
Idaho State Capitol Commission

Official Minutes

November 15, 2007

A meeting of the Idaho State Capitol Commission was held on this date in the first floor conference room at the Idaho State Historical Society, Boise, Idaho. Commissioner Stephen Hartgen served as acting Chairman and called the meeting to order at 9:30 a.m.

Attendees

Members Present:

Stephen Hartgen, Acting Chairman

Carl Bianchi

Andrew Erstad

Evan Frasure

Sandy Patano (via teleconference)

Jeff Youtz, Director, Legislative Services Office, and Ex-Officio Member

Janet Gallimore, Executive Director, Idaho State Historical Society, and Ex-Officio Member

Mike Gwartney, Director, Department of Administration, Secretary/Ex-Officio Member

Members Absent:

Major General Jack Kane, (Retired), Chairman

Others Present:

Gary Daniel, Communications Liaison, Idaho State Capitol Commission

Becky Henke, Communications Assistant, Idaho State Capitol Commission

Tim Mason, Administrator, Division of Public Works, Dept. of Administration

Jan Frew, Deputy Administrator and Capitol Restoration Project Manager, Division of Public Works, Dept. of Administration

Kelly Berard, Relocation Project Manager, Division of Public Works

Teresa Luna, Communications Manager, Dept. of Administration

Connie Smith, Fiscal Officer, Div. of Insurance and Internal Support, Dept. of Administration

Brigitte Teets, Webmaster, Dept. of Administration

Robyn Lockett, Relocation Specialist, Legislative Services Office

Lloyd Knight, Division of Financial Management

Don Watts, Idaho State Historical Society

Ken Swanson, Idaho State Historical Society

Michelle Lynch, Idaho State Historical Society

Wayne Meuleman, Idaho State Building Authority

Vivian Otero-Epley, Idaho State Building Authority
Rich Bauer, Lemley+3D/I
Jim Mallon, Lemley+3D/I
Kevin Brown, Jacobsen Hunt Joint Venture
John Emery, Jacobsen Hunt Joint Venture
Paul Lawrence, Jacobsen Hunt Joint Venture
Dave Fackrell, Jacobsen Hunt Joint Venture
David Blenker, CSHQA
Natalie Miller, CSHQA

General Commission Business

Approval of Minutes

MOTION: Commissioner Evan Frasure moved to approve the minutes of the October 18, 2007 Idaho State Capitol Commission meeting as written. The second was by Commissioner Andy Erstad; the motion passed unanimously.

Budget and Funding Issues

Revenue & Expenditures Report, *Connie Smith*

Ms. Smith referred to the FY 2007 Budget Worksheet and 2007 Sources and Uses of Funds reports for the period ending October 31, 2007, both available to the Commission. She reported that expenditures from the Capitol furnishings appropriation during October were \$660 and total interest earned from the Capitol furnishings appropriation is \$83,629. The total interest earned for the period from the Income Fund is \$14,455.

MOTION: Commissioner Mike Gwartney moved to approve the budget report as presented. The second was by Commissioner Andy Erstad; the motion passed unanimously.

Capitol Restoration Updates

Ms. Frew reported that work is ongoing on the project and deferred to Mr. Mallon for the schedule update. After Mr. Mallon, Natalie Miller from CSHQA updated the commission on the interior finishes which have been selected.

Schedule Status Report, *Jim Mallon*

Mr. Mallon reported that during October the Construction Manager At Risk (CMAR) made significant progress on the demolition work. The garden level and first floor demolition is complete and the second floor is almost complete. Demolition work from the third floor through the attic is in process. Under CSHQA's oversight, much of the marble removed during the demolition work has been salvaged.

The design-build team, McAlvain (MCI), has also made significant progress on the wings expansion. Excavation on both the East and West Wing was completed as scheduled.

The swing space projects are complete and therefore will not be reported to the Commission in the future. Commissioner Hartgen asked if the lavatory facilities in the Capitol Annex are adequate. Commissioner Youtz responded that there are fewer toilet facilities in the new

annex and said that options to improve this situation are being considered and will be decided during the week after the Thanksgiving holiday so that installation can be completed in December, before the legislators come to Boise.

