

Islesboro Municipal Building Project Committee (MBPC)
November 15, 2023
Minutes

Members Present: Pete Anderson, Linda Gillies, Derreth Roberts, Lauren Bruce, Bill Boardman

Zoom: David Sessions

Absent: Jay Zlotkowski

Adhoc Members: Janet Anderson, Cressica Brazier, Murt Durkee

Via Zoom: Fred Porter

Also in Attendance via zoom: Steve Blatt, Mark Ouellette, Pete Pettelier.

1. Lauren Bruce called the meeting to order at 5:30pm. Quorum met.
2. Approve Minutes of November 6, 2023
Motion to approve the minute of November 6, as written, D. Roberts, seconded by L. Gillies. No discussion. Motion passed, unanimous.
3. Meeting with Pete Pelletier, President and Director of Pre-Construction at Ledgewood Construction. **(Ledgewood Presentation attached)**

Questions from the MBPC:

Pete Anderson:

What is your commitment to our project post construction?

Pete Pettelier:

Ledgewood will help for multiple years after 1st year. No one contacted Ledgewood about probelms after the school project was completed.

Bill Boardman:

Will Ledgewood expect compensation for pre-construction?

Pete Pelletier:

If we can't get to the budget we will not charge for preconstruction.

Bill Boardman:

What is the time period.

Pete Pettlier:

It will be a couple of months before we can start.

4. Public Questions and Comments. No questions.

Motion to move forward with Ledgewood- Bill Boardman moved the motion and seconded by Linda Gillies. Unanimous vote in favor of going forward with Ledgewood.

Meeting Adjourned at 6:45

Submitted by Lauren Bruce

Islesboro Municipal Building Project Committee

Presentation by Peter Pelletier, President and Director of Pre-Construction
Ledgewood Construction
November 15, 2023

Peter Pelletier introduced himself to the Municipal Building Project Committee and explained his role and the company's process.

Ledgewood Construction was founded in 1978, and has been in business for about 45 years. The current owner is Peter Bernard, and he has owned the company for 20 years. Prior to Peter owning the company, it was known as Ledgewood, Inc. We have 45 years of experience under our belts.

We are Construction Managers. I want to make sure everyone understands the distinction between a Construction Manager and a General Contractor. Years ago, we started out as a General Contractor. A General Contractor takes on a project, has their crews, does a fair amount of work with their own crews, and subs out specialty things like mechanical and electrical. A Construction Manager is a whole different approach. We are professionals in managing construction. We do not self-perform any work; we have no crews of our own.

Advantages to clients: That means that 100% of your project is going to be competitively bid. If you hire a General Contractor/Construction Manager (General Contractors that do Construction Management on the side), how do you know the General Contractor is giving the best price for the work he's performing with his own crews? Because we don't perform any work, we put everything out to bid so you get competitive prices. You can be assured that you're getting the best price for your project.

We have very seasoned people who manage your work. We have Project Managers who work out of our office and will visit the job site and deal with requisitions and all the paperwork. Then we have Superintendents who work on-site and are there every day managing the site. For this particular job, we propose Scott Clark as the Project Manager. Scott has been in the business for 36 years, and for 16 of those years, he and I have worked right here at Ledgewood. Peter McPhearson is who we propose for the Superintendent. Peter has been in the business for 46 years. He's been with Ledgewood only 9 years, but during those years, he and Scott have done multiple jobs together, so they understand each other and they're a great team; they work very well together. We have a very seasoned team that we're proposing for this project; we're not bringing in junior people who are learning the trade on your project.

