

FINANCE COMMITTEE MINUTES
August 24, 2010
Chairman Steve Lee
Vice-Chairman Charles Julien

Members: Haston Lewis, Danny Millet, Charles Julien, Jaclyn Hotard, Darnel Usry, Ronnie Smith, Cheryl Millet, Dale Wolfe, Steve Lee

PRESENT: Haston Lewis, Darnel C. Usry, Cheryl Millet, Steve Lee, Ronnie Smith, Danny Millet, Charles Julien, Jaclyn Hotard

ABSENT: Dale Wolfe

BID OPENING REPORT/AWARDS:

Bid Openings – Sale of Two Sewage Package Treatment Plants

Brenda Labat, Director of Purchasing, stated, *"This afternoon we had one bidder on these sewage package treatment plants. We had requested a minimum bid of \$240,000.00. We had one bid from Curtis Environmental Services for \$80,000.00. We request to take this under advisement."*

Councilman Lee stated, *"I would hope that we are in no rush to do this and I am sure that the administration is going to seriously consider this because there is a big difference between 240 and 80. I hate to see us give something away that we bought and we know we could use but any how that is just my opinion."*

MOTION: Councilman Smith moved and Councilwoman Millet seconded the motion to take the one bid from Curtis Environmental Services under advisement. The motion passed with Councilman Wolfe absent.

Bid Award – Balsam St. drainage improvements

Brenda Labat stated, *"This award will go to Sampey General Contractors at a cost of \$60,058.00. The engineering estimate was \$90,000.00."*

Councilman Smith asked, *"My concern is we had a \$90,000.00 estimate from our engineers and they came in 1/3 of that below the cost. That is great if they can do that for that price but my thing is I don't want 22 change orders during this process and then all of a sudden that price goes from \$60,000.00 up to \$80,000.00."*

Gerald Babin, PEC, stated, *"The parish actually purchased the material for this project before hand. What we bid out was labor. My estimate was \$90,000.00. It was kind of hard to get a handle on what the contractor would charge for just the labor when the materials are already secured. I feel confident with this. We had 10 bidders and there were 2 within the \$60,000.00 range and a couple of them in the \$70,000.00 range and I feel confident with this bid."*

Councilman Lewis asked, *"How do you know what you are going to run? Has the area been marked?"*

Gerald Babin stated, *"We have a set of detailed plans. We are pretty comfortable with this it is going under a preexisting ditch."*

MOTION: Councilwoman Millet moved and Councilman Smith seconded the motion to award the bid for the Balsam St. drainage improvements to Sampey General Contractors at a cost of \$60,058.00. The motion passed with Councilman Wolfe absent.

C.J. Savoie – Change order #1 – Ruddock Well Site No. 2 increased amount of \$18,250.00

Chuck Savoie, Parish Engineer, stated, "This is on the generator project. As you know we went out for bids on the generator project. We had a low bid of \$341,000.00 with Central Electric of Monroe. This is a change order that we are requesting. We had designed the generators to be built up about four feet above the natural ground. We have a situation out there where the electrical gear is sitting almost just above the natural ground so there is no point in putting a generator way above it if you get a flood out there it is going to flood the electrical gear then the generator becomes of no use. So that was the reason we didn't go to high with the generators. However, it has come to our attention just recently that we have to change the switch gear in this location. So while we are doing that the discussion came up as to why don't we raise the switch gear up to a six foot level. The well is already sitting up high. That would put the switch gear high and it only left the generator two feet low. In order to do that we have to build a retaining wall around the entire area, we asked them for a price they came back with \$18,250.00. I think it is a fair price. I think it is a prudent move now to go ahead and move the generator up to the new elevation and then it is all protected."

Councilwoman Millet asked, "I want to see if I got this straight. You are also raising the switching or is that going to come at a later date?"

Chuck Savoie stated, "Correct. That is coming at a later date because we are trying to get the design completed on that. That is being done by another engineer."

Councilwoman Millet asked, "So we will have another change order coming in on that?"

