

## BUDGET REVIEW COMMITTEE

AUGUST 3, 2006

A meeting of the Budget Review Committee was held Thursday, August 3, 2006 at 8:24 p.m. in the Aldermanic Chamber.

Alderman-at-Large David W. Deane, Chair, presided.

Members of Committee present: Alderman-at-Large Fred S. Teeboom, Vice Chair  
Alderman Richard P. Flynn  
Alderman Daniel L. Richardson

Members not in Attendance: Alderman-at-Large James R. Tollner  
Alderman Mark S. Cookson  
Alderman Greg Williams

Also in attendance: Katherine E. Hersh, Div. Dir., Community Development  
Richard Seymour, Div. Dir., Public Works Division  
Stephen Williams, Exec. Dir., Nashua Reg. Planning Comm.

### Chairman Deane

Alderman Tollner is on vacation. Alderman Cookson and Alderman Williams had work commitments.

### HELD IN COMMITTEE

### Chairman Deane

At our last meeting R-06-06 was amended, held, and then tabled.

### **MOTION BY ALDERMAN DEANE TO TAKE FROM THE TABLE R-06-06 MOTION CARRIED**

#### **R-06-06**

Endorsers: Alderman-at-Large Brian S. McCarthy  
Alderman Marc W. Plamondon  
Alderman-at-Large Steven A. Bolton  
Alderman Michael J. Tabacsko

**SUPPORTING EFFORTS TO PROCEED WITH THE BROAD STREET PARKWAY AND  
AUTHORIZING A MUNICIPAL AGREEMENT WITH THE STATE OF NEW HAMPSHIRE  
TO MUNICIPALLY MANAGE THE PROJECT AND PROVIDE THE LOCAL MATCH**

Chairman Deane

This evening I had asked Community Development Director, Hersh, Director Seymour, Director Williams, and Alderman Plamondon to join us.

I sent a copy of the acted upon amendments over to everyone, and I just wanted to go around the room. Director Hersh if we refer to you as Mrs. Hersh will you be offended?

Katherine Hersh

Not at all.

Chairman Deane

Director Seymour if it was Mr. Seymour is that fine and Mr. Williams as well?

Richard Seymour

Sure.

Chairman Deane

Thank you. You have reviewed the amendments that we have made. Basically Mr. Williams we took what you had proposed in your memo that was dated May 3<sup>rd</sup>, and there were issues that were raised about the end of it. Alderman Teeboom had questioned the costing item. Did you have an additional amendment you would like to make Alderman Teeboom?

Alderman Teeboom

What I have asked because basically we are copying information out of the May 3<sup>rd</sup> memorandum written by Director Williams, and the issue came up and I am one of the people who raised it, maybe we all raised it, is we wanted to get a cost estimate of what we call the 2003 concept. This is what this is all about. The language doesn't clearly address that. We started discussing that and soon got into disagreements what we were really talking about so we said well let's call the Director back in and have him provide the language, and then we can discuss it I attempted to get a copy of the resolution over to Director Williams and he will have to address it at this point. That is where we stand at this point.

Stephen Williams

I think if you would like some additional language what I would suggest is that you add an Item E that would be 2003 concept cost estimate. Then I think the text that would accompany that would state that based on the final 2003 concept identified by the previously described land use engineering and environmental studies and that ...

Chairman Deane

Excuse me – do you have this already in print somewhere?

Stephen Williams

I am making it up as I go along.

Alderman Richardson

Shall I restate what we have so far?

Chairman Deane

That would be helpful.

Alderman Richardson

You are adding Item E titled 2003 concept cost estimate – text reading “Based on final 2003 concept identified by previously described land use engineering and environmental studies.”

Stephen Williams

“An itemized cost estimate shall be produced identifying costs for final design, right of way, construction, and any required mitigations.”

Chairman Deane

There is no cost for this ha? The \$150,000 will cover this portion?

Stephen Williams

No. I was always assuming there was a cost estimate going to be prepared as part of the \$150,000 study, but the memorandum that the Alderman took this out of was not specifically addressing sort of the overall scope of work of that study. The memorandum was simply addressing questions that had not yet been resolved through the 2003 study and so that is why there was no specific text in there related to the cost estimate. It was always my assumption that one of the products of that study was going to be this sort of cost estimate that I just described in this text.

Chairman Deane

So the current \$150,000 will cover the cost of ...

Stephen Williams

Preparing the cost estimate right.

Alderman Teeboom

It works pretty good. Let's just for the record understand a little bit more about this – if you want to flash out the details. Although I am not a construction guy I am an engineer, I have done plenty of cost estimates in my lifetime. Can you just give us an idea how this cost will be – not precision but estimate and the form this will take?

Stephen Williams

The form it will take is easy. It will be in the form of a table that will itemize the costs, the line item costs for the project in somewhat more detail than I just gave it to you, but in those broad categories certainly, and estimate those costs and provide you with a total figure for the entire cost of the development of the project. It will be what I guess we would consider a preliminary engineering cost estimate in that it won't be based on the ultimate final design of the project. The design won't yet be done at this point. It will be based on more of unit information that is based on the final alignment that is selected, the final details with regard to the intersection configuration, the grade, and things like that, and of course all of the other things that go into that. It will probably have a precision of say +/- 10-15%.

The next step in the project after completion of this study, assuming that you choose to go forward, would be final design, which is going to be about an 18 month process, and at the end of that process you will be back to a very specific and about as specific as you can get cost estimate. That final design will be producing the drawings and materials that will be used to bid the project and prepare for construction.

Alderman Teeboom

To what precision is the final design estimate?

Stephen Williams

Well the issues with any estimate of a construction project are there are two main areas where one is materials cost and it is particularly when you are looking some years out into the future it is hard to anticipate where materials costs are going to go and then the second thing is we have found that major construction projects like this often depends on small things; what time of year you bid the project, which is obviously going to be bid in phases and in sub-parts. Some of that is mitigated by the fact that it is not going to be one big bid but a bunch of small ones. In the end, there are some things like that you simply can't control or account for in the estimating process when you are doing a construction project like this.

Alderman Teeboom

What is the approximate number – what is the precision?

Stephen Williams

You would think it will be closed in the 5-10% range, but it can be all over the place. Clearly the closer your final design number is in time to when you actually go out to bid the better off you

are. If you finish final design this week and go out to bid next week the chances are much better of hitting that number pretty closely than they are if it is some 2-3 years down the road.

Alderman Teeboom

These figures are based on your experience?

Stephen Williams

Yeah general experience in the development of these roadway projects.

Alderman Teeboom

Have you done roadway projects of this scope?

Stephen Williams

Yes.

Alderman Teeboom

Would you consider this project a difficult project – difficult to estimate?

Stephen Williams

Not really. There are some somewhat unusual pieces in this project – this kind of curving bridge – you don't often see a curving bridge, but other than that most of this stuff is fairly standard stuff.

Alderman Teeboom

Final question – I presume that also predicates a solution to what I call the Pins Street corridors.

