

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES' SPECIAL MEETING
LAS VEGAS, NEVADA
October 26, 2017
(approved March 8, 2018)

The Board of Trustees of the Las Vegas-Clark County Library District met in special session in the Windmill Service Center Boardroom, Las Vegas, Nevada, at 12:00 p.m., Thursday, October 26, 2017.

Present:

Board:	R. Ence, Chair	S. Moulton
	S. Bilbray-Axelrod	R. Wadley-Munier
	F. Ortiz	K. Benavidez
	E. Foyt	

Counsel: G. Welt

Absent: M. Francis Drake
J. Melendrez
Y. Yturralde

Staff: Dr. Ronald R. Heezen, Executive Director
Numerous Staff

Guests: Michael Del Gatto, Carpenter Sellers Del Gatto
Tommy Huggins, Carpenter Sellers Del Gatto
Michael Keller, CORE Construction Services of Nevada, Inc.
Seth Mauer, CORE Construction Services of Nevada, Inc.

R. Ence, Chair, called the meeting to order at 12:05 p.m.

**Roll Call
(Item I.)**

All members listed above represent a quorum. Trustees Bilbray-Axelrod, Benavidez, and Foyt attended via telephone. Counsel Welt attended via telephone. Trustee Foyt had problems with her phone reception and called in multiple times but was unable to receive a clear signal. Trustees Francis Drake, Melendrez and Yturralde had excused absences. Appendix A.

**Public Comment
(Item II.)**

None.

**Agenda
(Item III.)**

Trustee Wadley-Munier moved to approve the Agenda as proposed. There was no opposition and the motion carried.

Discussion and possible Board action regarding contract award for Construction Manager at Risk (CMAR) Phase 2 – Construction Services to CORE Construction Services of Nevada, Inc. for the East Las Vegas Library.

General Services Director Steve Rice explained that funds are allocated in the Capital Projects Fund for the construction of the new East Las Vegas Library. Staff is using Construction Manager at Risk (CMAR) as the project delivery method.

Nevada Revised Statutes Chapter 338 – Public Works provides for the use of CMAR as a method of construction contracting. CMAR is a process that allows the District to select a general contractor (the CMAR) based on qualifications versus low bid. The CMAR is selected through a qualifications based Request for Proposals process. The resulting contract is structured in two phases:

Phase 1 – Preconstruction Services: The selected CMAR is responsible for providing preconstruction services in accordance with the

(Item IV.A.)

requirements set forth in a contract with the District. During the preconstruction services phase, the CMAR is required to make recommendations regarding the project to include constructability, project analysis, and feedback regarding materials, means, methods, systems, labor, project cost, and other conditions affecting construction. Following completion of design and as part of the preconstruction services, the selected CMAR solicits bids from subcontractors and prepares a guaranteed maximum price (GMP) proposal, based on the pricing criteria selected by the District and authorized under NRS 338, for the construction phase of the project.

Phase 2 – Construction Services: The District negotiates a final GMP and contract terms for a construction phase contract. The CMAR constructs the project.

At the May 19, 2016 meeting, the Board of Trustees approved a contract award to provide CMAR Phase 1 - Preconstruction Services for the East Las Vegas Library to CORE Construction Services of Nevada, Inc. (CORE). CORE has satisfactorily performed the scope of work under the preconstruction services contract. In accordance with NRS 338, CORE solicited competitive bids from subcontractors and has submitted a GMP proposal to the District.

The impact of increasing construction costs first became apparent after receiving cost estimates at the completion of schematic design. At the September 8, 2016 meeting, the Board of Trustees was informed that the project budget for the East Las Vegas Library was being increased from its original budget of \$17M to \$21.6M based on estimated construction costs at that point in time. Market conditions have since continued to contribute to an escalation in construction costs. Escalating construction costs have been a major obstacle for the project team in keeping the project within budget throughout the design process without negatively impacting the programming requirements, functionality, quality, and anticipated aesthetics of the project. Even after extensive value engineering and thorough reviews of constructability, materials, means, and methods by CORE and the design team, after bidding, the final construction cost exceeds budget.

