

Deerfield Public Library  
Library Board Strategic Planning Meeting Minutes  
January 6, 2011

- 1) Call to order and attendance:  
Board President Ken Abosch called the meeting to order at 5:35 p.m.  
Attending: Board Members: Mary Courtney-Committee Chair, Ken Abosch, Michael Goldberg, Sunday Mueller, Jeff Rivlin, and Ron Simon. Staff: Mary Pergander-Library Director and Carol Dolin-Business Manager.  
Consultants: Doug Pfeiffer and Kevin Palmby from PSA Dewberry – arrived at 6:30 as planned.
- 2) General purpose and structure of tonight's meeting  
Mr. Abosch welcomed visitors and invited public comment. Visitors introduced themselves. No public comments were offered. Mr. Abosch outlined the format and objectives of the meeting, which was a working meeting to discuss the options for and develop recommendations regarding the project delivery options. Because this was a committee meeting no final decisions could be made, but recommendations could be made for further action at the Regular Board Meeting on January 19. Several topics on the agenda were moved later in the meeting when Mr. Pfeiffer and Mr. Palmby could be available to answer questions.
- 3) Discussion points:
  - Plans for and results of visits to other libraries and discussions with other library boards or directors  
No Board Members had visited other libraries yet, but all would like to see other libraries before design discussions begin.  
Ms. Pergander reported on conversations with several libraries, and she is awaiting two other important references. Those she reached used the terms Owner's Representative and Construction Manager at Advisor (CM Advisor) interchangeably. None had used CM at Risk. Some expressed a high level of trust in their architect but also recommended using a Construction Manager or Owner's Rep with hands-on construction experience and said they should be onsite through the design phase, bidding process, during construction, and in consultation when invoices need to be paid. Projects tended to come in on time and under budget using this model. Owner's Reps/CM Advisors, when at the worksite rather than working remotely, were reportedly knowledgeable and offered valuable expertise. With CM Advisor, the library holds all contracts, but the CM Advisor examines them and makes recommendations. Most respondents that did not use a CM Advisor or Owner's Rep wished they had. All responding libraries expressed the importance of the selection interview, and named confidence in the person's abilities, and worksite construction experience as important selection criteria.
  - The role of legal counsel  
Ms. Pergander contacted the Library's attorney, Phil Lenzini, to ask about the need to hire an attorney specializing in construction. He is experienced with these contracts and is very comfortable performing the service on the Library's behalf. He does not recommend hiring an additional attorney.
  - Board representation to the Commissions during the approval process  
In addition to representing the Board with the Commissions and the Village, the following Board members were assigned to sub-committees for the project:

- Board Liaison to the Village and Commissions  
Ken Abosch and Ron Simon
- Design Process Task Force – Board Liaison to the Architect  
Mary Courtney, Mike Goldberg, and Jeff Rivlin
- Construction Oversight – Board Liaison to the Professional Construction Oversight  
Mike Goldberg, Ron Simon, and Jeff Rivlin
- Relocation Task Force – Board Liaison to the Relocation Contractor  
Marla Bark Dembitz and Mary Courtney
- Selection of construction project management  
Mr. Pfeiffer and Mr. Palmby answered Board questions about the different roles in construction project management.
  - Question: How do an Owner's Representative's responsibilities overlap with those of a CM? When would you have both and what is the added value?
  - Answer: That depends on the scope of the contract for each role. Specific needs of the Library can be written into the contract for any of these roles. In general, an Owner's Representative acts as extended staff and works for the Library as an independent evaluator of the project. An Owner's Representative can be hired early in the process to negotiate contracts for the architect and Construction Manager, and can also include specialized parts of the project such as relocation, utility easements, legal work, and unique permitting needs. An Owner's Representative can be added to any of the project delivery options presented. A CM at Risk offers a guaranteed price (GMP) early in the project and becomes the general contractor (GC), manages all subcontracts, interacts with the architects, and coordinates the overall project. A CM at Risk has decision making authority and a vested interest in bringing the project in on time and under budget.
  - Question: What is the difference between a CM at Risk and CM at Advisor?
  - Answer: CM at Advisor does not guarantee the price and does not hold any contracts, but acts as an intermediary between the Library, architect, and GC of the project. The CM at Advisor supervises and manages the day-to-day construction for a fee, generally a percentage of the overall project cost.
  - Question: With the guaranteed price, what is the risk of shoddy work or sub-par construction materials?
  - Answer: The CM at Risk's reputation is on the line. There is minimal risk of shoddy work. Additionally, the architect is responsible to ensure that materials and workmanship meet the standards in the drawings. Shoddy work or sub-par materials are more prevalent in the traditional Design-Bid-Build option when the lowest bid must be taken and corners are sometimes cut to meet the bid price.
  - Question: Is the difference between the guaranteed price and lower project cost refunded?
  - Answer: The contract must address that issue. The additional funds may be used to upgrade finishes, add optional project features, or refunded to the Library after project completion. Several recent projects resulted in returning excess funds to libraries after project completion.
  - Question: Does a GMP cause the project cost to increase to ensure the CM at Risk makes money?
  - Answer: Any model must allow a certain amount for contingencies. In Design-Bid-Build, the potential exists for greater than expected costs to come out later during the build phase as limitations of the building become known and must be accommodated. This allows for less flexibility in deciding how the contingency is

