance to the property as follows:

Total property value	\$4,475,000
Estimated severance percentage (if it was permanent)	1%
Estimated Holding Period	10 years
Duration of temporary construction easement	2 years
Therefore $\$4,475,000 \times 1\% = \$44,750 \times 20\% (2 \text{ yr} / 10 \text{ yr}) =$	\$8,950

Total damages are then Temporary Damages plus Temporary Severance Damages, or \$1,150 + \$8,950 = \$10,100.

RECOMMENDATION: Board approval of damages in the amount of \$10,100 is recommended for the following reasons:

1. The acquisition complies with Section 13a-73(c) of the CGS which governs the acquisition of property by the commissioner of transportation required for highway purposes.
2. The damages are supported by the independent DOT Valuation.

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

PRB # 20-017
Origin/Client: DCS/DCS
Transaction/Contract Type AE / Amendment #1
Project Number: BI-2B-381
Contract: BI-2B-381-CA
Consultant: Skanska USA Building, Inc.
Property Hartford, Capitol Ave (165) – State Office Building & Garage
Project purpose: Renovations and New Parking Garage Project
Item Purpose: Amendment # 1

PROPOSED AMOUNT: \$655,500

At the State Properties Review Board meeting held on November 10, 2016, the Board approved #16-257 (BI-2B-381-CA), in the amount of \$3,935,978, for the Renovations and New Parking Garage Project. The AG approved the Consultant Contract on December 20, 2016. Exhibit A, Section II (G) of the Contract states the following:

Site Preparation and/or Demolition: DCS has the ability pursuant to Section 4b-103 of the Connecticut General Statutes, as revised, to authorize and proceed with the project elements of site preparation, demolition, public utility installation and connections, and building envelope components including the roof, doors, windows, and exterior walls, or portions thereof, that have been previously put out to bid and awarded, prior to submission and approval of the GMP. The specific services and scope of work to be performed will be described in one or more Work Authorization Orders, as that term is defined in the General Conditions of the Contract for Construction. DCS may, on occasion, utilize this option. If DCS chooses to utilize the Work Authorization Order(s), the impact on the C.A.'s scope of services and fees will be reviewed, and if appropriate, renegotiated at that time.

This section of the Contract comports with the enabling legislation (4b-103).

DCS is now seeking approval of an additional \$655,500 in fees for additional CA Services as the initial scope of work was expanded under the Consultant Contract as the Construction Manager at Risk (CMR) issued four Work Authorization Orders (WAO).

WAO	Activity	WAO Cost	WAO % of GMP	WAO Start	End
#1	Parking Garage Demo & Abatement	\$2,677,314	4.04%	3/27/2017	1/31/2018
#2	Parking Garage Structural Precast Design, Fabrication & Sitework.	\$16,694,442	25.19%	6/16/2017	1/31/2018
#3	State Office Building Demo & Abatement	\$12,217,515	14.12%	8/30/2017	1/31/2018
#4	State Office Building Glass & Glazing Procurement	\$4,188,167	4.84%	9/19/2017	1/31/2018

Note: End date coincides with CMR commencement of Construction Phase. CGS 4b-103 requires WAO cannot exceed 25% of GMP.

The Consultant provided the following matrix to support their request for compensation:

2017															
Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan			Total	Rate	Amount
CHANGE ORDER #1 LABOR															
	32	32	32	32	32	32	32	32	32	32			320	\$215	\$68,800
	64	64	64	64	64	64	64	64	64	64			640	\$205	\$131,200
			173	173	173	173	173	173	173	173			1,384	\$145	\$200,880
	87	173	173	173	173	173	173	173	173	173			1,644	\$155	\$254,820
												3,988		\$655,500	

The Consultant stated the following additional services were required:

- Additional CA Services for an Early Start from March 27, 2017
- The original Project GMP was split into two GMPs, one each for the SOB and Parking Garage
- Early work due to WAOs.

The overall construction budget was increased to \$158,019,761 (from \$139,736,664) and the total project cost was decreased to \$205,490,186 (from \$246,426,220).