Now that the design and bidding processes are completed and final construction cost is known, the total project budget will increase from \$21.6M to \$25.5M. The Financial Services Department has identified the source of additional funding to cover the increase of \$3.9M from the allocation of \$4M from New Markets Tax Credits.

It is staff's recommendation to award a contract to provide CMAR Phase 2 - Construction Services to CORE Construction Services of Nevada, Inc. for the GMP of \$20,888,000.

Additionally, in consideration of the Board's change order policy, staff is recommending that a funding amount of 4% of the contract amount be approved for potential District initiated change orders. Project change orders will be administered by staff, after review by the design architect, in accordance with the Construction/Renovation Project Change Order Approval Policy and Procedure.

Mr. Rice explained the process staff went through with the architect, Carpenter Sellers Del Gatto (CSDG) and CORE to deal with market conditions that kept the price going up, while still delivering a building that was designed to respond to a specific demographic and not look like a typical government building.

CORE Construction took the design documents from CSDG and reviewed them and the costs associated with the design to see what could stay in and come out so the District would still end up with the building that would meet the District's requirements. The goal was to end up with a base bid equal to the budget. The add-alternate list had all the details that made the design special and the team wanted to ensure that the majority were able to stay in otherwise the building would not meet the District's standard.

Mr. Rice then went into detail about the how the project team was still going line by line and tweaking the budget the morning of this meeting as they wanted the District to be able to construct a building that everyone expects.

Mr. Rice said that, with the final numbers in place, the Mesquite project will cost \$489 per square feet while the East Las Vegas project will cost \$509 per square feet. During this entire process, Rice said he, Deputy Director/CFO Fred James, and Executive Director Dr. Heezen had been in close contact to strategize how to pay for this project while also maintaining the high standards that the District is known for.

Mr. James explained how the project team was able to use the NMTC funds. This was not the desired outlook, as it was earmarked for other projects. James then discussed how he and his staff have identified \$6.4 million in savings this year that can be used for the next fiscal year budget and thus staff will be able to maintain a transfer of funds to the Foundation.

Mr. Rice said that this budget includes everything required for this project: construction cost, FF&E, design fees, utility connections, insurance, and legal costs. He thanked staff from CSDG and CORE as District staff spent many hours working with them to analyze every expense. Their effort is most appreciated. Rice introduced the members from the two firms who were present and explained they were at the meeting to answer questions.

Trustee Moulton commended staff for their work and feels confident the District can work with these numbers. She asked about the add-alternate money being put back in the budget. Mr. Rice explained that once the hard bids came in versus the proposals, the advantage of CMAR is they evaluated the proposals and bids to ensure the subcontractors understood the scope of what they were bidding on. She commented that she thought the per square foot amount was going to be higher.

Trustee Ortiz asked if contractors on the project would be paying union wage and, if so, would all workers on the project would be union members. Mr. Rice said that subcontractors on this project would be

paying prevailing wages to their workers. Michael Keller from CORE explained that not all subcontractors were union shops. Prevailing wage is intended to be an equalizer as it sets the base rate for every trade worker on the project, regardless of whether the subcontractor is union or not union. They must pay wages that are equal to or greater than prevailing wage. This allows union subcontractors to compete with non-union subcontractors on public works projects. CORE, as the project contractor, has an extensive process to ensure the subcontractors are meeting this requirement. Every worker must fill in their timesheet, record and verify through payroll that they are receiving what the subcontractors say they are receiving. This is provided to CORE for verification.

