

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL MEETING

Friday, April 15, 1988

Pursuant to notice given to *The Register-Guard* for publication on April 12, 1988, and distributed to persons on the mailing list of the District, a special meeting of the Board of Directors of the Lane Transit District was held on Friday, April 15, 1988 at 12:00 p.m. at the Eugene City Hall.

Present: Janet Calvert, President, presiding
Keith Parks
Gus Pusateri, Secretary
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: Peter Brandt, Treasurer
Janice Eberly, Vice President
Dean Runyan
Rich Smith

CALL TO ORDER: Ms. Calvert called the meeting to order at 12:10 p.m.

AUDIENCE PARTICIPATION: Ms. Calvert asked for participation from any member of the audience. There was none.

STAFF PRESENTATION REGARDING NEW MAINTENANCE/OPERATIONS FACILITY CONSTRUCTION BIDS:

Stefano Viggiano, Planning Administrator, discussed a memo which had been distributed to those in attendance. He explained that Wildish, the apparent low bidder for Phase 3 (buildings), had demonstrated to staff that they had made an error in their bid and plan to withdraw the bid. Once staff receive notice in writing, the District will honor Wildish's request to withdraw the bid. The apparent low bidder for Phase 3 is now Hyland & Sons, with a bid of \$8,235,000. The apparent low bids for Phase 2 and Phase 3, combined, is \$9.3 million; the original estimate was \$7,951,970. Wildish's plan to withdraw their bid means that the project cost is now \$1.4 million over the estimate made in February 1988, rather than \$1.1 million as reported in *The Register-Guard* that morning.

Mr. Viggiano stated that the largest difference was in mechanical costs, which ranged from \$800,000 to \$1,000,000 higher than estimated. The mechanical specifications had not been completed when the estimate was made, so some assumptions which may have been incorrect were made in the estimate. Staff will evaluate this area to see what else might have caused this large difference. Masonry and electrical costs were also higher than expected.

With the design team and consultants, staff will be investigating the differences between estimates and bids in more detail. They will also review the design to see if any changes can be made to reduce costs without negatively affecting the short- and long-term effectiveness of the facility. Mr. Viggiano said that it will take some time to look at all areas where there are significant costs and a potential for savings, whether or not those categories were bid higher than the estimates. Staff believe that this process will take a minimum of 30 days. The bids are valid for 60 days, so there is time to complete this process before a decision needs to be made.

Mr. Viggiano explained that if the design of the project is to change substantially, LTD cannot use deductive change orders to reduce the scale of the project, since that would change the scope of the project on which the contractors made their bids. If minor changes are to be made in the project design, the project would probably not have to be re-bid. However, if major changes are made, the project will most likely have to be re-bid. Staff will talk further with District Counsel regarding this issue.

Mr. Viggiano said that staff were proposing that when the investigation of all these areas is complete, the Facilities Committee meet to formulate a recommendation to the full Board. It is expected that a Facilities Committee meeting will not be held for at least 30 days.

Ms. Calvert asked how re-bidding would affect the building schedule. Mr. Viggiano stated that it would be a big advantage to begin construction this summer, but that would depend on the scope of any design changes. Eric Gunderson, Project Architect, thought the project might be delayed within a range of three to four months, depending on the severity of the changes.

Ms. Calvert said it was certainly a disappointment that the bids came out this way, and that she felt it was important to maintain the type of facility that had been designed, since cutting back in size and other areas only costs more money later. She thought it was frustrating that the architects, staff, consultants, and the peer review process had done a good job of scaling back the facility to the essentials in the first place, and that only the essentials had been submitted for bids.

Mr. Parks said he thought public agencies were foolish when they would reduce a project to the "skeleton" and then have to pay higher costs to add essentials back in at a later date.

Mr. Pusateri asked about the possibilities for additional funding. Ms. Loobey replied that Section 3 funding is fixed, and that there is no way to receive more for this project. However, there may be some leeway with Section 9 formula funds, which is allocated on an annual basis for operating and capital needs. Staff will examine the options and the entire project very carefully. One option is to look for flexibility in the long-term capital program, to see if other projects can be delayed or

eliminated. Ms. Loobey stated that staff will look at all these areas, to try to find a balance which makes sense for the District and the taxpayers.

Ms. Calvert stated that it would be good to report to the Budget Committee, so that they will be aware that changes may be made in the Capital Improvements Program. Mr. Pangborn stated that this could be done at the next Budget Committee meeting, scheduled for April 27.

Mr. Parks wondered if the new Board Finance Committee (Ms. Calvert, Mr. Brandt, and Mr. Parks) would also need to meet regarding the facility project budget. Ms. Loobey replied that meetings of the Finance Committee and Facilities Committee may both be called within the next 60 days.

With no further discussion, the meeting was adjourned at 12:40 p.m.



Board Secretary