



"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

Sewerage & Water Board OF NEW ORLEANS

MITCHELL J. LANDRIEU, President

625 ST. JOSEPH STREET
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52-WATER
www.swbno.org

March 19, 2018

The Finance and Administration Committee met on Monday, March 19, 2018 in the S&WB's Second Floor Board Room located at 625 St. Joseph Street, New Orleans, LA. The meeting convened at approximately 1:00 PM.

Present

Director Joseph Peychaud
Director Dr. Tamika Duplessis
Director Ralph Johnson

Absent

Director Eileen Gleason
Director Stacy Horn Koch

Other Board Members Present

Director Andrew Amacker
Director Poco Sloss

ACTION ITEMS:

➤ General Superintendent's Recommendations

Interim General Superintendent, Bruce Adams, read through each item under Bids. There was only one bid in the amount of \$1,747,095.75 for R-038-2018, which was over the estimated amount of \$1,000,000.00. In the absence of the department manager to speak to the issue, Mr. Adams recommended that Item 1 be rejected. Items 2-4 were recommended for approval. Director Ralph Johnson moved to reject resolution R-038-2018 and approve resolutions R-039-2018 (Contract #1404), R-028-2018 (Contract #5240), and R-014-2018 (Contract #30106). Director Dr. Tamika Duplessis seconded. The motion carried.

As a result of R-038-2018 being rejected, there would have to be a re-bid. That process would entail reviewing the bid proposal to see what the S&WB advertised that prevented others from responding, and then immediately getting the proposal back on the street with any recommended changes.

In response to a question about whether percentages are being built into contracts, Mr. Adams explained that an estimate is done to compare the bids that are received; however, that estimate does not include contingencies for change orders but is used to determine the validity of the bids that come in for the various proposals.

Interim Executive Director, Ms. Marcie Edwards, stated that we are headed in the direction of reducing change orders.

Chief of Engineering, Mr. Ron Spooner, explained why there was no DBE participation on Contract #5240. There was no DBE participation because of the nature of the work and the specialization involved with pump repairs. This contract was vetted with the DBE Department. All construction contracts must be reviewed by the Construction Review Committee prior to going out for bid.

There will be a presentation made to the Finance & Administration Committee and the full Board on the DBE process so that everyone understands the depth of the analysis, the questions, and the support that is provided to the vendors before it is determined that all reasonable efforts have been exhausted to increase their percentages.

➤ **Change Order(s) & Contract Amendments**

- Director Ralph Johnson moved to approve Resolution (R-027-2018) Approving Contract Amendment No. 2 to The Agreement between The Sewerage & Water Board of New Orleans and Arcadis U.S., Inc. Consulting Services, for Design and Engineering Services for Sycamore Filter Gallery Backwash Facility. Director Dr. Tamika Duplessis seconded. The motion carried.

Mr. Adams was asked if the need for additional engineering and design services was in the original contract. When the original contract was awarded, it was intended to cover all phases of the project. At that time, the Board preferred that the work be done in segments and decided to use an amendment vehicle as a way of doing it in sections. For the completion of the project, the DBE is 35%, and the vendor has declared that it will meet that goal.

- Director Dr. Tamika Duplessis moved to approve Resolution (R-030-2018) Approving Contract Amendment between The Sewerage & Water Board of New Orleans and HNTB Corporation for Design and Engineering Services for Water Tank Storage Mixing and Repair Project and Algiers Water Purification Plant Improvement Project. Director Ralph Johnson seconded. The motion carried.

The required DBE on this contract is 35%. The participation thus far is 9%. The DBE Department and HNTB have been in conversation concerning this issue, which is being managed appropriately by the DBE Department and HNTB. They have been meeting on a routine basis.

Director Dr. Duplessis wanted to know why we were using consultant services as opposed to doing the work in-house for this contract. Mr. Adams stated that this is typically done with all of our consultant contracts to a certain degree. Our staff is involved in the interview process along with the Procurement Department, but we depend upon the consultants and their expertise to provide critical, technical reviews and bids. There may be questions that arise during the bidding process regarding

designs from the contractors who are potential bidders that must be addressed by the engineer of record.

Ms. Edwards pointed out that this is a different type of contract in that the work was not necessarily contemplated at the time that the original job was contracted. It's for information that arose later as well as structural improvements that were needed.

Mr. Spooner stated that this is a professional services contract. Normally, there is no fixed time period with a professional services contract as you would have with a construction contract. Once the Board approves that design services, they would work on that contract within their budget or any other amendment until that design is complete. The Board has a projected time table for each contract so that we can ensure that things stay on track. Going forward, the projected time frame that a contract will go out to bid will be included in the description of the contract.

