

Lorain Port and Finance Authority
Board of Directors
Contract Management Committee Meeting
Port Office
Tuesday, May 9, 2023, at 6:30 p.m.

Committee Members: Ms. Kiraly; Messrs. Nielsen, Veard, Zellers and Zgonc (5)

Board of Directors: Mrs. Silva Arredondo (6:55 p.m.); Mr. Mullins and Scott (6:36 p.m.)

Staff: Tom Brown, Executive Director
Tiffany McClelland, Assistant Director
Kelsey Leyva-Smith, Office Manager
Michael Brosky, Esq., Port Attorney (6:45 p.m.)

Guests: None

I. Roll Call

A. The meeting was called to order at 6:30 p.m. by Contract Management Committee Chairman Jeff Zellers with roll call indicating a quorum present.

II. Report of Chairman

1. Construction Manager at Risk Agreement: Mr. Zellers said this is to bring everyone up to speed on the contract and where we stand. Goal is approval by the full board. Last 3-4 weeks, been working with construction manager at risk, with Bialosky, Ms. McClelland, Mr. Brown and Mr. Maschke. Working with Whiting-Turning has been a good give and take. First start pre-construction for \$30,000, which gives us preliminary budgets. He feels good about that. We'll also get a better idea of the schedule and how we'll phase this. Gone over hourly rates for project managers, schedulers. They seem in line. Overall fee for project is 3 percent. Any subcontractor would get 3 percent on top as part of their fee. In line with the industry and what we've talked about before. A few minor changes to come, but wholly good to go. Mr. Brown said legal found two or three mechanical issues. Insurance is also reviewing. We'll be ready and we'll come back to the board, so we have construction insurance. Jeff has put in an extraordinary amount of time. He's an asset. Mr. Brosky had 3-4 things in the final review. Mr. Zgonc asked if we

talked to any other companies? Mr. Brown said there was a whole process. Sent out request for proposals. 8 companies submitted proposals. Subcommittee picked top 4, then did a scoring matrix. Picked Whiting-Turner and then began negotiations. (Mr. Scott 6:35 p.m.) Mr. Zellers was concerned previously about not getting enough bids, so he reached out to four companies personally (Turner Construction, Higley, Krill, one other). He didn't have any experience with Whiting-Turner, but still preferred them over the others. They were a step above. And after being selected, they've been great to work with. Ms. McClelland said this was publicly advertised as well in multiple locations for three weeks. Mr. Zellers said the list of submittals was strong. All of them seemed excited about doing something unique. The dollar amount isn't a big deal for them, but the creativity factor is a big deal. Mr. Zgonc asked about the cost in total... Mr. Zellers said everything is explained in the exhibits. The basic thing is they will go out and get competitive bids. Everything will be subcontracted. We pay them through their hourly rates for project managers, schedules, etc. All hourly rates have been established and are within the industry standards. Subcontractors get quotes from different local people. We will have a large say in who we select for each of the different subcontractors. They get a fee of 3 percent on those subcontractor agreements. Mr. Zgonc asked if this was for high-risk projects? Mr. Zellers said yes and explains that the construction manager gives us a maximum price (\$8 million for example). If it comes back higher than the maximum price, it will come out of their fee. If it's lower, it'll go into the contingency fund. Mr. Mullins asked if it was in writing that we want Lorain County companies? Mr. Zellers said no. But we will be sure to use as many local contractors as we can. We have the talent to do most of it here. Mr. Brown said everyone graded Whiting-Turner as number one. Mr. Zgonc asked about the auditing portion. Mr. Zellers said he's not sure we'll need to do auditing. We shouldn't get involved in the hourly rates. Mr. Zgonc said the whole project has to be audited. We need to have someone or somebody who has expertise in this. (Mr. Brosky 6:44 p.m.) Mr. Zellers said he doesn't think we need an outside

