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REPORT OF THE COMMITTEE ON

Finance of the City of Providence Concerning the
Increased Costs at the Camden Avenue School and
Danforth Street Recreation Center.

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TO THE PRESIDENT AND MEMBERS OF THE CITY COUNCIL:

In accordance with the request contained in the resolution referred to the Finance Committee by the City Council asking that an investigation be made into the increased costs of the Camden Avenue School and the Danforth Street Recreation Center, you are hereby advised that the Committee has conducted its hearings and presents herewith to the Council the following report for its consideration.

In February, 1959 the City of Providence entered an agreement with the Joseph M. Mosher Associates, Inc. for the drafting of plans and specifications for the school and recreation center named above. This firm has designed a large number of schools and churches in Rhode Island and Massachusetts since 1908 and was apparently well qualified to do the planning called for by these projects.

During the next year, Mosher Associates prepared the plans and specifications for both projects, and after the plans had been given general approval by the School Department, the Recreation Advisory Committee and the Deputy Building Inspector as to the mechanical, electrical and plumbing aspects, the Board of Contract and Supply in May, 1960, authorized the advertising for bids. In the subsequent bidding the Donatelli Construction Company was, on August 2, 1960, awarded the contract for the building of the Camden Avenue School for \$714,044.00 and the Danforth Street Recreation Center for \$430,061.00.

To avoid unnecessary delay, after the contract had been awarded and pending the final approval of the plans by the Department of Building Inspection, the Building Inspector wrote the contractor a letter authorizing him to commence excavation²ing. This is the normal procedure followed by the department to cooperate with contractors in general for the purpose of preventing unnecessary delay on any building project.

While the excavations were in progress, it was found that the soil on the site was of poor quality and that the foundations, as planned, were therefore inadequate. Einar Soderback, the Superintendent of Public Buildings asked the contractor to go no further until an adequate soil analysis had been made. Although borings had been made in April 1960 by the Allstate Drilling Company as a result of a request made at that time by the architects to the City and the report on said borings were received in May 1960, one week before the plans went out for bids. Mr. Mosher testified that he had already completed the plans at the time the report was received and that he had made an "educated guess" as to the soil conditions. He testified that this was good architectural practice.

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The City of Providence thereupon got a soil expert, one Harry Mohr, to make a new and more thorough analysis of the soil conditions. As a result of Mr. Mohr's findings, after new and deeper borings were made, it was found that wider and deeper foundations with certain reinforcements were called for and consequently the foundation plans had to be changed. The foundation plans were finally approved by the D.B.I.* on October 25, 1960.

Meanwhile the office of building inspection found numerous shortcomings in the plans and specifications prepared by Mosher as far as the Providence Building Code was concerned. This office advised the contractor that unless these were remedied, no permits could be issued.

The contractor complained to the Superintendent of Public Buildings about the plans and after repeated requests to the architects by the Superintendent to correct the plans and comply with the code. Because these corrections were not being made expeditiously, a meeting was held with the Mayor early in February, 1961 to expedite the necessary corrections by the architects. For the next several months there were continued requests to the architects to forward corrected plans. Because the progress made on these corrected plans was not satisfactory, the city finally, in April 1961, asked the architectural firm of Kent, Cruise and Aldrich to assist Mosher Associates in revising the plans.

A revised set of plans on which the Building Inspection Department would issue a permit was finally completed about June 1961 for the Camden Avenue School and about October 1961 for the Recreation Center. The contractor said he would now require about \$1,114,000.00 to build the school as specified. After many conferences it was agreed that the new contract price for the school was to be \$977,047.32 and for the recreation center \$848,000.00, a reduction of \$155,000.00 in the amount asked by the contractor.

The important question is, therefore, can the added expenditures of roughly \$263,000.00 for the school and \$418,000 for the recreation center be justified and were such added expenditures the result of negligence on the part of the City?

It is the feeling of this Committee that the added expenditures were justified and were not the result of negligence on the part of city officials for the reasons given in the paragraphs which follow.

There was no negligence on the part of the City in engaging the firm of Mosher Associates as architects for these projects because, although not members of the A.I.A., the firm had designed some thirty-two schools and eighteen churches in and about Rhode Island and Massachusetts in the past ten years.

