

A Recessed Meeting of the City Council of the City of Charlotte, North Carolina, was held in the Council Chamber, City Hall, at 2:00 o'clock p.m., on August 28, 1978, with Mayor Kenneth R. Harris presiding, and the following Councilmembers present: Don Carroll, Betty Chafin, Tom Cox, Jr., Charlie Dannelly, Laura Frech, Harvey B. Gantt, Pat Locke, H. Milton Short, Jr. and Minette Conrad Trosch.

ABSENT: Councilmembers Ron Leeper and George K. Selden, Jr.

Also present were Douglas E. Carter, Assistant Director of Finance and Ruth Armstrong, City Clerk.

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INVOCATION.

The invocation was given by Mr. Jack Bullard, Director of Community Relations Department.

ORDINANCES PROVIDING FOR THE ISSUANCE OF \$20.0 MILLION BONDS.

Mr. Underhill, City Attorney, requested Council to follow the format set out on the agenda as this is the way the ordinances were set up by the City's Bond Counsel. He stated if they will allow the Clerk to read the item, then one member of Council can introduce each Bond Order. Following that, they will need a motion designating the Assistant Finance Director to file with the City Clerk the sworn statement of debts. He stated once that motion is adopted, it will allow the Assistant Finance Director to come up and present the sworn statements to the Clerk. That these procedures are required by the Bond Counsel.

Councilmember Chafin introduced the following four orders authorizing bonds:

- 1.) ORDER AUTHORIZING \$9,700,000 PARK AND RECREATIONAL FACILITIES BONDS;
- 2.) ORDER AUTHORIZING \$5,600,000 WATER BONDS;
- 3.) ORDER AUTHORIZING \$3,200,000 SANITARY SEWER BONDS;
- 4.) ORDER AUTHORIZING \$1,500,000 STORM SEWER BONDS.

Upon motion of Councilmember Carroll, seconded by Councilmember Chafin, and unanimously carried, the Assistant Finance Director was designated to file with the City Clerk the sworn statement of debts.

Thereupon, the Assistant Director of Finance filed with the Clerk, in the presence of the City Council, the sworn statement of debts as so required.

Mr. Carter, Assistant Finance Director, stated pursuant to the motion Council just adopted, they have submitted the statement of sworn debts that are required in conformance of law. That these sworn statements of debt have been prepared in conformance with the format described by the City's Bond Counsel. He stated they have also submitted an application to the North Carolina Local Government Commission which Council requested for the issue of the proposed \$20.0 million worth of Bonds.

He stated he would highlight certain of the aspects of the sworn statement of debts. That the gross debt of the City of Charlotte is \$213,275,368. Included within that figure is the proposed \$20.0 million worth of Bonds Council is presently considering. Deductible from that gross debt is \$28,487,000 which is primarily the water debt for the City of Charlotte. This yields a net debt of the City of Charlotte of \$184,788,368. Finally, if they take the net debt and divide that by the appraised valuation of all the property in the City which is subject to taxation, this yields a debt ratio of 3.63%.

August 28, 1978
 Minute Book 68 - Page 481
 RECESSED MEETING

Thereupon, upon motion of Councilmember Locke, seconded by Councilmember Frech, the foregoing four bond orders were approved on the first reading by the following vote:

YEAS: Councilmembers Locke, Frech, Carroll, Chafin, Cox, Dannelly, Gantt, Short and Trosch.
 NAYS: None.

Thereupon upon motion of Councilmember Chafin, seconded by Councilmember Trosch, the date of Monday, September 11, 1978, at 3:00 o'clock p.m. was fixed as the day and hour for the public hearing on the bond orders and directing the City Clerk to publish such notice as required by law, was passed by the following vote:

YEAS: Councilmembers Chafin, Trosch, Carroll, Cox, Dannelly, Frech, Gantt, Locke, Short and Trosch.
 NAYS: None.

The ordinances are recorded in full in Ordinance Book 26, beginning on Page 220.

CONTRACT WITH DAY AND ZIMMERMAN, INC. TO PROVIDE PROJECT MANAGEMENT SERVICES FOR THE CONSTRUCTION OF THE TERMINAL AT DOUGLAS MUNICIPAL AIRPORT, APPROVED.

Councilmember Gantt moved approval of a contract with Day and Zimmerman, Inc. to provide project management services for the construction of the terminal at Douglas Municipal Airport, for a total cost of \$1,209,000.

Mrs. Sis Kaplan, Chairman of the Community Relations Committee, stated on behalf of CRC, she would like to say she is very pleased with the direction Council is going in terms of a contract with whichever firm concerning the minority situation and the minority contract at the Airport.

She stated the CRC feels this is the right direction and feels that Council and all of Charlotte will benefit by the added incentive of this consulting firm working to achieve minority contracts. That not only are they in favor of the signing of such a contract, but they also hope it will grow beyond just a signature on that contracts, in terms of the involvement of all the people to see that it indeed works and that we just do not sign a contract but put forth the effort to see that we do achieve minority contractors in this effort. That CRC would like to commend Council for this and hope it goes well. She stated anything they can do to participate in this, they would be happy to do and wish the process to be a good one.

Mrs. Kaplan stated they have worked for sometime with local minority contractors and feel they definitely can accomplish something in this process.

Councilmember Gantt asked if she, or anyone on her staff, were involved at all in the selection of the firms when it came to minorities, or the Affirmative Action aspects of that, and if anyone on her staff participated in any of the interviews of the firms? Mrs. Kaplan replied no; that she has not seen the contract.

Mayor Harris stated Mrs. Kaplan is not speaking to the contract, or the nominees themselves here; just the idea. Mrs. Kaplan replied that is correct.

Councilmember Carroll asked if her Committee evaluated the contract terms for bringing about minority participation? Mrs. Kaplan replied no; that she, personally, has not seen the contract at all. They were not involved in that part at all.

August 28, 1978

Minute Book 68 - Page 482

RECESSED MEETING

Councilmember Dannelly stated he understood Mrs. Kaplan to say they have been working with minority contracts here locally. That the thought came to mind that it might be possible for this group from Community Relations to work with Day and Zimmerman to share what they already know about local contractors and learn some expertise from the people involved with minority contractors. Mayor Harris replied that they have to be careful not to appear to direct them how to do their job. That Mrs. Kaplan's Committee has a lot of information and it would be good to share it. Also, there is a lot to learn from the contractor.

Councilmember Dannelly stated he was hoping that in some way Council could assure that this kind of dialogue would take place so they could share what they know and learn what could be gained from these experts in the field. Mayor Harris replied whoever the contractor is, he should be open to participating in a dialogue with some people in the community such as the CRC. That it should not be legally construed as a binding contract.

Councilmember Gantt stated for sometime now we have been in this process of the Affirmative Action Program relative to city employment and assuring that one agency we have and one department we have with the City is sensitive about that and would stay involved in whatever actions occur in that area. He stated the reason he asked Mrs. Kaplan that question regarding their involvement in the selection process of the project manager was to find out how much our city department was concerned with that area and if they were involved in the selection of the firm. That he feels this is very important, simply because we are, in fact, dealing with an aspect of this contract that heavily orients itself and apparently was geared to orient itself to minority involvement in this project. He stated he felt that Community Relations should have been involved from the City's standpoint.

He stated now that we have gone through the selection process, it would seem to him to be a reasonable kind of thing, from Council's standpoint, or Mr. Burkhalter's standpoint, to have an agency to interact with the project manager team on that aspect of work. That Community Relations would not deal with the technical problems of construction but it certainly could be involved in the area of minority involvement. He stated he feels this is a reasonable thing to insure that they are a part of that process, just as Council has asked them to be a part of the restructuring of the Affirmative Action Program for the City.

He stated Council can do this simply by directives but he is a little concerned that we keep some kind of monitoring procedures from Council's standpoint and the project manager's standpoint, whoever that might be.

Mr. Burkhalter, City Manager, stated the person he and Council would look to to see that this is carried out is the Director of Personnel who has the responsibility for that. He stated he is the man who has been sitting in on all the contracts and doing all this work for the City. That Mrs. Kaplan, or Mr. Bullard, will tell Council, or anybody else, that the working relationship between our Personnel Department, Mr. Wilder specific ally, and Mr. Bullard and his department, is very close and that is the way they are working on the Affirmative Action Program.

He stated they are going to have to explore every source, not only that, but the Community Development course they have been offering; the channels the City has through them; the Central Piedmont Area, where they have been working with our contracts; all of these are going to have to be a part of this picture. He stated they said they were going to be doing this and somewhere along the line, he may decide to step in and relieve them of this responsibility. That anytime Council is not happy with the way it is going, or are happy with it but think they can continue it, they have that prerogative - this was built into this from the very beginning, nobody was excluded and they welcome them all.

August 28, 1978
Minute Book 68 - Page 483

RECESSED MEETING

Councilmember Gantt stated he really feels in this situation, while Personnel certainly has the major responsibility in this area, Council has charged that department with the enforcement of EEOC guidelines and it seems to him, he would be more comfortable if Mr. Burkhalter would make a commitment to involve them down the line. Mr. Burkhalter replied he would do it right now and Mayor Harris stated CRC will make sure it is done.