Chuck Savoie stated, "That has nothing to do with the generators as far as this project is concerned. That would be a completely new project. That is not a part of this actual project as far as this contract goes. In other words this contractor is not doing that electrical switch gear. That will be designed and constructed under another contractor but the process of raising it is what was brought into question and that is what prompted this change order."

Councilwoman Millet asked, "So we are going to build the wall then we are going to move the switch? Is that correct?"

Chuck Savoie stated, "Well we are not going to move it on that wall. We are talking about raising it up in place. The generator, of which I am asking the change order for is \$18,250.00 that is to raise the generator. The switch gear sits in another building. We are talking about raising that building in some future time here and putting the switch gear up in the air also then everything is in the air."

Councilwoman Millet asked, "But right now we are raising the generator but keeping the other stuff lower?"

Chuck Savoie stated, "It is still in place, correct."

Councilwoman Millet asked, "And that will come?"

Chuck Savoie stated, "Hopefully pretty soon."

MOTION: Councilwoman Usry moved and Councilwoman Hotard seconded the motion to approve change order #1 – Ruddock Well Site No. 2 increased amount of \$18,250.00. The motion passed with Councilman Wolfe absent.

C.J. Savoie – Certificate of Substantial Completion – Edgard Water Plant Raw Water Submersible Pump Station

Chuck Savoie stated, "This has been going on for quite some time for several years but we are now complete with the Edgard raw water pump station. Boh Brothers was the contractor. The project has been completed. We had a total of \$9,500.00 in change orders that was approved. I think they have done a very good job on the project. We closed out the punch list items. We had a final inspection. I am ready for the substantial completion at this time."

Councilman Lewis stated, "I hope this doesn't happen anywhere else in the parish again. Do you realize it took four years to get an intake line in that plant? We spent all kind of money trying to get it done. I hope this never happens again. We even went without water a couple of times. Could you imagine if this were to happen on this side of the river what would really happen with the amount of people that you have over here? We need to look at our whole water system in general. When something happens we need to have some kind of capital outlay money that this doesn't drag. It was the Corp's fault to a certain amount but it was our fault too because this job started at about \$200,000.00 give or take and ended up costing close to a million dollars because of certain things that the Corp wanted and we didn't have the money to do it."

Councilwoman Usry asked, "Is the walk-way completed also?"

Chuck Savoie stated, "The walk-way is not a part of this project. It is being designed under another contract by DES as they are doing some work to design a clarifier at that same site. They will be designing a walk-way."

MOTION: Councilman Lewis moved and Councilman Millet seconded the motion to grant a certificate of substantial completion for the Edgard Water raw water submersible pump station. The motion passed with Councilman Wolfe absent.

Pat McTopy – Request for issuance of a Task Order to Murray Architects for inspection services in the amount of \$18,720.00

Pat McTopy, CFO, stated, "The contract between the parish and Murray for architectural services does not include a fee for resident inspection. He submitted a proposal to perform the resident inspection

services in the amount of \$18,720.00. We recommend that you accept that proposal and authorize us to sign the agreement."

MOTION: Councilman Smith moved and Councilman Millet seconded the motion to authorize administration to issue a task order to Murray Architects for inspection services in the amount of \$18,720.00 at the Reserve Boat Launch. The motion passed with Councilman Wolfe absent.

Any and all other financial concerns

Councilman Wolfe arrived at 6:19 PM.

Pat McTopy – Change Order #1 Water Tank Rehabilitation Priority 2, increase of \$17,100.00 for roof repairs to Edgard Water Tank

