May 1, 2019

MEMO TO: Board of Selectmen

From: Blythe C. Robinson, Town Administrator

RE: Police Station Project – Budget History

The purpose of this memo is to give you background on the financial history of the police and fire station projects, and the status of the funds remaining to address the fire station, now that the Police Station is substantially complete.

To date the Town has authorized a total of $14,035,000 for these projects on the following dates for the amounts specified:

- May, 2014  $1,800,000 – Police Station Land Acquisition, Design, Engineering & OPM Fees
- 2015        35,000 – Feasibility Study (Police & Fire Stations)
- Dec. 2015   $12,200,000 – Police & Fire Station Construction

At this juncture, the approximate funds remaining for the Fire Station are $2.84 million which will be insufficient to complete the project.

The project was originally envisioned as a combined police and fire station on the existing property at 117 Main Street. To accomplish this, the Town acquired additional property from the church next door to accommodate a larger building than it has presently. Simultaneously, discussions had begun with Franklin, Wrentham and Plainville about a regional dispatch facility, which was originally planned to be built in Wrentham. When it became clear the Wrentham facility wouldn’t move forward, the regional group looked at a number of options, and the resulting decision was to construct the dispatch facility ("the MECC") as part of a new police station for Norfolk. The 14 Sharon Avenue site was chosen and the Town moved forward to acquire the property through eminent domain in 2014. The purchase price was $1,109,558, with some expenses to facilitate the acquisition and the borrowing costs. The remainder of the funds was later transferred to the overall project budget for design, engineering and owners project manager costs.

In order to determine how much was required to now build a new police station and a replacement fire station, the Town proceeded to hire the necessary professionals. Following Mass. General Law, the Town first retained an Owner’s Project Manager (OPM) CDR Maguire (required of all building projects exceeding $1.5 million). They in turn assisted the Town will hiring the designer (Jacunski Humes Architects, LLC or JHA) of
Berlin, CT. JHA was contracted for $35,000 to perform this study. The result of the study was the Town needed to approve a project budget of a further $12.2 million to result in an overall budget of $14.0M. The January 2016 estimates were $7,510,630 for the Police Station and $5,063,130 for the Fire Station.

In addition to the Town’s appropriation for the project, the State committed funds to build out the MECC center on the second floor with the 911 equipment to support the dispatch needs of the four towns. Those funds came through E-911 equipment grants, which required the Town to move ahead with the construction of the police station on a time sensitive schedule developed by all of the parties. It is important to point out that this project is the first in Massachusetts that combined both a new police station and a State Regional Dispatch Center. The complexities of this effort were not fully anticipated by the architect and resulted in challenges that needed to be addressed.

Once the Town voted the debt exclusion to fund the project, design was completed, the project was bid and construction began in the summer of 2017, envisioned to take 12 months. A number of difficulties arose throughout the project timeline causing the total cost to increase above the original estimate. The most significant issues were:

- Site work – the architect advised the building committee in order to keep costs down, the Town could use their existing public works staff to perform the site work needed at no cost to the project, and the $300,000 would be used to purchase materials needed (storm water structures, curbing, trenches, paving materials, landscaping, etc.). Labor was not made part of the construction contract, and the Town then learned they could not use DPW staff (and there were questions about whether the DPW had time and capability to perform this work). There were also no soil borings done so the Town wasn’t able to anticipate costs for ledge removal that it had to perform. The Town had to contract on its own for the labor and equipment to carry this work, at an additional cost of $790,098.

- OPM – The original project team proposed by CDR Maguire and chosen by the Town did not end up being assigned to this job. The firm proposed a new OPM to lead the project, and originally that went well. However issues arose as the project got underway with the OPM making some decisions without consulting the Town; and due to some other personnel issues involving that employee; he was separated from employment with CDR. CDR then proceeded to put another person on the job that did not perform satisfactorily for the Town, and the Town moved to terminate the contract with CDR. A settlement was reached and the Town has $56,619 remaining from that appropriation. The OPM services were assumed by Facilities Director Matt Haffner working under Project Director Bob Bullock (due to Bob holding the applicable licenses. By all accounts, the rest of the project went very smoothly and Matt brought it successfully to completion.

- Design drawings – Once construction was underway, there is a detailed process by which subcontractors submit “shop drawings” to the architect and engineers for review of how various aspects of the building will be built and they are reviewed for conformance to the plans and discrepancies resolved. Unfortunately in this case, it became clear over time the architectural drawings were not as thorough and complete as they should have been, and this resulted in both change orders for subcontractors to be paid for more work than they envisioned to complete the job, and significant time delays to process the shop drawings and then begin each section of work. While the Town ultimately may have to pay for the work missing from the drawings, the time delay caused the contractor to be paid for eight (8)
additional months of construction delay beyond the contracted time to perform the work which resulted in change orders totaling $342,480.

- Roof & Floor Work – The building plan envisioned utilizing the existing cement floor, steel beams and roof as part of the final project. It appears the architect relied on drawings of the existing building provided by the Town, and did not perform its own due diligence to verify the information. This resulted in dimensions that were inaccurate, sizes of doors were different, and a roof insufficient for the intended use. Furthermore, the roofing work should have been put out to bid as separate filed sub-bid, and it was not, which caused a disagreement between the architect and general contractor as to who owned the work and how it should be done. This one issue resulted in the Town going to mediation to reach resolution, the result of which was a change order of $369,535.91 for the roof work.

- The technology budget also proved to be far short of what was required for a public safety building. The Town originally budgeted $275,000 for both police and fire, but has had to spend $494,302 to complete the police station, leaving a zero balance to address the future fire station. Cost overrun difference is $219,302.

The total overage on the project is $2,324,746, primarily in the categories of change orders, site work and computers and technology.

The Town is pursuing credits back to the project for the installation of energy efficient systems. We anticipate that these credits will bring in approximately $300,000.

The certificate of occupancy will be issued this week and the police station and MECC will be operational next week. While that is good news, it comes at the expense of the Fire Station, for which there is approximately $2.84 million remaining, likely well short of what will be required to complete that project. Some of the outstanding questions that need to be addressed before we can move forward include:

- Whether to continue using in house staff or issue an RFP to retain an OPM for this project
- Whether to pursue legal action against the architect for some of the issues with the police station
- Depending on the prior question, whether or not to continue to work with the existing architect on this project
- Whether or not to perform a new feasibility study for the fire station to confirm the building design and cost estimate
- What budget is required to relocate the fire department to the DPW facility and any upgrades needed for them to operate there
- What work needs to be done to the existing station in order for it to remain operational until the department is relocated or moved into a new station and at what cost
- Whether to ask for a new appropriation from the Town based upon project estimates or whether to put the project out to bid before seeking Town approval
- What amount of funds will be required and how this can fit into the Town’s long-term budget plans?
# Norfolk Police Fire Project

## Project Budget Report

<table>
<thead>
<tr>
<th></th>
<th>Approved Budget</th>
<th>Reclass of Budget</th>
<th>Adjusted Project Budget</th>
<th>Involved To Date</th>
<th>Committed To Date</th>
<th>Variance (Favorable/Unfavorable)</th>
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