Stephen Williams

Right and that is why I identified based on the foregoing land use, engineering and environmental studies, and that is one of the issues that has to be resolved in those land use engineering and environmental studies.

Alderman Teeboom

Thank you.

Alderman Richardson

I would just like to clarify the proposed language for Section E – this is a proposal to – let me just read it “Based on final 2003 concept identified by the previously described land use engineering and environmental studies, an itemized cost estimate shall be produced identifying costs for final

Design, right of way, construction, and any required mitigation.” This is part of the \$150,000 total dollars to come up with a cost estimate of doing the project?

Stephen Williams

Right.

Alderman Richardson

Just wanted to clarify that.

Chairman Deane

Is there any further discussion?

Alderman Plamondon

Just one thing I want to clarify – I support the intent. These are all questions that need to be answered, and I hope I am wrong in this, but it is my understanding that by taking this task, the \$150,000 would be out of city coffers and not be applicable to the 80/20 match whereas if we simply went forward and made a decision to move forward, these same studies would be done, these answers would be done, and the 80% federal dollars we would be able to apply to them. I just want to pose that question because that is my understanding.

Chairman Deane

I would say Alderman Plamondon you are probably correct, but I can – I won't speak for everyone here, but I think that the way this initial piece of legislation is written and the number of unanswered issues associated with this project – we would be struggling. We have asked for the opinion from Corporation Counsel on the land and the buildings that we took. We got that back. We have a funding analysis that we got from Mr. Minkarah that I still have a few questions on. Whether there is an 80/20 match or not these number of items that have been placed into this piece of legislation as it is amended have to be answered.

I can't comfortably move forward to do something not knowing the design, these mitigation issues, and what the cost is. That is crazy. It is a pig in a poke. We all know the thing is going to come across the river, but this whole project has changed substantially from four lanes to two lanes. I know a lot of people aren't happy about the time that this process is going to take to have this done, but I think it needs to be done. We need to thoroughly understand the entire project and what the cost is. This will answer some of the issues that – most of these issues, these issues down on Franklin Street and Pine Street – they are all in your ward. They are just too open ended to just say well let's just build it and see what happens.

Alderman Teeboom

On this point Alderman Plamondon, I am absolutely convinced that this is done with city money not with any shared money because it has been made very clear to us that there will be no sharing on anything until we sign that agreement that was the original language. I can also tell

you, maybe call this the engineer in me, in some e-mails I have pointed out there were mistakes made in the Big Dig. You have to study these things before you move while they are in construction. I am taking some hits – people are asking me why another study – you heard what the Mayor said it has been studied to death. Not the 2003 concept number 1, not the terminus. I cannot in good conscience endorse going ahead with the project until I see those kind of answers. There is enough of an engineer in me that I want to look at these answers. If I am not happy with that study - \$150,000 is a lot of money, but in the scheme of things we don't have that many choices. We can't spend the money on another project it has to be the Broad Street Parkway. I tried that with my little draft of the Millyard project just to get that answer.

The attorney is telling us we are liable for the \$14.2 million with a quasi contract. You can argue until you are blue in the face what a quasi contract is, but the fact is there has been an opportunity over the last number of years that we effectively have bound ourselves to this. We can walk away from the \$14.2 million if we walk away. It is not clear to me if we sell the land back do we get the \$14.2 million back, which a lot of that land is landlocked. We need to do something. We can't just sit here and hide our heads in the sand like some people would like to do. It might seem like a good strategy. In retrospect, seeing where we are, it is not a good strategy. Yes a study has to be done.

I do have a question to Director Williams. I don't see the timing here. This study was going to be done in a year's time, and I need to see where this says a year's time. If it doesn't can we amend this further under E or on the top someplace to say that this will be completed within a year?

Stephen Williams

As far as I remember the actions that were taken a week ago Monday Alderman Bolton as I recall proposed an amendment that would have been completed a year from project initiation and I had thought that was part of this.

Alderman Teeboom

This is all invented first from your May 3 memorandum and adopted in our amendment, and the amendment completely replaces the previous wording. We need to put in a timeline if you don't mind.

Stephen Williams

I would certainly appreciate that.

Alderman Teeboom

Can you give us the language and where you would like to put that?

Chairman Deane

I don't think Alderman Bolton has attended any of these meetings at all.

Stephen Williams

I am sorry it was Alderman Tollner.

Chairman Deane

Yeah Tollner. Would you like to put the timeline in the first Whereas right after it says resolved by the Board of Aldermen of the City of Nashua? Unless you would rather add the timeline to the end.

Alderman Teeboom

I would rather see the timeline specifically called out in the text.

Chairman Deane

Let's go to E then.

Stephen Williams

Perhaps an F and simple state – was it your intent that NRPC conduct this study?

Chairman Deane

I am not quite sure what the process is now. We would probably have to go out to bid. This would be professional services right?

Alderman Teeboom

I don't know anybody else who could for the \$150,000.

Chairman Deane

If it is professional services then the hiring doesn't require the bid process. Am I correct Mrs. Hersh?

Katherine Hersh

I think that is correct. If it is professional services it doesn't. However, the standard has been to go out for professional services if it is over \$10,000.

Chairman Deane

Mrs. Tremblay has supplied us with the manual.

Alderman Teeboom

Competitive proposals – it doesn't matter we could go competitively and if someone can do it for \$150,000 – that was the discussion the day before yesterday – she found someone for \$120,000 that qualified – someone says they want \$500,000 and they are highly qualified then they will get the job. I have no problem with competing this.

Katherine Hersh

For professional services (Section 2-248 Professional Services) it says – “In the purchase of accounting, architectural, auditing, engineering, legal, medical, and ambulance services and purchases of independent professional consultant services for personnel, data processing, actuarial, planning, management, and other comparable purchases, competitive bidding shall not be required.”

Alderman Richardson

But we can put the language in to require competitive bidding.

Chairman Deane

We could do that. It doesn't matter to me.

Richard Seymour

If I could – typically when we go out for professional services we select a firm based on the qualifications and then we sit down with the firm and iron out the costs. It is typically that we look at the scope of services that you are requiring; we look at the staffing and their level of effort, etc. Then you bang out a number based on that effort. You have some control over costs obviously because you are requiring them to keep to the scope and also requiring them to give you full disclosure of who is going to be the principal on the project, who is going to be doing the design work – all of the different people that are part of the firm that is going to work on the project.

Alderman Richardson

I have a great deal of difficulty – I am sure I have expressed it to many people about the need to make sure that we have a contractor who is competent and who is free of any conflict of interest. I really think that if we go out to a contractor on a competitive basis I think that will resolve a lot of that, and I would really – I think we ought to go that course to put into this legislation that we should have a competitive bid at a minimum and my preference would be to go even further than that and go to a competitive bid amongst those who would be indifferent to the future business of the city. I won't push that point at this time.

Chairman Deane

If we set a timeline of one year from approval of award of contract and contract services are to be competitively bid.