Councilmember Chafin stated complaints are going to go to CRC and they need to be involved in the process all along the way so when they get complaints, they can respond from the point of view of having the information.

Mr. Raymond Jones, of J. A. Jones Construction Company, stated sometimes he feels like the old statement "that a prophet is without honor in his own country" is true. That while he is not a prophet, he wonders what has happened here to his company. He stated they seem to have been inadvertently left off the list of those firms which were considered for the project management services for the new terminal at Douglas Municipal Airport. That since they know that no contract has been signed and since, to the best of their knowledge, no public solicitation of interest was made, he would like to take this opportunity to present to Council a few facts he thinks are pertinent to the case.

He stated as far as J. A. Jones Construction Company, they have been in business here for 88 years; in current national publications, they ranked first or second as the largest firm of their type in the country. They have had substantial airport experience; they have had projects in all parts of the world, from complete airports, from scratch, that is, nothing but wilderness there to build a complete airport, to building runways, taxiways, aprons, terminals, etc., people moving projects, parking lot construction and POL systems. He stated here in Charlotte for example, they built the current terminal building and incidentally, it was completed three months ahead of schedule. They are currently, through one of their subsidiaries, paving the new runway; they have also, through that same subsidiary, re-paved the other two runways and have done much taxiway and apronway; they built the New Orleans terminal; they built the Memphis terminal and they are currently involved in the \$18 million dollar people moving project at the new Atlanta terminal.

He stated they have had much experience in project management or construction. That over the last five years, they have completed 21 projects, for a total of \$562 million; these include hospitals, civic centers, manufacturing plants, etc. They have eight current construction management-project management projects, ranging from a civic center of \$40 million-plus, in Peoria, Illinois, a \$31 million hospital in Johnson City, Tennessee and in addition one of the largest construction management projects that he knows of, a nuclear process plant for the Department of Energy for over a half of a billion dollars. That in this particular one, their title is project manager-construction manager.

Mr. Jones stated they have had long experience in equal employment opportunities and minority enterprise opportunities. That their EE Program is working and has been working; in minority enterprise area, for several years, they have been utilizing minority business to the extent that they possibly can. They have developed in-house lists of minority vendors, sub-contractors and contractors. They have 3,600 names on this list and is available to the City of Charlotte at no additional cost, which from reading the newspapers, is contrary to the one Council is looking at most closely.

He stated their principle here is that they wish to be "over and above" the legal requirements for this; they want this to be a true partnership between their company and the minority contractors that they work with. That he personally is working with minority leadership in the Carolinas, with reference to the construction units - this is through the Carolina Branch of Associated General Contractors. He stated they currently have a joint venture with

August 29, 1978
Minute Book 68 - Page 484
RECESSED MEETING

H. A. Russell Company in Atlanta, which is the largest black contractor in the nation; they are working on the Atlanta Airport people moving project. They are working together with Herman Russell in other ventures and are constantly bidding work together.

Mr. Jones stated locally, they have been in business in Charlotte since 1890; they run approximately \$500 million through the Charlotte banking system yearly; they have 532 people on their Charlotte payroll, with approximately a \$9 million annual payroll. That their people are active in civic and church affairs and they support them in the corporation also.

That being local, they can work closely with the City with the architects and engineers. They have done much work with A. G. Odell, for example, over the years.

Mr. Jones stated in summary, they are experienced, qualified and local. That they ask Council for the opportunity to meet with the proper persons or committee to present their credentials for this project. They can do this in a matter of a few days and he does not believe the airport project would be delayed thereby. He thanked Council for the opportunity of this presentation.

Mayor Harris stated he, for one, was not aware that the Jones Company was in the project management business. That he knew they were very much in the construction business.

Councilmember Trosch stated she knew that ten firms were originally looked at and then narrowed down and asked how a local firm could be overlooked or not approached on this and if there was public solicitation at all for proposals or notification through the press or professional journals and Mr. Burkhalter replied there was no solicitation made; that these people came to the City when they learned about the project. That he is sure that two Charlotte firms were involved.

Mr. Burkhalter stated there's nobody who works in Charlotte who can be unaware of J. A. Jones. As a matter of fact, when he was first City Manager he begged them to bid on a job, but they wouldn't because it was only \$3 or \$4 million. Now they had a \$30 million job in Johnson City. Mr. Jones said that sometimes they could not bid jobs due to their bid schedule. For example, one of their subsidiaries is busy working on Charlotte's Memorial Hospital, which is certainly no \$30-\$100 million job.

Mr. Burkhalter said theirs is a tremendous firm with a great record. He never heard personally that they ever did a project management job. They may have done lots of them, but he and Callahan, who has been doing this kind of work all over the nation, have never heard of it and they just didn't think to ask them. If they've had experience in this and would like to go through that process, he thinks it's not too late to do it.

Mr. Jones stated that they would like to know what information Council wanted them to supply. They should be ready within a week at the latest.

Mayor Harris asked if he preferred to have a project management job rather than the building of the terminal. Mr. Jones replied that that was a question he was going to ask him, and Mayor Harris said that it was not an either-or type thing.

Councilmember Gantt stated he finds it remarkable that probably one of the largest public works projects this City has ever had, and with Jones Construction Company based here, they never inquired about it at all. That it is just hard for him to believe that this whole process floated right over all 532 people who are located in Charlotte.

Mr. Jones replied that he would have to hang his head in shame on that but he would say that 99.9% of any municipality work is advertised - it comes out in the media; they were looking for it, but never saw it, perhaps they missed it that one tenth of one percent.

August 28, 1978
Minute Book 68 - Page 485
RECESSED MEETING

Councilmember Gantt asked if Mr. Jones was suggesting in his letter that he was in fact talking about a joint venture with DDR International, which is the project manager arm of Herman Russell's company in Atlanta and Mr. Jones replied they have talked with Herman Russell and he does not know which entity he would choose to use but he has agreed to joint venture this with his company if this would be acceptable to Council.

Councilmember Gantt stated he would like to say to the Council that there has been some inquiry on the part of the Russell firm and they had some form of an interview with the people who were doing the selection. That he feels Council is in an awkward position. What it has done is go through a complete process of narrowing firms down. The question is, should Council circumvent the process and start over, and would that open the field up for anyone else who is a Johnny-come-lately? He was sure that Mr. Jones is equally familiar with problems of time and inflation in that procedure.

Councilmember Carroll wondered whether Mr. Jones saw any possible conflict between his being project manager and his bidding on various portions of the job. Mr. Jones replied that if his company became project manager, it would not do any bidding. In response to a question about Rea Construction, he said the current runway is a separate contract which he assumes would not be under the auspices of the project manager.

Councilmember Frech asked if J. A. Jones was suggesting that the work of assuring that there were minority contracts could be carried out as part of the contract rather than adding an extra \$200,000. Mr. Jones replied that it could be part of the contract. They knew where to go and who to talk to - they have been working at this for several years, and some of the necessary information has been computerized.

Mr. Burkhalter said that they were going into some details now. The contract they had meets the minimum standards of all of this. What we are asking for is something special, something over and beyond the requirements of the law. It would be hard for them to say whether they could furnish this service.

He stated Council is the one who has to determine this. If they have some feelings on this they would like for J. A. Jones to be considered, he has no concern about this and would be happy to bring it back before the same Committee, and let them do it. He would welcome Councilmembers attending that session; at the same time they should hear Day and Zimmerman present theirs. They could have the one the Committee selected and and the one Council is bringing here; whichever is the better would be the one Council would select.

Councilmember Short asked whether the various parties who were interested in this knew about the amount of the bids of the other parties at that time. The situation now is that everybody knows what amount was quoted by everybody else. This is not a bid situation, but he wonders what the legal situation would be; maybe it should be addressed to Mr. Underhill if they were to bring in another party under circumstances where that party knows the amount of the quotations made by the previous conferees, while the previous conferees did not have that opportunity originally.

Mr. Burkhalter replied it certainly was not publicized and he did not know if anybody really knew but then there was no effort to keep that information from the public.

Mr. Roy Callahan, Financial Consultant, stated there were several reporters and other people who asked about the other rates; they all received the same answer - "no comment." Mr. Burkhalter stated he did not know about all the ones that reported but he did suspect that even had this firm been considerably higher than it was, it still would have been the firm recommended.

August 28, 1978
Minute Book 68 - Page 486
RECESSED MEETING

Mr. R. Gene Ellis, representing the Carolina Branch of Associated General Contractors, stated his Association represents approximately 2500 firms, with 550 of these firms located in the Charlotte area. It has learned, through the public media, that Day and Zimmerman, a Philadelphia firm, is being considered as recipients of a contract to provide construction management services for the proposed Airport facility and to spend \$209,000 to hire people to recruit minority contractors to work on the airport expansion project. They believe the bond referendum supporting this construction project was presented to the public on the basis that the public was going to be guaranteed a finished product for a known price. The construction management concept and a specific program developed to use minority contractors may not give the public what they thought they had approved through the referendum and could lead to excessive overrides and/or lesser facilities than initially proposed, unless they were assured of a known cost prior to starting construction.

