

**MINUTES**  
**August 24, 2005**  
**City Services Committee**  
**City of Batavia**

Chairman Volk called the meeting to order at 7:00 p.m.

**1. Roll Call**

**Members present:** Aldermen Volk, Vance, Wollnik, Dietz, Frydendall, Liva, and Barnard (7:05 p.m./Item 4)

**Members absent:** None

**Also present:** Aldermen Schmitz, Sparks, Wolff, and Clark; Mayor Schielke; Bill McGrath, City Administrator; William Darin, Fire Chief; Chris Hansen, Kluber Skahan Architects; Kathy Montanari, Recording Secretary

**2. Approval of Minutes**

None.

**3. Items Removed/Added/Changed**

None.

**4. Discussion on Fire Stations Progress**

Volk explained that the purpose of this meeting was to interview candidates for construction management services related to the fire station projects. Eighteen RFQs were sent out and ten responses were returned. A committee comprised of staff members and aldermen reviewed the responses and selected the top three companies for an interview.

**5. Interviews for Fire Stations/ESDA Project Construction Management**

**A. M.I.C., Inc.**

Dennis Kintop, President of M.I.C., Inc., stated that his company is located in Batavia. Members of his project team introduced themselves to the committee. Prospective project managers were Morgan Moseley, Tom Krueger, Martin Overstreet, and Travis Wood.

Kintop reviewed his project approach. He anticipates potential problems to address them beforehand. It will be important to maintain access to the west side station during construction. He included \$20,000 per station in his budget for trailers in case fire personnel must be temporarily relocated during construction; this would be no more than 30 days. The phasing plans will be determined by all affected parties.

Kintop said he is responsible for most of the cost estimating. He consults with subcontractors three times prior to public bidding to arrive at an estimate. During the budget process, he reviews ways to reduce costs. Kintop reviewed budgets from past

projects on the Geneva Fire Station and the Bristol Kendall Fire Department. Change order logs are prepared for the owner and include a contingency balance.

Kintop explained the process of value engineering. There may be cases when different materials can be substituted without a significant impact on a project.

During the preconstruction phase, Kintop works with the owner and architect to provide a building within the established budget. He has not experienced many instances of non-performing contractors, since he requires a pre-qualification statement from subcontractors. Kintop carries the contracts with the subcontractors, along with the associated risk for the job.

Kintop said that safety is a top priority for M.I.C., Inc. and all employees have ten hours of OSHA training. An independent safety specialist would conduct weekly inspections on both sites. Safety requirements are included in all bid specification book, so subcontractors are aware of their responsibilities. A safety inspection report for each station would be submitted to the owner once a week.

With respect to value engineering, Volk said the City wishes to save money, but not at the expense of creating future problems. He asked how Kintop would address those concerns. Kintop said he approaches a project as though it were his own. As such, he will not make a recommendation to use a material that would not be durable or could cause maintenance problems. He has a great deal of experience with repair work and knows where problems lie. Kintop said mistakes inevitably occur in construction, but he attempts to minimize them. It is important for him to maintain a good reputation, so he wants to ensure that the quality of the project is high.

McGrath asked how the opinions of the owner, architect, and construction manager are balanced when there are disagreements. Kintop said that egos must not be involved and a common sense approach is most important. He presents the pros and cons of each option and a thorough discussion is held.

Vance said, given the fact that the fire stations are located at major entrances to Batavia, the City Council wants to have a finished product that it can be proud of and that can distinguish the community from other areas. She asked how Kintop would accomplish this, while still meeting budget requirements. Kintop said he is proud of Batavia and shares the City's desire to make the buildings outstanding.

McGrath requested clarification on Kintop's value engineering recommendations for Geneva—were they made early in the process or when it appeared the budget might be exceeded. Kintop said he typically sets up alternates for plans. All work done for Geneva was on drawings at the time of bidding; the only revision was a reduction for pipe insulation. He identifies potential problems at the beginning of the process so drawings do not have to be redone. Kintop said if he began construction in February 2006, the project would be under roof by the end of the year, including asphalt and interior work.