Stephen Williams

If I may Alderman Deane – we were just kind of chatting amongst ourselves over here about the best way to do this, and I think what we were going to suggest was that NRPC manage the contract and put it out for a competitive procurement as described by Director Seymour. Then proceed with the study in that fashion.

Alderman Teeboom

How do we then contain this at \$150,000?

Stephen Williams

The contract for the consultant that was selected would ultimately be a contract between the consultant and the City not between the consultant and NRPC so it would still have to go through your processes and ultimately one of the city departments, I am assuming Public Works, would have to sign off on the invoices for that contract, etc. You would still have control NRPC would simply manage.

Alderman Teeboom

I understand that, but that was not the question. The question was how do we contain this to \$150,000?

Chairman Deane

In other words Mr. Williams I believe the concern is over what is the cost NRPC will charge the city for providing these services?

Stephen Williams

I think what we discussed at the meeting last week was that this \$150,000 would include 10% for administration and 90% of it would be for the actual study.

Chairman Deane

Okay.

Alderman Richardson

I would like to take a vote on what we have so far before we amend it further.

**MOTION BY ALDERMAN RICHARDSON TO AMEND BY ADDING “ITEM E” TITLED “2003 CONCEPT COST ESTIMATE” WITH TEXT READING “BASED ON FINAL 2003 CONCEPT IDENTIFIED BY PREVIOUSLY DESCRIBED LAND USE ENGINEERING AND ENVIRONMENTAL STUDIES, AN ITEMIZED COST ESTIMATE SHALL BE PRODUCED IDENTIFYING COSTS FOR FINAL DESIGN, RIGHT OF WAY, CONSTRUCTION, AND ANY REQUIRED MITIGATION.”**

ON THE QUESTION

Alderman Flynn

We are adding Item E, but we are not adding any funds to this resolution. This resolution still is at \$150,000?

Chairman Deane

Correct.

Alderman Flynn

Even with these additional requirements.

Chairman Deane

Correct.

Alderman Flynn

All I am voting on is Item E – that this is something that makes sense if we are going to go forward – to add this requirement. That is what I thought. Thank you.

**MOTION CARRIED**

Alderman Teeboom

What I would like to see in F is a schedule.

Chairman Deane

Item F will be titled Timeline?

Alderman Teeboom

I prefer the word Schedule myself.

Chairman Deane

Okay I will give in this time and allow you to use the word schedule.

Alderman Teeboom

The text will say “This study will be complete within one year following contract award.”

Chairman Deane

Are we going now to a G after this?

**MOTION BY ALDERMAN DEANE TO AMEND BY ADDING AN ITEM F TITLED “SCHEDULE” WITH TEXT READING “THIS STUDY WILL BE COMPLETE WITHIN ONE YEAR FOLLOWING CONTRACT AWARD”  
MOTION CARRIED**

Alderman Teeboom

I would like to know about documentation. What form of documentation will be submitted for this study?

Stephen Williams

I would assume it will be a bound report. Is that what you mean or are you looking for financial documentation like invoices?

Alderman Teeboom

I am asking you. It could be anywhere from a briefing to a bound document with the costs in the back and items A-C, which I prefer, but I am asking you – in my experience in a study we should specify the documentation. We don't really have standards in the city – military standards so I would like to say in Item G Study would be submitted in the form of a bound document and not get into details of the standards of the document unless Mrs. Hersh can – do you have standards in Community Development?

Katherine Hersh

No because we do all different types of ...

Alderman Richardson

Perhaps Director Seymour can offer a suggestion.

Richard Seymour

I think bound book is appropriate. Approximately 99% of the studies come out bound. If they want to be presented to the Aldermen or anyone else you obviously want a bound document.

**MOTION BY ALDERMAN DEANE TO AMEND BY ADDING AN ITEM G TITLED “DOCUMENTATION” WITH TEXT READING “THE STUDY TO BE PRESENTED IN THE FORM OF A BOUND DOCUMENT.”**

ON THE QUESTION

Alderman Richardson

Is that what this is, is this a study? Is that what we are calling it?

Chairman Deane

Yes.

Alderman Richardson

I would suggest that we actually refer all products from this effort as being put into this document. That means all the resolutions of the outstanding issues that we have in paragraphs A, B, C, D.... plus the 2003 concept cost estimate.

Chairman Deane

What is your recommendation to amend – the study be presented in the form of a bound document do you want to further amend that to include items A through E

**AMENDED MOTION BY ALDERMAN DEANE TO AMEND BY ADDING AN ITEM G TITLED “DOCUMENTATION” WITH THE TEXT READING “THE STUDY TO BE PRESENTED IN THE FORM OF A BOUND DOCUMENT TO INCLUDE ITEMS A THROUGH E**

ON THE QUESTION

Alderman Flynn

If we do anymore we won't need NRPC. Could I ask Alderman Williams a question?

Chairman Deane

Sure.

Alderman Flynn

We paid to the NRPC – we have a fee that we give you – I don't know if we give it to you on a quarterly basis ...

Stephen Williams

Quarterly yeah.

Alderman Flynn

It is like a bill that you present to us and we pay you on a quarterly basis, but what things fall under the parameters of that \$60,000 payment as opposed to something like this? You wouldn't

know a year ahead of time what kind of issues you will help us with I would imagine. Why wouldn't this be included in that \$60,000?

Stephen Williams

For the services that we provide to the City you are right your dues are just short of \$60,000 for this fiscal year. The services we actually provided to you last year were in excess of \$700,000 worth of services. We use the funds that you give us to match grant funds from the federal and state governments to provide you with a lot of different products; everything from studies like this to the mapping work that we do with various city departments, various other types of products and so the reason that this would come out as a separate item is that it is basically not eligible to be funded with any of those grant funds that we use your money, the city's money, to match.

You could I think as Alderman Plamondon pointed out a moment ago, you could actually sign the Municipal Management Agreement and go ahead and proceed with the project and all of these questions would be answered in the normal course of developing the project in which case you wouldn't have to spend city money for this at all. By pulling it out and making it a city study like this separate item you are kind of pulling it out of that entire process. Do you see what I mean?

Alderman Flynn

I don't know if it is cogent to this particular resolution, but so basically the reason we are paying this fee whatever it might be, this 10% is because there is no way for the NRPC to get any compensation for this. Normally you get some money from the federal government is that what you are saying?

Stephen Williams

Exactly,

Alderman Flynn

There is some kind of matching funds. The federal government gives us some money and you get a share of that, which we pay \$60,000 on top of that?

Stephen Williams

Right so for example what typically happens is the federal government gives us 80% of the costs of doing various kinds of work for you, you pay 20% and in many cases even less than that of the costs for preparing those things, and then we go ahead and work with your staff or with the Aldermen or whomever else.

Alderman Flynn

Do you get a share of that 20%?

Stephen Williams

No. We collect those dues from all 12 municipalities in the region and they all go into providing those overall matching funds for the grants that we use to produce all of the different products that we produce.

Chairman Deane

It is a joint effort with surrounding towns.