He said that he was appearing here today to ask the City Council to postpone any final action in an award of this contract until the construction management concept and the way the minority contracts will be used on this project has been fully explained to the public.

In response to a question from Mayor Harris, Mr. Ellis replied that he felt it could contribute to cost overruns. Mayor Harris said that he thought the purpose of this was to keep the cost in line.

Mr. Brevard S. Myers, speaking as a private citizen, not as a general contractor, and not because he is interested in the work at the Airport. He seeks his work in the private segment. He is very much concerned, as a private citizen who voted for the bond issue, and a taxpayer, that the Council should be completely informed of the ramifications of construction management. It's a very controversial issue, particularly in the public segment, because in essence they were circumventing the competitive bid system in the award of the basic responsibility for the job. Some results of the construction management in parts of the country have been excellent. Others have been bad: they have resulted in gross cost overruns and litigation, litigation which is still going on. In other words, the total concept is not well versed in the court - the successive trade procedures to establish the definition of responsibility.

Mr. Myers asked the Council to proceed carefully, so that the project may be brought in within the funds available, and on time, accountability or responsibility for the results is of prime importance. Some construction management contracts have a guaranteed figure not to be exceeded on the part of the construction manager. He has not seen note of that in this particular case. Others are wide open, like a cost plus contract, and are subject to multiple abuses.

He stated he was privileged to serve on a national committee with the Associated General Contractors in the formulation of standard contract documents for this type of work. He wished to leave some samples of the publications of the national AGC that may help in providing a checklist to see where they stood in reference to any contracts they might enter.

There were many on the local level who have studied this method of contracting carefully, and they were glad to offer their assistance at any time in an endeavor to keep the City out of trouble. He was very much concerned that they enter any such contract with their eyes wide open, fully aware of all the risks involved and fully aware of the risks that the City is taking in this form of construction over a normal competitively bid contract. He asked again that Council proceed with all caution.

Councilmember Short said that it would still be nice to have competitive bidding. Mr. Myers replied that what they do endeavor is to break the contract down into multiple primes. Right now the state law requires only a certain number of multiple primes. But before this is over they would probably have between 50 and 60 multiple primes. There's no accountability unless everything was set up in advance, unless it's written into the construction management contract for a guaranteed figure. It's generally misunderstanding that leads to the litigation and cost overruns.

August 28, 1978
Minute Book 68 - Page 487
RECESSED MEETING

Councilmember Gantt said he agreed with many of the comments made by Mr. Myers; Council has been involved with the pros and cons of construction management. He felt Mr. Myers would agree that projects such as this did lend themselves to that form and have been successful in other places in the country. Mr. Myers answered that what they should do is find what their objective is. If it is to set aside certain work for minorities, this is one way to manage it. Councilmember Gantt stated that there were bigger objectives than that. Maybe that's the problem - this thing has gotten colored with that as being the prime goal. The prime goal first of all is to bring the project in for the dollars that are available. Council has said that over and over. It believes that this process itself will in fact save the City funds over the long haul.

He added that Mr. Myers had hit on a very good point. He went back and took a look at the contract again from the standpoint of what accountability will be there in terms of the project management team - what are they responsible for? An issue he was going to raise a little later was that it does not in fact tie down some sort of maximum that cannot be exceeded. It does speak very strongly about keeping in line with whatever budgets are set by the City Council on the Airport.

Mr. Myers said he granted that, but they would be faced with multiple bonds from each particular subcontractor; they would be faced with coordination and timetables and enforcement of those. The true enforcement falls back on the City because the construction manager, as he interprets it, is simply an agent for the City - he is not primarily responsible, according to the way it is set up. It could be converted to a construction management with a guaranteed figure, but then it might eliminate all the engineering firms which are not accustomed to guaranteeing construction prices and not financially capable of doing so. A contract with a guaranteed figure is an entirely different contract from one with no guaranteed figure.

This type of contract is handled on the standard documents that are published by the AGC as an addendum, as an alternate. In many cases it is used to control the cost overruns and the timetables and really puts the thumb on the man responsible for getting the job done. He was concerned that it would become diversified and the buck would go running all around before the project is over. They might have seen it happen in public works in the Carolinas in particular, where, for example, there might be an electrician, a plumber and a heating and airconditioning man all on separate contracts and no one is really running the job. That was the very reason his firm avoids public works because they don't have control. They can't keep it running on a fair schedule.

Mayor Harris said that he had made some good points. Mr. Myers added that he was glad to spend what time he had, as a taxpayer, to help Council keep it under control. He saw it as a bombshell that can throw the whole thing into chaos and reflect on the integrity of this Council, if it should end up with a cost overrun with a half-finished project.

Mayor Harris stated that they had the money budgeted and that's what they want to build it for. They didn't want to sit in an office building at the Airport. Mr. Myers said he would like to see one person or one firm made responsible, with a bond behind him.

Mr. Callahan stated he didn't know just where to start, there had been lots of dialogue about construction, many things. He wanted to talk about project management.

Construction management has been followed by contractors and construction people for many years. Lately some of them have been trying to get under the umbrella of project management. They still slip up, though, and use the term construction management. He was the first to make a nuisance of himself around here about project management.

He was present when Tampa was going through a normal bid procedure for work on the airport, in October, 1968. The architects and engineers had gone through the process, and the bids were in. Arrangements were then made with

August 28, 1978
Minute Book 68 - Page 488

RECESSED MEETING

the underwriters concerning the costs, which turned out to be \$67 million. One of the firms from here was the low bidder, as a matter of fact. The job was to be done in 24 months. The only thing that occurred at the meeting 24 months later was a determination that \$12.5 million more was needed to get the building in shape for moving in. It was eight months before the airlines moved into the building. The general contractor filed for \$11 million more; it was settled at \$5.5 million, paid off at the rate of \$1 million a year. There was no project manager handling the work; it was just a straight, normal design bid.

Detroit had a \$67 million deal; they went out the same way. That Mr. Callahan got called out twice from Wheeling, West Virginia, at 8:00 at night to go meet with the commissioners of Detroit. Their problem was they needed \$5 million more to finish the building. So he is not a complete stranger to airport overruns, not a complete stranger to getting airports under construction and knowing how they are run.

He stated he was discussing some of this with Mr. Jones recently and was told of the airports they had done. At the mention of Miami, Mr. Callahan asked if it was during 1962 and if it was \$16 million, and they said yes. He had been assigned to the job after it was five months underway and three months behind. He was to get the job back on schedule.

Speaking from 36 years' experience with airports, Mr. Callahan stressed the necessity of a project manager who is accountable to the City. He stated flatly that if a project manager does not carry out his duty to the City, he ought to be fired immediately. The architect cannot be expected to fulfill this duty: he's getting a percentage. The same with the engineer. As someone once said, the grocer gets, the grocer gets. Contractors don't get in on that business. But he's trying to save something when he gets through. He wants to be sure he doesn't spend all of it.

The project manager is working for a single boss; he is the owner's representative. If he can't represent the owner, the owner ought to have enough gumption to fire him on the spot. The contractor is not supposed to represent him. He is aware of the fact that the architectural forms say they represent the owner. It's difficult to have a situation where the larger it builds up, the larger the percentage is, the larger it builds up. It's difficult to recognize that as one of the pillars of loyalty to the boss you're working for. He pays the bill all right, but however large the bill is determines the percentage.

Mr. Callahan stated that he spent the better part of his 35 years trying to run an airport, not build one, and that he knows reasonably well what belongs on an airport to make it work and what it costs. The first project he had 34 years ago with A&E firm and the airline tech committee. He told them what the budget was and asked for schematics in three weeks. They wanted three months, but he said he would be there in three weeks to see what they had, and if they had nothing he would look around and find somebody else. Three weeks later they showed up carrying big things all wrapped up. They wanted to unwrap them - Mr. Callahan said, how much? They said they wanted to show him their schematics first. How much? They said they had some beautiful renderings for him. How much? They told him, and it was three times what the company had in the bank. He told them to keep it wrapped, that he couldn't live with that.

That was 35 years ago and he's had several of them since then. He knew what it was to give somebody a design-and-build. He recommended it here, but legally it couldn't be done. They could not give a contractor a design-and-build and let him bear the whole risk of the money. He asked the City Attorney if that was correct, and he confirmed that it was.

Mayor Harris asked if he meant that you couldn't have a contract for a fixed price, and Mr. Callahan replied that you can't negotiate a fixed bid design-and-build project. A design-and-build is given to one outfit which designs it and starts construction as soon as they have enough designed.