** Department of Building Inspection*

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Nor can we find fault with the action taken by the different city agencies during the history of the projects. Mr. Soderback, the Public Buildings Superintendent, discovered the defective soil conditions during the preliminary excavations and ordered all work stopped until the situation was remedied. We are also satisfied that he did all in his power to get Mosher Associates to correct the plans in an expeditious manner and we certainly find that the city authorities acted prudently in engaging Kent, Cruise and Aldrich to assist in the revision of the plans when such revision was being unduly delayed.

Nor can we conclude that the ultimate cost of the projects is excessive. On the contrary, the cost is in line with present cost of similar projects and in some cases below that of others. For instance, the Mary E. Fogarty School, with twenty-three classrooms cost \$771,300.00 or \$16.77 per square foot and \$33,534.00 per classroom, whereas the Camden Avenue School with thirty-two classrooms cost \$982,181.00 or \$18.12 per square foot and \$30,693.00 per classroom.

In addition the Dodge reports for nine months of 1962 indicate that the cost per square foot of elementary school buildings of from fifteen to thirty-two classrooms range from \$13.75 per square foot to \$22.50 per square foot. The Camden Avenue School cost therefore is about the average cost per square foot of schools built this year. In addition, H.A. Sloan Associates, gave an estimate very close to the new price for the school.

Mr. John Donatelli, representing the Donatelli Building Company, Inc., testified that as to the difference in price between the original and revised plans, the added cost was accounted for in that although the exterior dimensions were the same, an entirely new type of structural design was required by the revised plans which called for changes in foundations, pilings, steel framework, stairwells, fire protection walls, plastering, heating, lighting and plumbing. He stated that the changes were so complete that he entirely abandoned the original drawings and started anew on the revised plans. He also stated that in so doing, he wrote off entirely the expense he had incurred with respect to the original plans, and that consequently the price the city ultimately paid would have been the same if the original bids were made on the revised set of plans so that actually it hasn't cost the city anymore than it would have originally.

Mr. L. W. Kent, of Kent, Cruise and Aldrich, stated to the Committee that the cost of the projects to the City were about their true value and that the original price was too low to build the school properly. He stated that when his firm reviewed the plans, many deficiencies therein were found, that they did not comply with the Building Code in numerous ways and that the swimming pool plans were never approved by the State

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Department of Public Health. Mr. Kent stated that the school, as presently constructed, is as good as the Fogarty School and represents solid value.

In addition, we cannot say that the delay in the progress or completion of the project was the fault of the city or its employees. Practically all the delay was necessitated by the revision of the plans either by the original architect or both architectural firms working together. Further delay was then necessitated by steel fabricating and the intervening winter of 1961-1962.

Upon review of all the facts elicited at the hearing, this Committee must conclude that the delay in construction, and, any additional cost resulting therefrom, was the responsibility of the architectural firm of Mosher and Associates.

In conclusion, it is the finding of this Committee that certainly none of the City Departments or employees thereof can be held responsible for the situation; but also, in any event, that the City is receiving and has received good value for the expenditures ultimately incurred.

RESPECTFULLY SUBMITTED,
COMMITTEE ON FINANCE

HECTOR D. LAUDATI
Chairman

IN CITY COUNCIL

OCT 4 1962

READ:

WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

W. Everett Whelan
CLERK

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Minority Report of the Finance Committee on the
Investigation of excessive costs of the construc-
tion of the Camden Avenue School and the Danforth
Street Recreation Center

On August 2, 1962 I introduced in the City Council a resolution to have a special committee of five members of the Council appointed for the purpose of investigating the excessive costs above the contract price of the Camden Avenue School and the Danforth Street Recreation Center.

This resolution was referred to the Finance Committee instead of a special committee, and on August 13, 1962 this Committee held its first hearing.

The Chairman informed the committee and the Department Heads and others present of the purpose of the hearing. I then moved that a stenographer be present at all hearings for the purpose of a verbatim record of all testimony by witnesses, and also for the purpose of having a record to refer to, as well as a record for writing and rendering a report to the City Council of our findings. This motion was not seconded by any member of the committee composed of the majority members.

I then moved that the hearings be opened to the press so that the public could be informed of the testimony, and again this motion was not seconded.

