

MINUTES  
LANE TRANSIT DISTRICT  
FACILITIES SUBCOMMITTEE  
MAY 20, 1986

The District's Facilities Subcommittee met on Tuesday, May 20, 1986, 12:00 noon, in the Lane Transit District Operations Conference Room.

Present:

Board Members: Janet Calvert  
Janice Eberly  
Larry Parducci

Chamber Representative: Bruce Hall

Staff Members: Phyllis Loobey  
Tim Dallas  
Mark Pangborn  
Stefano Viggiano  
Shannon Evonuk, Recording Secretary

Consultant: Eric Gunderson

Absent:

Chamber Representative: Jim Ivory

The meeting was called to order by Larry Parducci, Subcommittee Chairman. Stefano Viggiano, Facility Project Manager, introduced Shannon Evonuk, Administrative Secretary, who is the secretary assigned to the facilities project. Stefano explained that Shannon works Mondays through Wednesdays only, so, if members of the Facilities Subcommittee have questions to be answered, they should contact Shannon on those days, or contact Stefano or Jo Sullivan on Thursdays or Fridays. Mr. Viggiano said Shannon will be taking minutes at the meetings of the Subcommittee. Minutes will be distributed with the following meeting's packet.

To bring subcommittee members up-to-date on recent developments regarding funding, Mr. Viggiano explained that, approximately one and one-half months ago, the Urban Mass Transportation Administration (UMTA) finally released funds for the facility's predesign and schematic design costs--\$90,000. After this phase of the facility plan is completed, the schematic design phase will begin. He outlined the four main phases of the facility plan: 1) predesign; 2) schematic design; 3) design development; and 4) construction. Another \$700,000 is due to be released by UMTA on June 10, at which time staff will proceed with land acquisition.

Mr. Viggiano stated that the Oregon State Highway staff had a lot of experience with land acquisition, from dealing with their various projects, and it was possible to contract with them to help the District with this part of the project. This would help greatly the staff, as they do not have the experience required for this, and the only charge to the District for this service would be the Highway staff time and overhead costs. He said the site staff are most interested in is the one at the Glenwood Drive-In.

When asked how the price to be offered for the land was determined, Mr. Viggiano replied that the District must follow a formula required by UMTA. First, two appraisers are asked to give appraisals on the land, then a third appraiser is asked to choose which appraisal price is the most accurate--the third appraiser's choice is the only price which UMTA will agree to pay. Ms. Loobey stated that the District also has an "eminent domain" right, but that is something staff are reluctant to invoke.

Mr. Viggiano proceeded to discuss the facility schedule update. Committee members were asked to look at the two scenarios provided in their meeting packet. The time line tables were explained: they depict a projected time line for the project, and are broken down into individual tasks and their expected completion date. The "best case" schedule shows a projected move-in date of the Spring of 1989; the "worst case" schedule shows a projected move-in date of the Fall of 1991.

Mr. Hall asked if the recently completed environmental assessment on the Eugene Drive-In site also was done on the other sites under consideration. Mr. Viggiano replied that it was done on the Drive-In site only. Mr. Hall wondered if it would be a good idea to have it done on the other sites as well, just to expedite the process should there be any problems in acquiring the Drive-In site. Ms. Loobey explained that it was not required on the 2nd and Garfield site, as it is already zoned for industrial use, and has no adjacent residences. She added that it would cost a great deal of money to have it done for the other Glenwood site, and that staff did not see a need for it at this time.

Mr. Gunderson said annexation would not be needed until the design work is started in the Fall of 1987. Mr. Viggiano said the annexation process should be routine, as a study was done which showed that the Glenwood area should be progressively annexed, anyway. In addition, the owners of the properties near the Drive-In seem to be happy with the idea of LTD development of the Drive-In property.

Mr. Viggiano noted that site work cannot be completed this year, as was originally planned, due to the initial delay in funding which the District has encountered. This has delayed the "best case" move-in date from the Fall of 1988 to the Spring of 1989. He said the move-in date indicated on the "best case" schedule is a reasonable one, assuming that Section 3 funding is continuous, with no major delays. He indicated that

staff are optimistic that the "best case" schedule can be achieved. He added that Subcommittee members will be updated on the schedule as work progresses.

