



David B. Cohen
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Memorandum

To: Board of Aldermen
From: Sandy Pooler, Chief Administrative Officer *SMP*
Date: August 11, 2006
Re: Docket item #230-06(B), NNHS PM and CM funds

2006 AUG 14 AM 9:57
CITY CLERK
NEWTON, MA. 02159

There have been some questions about what funds remain from the original \$3.8 million bond authorization for design services for the Newton North High School project.

The Comptroller has put a memo in this weekend's packet that shows the project budget and the remaining account balances. As his memo shows, there is \$95,084.25 remaining from the \$3.8 million appropriation. (Board Order #320-04.) Section III, on the back page of his memo, shows that \$1,707,915.75 had been spent as of August 11, 2006. There is \$2,092,084.25 remaining. Of that amount, \$1,347,000 has been encumbered for the Gund Partnership's ongoing work on design development. (See attachment A, the Gund contract, which provides that 20% of the total contract cost will be allocated for design development.) An additional \$550,000 has been encumbered for Turner Construction Management's ongoing project management, which according to Public Buildings Department estimates, will also pay for Turner's services through the design development phase. Finally, the Law Department has encumbered \$100,000 for the ongoing legal services provided by Palmer & Dodge.

These encumbrances leave \$95,084.25 available for other services and expenses, for example, the site testing that occurred in last month (costing approximately \$14,000, the bills for which have not yet been paid and so do not show up on the Comptroller's records).

We need an additional appropriation to pay for the services of a construction manager at risk. As you know, the City has received permission from the Inspector General to proceed with hiring a construction manager at risk. The previous Board Order of \$3.8 million did not include any authorization to contract with a CM at Risk. (See attachment B). The Public Buildings Commissioner has begun the preliminary process of soliciting CM at Risk services. His plan is to review qualifications for CMs in September. The Board's vote on an appropriation for this purpose will ensure that the funds are available well enough before the time when we would want to sign a

1000 Commonwealth Avenue Newton, Massachusetts 02459



contract with a CM, so there is not a last minute rush or delay in procuring these essential services.

The Comptroller's memo also refers to a technical deficiency resulting from the working of the debt rescission in Board Order #261-06. He and I have discussed this issue and have agreed that we can remedy it with technical changes to docket item #230-06(B), which the Executive Office will forward to the Board at a later date.

I hope this information is helpful. I will be available before and during Monday night meeting to answer any questions.

2008 AUG 14 AM 9:57
CHRY CLERK
NEWTON, MA 02159

A

ATTACHMENT

COMPENSATION AND METHOD OF PAYMENT

The City shall compensate the Architect as follows:

BASIC COMPENSATION

For Basic Services as described in **Attachment A, Attachment B** and elsewhere in the Agreement, Basic Compensation shall be a fixed fee equal to Six Million Seven Hundred Thirty-five Thousand Dollars (\$6,735,000), payable to the Architect in monthly installments after approval by the City of the Architect's request for payment. If there is a material change in the Construction Budget as a result of significant changes in the scope of the Project, there shall be an equitable adjustment to the Basic Compensation.

Payments for Basic Services shall be made in proportion to the Services performed, and Basic Compensation for each phase shall not exceed the following percentages of the total Basic Compensation:

Site Design/Programming/Schematic Design Phase:	15%
Design Development Phase:	20%
Construction Documents Phase:	30%
Bidding/Negotiation Phase:	10%
Construction Administration Phase:	25%

COMPENSATION FOR ADDITIONAL SERVICES

At the option of the City, compensation to the Architect on account of Additional Services shall be on the basis of (i) an agreed lump sum amount, or (ii) hourly billing rates as set forth in **Attachment D**, which billing rates are all-inclusive, or other billing rates agreed upon in writing by the City and the Architect. Unless the City otherwise approves in writing, compensation to the Architect on account of Additional Services shall be on the basis of agreed lump sum amounts. Unless otherwise stated in the City's written authorization for the performance of Additional Services, the Architect may request payment for Additional Services on a monthly basis based upon the Services performed and costs incurred by the Architect.

The hourly billing rates of the Architect's and its Consultants' principals and employees as set forth on **Attachment D** shall be fixed for the duration of this Agreement.

For additional Services of Consultants, the Architect's compensation shall be equal to 1.10 times the amounts billed to the Architect for such services.

REIMBURSABLE EXPENSES

For Reimbursable Expenses, as described in Paragraph 5.1, the reimbursement amount payable by the City shall be equal to the actual direct cost of the Reimbursable Expense plus a mark-up not to exceed 10% of the actual direct cost. The City shall not be required to compensate the Architect for Reimbursable Expenses unless and until the Architect provides to the City written invoices, receipts or other written evidence satisfactory to the City evidencing such Reimbursable Expenses incurred by the Architect.

2006 AUG 11 09:57
CITY OF NEWTON
NEWTON, MA 02459

B

#320-04

CITY OF NEWTON

IN BOARD OF ALDERMEN

October 4, 2004

BOND AUTHORIZATION

2006 AUG 14 AM 9:57
CITY CLERK
NEWTON, MA 02159

ORDERED:

That for purposes of financing the initial design, project management services, and legal services for a construction project at Newton North High School, including costs incidental or related thereto, there be and hereby is appropriated and authorized to be borrowed under and pursuant to Chapter 44, Sections 7(3) and 7(3A) of the General Laws, as amended and supplemented, or any other enabling authority, the sum of Three Million, Eight Hundred Thousand (\$3,800,000) by the issuance and sale at one time or from time to time of bonds and notes of the City of Newton, in such form, bearing such rate or rates of interest, containing such provisions and to be sold and awarded in such manner as shall be determined by the City Treasurer and Mayor, so long as it is not inconsistent with this order, subject to applicable provisions of law and this order. Provided, however, the term of such permanent bonds issued under this order shall not exceed twenty (20) years, exclusive of any bond anticipation notes.

Under Suspension of Rules
Readings Waived and Approved
22 yeas, 0 nays, 2 absent (Gerst and Lennon)

EXECUTIVE DEPARTMENT
Approved: October 6, 2004

(SGD) EDWARD G. ENGLISH
City Clerk

(SGD) DAVID B. COHEN
Mayor

(SGD) PAUL E. COLETTI
Chairman, Finance Committee