



Ponderosa Fire District (PFD) Governing Board

Special Board Meeting Minutes Thursday, Dec 12, 2019

At location PFD Station #82
11951 W. Shadow Mountain Drive, Bellemont, AZ 86015

Handout 5.a.

1. **CALL TO ORDER/ROLL CALL** – Chairman Mitchell called the special board meeting to order at 5:30 pm. It was determined there was a quorum.

Present –

Marina Mitchell, Chairman
Carey McDonald, Vice-Chairman
Ryan McKay, Clerk
Julie Mabry, Member
Mark Christian, Member

Absent -

Lee Antonides, Fire Chief
Kristy Seifert, Office Manager

2. **PLEDGE OF ALLEGIANCE** – Lead by Chairman Mitchell.
3. **INTRODUCTION OR PRESENTATIONS** – None
4. **CALL TO THE PUBLIC** – None
5. **NEW BUSINESS**
 - a. **5:30 – Discussion and possible action regarding Station 82 expansion project proposal and interview of Loven Contracting Inc. (Chief Antonides)**

Discussion: Clerk McKay started by asking Mr. Loven question 1. Share with us your team's Design/Build projects. Mr. Loven stated that most recently they have completed the Forest Highlands Fire Department expansion of their Mountainair Station. We have approximately 30 design/build projects in progress right now. They teamed with another contractor on the City of Flagstaff Maintenance Yard. They worked on the reconstruction of the Jay Lively Ice Rink and the Guardian Medical Transport building Station 52 and GORE at Fischer Point. The most similar to this project would be the Highlands station expansion which was to be their office and administrative function as well as apparatus bay for their fleet vehicles that was approximately 3,500 sq. ft. that was on time and on budget.

Clerk McKay asked question 2. Provide details/results of cost control for Design/Build projects of similar scope: a. Final cost compared to original budget. b. Number and source of change orders. Mr. Loven stated that all of those prior mentioned projects came in on time and on budget if not having a refund. He stated there was a contingency portion that was remaining on the Highlands project but they applied that toward some pavement failure that they were experiencing in their driveway and parking expansion. He stated that there was a sizable contingency remaining for City of Flagstaff that was returned to them. He stated that the Guardian Station 52 facility had a contingency remaining however that went into some of the amenities in the waiting area and some kitchen enhancements for the crews. The GORE project they worked on was a six million dollar project and had less than seven thousand in change orders.

Member Christian asked question 3. Share with us your experiences/challenges with the Northern Arizona climate and how this may impact construction. Mr. Loven stated he started business in

1982 and has been building in this climate for 37+ years. Our example project is we built a ten million gallon basin up at the primary pump facility at Snowbowl at 10,800' elevation through the winter months. We also built Sacred Peaks Healthcare Clinic out on North Hwy 89 and had 42 weather days and we still finished on time. I consider us to be winter builders at this point due to experience.

Member Christian asked question 4. Describe your expected progress meeting frequency and your expectation of attendees. a) Weekly/biweekly meeting with Fire Chief. B) Updates for the Fire District Board at monthly board meetings. Mr. Loven stated that he would meet with Chief Antonides every week and it is their company philosophy to meet with their client weekly. They use a software platform called Spectrum and manage the meeting minutes and then others that you want to have access to that can have access to that information. You will see him in person every other week and he can meet with the Board at their regular monthly meetings. "It is an easier process if we all understand how we got there."

Member Mabry asked question 5. What items/information do you produce for the progress meetings (i.e. what will the contractor come prepared to address, milestones, due dates, etc.)? Mr. Loven stated that part of those meeting minutes would hold some of that information and where details and information can be verified. Details such as verifying the building pad, scheduling, any requests for information or modifications to scope and any new business to tend to. Those programming documents tend to be quite lengthy but as we move through the project then those documents get smoothed down to even just one page.

Member Mabry asked question 6. Describe your vision of the finished product, as it relates to our requirements and the existing structure and express any initial thoughts on conceptual design. Mr. Loven stated that it needs to be of the best quality and has to provide a good service life for you and possibly some deferred maintenance. There is some deferred maintenance on this building right now that can be built into this project as well. There may be opportunities for detail improvements and value enhancements, added insulation and addressing the masonry application that you have now.

Vice-Chairman McDonald asked question 7. Please describe any specific elements/challenges of this project that you see and your approach to address those issues. Mr. Loven stated that there are always challenges that we are not yet aware of but what he could see right now is potentially analyzing the existing HVAC system as the one the department has right now is more of a residential system. He stated that he would also make sure the permitting is correct and make sure things are right with the County on the entitlement process. The entitlement process can be a bit of a wildcard and that becomes the first placeholder in the budget.

Chief Antonides stated that we are also applying to change the zoning to public use. Mr. Loven stated that if for some reason you need them to process the re-zoning request within the permitting process that they are happy to do that.

Mr. Loven stated that this is a design/build and we spend a lot of time with you in the front end of the project and try to address as much as possible regarding those challenges that come up. This is all in place with their project management to reduce the amount of change orders.