A budget update was then given to the members. The next comprehensive budget update will be done after the schematic design has been completed, sometime in mid- to late summer this year. In the meeting packet, there was a table showing the budget for the facility. Three items not originally included in the budget are now included and are expected to increase the budget. They are: 1) the environmental assessment; 2) the cost of value engineering; and 3) the expenses for administration of the project, which include software programs, computer use, site visits, and peer group review. All together, these three expenses would add approximately \$90,000 to the original estimate of the project.

The next item discussed by the members was an action item--the decision-making process of the project. Before proceeding, it was explained that the decisions made at this meeting are not "set in stone," and can be changed at a later date, if needed. Mr. Viggiano said the action taken at this meeting should be taken to the full Board at its regular meeting the following evening. The decision-making recommendations include what decisions the Board is legally bound to make--such as approval of major expenditures--and what it normally has made decisions on in the past.

Project management issues are recommended to be made by the Subcommittee members. The District's Executive Committee would preview material to be sent to the Subcommittee, and would have the authority to approve minor design and budget decisions. The Subcommittee members will need to look at the space allocation of the facility after the predesign and before the schematic design phases.

Ms. Calvert said it looks as though there is no choice as to approval of value engineering, as UMTA appears to be requiring it. Ms. Loobey said it would help with obtaining Section 3 monies if the District were to willingly comply with this. Mr. Hall wanted to verify that Executive Committee will be reviewing all information or decisions sent to the Subcommittee; Mr. Viggiano replied that it would. Ms. Calvert asked what kind of delay would be caused by Subcommittee denial of any major decision. Mr. Gunderson replied that the organized manner in which Mr. Viggiano has set up the decision-making process should preclude this happening. Ms. Loobey said it is very likely that something like that may happen in a project this size, but that is why the decision-making process was set up in this fashion.

Ms. Calvert added that there is a likelihood that, by the time the project is completed, there will be new Board members who may have differing views on how this project is handled. Ms. Loobey replied that

that situation will be dealt with in the best way, if it should arise. Mr. Viggiano said the process was set up to err on the side of caution by sending most of the decisions to the Subcommittee and to the Board.

Mr. Hall asked how often the Subcommittee would be meeting. In reply, Mr. Viggiano said it will meet approximately once a month; however, he added that the next meeting will need to be around June 10, as that is the day the funds are to become available for land acquisition, so a major decision needs to be made at that time. Once into the design phase, a meeting will be held about once a month.

Mr. Hall said his experience in projects has been that a dollar amount was set up, at which point the decision needed to go to a higher level; i.e., the Board. Ms. Loobey said that budget changes would go to the Board, but as long as staff and Subcommittee members keep the project within the budget, they can approve minor changes in the budget. Mr. Viggiano said changes in the budget become critical at the construction phase, and that is when it becomes expensive to delay any change decisions. This decision-making plan includes decisions made up to, but not including, the construction phase.

Ms. Calvert asked if this is to be a Subcommittee of formal action, or one of consensus; she was told it is one of formal action. Ms. Eberly moved to take the decision-making recommendations to the Board at its next meeting, with the one change of moving approval of the space program from the Executive Committee to the Facilities Subcommittee. The motion was seconded, and passed unanimously by the Subcommittee.

Although the construction phase is some time away, some options concerning this portion of the project need to be discussed. Mr. Viggiano described the three methods of construction management to be considered by the Subcommittee: 1) the traditional approach; 2) the construction management (CM) approach; and 3) a combination of the traditional and CM approaches.

Mr. Viggiano showed the members a flow chart which helped them to visualize the three methods. He explained that the traditional approach is the one used most often, is the least costly of the three methods, and is the most simple; however, the District runs a greater risk of not having a local contractor who is the low bidder on the work.

