

Cost Overruns, Fixing Democracy

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Construction Contracts

- Hire architect, builder via competitive bids
- Total cost should be “guaranteed”
- City would pay for design changes
- Architect pays for design failures
- Builder pays for construction problems

Recent Cost Overruns

- \$500,000 HVAC at admin center
- \$1.5 million at parking ramp
- No legal effort to recover costs
- Gift to architect, builder, private partner
- Fits with secret partner selection
- Builders profit from problems
- "Under Journey Construction's contract with the city, it will receive a certain percentage of the total project costs as payment." (Argus Leader)

Digging Deeper

- Both projects inherently overpriced
- Alternatives to admin building ignored (buy 300 building, adding floor to county admin building)
- Citizen petition ignored for new admin building
- Hotel on parking ramp makes ramp very expensive
- Overruns are gifts, so are both projects

Issues With Democracy

- Elections are expensive
- Have to sell your services to fund campaign
- Contributions make a great investment
- People who could profit most invest most
- \$1 becomes \$760 nationally
- See "The Best 'Democracy' Money Can Buy: For Every Dollar Spent Influencing US Politics, Corporations Get \$760 Back" on <https://www.zerohedge.com/news/2015-03-16/words-greatest-investment-every-dollar-spent-influencing-us-politics-corporations-ge>

Recommendations

- Reclaim \$2 million cost overruns
- Contracts should not reward problems
- City should pay for mayoral campaigns
- \$100,000 to 10 candidates = \$1 million, half of these overruns
- \$100,000 enough to discourage opting out
- Far less than construction costs
- How many other scam gifts are out there?

Beautiful Fall Day