Henry DiFranco, Principal Engineering, stated, *"I want to thank the council for granting this request to consider approval of change order # 1 for the water tank rehabilitation project priority 2. As you recall the project was recently awarded to Blastco Texas Inc. the dollar value of the contract was \$877,250.00 which was under the budgeted amount of one million dollars. In the work to date, they started at the Edgard water treatment plant at one of the Edgard tanks and they were blasting and preparing the roof at one of the tanks for coating and due to the amount of rust that they had on the roof it didn't leave enough steel for coating. As a matter of fact as they were preparing the roof it was creating some holes in the roof. So we asked them to give us a price for two different scenarios one to do spot repairs for the hole so that we could finish the coating or the other option to replace the roof. They gave us a price to replace the roof of \$31,300.00 and a price for repairs of \$17,100.00. We recommend that we approve the change order to do the repair for \$17,100.00 to the roof which would increase the contract value to date to \$894,350.00."*

Councilman Lee stated, *"This was an item that is being covered under any and all financial concerns. As madam secretary explained it got late to the agenda meeting. It was included in our data but it is something that administration felt needed to be dealt with tonight it just didn't get to the paper on time. So it of course is up to this council but Mr. DiFranco went into the explanation that being the administration's recommendation in length but this I believe was included in the booklet. So if I can it was under Mike Carmouche's signature so if the council wants to take some time to evaluate this that is fine. If not I would like a motion for discussion at least."*

MOTION: Councilman Smith moved and Councilwoman Millet seconded the motion for discussion.

Councilman Lewis asked, *"Mr. DiFranco the problem I have with repairing that thing is who is going to guarantee that repair job?"*

Henry DiFranco stated, *"The contractor."*

Councilman Lewis asked, *"How long is it going to last? You know if you fix something and you patch here and there who says the rest of it or the frame is going to hold up?"*

Henry DiFranco stated, *"The repair method is to weld metal steel strips*

on top of the existing roof to cover the holes."

Councilman Lewis asked, *"You said \$17 versus \$34. So another \$17,000.00 we can replace the roof?"*

Henry DiFranco stated, *"To replace the roof right."*

Councilman Lewis stated, *"I think I would rather see that we replace that top because risking \$17,000.00 I don't think that is too good. If part of that thing, I'm really scared of the whole thing to tell you the truth. I am wondering about the rest of the tank. Did you all check the entire tank out or just the roof?"*

Henry DiFranco stated, *"The rest of the tank we are not having a problem with the rest of the tank. It is only the roof."*

Councilman Lewis asked, *"Did you all sandblast the tank all the way around?"*

Henry DiFranco stated, *"They are working in the interior now."*

Councilman Lewis asked, *"And you recommend the repair?"*

Henry DiFranco stated, *"Due to the cost, although there are some contingency dollars in these tank projects we wanted to reduce the cost. The repair is going to be long lasting."*

SUBSTITUTE MOTION: Councilman Lewis moved and Councilman Julien seconded the motion to disregard administration and Principal's recommendation and to replace the roof in its entirety at a cost of approximately \$31,000.00.

Councilman Julien stated, *"I guess I feel the same way Mr. Lewis feels. I am just trying to find out what is the life expectancy of the replaced roof versus the repaired roof. That is basically my question."*

Henry DiFranco stated, *"Well I would think the repair is going to be long lasting. It is a method that is tested and will probably continue to last the life of the remaining tank. As Mr. Lewis mentioned the entire tank is aging. Replacing the roof on an existing tank that may be limited in life as well may not be the best option at this point. That is why we are recommending the repair versus a new roof. In the near future it may be time to replace the entire tank."*

Councilman Lewis stated, *"Can we ask Mr. Savoie our engineer? I want to see what he has to say about this."*

Chuck Savoie stated, *"Councilman Lewis we have done many, many tanks. What they are proposing it is not like they are going in and patching just a hole. They are going to remove sheets of metal and replace sheets of metal and put it wherever the metal is bad. They do the sandblasting. They check to see the thickness of the metal. If the thickness of the metal is not satisfactory then they come back and they tell you where they need to replace parts on the roof and so forth. The basic infrastructure for the roof is presently pretty much in tact. When they go to place sheets and so forth you get that problem. It is a typical situation to go in and replace spots and sheets and so forth on*

a roof. The repair job I would feel very satisfied with. I think that you are going to have it equivalent to the rest of the tank. They are going to sandblast it again, paint it and it is going to be equivalent to the rest of the remaining tanks. I think you are okay with just doing the repairs and that is my opinion."

