

Minutes for the Bond Oversight Committee Meeting North

Special Meeting

November 28, 2005

Aptos High School Career Center
100 Mariner Street
Aptos, CA 95003

5:00 PM – 6:00 PM

Attending Members:

Michael Barsi - Tere Carrubba - Fred Fischer - Marc Kirby - Doug Maher
Vic Marani - Bruce Mathias - T. James Miller - Barbara Palmer - Mary Reed

Absentee Members:

Nancy Bensen - Christine Quinn - Michael Theriot

South/Central Bond Committee Liaison:

Bunton Clifford Associates:

Dale Krahn

Non-committee members attending:

Terry McHenry - Dr. Gary Woods – Diane Burbank - Rhea DeHart – Evelyn Volpa
Brian Rasmussen - Darlene Insley

Chair Member Barbara Palmer brought the special meeting to order by thanking everyone for coming on such short notice and then handed the meeting over to **Terry McHenry**.

Terry gave a brief account to the committee that tonight; a review of the potential bidders list, the packaging for the bid and bidding dates would be discussed. Continuing he added that as of now, there are two separate packages going out to bid, one for the swimming pool, bidding on December 8th the other will be the Performing Arts Center and Gymnasium on December 15th. In this meeting, we will review who we think may bid as well as evaluate and examine other possible options.

Terry then asked Dale Krahn to go over the list and options.

Dale Krahn of BC/A began with a recap and an overview of the Performing Arts Center package. He explained they have four solid general contractors, and three possibilities.

Questions were asked regarding the last bid, the element of time needed to bid on either or both of the packages and why the bids are a week apart?

Brian Rasmussen of BMR explained that the bids are a week apart to leave some space between the two packages, due to common bidders.

Dale noted that for a contractor to bid the Swimming Pool this late would be difficult but not impossible for a \$1.7 million project.

Terry brought the meeting back to the review of bidders for the pool in that currently we have one general contractor and four sub-contractors. The subject regarding the sub-contractors and how they submit their bids was briefly discussed.

Terry talked about the different general contractors that are going to bid on the gym/performing arts project. DMC, from Pacific Grove, was a high bidder on the last one and will be bidding again December 8th. Another contractor is Arntz Builders out of Novato, CA. and a low bidder on the Watsonville High School bid. Another new contractor is out of Loomis, and the latest one is Swenson from San Jose.

The issue regarding contractors who took the plans then declined to bid and why was discussed. Ralph Larsen and Sons our high bidder on the last bid declined, Fedcon who received the Watsonville bid and were just awarded another project, so they decline and Amoroso, because they chose to bid a \$45 million crime lab in Santa Clara County which bid the same day and time as ours. We were out and published, they were bidding the week before, decided to extend their bid and moved it their bid with out checking for any other conflicts.

Brian stated that we loose one general, but more disconcerting is the possibility of loosing potential sub-contractors: Making a less competitive bid with the sub-contractors.

The question was asked about moving or extending our bid date.

Terry answered, "This is part of the reason for the meeting tonight and part of the discussion we have had." He added that even though there have been thirty to forty phone calls to contractors urging them to bid, we only attracted four. He reviewed the possibility of changing the bid date. Noting the good and the bad points on changing and the possibility of loosing the bidders currently committed. It was also mentioned that if we bid too late the construction industry, nationwide will start feeling the draw on building material due to the Katrina effect. It was felt that with the Katrina effect, there could be a real problem with inflation bidding in mid-January. We could end up loosing due to higher bids.

Dale added that the risk to moving the bid date, we could loose the four we *think* are fairly confident, or as last time, when it went from seven bidders to five to three. What if this goes to two on bid day?

Brian said, "I talked to the four today and they are confirmed as of today." He added that when he spoke with Amoroso, they said that if they don't get the Crime Lab and we move it to mid-January, they would bid the project. He also mentioned he spoke with Larson and they pulled out today, but he wasn't able to find out why.

Q. What was done differently with marketing this time versus the first bid?

Dale explained that they had made more calls: calling thirty-three general contractors.

Brian added that all of the plans were distributed to all of the same sources as last time along with the same advertising.