Vice-Chairman McDonald asked question 8. Describe how your team will manage on a day-to-day basis to assure quality control, cost control and bringing the project to completion on time. Mr. Loven stated that he would come out and perform a thorough review with the Chief and the Board and would also have the Chief meet with a couple Superintendents as well. The weekly

meetings are a part of their QA/QC quality assurance / quality control. Their Design partner from APMI will visit once a month to review the work and make sure things is in conformance. They are on our team but they are truly the Clients advocate in many respects. There is always checklists and inspections along the way but he stated he would be out every week to check on things.

Chairman Mitchell asked question 9. Describe your team's warranty philosophy and provide some warranty specifics. Mr. Loven stated that they will come out after 6 months of completion and do a walk-around with the Chief. We will come back out at 12 months and address those issues. "We never quibble." To be honest for example, we had an issue with the roof up at the El Tovar at the Grand Canyon that was eight years old and they wrote a check for 250k to the owner because that was our project and that is our reputation. We are here for you and the life of the building.

Chairman Mitchell asked question 10. How do you foresee the payment schedule implemented with your organization. Mr. Loven stated that every 30 days they bill for work completed. They would meet with Chief to make sure we agree on quantities, etc. We pay our sub-contractors whether we get paid or not.

Chief Antonides stated that was all for the questions the board would ask of Mr. Loven and the intent at this point are to interview the next contractor and have some discussion. The Board would then have a week or so to review the information and possibly make a decision on selection of a contractor at the next regular board meeting.

Mr. Loven stated that he hopes they are chosen and thanked the Board for providing the opportunity to make this proposal and thanked them for their time.

Action: Interview completed at 6:01 pm.

Recess – Meeting resumed at 6:27 pm.

b. 6:30 – Discussion and possible action regarding Station 82 expansion project proposal and interview of BEC Southwest, Inc. (Chief Antonides)

Discussion: Clerk McKay started by asking the panel the interview questions. BEC Southwest Inc. panel consisted of Mr. Marc Daniels CEO, Mr. Mitchell Walzer Architect of JWA, and Mr. Steve Bernard Operations Manager.

Clerk McKay started by asking question 1. Share with us your team's Design/Build projects.

Mr. Daniels stated that their company was founded in 1992. Mr. Daniels stated that the first time him and Mr. Walzer worked together was on a project for WL GORE at their Woody Springs facility. The first company design/build project with Johnson Walzer was the Vault Toilets at the Sedona Overlook for the Forest Service just as Hwy 89 drops off. They have worked probably a half million square feet for GORE. They have completed multiple type projects such as new construction, remodels, expansions, banks, schools and healthcare.

Mr. Daniels stated they primarily perform two kinds of work, Design/Build work or Construction Management at Risk work. They both operate basically the same way where as you have a builder team and a design team and an owner and we all come together and work as a team. The difference between the two is on a Design/Build project the direct contract is between the owner and the Contractor and the Contractor hires the Designers. The Construction Manager at Risk is

when the owner hires the Designer and Contractor but we all step into the pre-construction process together. We just finished working on the IKRC Buddhist Temple and we are currently working on the new healthcare facility in Williams as well as a shop addition for the City of Williams. He stated they are two years into a six year contract with Lowell Observatory. We have been working together for almost 28 years now.

Clerk McKay asked question 2. Provide details/results of cost control for Design/Build projects of similar scope: a. Final cost compared to original budget. b. Number and source of change orders.

Mr. Daniels stated they had nearly 180k left over from their work with the temple. They had a 4.4 million dollar project with Lowell and had approximately 100k leftover with that one. He stated that they try to be conservative when building their budgets and they generally have contingency built in the budget. The contracts are clear as to what the contingency is to be used for and will have a guaranteed maximum price. He stated that as things change or come up we are able to sit down and discuss the impacts those changes may have.

Mr. Daniels stated that he has never gone over budget in his 37 years. He stated that there have been projects where there hasn't been any money left over, but he has never gone over budget. He stated they put their line item budgets together with all the details and then as the schedule develops and the drawings develop there will come a point when they put them out for bid. They will put together the bid information and go over all the bids with Chief and the Board. They will usually obtain multiple bids and recommend one of them. There have been times when they have not recommended the low bid but they would give their reasons why. He stated that at the end they have a final budget and a final contingency and they go build. He stated there are always unknowns. There are two types of change where one is per the owner request to change something and there is the change that comes at the results or findings of something unforeseen on the job site and the contingency is set aside for those unforeseen conditions. He stated that any and all changes are discussed openly and transparently as soon as they know about them so there are no surprises in the end.

Member Christian asked question 3. Share with us your experiences/challenges with the Northern Arizona climate and how this may impact construction. Mr. Daniels stated that this particular project has good timing if we were to obtain the project we would break ground sometime in the spring. He stated that in June the wind blows and that could affect putting up a steel building. He stated that the most important factor with the weather is when it happens and schedule accordingly and mitigate any impacts to the scheduled activities.