Alderman Flynn

I was just wondering why that wouldn't be covered under that \$60,000 fee. It seems like if they don't get a share of those federally matching funds now then what we are giving you for that payment, whatever that might be \$1,200 a week whatever that is, we do for some level of activity whether it was this or something else that you are working on. I guess we could talk about that some other time.

Chairman Deane

If the concern was related to the financial side of having it funded out of the federal money we could go ahead and have that agreement signed and move ahead not knowing any of this, but I think we have turned around and chosen to not only deal with some of the issues that are unsolved prior to supporting the effort of funding it to build it. We have a problem with the \$14.2 million, but I think it is up to us as well as the citizens to understand just exactly what the final design and the result of this project is regardless of the timeframe that people are upset about this project not moving forward in. It has been 30 years. I think we should understand these 3 or 4 issues especially terminus issues and the cost and design before we move forward.

There was mention made of taking those buildings and properties that we purchase for, I don't even know how much money it was, well the buildings are gone, and as Alderman Teeboom alluded to some of the properties are landlocked. The properties are not worth – if we put that back on the market to sell it, it is my opinion we would never get our money back for it – to turn around and drop a check off and walk away. It would never happen. We are stuck. I think since we are stuck and we have found out that we shouldn't do projects like this we should at least go through the project and figure out and get the answers to these items that Mr. Williams drafted in this memorandum.

Alderman Teeboom

I have another point. Director Hersh and Jay Minkarah have mentioned a number of times that there are developers ready to put some money into a – I think some contribution. I think it is monetary. Maybe it was not. If we proceed with this at least we are doing something. We show that we are going forward in good faith. We are not borrowing/hiding this thing. We are trying to proceed along prudent lines. It would seem to me that if anybody is doing development on Franklin Street or Pine Street or other places like the Millyard then we could set up a trust fund for them. We could say look we are proceeding in good faith we want you to proceed in good faith – put some money in this trust fund – if we stop you get all of your money back. That

should take care of some of the issues that Director Hersh had with those people that want to move forward and are not moving forward and not giving us anything because they didn't know what we were doing – they are making their own plans.

I think this is an additional incentive not only for us to proceed, but for – I would like to comment on that – does that make sense? Can you set up a trust fund for potential contributions?

Katherine Hersh

I will make some comments, and if Director Seymour wants to add as well ... often times the contributions from developers are in improvements. For example, roadway improvements. For example the Front Street and Franklin Street projects are projects where traffic is an issue and traffic is something that we want to make sure is addressed so the investment that we require as a city that they make in improvements in the infrastructure in order to manage the increased cars if there is traffic generated by that development – that can be used as part of our match. But we will still be requiring them to make those improvements so they will still have to invest in our infrastructure, but we cannot use it as part of the match unless the Board of Aldermen has chosen to sign the Municipal Agreement.

Right now my understanding is that the Stabile project is in – it is going before the Planning Board this month, and there is a I think a recommendation from the traffic consultant for a new traffic light to the tune of \$200,000 to \$250,000 at Fairmont Street. That will be an investment that would need to be made depending on the decisions of the Planning Board, etc., that would need to be made by the developer of that project. That is an investment that could be used towards this project if the Municipal Agreement were signed. If the Municipal Agreement is not signed then it cannot be used towards this project. That was the point that I think that Director Minkarah was trying to make with regard to this. Do you wish to add to that Director Seymour – correct me if I misstated it at all.

Richard Seymour

I think you are right. There is obviously an impact to the developer and to the City any time a project goes on line. We ask the developers on a regular basis for improvements – traffic mitigation mainly. A good example is Lowe's that just went in on D.W. Highway – we asked for significant monies and effort for them to mitigate traffic. I guess I agree if the money is already put into improvements then it certainly can't go towards the match until the agreement is signed. There is obviously a window of opportunity there and we potentially could lose some developer contributions.

Alderman Teeboom

So there is never a cash contribution? A cash contribution could go into a trust and could be used against the match if we sign the agreement.

Katherine Hersh

Sometimes there is cash. For example, if I recall, Target was a cash contribution and that cash contribution was for the specific purpose of addressing traffic issues generated by that specific

project. In the case of this specific project, the improvements would need to be made in order for this project to go forward because of the increased traffic that this project is going to generate. The Board of Aldermen – if you go forward with this resolution that you have proposed before you right now then this is not a commitment to move forward on the Broad Street Parkway, this is an opportunity to look at, in depth, the information that the Board needs to make that decision, and then in a year you will make that decision as to whether or not you move forward on the Broad Street Parkway right? So ...

Chairman Deane

I don't mean to interrupt you. We have never seen the four page municipal agreement. Nobody has seen it.

Katherine Hersh

That is because it is ...

Chairman Deane

We were told it is four pages long and we wanted to take a look at it. I think Alderman Richardson is the one that brought that up, but ...

Katherine Hersh

Can I actually address that Alderman Deane because that Municipal Agreement – there was a municipal agreement that was written at the time that was appropriate at that time and was what was anticipated at that time. That may not be the municipal agreement that we want. For example, ...

Chairman Deane

What time was that?

Katherine Hersh

There was a draft I know that was around in 2003. I probably have it over in my pile over there. It is not necessarily relevant to what the municipal agreement would be now. There are different factors that would be involved; whether or not the city manages part of the project or all of the project, who does what – it is a negotiation and it depends on staffing and it depends on a whole lot of things. That is why the municipal agreement is not something that we would write or present until you have made a decision as to whether or not you wanted to go forward. Then that municipal agreement would have to go to the Board.

Chairman Deane

Where is the municipal agreement associated with this piece of legislation?

Katherine Hersh

If the Board chooses to move forward then we would provide you with a municipal agreement that we would ... DOT has to be part of that decision about the municipal agreement. We can't just present you with a municipal agreement and say okay DOT will be okay with it. It is a give and take – we have to go back and forth with DOT to provide you with an agreement that – for example I just presented you with an agreement with DOT, a municipal agreement that the Board of Aldermen passed with regard to Rotary Common. That was very tailored to that specific issue and that specific site and has very specific parameters with regard to that specific project. Each municipal agreement – it is not like a standard form. It has ...

Chairman Deane

It is not boiler plated.

Katherine Hersh

Correct.

Chairman Deane

Where is the rough draft of the municipal agreement for the original piece of legislation that ...

Katherine Hersh

We didn't do a rough draft for the original piece of legislation.

Chairman Deane

Basically we could negotiate our own municipal agreement?

Katherine Hersh

Yes. That is a Board decision.

Chairman Deane

Okay.

Alderman Richardson

I would like to add Paragraph H – I believe it was spoken of as being contract services are to be competitively bid.

**MOTION BY ALDERMAN RICHARDSON TO AMEND BY ADDING AN ITEM H READING  
“CONTRACT SERVICES ARE TO BE COMPETITIVELY BID”**

ON THE QUESTION

Chairman Deane

I think there was talk of oversight by NRPC. Would you put some sort of committee together? How would that be done Mr. Williams?

