

FINANCE COMMITTEE MINUTES
January 25, 2011
Chairman Steve Lee
Vice-Chairman Charles Julien

Members: Haston Lewis, Danny Millet, Charles Julien, Jaclyn Hotard, Darnel Usry, Cheryl Millet, Raydell Morris

PRESENT: Haston Lewis, Cheryl Millet, Ronnie Smith, Steve Lee, Raydell Morris, Charles Julien, Danny Millet

ABSENT: Darnel C. Usry & Jaclyn Hotard

BID OPENING REPORT/AWARDS:

Brenda Labat – Bid Openings – (Carry Over 1-11-11) Building Materials & Supplies for Weatherization Program related to ARRA & regular Doe Weatherization Programs

Brenda Labat, Director of Purchasing, stated, *"Our first opening today was for building materials and supplies for the weatherization program related to the ARRA & regular DOE weatherization program. There was one bidder Home Depot here in LaPlace. There are multiple items on this bid and we would need to review it and see if all is in order. We ask to take these under advisement."*

Councilwoman Millet stated, *"I am so glad somebody local is getting something. Thank you."*

MOTION: Councilman Smith moved and Councilwoman Millet seconded the motion to take the one bid from Home Depot for Building Materials & Supplies for Weatherization Program related to ARRA & regular Doe Weatherization Programs under advisement. The motion passed with Councilwomen Hotard & Usry absent.

Councilwoman Jaclyn Hotard arrived at 6:03 PM.

Brenda Labat – Bid Openings – (Carry Over 1-11-11) Labor/Service & Materials for installation of Insulation related to ARRA & regular DOE Weatherization Programs

Brenda Labat, stated, *"The next item was labor/service and materials for installation of insulation related to ARRA & regular Doe weatherization program. Again, these are multiple items, we had four bidders EDR Construction from LaPlace, Energy Insulation, Inc. out of Mississippi, Brotherhood Way General Contractors, LLC from Metairie and Reveal Images out of Gretna. We ask to take these multiple items under advisement."*

MOTION: Councilman Julien moved and Councilman Morris seconded the motion to take the bids for Labor/Service & Materials for installation of Insulation related to ARRA & regular Doe Weatherization Programs under advisement. The motion passed with Councilwoman Usry absent.

Brenda Labat – Bid Awards – (Tabled 1-11-11) – 2011 Removal & Replacement of concrete sidewalks, driveways & streets – Authorization to award the low bid to DMC of Metairie

The administration request this item remain tabled.

Brenda Labat – Bid Awards – (Tabled 1-11-11) – Drainage Excavations of Parish ditches – 2011 Annual Contract – Authorization to award the low bid to Compass Ventures of LaPlace

The administration request this item remain tabled.

Brenda Labat – Bid Awards – Persimmon St./St. Joan of Arc drainage improvements to be awarded to Command Construction of Metairie Project cost \$1,539,190.00 – project funded from the 2009 Bond Issue

Brenda Labat stated, *"The administration recommends awarding the low bid to Command Construction of Metairie at a cost of \$1,539,190.00. This is a project funded through the 2009 Bond Issue at an estimated cost of \$1,600,000.00."*

MOTION: Councilman Lewis moved and Councilwoman Hotard seconded the motion to award the bid for Persimmon St./St. Joan of Arc drainage improvements to be awarded to Command Construction of Metairie Project cost \$1,539,190.00 – project funded from the 2009 Bond Issue. The motion passed with Councilwoman Usry absent.

Pat McTopy/C. J. Savoie – Certificate of Substantial Completion to BIP & Sons, LLC for the River Road East lift station at Azalea Gardens Subdivision, LaPlace

Pat McTopy, CFO, stated, *"This project has been completed. It was a bid project and we are ready to close it out and we are asking for the Certificate of Substantial Completion which starts the close out process."*

MOTION: Councilman Morris moved and Councilman Smith seconded the motion to grant a Certificate of Substantial Completion to BIP & Sons, LLC for the River Road East lift station at Azalea Gardens Subdivision, LaPlace. The motion passed with Councilwoman Usry absent.

Pat McTopy/C. J. Savoie – Change Order #3 from URS for the bidding and construction phase services for construction of the Booster Pump Station at the DuPont Site

Pat McTopy stated, *"As you recall this project was designed through a grant paid for by the Regional Planning Commission. The parish did not have to pay for the design phase. The construction, administration and the bid phase and the resident inspection services were paid for by the parish. A year or so ago the parish negotiated a contract with URS to perform those services. It was on a time and materials basis. The project lasted longer than the construction period called for. It lasted actually still we haven't finalized it yet. It was called to run for six months. We are into the ninth or tenth month now. As such the engineer was required to perform additional services, particularly inspection services because of the increase duration. Now it is our intent to seek liquidated damages from the contractor for the delays that he has incurred to offset much, not all but much of this requested change. So we are asking that we be authorized to amend the contract to incorporate these charges."*

Councilman Morris asked, "I have some questions about this lift station and the change order. Item A on the change order says unforeseen settlement. Was that after the lift station was installed or before?"