I then moved that a tape recording be made of the hearings, and again this motion was not seconded.

The above three motions were made at the outset of every hearing of which there were seven in number, and in every instance there being no second, they could not be adopted.

I then attempted to take such testimony in long hand, and requested the witnesses to speak slowly, but the Chairman overruled this request and instructed the witnesses to speak at a normal and usual rate of speech. This made it impossible to record important points and statements in the hearing. I suggested to the Chairman and the Committee that the failure to have a verbatim record, or at least a tape recording, would result in conflicting versions and a difference of opinion among the members of what was testified to by witnesses, since it would be impossible to remember exactly what each witness had said. I also stated that it would be, as a practical matter, impossible to write an accurate report without the benefit of a transcript of the proceedings to refer to.

It became quite apparent to me that the committee did not want a record and a transcript, because certain statements by witnesses could be made, especially on examination that the majority members did not want revealed.

On February 16, 1959, an agreement was signed between Joseph M. Mosher Associates and the City for the designing of two buildings to be known as the Camden Avenue School and the Danforth Street Recreation Center.

These plans were subsequently approved by the Recreation Advisory Committee -- the School Committee -- the Building Inspector's Office and the Superintendent of Buildings.

A letter dated May 25, 1960 sent by the Building Inspector's Office to the Superintendent of Buildings approved the plans and specifications as prepared by Joseph M. Mosher Associates, and stated that these plans were approved and found acceptable as revised.

On July 12, 1960 the Board of Contract and Supply opened bids on the two projects, and on August 2, 1960 the contract was awarded to the successful bidder, the Donatelli Building Co., Inc.

The contract price for the Camden Avenue School was \$714,000.00 and the Danforth Street Recreation Center was \$430,000.00.

Subsequently, and after the plans were approved and the contract awarded, it was discovered that the plans did not meet the building code of the city in some respects.

From this point on there appears that a successive string of incidents among the various departments and the Architect appeared, so that these two projects could not proceed smoothly.

The contract between the City and the Architect provided that test borings would be provided by the City and furnished to the Architect.

The City, through the Superintendent of Buildings, hired Geo. J. Geisser & Associates, Inc. to make the test borings, and a report was sent to the Superintendent of Buildings who in turn sent a copy to the Architect. It was also revealed that the Superintendent of Buildings received a sample of the soil from Geisser Associates, but this sample remained in the office of the Superintendent of Buildings and was never sent to the Architect for analysis, neither did the City have an analysis made of this soil.

When the Superintendent of Buildings was asked why he did not forward the sample of this soil that he received along with the report of the borings to the Architect, he replied that the "Architect never asked for it". When he was asked why he didn't send it with the report, instead of it remaining in his office, he offered no explanation.

It appears that the Architect, relying on the report furnished him by the City, and apparently assuming that the sample of the soil had been analyzed by the City and found satisfactory, proceeded with foundation drawings.

Subsequently, it was found that the report of the borings were completely erroneous. The borings indicated good sand and gravel, and the plans for the foundation were designed on the basis of this information.

After excavation was started, it was found that the soil was not as indicated in the report, but was actually poor quality fill, containing ashes, tin cans, other debris, and apparently the site had once been a dump.

It was then necessary to revise the foundation plans, to have pilings sunk, and that the steel specifications for the buildings had to be changed.

From this point on, it appears that a conflict was developing between the Superintendent of Buildings and the Architect, and that each was blaming the other for delays in proceeding with construction. The Superintendent of Buildings claimed lack of cooperation by the Architect, and stated, at several hearings, that he could not get prompt attention for changes in the plans from Mosher.

Mosher, on the other hand, claimed he did not receive the necessary cooperation from the Superintendent of Buildings and that he sent the requested changes promptly to Soderback, but that weeks elapsed before he could get approval of these changes.

It also appeared that each change of plans or specifications set off a chain reaction, due to necessary approval from the various departments in the Building Inspectors Office, which necessitated further delays. Because conformity to the building code was necessary from the Plumbing, Heating, Electrical Departments, this in turn meant a revision in the plans. This, it must be pointed out, was after the original plans were approved.

It then appears that revisions were requested in the plans on October 17, 1960 by the Water Supply Board to meet certain requirements. Then, on October 28, 1960, changes were requested for catch basins and manholes for the two projects.

