

**FRANKLIN COUNTY BOARD OF COUNTY COMMISSIONERS  
SPECIAL MEETING  
COURTHOUSE ANNEX – COMMISSION MEETING ROOM  
MARCH 22, 2016  
10:00 AM  
MINUTES**

**Commissioners Present: William Massey – Chairman, Joseph Parrish – Vice Chairman, Noah Lockley, Cheryl Sanders, Rick Watson**

**Others Present: Alan Pierce-Director of Administrative Services, Michael Morón – County Coordinator, Michael Shuler – County Attorney, Lori P. Hines-Deputy Clerk to the Board.**

**Call to Order**

Chairman Massey called the meeting to Order.

Mr. Moron requested approval of a change order for the Fort Coombs Armory Rehab Project. He explained they started the drainage phase and discovered Fairpoint Communications has a large phone trunk where they wanted to place the inlet pipe. He reported the phone trunk is going to be moved but it requires some hand digging in addition to some other expenses. Mr. Pierce stated the amount of the change order is \$8,000. **On motion by Commissioner Lockley, seconded by Commissioner Watson, and by unanimous vote of the Board present, it was agreed to approve the change order.** Mr. Pierce informed the Board the Armory has received an allocation of \$180,000 for the floor.

Attorney Shuler explained there is a proposed Addendum to the Dewberry contract. He said this Addendum was reviewed and, based on his communications with Mr. Pierce, he recommends approving the Addendum as it covers all the comments U.S. Treasury wants to add into the existing Dewberry contract. Mr. Pierce pointed out the dollar amount and time lines do not change but U.S. Treasury required certain language in the contract that reflects federal law. Mr. Pierce said Dewberry agreed to the changes. He highlighted the requested changes. Attorney Shuler explained Dewberry actually prepared the Addendum but he has reviewed it and it covers the checklist of items that the U.S. Treasury wanted included into the existing contract. **On motion by Commissioner Parrish, seconded by Commissioner Sanders, and by unanimous vote of the Board present, it was agreed to approve the Addendum with Dewberry Consultants.**

Mr. Moron stated the Board is here to interview the top rated firms for the Construction Manager at Risk for the Hospital. Mr. Moron reported the firms were ranked as follows:

- (1) Ajax Building Corporation
- (2) Culpepper Construction Company
- (3) Robins & Morton

Mr. Moron discussed the format of the interviews. He explained each firm will be allowed 2 representatives to make a presentation. He said the interview will be 15 minutes long and the questions and answers are included in the 15 minutes. Mr. Moron reported the interviews are usually conducted in alphabetical order. He asked the firms not being interviewed to wait outside of the meeting room. He advised the firms not to have anyone from their company present during the interview of the other firms. Mr. Moron stated Ajax Building Corporation will be interviewed first and each firm will be allowed a few minutes to set up their presentation. Mr. Moron asked if the Chairman of the Hospital Board and the CEO can be present during the interviews. Attorney Shuler reported they are not making any presentation so they can stay.

The Board conducted the interview with Ajax Building Corporation. The project team introduced themselves to the Board. Mr. Jay Smith, Vice President of Ajax, discussed the current facility and the proposed project. He stated Ajax Building Corporation was started in 1958 by his grandfather. Mr. Smith provided drawings and a slide presentation of their proposal. The Board did not have any questions.

At this time Culpepper Construction Company set up for their interview. Mr. Chuck Roberts, Culpepper Construction Company, appeared before the Board and introduced Mr. Drew Gilbert, Project Manager, and the proposed team for this project. Mr. Roberts said Culpepper Construction Company has been in business for 84 years. He stated he spent 40 years in construction mostly on highways and in 2013 bought Culpepper Construction Company. Mr. Gilbert provided a slide presentation of their proposal. Chairman Massey asked if they will use local contractors. Mr. Roberts discussed a general trade's package and said they will find out what contractors have an interest. He reported a package will be put together that the contractors can bid on. He said as long as they are licensed contractors, then they will be able to use them. Commissioner Parrish asked if the dollar amount presented is strictly for construction costs. Mr. Roberts answered yes, based on the information in the RFP. Commissioner Sanders asked if Culpepper Construction Company built the new Madison County Hospital. Mr. Roberts answered yes, prior to him owning Culpepper. He suggested Mr. Mike Scaringe answer any questions about this project as he was present at the time. Mr. Scaringe explained the contract in Madison County was a joint venture between Culpepper Construction and Childers Construction. He explained the project manager worked for Culpepper Construction but now works for Ajax Construction. He stated the project was primarily managed through Culpepper Construction. Commissioner Sanders asked if they had the bid and built the new hospital in Madison County. Mr. Scaringe answered yes and said it was also a USDA hospital. Mr. Roberts thanked the Board for the opportunity to make this presentation.