Pat McTopy stated, "It is my understanding that the lift station was installed and during the construction process there was some settlement that occurred."

Councilman Morris asked, "So why should we have to pay for it if this was an engineering problem. They pay for design and if their design has a flaw in it, why should we pay?"

Natalie Robottom, Parish President, stated, "Mr. Morris initially we received a change order for slightly higher. We went through every item both with the engineering company, the contractor, all of our staff, as well as legal counsel. That was one of the items that was recommended that we pay because it was unforeseen neither the contractor nor the engineer could determine that regardless of the fact that soil borings were taken. They may not have been taken at that exact site and I think there was a reference made to the soil in our area that would have made it very difficult. In the negotiation process it was recommended that this was one of the items that we pay. There were others that were not and negotiated in good faith but this was one that was recommended that we pay."

Councilman Morris asked, "I have a little knowledge about the sewer system. This lift station is an intermediate lift station, a line that was supposed to be temporary from the Za Montz Reserve area to LaPlace. I would like the engineer, Chuck or somebody from URS to answer this question for me. As you know gallons is dependent on head, size of pipe and rpm. When this station first was designed for thirteen years it was roughly a hundred horse power motor that ran for thirteen years from the oxidation pond to LaPlace. Everybody knows that is in Reserve roughly by Central Avenue. Two or three years ago there was an emergency declaration declared by this council or administration that came and revamped the lift station. They put two hundred horse powers in. Roughly I think it may be five miles from Reserve to LaPlace. If this two hundred horse power ran for two years, in this construction we came in and cut 2/3's of the distance down. When you cut the distance down, you cut the head down and the gallons are the same. I would like the engineer to tell me why we had to go with a three hundred horse power motor for a third of the distance? You have less head, the same flow. You are not having any additional flow. It seems like we may have went overkill. So I would like the engineer to tell me his engineering reason why we had to go with such a large lift station there?"

Navid Chenevert, Project Engineer, stated, "The pump station pumps more and the system pumps more than what the current existing pump station is pumping to the River Road treatment plant by one million gallons per day. That is the flows that are coming out of Reserve that need to go to the River Road treatment plant."

Councilman Morris asked, "Isn't the flow that is coming from the station that we upgraded two and a half years ago the same? There is no collection system and there is no additional pumping station. So all we did was cut a force main and put an intermediate pump station. So I

don't understand why you are telling me that we went up because of additional flow. Where is the additional flow coming from?"

Navid Chenevert stated, "Before the DuPont lift station was in operation the existing lift station wet well and the collection system was the storage for the Reserve sewer flows. Having cut the head into half the pumping capacity of the pump station is increasing because the pumping capacity is related to the head. If the head goes up the pumping capacity falls down and if the head goes down the pumping capacity goes up for the pumps. Hence it was designed in such a way that the head is cut into half and hence the pumping capacity goes up at Za Montz and also the booster pump station."

Councilman Morris stated, "I understand that. I don't agree with the explanation because after you cut it in half if you are pumping three hundred gallons, that lift station is pumping three hundred gallons and it should be less because based on your explanation. I am no engineer and I don't want to argue with you but I think that to administration I believe that just like two weeks ago Ms. Hotard questioned how are you going to put our contractors on a point list? I think you need to put our engineers on a point list so that when you recommend to this council for a new project it should be guided with that point list."

Councilman Lee stated, "I want to make sure I understand Mr. McTopy's clarification regarding liquidated damages. No where in here are you saying that liquidated damages are part of the negotiation. I believe what you are saying and I am trying to clarify this, is that it is administration's position to consider liquidated damages against the contractor correct?"

Pat McTopy stated, "That is correct."

Councilman Lee stated, "But it is not a part of the negotiated request at this time."

Pat McTopy stated, "That is correct."

Councilman Lee stated, "Thank you. I wanted that clarified."

Councilwoman Hotard stated, "I just wanted to add really quickly, I believe it was maybe about four or five meetings ago that we discussed them implementing the point system. I am not sure if they have started doing for the engineering services. I believe it is for professional services not items that are bid out. That is what we discussed."

MOTION: Councilman Julien moved and Councilman Morris seconded the motion to grant Change Order #3 from URS for the bidding and construction phase services for construction of the Booster Pump Station at the DuPont Site. The motion passed with 7 yeas, 1 against (Morris) and 1 absent (Usry).