Q. By separating the pool from the performing arts was it less of a detriment than before?

Dale answered, "Yes, we streamlined the alternates."

Brian interjected that we have attracted a couple of small local contractors, potentially bidding the pool package, like Tomlinson from Salinas and Bustichi Construction from Scotts Valley.

Q. What will happen to the completion date if we extend to mid-January?

Brian explained that they had solicited comments from the general contractors. One of the comments was, they felt the construction duration of 15 months, was a little short, so it was extended to 18 months. Another comment was they didn't want to start in the middle of winter. We agreed for them to start anywhere from February 1st to April 1st. It would be the lowest bidders' choice. Although he doubted it would actually begin in January or February due to the grading and weather and felt it would not necessarily impact the end delivery of the project, for most general contractors begin as late as possible. The idea was to make it flexible to attract as many people as possible to simplify it.

Brian went on to explain regarding the pool, the contractors' come from across California, two from Sacramento, one from Windsor and one from Southern California, clarifying that requirements in the document actually state certain work experience is required to do pools this large.

A discussion ensued regarding other major projects that may be out for bid in mid-January, checking the Builder's Exchange before bidding as to not have any conflicts with our projects, what the low bid was last time and what it included, what was changed on the two packages and bidding dates and the fact that Santa Clara will be out for bid on December 15th, the exact date and time we plan to open for bid.

The issue regarding the bid date of December 8th was discussed and unless Bustichi needed five more days to prepare the bid, Brian added that he felt it should stay on the current date and that they were trying to get everything finished up by the fifteenth due to the special Board Meeting planned before Christmas to award the bids.

It was mentioned that most contractors are telling their customers if they can afford the project now, do not wait even a month and that we should go with what we have. More discussion on how the project was modified to make it more desirable competitively and bring it down from the low bid of \$17.1million to a realistic \$15 million bid.

Other issues discussed, possible effects from Katrina, material cost increases, factoring in any potential disaster, the Crime Lab project contractor in competition with our contractor for the sub-contractors, possibly extending the bid day to December 20th keeping December 8th date for the pool. And if the 20th is decided upon, that the potential bidders be notified to make sure they would still be in the running. However, Brian stated that when he spoke with the contractors today, they were fine with December 15th.

There was more discussion within the committee regarding that the sub-contractors most likely to bid the Crime Lab are probably from the Bay area, Swenson just deciding to order documents today, checking the sub-contractors that were on the last bid to use as a factor to see if they are all in this area, concern regarding the bidding time of the 15th and the sub-contractors. It was decided to have Brian check with the people that pre-bid on Wednesday, to see if anything might impact the decision for the date change and if this it seems okay, go ahead with the bid date for December 20th, if not we will keep the bid for December 15th. Still keeping December 8th for the pool bid as long as there are at least two general contractors to bid,

Barbara will keep everyone updated on the status of the general contractors and the sub-contractors and the bidding date through e-mail.

It was explained to the committee, to change the bidding date, we have to officially issue paperwork in an addendum. The bidders will be told verbally that the bid date is going to change and they will work from just knowing the paperwork is coming.

***Michael Barsi** mentioned he had talked with Frank Swenson a couple of months ago and they were very interested in the project. He will contact him tonight to encourage this interest and ask if he can do anything to support him.

Barbara went through the information from the meeting with the committee, stating that December 8th will be the bid date for the pool, as long as we have at least two general contractors. The 2nd bid date is set for December 15th, but will be moved to December 20th if the bidders are okay with the change and in order to insure we get more sub-contractors. She also told the committee she would be attending the bids and would notify them what happened at the bids.

Next meeting will be January 23, 2006
The time will be from 5:00 pm to 7:00 pm.
In the Aptos Career Center
The meeting was adjourned at 6:00 pm

Amendment to Michael Barsi's statement:

***Michael Barsi** stated he had a correction **to** the November 28, 2005 minutes. He stated he did not know **anyone personally at Barry Swensen Builders**, that he actually has a friend that **knows someone there** and was going to talk with him. Chair Member Barbara asked if any one else had any corrections to these minutes; the members declined.