McGrath asked if value engineering recommendations that would result in an alternate bid would require additional drawings from the architect or changes to specifications, and Kintop said it can depend. When a basement was added to the Geneva police station, there was an additional page that the City had to pay extra for. If there is merely a substitution on materials, it does not usually require new drawings.

Mayor Schielke asked how Kintop's team would be shared with other jobs. Kintop responded that a project manager would be assigned to the job, along with an on-site project assistant.

McGrath asked if Kintop would have a full-time project manager at each station. Kintop said he would assign one project manager for now.

Mayor Schielke asked if the company could construct both buildings simultaneously. Kintop said both should be completed at approximately the same time.

McGrath asked if Kintop's description of value engineering matched the architect's understanding of the process. Hansen said those concepts are usually a team effort. It will be beneficial to get the construction manager on board now since his advice will be valuable to the project. Hansen said Kintop's explanation was satisfactory.

Hansen asked if the City could choose a particular project manager for its project; Kintop said yes, although all would do an equally good job. Kintop said he would be available immediately to commence negotiations with the City, if chosen, and to discuss design issues with the architects.

Hansen noted that it will be very difficult to complete the projects while the buildings are inhabited. The engineering crew has been on site for several days to review alternatives, and the primary concern is for the safety of the inhabitants. There are new OSHA regulations about buildings being occupied and the effects of construction dust and debris. Hansen asked for the company's EMR (experience modification rate) rating, which is a measure of safety performance. Sue Doornbosch, Comptroller, stated that the company's EMR rating is 0.82; 1.0 is average and anything less is good.

Hansen asked if the company would have a bonding capacity issue if the project begins in the early spring. Kintop said there is no issue, since he utilizes a dual obligee bond—he only bonds work he is covered for. All bidders will bond to M.I.C., Inc.

Chief Darin asked if a full-time project manager would be on each job site. Kintop said his general conditions include two full-time superintendents and a full-time project assistant. He believes that one project manager can handle the project at the beginning; another project manager could be added later if the City chooses.

Darin asked if trailers would be used only 30 days, and Kintop said he would need to attend a few meetings to make that decision.

Vance asked how many of the four project managers had previous experience with fire station renovations or buildings. Kintop said Overstreet did the Geneva station and Wood did the Bristol Kendall station.

McGrath asked if anything about construction of fire station building was unique, other than keeping them in operation. Kintop said from a structural standpoint, a fire station is just a building, but interiors require more specialized handling.

McGrath said the City would have the flexibility under the conditions to determine the number of project managers. He then asked if smaller subcontractors would be capable of handling both projects. Kintop said there are two options: subcontractors can be required to bid on both stations or bids can be done separately. He prefers to have one bid for both stations, although this would be reviewed. The pre-qualification form will address those questions, and Kintop said he is familiar with the capabilities of area contractors.

### **B. MTI/KCC Joint Venture, LLC**

Andy Jones, President of MTI Construction Services, introduced members of his project team. Proposed assignments include Ernie Spina, project manager; Brian Novak, pre-construction manager; Sean Barry, General Superintendent and Safety Coordinator; Mike Metz, Construction Manager; Jerry Krusinski, President of Krusinski Construction; Adam Nauman and Shawn Morris, Superintendents. Jones said MTI and KCC joined together as a legal entity to do joint venture work in the public sector. This enables them to share resources including a subcontractor base, technology, history, and knowledge.

Sean Barry reviewed safety policies and procedures used by the company. He said it would be important to keep construction and staging away from fire personnel and apparatus. Weekly meetings would be held with fire department representatives to ensure good communication.