The Construction Management Contract breaks down into two parts: Pre-construction and Construction. In my opinion, Pre-construction is the most important. Pre-construction is where we work with you and your design team to help develop a project that meets your needs and is within your budget. Part of our process is estimating and providing budget feedback. But we go beyond that. We do constructability reviews. I get Scott and Peter involved in this. We'll

get the preliminary drawings and they will look at the project as if they were building it. Typically, a particular detail might need a sub to come, then someone else has to do something, then the sub comes back to finish. We try to simplify and recommend changes to make it more efficient for the sub. Our goal is, when the subcontractors look at your project, they want to bid on it because they can see their guys getting in, getting out, and they can make a profit. That's part of our constructability reviews. Then we look at products and interactions between products. If we've had problems with particular details or scenarios in the past, we'll make Mark and Steve aware and suggest changes to try to avoid pitfalls.

One of the important parts of Pre-construction is Value Management. Our industry uses the term "Value Engineering," but I've been in this business long enough to know that we don't engineer anything. We're going to help you manage the value of your project. Unfortunately, a lot of times Value Management means you have to give up stuff in order to get it down to a value you can afford, but that's not always the case. Sometimes we're going to help you spend the same amount of money, but get more bang for your buck. Those are the types of things we're going to look at during Pre-construction. I understand you're quite a way along in the design, so we're going to have to compress a lot of that to get through the process.

We also try to make the project as attractive to subcontractors as we can to get them excited about the job to get you a better price. We'll do a site-specific logistic plan and safety plan. The more information we give to the subcontractors, the better equipped they are to give you a tight number. If there's a grey area or vagueness, they're going to carry some extra money to cover themselves on that; a hidden contingency fund. If they don't spend it, you're not going to get it back. Our goal is to make it a clear project for them.

We know that with this job being on an island, logistics is a big deal. The good news is, we have experience working with the school on the island. We did a couple of unique things on that project that I would like to introduce to this project. We reached out to the building community on the island and asked what the resources are. The marina out there had a storage facility that, when the boats were in the water, had extra capacity. We got the marina owner's name and number out to the bidders, and a lot of subs took advantage of that and brought product to the island and stored it in his facility, so it was there when they needed it. A couple of the subcontractors also used his crane. That is an opportunity for some of your dollars to go back into your community. If some subs wanted a place to stay overnight, a room to rent, we provided a list to the bidders, and they were able to utilize resources on the island. We looked at the ferry schedule. Based on the ferry schedule, the subcontractors would only be working 6.5 to 7 hours per day. They would lose an hour to an hour and a half a day in productivity. We contacted Quicksilver and he put on an early morning construction run. That way, we were able to sell to the subcontractors that they would get full production out of their workers, and they would work four 10-hour days. It was a win-win. It was a win for the island because we had Fridays off were not on island (out of the way) for the weekends. I would like to look at the same scenario on this project to see if it's doable.

We also develop a detailed schedule for the subcontractors, letting them know what's expected of them and when, so they can tighten up their numbers. At the end of Pre-construction, we put the project out to bid. I do a detailed scope of work for each individual trade, so they understand what's expected of them in their price. With the bid package, we'll inform them of the resources on the island, and we'll provide them with a schedule. During the bidding process, we'll manage questions. We'll get the answer from Steve's group and make sure the it gets out to all the bidders so everyone is informed. After the bids come in, we'll do post-bid interviews. We will bring in the low two or three subs for every trade and go over the schedule and scope. This gives them the opportunity to adjust their numbers if they have to. I want to make sure we're comparing apples to apples with these subs. I also want to make sure a sub doesn't get turned down for a job because he missed something or left it off his bid, because that's a no-win for any of us. After the post-bid interviews, we put together a Guaranteed Maximum Price (GMP) estimate. We will share with you who bid the job, what their bid was, what their first bid was if they had to make an adjustment, etc. We work open-book with you as a client.