August 28, 1978
Minute Book 68 - Page 489
RECESSED MEETING

Mr. Callahan explained that project management has taken a leaf out of that book. The project management is enabled to break the job down into smaller portions so that construction can be started during the design period. Normally the design period on a project of this size, as a rule of thumb, would be 20-24 months. That includes getting the concepts, development of design, plan drawings. Once all that is accomplished, you can go ahead and get bids. Whether it goes as one bid or is broken up is somebody's judgmental decision. But you don't drive in a nail until that 24 months of design is out of the way. Then the approval process takes one to three months. A contractor or contractors are approved to do the job. It would take the contractor 20-24 months to do the job. So 48 months is the fastest the job could be done.

He pointed out that an estimated 6 months off of this job would save them a minimum of \$2 million just in escalation costs. He estimated that the escalation cost per day was \$115,000 on this job. His figures and arithmetic could be questioned, but he was certain of one thing: things cost more this year than they did last, and they cost more last year than the year before that, and he knew of no one who would guarantee that things were going to be any cheaper in 1982 or '81 or '80. This should give some indication of the escalation involved.

In terms of 1978 dollars, the present project would cost around \$31-32 million. When fees and escalation are included, the estimation is around \$53 million, the major part of the increase being due to escalation. In negotiations for the airlines he built in escalation costs of between 8 and 10%, based on when the construction could be completed. If the Council didn't plan on escalation factors of 8-10%, the horrible day might arrive when they could run out of money.

Councilmember Short asked how having a project manager alleviated the delays that are caused by the fact that they couldn't have a design-and-build contract, and Mr. Callahan replied that construction can be started as soon as the first part of the job is done. Councilmember Short inquired how can the project manager do that if Council couldn't.

Mr. Callahan explained that by using a project manager, they could "fast track", where one portion of the job at a time is bid on. It has the same rigorous test for bidding as the entire job has. There are two reasons for breaking the job into small packages. First, construction can be started much earlier. Second, it provides an opportunity for minority bidding. Those two points have been gone over thoroughly in the last several months.

Turning to project presently underway, he said that if anybody should be criticized for the failure to write up a qualified list, it was himself. He did not make out a qualified list, but spent most of his time trying to convince everyone that they needed that approach. Ten organizations were interested. It was possible that he was partially to blame for one of the organization's showing up.

Mayor Harris interrupted to explain that none of the 10 had been solicited, there had been no advertising - they just came in.

Mr. Callahan went on to say that many months ago he received a call from the Austin Company, which is very active in constructing items for various airlines. Fort Lauderdale is the most recent - Austin built that terminal at about two-thirds the normal schedule. When they called Mr. Callahan six or eight months ago they asked when they could have a chance at the project management of this project. He told them they were way ahead of schedule, that they should wait for the approval of the bond issue. When the bond issue was passed, they called and Mr. Callahan told them to come on in. Maybe he was to blame for getting them in.

In addition, Turner, one of the largest construction companies in New York City and across the north, was recommended by American Airlines and Arnold Thompson.

Turning to Catalytic, he said that on the day before they were to see the last scheduled applicant, the Mayor passed on to him via Mr. Birmingham

August 28, 1978
Minute Book 68 - Page 490
RECESSED MEETING

Airport Manager, a letter from Catalytic. Mr. Callahan called them, so it could be said that he called and solicited them, since there was no time left to write. He told them if they could get in the next day, they would see them. They tried to see everybody. They saw three people who had given them notice in the last 48 hours. All three of them are reasonably close; two of them are from Charlotte, one from farther south, with an office in Atlanta.

DDR has been mentioned. They were interviewed twice. They are in Atlanta doing a true project management job. They were called into Atlanta, after the job had fallen flat on its face, by an architectural group that was trying to unscramble the mess. One of the airlines that was watching their work recommended them, and Mr. Callahan said if they're interested they should call. They were in here twice to be interviewed.

Mr. Callahan added that the DDR people were actually planners; planners are strong on the front end of a job and in the middle. An architect is very good on the front end. A contractor knows all about the back end. He stated that the report that he and the other consultants would show that they have learned to spot what the firms do before they come in. They found two or three that seemed to have depth in all three phases, the front, the middle and the rear end. There were four which were doing work in Atlanta right now; two others were local. But all with the exception of the Austin Company came to us by virtue of either another consultant or myself, except the one that wrote to the Mayor and the Mayor immediately sent the letter to Mr. Birmingham.

He wanted to add that they interviewed all of them, reported to Mr. Birmingham on four that they considered the best, and that was the end of the process.

Councilmember Gantt asked if it was correct that there was a rather informal interview at the beginning, then when it was narrowed to four there was a more intense interview.

Mr. Callahan replied that they had informal meetings for anybody that wanted to talk to them. Everybody was called in. If they wanted to know something more about the project, they could come up and maybe they could teach the consultants too. Then they had a formal meeting with each of the 10. They were scheduled two and three deep over the last four days. Everybody who came in was invited to come back, except the last two - they didn't have a chance to invite them back. They even ran up to one of their offices at that time; they wanted to get them through the deadline. The four were reduced from the 10 after the formal interview with the 10.

Councilmember Gantt asked how he measured the success of a PM firm. He would be interested if Mr. Callahan could describe to the Council at some other time the situation with Day and Zimmerman on the Strom Thurmond Building which he mentioned was a part of his report. He recalled that Mr. Myers had said earlier that there were some cases where PM, or CM, worked very well, and some cases that were disasters. Beyond the criteria set in Mr. Callahan's evaluation of these four firms, Councilmember Gantt wondered if he might tell the Council something about one of Day and Zimmerman's projects and what the history of it was. He might wish to cite a building other than the Strom Thurmond.

Mr. Callahan stated that after he had voted to select D&Z, he heard that there was some trouble down there that he had not been aware of before. He called the man in charge of it and when he mentioned that he had D&Z in mind for project manager, the man said he couldn't have done better. If he had heard stories of unsatisfactory results on the Atlanta job, the government was responsible. It was no fault of the PM, he said; the government regulations are so phrased that they did not allow the procedure that they had set up. Government regulations were the only thing that caused the trouble on that job. As far as expertise, capability and all the disciplines that are necessary to be had by a project manager - they have them.

August 28, 1978
Minute Book 68 - Page 491
RECESSED MEETING

Mr. Callahan continued that he was asked to check with a certain contractor. He said we have had three or four jobs with them. The Government employed them but gave them no authority to move under government regulations. D and Z are good people. But the architect and engineering group we had here caused us a lot of trouble but there was one architect in the group that saved the situation so far as we are concerned - it happened to be a Charlotte architect. Those are exact quotes that he has received to date.

Councilmember Gantt stated that he had heard a rumor that they were fired. Mr. Callahan replied he asked the government man this morning, and he said that they are still employed by the government now. That the Charlotte architect who was an employee of Day and Zimmerman is still down there two days every week.

Councilmember Cox asked if they fired Day and Zimmerman or the Charlotte architect? Councilmember Gantt stated the rumor is that Day and Zimmerman are no longer employed by the government. Mr. Callahan replied they were still there, according to the government, this morning; that one of their field men was fired down there - he was pretty rough and gruff.

Councilmember Trosch stated that earlier the Russell firm in Atlanta was mentioned, and in an off-hand comment it was mentioned that they were interviewed. Was that one of the four in Atlanta they interviewed? Mr. Callahan replied they called them DD and R; they did not find out they were Russell; they were given no information.

Ms. Trosch asked if it is not usual procedure to let the professional services, is it just by word of mouth that they come in? Mayor Harris replied they do not advertise normally for the professional services.

Mr. Callahan stated he does not know of any other firms that have ever done project management jobs for airports. They have tried to have two requirements. One, that they have project management as distinguished from construction management. Two, that they had at least one job on an airport. They had a firm who made a marvelous presentation; that one of the city staff members asked them what airport jobs they had done and they replied they had never done one.

Ms. Trosch stated then he is saying that, basically, anyone he knows that has dealt with airports, as far as PM goes, did interview for this? Mr. Callahan replied he could not name another one outside right now. Ms. Trosch asked if they all came independently, and Mr. Callahan replied yes. Most of them were recommended by airlines; and the firms contacted him then. That American Airlines, who do not come into Charlotte, had had work done by Turner.

Councilmember Locke asked who sat in on the task force when they came to the four finalists? Mr. Burkhalter replied staff from Legal, Personnel, Finance, Budget and Management; and that he was there on some of the sessions. They had everybody who was involved there for some part of the process. Ms. Locke stated that they all agreed that was the firm they felt was best qualified to serve?

Councilmember Carroll stated he understands that even if they reopen to consider Mr. Jones' firm, they do not feel that it meets some of the basic criteria in terms of airport experience? Mr. Callahan replied that he did not quite say that; that he said he is unaware of any airport jobs they have done as project managers.

Mayor Harris asked what contributes to the over runs on the massive public works projects today? Is it the management, or lack of it? Does the federal government not realize that they are suppose to use project management? Is this something that has recently come about?

Mr. Callahan replied that when they use the term "federal government" they are talking about all of us; that they have some individuals who are very capable. They have the same problems as anyone else does and are wrapped up a little more heavily in red tape.