Also during this period changes were made by the School Department on location of certain rooms in the School, and these changes necessitated changes in the Recreation Building because they are adjoining buildings and interchangeable as such.

Finally, because of these delays and the difficulty in personalities between Soderback and Mosher that had built up, it became apparent that these projects could not proceed under the supervision of these two men.

A conference was then held by certain city officials, and it was decided to discharge the Architect and hire the firm of Kent, Cruise and Aldrich to revise the plans prepared by Mosher.

This new contract was approved by the Board of Contract and Supply on April 18, 1961.

During the interval, construction had ceased for a period of six months or longer, and the Board of Contract and Supply awarded the Donatelli Building Co., Inc. \$18,000.00 for delays on May 9, 1961.

At these hearings the Committee heard testimony from Superintendent of Buildings Soderback -- Director of Building Inspection, Vincent DiMase -- Deputy Director Peter J. Hicks, Jr. -- Inspector of Division of Structures, Richard E. Pezzullo.

On September 6, 1962 Mr. John Donatelli of Donatelli Building Co., Inc. appeared with his attorney before the Committee.

Mr. Donatelli was asked why the Danforth Street Recreation Center cost was \$848,000.00 when his bid was only \$430,000.00. Mr. Donatelli stated that the steel in this building had to be refigured and the swimming pool had to be redesigned. When asked if these changes would come to \$416,000.00, he replied that it would.

Answers to further questions on costs were extremely vague and evasive. Answers were of the "I don't remember" or "I am not sure" variety, and we could not get a definite breakdown of the wide difference in the contract price and the final price.

I finally asked that the minutes of the meeting indicate that I did not want to question this witness further, because of his vague and evasive answers.

Mr. Joseph M. Mosher, Jr., then appeared before the committee and stated his qualifications as an engineer and architect. He furnished the committee with a list of some 30 schools in Rhode Island and Massachusetts that he had designed in the last twelve years, and a list of some twelve churches that he had designed in this area.

Mr. Mosher stated that all these projects were completed satisfactorily and that 99 per cent of his customers were satisfied.

Subsequent inquiries by members of the committee revealed that the errors originally stemmed from the incorrect report of the test borings that were furnished him. And also the difficulties that he experienced in delays with the Superintendent of Buildings, and also with the various departments of the Building Inspectors Office.

He further stated that changes requested by the School Department for a kitchen and cafeteria meant revising the plans and specifications in the Camden Avenue School.

He further stated that the changes of door closers, steel, doors, and changes in plaster walls amounted to \$12,500, and Mr. Mosher frankly admitted that these were mistakes on his part. In addition to this \$12,500.00, some \$34,000.00 was necessary to pay for the additional excavations plus the concrete and steel reinforcements.

Mr. Mosher further stated that the additional cost for Danforth Street Recreation Center for piling amounted to \$42,000.00 and reinforcement of slab amounted to \$25,000.00, or a total of \$67,000.00.

Again Mr. Mosher reiterated the fact that he experienced repeated delays in cooperation and in having revised plans approved by the Superintendent of Buildings.

On September 10, 1962, Messrs. Lloyd W. Kent and William F. H. Cruise of the firm of Kent, Cruise and Aldrich, appeared before the committee. Also appearing was Mr. Daniel Kiely, a mechanical consultant of this firm.

Mr. Kent testified that his firm was called in in 1961 to review the plans prepared by Mr. Mosher. He stated that Mr. Soderback had difficulty in having plans corrected. After a conference with the Mayor, the responsibility of changing the plans was turned over to Kent, Cruise and Aldrich.

In a question that was asked of Mr. Kent, to the extent that if an architect was furnished borings by the owner and the architect designed a building on such information, would the architect

then be responsible for the report on the borings, Mr. Kent stated that if borings furnished by an owner are furnished as correct, the architect has no further responsibilities.

When Mr. Kent was asked to list some of the changes that could cause the increase in these projects, he stated that the changes were in the foundations, steel, classroom doors, fire protection equipment, closets revised, fireproofing, etc.