The scagliola repair and replacement process is going well, and the CMAR is looking for savings in this area. The craftsman working on the scagliola is from the Midwest, but is hiring and training Idaho laborers. Mr. Mallon reported that the work is high quality. He said that it takes a long time to complete each piece because they are layered and cannot be completed in a day.

Capitol Restoration is well underway, with Phase 2 nearing completion. Referring to the items on the schedule in the monthly program report, Mr. Mallon pointed out that the items with checked boxes have been completed. He said that issuing and awarding bid packages for phase 2 (item #40) commenced on schedule, but are still in the review process and are scheduled to be completed by the end of the month.

Legislative space planning in the expansion wings is complete (item #41) and has been accepted by the Space Allocation Committee. Holding this back for three weeks until completion of bid package 2 allows it to be awarded as value engineering with phase 2.

The design-build team (MCI) is on schedule and completed the shoring systems on the wings ahead of schedule. Site utilities are also underway. Phase 3 budget and scope analysis is on schedule.

Commissioner Erstad asked if Mr. Mallon was comfortable that the project is on schedule, and Mr. Mallon assured Commissioner Erstad and the Commission that he is comfortable with the schedule. He is projecting on-time completion and said that early release of the mechanical, electrical and plumbing packages will help maintain the schedule. This gives the team ample time to work through the other bid analysis and refinements to get the rest of the work under contract. Commissioner Erstad requested that Mr. Mallon flag those components that may have an adverse affect on the schedule during the budget review discussion.

Interiors Presentation, *Natalie Miller*, CSHQA

Ms. Miller explained that the new interior of the finished Capitol will have a red, blue and green theme and will no longer have a gold theme. She said that the Senate and the House spaces will remain red and blue, respectively, and the elected officials' space will be green, with gold flecks. She provided samples of actual carpet and fabrics to be used in the finished Capitol and explained that they have been matched as closely as possible to the original Capitol period. The draperies lining the chambers' perimeter will be rich dark blue or deep red velvet. Keeping the look of the original facility, the new restrooms flooring will have replicated small, hexagonal tile.

Paint probes are being performed to discover what the original paint colors of the Capitol were so that paint colors can be decided. When the investigative work is complete, CSHQA will present the color choices to the Commission.

The Wings will have the same interior pallet and same feel as the Capitol. All the carpets in the Capitol and Wings are required to be of the highest quality to ensure a long service life.

Because bidding for the Capitol carpet is a different bid than the carpet for the Wings, it is possible it could be a different carpet, but the job specifications require that the look and quality appear virtually identical.

Ms. Wood closed by saying all of the pallets will work together to create a rich, timeless feel, keeping the authenticity of the (Capitol's 1920) genre.

Budget Review, Jan Frew

Ms. Frew pointed out the 30 Month Budget Report in the monthly program report, saying that as of October 31, \$108 million remains unspent of the \$120 million budget. \$5.1 million has been spent on the restoration and \$6.6 million has been spent on the expansion wings.

She reported that the majority of bids for work in Phase 2 have been reviewed and evaluated, and the bids received far exceed the identified budget. The project team has worked diligently to develop the following action plan for recommendation to the Commission:

1. Authorize approximately \$20.8 Million dollars for mechanical, electrical and plumbing (MEP). These numbers are fairly close to estimated costs and will allow contractors to immediately procure materials to get this work started, which is critical to the overall project schedule.
2. Work with CMAR to refine scope of work in areas critically over-budget.
 - Re-bidding various scopes of work.
 - Marble
 - Structural steel and decorative metals (structural steel is close to the budget, but the team is looking for cost savings in decorative metals)
 - Wood trim and custom woodwork (millwork)
 - Historic replication of doors, hardware, and lights
 - Pricing is being analyzed for the next for the next group of awards critical to the schedule.
 - Structural steel
 - Fiber reinforcing the rotunda dome
 - Elevators
3. Present recommendations to the Design and Construction Committee at each step of the process.
 - Identify areas of work that could be deferred and become legacy projects.
 - Redefine scope of work where major cost savings can be achieved, which changes the project from a restoration to a rehabilitation.
 - Standardizing door sizes
 - Using historical hardware in public areas, but high quality, manufactured hardware in non-public areas
 - Use manufactured era-looking light fixtures rather than custom reproductions
 - Use custom bronze-clad doors only at Jefferson Street 2nd floor entry, rather than all exterior doors

4. Establish a new construction budget in the next 30 days. After this recommendation, then the CMAR will establish the Guaranteed Maximum Price (GMP). Current analysis of the project indicates that \$7 million to \$8 million of contingency funds may be required to complete a reduced-scope of the project.