Recessed 10:45 A.M.

Reconvened at 11:00 a.m.

At this time the Board conducted the interview with Robins & Morton. Mr. Derek Gregg, Operations Manager, and Mr. Tristan Johannessen, Pre-Construction Division Manager, appeared before the Board. Mr. Gregg reported they have been in business for 70 years and have locations all over the southeast. He stated their Orlando office would be managing this project. He reported they have been working in Florida since 1979. He provided a power point presentation of their proposal. Mr. Johannessen discussed pre-construction estimates and self-performing projects. Commissioner Watson questioned the percentage of jobs that are self-performed. Mr. Johannessen estimated 35%. Commissioner Watson asked what percentage of their projects are construction manager at risk projects. Mr. Gregg said at least 80% in Florida. Commissioner Watson asked if the Mayo Hospital project was in the Jacksonville facility. Mr. Gregg answered yes, and said they are a great reference. He stated Robins & Morton is the premier healthcare builder, have a committed staff, have worked on projects with Adams Consultants, and have the resources to complete this project.

All of the firms re-entered the meeting at this time. Mr. Moron said the final item is the selection of the construction manager at risk. Commissioner Parrish thanked all the firms and said all of the firms are qualified. He said all of the presentations were excellent and any of the three firms could do this job. Commissioner Watson also thanked all the firms for their presentations. He said he is familiar with all three companies and the County is well served by the quality of the presentations. Chairman Massey thanked the firms for appearing today. Commissioner Lockley thanked the firms for their presentations. He stated everyone is qualified and any one of the firms could do this job. Commissioner Sanders said with this much money involved, they do not take this process lightly as it is important and will impact the County for years to come. She thanked the firms for their presentations. Commissioner Sanders inquired if the construction manager at risk is chosen today, when the actual dollars start coming down and the time clock starts ticking for paying. She stated when the Adams Consultants' contract was addressed; they said their fee will start accruing when the construction manager at risk is selected. Attorney Shuler agreed once the construction manager at risk is selected, then the services start with Adams Consultants for this phase of the construction. He explained Adams Consultants will be entitled to payment as will the construction manager at risk. Mr. Nick Hill, Adams Consultants, said at this point no dollars or fees have been discussed with the construction manager at risk. He stated the next step is to negotiate a contract with the selected construction manager at risk. Attorney Shuler suggested the Board rank the firms 1, 2, and 3. He explained then the Board begins negotiations with the #1 ranked firm. He stated if a successful contract is returned, then it will be presented to the Board for their consideration. He reported if the negotiations are unsuccessful then the Board will move on to the #2 ranked firm and attempt to negotiate a successful contract with them. He said if the Board is unsuccessful, then they would try to negotiate with the #3 firm. Attorney

Shuler said if they are not successful with the #3 ranked firm, then the bidding process would start over. Attorney Shuler stated there are still additional steps to take before money comes from USDA. He explained at this time payment for services would come out of the Healthcare Trust Fund until the bond is approved and the construction loan is secured. Commissioner Sanders stated she does not have a problem moving forward with the construction manager at risk but information has been received over the last couple of days that makes her hesitant to move forward until other things get right here. She asked if the Board can go ahead and rank the firms and then take care of the problems that need to be addressed before they move forward. Attorney Shuler reported the process is to interview, rank the firms, enter into negotiations with the #1 ranked firm and then begin the process of moving forward to determine the guaranteed maximum price (GMP). He explained all the other decisions the Board has to make will be driven by the GMP. He recommended the Board move forward with the selection to determine the GMP and that will give the Board time to work through the other issues. Commissioner Sanders stated her ranking is (1) Culpepper Construction Company, (2) Ajax Building Corporation and (3) Robins & Morton. Commissioner Watson said the Board had a good selection team initially rank the firms and he respects the team so he ranks the firms in the order that was presented to the Board: (1) Ajax Building Corporation, (2) Culpepper Construction Company and (3) Robins & Morton. Commissioner Sanders made a motion to rank the firms as follows: (1) Culpepper Construction Company, (2) Ajax Building Corporation and (3) Robins & Morton. Commissioner Lockley seconded the motion. Motion passed by the following vote:

AYE: SANDERS, LOCKLEY, MASSEY, PARRISH

NAY: WATSON

Attorney Shuler stated once the selection is made then the Board will move into negotiations with the #1 firm. Commissioner Sanders asked if the Board can discuss another item pertaining to the hospital. Attorney Shuler advised the Board in a special meeting they can have a discussion but are in no position to make a decision. Commissioner Lockley asked how soon the job gets started after the ranking and negotiation process. Mr. Hill answered the last schedule showed the start of construction in August or September and 11 months to 1 year for the total construction. Attorney Shuler questioned if that is August or September of this year or next year. Mr. Hill answered 2016. Mr. Hill explained their schedule showed the construction manager at risk selection to be occurring earlier but their goal is to still meet the timeframe. He reported the next step is to make sure the budget meets up with the design. Commissioner Parrish said this is the negotiations they are talking about. Mr. Hill agreed that is correct.