Councilman Lewis asked, "What do you think the life expectancy is of that tank?"

Chuck Savoie stated, "Well after they paint it we know it is good for about another ten to twelve years from that paint job. Now if you continue to paint it and you don't let it corrode it continues. So that can continue for a long time if you maintain it. So to say the expectancy of a tank, it depends on how much you let it deteriorate. This one probably went too long for the roof because it got acid rain on top of it. It gets humidity from underneath the tank and so forth. It probably experienced a lot of fatigue because it didn't get enough painting and maintenance in the past. So I would assume that is probably why you are getting this roof. I have had it many times where the roof has gone and the rest of the tank is in pretty good shape and the roof isn't."

Councilman Lewis stated, "I like what he is saying but I am still not sold on it."

Councilman Lee stated, "Well you are going to have a chance to vote on it. We have had two engineers recommend it. Mr. Julien I apologize you have the floor."

Councilman Julien stated, "Mr. Savoie I have heard your side. Mr. DiFranco even though you said it was due to the money, what would you think, taking into consideration both, what do you think would be the best move from your professional stand point?"

Henry DiFranco stated, "The cost became an issue because of the age of the existing tank. To put a new roof on an old tank, it made more sense to make the repair. We feel that it is going to last as long as the age of the tank. As Mr. Savoie said if the tank is maintained after this point it could last for many years in the future."

Councilman Smith stated, "I hire engineers to do engineer work. I am not disputing what my other council members are saying. I think if my engineer's are telling me we only need to do repairs that may be all we need to do. My concern is probably the same concern that Mr. Lewis has and that concern is what happens five years from now when we decide to paint this again? Is the other portion of the roof going to be too thin then when we go to blast that? Have they blasted the entire tank or do they still have a big section of the tank to do where it can come up that we have to repair this side of the tank or something like that. So I guess it is six one way and half a dozen of the other. I would like to follow the recommendations of the engineer that we hired and our engineer but then again I have concerns and I don't know if you can answer those two questions that I just asked."

Henry DiFranco stated, "This tank the majority of the blasting is complete and this is the only repair other than some minor things that were already in the contract. This should complete the repairs to this

tank."

Councilman Smith stated, "So I am like this, if my fellow council member who made the substitute motion wants to keep his motion on the floor I will support it but at this time I am leaning towards doing what my engineers are recommending that we do."

Councilwoman Millet asked, "Has any other sections of this roof been repaired or is this just the one section that needs repairing?"

Henry DiFranco stated, "This is to repair the entire roof structure. There are no other patches on this existing structure already. This is the first time we are doing something to the roof of this tank."

Councilman Lewis stated, "What are we talking about another \$16,000.00 and we have a new roof versus a used roof that you don't know how long it is going to last. That is what I am looking at."

Councilwoman Usry asked, "How long is the rest of the tank expected to last?"

Henry DiFranco stated, "As Mr. Savoie mentioned once this entire project is complete on this tank and it is recoated the tank could last many years. It depends on how long it goes again without rehabilitation in the future. If you are looking at maintaining it in another five years, which is the recommended time frame if you rehab again in five to eight years it is expected to not have that issue based on its condition."

SUBSTITUTE MOTION: Councilman Lewis moved and Councilman Julien seconded the motion to disregard administration and Principal's recommendation and to replace the roof in its entirety at a cost of approximately \$31,000.00. The motion failed with 5 nays (Millet, Hotard, Lee, Usry, Smith) and 4 yeas (Wolfe, Lewis, Danny Millet, Julien).

MOTION: Councilman Smith moved and Councilwoman Millet seconded the motion to approve change order #1 – Water tank rehabilitation – Priority 2 increase in the amount of \$17,100.00. The motion passed unanimously.

Adjournment

MOTION: Councilwoman Millet moved and Councilwoman Hotard seconded the motion to adjourn. The motion passed unanimously.