Restoration Project Phase 2 Budget Review, *John Emery*

Mr. Emery presented a two-page report detailing the bid results and their impact to the original budget. The first page of the report shows the original program budget developed by the program manager, the actual bid amounts received in October, and the variance from the original budget. The original budget for the restoration was estimated at \$65.6 million and the total amount of bids received was \$82 million, leaving a variance of \$16.4 million.

The second page of the report shows the \$6.5 million variance between the original budget (65.6 million) and the recommended revised budget of \$72.2 million. Using value engineering and scope changes, the project team has reduced the actual budget by \$10 million, and they are still looking for ways to improve the costs.

Commissioner Gwartney asked what constraints they are under and Mr. Emery responded that Title 44 of Idaho Code (requiring that 95% of the workers be Idaho residents) causes fewer companies to bid, and the in-state bids seem to be inflated. Costs for this project are higher than similar projects outside the state.

Commissioner Gwartney asked why Jacobsen Hunt didn't anticipate this situation. Mr. Emery explained that the entire team was very comfortable with the original budget of \$65 million as a fair cost for the project, but the current Idaho building market is busy, which is raising costs and minimizing competition. He expressed concern that some companies are using Title 44 to their advantage, resulting in higher costs. The housing market is slowing and that helps, but the light commercial and industrial is steady, which is good for Idaho as a whole, but bad for this project.

Commissioner Gwartney expressed appreciation for the efforts to reduce the budgets by the \$10 million, but is disappointed that this bid predicament puts the project contingency funds at an uncomfortable low. Commissioner Erstad expressed the same disappointment with the entire project team, not just Jacobsen Hunt over the budget predicament. He said that Lemley+3D/I was also involved in early budget estimates and that he would have expected that both parties to be more knowledgeable of Title 44.

Commissioner Hartgen asked what work is being deferred to a future legacy project in the new budget and Mr. Emery responded that some marble restoration, wood refinishing/repair, and exterior lighting is being deferred, at a savings of approximately \$2.5 million in restoration costs.

Ms. Frew said that \$72 million would fund the project at a level that meets the objectives of the Commission, but that it would use \$6.7 million of the \$8.1 million contingency funds. Commissioner Gwartney said that this is the worst case scenario.

Commissioner Youtz was concerned whether this project would continue to be a Capitol restoration rather than rehabilitation or a remodel. He said that he is comfortable with much of the reductions, but wants to stay committed to the restoration of the Capitol, even if it uses all the contingency funds to meet those needs. Commissioner Janet Gilmore reminded the group to call on the Historical Society for expertise on historical restorations.

Commissioner Youtz reported that he has spoken with the Pro Tem, the Speaker and members of the Legislative Advisory committee and they are comfortable using the \$6.7 in contingency funds in combination with the project savings to overcome the \$17 million deficit. They are also in agreement, that if necessary, the remaining \$10 million of the \$130 million authorized by HB 218 could become the new contingency fund. Commissioner Erstad said that the actual budget amount for this project must be determined by the Governor and the Legislature. He has heard leadership refer to a \$130 million budget and the Governor has clearly referred to the project budget as \$120 million. Commissioner Hartgen agreed that this issue must be resolved between the legislature and the governor before the Chair can entertain a motion to use the \$10 million as contingency funds, increasing the project budget to \$130 million.

Commissioner Youtz asked if the scope changes will be approved by the Capitol Commission or the Design and Construction Committee. Ms. Frew explained that the project is under great time pressure and requested that the Capitol Commission authorize the Design and Construction Committee to make decisions about the scope of work changes rather than having to convene the Capitol Commission at each decision point. Commissioner Frasure was concerned about delegating the scope change decisions to the committee and bypassing the Commission. Commissioner Gwartney said that the reduction in scope items can be approved by the entire Commission either at a meeting or teleconference.

Commissioner Bianchi asked when the decisions must be made and Ms. Frew said that they must be made with the next 30 days. She explained that the award for mechanical, electrical and plumbing needs to be approved at this meeting and that the decisions to award and fund the glazing, structural steel, fiber reinforcement and elevators must be made in the next two to three weeks. The Commission authorized the Design and Construction Committee to move these items forward.