Stephen Williams

The way we have done it in the past on other projects is that we work with a steering committee made up of staff from Community Development, Public Works, and if it is appropriate to include other city departments they would be invited, and I think we have even included members of the Board of Aldermen on those committees in the past as well. Those committees actually sort of provide the oversight for the study and then the NRPC provides the sort of day-to-day management of the study.

Chairman Deane

But if we went through the selection process then we would have a steering committee in place so the RFP goes out, basically the legislation will be the directive behind the RFP so the RFP goes out, the bids come in, the steering committee reviews the bids and makes a selection?

Stephen Williams

Right. So what we would do in that case is that NRPC would write the RFP, review it with the members of the committee. That is what would then be sent off to the list of qualified consultants. They would make their proposals, we would go through a typical review/an interview process, and one would be selected. A contract would be negotiated and ultimately be presented to the Finance Committee I suppose for their approval at which point it would be ultimately acted upon and the consultant would start the work.

**AMENDED MOTION BY ALDERMAN TEEBOOM TO AMEND BY ADDING AN ITEM H  
READING “CONTRACT SERVICES ARE TO BE COMPETITIVELY BID, AND MANAGED BY  
NASHUA REGIONAL PLANNING COMMISSION”**

ON THE QUESTION

Alderman Teeboom

My question is the following – we are funding \$150,000. We understand the NRPC will come in and do this for \$15,000 so now they find a bidder, vendor X, and vendor X says gee I have never been involved with the Broad Street Parkway before, I have to study all of the stuff that has happened in the past, I have to study the four lane concept and the two lane concept, I have to do this and this and the other, and for that job --- I will tell you I think \$150,000 is a pretty cheap figure. They could claim \$1 million. Don't laugh this is a sizable job when you start from scratch. That is why I don't like it. Here we are saying \$150,000 or \$135,000. Now it comes before the Finance Committee and I can just see now asking my list of 20 questions and one is where is the

funding. Then we are right back to square one. The problem I have is yes I like the idea Alderman Richardson presents, but I don't think it is practical considering that we don't have a lot of money to devote to this subject. That is my reservation.

Richard Seymour

It really shouldn't be a competitive bidding process. It should be based on qualifications period. Once you pick the qualified firm – you certainly wouldn't pick a firm that had no experience in that type of a design – you would pick a firm that has design experience and I think a firm that has previously done work on the Broad Street Parkway so they have some background knowledge in regards. There are a couple of firms – 2 that I have in mind. You would then interview that group that you selected along with the team that Director Williams mentioned, and obviously this group that you have selected would know that you have a budget of \$150,000 or less that has to be spent for these particular tasks. You would put them in the position of having to do that work for that amount of money. If the money is sufficient to do the work then it should be a firm that has the skill level and the wherewithal to do it for the money that we ....

Alderman Teeboom

Here is my point – nice words, great objective. Unfortunately what assurance in your experience do you have that we can find a firm X that can do this all for \$35,000?

Alderman Richardson

That is precisely the reason why I think it should be competitively bid. Going out to someone that the city has done business with before, they will be more than happy to give an answer that the city wants. Everybody knows what certain elements in the city want and can tailor the answer to what you want. That is called a conflict of interest. I think that would be a very bad thing to have. I do not think it is a very good idea to go out to someone, especially someone who has done business and possibly getting an answer which is not up to par, not up to scrutiny as far as the cost estimate goes. That takes care of that issue.

The other issue is we talked earlier about the accuracy of the estimate, and it was stated that the estimate would be somewhere with an accuracy from 10-15%. Well the original cost of this was \$50.5 million. What is 15% of \$50 million - \$7.5 million of accuracy slop. That is your area of unknown. Who pays that? That is the City. The feds have already given us all the money that we are going to get for this project. Any additional money is going to come from the tax base. I don't like that accuracy. We have to have a better accuracy than that. We have to have a better answer than that. That is more inaccuracy in terms of dollars than we have presently in the proposed match of \$6.2 million. We need to do something about the citation of accuracy that we want.

Chairman Deane

Mr. Williams could you respond to that? How could we tighten up that accuracy percentage?

Stephen Williams

The only way you can tighten up the accuracy is really the two ways that I mentioned before; you can go all the way to final design where you have literally the construction drawings in front of you and you know how many yards of concrete and fill and how many light posts and the whole thing and when you get to that level you can itemize it out about as carefully as you can. That is one thing you can do to improve the accuracy of the estimate. The second thing you can do I also mentioned before. You can make sure that you bid it for construction as close as possible ... **tape flipped** ... your engineers when they are doing their estimates are working on the basis of the most recent cost factors that they have available to them and then of course there is the best correspondence as possible between those cost factors and what the contractors ultimately use to build the various parts of it.

You can do those two things, but in the end, any project you do like this is subject to the vagaries in the market. In particular in Nashua the cost materials. To a lesser extent the cost of right of way. It is not a big issue here because most of the right of ways are purchased. There is still some that is needed, but a lot of the right of ways are purchased. Those are the things that are going to influence whether that cost estimate is correct or not.

Chairman Deane

Please continue.

Alderman Richardson

Well I think we ought to deal with item H as we presently have more to go.

Chairman Deane

Okay so contract services are to be competitively bid and managed by NRPC.

Alderman Flynn

I like this suggestion. I like this amendment a lot. I would like if Director Seymour could talk a little more on this. I understand how you normally would handle this kind of activity or this kind of consultant, but by putting this Item H in how does this constrict – what detriment or what are the considerations should we be factoring in? Do you have any apprehensions about this Item H?

Richard Seymour

I do because competitive bidding is fine if you are buying a tractor under certain specifics – you can go out and competitively bid a tractor and find similar tractors at different costs and pick the low bid. You certainly don't want to have 6 firms apply for a project and then you are in a competitive bid process where you have to go with the low bidder. The low bidder may be one of the least experienced or least qualified to do the job. You always and 99% of the time when we go out for roadwork, sewer work, any large projects it is always competitive qualifications first. The firms come in, make presentations based on their qualifications, submit booklets based on

their qualifications, materials, discussions – it is a very complicated process where you have typically a panel of 5 or 6 people, but that is how you select a firm, and then you sit down with the firm and iron out the costs of the project.

You have other projects that you base costs on so you have some kind of comparison so you know you are not getting too high of a cost, you have control over certain elements of the scope that you know are going to cost so much, you go back and forth with the consultant in regards to hours of work per items of the scope – it is a very complicated process, but it typically gives a very good product in the end. You have an idea based on other projects where a consultant should come in price wise for a particular project. It is not always based on percentage. It may be based on similar projects in the state or the area that – in this case you certainly don't want to go with a competitive process. You want to go with a qualifications process. If you have so much money to spend then you are going to have to hold that consultant to the costs that you have or the money that you have for the scope that you are going to put forward, and they are going to have to do the work within that scope. If they cannot then you are going to have to look for a different firm.

