

# STATE PROPERTIES REVIEW BOARD

## Draft Minutes of Meeting Held On May 10, 2018 450 Columbus Boulevard, Hartford, Connecticut

The State Properties Review Board held its regular meeting on May 10, 2018 in Suite 2035, 450 Columbus Boulevard, Hartford, Connecticut.

**Members Present:** Bruce Josephy, Vice Chairman  
Jack Halpert  
John P. Valengavich, Secretary

**Member Not Present:** Edwin S. Greenberg, Chairman

**Staff Present:** Dimple Desai, Director  
Rosamond S. White

Vice Chairman Josephy called the meeting to order.

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

### OPEN SESSION

#### ACCEPTANCE OF MINUTES OF May 3, 2018

Mr. Valengavich moved and Mr. Josephy seconded a motion to accept corrected minutes of May 3, 2018 amended. The motion passed unanimously.

### COMMUNICATIONS:

#### REAL ESTATE- UNFINISHED BUSINESS

#### REAL ESTATE – NEW BUSINESS

<b>PRB #</b>	<b>18-059</b>	<b>Transaction/Contract Type:</b> RE/Sale
<b>Origin/Client:</b>	DOT/DOT	
<b>Project No.:</b>	(18) 34-124-1B	
<b>Grantee:</b>	Town of Brookfield	
<b>Property:</b>	Westerly side of White Turkey Road Extension (US Rt. 202) at the intersection of Present Federal Road (SR Rt. 805)	
<b>Item Purpose:</b>	Release the deed restriction and sale the area/property to the Town of Brookfield.	

DOT conveyed seven parcels of land totaling 138.59± acres to the Town of Brookfield for “Park and Recreation purposes” in 1985. Subsequently, it was brought to the Department’s attention that a portion of Parcel 1 was being leased by the Town to a private entity for parking, which violates the deed restriction. The Town is requesting to lift the deed restriction and purchase the area with the parking lot, which totals approximately 18,795± SF of land.

**Valuation:** DOT’s Anthony DeLucco valued the property at \$243,500. The appraisal was conducted on October 21, 2016. This parcel is classified as Restricted Industrial Commercial District.

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The original map, provided by the Town, showed approximately 0.41± acres (17,860± SF). The actual area is slightly larger consisting of 0.43± (18,795± SF).

On December 7, 2016, the asking price of \$244,500 was presented to the Town, which included the \$1,000 administrative fee. On April 18, 2017, the Town accepted the offer and submitted a ten percent deposit to continue processing the file. Subsequent to the offer being accepted, the Department was required to secure a Flood Management Certificate from DEEP.

**ARCHITECT-ENGINEER - UNFINISHED BUSINESS**

**PRB #** 17-320 **Transaction/Contract Type:** AE/Amendment # 1  
**Origin/Client:** DCS/JUD  
**Contract:** BI-JD-239-DB  
**Consultant:** KBE Building Corporation  
**Property:** 50 Field Street, Torrington  
**Item Purpose:** Amendment 1 to compensate the Design-Builder for time extension, value engineering and project refinements.

Rejection of Amendment #1 for this D-B agreement between the State of Connecticut and KBE Building Corporation for the proposed New Litchfield District Courthouse Project for the following reasons:

- The Board approval memo of the original D-B Agreement (dated 7/31/2014), specifically identified that any increase in the fee must be approved by the Board.
- Per the D-B agreement, **Article 2.6 – Delay:** “any changes in the Project Schedule shall be at no cost to the Owner and not subject the Owner to a delay claim”. The Design-Builder took total risk in getting the project completed as agreed upon by the D-B agreement.
- Per the D-B agreement, **Article 3 – Contract Price; 3.3 Delay:** “The Design-Builder acknowledges that the Contract Price includes and anticipates any and all delays, whether avoidable or unavoidable, from orders which may issue from any court, governmental agency or Force Majeure, and that such delays shall not, under any circumstances, be construed as compensable delays. No damages for delay or time extensions will be granted, even if Owner approvals deviate from the Project Schedule”.
- Per the D-B agreement, **Article 4 – Changes in the Work; 4.1 Agreement Amendments:** “any changes in the work had to be memorialized in an Agreement Amendment and does not become effective until execution by the Owner and Design-Builder, and approved by the State Properties Review Board and the Office of the Attorney General in writing”.