Commissioner Carl Bianchi suggested that the Commission meet to address these budget issues on December 13, which Chairman Kane tentatively scheduled at the last meeting. Commissioner Hartgen stressed that he was fine with the Design and Construction Committee overseeing specific construction issues, but he wants to have ICC to oversee all work scope and budget reduction decisions.

Commissioner Erstad said that the Design and Construction Committee will meet every week on Tuesday mornings for as long as weekly meetings are needed, with their next meeting to be held on November 20th. He agreed that if an issue arises that is critical and must be approved by the Commission, the Design and Construction Committee will then request an interim Capitol Commission meeting before December 13th. He asked that a list of critical path decisions be provided to the Design and Construction Committee at that meeting so those items can be dealt with quickly.

Commissioner Hartgen asked if legislative leadership will be able to fast-track a solution to the Title 44 problem and Commissioner Youtz explained that even if they could, the legislative session is too late to help the Capitol Restoration project. Ms. Luna updated the group that leadership has a placeholder bill to repeal Title 44, and to make it retroactive to July 1 of 2007. Leadership has committed to act on it immediately and to include an emergency clause making it effective immediately. She said that the earliest it could be signed is early February. Ms. Frew said that if bid awards were held until the law is repealed; the project could not be completed on schedule. She said that the question involving Title 44 could not be answered without detailed cost analysis and also noted that Title 44 is *not* the only problem with the budget and it should not be used as a scapegoat for the budgeting dilemmas of the project.

MOTION: Commissioner Frasure moved to hold the next meeting of the Idaho Capitol Commission on December 13th. The seconded was by Commissioner Bianchi; the motion passed.

Public Outreach, Art & Culture

Public Relations/Outreach Activities, *Commissioner Sandy Patano*

Commissioner Patano reported that there have been several positive outreach activities since last meeting:

- The website looks great and the virtual tours are getting more hits.
- The CBS Idaho affiliates carried a short story about the virtual tours.
- The virtual tours are being pushed in elementary schools across the state and several teachers have expressed their appreciation and enthusiasm.
- The next media tours are scheduled for November 16 and December 14.
- Mr. Gary Daniel made presentations to both the Meridian and Mountain Home Chambers of Commerce.
- The Communications Liaison is developing a touch-screen presentation about the restoration, which could be located in the Capitol Annex or other state facilities when the Legislature convenes. Commissioner Patano said that this might be a fantastic resource for the legislature.

Committees of the Commission

In the interest of time, this discussion was deferred to the next meeting.

Art, History and Culture Committee, *Commissioners Carl Bianchi & Janet Gallimore*

This subcommittee met several times and worked on four items:

1. Guidelines for displays will be fully revised.
2. The committee will review the Visual Artists Rights Act (VARA) and the new guidelines will include a policy that no permanent art installations will be in the Capitol, and that VARA waivers are required.
3. The Committee met with Representative Max Black to discuss where the wood products will be displayed.

4. The Committee discussed the philosophical treatment of the Capitol and the Wings, with the concept of keeping the Capitol itself pristine, with limited exhibition space in public gathering space. The Wings could provide an opportunity for more temporary exhibitions.

Ms. Gallimore reported that Senator Stan Bastian, Representative Wendy Jaquet, Rick Ardinger (Humanities Commission) and Michael Faison (Arts Commission) have been invited to assist the Committee as advisors. Commissioner Bianchi asked the Capitol Commission to approve the actions outlined in their Report to the Capitol Commission and asked that this report be a part of the permanent record of the meeting.

MOTION: Commissioner Carl Bianchi moved to approve the Arts, History and Culture Committee report and adopt the recommended actions in the report. The second was by Commissioner Jeff Youtz; the motion passed.

Monthly Meeting Schedule, *Commissioner Hartgen*

The next meeting was scheduled for December 13, 2007, and the January meeting was scheduled for January 28th at noon, in conjunction with the Chamber Alliance meeting at the Grove. An early January meeting may be required for critical approvals to keep the project on schedule.

Adjournment

Commissioner Hartgen adjourned the meeting.

Becky Henke, Communications Assistant
Idaho Capitol Commission