At this point, Mr. Kent stated that the contractor had asked for \$155,000.00 more than what was finally agreed upon. Because they were having difficulty with the contractor on the price of the agreed plans, it was decided to consult the firm of H. A. Sloane Associates of New York to estimate the cost of the Danforth Street Recreation Center.

This firm, through its representative, Victor E. Robert, estimated the cost at \$800,000 and not \$848,000 that was subsequently agreed upon. Mr. Kent further stated that the \$800,000.00 was on the high or liberal side, since Mr. Robert felt that he might have to justify his estimate if there were subsequent litigation.

At a hearing held September 18, 1962, City Solicitor William E. McCabe appeared and stated that in regard to conferences that were held with Donatelli, some two or three meetings were necessary, and at one point the city considered abrogating the contract with Donatelli because of the unrealistic price that he was asking for the revised plans.

Mr. McCabe further stated that the contractor had the city over a barrel since it was the city that had changed the plans and that Donatelli had a valid case for damages due to a loss of profits if the contract with Donatelli was cancelled.

He further stated that Donatelli asked for \$1,003,000.00 and the figure of \$848,000.00 was a liberal one. He also agreed that there were over 50 sub-contractors connected with the projects, and in the event of litigation, it would be extremely difficult for the city to prove its case since they would have to get experts to refute the testimony of some fifty sub-contractors.

Mr. McCabe readily admitted that the contractor had the "city in a vise" as he put it, and that these situations place a contractor in an extremely advantageous position, and that the city had to make the best deal that it possibly could.

Balancing all the considerations, and due to the fact that Mosher could not get along with Soderback, it was his opinion that the city made the best deal possible.

CONCLUSIONS:

Because no stenographic records of these hearings were held, it is extremely difficult to render a more accurate report of all of the testimony that was made.

Statements were made by certain witnesses; were subsequently denied at later hearings, and it was impossible to refer back to the record since there just wasn't any record.

All of the witnesses appeared were either employees of the city or were retained by the city with the exception of Mosher, and most of the testimony was slanted in their own favor or in

favor of each other, and it appeared that all of the blame was being placed on Mosher. (Especially since the city had approved the plans)?

This appeared to be most unfair, because of the lack of cohesion of the various departments which made it difficult for this project to proceed smoothly. At one point, the Superintendent of Buildings advised the committee that he is supervising the construction or remodeling of some 46 projects simultaneously, and that he is short-handed.

In fact, his own former position of Deputy Superintendent of Buildings has not been filled since he was promoted to his present position.

On the structures themselves, testimony revealed that the size or square footage of the buildings were not changed, and that the only changes were either structural or interior ones. Mr. Soderback repeatedly referred to the fact that the dimensions in the working plans did not dovetail, which in turn meant an automatic change had to be made for the subsequent dimensions. Mr. Soderback did not criticize the overall plans, but rather the above noted lack of cohesion in the dimensions. He explained that the dimensions are similar to a jig saw puzzle where each part must fit or fall into its proper place. He further stated that these are rather simply corrections of a mathematical nature, but that he could not get the cooperation of the architect to furnish revised and proper dimensions on the working plans. Mr. Mosher denied these allegations, stating that prompt corrections were made, but that weeks elapsed before he would hear from the Superintendent of Buildings in regard to the changes that he furnished.

In light of these changes, it is difficult to understand why the Camden Avenue School should have cost \$263,000 more than the original price and the Danforth Street Recreational Center some \$418,000.00 over the original price, or a total of \$681,000.00.

What the actual bid prices on these two projects would have come to under the revised plans can only be guessed at, but my observations from what I heard at these hearings indicated that a figure of \$181,000.00 would have been a most liberal one, and that the city has overpaid at least \$500,000.00 on these two buildings.

It is hard to conceive how so many mistakes in procedure could have been made with all of the experience that the city has had, and with the many buildings that the city has constructed over the years.

I must particularly take the majority members of the committee to task for its unwillingness to have transcripts of all testimony made, for its refusal to allow the press to attend these hearings, and also for its refusal to have tape recordings made of the proceedings.

It appeared to me from the start that they were apprehensive, that certain damaging statements might be made that would become part of the record, and that they were determined from the start that these hearings would be a whitewash for the city and its officials.

IN CITY COUNCIL

OCT 4 1962

READ:

WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

Everett Wheeler
CLERK