Minutes of February 24, 2020 Meeting

SUB Fee for Basic Services (PRB 16-257)	COST (\$) (BASIC)	COST (\$) (SPECIAL)	C. Budget (\$)	(%) Budget
Pre-Construction Phase Services	\$479,300			
Bidding and Review Phase	\$167,755			
Construction Administration Phase	\$2,810,860			
Close-Out Phase	\$161,085			
TOTAL BASIC SERVICE FEE (#16-257)(A)	\$3,619,000		\$139,736,664	2.59%
Additional CA Services for Early Start (#20-017)(A1)	\$655,000			
TOTAL BASIC SERVICE FEE (#20-017)(A)+(A1)	\$4,274,000		\$158,019,761	2.70%
SPECIAL SERVICES:				
Building Envelope Commissioning		\$137,003		
MEP Commissioning		\$97,975		
Scheduling & Estimating Services		\$82,000		
TOTAL SPECIAL SERVICES(B)		\$316,978		
TOTAL FEE (PRB #20-017) (A)+(A1) + (B)		\$4,590,978	\$158,019,761	2.91%

Staff have the following questions based on the review of the proposal.

1. *The CMR Contract was approved by the AG on 5-31-16 and the AG approved the Consultant Contract on 12-20-16. Please clarify why this amendment is being presented to the Board for approval nearly three years after the early work commenced and almost a year after the Consultant submitted their request in May 2019?*

It was not decided until early 2017, after the issuance of the CMR and CA contracts that the team decided to use WAOs to get a head start on key items to help kick start the project. Once work commenced, Skanska was very busy in performing their contracted work and final GMP signing was also not nailed down date wise. In order to keep the project moving, WAOs were the option to keep moving with key items. Skanska did take some time in producing their request since they were working full throttle in the early work and DAS Legal went to great lengths to make sure a fair price was being negotiated for the State.

2. *When was the GMP determined, provide the date*

First GMP amendment (Garage and WAOs) was November 8, 2017 and Second GMP Amendment (Entire Project) was executed January 31, 2018.

3. *What was the construction duration based on CMR contract for both garage and the building? How many days?*

720 days

4. *What was the substantial completion date per CMR contract for both garage and the building?*

The Garage was February 19, 2019. The Building was January 23, 2020.

5. *Has this substantial completion date been extended for both garage and/or building? Why?*

The garage date was extended due to enormous volumes of contaminated soils being uncovered to August 12, 2019. For the building, the substantial completion date has been extended to March 16, 2020 due to the following; excessive unforeseen conditions (both contaminated soil property and building conditions), the need to field verify new structure in order to release lobby finishes and Gilbane was directed to shift the majority of their focus from non-essential public spaces of the building to the employee occupied spaces to allow the timely move in of state employees from 55 Elm to collapse the expensive lease. The early move in dates were not part of the GMP agreement.

6. *Didn't project include all the activities identified as WAO in the original CA contract?*

Yes, the project did include all activities in the WAOs, however, these activities were pulled out of the 720 days in order to start early and complete the project on time, Skanska had to provide staffing for 10 additional months.

7. *What is the status of the Consultant Contract with respect to the 792 construction phase services (+90 day closeout) and extension of the project to January 2020.*

Skanska is now working on closeout for portions of the building and garage and construction phase services for others (i.e. the ground floor and site)

8. *Pursuant to CGS 4b-103, please provide copies of the following:*

a. *four WAO's submitted by the CMR and approved by DCS (You already provided this today, I will review them and see if I have any questions on those)*

OK

b. *copies of bids (just summaries not the entire bid package) that were awarded prior to authorization of each WAO. Pl provide dates when these packages were put out to bid and the award dates.*

Will need more time to provide official award dates since these contract awards are between Gilbane and their subs. Copies of the bid packages are included in email. WAO 1 - Garage Demo and Abatement - Manafort - out to bid January 3, 2016, WAO 2 - Garage Structural Precast - Blakeslee - out to bid March 1, 2017, WAO 3 - Building Demo and Abatement - SMI - out to bid April 26, 2017, WAO 4 - Building Glass and Glazing (Material Only) - Massey - out to bid May 17, 2017

c. *Pl clarify how did these WAO's meet the requirements of CGS 4b-103(c)(3)*

Total WAO's = \$35,777,438.00 and Total Construction Estimate at time of GMP = \$156,172,827.00 (WAOs were 23% of construction)

9. *Clarify if the Consultant allocated specific hours to each WAO and if yes, please provide a breakdown of hours.*

They did not. As with any construction activities, once the WAOs were overlapping, it was impossible to track staff's time on each item.