Mr. Walzer stated they have been working up in Northern Arizona for 30 years and we are used to working in the snow. The schedule should allow us to start working on the ground at the right time of year and we don't see any issues at this time with your current schedule.

Member Christian asked question 4. Describe your expected progress meeting frequency and your expectation of attendees. a) Weekly/biweekly meeting with Fire Chief. B) Updates for the Fire District Board at monthly board meetings. Mr. Daniels stated that we typically have a weekly meeting with their customer whether there is a lot or little to talk about. He stated they would attend the monthly board meetings and discuss any updates regarding the project.

Member Mabry asked question 5. What items/information do you produce for the progress meetings (i.e. what will the contractor come prepared to address, milestones, due dates, etc.). Mr. Daniels stated that they do have the software to handle and organize meetings however he is not fond of that system and try to keep things simple. He stated that the size of this project doesn't

support the extra cost of that system. He stated that he encourages anyone to call him or he can bring the information to a meeting and they can discuss it. He stated that it would be his intent to keep things as simple as possible and he is happy to give his clients updates at any time and possibly use something called Drop Box or ProLog which is project management software. He stated that with this size of project that there would not be a large amount of information but he is happy to share any and all of their spreadsheets and minutes and information.

Member Mabry asked question 6. Describe your vision of the finished product, as it relates to our requirements and the existing structure and express any initial thoughts on conceptual design. Mr. Daniels stated that this is a tight budget but you had a preliminary site design done which helps clearly express what you want to see in there. He stated that he does not like hallways because they will take up all your space. He stated that he sees them going through the list of what you need versus what you want. He stated there is always budget realities and schedule realities and stated that the conversation may need to be had as to what is truly a need due to budget realities and decisions may need to be made.

Vice-Chairman McDonald asked question 7. Please describe any specific elements/challenges of this project that you see and your approach to address those issues. Mr. Daniels stated that he has yet to take a close look at our existing building however that generally transitioning from one pre-engineered structure to another is a fairly easy engineering problem to solve. He stated that the ground they are turning into impervious surface is going to have to be dealt with very closely and very quickly storm water management wise. He stated that these kinds of things can turn expensive quite quickly. He stated that the Geotechnical report will give a good indication of what we have to deal with.

Vice-Chairman McDonald asked question 8. Describe how your team will manage on a day-to-day basis to assure quality control, cost control and bringing the project to completion on time. Mr. Bernard stated that they would update the schedule at least every two weeks and they keep daily logs about what activities are happening. Mr. Daniels stated that there would be materials testing, special inspections and jurisdictional inspections and the milestones or results of those inspections would be identified in the schedule. Mr. Daniels stated that those types of things we keep you up to date on. He stated that with larger projects they would incorporate using those software systems to manage that information but for this particular project it will be one person to manage that and disseminate the information. He stated he doesn't think they need to go to the further expense and will keep it simple.

Chairman Mitchell asked question 9. Describe your team's warranty philosophy and provide some warranty specifics. Mr. Daniels stated that the contract warranty would be either one year or two years whichever you prefer. He stated there would be longer warranty items on potentially pieces of equipment and building siding or manufacture warranties that would go along with those types of items. They usually talk about that during the design process as to what the client expects. He stated that once the project is completed the Board and Chief will have their phone numbers and contact information and to simply call them if there is an issue. He stated to call him or email him and he makes the commitment to respond within 24 hours. He stated that whether this is a bonded project or the length of warranty can have an effect on the pricing. He stated that when there is a repetitive maintenance issue he will give the information of anyone they have worked with in the past.

Chairman Mitchell asked question 10. How do you foresee the payment schedule implemented with your organization? Mr. Daniels stated that typically the contracts are structured in the way of a monthly billing cycle. He stated that they collect the bills from the subcontractors and take a

look and enter amounts billed for that month and then they review them with the architect and assure the numbers are correct and then discuss it all with the clients. He stated that you have 30 days from when it gets certified.

Mr. Daniels and company thanked the Board for providing the opportunity to make their proposal and thanked them for their time and they hope they can be involved in the project.

Action: Interview completed at 7:18 pm.


Board requested a recess. - Recess – Meeting resumed at 7:30 pm.

The Board members continued discussion regarding the contractor proposals and would like to continue to review the proposals side by side over the next few weeks. Points of discussion were related to references, project financials, QA/QC and the contractor answers to the questions. Concerns that were mentioned by board members were regarding the following:

- Cost control and quality control
- Contingency and its uses
- Change Orders and how that would affect the contract
- Warranties and types offered
- Tight budget and financing
- Cost effectiveness of phasing the project

6. **EXECUTIVE SESSION** – None.

7. **ADJOURNMENT** – There being no further business to discuss and by motion of Clerk McKay, seconded by Vice-Chairman McDonald, the special session of the Ponderosa Fire District Board of Directors held on Dec 12, 2019, adjourned at 7:45 p.m.



Ryan McKay, Board Clerk