

UTILITIES SERVICE BOARD MEETING

August 29, 2011

Utilities Service Board meetings are recorded electronically or stenographically and are available during regular business hours in the office of the Director of Utilities.

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:00 p.m. The meeting was held in the Utilities Service Board room at the City of Bloomington Utilities Department Administrative Building in Bloomington, Indiana.

Board members present: Tom Swafford, Julie Roberts, Sam Frank, Jason Banach, John Whitehart, Pedro Roman, and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Mike Bengtson, Jon Callahan, Jane Fleig, Vickie Renfrow, Michael Horstman, Phil Peden, Tom Axsom, and Adrian Reid. Others present: Sue Mayer, Donnie Ginn and Adam Westerman representing Black and Veatch.

MINUTES

Board member Roberts moved and Board member Frank seconded the motion to approve the minutes of the August 15th meeting. Motion carried, 5 ayes, 2 members absent, (Ehman and Roman).

CLAIMS

Board member Roberts moved and Board member Roman seconded the motion to approve the claims as follows:

Vendor invoices submitted to the controller's Office on August 24, 2011 included \$244,137.78 from the Water Utility; \$98,804.71 from the Wastewater Utility; and 10,033.54 from the Wastewater/Storm water Utility. Total Claims approved, \$352,976.03.

Board President Swafford asked for an update on the hydrant flow testing being done by M.E. Simpson.

Motion carried, 5 ayes, 2 members absent, (Ehman and Roman).

Wire transfers and fees for the month of May:

Board member Roberts moved and Board member Frank seconded the motion to approve the wire transfers and fees for the month of May in the amount of \$41,411.29.

Motion carried, 5 Ayes, 2 members absent, (Ehman and Roman).

BID EVALUATION AND RECOMMENDATION FOR AWARD OF CONTRACT FOR THE MONROE WATER TREATMENT PLANT IMPROVEMENTS:

Utilities Director Murphy said while the three bid evaluation items are listed separately there will be a power point presentation that covers all of them. Board President Swafford listed the three projects. He said they would all be discussed together, and then voted on individually.

Adam Westerman, Project Manager with Black and Veatch gave a Power Point presentation that is attached to these minutes.

Assistant Director of Engineering Bengtson said Mr. Westerman had given a good explanation of what has been done so far. He said six contractors had bid on the Monroe Water Treatment Plant expansion. The base bid plus all the alternatives included were tabulated for each bidder. Willhelm Construction was the low bidder. Their bid was \$12,971,000.00. Willhelm Construction provided a chart that shows who he has chosen for his subcontractors. Many of them are from Indiana and Mr. Bengtson said he thinks a lot of local material and labor will be used. There is a bid tab for all six bids telling where they are from and who they are. Black and Veatch investigated the lowest bidder and his capabilities and consider him to be responsible and responsive so the staff recommends that the USB pass the project award resolution for Willhelm Construction.

There were also six bids for the Southeast Water System Improvements, Section 1, which includes the pump station and the tank. There was a tie between two of the bidders. The company chosen was Reynolds as being the most responsive. Willhelm, the low bidder on the plant, was tied with Reynolds but were non-responsive in that they did not list all that should have been listed on the bid form. No superintendent was listed, and some other information that had to be sought after the fact. Along with that there is a Responsible Bidder Ordinance that was passed by the City Council in 2010 that requires the bidder who has the closest corporate office to Bloomington to be given precedence. Reynolds is closer to Bloomington than Willhelm. Reynolds' bid was \$6,797,000.00.

There were eight bidders for the Southeast Water System Improvements, Section 2, which is the pipeline. The low bidder for the base bid, including the pipe material change, was \$10,119,979.00. Howell Contractors, from Fort Wright, Kentucky, is the low bidder. They have listed Dave O'Mara, a local contractor, to do the paving, and have indicated that much of the labor and materials will be purchased locally.

Donnie Ginn, Vice President of Black and Veatch, said they had contacted several references related to each of the three contractors requesting information on quality of work, the ability to remain on schedule, lack of excessive change orders, and responsiveness and cooperation on the project. They talked to both owners and engineers and received generally positive reports for each of the three contractors. One of the things that were important was Howe's experience related to pre-stressed concrete cylinder pipe installation. They have extensive experience with this product, having done projects in Cincinnati and the town of Speedway in Indianapolis.

Board member Whikehart, as the Chair of the Administrative Subcommittee, said they had met at 4:00 pm prior to this meeting. They voted unanimously to recommend Willhelm Contractors for the MWTP Improvement project.