10. Please reconcile the staffing matrix requesting approval of \$655,500 for 3,988 hours of services (April '17 to Jan '18) with that in the matrix labeled as "Actual Hours Expended on Project For Reference Only" that identifies 5,253 hours and \$922,365 in consultant fees for the same period.

DAS Legal asked Skanska to pull time card data internally to verify the additional staffing request. Once Skanska dove into time card data, the actual hours expended were much greater than their proposal. Since Skanska had already submitted their request for \$655,500.00 it was negotiated that Skanska would receive this amount for compensation on WAO work and no more.

DCS has confirmed funding is in place.

RECOMMENDATION: It is recommended that SPRB APPROVE Amendment #1 to compensate Skanska USA Building, Inc. for additional construction administration services. The overall basic service fee of \$4,274,000 is equivalent to approximately 2.70% of the \$158,019,761 construction budget and is well within the 5% maximum guideline rate for completion of the schematic design phase on this Group B Renovation Project.

FROM PRB #16-257

CONSULTANT FEE: \$3,935,978

PROJECT BRIEF-- In general this project involves the design and construction for the complete renovation of the existing State Office Building ("SOB") located at 165 Capitol Avenue in Hartford. The overall project is envisioned to include the complete restoration of the 350,000 GSF state office building, the demolition of the Buckingham Street Parking Garage, construction of a new parking garage, various internal site improvements and public space enhancements. The SOB was originally built in 1931 and is a limestone clad structure with two partial basements, a ground floor access level and five upper floors. The overall project is also envisioned to include additional improvements such as a new surface parking lot, creation of a public plaza, streetscape enhancements and various ADA upgrades. The project site work is also envisioned to include a civic landscaped plaza, restoration of the limestone walls around the exterior boundary, redevelopment of a perimeter streetscape, construction of a new 1,000 car parking structure and other landscaping amenities. The interior building program will include the complete restoration of the historic structure, new mechanical and plumbing systems, window replacement, construction of an interior courtyard and interior space improvements for all of the agencies planned for relocation.

In November 2015 the Department of Construction Services ("DCS") issued a Request for Qualifications (RFQ) for *Construction Administration Consultant Design Teams* related to the State Office Building Renovation and New Parking Garage Project. DCS elicited eleven (11) responses to the advertisement of which all but two (2) of respondents were considered "responsive". After completion of the internal review process for the nine approved submittals, five firms were selected for short-list interviews. These firms were as follows, Jacob Project Management Company, Skanska USA Building, Inc., Turner Construction Company, O&G Industries, Inc. and The Morganti Group, 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 Skanska USA Building, Inc. ("SUB") as the most qualified firm.

This contract is for *Construction Administration Consultant Design Team Services* for the completion of the State Office Building Renovation and New Parking Garage Project from the initiation of a pre-construction services until the completion of construction. The overall compensation rate for this basic service is \$3,701,000 with an additional \$234,978 for special services. As such the total project fee is \$3,935,978. The special services detailed in the project scope include building envelope commissioning services, mechanical commissioning, estimating services and project scheduling. DCS has confirmed that funding is available for this contract. Project funding was approved at the September 2015 Meeting of the State Bond Commission. FEE – The costs of basic and special services are as follows:

SUB Fee for Basic Services (PRB 16-257)	COST (\$) (BASIC)	COST (\$) (SPECIAL)	C. Budget (\$)	(%) Budget
Pre-Construction Phase Services	\$479,300			
Bidding and Review Phase	\$167,755			
Construction Administration Phase	\$2,810,860			
Close-Out Phase	+\$161,085			
TOTAL BASIC SERVICE FEE (#16-257) (A)	\$3,619,000		\$139,736,664	2.59%
SPECIAL SERVICES:				
Building Envelope Commissioning		\$137,003		
MEP Commissioning		\$97,975		
Scheduling & Estimating Services		+\$82,000		
TOTAL SPECIAL SERVICES(B)		\$316,978		
TOTAL FEE (PRB #16-257) (A) + (B)		\$3,935,978	\$139,736,664	2.82%