**UPDATE APRIL 19, 2018**

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**RECOMMENDATION:** SPRB staff recommends the board to SUSPEND/HOLD Contract Amendment #1 for this D-B agreement between the State of Connecticut and KBE Building Corporation for the proposed New Litchfield District Courthouse Project.

**UPDATE APRIL 16, 2018**

**RECOMMENDATION:** SPRB staff recommends the board to SUSPEND Contract Amendment #1 for this D-B agreement between the State of Connecticut and KBE Building Corporation for the proposed New Litchfield District Courthouse Project.

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**CONTRACT AMENDMENT #1** – The Department of Construction Services (“DCS”) has submitted to the Board Contact Amendment #1 which is intended to compensate the KBE Building Corporation (“KBE”) Design-Build Team \$1,917,264 for the completion of the project. The submittal provided by DCS breaks down the change order into three (3) different project components which are defined as follows:

<b><u>PROJECT COMPONENT</u></b>	<b><u>TOTAL COST</u></b>
TIME EXTENSION	\$822,301
VALUE ENGINEERING	(\$267,904)
PROJECT REFINEMENTS	\$1,362,867
<b>NET TOTAL COST</b>	<b>\$1,917,264</b>

DCS has further clarified this change order as follows:

- **Time Extension** – The winter of 2015 was extremely difficult and as such site preparation, rock blasting, foundation excavations and dewatering were negatively impacted causing “10-month impact” on the schedule. DCS claims that this adverse condition is further evidenced by the delayed substantial completion date of February 6, 2017. DCS has negotiated a four-month extension of general conditions in the amount of **\$822,301** for this request.
- **Value Engineering** – DCS worked with the Branch and KBE to identify a series of project refinements during the design phases of the project. During this time refinements to the lighting package, fire pump elimination, elevator car speed controls package and the elimination of security cameras were identified in the total amount of **\$267,904** for project credits.
- **Project Refinements** – DCS worked with the Branch and KBE on a series of project refinements including but not limited to lay-out modifications, revised finishes, site lay-out modifications, garage canopies, additional geotechnical testing, aluminum storefronts and various other construction changes. This list appears to include a least thirty-six items for a total value of **\$1,362,867** for this request.

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**RECOMENDATION-** SPRB Staff has completed a review of the submittal by DCS and is recommending that the board **SUSPEND** Contract Amendment #1 for this D-B Agreement between the State of Connecticut and KBE Building Corporation for the proposed New Litchfield District Courthouse Project. Pursuant to CGS 4b-24(4)(a) the SPRB has the statutory authority for the approval of construction contracts authorized on a “total cost basis” or design-build. Based on the limited information provided it is recommended that SPRB request additional information for the items identified in this contract amendment as well as an explanation as to why some of these changes were not submitted to the Board over 18 months ago.

**ARCHITECT-ENGINEER – NEW BUSINESS**

<b>PRB #</b>	<b>18-066</b>	<b>Transaction/Contract Type:</b> AE/Task Letter # 1
<b>Origin/Client:</b>	DCS/MIL	
<b>Project No.:</b>	BI-Q-692	
<b>Contract:</b>	OC-DCS-MEP-0043	
<b>Consultant:</b>	AZ Corporation (AZC)	
<b>Property:</b>	Camp Niantic, Niantic, CT	
<b>Item Purpose:</b>	Compensate AZC for design, bidding and construction administration services for the replacement of the existing boiler/hot water systems, installation of new heating ventilation and air conditioning systems, and a new Building Management Systems.	

