

- CALL TO ORDER** The meeting was called to order at 12:00 noon by Peter Watercott, President.
- PRESENT** Peter Watercott, President
D. Scott Clark, M.D., Vice President
Pat Calloway, Secretary
John Ungersma, M.D., Treasurer
Michael Phillips, M.D.
- ALSO PRESENT** John Halfen, Administrator
Douglas Buchanan, Esq., Hospital District Legal Counsel
Sandy Blumberg, Administrative Secretary
Arlen Arnold, Turner Construction Company
Jon deVries, Turner Construction Company
John Hawes, Turner Construction Company
Steve Schultz, Turner Construction Company
- PUBLIC COMMENTS
ON AGENDA** Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.
- NEW BUSINESS** Mr. Halfen stated the purpose of this meeting is to review rebuild construction bids received for the Support and Radiology Buildings and to hear recommendations from Turner Construction Company regarding possible action to take on those bids. Mr. Halfen introduced Turner representatives Arlen Arnold, Jon deVries, John Hawes, and Steve Schultz, and asked for a review of the bids received and for Turner's recommendations on how to respond to those bids.
- Mr. Schultz opened by stating that most of the bids came in at amounts much higher than expected. Reasons for the high bids probably include trends in the construction industry in general, and a possible reluctance on the part of bidders to come to the Bishop area due to the remoteness of its location. Bids received from local bidders were also higher than expected, and it is difficult to determine exactly why those bids came in as high as they did. A contributing factor may be that several other large projects are currently being bid in the Reno area, creating competition for the services of area contractors.
- Mr. Schultz stated there are a couple of possible actions the Board might consider taking in regard to the bids. One action would be to re-bid the entire project in hopes of obtaining lower bids, and the other option would be to accept those bids that appear reasonable, and reject and re-bid those portions that are significantly higher than expected.

The bid packages being reviewed at this meeting are as follows:

1. Site Work and Site Utilities
2. Building Concrete and Site Concrete
3. Masonry
4. Structural and Miscellaneous Steel
5. Finish Carpentry and Casework (Millwork)
6. Miscellaneous Specialties
7. Elastomeric Sheet Roofing
8. Framing and Drywall
9. Acoustical Ceilings
10. Doors, Frames, & Hardware
11. Overhead Doors
12. Glass and Glazing
13. Ceramic Tile
14. Flooring
15. Painting
16. Pre-Engineered Metal Building
17. Fire Protection System
18. Plumbing
19. Mechanical
20. Electrical and Low Voltage

Discussion followed on each area of bidding, and each bid package was reviewed in terms of original estimated cost compared to the actual bids received. The apparent low bidder was noted for each portion of the project. Turner is in the process of re-contacting some bidders in order to review their bids for accuracy. No overall bids were received for the Specialties portion of the project, so Turner will meet with local contractor Rudolph Construction to discuss the work needed for that portion of the project. It was noted that some of the bids received contain minor irregularities, but following discussion with District Legal Counsel Doug Buchanan it was decided to recommend moving ahead to take action on those bids, while noting that the irregularities exist.

It was also noted that no local companies bid on the Electrical portion of the project due to the fact that they felt they were not large enough to handle the job. Additionally, it was noted that the roofing bids need to be reviewed further in order to determine if they were made according to the specifics indicated. Turner is also interested in considering alternate types of roofing materials for the two buildings.

A third possible action on the bids was suggested, which would involve re-bidding the entire project in the spring in hopes that building costs will be lower at that time. Following discussion, that suggestion was rejected due to the fact that it is impossible to predict whether construction costs will rise or fall during the next several months.

Methods of covering the cost of construction overages were discussed, and Mr. Halfen stated he is not in favor of going back to the taxpayers for additional money to help cover additional construction costs. Methods of financing and borrowing money are being investigated, and Mr. Halfen still hopes to cover the bulk of the overage with revenue from Hospital operations. Mr. Halfen distributed a debt capacity study indicating how much the Hospital might be able to borrow in order to help pay for the cost of the rebuild project.

As a result of the discussion at this meeting and following review of recommendations made by Turner Constuction Company, a motion was made by Pat Calloway to move forward to authorize accepting the apparent low bids for the following portions of the project:

1. Site Work
2. Concrete
3. Masonry
4. Structural Steel
5. Millwork
6. Acoustical Ceilings
7. Overhead Doors
8. Glass and Glazing
9. Flooring
10. Painting
11. Pre-Engineered Metal Building
12. Fire Protection System
13. Plumbing, and
14. Electrical

The motion additionally included authorizing rejection and re-bidding of the following bid packages for the project:

1. Specialties
2. Roofing
3. Framing and Drywall
4. Doors, Frames & Hardware
5. Ceramic Tile, and
6. Mechanical

The motion was seconded by Michael Phillips, M.D., and passed as presented. Mr. Halfen noted another special meeting of the Board of Directors will be called in order to award the subcontracts to specific bidders.

**BOARD MEMBER
REPORTS**

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. No reports were heard.

**OPPORTUNITY FOR
PUBLIC COMMENT**

In keeping with the Brown Act, Mr. Watercott asked if any members of the public wished to address the Board of Directors on items of interest. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 12:55 p.m.

Peter Watercott, President

Attest:

Patricia Ann Calloway, Secretary