I think we are pretty confident that we have the monies available to do the work. It is really important that you get a qualified group. You certainly don't want somebody that is going to be giving you price projections in traffic, which is a very specialized and a very difficult field to come in and give you estimates and plans and a report that is in any way not exactly what you really want because we will all be sitting here a year from now looking at a plan that did not meet the needs of you as Aldermen and the City.

Alderman Flynn

Maybe you could finish that thought with following up on this question or maybe Director Hersh could answer – for example last night when we had – maybe it was two nights ago when we had the Brownfields people in here, wasn't that a competitive bid, but we started off with a competitive bid and then we went to qualified people who could do the services? We didn't just give it to whoever was the low bidder?

Katherine Hersh

No we didn't.

Alderman Flynn

Those three people were qualified people and then we looked at their prices. Wasn't there a screening that was done?

Katherine Hersh

Right.

Alderman Flynn

It sounds like that is different the way we did that Brownfields project for whatever that was \$142,000 for information as opposed to how we do this?

Katherine Hersh

It is actually very similar. What we did with the Brownfields, we get the proposals in one envelope and we get the fees in another envelope, which is the exact same thing as what Director Seymour is talking about. We open up the proposals, we go through the proposals and rank them, and in the case of the Brownfields the other night if you recall we had three top proposals, and then we opened up the fees for those three top proposals. We ended up with one of them that did not give us fees that we could use, the fees that responded to the proposals so that one was out, but then the other two were we felt were both very qualified and so we took the low bidder of those two. However, if we ended up in a qualifications – if we ended up that we really had a top candidate then we might not open any other fees. We might only open the fee for the one that we felt is the top one and then negotiate with them.

The point is that we don't make those decisions on professional contracts based on the money. We make them based on the best product that we can get for the money.

Alderman Flynn

But there are no contracts that would be awarded based solely on price? Certainly it will have to be some kind of qualified competitive bid right?

Katherine Hersh

Right.

Alderman Flynn

So is this really still such a huge hardship to put this in this contract?

Katherine Hersh

I think that one of the issues is to make sure that we understand what you mean by competitive bidding. If you mean by competitive bidding that they compete on qualifications and then from there we go forward making sure we have the best qualified consultant prioritized then that is fine. That is competitive from our standpoint. If you are saying that competitive bidding means the best price not based on – not looking at qualifications first but looking at price first then that is what I think the concern is.

Alderman Flynn

People do competitive shopping all the time. They do it when they go buy cars, but they don't do it solely based on price they look at the value for their – what their needs are, the features that fit

their requirements and what the price is based on what they are being offered. It doesn't stand alone that I am going to buy the cheapest car.

Katherine Hersh

I agree with you entirely, but I think based on the questions that we often get from the Finance Committee there is some concern about we want to make sure that we really are clear on what your intent is because we are often asked is this the lowest bidder. We just want to make sure that we understand when you are talking about competitive bidding that we are talking about competitive based on qualifications. As long as that is clear. Is that ....

Unidentified Speaker

I think you don't want to say bidding you want to say a competitive process based on qualifications period.

Katherine Hersh

Thank you.

Alderman Teeboom

To be clear – I don't have a concern with the word competitive. The part that Mrs. Hersh read to us was a thing called construction projects.

Katherine Hersh

No I read professional services.

Alderman Teeboom

Professional services, which is a separate section and numbered all the same – however, we have in fact a thing called 22:46 called competitive proposals. That is exactly what Alderman Richardson proposed, and it says “where competitive sealed biddings are practical.” Well sealed biddings is not practical. It allows you all kinds of stuff, but it says, “procedures of competitive proposals and price is a consideration.” You have to tell them the importance of price because nowhere does it say you have to pick the lowest price. I think you have all the options described in 22:46 called competitive proposals and then 22:47 procedures of competitive proposals. I don't see one necessarily excluding the other. You have all of the options available.

My concern is not at all that, and I like competitive proposals. I think that is the way you really get exclude everything out of what you need to do. My only concern with the wording, and you can say competitive proposals if you want to for 22:47 and ... **tape inaudible** ... that is pretty clear. The language is right here. That is not an issue. My issue is the cost. We put in \$175,000 in the heading of this resolution so if the bid comes in through this process and we get a bid for \$300,000 - we go through this competitive bid, open up the envelopes, price is a

consideration, the only ones qualified – we go through the qualifications and one guy bids \$250,000 and the other bids \$300,000 and there is nobody bidding \$135,000 so now you are stuck.

There are two things you can do; you can go back to the Finance Committee and I presume ask for more money or you have to stop and say we are not going to award.

Chairman Deane

You can negotiate too Alderman Teeboom.

Alderman Teeboom

Yeah, but you don't negotiate from \$300,000 down to \$135,000 unless you cut out A and C and E of your requirements, which we are not doing. My only concern is given that we want A through G and given that we have \$135,000 because \$15,000 is management fee, and that is why I am asking Director Seymour what confidence does he have that this can be done. I didn't get an answer on that question frankly.

Stephen Williams

I guess I could respond to that. Our confidence is based on the fact that we do a number of projects like this, we have a number going on right now, and so we have current experience dealing with the consultants in New Hampshire and Massachusetts on these types of projects, and current experience with approximately what they charge to do this type of thing. To give you an example, when we did the study or when we started the process with the study in 2002 that resulted in the 2003 current we were managing that, we had a budget of \$188,000, we went through the qualifications based process that Director Seymour described a moment ago, I think we interviewed four firms, selected the most qualified. Their initial cost proposal came in at something like \$210,000 and from there as was described we negotiated. We had to work pretty hard on that negotiation, but we ultimately got down to \$188,000. That was what was submitted and that was the study that was done, and it satisfied the scope that was proposed.

I have some confidence that there are sufficient funds to do what needs to be done.

Alderman Teeboom

So you have confidence this can be done?

Stephen Williams

Yeah.

Alderman Teeboom

Okay.

**AMENDED MOTION BY ALDERMAN RICHARDSON TO AMEND BY ADDING AN ITEM H READING “CONTRACT SERVICES ARE TO BE ON A COMPETITIVE PROPOSAL BASIS, AND MANAGED BY THE NASHUA REGIONAL PLANNING COMMISSION”**

ON THE QUESTION

Chairman Deane

Does that language suffice the concerns that were just discussed?

Katherine Hersh

Yes. I am looking at Director Seymour since he is going to be managing.

Chairman Deane

He is smiling so it must be all right.

Katherine Hersh

I do have a question though based on comments of the Alderman from Ward 3. He made comments with respect to concerns about conflict of interest and about companies that may have done business in the past with the city and what their vested interest would be. I just want to make sure that I am really clear on what the intent is because I am confused. Is the intent that we not hire anyone that we have hired in the past that we have done business with? Is that the intent?

