

From: David Martinez [<mailto:dmartinez@bcgconstruction.net>]

Sent: Monday, December 01, 2014 11:22 AM

To: Greg Veliz

Subject: Urgent City Hall Vote

Dear Mr. Veliz:

I hope that you had a great Thanksgiving with your family. I am writing this email because I believe that you may not understand the full ramifications of what the Mayor is proposing for tomorrow night's commission meeting. Please take the time to carefully read why voting to rescind the award of the City Hall project to my firm is a huge mistake.

1. By rescinding an already awarded and agreed upon bid, the City is setting a very dangerous precedent. There were 3 separate votes at the last commission meeting.
2. This is the same process by which the City was able to cut 25% off of the Fire Station bid.
3. My firm nor any other firm were allowed to re-bid the Fire Station after you awarded it to DL Porter and then later value engineered the building with only DL Porters input. Thus, you will be going against the very process that you have approved in the past.
4. The reason the price went up is because it took a year since the demo to get the project out to bid. By rescinding the award to my firm you will be delaying the process another year and prices are going up anywhere from 3 to 7% as of January 1, 2015. This will raise the price by anywhere from \$500,000 to \$1,000,000.
5. You will be wasting another year of rent which is another \$500,000 down the tubes.
6. By only allowing Mr. Bender to be involved in the value engineering process you will only be getting the benefit of an architect who has no incentive to save you money. He has been paid already. In addition you will be incurring at least another \$250,000 of architectural and engineering fees.
7. You will be eliminating the contractor that has the most value engineering experience on the team and has the most incentive to save the City money.
8. You will be punting the ball down the road at a time when public support is continuing to diminish.
9. By delaying this project even further you will be getting less of a building, less of a LEED project and it will cost you the same a year from now as a better building will cost you today. In essence, you will be wasting the value engineering reductions because price increases, rent and fees will eat into any potential savings.
10. By rescinding the already awarded project, you will be causing the City to assume the risk for all the cost increases as opposed to putting the risk on my firm.
11. The firms that will bid in the future will raise their prices because these bids cost us tens of thousands of dollars every time we bid.

There are numerous other reasons why punting this is a bad idea but I think you have \$1.5 million reasons already why this is not a responsible move on the part of the City's leaders. Please understand that another year of rent is \$500,000, prices will increase a minimum of \$500,000 to \$1,000,000 and you will spend another \$250,000 on the architect. That is a total cost of \$1,250,000 to \$1,750,000 just for delaying the project. In addition, without a contractor on board you will be getting all of your value engineering efforts from an architect. Architects are not in the business of estimating but we are and

together, Mr. Bender and Burke Construction will give you the highest impact of cost savings possible. It is obvious that there is no love lost between Mr. Bender and I, and that is a major benefit to the City. He will hold my feet to the fire and I will hold his feet to the fire which will give the City the best case scenario in your efforts to save money.

I believe that you have seen our commitment to this project and to the City. Commissioner Lopez can attest that he saw me several times at Nelson English Park on Saturdays and Sundays during that construction and despite the fact that we had numerous opportunities for legally entitled change orders on that project, we were overly fair to the City by not demanding extra money. Furthermore, we were one of two firms that actually showed up personally to the bid opening, the only firm that showed up to the committee recommendation hearing and the only firm that has showed up to the commission meetings. This is how we operate and I can guarantee you that we are the best option for the City and I am urging you to not take 10 steps backward after you made the right decision to move forward at the last commission meeting.

Kind regards,

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