August 28, 1978
Minute Book 68 - Page 492
RECESSED MEETING

Mayor Harris asked if it does not really boil down to accountability, as Mr. Myers was speaking of. In other words, if you are building the building and have the bank account, you are going to hold a close trigger on the amount of money being spent. Who is going to do that with this project management team? What they are saying is that this Council does not want to be a general contractor out there building the building.

Mr. Callahan replied that what he is saying in support of project management is that they will report currently the status of the project to City management, on whatever they give them as the need-to-know basis. Mayor Harris replied they still have no assurance that the airport will be built for \$53 million. Mr. Callahan replied only as they control it as it goes on. Mayor Harris stated in other words they will have to cut and run after they get up to a certain cost - they would cut out something?

Mr. Callahan stated project managements starts right at the beginning; they look over the architect's proposal; that is one of the things that is causing a little trouble between some architects and some project managers. They have the design of the building broken down into several pieces, and each piece is estimated. With the first piece that they look at, it is overrunning its budget, it is time to ring the bell.

Mayor Harris stated the pleasure of this Council is to build this airport for the money in the bond referendum; that he does not want to see it exceeding even one dollar. Mr. Burkhalter stated if they want to build this airport within the budget, then the Mayor and Council should look to him to see that this is done; that if they tell him that is what they want to do, then they will do it. That Mr. Callahan is in a little different position; that they have been over this together. He has something else involved in this too - a reputation over a long period of years and he does not want to do anything to damage this because he does not have to. He does not have to make any compromises to anybody. He has put his honor and his integrity on the line with five airlines. He did all the negotiating on the cost of building these facilities and doing this work. He does not want to go back and re-negotiate with any airline that we need a million dollars more because we made a mistake on designing this building, or something like that. That Mr. Callahan has a real strong professional interest in this from that viewpoint. That he himself does not want to come back to Council and say they need more money; and Mr. Callahan does not want to go back to the airlines. That everyone is on track in this one particular thing. That Mr. Callahan helped sell him on recommending this project management concept to Council. They debated it for a long time as to whether or not they should do this in house, or whether they should get a professional firm to do it. That very frankly, staff can gear up to do it; he does not want to do it for several reasons, but they can. We have the basic principles available to us, in our City, to do it. We have the computer programming, and we have some people with the knowledge and we can hire the others that we need. But, it will take a longer time to get it going and they will build up a very large staff which they would not need at the end of the project. That all of these things put together is the reason he came to Council and recommended this concept. He understands what Mr. Myers and Mr. Ellis have said; he understands the organization which they represent and Council does too. He understands their concern that this may escalate the cost; that they have been through a lot of this. He does not propose to Council that they will limit their advertising for bids in such a way that they will run into this situation. As he told Council before, if they cannot cure this in advance they will not be able to cure it. They are going to advertise for bids; they are going to take the low bidder, he hopes, to do the job. But, they are going to try - with enough work in front of this in the division of the job, in the division of the amounts and in the work in the field with minority people - to answer that question before. They do not intend to let it escalate the cost; the only escalation he knows of will be this \$200,000.

Councilmember Cox asked why that statement was in the proposal? Mr. Burkhalter replied the statement was in there defensively. He started to take it out after reading it, but he just left it in there. It was in there because they had a very, very high cost on the houses in First Ward; that what they were trying to say is if they go a certain track, they might find this to be a problem. That if you advertise that they must have so much minority bidding

August 28, 1978
 Minute Book 68 - Page 493
 RECESSED MEETING

and so many minority people working on this job, and these things, then they may run into some of this.

Councilmember Cox asked if they are saying that is not the case here? Mr. Burkhalter replied that is not what they propose to do; that is the whole idea of this whole program. Mr. Cox asked Mr. Burkhalter to run through one more time exactly what the difference is, what they are getting for the \$200,000.

Mr. Burkhalter stated the contract that was offered to start with by Day and Zimmerman was that they will meet every federal requirement, every guideline that we have in the City and the State - every single one (affirmative action, equal opportunity, employment of minority contractors). You can do that by just selective bidding and by going out and seeing that people are notified and that they have an opportunity. That is the minimum. If people are not available to do this kind of work, then you have some justification for not having them. That he told Mr. Callahan two things - one, if he should come to him in 1981 or late in the year 1979, and asked how many minority contractors do we have involved in this project and he says he will check and see - that is not good. Two, if after he checked and found that he did not have any because they did not bid - that is not good. They have to go beyond that. They begin with that as a foundation and develop their program; that they will do over and above the minimum requirement in order to achieve this.

Councilmember Cox asked what that is? Mr. Burkhalter replied it is a detailed program of how they will solicit, inquire and prepare minority contractors to bid. That, in a nutshell, that is how he understands it.

Councilmember Cox stated he would like to repeat what he heard Mr. Burkhalter say. That really what it is is a very stepped up effort on these people's part to go out and find qualified minority contractors, and to solicit their participation in the bidding process. Mr. Burkhalter stated it is to see that they understand how to apply, how to bid - to ask for bids in such a way so that some of these people are sure to be able to bid. Mr. Cox asked if this will not increase the cost? Mr. Burkhalter replied he does not think so.

Mr. Cox stated what he is really confusing here is that some federal requirements are for 10 percent participation be minority. That our one experience with that gave them some really very high costs. That this really stepped up kind of recruiting and solicitation for bids is something that is in addition to what is federally required. That he had an idea that was what was federally required anyway. That very simply, are they not saying that instead of just looking in the yellow pages of Charlotte, we are going to look throughout the whole Southeast? Mr. Burkhalter replied there is a little more to it than that, but he is on the right track. It is also to see that some of those understand how, and you encourage them by getting them information and seeing that they do bid.

Councilmember Cox asked Mr. Myers that even if they are going to do project management, is he satisfied with the contractual relationship that they have? If not, how would he improve it? Mr. Myers replied that is a little hard to answer. That whenever you divide a contract between multiple trades, who are only answering to a government agency, then you make it more difficult for each one of them to operate. This is why he stays out of the public sector, because he loses control over his project. That is why he is concerned about the City keeping control over this one. If you have one person responsible and he is controlling the goal of going to those subcontractors - the one who is controlling the job by the so-called golden rule. Mr. Cox asked if contractors sort of look at the PM as something like an outsider?

Mr. Myers stated they look at the divided responsibility; there is more difficulty in collecting their money because they have to wait until the others catch up, and that sort of thing. The contractors look at it as less desirable work when it is broken down into many components. He stated that subcontractors will argue with him on that. Still, the jobs that are moving fastest are those where there is one financial responsibility. That in this case, the project manager will have equal power over whether someone gets paid. But when you get to going round and round with so many agencies, you get into trouble.

August 28, 1978
Minute Book 68 - Page 494
RECESSED MEETING

That he is not saying that construction management is absolutely out of place in this case; it may work all right. But the way it is handled . . . Mr. Cox stated that is what he is asking - how do they handle it so that it works. Has he seen some things about the way they are proposing to handle it that he would advise against?

Mr. Myers replied that one thing he is concerned about is the overall end result. In other words they began this project without a guaranteed figure at the time of finishing. This is the risk he wants them to know they are getting into. That he has gone to design builders many times, which is similar to this, except the design builder contractor uses his own forces on the job. This way the Attorney General has said that the construction manager may not hire any personnel and put them on the job - he must put it all out under contract, or he becomes a contractor. If he becomes a contractor then he has to go through the whole competitive bid procedure.

Mr. Cox asked Mr. Myers if his main concern is about the \$53 million being overrun? Mr. Myers replied he is concerned about how it is handled all the way through. He is very concerned with the competitive bid process too. That you get it broken down into many components, etc. It is very complex. But, he will grant that there is need for someone to spend full time with this project - pushing the architect and all of the components along. That there is a need to expedite the work of all parties concerned. He is also concerned about divided responsibility and accountability with the route in which they are going. They are walking on thin ice and should be very careful.

Councilmember Trosch stated Mr. Burkhalter has said they will basically solicit, inquire and prepare to get minority contractors involved in this process. Last week Council was told that it was felt - and a letter from Day and Zimmerman also indicated this - that it might not even go to that figure because our in-house staff will be learning in the process how to do this. Therefore they might be able to take over those responsibilities and even make them applicable to many other areas of the City. That basically they may be talking about \$207,000 and may not be. Mr. Burkhalter stated it will not be any more than that. Ms. Trosch stated to do this they will have to have extra personnel to come in from Pennsylvania or somewhere. This was confirmed.

Ms. Trosch asked Mr. Callahan if he would respond to Mr. Myers' concern about the overall end result. Mr. Callahan replied he could in a general sort of way; that he told the City Manager that he hoped this was his best project and not his last. That if they come in a dollar over that money, he figures this will be the last one he will ever do. That he can only help if they let him stay around and help monitor what the PM is doing as he does a constant read-out of where the job is. It is their plan at the airport that the read-out will be in real time so that if there is anything going wrong they will learn about it in real time, not a month later or six months later. That when the architects get through with one element of the design they can take a reading as to whether or not it is outside of the budget. That in the real time reporting to Council they will know promptly that the design is going over; they will not have to wait until it is built.