Pat McTopy/C. J. Savoie – Change order – Ruddock water tank rehab priority 2 – \$57,100.00

Pat McTopy stated, "Yes during the construction of the improvements sandblasting, priming and painting of this tank it was determined that the rafters that support the roof were under stress. They were in need

of repair. We have Mr. DiFranco here the design engineer, if there are any specific questions as to the extent of the repair that was needed. He is recommending and Mr. Savoie has reviewed his recommendation. Mr. DiFranco is recommending that this work is necessary. He has evaluated the price. He feels the price is reasonable. Administration recommends, along with the engineers, that this change order be approved to get this tank back in service."

Councilwoman Millet stated, "I am looking at the report from Blastco that is indicating that we need to replace all fifty-four and then the engineer is saying that we only need to replace thirteen. Are we going to be coming back at another time to replace more of these or is this the end of the story?"

Pat McTopy stated, "I will let Mr. DiFranco address that. As I have advised a number of times in the past, that water portion of the 2009 Bond Issue in particular is very tight. The budget is very tight. We have added some projects as you know the walkway at the Edgard water plant, the generators, etc. Some of these funds most likely will have to come from the Utilities capital improvement account but we can handle it as long as you are aware and work with us down the road on this."

Henry DiFranco, Principal Engineering, stated, "No we are not going to have to replace them all because we are adding an intermediate support as well under this change order."

Councilwoman Millet stated, "That is my concern. I didn't know if you were going to have to come back after a little while later to ask for more of the fifty-four to get to the total amount."

Henry DiFranco stated, "No we won't. We are adding the intermediate support. Other rafters, other than these thirteen, are starting to show signs of distress and some buckling but adding this intermediate support should prevent any further failure."

Councilman Lee stated, "Council you recognize that these items are under Pat McTopy and also C. J. Savoie. I would like for the record Mr. Savoie to concur that he is in agreement with administrations position because he is our parish engineer. Please for the record. It was my oversight on the last one."

C. J. Savoie, Parish Engineer, stated, "Yes I did review the plans on this. There were three possible solutions to this. This is the one we chose. It is kind of the middle of the road but we feel like this is the best one and he shouldn't have to come back after this. That is not to say that twenty years down the road something else can't happen. Nobody has a crystal ball but I feel like this is a good solution."

MOTION: Councilwoman Hotard moved and Councilman Smith seconded the motion to grant a change order – Ruddock water tank rehab priority 2 – \$57,100.00. The motion passed with Councilwoman Usry absent.

Pat McTopy/C. J. Savoie – Reserve Boat Launch Improvements – change order #1 – replacing of 13 pilings – \$12,350.00

Pat McTopy stated, "When this project was bid we had unit prices for

installation of pilings that might be required. As it turned out I don't know the exact number that was put in the bids that needed to be changed but there was a specific number that was in the bids. Based upon the dismantling of the pier and exposing the pilings, it was determined that there was an additional thirteen pilings that needed to be changed. Fortunately there is a unit price in the contract that was publicly bid, for the cost of each of these pilings. I think it was \$950.00 a piece but in any case we are asking for a change order to put these new pilings in to make sure that this structure is built properly and safely."

Councilman Smith asked, "Pat, the \$12,350.00 is that available in the money that we have allocated for that project?"

Pat McTopy stated, "Yes."

C. J. Savoie stated, "They did discover the additional pilings that needed to be replaced and this is the unit price that they gave. So I concur."

MOTION: Councilman Julien moved and Councilman Morris seconded the motion to grant change order #1 – Reserve Boat Launch Improvements – replacing of 13 pilings – \$12,350.00. The motion passed with Councilwoman Usry absent.

Pat McTopy/C. J. Savoie – West Bank Park Improvements – materials cost – \$5,051.00

Pat McTopy stated, "As you know when a project is bid, we bid unit prices for various items. On this specific contract we had unit prices for several different items, particularly limestone that was the bulk of it. When the project is completed the engineer does a comparison of the bid quantities versus the actual quantities that were installed and we do a reconciliation, based on that there were a lot of items that we used less than was anticipated, particularly the limestone that was used more. The net affect of all the reconciliation is the \$5,051.00."

C. J. Savoie stated, "I do concur."

Councilwoman Millet asked, "Are we still in the budget on this item as well?"

Pat McTopy stated, "Yes."

MOTION: Councilman Lewis moved and Councilman Morris seconded the motion to authorize the West Bank Park Improvements – materials cost – \$5,051.00. The motion passed with Councilwoman Usry absent.

Any and all other financial concerns

There were no other financial concerns at this time.

Adjournment

MOTION: Councilwoman Hotard moved and Councilwoman Millet seconded the motion to adjourn. The motion passed with Councilwoman Usry absent.