This project involves design, bidding and construction administration services for the following construction work:

The complete project for Building 802 and 803 is to provide all Design, Labor, Materials and Equipment for the replacement of the existing boiler/hot water systems, installation of new heating ventilation and air conditioning (HVAC) systems, and a new Building Management Systems (BMS) at Camp Niantic located in Niantic, Connecticut, including the following:

1. Remove existing oil-fired boiler, replace with propane-fired direct vented, high efficiency condensing boiler
2. Provide air conditioning with split unit variable refrigerant systems
3. Remove existing oil-fired domestic hot water heaters, replace with indirect-fired water heater/storage
4. Provide new BMS to provide remote control of building HVAC systems.

This task letter takes into account the availability of Federal Funding

Building 802 – Design, Bid, and Construction Administration – FY 2018

Building 803 – Design up to and including Construction Documents – FY 2018

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*In October 2017, SPRB approved A/Z Corporation (“AZC”) (PRB #17-289) as one of the five firms under the latest On-Call Mechanical – Electrical – Plumbing (“MEP”) Series of consultant contracts. This is the first task letter that AZC has received under this series.*

**TASK LETTER #1** is a new task letter subject to SPRB approval because the cumulative project fee for this project over \$100,000.

The Construction Budget and Total Project Budget for both buildings 802 and 803 have been established at **\$1,545,706** and **\$1,741,806** respectively. As detailed in the scope letters from AZC to DCS dated March 15, 2018 for Bldg. 803 and March 20, 2018 for Bldg. 802 the project fee of **\$126,924** is intended to compensate the consultant for the following projects scope:

The project includes the replacement of boilers, the addition of A/C, and the connection of both systems to BMS for buildings 802 and 803 at Camp Niantic in Niantic, CT. This proposal includes the MEP design services, bid phase support, and construction administration services for these buildings.

It is expected that the Task Letter 2 (for bidding and construction administration for Bldg. 803 will be submitted for \$30,867 once the next federal FY begins. Therefore, the total project fee for both TL#1 and TL#2 is \$158,791.

<b>Task Letters – Various Camp Niantic Projects</b>	<b>Engineer Base Fees (\$)</b>	<b>Special Services</b>	<b>Total Fee</b>	<b>Construction Budget (\$)</b>	<b>% of Budget</b>
<b>PRB #18-066 Bldg 802 &amp; 803 (TL#1)</b>					
Schematic Design	\$23,258				
Design Development	\$31,012				
Contract Documents	\$46,518				
Bidding (Tracing and Masters)	\$9,158				
Construction Administration	<u>\$48,845</u>				
<b>Engineer’s Total Base Fee (PRB #18-066)</b>	<b>\$158,791</b>			<b>\$1,545,706</b>	<b>10.3%</b>
<b>TOTAL PROJECT FEE (TL #1)</b>			<b>\$158,791</b>	<b>\$1,545,706</b>	<b>10.3%</b>

*As summarized in the table above, the engineer’s base fee as a percentage of Construction Budget is 10.3% whereas the maximum guideline rate for this Group A renovation construction project is 11%. **NOTE:** DCS should use appropriate line items in determining construction costs. In the submission from DCS, DCS included Overall project budget that includes A/E fees/Other/DCS Fee in determining the maximum percentage fees afforded to the consultant. It is also recommended that DCS upload Form 1105 on SharePoint for SPRB staff review.*

**OTHER BUSINESS:**

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The Board took the following votes in Open Session:

The Vice Chairman put to motion to vote on:

**PRB FILE #18-059** – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB File #18-059. The motion passed unanimously.

**PRB FILE #17-320** – Mr. Halpert moved the motion to approve the staff recommendation to reject PRB File #17-230 and Mr. Valengavich seconded the motion. The motion passed unanimously by a show of hand to approve the rejection. The rejection was for the reasons mentioned above.

**PRB FILE #18-066** – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB File #18-066. The motion passed unanimously.

The meeting adjourned.

**APPROVED:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
John P. Valengavich, Secretary