Brian Novak indicated that he is responsible for preconstruction. This involves coordinating with City officials and the architect. Cost estimates are prepared in the design development stage to identify potential cost-saving measures. All major systems are evaluated and alternate solutions are suggested, as applicable. He also reviews bid documents with the project manager to ensure that all items brought up during preconstruction are implemented in construction and bid documents.

Ernie Spina stated that he would serve as project manager for both sites. He is responsible for informing all parties on a daily/weekly basis through meeting minutes and checklists. A two-week planning schedule is prepared and presented each week so all upcoming activities are known.

Mike Metz said he would oversee all construction at the two sites. Regarding non-performance of contractors, the joint venture provides for an elite group of contractors. A pre-qualification form is used to ensure that subcontractors are of the highest quality.

Volk said the City wishes to stay within budget and is interested in value engineering. However, it does not wish to have long-term maintenance issues in the future. The City also wants to be environmentally responsible and values items that may reduce operating costs and energy use of the buildings. Volk asked how the company would respond to those issues, while still maintaining overall quality of the project. Novak responded that he would be proposing a variety of systems during the design development stage. Three options will be presented for every trade; operating costs can also be given. Jones added that value engineering begins with schematic documents and runs through construction; the company will provide options to choose from that will range from least expensive upfront costs to more expensive upfront costs that may save money in the long-term.

Vance pointed out that the fire stations are located at the entrances to the community, and the City Council wishes to have a product of which it can be proud, and one that is long-lasting. She asked if the company renovated other fire stations that had to remain operable during construction. Berry responded that a primary issue would be to isolate construction traffic from the station and maintain egress for the department. The site must be kept clean and dust should be minimized. He would respond to any concerns as quickly as possible. Jones indicated that the company did addition projects on existing facilities that had to remain open 24/7, including the 9-1-1 Center in Arlington Heights and the St. Charles municipal center.

Wollnik asked where the two superintendents lived in case they needed to respond to an emergency during off-hours. Morris lives in Lemont and Nauman lives in Crystal Lake. Barry said he is notified immediately if there are any serious situations; any employees in the area could also assist. Jones and Krusinski are both St. Charles residents.

McGrath asked how decisions are made on value engineering options. Novak said that the company would present options, but the City makes the determination. During design development, he meets with the architect to obtain input on the project with respect to building systems and materials. Those meetings usually include the architect, owner, and general contractor and details are decided upon early in the process. The company usually bids several alternates so there are different options.

McGrath noted that Spina was the point of contact, but would not be on site. He asked if on-site workers who were responsible for the job had to channel communications through Spina. Spina said even though he is not on site, he communicates with superintendents on a daily basis. Spina would also be in frequent contact with the principal owners whether it is on a daily or weekly basis. He is responsible for ensuring that the owner's expectations are put into the project. The architects would speak directly to him on any issues. Barry explained that superintendents are qualified to address certain situations and may contact the architect or engineer, if necessary.

McGrath pointed out that the joint venture was formed in 2004 and asked how many projects the company was involved in. Jones said the company did one project for a school district bus facility in St. Charles. McGrath asked why the joint venture was formed, and Jones said it was created to offer a wider, more qualified base of

subcontractors to the public sector. Each company still does jobs independently for the private sector, but principals came together to provide construction management and design/build services to the public sector at a lower cost. MTI has been providing construction management services for over 20 years.

McGrath asked if the daily/weekly checklists were paper-based or done electronically. Barry replied that superintendents prepare daily reports, site inspections, and safety audits. The general superintendent also visits the site once a week.

Chief Darin pointed out that both projects would be constructed simultaneously. Barry responded that a full-time project superintendent would be assigned to each site.

Hansen said an MTI/KCC representative mentioned that some value engineering would be based on building systems. He asked if the entity had licensed engineers on staff to provide that expertise or if subcontractors would offer that advice. Novak replied that it was the company's experience that led it to have an understanding of system costs. The use of subcontractors is also helpful in that they are the professionals in their trade. Since the company does repeat business with subcontractors, they are usually willing to help with system costs and design on a preliminary basis. The company representatives are not design professionals and do not produce drawings.