Mayor Harris stated he believes the specific answer Ms. Trosch is looking for is why would it hurt to have a figure in the contract. Does it increase the price? How much are they talking about the person probably increasing the price if they have the guaranteed figure in there that he has to live with?

Mr. Callahan replied he does not know how they would get them to do that without counting in the same amount of profit and contingency in the contract that the general contractor would put in there for himself. Those two elements are better left out. Anytime you get someone to guarantee, the price goes up.

Councilmember Frech stated if they do that they are making him into a general contractor, rather than a project manager. Councilmember Carroll stated it is his understanding they cannot do that legally. That to point out the provisions regarding the liability of the PM, he is responsible for any delays or damages to us caused by his fault under this contract, and it also gives the City the opportunity to take advantage of a million dollars' worth of catastrophic coverage which Day and Zimmerman has.

August 28, 1978
Minute Book 68 - Page 495
RECESSED MEETING

Mr. Carroll asked Mr. Jones if his firm has ever been the project manager for an airport and if so, which one?

Mr. Jones replied when they talk about a project manager or a construction manager most people do not know what they are. That if you asked a hundred people you would probably get a hundred definitions. That, as he understands the term, they have never been the project manager for an airport. They have built many airports and know them from A to Z. They have been project managers for other types of work; and they have been construction managers. They have no question whatsoever of their ability to handle the job.

Councilmember Carroll stated that based on what Mr. Callahan told them in the threshold guidelines which they used in evaluating these firms, that even if we delayed the matter and considered Mr. Jones' firm (and he wishes he had had a chance to be considered) they would probably be eliminated on that basis. He is informed that Catalytic had an excellent presentation, but they were knocked out because they had never been a project manager for an airport, although they had built a lot of other things.

That he feels their discussion has been good; that Mr. Cox has asked some real good questions to pin down where the costs might be going; and everyone is agreed that they are going to keep it within the budget; and that legally this is the way they are stuck with doing it, but it is a way that they will know from day to day where the dollars are. Because of that - they wish they had had Mr. Myers' input earlier - their criteria for evaluating the firms is such that they do not need to lose the day-to-day dollar as they go along. He would think they could go ahead and pass the motion which is on the floor. His only suggestion would be that they might formalize in the motion Mr. Gantt's earlier comments that staff be directed to work with the Community Relations Committee to involve them to whatever extent is possible.

Councilmember Short stated he has a question which relates to the comments which Mr. Burkhalter has made. Is it not a fact that if they leave the getting of the federally required amount of minority participation up to accident or happenstance, we might have only a few high bids to select from, which is what happened in First Ward. But, if we use this \$209,000 contract the effect of it as it goes as is intended would be that we will have many bidders and presumably many lower prices?

Mr. Burkhalter replied he does not believe he can quite say that, but he believes he can tell them that they will have a lot more opportunities and a lot better chance of having minority contractors on the job, if they go the extra mile. That he listened, as all of the Councilmembers did, to this Council make suggestions and express opinions to people who came down and asked what they were going to do if they built this job. Councilmember Chafin stated they made some commitments.

Councilmember Cox stated he agrees with 98 percent of what Councilmember Carroll has said; the only thing he disagrees with is that he thinks they should give J. A. Jones Construction Company a shot at this business; that they really blew it; but that Council ought to give them a shot at the business. The only justification he has for that is that they are local; they are the only local firm that was not given an opportunity to participate; that they owe it to our local people to bend over backwards to give them the opportunity to participate. If during the next two weeks they do not measure up to the criteria, then he is sure they will be the first to admit that they do not measure up and will be delighted to bid for the construction part. He made a substitute motion that this matter be deferred for two weeks for the express and only purpose of giving the J. A. Jones Construction Company an opportunity to make their presentation to the committee, and any Council members that might like to attend. If that has not happened in two weeks then it is all over with. The motion was seconded by Councilmember Trosch.

Councilmember Carroll stated his feeling was similar to that of Mr. Cox when this discussion started; that because they were local - and this is his feeling with involving the CRC, and involving minority contractors. They want to involve local minority contractors as much as possible. He is not sure

August 28, 1978
Minute Book 68 - Page 496
RECESSED MEETING

that a black contractor in Dallas, Texas, is who they are really interested in. His feeling though, after hearing Mr. Callahan go through the criteria that he used to evaluate the firms, that if they applied the same criteria - and they must, in all fairness - that J. A. Jones, good as they are, would be cut out because they have not been a PM on an airport before. That was the only reason that his feeling changed.

Councilmember Cox stated the obvious thing is that just because they have never been a PM does not mean that they do not have the capability to do that. That these critical techniques that they are talking about - the expertise to be a project manager - would not be localized to only people who have done airports before. That if they take a look at J. A. Jones' track record, over the years, they would have the capabilities, and the talent, to do this. He would discount what Mr. Carroll said. That they have built things in Iran - that is a lot more difficult to do than a little old airport out here in Charlotte.

Mr. Carroll replied he does not doubt their capability, but if he understood Mr. Callahan right, there were other capable people who had the same kind of background and experience, but were disqualified because they had not actually done an airport before. Maybe Mr. Cox is saying that is not a good enough criteria.

Councilmember Trosch stated she thought Mr. Callahan said the other firms did not know airports; that she did not hear him say they had not done a PM on an airport. That they should not use his criteria to make a decision unless they clearly understand what it is.

Mr. Callahan responded he has said it several times, but perhaps it was not clear - that he will not be one to spend Charlotte's money to teach someone to be a project manager in the development of an airport. That he has said that several times recently; today he has not been that clear.

Mayor Harris stated then, in his opinion, regardless of how many airports a firm builds, that does not qualify them as a project manager on airports? Mr. Callahan replied it does not qualify them - the mere building of an airport does not qualify one to be the project manager of an airport that is operating and going through a major development at the same time.

Mayor Harris asked if he would clarify that - what is the distinction?

Mr. Callahan stated he will refer to one which they are all familiar with - Miami. There was no project manager on the Miami base in 1962. There were two series of contractors, so it gets twice as complicated. Miami was an operating base, it was Eastern's largest overall base and Miami was where they were doing the major project development.

Mayor Harris asked if he is saying that the difference in running things is airlines together with managing construction? Mr. Callahan replied anytime you have other activities aside from the construction, you have more requirements for someone to do. That in Miami every contractor moved in his own direction, until at 2 o'clock one Monday morning he was gotten out of bed and called over there because someone had taken a backhoer and ripped a hole about 2,000 feet long and there were sixteen airplanes on the wrong side of the ditch to take off the next morning. The next day they agreed on a local project director to avoid this kind of thing. He stated if you do not have one man who is overseeing to see that everybody is working on the same thing and that the scheduling is sequential scheduling. That you have an engineer who handles all of the horizontal; an architect who handles all of the vertical; yet the verticals and the horizontals get together at certain places and it is extremely important that that be coordinated.

Mr. Callahan stated he would like to affirmatively state that there is no one in this room who has a higher evaluation of the ability of the J. A. Jones organization as a contracting construction organization.

August 28, 1978
Minute Book 68 - Page 497
RECESSED MEETING

Councilmember Frech stated she would like to clarify in her own mind two points in Mr. Cox's motion. That he stated that J. A. Jones had not had the same opportunity that the others did to apply for this contract; that she thought from what Mr. Callahan had said that they did have the opportunity to say they wanted to be involved, but for some reason they did not.

Mr. Cox stated they "dropped the ball," but he does not think that disqualifies them from further consideration.

Ms. Frech stated the other point is one that she did not hear the City Attorney respond to clearly enough. That Mr. Cox's motion was that this be reopened for the sole purpose of allowing J. A. Jones to make a presentation. That raises a question of whether there are others around that would ask for the same privilege. Mr. Cox replied he would modify his motion, but Ms. Frech stated she would like to have an answer to that from the City Attorney so that that they know what they are dealing with.

Mayor Harris responded by saying that he believes with a professional service contract, you do not have a set, ironclad rule about these things; that it is a matter of the employer deciding to award a contract or having people submit specifications and having interviews, and the decision is made. He asked Mr. Underhill if that is correct.

Mr. Underhill, City Attorney, replied there are no bidding requirements.

Councilmember Gantt stated he believes if Mr. Cox modified his motion it would be fairer. That the sole purpose, even though there is no legal requirement, would not be fair. If they open it up again, then anyone else who gets referred ought to have the chance to get their bid in.

Mr. Cox stated he would modify his motion to say that they defer for two weeks, period.