The CM approach is one which is used to "fast track" projects; in other words, to facilitate a quicker construction phase. He explained that, in this method, instead of one contractor, there are several smaller and more specialized contractors who are involved with the construction. Some of the advantages of this method are that it is not necessary to wait until the entire design of each portion of the project is completed to begin work on part of the project, and that it is more likely that local firms are able to work on the project. On the other hand, Mr. Viggiano

stated that he had heard negative reports on this method from people who have had experience with it. He added that it is a method that is not used very often, and pointed out that fast tracking is not as important to us as it might be to other businesses. It was noted, however, that the jail, the Lane County Public Service Building, and the Hult Center were all constructed using the CM approach.

A construction manager usually charges five percent of the construction costs for a fee--in this case, approximately \$400,000. The third approach, a combination of the first two, would reduce this fee to approximately \$250,000. It was noted that a value engineer would perform much of the same type of function as would a construction manager.

Mr. Viggiano's recommendation was to stick with the "tried and true" method of the traditional approach. Ms. Calvert asked if the District could stipulate as a part of the bid that only a local contractor could perform the work; Ms. Loobey and Mr. Pangborn both replied that state and federal laws regarding public bidding state prohibit such a stipulation. Because the District would be using both state and federal funds, it must comply with these laws. Ms. Loobey added that, because of other large projects happening at the same time (including the "Riverfront" project), it may be difficult to find a local company that is able to work on this project, anyway. Mr. Hall asked who would be the "Clerk of the Works." Mr. Viggiano replied that it would be a person hired on the LTD staff or a consultant who understands construction work.

Ms. Eberly moved that this Subcommittee approve the traditional approach, contingent on the Board's approval of the decision-making process. Mr. Parducci seconded, and the motion passed unanimously.

Value engineering was explained to the members. After reviewing the schematic design, the value engineer would produce a list of options to the design. It is important to note that the engineer does not make recommendations. The design team would review the schematic design and the value engineer's input, at which time it would make its recommendations to the Subcommittee. Mr. Viggiano noted that, as part of the needs assessment done last year, UMTA required additional analysis on some of the items. He said staff see value engineering as a way to improve the design, and to address the additional cost/benefit analysis required by UMTA. He said that a probable estimate of the cost would be approximately \$50,000.

Ms. Calvert asked if this is part of the federal government's push toward privatization; Ms. Loobey answered yes. Ms. Loobey added that there is some value to LTD in "speaking" to the community about its involvement in the project. Mr. Hall asked how the fee for value engineering is determined; Mr. Viggiano replied that, as part of a Request for Proposals for the service, the District would ask for quotes.

Mr. Hall then asked if the District could hire this done on a portion of the project. Mr. Gunderson answered that it could be done, but added that UMTA may have other requirements. Mr. Hall wondered if doing this might save some money on the portions of the project that are standard and do not need extra scrutiny.

Mr. Pangborn said that value engineering is a second expert opinion, and that staff would be as specific as possible with the engineer. He thought that UMTA would be happy with that. It was noted that the value engineer would be utilized after both the schematic and design phases. Mr. Viggiano said a request for proposal for a value engineer would be drafted for the next Subcommittee meeting, if the members agree on the need for such services.

Mr. Parducci moved to eliminate the value engineer from the proposed budget; the motion died for lack of a second. Mr. Parducci explained that he saw it as something that could be added at a later time. Mr. Viggiano stated that the project is at a critical point right now. In answer to a question by Ms. Eberly, staff are estimating a cost of \$50,000 for the value engineering done on both schematic and design phases.

Mr. Gunderson supported the idea of a second opinion; he felt the engineers could come up with some good ideas. Mr. Dallas recalled that, at the time of architect selection, the selection committee members felt that each firm had its own good ideas, but needed to decide which would be the best overall firm. He said this is a way to get a second opinion and maybe some more good ideas at important phases of the project design.

Mr. Hall moved that an amount not to exceed \$50,000 be included in the budget for a value engineer. Ms. Eberly felt the value engineering issue should be taken to the Board for discussion. Mr. Hall amended his motion to include taking this recommendation to the Board for their decision. The motion passed unanimously.

The next meeting date was agreed upon as Monday, June 9. At that meeting, staff will prepare both a request for proposal for a value engineer, and a proposal to take to the State Highway Department to handle the land acquisition for the District.

  
Recording Secretary