Alderman Richardson

Clearly we have a group of selected contractors that we have done business with in the past, and these are people that we can trust and have done business with. We wouldn't keep them on the bidder's list if we didn't. These are companies that are more than happy to do what the city would like to do. They are very cooperative, moldable, and these companies are good. It is a good thing to have when you need certain things. However, when the city is going out – now that was for going out and doing the job. We are going out and asking for a bid and we have an objective – certain elements within the city have an objective to have a cost which is estimated to be reasonably low, and I am certain that there is a willingness on the part of a contractor who wants to please the city to meet those people's desires. I consider that tendency to be a conflict of interest. That is my consideration.

Katherine Hersh

I still don't – I don't have an answer to my question. First of all I would like to if you don't mind Alderman Deane, I would like to respond to that by saying that I think that any consultants and I have been a consultant as well as many other people, would take umbrage in that as professional consultants have professional licenses and degrees and make objective

professional recommendations. I feel that you are casting dispersions on professionals and I really think that might not bode well on the city because there may be people who just choose not to bid because they feel that the city doesn't respect the value of their work.

It is still not clear to me whether or not you are saying that we should not be contracting, therefore, with people that we have contracted with in the past and that we have relationships with or have done other business. In every case we do put out RFPs. Anything that is over \$10,000 we put out RFPs and do a competitive process whether it is based on qualifications or whatever. I just don't want to come in here with – go through a whole process and come in here with a recommendation and then have there be concerns that there may be some – because of having used that consultant in the past that there may be some concerns that we aren't going to get a fair and objective response from them. If there is that concern I would like to understand that so that we make sure as we go through this that we limit the decision or recommendation based on that. That is what I am trying to understand.

Alderman Richardson

I would love to respond to that. I am casting dispersions on any situation that is a conflict of interest. I will admit that and I would recommend that anybody do so also. Any time there is a conflict of interest that is just not democratic at all okay. Yes in fact I was casting dispersions on any situation where that might arise. I described that situation to you. Now when it comes to the situation of should not go with a contractor who has done business previously with the city or not, well that is just fine if it is competitive. That is absolutely fine. If we had a situation where we were going to go out to a chosen contractor without any kind of competition I would be very very much not in favor of that.

Katherine Hersh

I understand. Thank you.

Chairman Deane

I don't think that would be the process. I have sat on many different committees that have, especially with Public Works – I went through the process with hiring another investment firm for the Board of Trustees. We put an RFP out, got 23 bids back, went through it and qualified 15 of them. We went through them again and brought in 10 people. We whittled that down, we kept whittling it down, then we brought a firm in and they gave us a basis point costing, and then we negotiated. We went through the process. It took a couple of weeks to do all of that. In some instances that was a 6-7 hour day of just sitting there listening to these people one right after the other, and it gets – after a while it is like listening to a broken record.

Your amendment to H is contract services are to be ...

Alderman Richardson

On a competitive proposal basis and managed by NRPC.

**MOTION CARRIED**

Chairman Deane

Is there a need to use letter I?

Alderman Richardson

Now I would like to get to the issue of accuracy of the bid. I guess I described the situation already. There are choices we have. We can with knowledge of the accuracy proposed then get a number cost estimate and then go through the bonding process with taking into consideration the high end of that accuracy range so that we make sure we have enough money or we can specify in here that number, which would be a wiser choice, however we decide to choose the accuracy of that number so that we can actually know what we need to bond, and that number is our choice, our choice of accuracy. How accurate do we want this?

As I described previously, 15% you are talking about \$7.5 million, which is more than what the present proposed city matched funds of \$6.2 million is. I would open that for discussion.

Alderman Teeboom

You can get any level of precision you wish down to 1/100 of 1% or 1/1000 of 1%. When you finally bill it you can get it down to zero differentiation because it is built. It comes down to a matter of detailed design and price. When you do the detailed design 5-10% seems a bit high to me. ... **tape inaudible** ... yeah there is a variation in the material and that depends on the schedule. If it is a ten-year scheduled obviously much more of a difference than if you have a one-year schedule. At this stage in this study I have no basis for seeing 5-10%. In engineering communications you do things much closer than this, but this is construction and in construction you can make some horrendous mistakes as you well know from our great example in Boston that was thousands of percentages off.

I don't see how we can force the percentage. What we can do is pick the contractor, and if your are concerned about the source selection and conflict of interest then you ought to see if you can go on the selection committee. You can certainly disqualify based on closeness and collusion or whatever might be your opinion. To force a percentage you would have to come up with a number like 5% and like I said it would up the cost. If we are going to start with negotiations I can see the selection and you say okay what technique do you use to make the estimate and someone says well we are going to get this detail you say well what precision will you get it to and he says 3% say great and write it down, next .... Whether you have ten guys that come in, and this is for construction, the next guy says 5% and the next guy says 1% well maybe the 1% guy is lying through his teeth. You have to make that evaluation. Just because you put down a number doesn't mean that number will be met. Just because someone says these hangers with epoxy will hold things up doesn't mean the ceilings won't come down.

I don't understand how you can force a percentage unless you have a good idea of what the cost implication of that is, and we don't. I think for \$150,000 we are getting; from what I see is being done here, a pretty good deal. I wouldn't want to push it.

Alderman Richardson

I most certainly think we have to have the accuracy specified because that is what will tell us how much money we need to beyond the estimate that we get. We have to have enough money to do the job. If we go with 15%, 50% whatever it is, okay we will have to add that on to the estimate when we go to bond so we have enough money. We need some kind of an idea of the estimate that we are getting, what the accuracy will be.

Chairman Deane

Well if you have an accuracy specified and they give you a cost and it is +/- 10% say basically you just add that 10% to what the – 15% - I understand where you are coming from. If they come in and say the project is \$60 million +/- 10% so you know that you will have to add an additional \$6 million possible buffer on to the project cost...

Alderman Richardson

That is correct.

Chairman Deane

That would basically give us or give me somewhat of a comfort in knowing that the project will not exceed probably \$70 million or \$68 million – if you add the 10% they are factoring in and leave it there – now he had stated 15% and as Alderman Teeboom has stated for the \$150,000 if they really want to nail this dead on we are starting to get out of the range of the monies that we have. I think if they came back and gave us a price of say \$60 million with 10% +/- we could look at it and say worst-case scenario \$66 million. I would be comfortable with that.

Katherine Hersh

You wouldn't end up determining what number you would bond until you had the final design anyway, which will give you a far closer number. This number that you will get out of this study is going to have a +/- 10-15% as Mr. Williams said. Based on that study of the Board of Aldermen decides to move forward with the Broad Street Parkway then the next step would be to go through to get final design and construction documents for the Broad Street Parkway, and when you get those final design and construction documents you will then have a more accurate number. Then when it goes out to bid and the bids come back you will have a really accurate number. That is what you can bond based on.

Alderman Richardson

I understand that, but we need to have – the reason why we are going through this process is to come up with a number that we can believe that would be the worst case how much money we really are going to need because that will tell us how much is going to be coming from property taxes, and that is the question. We know how much we have in federal money. The question is how much do we need in property tax money. We do need to know to whatever accuracy there is what the accuracy is going to be so that we can make this worst case judgment.