entity. He thinks Mr. Brown, Ms. McClelland and himself can take care of reviewing quotes internally. Mr. Zellers said according to the contract, if we run into an issue, we have the ability to audit and go through everything again. He thinks we can make sure we're making the best selections for the project and the community. Mr. Zgonc said he trusts the board and staff will do the auditing. Mr. Zellers said if things go awry, we still have the ability to have an outside group to audit their books. Mr. Zgonc said of the Whiting-Turner reviews, from 0 to 5, 29% gave 5, 12% gave 4, 14% gave 2 and 39% gave 1 star. Mr. Zellers said he has never heard a negative remark in the industry, and he thinks the group we're working with is great. Mr. Veard said he gives no weight to ratings online. He's a general contractor and knows what it's like. Ms. McClelland said she didn't know any of the companies coming in, but we're working with a sub-office or branch of the Cleveland office. This is a specific team of individuals. She put a lot of weight on the people brought to the table. Every company could do the job, but who would we be working with and what are they like. Mr. Zellers said Eric Betts is who we'll be working with, he's the project lead manager. Ms. Kiraly asked about work experience? Ms. McClelland said Mr. Zellers carefully interviewed everyone on the team. Mr. Brown said we are not getting interns. Ms. McClelland said Lucas Ward is who they see most often. Mr. Zellers said Mr. Bialosky and Mr. Maschke both have worked with Whiting-Turner and had good things to say. He is very comfortable moving forward with Whiting-Turner. Mr. Brown said the architect team told him that they did a project with Whiting-Turner recently. Whiting-Turner provided them alternatives and saved them hundreds of thousands of dollars. Mr. Zgonc said he would have liked a project-labor agreement. There are some disadvantages, but other disadvantages with what we have today. Mr. Brown said he asked industry professionals the pros and cons of a project-labor agreement and was told it wouldn't be the best route. Mr. Zgonc asked why? Mr. Zellers said Brewer-Garret (company he worked for) is a union contractor. He agrees certain things needs to be done by first class craftsmen. But when you open that up,

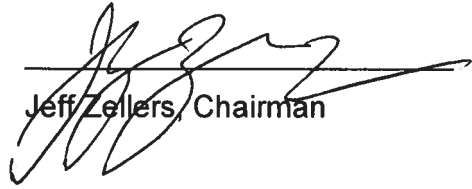
it becomes more competitive. And some trades, we won't get a lot of union contractors to submit. Such as landscaping. We do have the ability to look at the different subcontractors who are brought in and make the decision if that's the route we want to go. He's not as concerned about having a project-labor agreement, as long as we have the ability to pick and choose, he thinks we'll be fine. Mr. Zgonc said we're entering into an agreement to begin a process for \$30,000. If we're not satisfied, can we opt out? Mr. Zellers said there is language in there for termination for convenience. Mr. Brown said the architects asked about that, too. Mr. Zellers said these are standard forms not created by Whiting-Turner. Mr. Zgonc said the project-labor agreement saved Lorain City Schools over \$3 million. Mr. Veard said a lot of subs worked for the schools and didn't get paid. Mr. Zgonc said one of the biggest issues noted in the reviews was subcontractors not getting paid in a timely manner. Mr. Zellers said there's language in the contract that allows the port to make sure subcontractors get paid, he wants local contractors to feel good about working with the port authority. Mr. Zgonc said he wants it to be on task, on time and on budget. Mr. Zellers said that will take communication every step of the way. Committee members are encouraged to be involved. Mr. Zgonc said Whiting-Turner just recently settled a harassment suit. He hopes that doesn't happen here because Lorain deserves better than that. He wants a company that shows respect to workers and community. Mr. Brown said one person's job is public engagement. Mr. Zgonc said the harassment was in Tennessee during a data center construction project. Mr. Zellers asked for a vote to send to the full board. Mr. Brosky said he thinks the contract is good from a legal standpoint. Mr. Nielsen moved to recommend approval by the full board. Second by Mr. Veard and Ms. Kiraly. Motion carried with one no.

III. Other Business

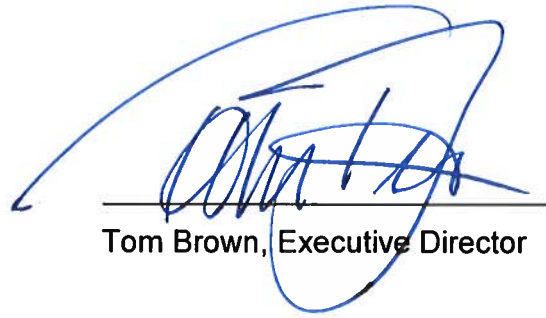
A. None.

IV. Adjournment

A. There being no further business to come before the committee, Ms. Kiraly moved to adjourn. Mr. Zgonc seconded. Meeting adjourned at 7:06 p.m.



Jeff Zellers, Chairman



Tom Brown, Executive Director