Trustee Ortiz asked if there was a clause in the contract with CORE so that, if they go under budget, CORE will receive a percentage of the budget amount as a bonus. Mr. Rice said that no, but during the value engineering phase of the project, CORE identified several opportunities to save money and that amount goes to the CMAR contingency fund (separate from the project contingency fund). What remains in the CMAR contingency fund will come back to the District at the end of the project. The team, explained Seth Maurer of CORE, wants the Board members to feel comfortable with the process.

Trustee Ortiz then asked if the team felt the project would be completed on schedule and Mr. Rice said yes. Ortiz then commented on the good news, bad news issues as the CTX revenue has gone up but the price of the building has gone up as well. He added a thank you to all on the project team and said that, at the end of the day, it is a testament to the leadership roles as the team made tough decisions to get this project across the finish line.

Trustee Wadley-Munier thanked everyone. She was very confident in CORE's abilities as she has worked with them on another city of Las Vegas project that came in under budget and finished early. Wadley-Munier is not happy about the amount increase but does understand it. She said that it is most important that the community has this facility. It has been without a library for so long that she did not know if one can put a value on the difference it will make to this community. She said that she appreciated the community involvement in the project as this building belongs to them. Wadley-Munier concluded by saying that it will be the Trustees' responsibility to find other money which they will do for the other projects facing the District.

Chair Ence appreciated all the comments and was grateful to Mr. Rice and Mr. James for all their time explaining the specifics of the project. He would like everyone to have a good feeling and understand the reason for the amount of money being spent on this project. He has all the trust and confidence in Heezen, Rice, and James as well as in CORE for which he is grateful for their work to support the district's direction.

Mr. Rice commented on the RFQ process which selected CORE Construction as the CMAR, saying he was impressed by CORE's transparency, an example being they provided copies of all the bids,

which they are not required to do. He is satisfied the process was as fair and competitive as it could be.

Trustee Moulton asked if the \$835,520 dedicated to contingencies is the maximum amount. Mr. Rice answered that, in the CMAR process, the amount is smaller than in other projects because of the work done by CORE. Due to the value engineering work of CORE, there should be little or no deficiency in the design documents which should be complete and should reduce those change orders. This contingency fund will cover mainly owner-initiated changes as it is rare to not change something once construction begins. This contingency budget is administrated by District staff and requires review by the architects and CORE. CORE has its own contingency that is included in their guaranteed maximum price.

Trustee Ortiz moved to authorize staff to award a contract to provide Construction Manager at Risk Phase 2 - Construction Services for the East Las Vegas Library, in accordance with RFP No. 16-10 and NRS 338, to CORE Construction Services of Nevada, Inc. for the guaranteed maximum price of \$20,888,000, subject to final review by Counsel; and to approve a contingency budget of \$835,520 for potential District initiated change orders. There was no opposition and the motion carried.

The guaranteed maximum price document provided by CORE Construction to the Trustees at the meeting is titled as EAST LAS VEGAS LIBRARY, GMP – 10/26/17 is attached as Appendix B.

**Announcements
(Item V.)**

There will be a walk-through of the Best Buy Teen Tech Center at the Clark County Library on Thursday, November 9, 2017 in the Clark County Library before the Regular Board Meeting. The VIP Opening has been postponed.

The next Finance and Audit Committee Meeting will be held on Thursday, November 9, 2017 at 6:00 p.m., in the Clark County Library, 1401 E. Flamingo Avenue, Las Vegas, Nevada 89119.

The next Board Meeting will be held Thursday, November 9, 2017, at 6:15 p.m. in the Clark County Library, 1401 E. Flamingo Avenue, Las Vegas, Nevada 89119.

The voting has been opened up for new library card designs in Children, Teen, and Adult categories. Over 700 designs were sent in and, according to Branding and Marketing Director Betsy Ward, over 100 of the designs were really wonderful and very much in the spirit of what the District is doing. Unfortunately, staff felt that was too many for people to vote on and reduced the number in each category to seven. Executive Assistant Allison Boyer will send the voting link to Trustees.

**Public Comment
(Item VI.)**

None.