- The RFQ posted November 2015 elicited 11 candidates. The Selection Panel interviewed five firms and recommended the appointment of SUB ranked #1 by the selection interview panel. The selection was approved by Commissioner Currey on 2/23/2016.
- SUB is locally located in New Haven, Connecticut. This firm was established in 1971 and headquartered in New York. The local office has 200± employees with 30± engineers, 20± and over 100± construction related professionals.
- Aon Risk Insurance Inc. reported that over the past 5 years SUB has been exposed to four professional and/or general liability claims of which are all closed.
- The submittal is accompanied by a Consulting Agreement Affidavit notarized on 1/11/2016.

RECOMMENDATION: It is recommended that SPRB approve the Contract for Skanska USA Building, Inc. to provide construction administration services required for the State Office Building Renovation and New Parking Garage Project. The overall basic service fee of \$3,619,000 is equivalent to approximately 2.59% of the \$139,000,000+ construction budget and is well within the 5% maximum guideline rate for completion of the schematic design phase on this Group B Renovation Project.

Sec. 4b-103. Construction manager at-risk project delivery contracts. (a) In order to carry out any provision of this title for the construction, renovation or alteration of buildings or facilities, the Commissioner of Administrative Services may enter into a construction manager at-risk project delivery contract.

(b) Except as provided in subsections (c) and (d) of this section, the Commissioner of Administrative Services shall not enter into a construction manager at-risk project delivery contract that does not provide for a maximum guaranteed price for the cost of construction that shall be determined not later than the time of the receipt and approval by the commissioner of the trade contractor bids. Each construction manager at-risk shall invite bids and give notice of opportunities

to bid on project elements on the State Contracting Portal. Each bid shall be kept sealed until opened publicly at the time and place as set forth in the notice soliciting such bid. The construction manager at-risk shall, after consultation with and approval by the commissioner, award any related contracts for project elements to the responsible qualified contractor submitting the lowest bid in compliance with the bid requirements, provided (1) the construction manager at-risk shall not be eligible to submit a bid for any such project element, and (2) construction shall not begin prior to the determination of the maximum guaranteed price, except for the project elements of site preparation and demolition that have been previously put out to bid and awarded.

(c) Construction may begin prior to the determination of the maximum guaranteed price for the project elements of site preparation, demolition, public utility installation and connections, and building envelope components, including the roof, doors, windows and exterior walls, provided (1) the project is the renovation of an existing building or facility; (2) the project element or elements involved in such early work have been previously put out to bid and awarded; and (3) the total cost of construction of the early work does not exceed twenty-five per cent of the estimated cost of construction for the entire project.

(d) If such project involves the renovation of an existing building or facility that will be performed in multiple phases while such building or facility remains occupied, the Commissioner of Administrative Services may enter into a construction manager at-risk project delivery contract that provides for the maximum guaranteed price to be determined for each phase of the project, prior to beginning each such phase, provided all requirements of subsection (b) of this section other than the timing of the determination of the maximum guaranteed price are complied with.

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #20-025 – Mr. Cianci moved and Mr. Josephy seconded a motion to approve PRB FILE #20-025. The motion passed unanimously.

PRB FILE #20-017 – Mr. Cianci moved and Mr. Josephy seconded a motion to approve PRB FILE #20-017, subject to the following notations:

NOTES:

1. The Board reiterates to DCS that this proposal, as with prior proposals, time is of the essence and submissions must be presented *prior* to issuing any Notice to Proceed for expanded scope of services that requires amendment/s to the Consultant's contract. The Board has also verbally notified DCS staff present during the Board meetings about the requirement of seeking Board approval in a timely manner.
2. Utilization of Work Authorization Order (WAO) statute after consultants are selected seems problematic. Consultant contract amendments must be issued at the time of issuing WAOs not nearly three years after the WAOs were authorized.

The motion passed unanimously.

9. NEXT MEETING – Thursday, February 27, 2020.

The meeting adjourned.

APPROVED: _____


John Valengavich, Secretary

Date: _____