Commissioner Sanders asked Mr. Mike Cooper, Weems Memorial Hospital, to come forward. She expressed concern over the email she received Friday evening. She said the Board will address this issue at the regular meeting on April 5<sup>th</sup> but she asked Mr. Cooper to briefly provide some details about what is going on at the Hospital. Mr. Cooper stated, as mentioned

in the email, the projections presented regarding the three components Medicare would be reimbursing this spring were flawed. He explained the first component was the money taken from 2011, 2012 and 2013 and that part is fine. He stated the second was the meaningful use dollars and they thought the new contract would fall under the meaningful use guidelines. He explained when the contract was bought out by the new company, they had to sign a new agreement with the same terms but the title changed from asset purchase to service contract. He reported service contracts are not eligible for reimbursement. He said they are trying to get this matter reviewed but he is not optimistic the money will come in the short term as they will have to do this review later. He explained the third part is the normal cost report settlement and a mistake was made and the wrong numbers were used. Mr. Cooper reported the lack of that payment creates an inability of the Hospital to replenish the Trust Fund immediately but it does not change the financial viability of the Hospital. He explained it does not change the balance sheet but it does change how quickly the money is replenished into the Trust Fund. Mr. Cooper stated the money will be replenished. Commissioner Sanders stated she is concerned the money will not be paid back expeditiously and there is no debt on the Trust Fund other than what is drawn out by the Hospital for payroll but now with the vote this morning, the County will have a debt to pay. She advised Mr. Cooper to be sure and be frugal and get the numbers right because not only do Mr. Cooper and the Hospital Board have to answer but this Board has to answer too. She said they want to move ahead because they promised in 2008 with the ballot initiative to build a hospital. She stated buildings can be built from Apalachicola to Carrabelle, but you must get the internal items fixed or you will not have anything. She stated they may be building a new building that will not be used until these problems are straightened out. She reminded Mr. Cooper now they will be making a payment for the Hospital debt out of the Healthcare Trust Fund. She explained this will be a new beginning for Weems Hospital if it is done right. Commissioner Parrish stated whoever they enter into negotiations with to try and reach the GMP agreed to use local contractors as much as possible and that will allow the community to buy into this project and utilize the hospital which will increase the revenues. He said this will allow the Commissioners to work through some of the issues they are referring to. He reiterated that it is crucial to use all the subcontractors they can. Commissioner Parrish said the community is not satisfied with the facility and hopefully the new facility will raise revenues. Commissioner Watson asked who will be negotiating this contract. Attorney Shuler said the negotiation team consists of him, Mr. Cooper, a representative from the architectural firm and one representative from Adams Consultants. Commissioner Sanders stated she does not have a problem with the team but she wants it to be live negotiations in a room. Attorney Shuler reported they will have to travel to Apalachicola. Mr. Hill said the initial RFP includes some specific parameters for the contractor to go ahead and provide this information. He explained it would be easier if they were allowed to use this form and receive the information before they have a meeting in front of the Commissioners. Attorney Shuler stated he is looking for a draft contract to be sent to him from the #1 ranked firm and if it needs to include the items from the RFP, then it is fine to provide that information. Commissioner Parrish questioned if the whole committee will meet after that information is received and discuss it in person. Attorney Shuler answered yes, but he

would like to have time to review the draft contract and then they will schedule a public meeting. He went on to say he is the legal counsel not a member of the evaluation team. Commissioner Sanders reported the reason this was pointed out is because Mr. Hill appeared by telephone with the selection committee. She explained they need to make sure Mr. Hill is present and gets paid for his travel from Nashville, TN. Attorney Shuler said his understanding was there was a scheduling problem. Commissioner Lockley said Mr. Cooper is doing a good job. He explained this is the biggest thing they have done since he has been on the Commission and they are looking to Mr. Cooper as CEO to keep his house in order. Chairman Massey said they can't take any more losses and he does not know if they will ever overcome this. Mr. Cooper explained this is a small critical access hospital and even if it was the best one in the country, it would still have problems as this is the nature of critical access hospitals. He said one out of two critical access hospitals operate in the red. Mr. Cooper reported two years ago some of the problems were substantial. He stated the things they are seeing now are things they started trying to fix last February and hopefully are at the end of fixing. He reported the collections in March are projected to be the highest since he has been there. He agreed to keep the Board fully informed on the issues.

There being no further business to come before the Board, the meeting was adjourned at 11:41 a.m.

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William Massey - Chairman

Attest:

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Marcia M. Johnson - Clerk of Courts