Mr. Gantt stated his real concern is fairness in this whole process. His immediate reaction is that a local firm like J. A. Jones, by all means, they ought to be considered, for lots of reasons - the economic reasons that the dollars stay in this area, the taxes that the people pay who work on their staff because they live here. Then, he thought back to the Discovery Place selection process of architects and recalled that the previous Council honed the list down from a number of architects to about four or five, and some architects objected to the fact that they needed an interview. This was before staff made a recommendation of an architectural firm, so Council allowed those firms that felt that they wanted to be interviewed to be interviewed, in fairness to them. This process is somewhat different. What they have is a recommendation from the staff which says "this is the best firm we have seen." That they have heard all of the criteria given by Mr. Callahan and they have also heard that the J. A. Jones firm does not meet one of those criteria already, that they assume that the firm which was selected does meet. What they are saying to the selection committee is that you interview the Jones firm and when you finish interviewing the Jones firm come back to Council for a recommendation. What do they think that recommendation is likely to be? It is likely to be Day and Zimmerman again. Then you have the situation of the Council making that decision; that the Council will have to make a very political decision with regard to something as important as \$53 million worth of construction. That he is not so sure that he wants to be put in that position, just in case it comes back, Day and Zimmerman. Then, he thinks, Councilmembers have to ask themselves if they know enough about what is going on here to circumvent that process they have set up specifically to do this. That is what we pay our staff for. That he was going to be neutral on the motion and simply say that in fairness he would allow the Jones firm to be interviewed, but they ought to examine what the outcome of this is - whether they are going this for a certain amount of show or facade.

Councilmember Cox stated the way Mr. Gantt constructed his argument he is very sympathetic and would almost change his mind, but resisting that temptation, there is one very simple thing here - that is, the possibility however remote, that the committee may find something with J. A. Jones that they like. After all, they are not dealing with just any company here; they are dealing with a

August 28, 1978
 Minute Book 68 - Page 498
 RECESSED MEETING

very fine, reputable, professional group. That the criteria notwithstanding, they may change their mind. He is willing to go with that 10 to 20 percent probability, only because they are a local firm.

Councilmember Locke stated they have heard these same arguments for almost two hours; that she will call for the previous question. The motion was seconded by Councilmember Cox, and carried unanimously.

The vote was taken on Councilmember Cox's substitute motion to defer the matter for two weeks and was defeated as follows:

YEAS: Councilmembers Cox, Trosch and Short.

NAYS: Councilmembers Carroll, Chafin, Dannelly, Frech, Gantt and Locke.

The vote was taken on the original motion by Councilmember Gantt and carried unanimously.

CITY MANAGER INSTRUCTED TO INVOLVE CRC IN ACTIVITIES DEALING WITH RECRUITMENT OF MINORITIES ON AIRPORT PROJECT.

Councilmember Gantt moved that Council instruct the City Manager to involve the Community Relations Committee to the extent possible in all activities dealing with the recruitment of minorities on the Airport Project. The motion was seconded by Councilmember Short, and carried unanimously.

MOTION TO CONSIDER NON-AGENDA ITEM.

Motion was made by Councilmember Short, seconded by Councilmember Cox, and carried unanimously to add a non-agenda item for an encroachment agreement.

ENCROACHMENT AGREEMENT WITH NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR CONSTRUCTION OF VARIOUS MEDIANS ON FAIRVIEW ROAD.

Upon motion of Councilmember Cox, seconded by Councilmember Chafin, and carried unanimously, an encroachment agreement was approved with the North Carolina Department of Transportation for construction of various medians on Fairview Road Extension, between Carmel Road and Providence Road.

COUNCILMEMBER LOCKE EXCUSED FROM MEETING.

Motion was made by Councilmember Carroll, seconded by Councilmember Chafin, and carried unanimously, excusing Councilmember Locke from the remainder of the meeting.

NOTICE REQUESTED GIVEN WHEN SOLICITATIONS MADE FOR PROFESSIONAL CONTRACTS.

Councilmember Carroll stated it would be appropriate if we asked Staff to come up with a set of rules regarding solicitation of professional contracts. That Council may not want to advertise; but might want to provide some kind of notice. Today illustrates the kind of problem we run into when we do not have something set down that people can refer to. Mayor Harris replied there is a policy as far as attorneys, architects and engineering firms are concerned. Mr. Underhill, City Attorney, stated there is a Council approved list of architects, engineers and attorneys. Staff is not allowed to contact or solicit anyone who is not on that list. The City Manager stated in addition they are required to bring to Council a recommendation in order of priorities.

He suggested that when something like the management contracts comes up a notice could be included in the agenda; or he could send out a special notice. Or that the PS&I Director could send out a newsrelease. Members of Council indicated they thought the news release would be an acceptable way to handle this.

August 28, 1978
Minute Book 68 - Page 499
RECESSED MEETING

MOTION TO PLACE AN ITEM ON AGENDA.

Councilmember Gantt stated it seems that now is really the time to begin some very concrete things with regard to talking about consolidation of the parks or at least begin the discussion of consolidation of the program itself and what should be involved in the \$19.7 million we are sponsoring. All of us are getting letters from various kinds of groups suggesting consolidation of parks and recreations.

He stated he is sure Council saw the editorial in yesterday morning's paper. Reading back through the minutes, Council made some reference to this in that we are going to be able to have park consolidation probably before the Bond Issue. That it seems to him a reasonable way to begin this is for the Mayor to get with the Chairman right away and maybe appoint a committee that will immediately start to move toward one and look at combining or defining what the fact is we are talking about, City and County wise. What would the financial implications likely be if consolidation were to occur? Ultimately, how, in fact, that consolidation administratively might take place. The reasoning for this is because there were some valid concerns on his part and members of the finance Committee with regards to whether the public would be confused over this Bond Issue.

Councilman Gantt stated he believes they can become confused if we let them become confused. If, in fact, the City and the County do not immediately sit down and find a unified program for this. And on that basis, it would seem to him that the time to do that is now before we get into the campaign on the petition.

He stated he would personally like to see consolidation of the two departments accomplished before the Bond Issue and in enough time so that we would have a consolidated campaign. Short of that, we could make some very substantial efforts in that direction which might be a part of the campaign. It would be the best for the structure if the City or the County took it over. This needs to be explored now within the next two or three weeks.

Mayor Harris stated Mr. Burkhalter has a report he believes Council asked him to bring back.

Mr. Burkhalter stated Mayor Harris has already instructed him to do some preliminary work on this, and staff has been doing it, and this is a result of some of it. He stated we have reached the point now where it is going to take some important steps to do this work. We have reached the point where he does not believe either he or the county manager can speak well enough for the group in order to get it. He recommends we go to the Institute of Government and let them send one of their people down to interview the staff level on both sides and all the problems - operating problems, budget problems and so forth - to come up with some logical way of operating this department from an objective viewpoint.

He stated the question then would be a political decision to make as to who is going to run it, and who they feel will be more responsive to the need, and this sort of thing. If that sounds logical, he would be happy to explore the possibility of contacting the Institute and discussing this with them.

Mr. Burkhalter stated there is another service that has been called to his attention which is also available. That Secretary Lee has some services that are available in this area; it does not cost anything. It might be that Council would want to call on them.

Councilmember Gantt stated he firmly believes that notwithstanding that proposal, which he has no problem with, it will still require at the political level, that the Mayor with the Chairman of the County Commission, and the backing of the County Commissioners, to agree to this first step.

Motion was made by Councilmember Short, seconded by Councilmember Gantt, and carried unanimously to place this item on the agenda.

August 28, 1978
Minute Book 68 - Page 500
RECESSED MEETING

MAYOR TO CONSULT WITH CHAIRMAN OF THE COUNTY COMMISSIONERS OF HAVING THE INSTITUTE OF GOVERNMENT COME IN AND EVALUATE THE WAYS IN WHICH THE TWO PARKS DEPARTMENTS CAN BE COMBINED.

Councilmember Carroll stated he would like to formalize that and go on the time frame he suggested so they may react at their meeting this week, and moved that Council request Mayor Harris consult with Chairman of the County Commissioners to agree, if possible, upon the proposal that Mr. Burkhalter has outlined of having the Institute of Government come in and evaluate the ways in which the two parks departments can be combined, and how the relative financing by each entity of the joint departments could be accomplished. He stated that within 30 days would be great. The motion was seconded by Councilmember Chafin.

Councilmember Short stated Council should make that read the Institute of Government or any other institute, or agency, that could be agreed upon. That he is not entirely sure of how popular the Institute is with the County Commissioners. Councilmember Carroll accepted the amendment.

Councilmember Cox stated that if there are any benefits to us adding to that, we would hopefully develop some kind of joint resolution that would agree to a consolidation of principles. He then asked if that would be a part of the charge? Mayor Harris replied we would have to first have the study to see if that independent source would say it is workable.

Councilmember Cox stated he believes it is workable; he believes the people of Charlotte want it to work. In this case, he would be on the side of putting the cart before the horse in saying the people of Charlotte, given the dialogue we have had recently, are going to consolidate, and the only problem is how we are going to work it out. Mayor Harris replied that Mr. Cox along with the majority of the Council and the County Commission will work that out.

Councilmember Carroll stated he thinks Mr. Cox is right; that in fact, we have agreed in principle - which we did at our retreat to consolidation of the park system.

It was the consensus of the Mayor and other members of Council that the County should have the opportunity to look at the report and agree or disagree with it.