Hansen said MTI/KCC also indicated that it can provide an energy analysis on various systems with respect to payback periods. He asked if that particular type of subcontractor had an engineer on staff. Jones explained that both companies do design/build for the private sector. Mechanical and electrical work is also done on a design/build basis, and those firms have licensed professional engineers on their staff.

Hansen asked if the company would be available to enter into negotiations immediately and become involved in the design process, and Jones said yes. He asked if the company would have adequate bonding capabilities to break ground in March 2006, and Jones said yes. Jones said the company's EMR is 0.88 and its bonding capability is \$40 million.

Darin asked if the company felt fire personnel could remain in the buildings during construction or would trailers be used. Barry said the company has done a number of renovations that had to remain operable 24/7. One of the responsibilities of the project team is to ensure that there are no shutdowns. Jones said the company also has on-staff carpenters who can move walls to accommodate fire personnel and construction.

McGrath noted that the City is seeking a construction manager as constructor that would be holding the contracts. Jones confirmed that was his understanding of the project.

Hansen asked how unsolicited change order requests are handled, and Spina said all change orders must follow a predetermined process. Unsolicited change orders are not accepted, and the subcontractors know what is expected beforehand.

Hansen asked about the company's process for qualifying subcontractors. Metz said a pre-qualification process is used to ensure the highest quality of subcontractors.

Hansen asked if the company would be working with the architect to develop multiple contract summaries for the various subtrades. Jones said MTI/KCC would assist with front-end documents. In more than 40 projects over 20 years, all bidders were prequalified for public work and only two were disqualified.

Hansen asked how the two superintendents would resolve conflicts between specifications and drawings. Nauman said specifications typically rule, but he would consult the architect to determine what was envisioned. Jones added that these kinds of conflicts between specs and drawings are identified at the bid stage, so this would be a non-issue. Spina elaborated that bidders are to mention conflicts before submitting a bid.

Hansen asked for an example of a past problem and how MTI/KCC overcame it. Morris said the company is always looking ahead with its two-week schedules. At the bus facility, there was a problem with the location of sanitary sewer line and a solution was found that was less expensive to the owner.

Jones noted that in the combined 93-year history of both companies, neither has ever been involved in any litigation. The company prefers to work out any problems and move forward. As construction manager, the company is part of the owner's team along with the architect.

Volk asked if the base of subcontractors would have the capability of working simultaneously on both sites. Jones said the Algonquin fire station projects were done together with most of the same subcontractors working on both jobs. He recommended bidding the two buildings as one project.

Vance asked how close to budget the company was for the Lake in the Hills project, and Jones said the company was \$300,000 under budget on the \$6 million project.

The committee recessed from 8:30 – 8:50 p.m.

### **C. Sigalos and Associates**

John Sigalos stated that he is the president of Sigalos and Associates general contractors and construction managers. He introduced Rob Dengel, Vice President of Construction Management Services; Nick Sigalos, Project Manager/Estimator; and Joe Meegan, Vice President of Field Operations. All have college degrees in architecture or construction management.

The company has successfully completed nine fire stations in the Chicago area and one is currently being constructed for the Village of Arlington Heights. Projects were done for the following fire protection districts: Pleasantview, Bloomingdale, Darien-Woodridge, Tri-State Fire, and many others. Many are repeat clients. John Sigalos encouraged City representatives to contact the company's references.

Rob Dengel reviewed the company's project approach to the preconstruction and construction processes. He provided a brief summary of his past experience in the industry and stated he has been with the company for 17 years. If retained, the company becomes involved in the project on a daily basis including communication with the architect, attendance at owner/architect meetings, input on design decisions, and suggestions on keeping the project within budget.