**Adjournment
(Item VII.)**

Chair Ence adjourned the meeting at 12:53 p.m.

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Respectfully submitted,

Shannon Bilbray-Axelrod, Secretary

2017 ATTENDANCE

Appendix A

October 26, 2017 Special Board Meeting

2017		January 12 Regular Board Mtg	February 9 Regular Board Mtg	March 9 Naming Policy Cmte	March 9 Regular Board Mtg	April 6 Finance & Audit Cmte	May 18 Regular Board Meeting	June 8 Risk Management Cmte	June 8 Nominating Cmte	June 8 Regular Board Mtg	July 13 Regular Board Mtg	August 10 Special Board Meeting	September 14 Naming Libraries Cmte	September 14 Regular Board Mtg	October 12 Regular Board Meeting	October 26 Special Board Meeting
Bilbray-Axelrod	Shannon	P	A-E	A-E	A-E	A-E	A-E	P	P	P	A-E	P	P	P	P	P
Crear*	Keiba	P	P	P	P	X	X	X	X	X	X	X	X	X	X	X
Drake	Marilyn	P	P	P	P		P	P	P	P	P	P	P	P	P	A-E
Ence	Randy	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Melendrez	Jose	P	P	P	P	P	P		P	P	P	P	P	P	P	A-E
Moulton	Sheila	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Ortiz	Felipe	P	P	P	P	P	P	P	P	P	P	P	P	P	A-E	P
Saunders*	Michael	P	P	P	P	X	X	X	X	X	X	X	X	X	X	X
Wadley-Munier	Robin	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Yturralde	Ydoleena	P	P	P	P	P	A-E	P	P	P	P	A-E	P	P	P	A-E
Benavidez**	Kelly	X	X	X	X	P	P		P	P	P	P	P	P	P	P
Foyt**	Elizabeth	X	X	X	X	P	P		P	A-E	P	P	P	P	P	P

attended Committee meeting but not a member

A-E Excused Absence
A-U Unexcused Absence

as of October 26, 2017

* Term expired March 1, 2017, served until new appointment made March 21, 2017
** Appointed on March 21, 2017



EAST LAS VEGAS LIBRARY
GMP - 10/26/2017

LOCATION: Las Vegas, NV
ARCHITECT: Carpenter Sellers Del Gatto Architects
DURATION(mnths): 15
WARRANTY(yrs): 1
SITE ACREAGE: 6.00
SQUARE FOOTAGE: 41,050

#	Description	SUBCONTRACTOR	Base Price
	DEMOLITION/ OFF-SITE INFRASTRUCTURE		\$0
	SITE WORK (ROUGH)		\$950,515
6	Temporary Site Construction Requirements		\$163,165
7	Survey, Layout and Staking		\$20,480
8	Site Clearing, Earthwork and Asphalt Pavement	Wadley Construction	\$602,255
9	Utilities	Wadley Construction	\$164,615
	SITE WORK (FINISH)		\$938,251
14	Site Signage, Striping and Parking Accessories		\$5,591
15	Landscaping & Irrigation	SB Landscaping & Design	\$335,525
16	Fencing and Gates		\$27,244
17	Athletic and Recreational Surfacing		\$10,350
18	Fabric Shade Structure		\$144,490
20	Site Concrete	WGDL, Inc.	\$415,050
	STRUCTURE		\$3,520,423
29	Structural Concrete	XL Concrete Masonry	\$732,209
30	Building Masonry	XL Concrete Masonry	\$700,543
32	Structural Metals	Adams & Smith, Inc.	\$1,891,250
33	Ornamental Metals		\$175,050
35	Rough Carpentry		\$21,371
	ENCLOSURE		\$2,599,648
37	Moisture Protection		\$32,600
38	Caulking and Sealants (Architectural)		\$36,000
42	Thermal and Sound Insulation		\$171,505
43	Membrane Roofing	Commercial Roofers	\$514,800
46	Stucco	SW Specialty Coatings	\$636,692
49	Aluminum, Glass and Glazing	Walters & Wolf	\$1,208,051
	INTERIOR FINISHES		\$3,315,812
55	Temporary Building Construction Requirements		\$155,485
56	Doors, Frames and Hardware		\$123,662
59	Finish Carpentry / Millwork		\$132,669
61	Metal Framing, Drywall, & Paint	M & H Building Specialties	\$1,531,950
62	Acoustical Ceiling Treatment	SW Specialty Contractors	\$403,800
63	Acoustical Wall Treatment		\$22,000
64	Tile		\$432,305
65	Carpet and Resilient Flooring	Master Craft Carpet Services	\$253,727
66	Wood Panel Finishes (Supply)		\$144,552
67	Wood Panel Finishes (Install)		\$73,970
68	Concrete Finishing		\$6,800
70	Final Clean		\$34,893