used. The guaranteed price makes the overall cost known earlier in the process and shifts the risk to the CM at Risk. The CM at Risk seeks as much information as possible before committing to the GMP and works with the architect to design the building to the best advantage from a construction viewpoint to get a better project for the price. Again, the contract can be written so short runs are refunded to the Library.

Question: We were unable to find a library that used CM at Risk. Can you provide a recent example both with and without an Owner's Representative?

Answer: Glenview Library used CM at Risk with an Owner's Representative; Oswego and Northlake libraries used CM at Risk without Owner's Representative.

- Possible timetable for the project

Mr. Pfeiffer proposed some revisions to the order of events on the timetable. The anticipated project delivery date was not changed, but after meeting with representatives of the Village Commissions Mr. Pfeiffer recommends further public input. Because the Library is in a campus setting, the project will affect others in the quadrant. Mr. Pfeiffer recommends getting beyond the schematic design phase before going to the Commissions so there is a better understanding of the project. The new timeline provides for a series of design charrettes that include other stakeholders. These two to three day sessions provide the opportunity for brainstorming and evaluating design ideas, and building consensus during the project design phase. The plans would be presented in public meetings for comment and additional revisions, with the idea that when the project is submitted to the Commissions and the Village, it will be more successful in gaining approval. There is still a risk that Commissions could require revisions that delay the completion of the project, which was the reason for going to the Commissions early in the original timetable.

The Board agreed that the new timetable makes sense and clarifies the design process similarly to the cash flow timeline. This allows for transparency through the process and promotes the design of a building that benefits the Library and the Village as a whole.

- Logistics of the project including the process to obtain approvals from various Commissions

Nothing further from Mr. Pfeiffer on this topic

- Other topics related to the process to fund, plan, design, seek approvals for, construct, and execute the Library Improvement Plan

Mr. Simon asked Mr. Palmby to briefly comment on construction project delivery options from the presentation at the previous meeting. He also asked if Mr. Palmby would comment on which method is most successful with projects of the Library's type and size?

Mr. Palmby has worked under all of the project delivery options successfully, but his first choice on a project of this size and scope is CM at Risk, possibly with an Owner's Representative.

He recommends considering the following when making the choice:

- 1) What resources and expertise does the Library have on staff to negotiate and administer the contracts, keep up with the deadlines, and manage the details of the project?

If you don't have the resources or expertise on staff, an Owner's Rep may be best. Alternatively, the CM's or architect's agreement can be expanded to manage the contracts.

- 2) Who do you want to hold the contingency and how much risk can you tolerate that the project will go over budget?  
Under CM at Risk, the CM holds the contingency. Under all other options, the owner holds the contingency. In Mr. Palmby's experience, CM at Risk has never gone over budget.
- 3) Who do you trust?  
The Library Board and staff must have confidence in whoever is chosen. Mr. Palmby suggested that the Board interview the candidates and go with someone with whom they're comfortable.

Mr. Abosch asked the Board Members to review the information presented by Mr. Pfeiffer and Mr. Palmby and be prepared to discuss them to come up with a plan to proceed at the January 19 Board Meeting. Ms. Pergander will contact libraries in the area to schedule a time to tour the Library and possibly meet with other board members and staff involved in recent projects.

The meeting adjourned at 7:35 p.m.