During the preconstruction process, the company reviews decisions by the owner and architect and advises how those choices affect the cost of construction and scheduling. A schematic budget is prepared to compare costs with historical data from past projects.

Dengel then reviewed a preliminary budget with actual bids and value engineering/final costs to illustrate how costs were reduced for a past project. The City would receive all cost savings.

Nick Sigalos indicated that he obtains a minimum of three bids for each trade. He analyzes bids, reviews them to ensure all items from the scope were included, and prepares estimates for in-house carpentry.

Dengel then distributed spreadsheets for a current project and indicated budget bids are solicited from contractors once the drawings are more defined. Square foot costs are calculated for various building systems and earthwork to compare costs with other projects to see if they are in line. Once design development costs are established, value engineering options are presented for the owner to accept or reject. Information is provided so the owner can make an informed decision well before the job is put out for bids. The company also prepares bid packages with detailed descriptions of the work required; this eliminates grey areas in specifications.

Joe Meegan went over job site scheduling and safety. Schedules are updated on a weekly basis to identify any items that may need to be addressed. As project superintendent, he runs weekly job site and safety meetings. Meegan said job site safety is taken very seriously.

John Sigalos presented an overview of several fire stations recently completed by his company. Dengel noted that the company has a long list of satisfied customers, many of which were repeat clients. John Sigalos said his company has the proven experience, talent, and commitment to provide construction management services to the City.

Volk asked whether the Arlington Heights fire station gut/rebuild was in active use during construction. John Sigalos said living quarters were completely gutted and the owner had on-site trailers for the firefighters to live in; apparatus bays were kept in full service during renovation. This was also done at three stations for Pleasantview. After a preliminary review of drawings, the nature and extent of the project seems to indicate that it will be necessary to have on-site trailers in Batavia, but it will be coordinated to be kept at a minimum. Apparatus bays would be kept in full service.

Liva asked about the time periods firefighters were housed in temporary quarters. John Sigalos said the Arlington Heights project was done in three months, and trailers were used for Pleasantview for about four months. Both projects were complete gut/remodel projects, as are Batavia's two projects. A schedule is developed to minimize the amount of time trailers must be used.

Volk said the City is interested in containing costs, but not at the expense of causing future maintenance issues. Batavia also wishes to build an energy efficient building to demonstrate its leadership role in being environmentally responsible. He asked how the company would work with the project architects to achieve those goals. Dengel responded that this will depend largely upon Batavia's willingness to pay a premium for a more efficient building in anticipation of the future payback. The company will explore all energy saving options available and prepare costs for those options. John Sigalos said that the owner's ability to maintain the systems is also a factor in decisions.

Hansen noted that both sites were rather challenging and asked what the company thought the major hurdle associated with each would be. John Sigalos said the sites were not as tight as ones the company has previously worked on. Meegan said he reviews logistical issues and plans for them in scheduling.

Hansen said the company's RFQ indicates it does \$8-10 million construction per year. He asked if the company would have any bonding issues, considering that these two projects total approximately \$8 million. John Sigalos responded that the \$8-10 million figure was an average amount of volume over the past several years. If the company is involved with a major project, that dictates how many other projects can be done. Sigalos said the company has always completed projects on time and within budget.

Hansen said the proposed project schedule was about 12-14 months and would begin next spring. He asked if this was doable for both stations, and Sigalos said yes.

Sigalos could not provide the company's EMR rating but offered to submit it the next day.

Vance asked for an estimate on how close to budget the company was for past fire station projects. John Sigalos said the Arlington Heights and Pleasantview stations were bid projects that did not involve construction management services. Bids for the Darien-Woodridge project were \$30,000 less than estimates on a \$4 million job. The Bloomingdale project was on budget.

Chief Darin asked if one superintendent would be assigned to each site or shared by both. John Sigalos said he planned to use a project superintendent on one site and an assistant superintendent/foreman on the other site. These people would be responsible for coordinating trade workers, site safety, and occupancy concerns.