EAST LAS VEGAS LIBRARY
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WARRANTY(yrs): 1
SITE ACREAGE: 6.00
SQUARE FOOTAGE: 41,050

#	Description	SUBCONTRACTOR	Base Price
SPECIALTIES			\$643,630
71	Visual Display Boards		\$2,200
74	Toilet, Bath and Laundry Accessories		\$42,557
75	Fire Protection Specialties		\$2,340
76	Lockers		\$5,960
77	Flagpoles		\$12,305
78	Specialty Doors		\$112,931
80	Operable Wall		\$76,004
81	Access Floor System	Dynamic Building Systems	\$389,333
EQUIPMENT			\$82,956
84	Kitchen Equipment		\$65,019
89	Window Blinds and Shades		\$17,938
MEP SYSTEMS			\$5,397,790
97	Fire Sprinkler Systems	Cosco Fire Protection	\$209,249
98	Plumbing Systems	Universal Plumbing	\$547,746
99	HVAC Systems	Bombard, Mechanical LLC	\$2,013,868
101	Test & Balance		\$46,600
102	Electrical Systems	Conti Corp.	\$2,580,327
SPECIAL SYSTEMS			\$0

Subtotal (with Direct Costs)		\$17,449,025
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CONTINGENCIES & ALLOWANCES			\$688,226
2.5%	Construction Contingency		\$436,226
AL1	Allowance #1 - Signage		\$150,000
AL2	Allowance #2 - Offsite Dry Utilities		\$102,000

Subtotal (with Contingencies & Allowances)		\$18,137,250
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EAST LAS VEGAS LIBRARY
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DURATION(mnths): 15
WARRANTY(yrs): 1
SITE ACREAGE: 6.00
SQUARE FOOTAGE: 41,050

#	Description	SUBCONTRACTOR	Base Price
	GENERAL REQUIREMENTS	BASED ON	SUB TOTAL
REQUIRED	General Conditions	15 Months	\$1,258,308
REQUIRED	Warranty Service	\$20,888,000	\$83,552

Subtotal (with General Requirements)		\$19,479,111
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	INSURANCE, BONDS, AND BUILDERS RISK	BASED ON	SUB TOTAL
REQUIRED	General Liability	\$20,888,000	\$208,880
REQUIRED	Subcontractor Default Insurance	\$18,137,250	\$250,294
REQUIRED	Payment and Performance Bond	\$20,888,000	\$144,137

Subtotal (with GR's, Prof. Services, & Insurance)		\$20,082,422
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RATE	CONTRACTOR'S FEE	BASED ON	SUB TOTAL
4.00%	Construction Manager At Risk Fee	\$20,082,422	\$803,297

RATE	STATE COMMERCE TAX	BASED ON	SUB TOTAL
0.08%	State Commerce Tax	\$2,748,468	\$2,281

Subtotal (GR's, Prof Services, Insurance, Tax, & Fee)		\$20,888,000
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	Estimate Amount
Estimate Total	\$20,888,000
	\$/SF \$508.84