Chairman Deane

So if we went to 1 accuracy of bid +/- 15% - is that ....Do you want to comment on that Mr. Williams? Is that workable with ...

Stephen Williams

I think if that is what you want to say that is what you want to say.

Chairman Deane

What would you recommend in your professional opinion?

Stephen Williams

I think the estimate you are going to get is not going to be the final number for the reasons that Mrs. Hersh just described, and my professional experience has been that preliminary engineering estimates are generally within 10-15% of the final figure so I suppose you can specify that, but as was stated I don't think you are going to know until you are done.

Chairman Deane

At least it will give us an idea at that point in time. We all understand the increased cost in materials and labor and ...

Alderman Teeboom

Let me recommend the wording in I.

**MOTION BY ALDERMAN TEEBOOM TO AMEND BY ADDING AN ITEM I READING  
“ACCURACY OF THE COST ESTIMATE IS ANTICIPATED TO BE WITHIN TEN TO FIFTEEN  
PERCENT”**

ON THE QUESTION

Alderman Richardson

This is not a declarative sentence. This is just an .... It doesn't add anything really to the resolution at all. You are not saying what it shall be – we kind of guessed that this is what it is going to be. It doesn't tell us that in fact is what our accuracy will be.

Alderman Teeboom

Unless you have a crystal ball Alderman Richardson ...

Alderman Richardson

Not true. You are saying that this is the funnel, you can be anywhere within here. You can be +/- 10%, +/- 5% or dead on we don't care as long as it is within 15%. We need to define that.

Alderman Teeboom

That is a crystal ball.

Chairman Deane

If we defined it we would have to have the final design and the construction documents to define the cost.

Katherine Hersh

Yeah.

Chairman Deane

So giving yourself some leeway or the +/- 15% - if we wanted to move forward with the final design and construction documents then we could get a real accurate number, but with \$150,000 we are just trying to stay within the realm of a percentage of an – I guess it is an estimate that is somewhat accurate.

**AMENDED MOTION BY ALDERMAN RICHARDSON TO AMEND BY ADDING AN ITEM I READING “THE ACCURACY OF THE COST ESTIMATE WILL BE WITHIN 15% OF THE FINAL DETAILED DESIGN ESTIMATE.”**

ON THE QUESTION

Alderman Teeboom

It is a pretty wide number so I think any estimate is probably going to hit 15%.....

Chairman Deane

That is fine. That is what he is comfortable with.

Alderman Teeboom

I have never – even in the kind of stuff ... it was within 2-3%. I have never seen it done. Fifteen percent is as big as a house. I don't think anyone will have a real objection. If someone says – first of all I look at it and I don't think it is very useful, but if someone says to me – I was kind of reacting to 15% thinking it was kind of high. If someone says to me I need an estimate within 20% I would say good-bye. I have never seen this specified. It really goes by rule of thumb on engineering judgment and experienced professionalism on how accurate these things are done. The reputation of whether someone is not lying to you when they make proposals.

Chairman Deane

I don't think anyone is lying to anyone. I haven't experienced it.

Alderman Richardson

We have kind of gone over this several times, but yeah you can have any percentage you want it is how much you want to pay for it. We say we don't want to get too expensive that is fine. So we go with a much wider degree of error. Again, this is going to help us understand what the worst case cost is going to be for this parkway. We are just going to have to add on 15% to whatever we get to make sure we have enough. That is good engineering as far as I am concerned.

Alderman Flynn

I don't really support this resolution, but I have supported these amendments up until this point. How are we going to enforce that anyway? We are not going to know the accuracy until the thing is built. At this particular level of assigning this \$150,00 of expenditures how are you going to know that you are getting that result from your resolution? How will you measure that?

Alderman Richardson

We are specifying that to the bidders okay. Now that is what they are signing up for okay. This is a parameter that they have to deal with. It is mostly for our purposes because what it tells us is the degree of inaccuracy that we are willing to take from this process so that we can understand the high end of what this is going to cost the city by the tax base. That is its purpose. This is not the .....

Alderman Flynn

I don't see how it serves any purpose. You can put it on if you want.

Alderman Teeboom

The first guy that bids 15% says I will build this two lane highway, gives us a stack this thick in a report; beautiful, perfectly typed, colored pages, etc. He says it will cost you \$55.33 million within 15% - thank you very much, here is your money, see you later. Now it is under construction estimate, the detailed design, that comes in with a stack of drawings this high and spreadsheets that high that has ever nail, etc. and he says the estimate is \$60.4 million and Alderman Richardson says that isn't 15%. You just blew it; the guy was within 20%. That is great go find him and get your money back.

Alderman Richardson

That is not the purpose of this.

Alderman Teeboom

Enlighten us what the purpose is.

Alderman Richardson

The purpose is for our understanding of what we need to bond in the future. This is not in the bonding process. That is down the road. We are going to have to have some idea of what the high end is going to be okay so when we go to make the decision if we should go with the parkway that is – when we make that decision we are committee okay at that point. We need to understand how much it is going to be.

Alderman Teeboom

If that is the purpose the contractor that does the bid when he submits to you the study and the costs he should tell you to what accuracy he estimates in his professional opinion. Then you go forward with full design.

Alderman Richardson

That would be fine.

Alderman Teeboom

But he will tell you that because he has done the study.

Chairman Deane

We will have to make sure that is incorporated in the language in the RFP. I think what Alderman Richardson is looking for is the worst-case scenario within a percentage. That is what he is looking for.

Katherine Hersh

I was just going to suggest that maybe in E where you have a 2003 concept cost estimate that you add the phrase margin of error so that they have to give you a cost estimate including the margin of error. That is really what you want because I am concerned if you say 15% that may give them more opportunity to give you less accurate numbers. They may really go at trying to give you within 5% and work harder – if they have a 15% they can be a little less accurate.

Alderman Teeboom

That is a good point.

Chairman Deane

We're back at letter E now – based on the final 2003 concept identified by the previously described land use, engineer, and environmental study, itemized cost estimate shall be produced identifying costs for the final design right of way construction and any required mitigation...

Katherine Hersh

You can add an itemized cost estimate including margin of error.

**MOTION WITHDRAWN**

**MOTION BY ALDERMAN RICHARDSON TO AMEND BY ADDING TO ITEM E THE WORDS “INCLUDING MARGIN OF ERROR” AFTER THE WORDS “AN ITEMIZED COST ESTIMATE”**  
**MOTION CARRIED**

Chairman Deane

We have added an E, F, G, and H. Are there any other amendments?

**MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE AS AMENDED**  
**MOTION CARRIED**

GENERAL DISCUSSION

Alderman Deane thanked those in attendance for their efforts in regard to amending the legislation. He went on to praise the work done for the City by the NRPC.

PUBLIC COMMENT - None

ADJOURNMENT

**MOTION BY ALDERMAN TEEBOOM TO ADJOURN**  
**MOTION CARRIED**

The meeting was declared closed at 10:07 p.m.

Alderman Daniel Richardson  
Committee Clerk