Wollnik asked how quickly the superintendents could respond to off-hours emergencies, and Meegan said he lives in Oswego so it would not take long.

Dietz asked who would be at the job site, and Meegan said he would be the superintendent. He would also be responsible for the assistant superintendent.

Sigalos said Dengel would be the direct contact person throughout the project.

McGrath asked if the company understood that this was a construction manager as constructor arrangement with Sigalos holding the contracts. John Sigalos said the company prefers to do projects in this manner, as it provides for more leverage with the subcontractors.

Wolff asked for an example of the worst problem the company encountered on a fire station project and how it was rectified. Meegan said issues with material shortages can occur with any job, but the three-week schedule identifies those situations. Dengel said he once had a carpentry subcontractor go bankrupt during a project, so Sigalos hired his carpenters to complete the work; this was accomplished in three days.

McGrath asked how issues are resolved with respect to value engineering recommendations. Dengel said the company never wants to force their recommendations but merely presents the facts as clearly as possible so a decision can be made. Sigalos added that the construction manager works as a member of the team to construct a building within budget.

Vance asked if there was a way to limit the amount of time fire personnel would be relocated to trailers, and Sigalos said the company would do its best to minimize that time in recognition of the inconvenience. The extent of the renovation work will require a period of time firefighters will be housed outside of the building. Construction will be scheduled accordingly so services can be maintained. Safety of occupants must also be maintained, all while adhering to the schedule. McGrath said everyone hopes fire fighters do not have to move out, but keeping them in the buildings at any cost could prove to be a great problem. Mayor Schielke said that trailers are commonly used during fire station reconstruction. Chief Daring commented that Glenside fire personnel were housed in trailers for 14 months.

Dietz asked why there was a need for value engineering. Dengel explained that the architect is the project designer and, as such, is responsible for ensuring the facility functions well and is aesthetically pleasing. He will look for small aspects of the design that can be tweaked without being objectionable. Dengel then cited as an example a project where a roof pitch was changed slightly, resulting in a significant cost savings. McGrath pointed out that the construction manager also makes recommendations on long-term maintenance of materials, not just on aesthetic values.

Dietz asked if local subcontractors would be used whenever possible. John Sigalos said the company prepares a list of recommended subcontractors that will be invited to bid for the City's review. The City is encouraged to provide input on that list. Dengel said several Fox Valley contractors have been used over the years and a special effort would be made to solicit local contractors. Dengel said the City may receive a better warranty response from a local contractor, especially for HVAC systems.

Liva asked for a typical reduction in costs in the value engineering process, and Dengel said it ranges from 5-7%.

McGrath asked if general conditions are usually flat sums or allowances that might be returned in some form to the owner. Dengel said general conditions are calculated extremely tightly. One of the major costs of general conditions relates to site supervision. If allowances are left over, they are returned to the owner (100%).

Discussion:

Volk took a straw poll of committee members, who expressed a preference for Sigalos and Associates.

After a short discussion and input from the architect and fire chief, committee members decided to take a vote.

**Motion:** To recommend to City Council that staff be authorized to enter into negotiations with Sigalos and Associates for construction management services related to the renovations/expansions of the Batavia fire stations

**Maker:** Vance

**Second:** Barnard

**Roll Call:**

**Ayes:** Volk, Vance, Wollnik, Barnard, Dietz, Frydendall, and Liva

**Nays:** None

7 Ayes, 0 Nays, Motion Carried

McGrath was directed to obtain the company's EMR rating and distribute it to committee members the following day. He suggested that the City Council authorize two aldermen to make decisions if there is not time to take certain issues to the full City Council during construction. Negotiations should take approximately one week and a contract should be available by the September 20 City Council meeting.

**6. Other**

None.

**7. Adjournment**

A motion was made and seconded to adjourn the meeting at 10:20 p.m.

Minutes prepared by  
Kathy Montanari