Board member Roberts seconded the recommendation of the Administrative Subcommittee that the contract for the Monroe Water Treatment Plant Improvements be awarded to Willhelm Construction, Inc. in the amount of \$12,971,000.00. Motion carried, 6 ayes, 1 member absent, (Ehman).

BID EVALUATION AND RECOMMENDATION FOR AWARD OF CONTRACT FOR THE SOUTHEAST WATER SYSTEM IMPROVEMENTS SECTION 1:

Board member Whikehart said the Administrative Subcommittee voted unanimously to recommend the award of the Southeast Water System Improvements, Section 1 contract to Reynolds, Inc. out of Orleans, IN.

Board member Roberts seconded the recommendation of the Administrative Subcommittee that the contract for the Southeast Water System Improvements, Section 1, be awarded to Reynolds, Inc. in the amount of \$6,797,000.00. Motion carried, 6 ayes, 1 member absent, (Ehman).

BID EVALUATION AND RECOMMENDATION FOR AWARD OF CONTRACT FOR THE SOUTHEAST WATER SYSTEM IMPROVEMENTS SECTION 2:

Board member Whikehart said the Administrative Subcommittee voted unanimously to award the contract for the Southeast Water System Improvements, Section 1, to Howell Contractors in the amount of \$10,119,979.00.

Board member Roberts seconded the recommendation of the Administrative Subcommittee that the contract for the Southeast Water System Improvements, Section 2, be awarded to Howell Contractors, Inc. in the amount of \$10,119,979.00. Motion carried 6 ayes, 1 member absent, (Ehman).

Utilities Director Murphy thanked the USB and the City Council for their time, effort, patience, and foresight in approving a rate increase that allows for these projects. He also thanked Utilities staff, in particular, Mike Bengtson, Mike Hicks, Jon Callahan, Rachel Atz, Michael Horstman, Vickie Renfrow and Kevin Robling. He thanked some of the public entities that supported these projects such as the Commission on Sustainability, Matt Laherty, Black and Veatch, the Chamber of Commerce, Indiana University, and Bloomington Economic Development Commission.

Board President Swafford said the USB thanks Utilities Director Murphy, Black and Veatch, and all the staff. He said this is just the beginning. He asked that the USB be briefed periodically on the progress of these projects. He said he expects the contractors to behave in a timely fashion and not be late. Mr. Murphy said this is the largest Public Works project, other than IU, that will be employing many local people. Mr. Swafford said they had calculated that about 60% of the contracts would be local. Mr. Murphy pointed out that they would be paying sales tax on materials purchased locally and County Option Income Taxes on the wages.

APPROVAL OF CHANGE ORDER NO. 1 WITH CITY INFRASTRUCTURE SYSTEMS, INC:

Capital Projects manager Hicks said this is in regard to the Dillman Road Wastewater Treatment Plant effluent filter rehabilitation project that has been ongoing since February. There continue to be problems with instrumentation and electric valve actuators already in existence for the control systems. They were not a part of the approval of the original project because it was not financially feasible. However, the prices for removing the media and under drains for two of the filters in the base bids were so low it was decided to move ahead and remove the media and under drains for another two filters while continuing to try to work with the existing control systems. Three or four weeks ago there was a waterline break in the lower gallery on a surface wash supply line which flooded some of the control electronics making it necessary to order replacements for the controls that were damaged by electrical surges. This is another set back. What is being requested is an extension in time to move this project out. The substantial completion deadline has already arrived so the contractor needs more time due to Utilities' delays. The time is being pushed out until the spring since some of the last work to be done is grading and seeding. The cost to the contractor to push this project out that far is \$4,000. That is for mobilization and de-mobilization. The new substantial completion date is June 15th, and final completion is July 1st. The costs of mobilizing and demobilizing are for moving all the equipment in and out and for bonds and insurance. At the beginning of the

project a schedule of values was made for all the tasks associated with the project. In the initial schedule of values the cost of mobilization and de-mobilization was \$24,000. That makes \$4,000 seem fair for the contractor.

Board member Roberts moved and board member Roman seconded the motion to approve Change Order No. 1 with City Infrastructure Systems, Inc. Motion carried, 6 ayes, 1 member absent, (Ehman).

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

The Administrative Subcommittee met as was reported earlier in this meeting.

STAFF REPORTS:

There were no staff reports.

PETITIONS AND COMMUNICATIONS:

There were no petitions or communications.

ADJOURNMENT:

The meeting was adjourned at 5:36 p.m.

L. Thomas Swafford, President