We'll make the recommendation, give you the GMP, and if that's acceptable to you, we'll sign the second half of the contract, which is actually the GMP and Construction portion of the work. Then I step back and Scott takes over. He will be involved all through Pre-construction helping develop the bid package and schedules, so he will know the project intimately before he starts work. Peter McPhearson will have input as well. These guys will hit the ground running. They manage the construction. Scott as the Project Manager will manage all the subcontracts, purchase orders, submittals, and shop drawings, which he'll manage with Steve Blatt's office, to make sure we're getting the right product, and that we're ordering the right materials. Peter will be managing the ongoing day-to-day activity in the field. Because this project has two different sites, he'll be bouncing back and forth between them, and making sure our goals are met on a daily basis. We'll develop the overall project schedule and make it part of the bid package, but then on a weekly basis, Peter will be doing a look-ahead schedule for the next two or three weeks, and do a detailed schedule day-by-day, coordinating with the subs. He'll update that every week, adding another week to it. He shares that with the subs at a weekly meeting. We'll share that with you and you'll know day-to-day what our activities are. Because of the logistics of where the medical building is going, in proximity to the Town Offices, he's going to need to coordinate very closely with you regarding deliveries, and what activities you might have that we need to avoid. His duties also include Quality Control. He's going to make sure that the products being used are the ones that were approved, and he'll make sure they're installed properly. Peter McPhearson is a certified code inspector in the State of Maine, so subs won't be able to pull the wool over his eyes.

We have a long history of medical projects. We've done large medical office buildings. Peter is working on a project for Northern Light Health right now in South Portland, about 2,000 square feet. We have a lot of experience with that.

Questions:

Pete Anderson: You spoke a lot about your Pre-construction and Construction phases, and since there's some amount of displeasure with what happened at the school, could you talk about your post-construction commitment to the project?

PP: We're with you long term. Construction warranty is typically one year, but we've gone back on projects multiple years after that to assist owners. We do provide drawings, and a list of subcontractors for who did what, and we've been known to assist the owner with what subcontractor they need to talk to, even if it's well after the warranty period. I have heard some talk about problems with the school, but to be quite frank and quite honest, no one ever contacted us about any problem with the school, so how can we react?

Bill Boardman: If we get to the GMP and we don't have the funds to continue this project, what kind of compensation will you need? Do you work by the hour until that point?

PP: We made a commitment when we first interviewed for this project, and I talked with Peter Bernard just yesterday about this. We're willing to stand behind that commitment. We will take the risk with you during Pre-construction, and if we can't get you to a budget that you can work with, we'll walk away and you won't owe us anything.

Bill Boardman: Do you dare speculate on the timing of when you might get us the GMP?

PP: I'm trying to play catch-up on this. Mark was very gracious in spending time with us earlier this week to walk us through the plans, but we haven't spent any time on it. We have to distinguish between the first project that was put out to bid, and what we're going to put out to bid, so we're going to need to get a fresh set of drawings, and we want to do the Value Management before we put it out to bid. If we put it out to bid and we're over budget, and try to do VM after, we'd be dealing with subcontractors who already know they have the job, so we'd only get 50 cents on the dollar. It's better to take the risk during the redesign... make the changes in the documents, so when they're bidding the job, we're getting a competitive price. It could take 3 - 4 weeks to get the drawings ready to rebid. Once we get those documents, it's going to take about 30 days. We need a couple weeks to do the post-bid interviews. It's the holiday season, that's one of our challenges... If we get this job, we'll do a schedule. Ideally, we get the numbers in before Christmas. We're looking at a couple months before we start.

Mark Ouellette: Great presentation, Peter. We've started consolidating our documents. We've had a brief discussion with Peter already. The ball is already rolling on our side. We're ready to work with the new Construction Manager and we appreciate Peter's input. They bring a lot to the table. If approved, we would start immediately with Ledgewood.

Steve Blatt: Peter Pelletier at Ledgewood is about 10 minutes from our office, so we can meet and go over drawings. Ledgewood is so experienced that they can pinpoint ideas almost immediately and save money... I think over the next 10 days, we're going to come back to the committee with some proposals. Peter is going to try to respect your budget... we want to get as close as we can.