Councilmember Trosch asked if the motion is that the Mayor will speak with the Chairman of the County Commission regarding an outside consultant; and that this should be done prior to the County's meeting on Wednesday. Mayor Harris replied the purpose of their meeting on Wednesday is the park bonds. Councilmember Carroll stated it also includes that the results of the study come back within 30 days.

The vote was taken on the motion as amended, and carried unanimously.

Councilmember Trosch asked if this will be communicated to all members of the County Commission? Mayor Harris indicated that it would.

Councilmember Trosch stated we also passed at the last meeting a resolution regarding a joint committee to promote and inform the public as to the Bond Package itself. There is a question as to when the names should be submitted to the Mayor.

Mayor Harris requested the names be submitted to him immediately as a result of the resolution, within the week.

Councilmember Carroll states his concern is making sure the public knows that we are really talking about a combined package. Another concern is that the County Recreation Commission has suggested two changes in that plan which deals with the fact of whether or not we have total coordination. One suggestion was that the Harrisburg landfill site not be developed for a golf course, and two, that they are suggesting at this stage not to put swimming pool money

in it. Other than that, the plan seems to be balancing out; they are developing soccer on the McAlpine Greenway close to where we had originally talked about Boyce Road, and he thinks we can delete that now. He would suggest that we recommend to the County that for the needs of the entire city and the county, that they give special or some more consideration to including the Harrisburg site as a golf course, and some money toward a joint effort for swimming pools. Councilmember Gantt stated this is exactly the kinds of things he is talking about beyond the question of consolidation. It seems to him, different from the Mayor's committee, that these kind of details need to be negotiated. They may want to change their opinion on some of these.

Mayor Harris replied he thinks first we have to make sure we have the committee together, and that we will be working together on these items.

Councilmember Carroll stated they have not acted upon the specifics of the proposals; that they just had this recommendation with these changes from the County Commission's original plan. If it is the sentiment of the Council, he thinks the joint City-County Plan would maintain its balance if we recommend to the County that they consider including those two items in the County's portion of the plan; and perhaps the Mayor can talk with the Chairman about this when they have their discussions.

Mayor Harris replied he does not think they will adopt their package on Wednesday; they are leaving that up to the Park Commission, more or less the structure of it; they are just going through the legal process as Council did today. The first thing we have to do is have some conversation with Mr. Foley to see if they are really want to work with us. Councilmember Chafin stated there has been talk with individual members of the Commission; but there has not been any direct communication.

Councilmember Carroll stated he is feeling some urgency for us to go ahead, so that by the time we have the hearing on the 11th, we can have a plan that will be a plan that is a mesh; that we are very close to a coordinated plan and he wants to make sure the County officially knows our thinking about the total package, while they are putting their decision on how they would like it to be.

Mayor Harris stated he thinks the County knows the Council's feelings; the main thing now is to find out what their willingness is to work together.

Councilmember Gantt asked if it is his feeling that once he gets some agreement from the Chairman and the Commission, that these other matters such as putting the two staffs together to look at the kinds of things Mr. Carroll is talking about will be easier? Mayor Harris replied yes. Councilmember Gantt stated on that basis what we are talking about now is taking one step at a time; getting past the hurdle of cooperation. He stated we should not wait until October 15 to decide on the package; it should be resolved.

Mayor Harris stated he does not think we are solving our package until after September 11.

Councilmember Cox stated the Finance Committee is ready to make a report at any time. He requested the City Manager to send a copy of the Committee's minutes to the rest of the Councilmembers.

Later in the meeting, Councilmember Carroll stated he wants to be sure where we stand on getting the input from the County on their part of the park program. That Mr. Cox says his Committee is ready to report. He asked if it is the consensus of Council that on September 11 we will be ready to go ahead? Mayor Harris replied he would recommend the Finance Committee report be circulated in the next few days.

Councilmember Carroll asked if we will be ready to finalize our plans on the 11th? Mayor Harris replied after the public hearing. He doubts they can do it that day as he is sure there will be some items brought to Council which they will need to consider further. He thinks when Council adjourns on the 11th, they should know where they are going.

August 28, 1978
Minute Book 68 - Page 502
RECESSED MEETING

SCHEDULING OF MEETINGS FOR CLEAN CITY PRESENTATION AND HOUSING TASK FORCE.

Councilmember Chafin stated last week Council scheduled the Housing Task Force Report for Monday, September 11 at 11:30 a.m., and the Clean City Committee's presentation on Roll Out Containers for the 25th. It appears the Clean City Committee will not be able to make its presentation on the 25th because the Chairman will be out of town. An alternate suggestion is that since Council is trying to schedule as many things on Mondays as possible - she has heard Council Members say they would rather avoid meetings during the rest of the week if at all possible - to have the Clean City presentation at a breakfast meeting on the 11th at 7:30 a.m., and continue with the Housing Task Force presentation at 11:30 on Monday; then go into the regular Council Meeting at 2:00 P.M.

Councilmember Chafin stated the site for the presentation has not been set but Council will be notified. She stated the Clean City presentation will be at 7:30 a.m., and the Housing Task Force presentation will begin at 11:00 or 11:30 a.m., depending on how much time the Task Force decides it will need when they meet this week.

Councilmember Dannelly stated he will not be able to attend the morning meeting; the most important part of his job comes in the morning.

MOTION TO PLACE ITEM ON AGENDA.

Councilmember Carroll stated he would like to place an item on the agenda, which is a resolution concerning parking in the area of CPGC, along the new inner loop.

Motion was made by Councilmember Carroll, and seconded by Councilmember Short to place the item on the agenda.

Councilmember Short stated he thinks it is a good idea; he does not see why we cannot make the suggestions while they are getting ready to design, and they can see if this can be worked in.

Mayor Harris stated he thinks they are treading in some grey areas. He thinks this has been designed and ready to let the contract. Councilmember Gantt stated he is not sure whether or not we can get a comment on whether the design right now from the Highway Department.

Councilmember Carroll stated all they can say is it is too late. Mayor Harris stated the resolution states we are requesting them "to design" in such a manner to allow parking. Councilmember Chafin suggested the language be modified.

Mr. Bobo, Assistant City Manager, stated the Highway officials will be ready in October to go over the landscaping designs with Council, and any other discussions they would like to have with them. Councilmember Carroll stated he thinks that is too late as they will let the contracts in October on this section. That is the reason he is requesting to act on it now.

Councilmember Chafin suggested the following substitution of language to the effect that we request the "North Carolina DOT to comment regarding the feasibility of designing the Independence-Kenilworth portion". Councilmember Carroll stated he would accept "to try to design"; that he does not know we need their comments; just to give it a good effort.

Mr. Burkhalter, City Manager, stated at the last Council Meeting when Mr. Carroll mentioned this, he mentioned to him that he had received a call from the Highway Department asking what it was Commissioner Barnett was talking about putting in parking under the expressway. He found there had been some discussions when Mr. Carroll introduced this at the last meeting.

Mr. Burkhalter stated he wrote the following letter last week to Billy Rose:

"We have been requested by a member of the City Council to see if it is possible to utilize part of the right of way for the proposed expressway around the city, in particular that portion from Independence to Kenilworth which is to be let for bid in the near future, for parking.

We are asking for this information at the present time so if there are any minor changes to your plans before letting for bid, this could be done. We are particularly interested to know if parts of this right of way can be used for parking purposes; especially for Central Piedmont Community College students. If you can see any way that we might be able to utilize this right of way for this purpose, we would appreciate it."

He stated the resolution, as he understands it, would simply be to say that Council, along with the City Manager and Don Carroll, would like you to do it. Mr. Burkhalter stated the kind of verbal response he received, was very favorable; they would like to use for parking any space that can be used. He stated he would only caution them about one thing in design, and he does not know that is what it means. He would hate for them to design stilted, overhead highways when they might be inclined to build filled highways. Fills are much more acceptable.

Councilmember Carroll stated he thinks the designs are already to build it up over these particular streets. He would be glad to change the motion as Ms. Chafin suggested to make it read "try to design".

The vote was taken on the motion to place the item on the agenda, and carried unanimously.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE REQUESTING THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION TO TRY TO DESIGN THE INDEPENDENCE-KENILWORTH PORTION OF THE INDEPENDENCE FREEWAY PROJECT TO ALLOW PARKING.

Motion was made by Councilmember Carroll to adopt the subject resolution, as amended "to try to design". The motion was seconded by Councilmember Cox, and carried unanimously.

The resolution is recorded in full in Resolutions Book 13, at Page 412.

REMINDER OF MEETINGS SCHEDULED FOR SEPTEMBER 11, 1978.

Councilmember Dannelly asked if the 7:30 breakfast meeting for September 11 for the Task Force on Housing is still scheduled? Mayor Harris replied the 7:30 breakfast meeting is only for the Clean City presentation. The Housing Task Force presentation will be at 11:30 a.m. on that day for a luncheon meeting.

ADJOURNMENT.

Motion was made by Councilmember Short, seconded by Councilmember Chafin, and carried unanimously to adjourn the meeting.

Ruth Armstrong
Ruth Armstrong, City Clerk