



The CBY Construction Connection

Construction Has Started; We Are On the Way **A Periodic Update for CBY Members**

This is the first issue of the *CBY Construction Connection* that will provide periodic updates on construction progress and answer questions from members.

If you have been by the synagogue during the week of November 10, you know that we are preparing to clear the site and will soon begin to pour the new foundations. While we got off to a bit of a late start with the expansion, we will do everything possible to hold to our scheduled completion of early September 2009.

All members should have also received the November *Tidings* including the invitation to the official ground breaking at the synagogue on Thursday, November 20 at 11:30 am. We hope you can join us.

During the last several months, as we completed our planning and applied for site clearance and building permits, we have accomplished a great deal and have received several questions from members about the expansion program. We will use this first issue of the *Construction Connection* to provide an overview of the construction process and answer some of those questions.

- **What/who is the Construction Steering Committee (CSC)?** The CSC is responsible for making the major design, furnishing, and cost decisions for the project. For example, the CSC selected Kermit Huggins Architecture and Design, Inc. as the project architect, after reviewing proposals from three local firms. The CSC also determined major sub-contractors and suppliers and will continue to make those decisions, in conjunction with the project's General Contractor. The CSC works closely with members and committees of members to ensure that we have the best possible thinking of the congregation in coming to those decisions. Of course, not all members will agree with every decision of the CSC (nor will all members of the CSC agree with every decision). However, rest assured that all CSC decisions have been and will continue to be made with the interests of the entire congregation in mind. The CSC will also monitor the ongoing construction and will approve all requests for payment from the General Contractor. Members of the CSC are Stan Bluestone, Nick Bass, Dan Caplan, Rabbi Covitz, Ted David, Harold Freeman, Thea Heimlich, Jane Joseph, Carol Katz, Felicia Pascal, Danny

Pincus and Jack Resnick. To date, the CSC and our many other volunteers have devoted thousands of hours to the expansion project. Many more hours will be volunteered by the CSC and members of the congregation as we move toward completion. We are fortunate to have such dedicated members working together to make the expansion a huge success.

- **How is the expansion project being managed?** As described at the Congregation's Town Hall meeting on September 7, 2008, the Board has contracted with Jarvis Enterprises, Inc. (Bob Jarvis) as the General Contractor. As the General Contractor, Jarvis Enterprises is responsible for all aspects of the project, including hiring subcontractors and suppliers, monitoring progress and ensuring timely and quality completion. Jarvis was selected after considering proposals from two other potential General Contractors, both of which had costs higher than Jarvis. Mr. Jarvis will also get the contract to perform the plumbing for the project. Jarvis Enterprises has sub-contracted with Gaal Custom Homes (Dave Gaal) to assist with day-to-day project management and administration, including selecting and hiring subcontractors and suppliers and preparing payment requests. Since Mr. Gaal is a sub-contractor, it is not necessary for him to have a General Contractor license (in fact, Dave does have a limited General Contractor license). Our attorney, Steve Carter of the McNair Law Firm, confirms that this project management structure is in conformity with South Carolina law. Mr. Carter's letter and a description of the management structure are available in the Congregation office for member review.
- **Why have we entered into a cost plus contract rather than a fixed price contract?** During the planning stages of the project, proposals were obtained from many potential sub-contractors in the HHI and Bluffton areas, which enabled us to come to informal agreements for the work to be performed. This approach of pre-negotiating with the sub-contractors and securing a significant discount from the General Contractor has saved the congregation approximately \$250,000 in construction costs and fees. Since we know the costs of the components of the project, and have made very cost advantageous arrangements with those subcontractors and suppliers, a cost plus contract is far less expensive for the congregation than a fixed-price contract would be.
- **What is Jack Resnick's role in the expansion project?** Jack is the Owner's Representative on the project and a member of the CSC. As Owner's Representative, Jack will monitor project progress and will work with the General Contractor, as needed, to make many of the day-to-day decisions typically required on any construction project. As a member of the CSC, Jack will research construction related initiatives, with final decisions made by the CSC and/or the Board (if necessary).
- **How have sub-contractors and suppliers been selected?** We are very fortunate to have members of CBY with long experience in construction and related professions including Nick Bass, Dan Caplan, Danny Pincus, and Jack Resnick.

We also have very detailed construction plans and specifications. We contacted representatives of major subcontract trades and of suppliers to provide verbal and written bids on the major project components. (For most components, we contacted two to four potential sub-contractors or suppliers. In a few instances, we contacted only one potential sub-contractor or supplier.) Initial selection decisions were based on price and other factors such as quality, reliability, and availability. In the last 2 weeks, all bids have been reevaluated and in some cases, we have received even lower bids. The contracts with most sub-contractors and suppliers will be directly with Jarvis Enterprises (CBY will contract directly for items such as landscaping, kitchen appliances, audio-visual and security equipment and furnishings.)

- **Does CBY have required insurance for the project?** Kinghorn Insurance is our insurance agent. They have obtained an addendum to our general liability insurance policy to protect us for any property damage or liability suits as a result of the construction. In addition, we have obtained an Owners & Contractors Protective Liability Policy (OCP insurance) to provide an additional layer of protection. Combined, our policies provide insurance coverage of \$2 million per occurrence and \$4 million aggregate for the congregation.
- **Does the General Contractor have adequate insurance?** The General Contractor has also obtained additional insurance coverage for this specific project for which CBY is named as an additional beneficiary. Each subcontractor must also obtain appropriate insurance, with copies of the policies being provided to the General Contractor and to CBY.
- **Why did the Board initially decide to obtain a performance bond and then change its mind?** After the Board's initial discussion, additional information was provided about the characteristics of a performance bond. We understand that if the General Contractor fails to perform or complete his obligation for whatever reason, it would be the bonding company, not CBY, who would choose the replacement General Contractor and the selection would be on their time schedule, not ours. The Board, after several hours of discussion, determined that the potential delay and cost of a performance bond (estimated at \$30,000 to \$40,000) did not justify this route. We have other alternatives in the unlikely situation that the General Contractor is unable to complete the project.
- **Why is Mr. Jarvis assuming project responsibility as General Contractor for a modest fee?** Mr. Jarvis is being paid for his additional insurance plus a fixed amount; in addition, he is going to get the plumbing contract. He is doing this at a significantly discounted rate as a favor to CBY and to Jack Resnick.
- **What about the recommendations of the committees selecting furnishings for the new facility?** The CSC reviewed committee recommendations and most have been accepted in whole or in part. However, it appears to some committee members that their recommendations have been ignored, particularly

recommendations related to carpet, colors, wall lighting and certain furniture. Unfortunately, there was a lack of clear communication of the role of the interior designer to integrate the recommendations of the committees. Going forward, we plan to present two alternative color and floor covering schemes to interested members for their comments. While the CSC will make final decisions, the input of interested members will be valued in making those decisions.

We are sure CBY members have other questions. If so, please ask any member of the CSC. Those questions of general interest will appear in future issues of the ***CBY Construction Connection***.

We are on the way to an expanded synagogue that will enable CBY to serve the needs of Jewish families of the Low Country. It is going to be a great journey to a great destination. We look forward to seeing you at the ground breaking and keeping all members up-to-date on our progress,

Construction Steering Committee

November 12, 2008