- Director Ralph Johnson moved to approve Resolution (R-032-2018) Approving Ratification of Change Order No. 13 for Contract #6247 – Hazard Mitigation Grant Project Retrofit of Generator 4 at The Carrollton Water Purification Plant/Power Complex. Director Dr. Tamika Duplessis seconded. The motion carried.

The bulk of this change order is for Board directed work associated with the purchase of a new switch gear that was not a part of the original scope of work for Contract #6247. The accumulated change orders increased from \$6.6 million to over \$10 million after the emergency was declared. A root cause analysis was completed and the report should be available at the next meeting.

➤ **Resolution (R-016-2018) Approving Acceptance of Report on Operations for 2016**

Director Dr. Tamika Duplessis moved to defer the presentation of the Report on Operations for 2016 to the full Board. Director Ralph Johnson seconded. The motion carried.

➤ **Resolution (R-140-2018) Approving Authorization for The Second Renewal to an Agreement with Black & Veatch Management Consulting, LLC for Preparation of The Report on Operations for 2017**

Director Dr. Tamika Duplessis moved to remove (R-140-2018) from the agenda because it was under \$1 million and have it placed under the Executive Director's Report. Director Ralph Johnson seconded. The motion carried.

PRESENTATION ITEMS

➤ **Veolia Emergency Services Contract Outcomes & Next Steps**

Ms. Mia Javier (Project Manager), Mr. Cameron Redden (Deputy Project Manager), and Mr. Stefan Battermann (Visibility Platform Task Leader) gave the presentation. The objectives of the presentation were:

- Summarize the Key Achievements of the Veolia Emergency Contract
- Demonstrate the Impact of the Visibility Platform scope of work for S&WB Operations
- Discuss Next Steps for a Proposed Amendment 2

➤ **Integrated Stormwater Modeling Activities and CH2M Next Steps for Emergency Service Contract**

Ms. Kaitlyn Tymrak (Project Manager/Engineer) and Ms. Amanda Gaze (Technical Coordination and Support) gave the presentation.

- Objectives – Reliability and Criticality Evaluation Support
 - ❖ Rainfall Impacts
 - ❖ Understand System Capacity and Design
- Outcomes – Communication and Decision Support Tools
 - ❖ Predict specific pumping/power and drainage scenarios
 - ❖ Evaluate functionality of the existing system
 - ❖ Prioritize repairs of drainage assets

To the Emergency Services Contract there is an amendment 2 proposed currently under discussion with S&WB staff which is subject to change. The remaining emergency services work fall into three main categories:

1. EMD final tasks and project for Optimized Operations and Maintenance/ROI
2. Three critical corrective repairs pump station projects fully executed
3. Rain event visibility

The S&WB has been in discussion with various contractors with regard to what additional modeling or studies are required. Our focus will be on remediating as much as possible prior to hurricane season.

➤ **Raftelis Financial Consultants on Drainage System Funding Feasibility Analysis completed in June of 2016**

Mr. Keith Readling, PE/Executive Vice President and Director of Stormwater Management Consulting for Raftelis, gave the presentation. Raftelis was retained to perform a drainage fee feasibility assessment which indicated the following:

1. The 2011 financial plan forecasted huge increases in drainage, operation, maintenance and capital.
2. At the staff level, the minor drainage system needed a lot more attention than it was getting. Most of the street drainage is considered minor drainage and is maintained by the Department of Public Works (DPW), not S&WB.

The presentation covered:

1. Existing stormwater management program, costs, revenues
2. Emerging needs and costs
3. Funding shortfall
4. Funding options, feasibility of a drainage fee

➤ **The Water Institute of the Gulf on Work Performed and Recommendations under Emergency Contract (Waiting on confirmation of availability.)**

The Water Institute of the Gulf presentation was given by Mr. Ehab Meselhe, PhD, PE and Mr. Eric White, MS, PE. The Water Institute is a not-for-profit independent research organization located in Baton Rouge and New Orleans. The Institute writes proposals and receives grants from state and federal governments as well as private industries.

Mr. Meselhe was a member of the Interim Emergency Management Team. He was charged with evaluating the drainage components, specifically the existing drainage models, the existing monitoring systems, and looking into the level of effort and costs associated with developing a real-time forecasting system for the City. The Institute also looked at similar warning systems in other communities, and the deliverable ultimately was a set of recommendations based on their evaluations. In response to the question concerning the accuracy of the forecasts, Mr. Meselhe stated that the quality of the forecast improves as you get closer to the event.

Director Ralph Johnson wanted to know if, for efficiency, there was a way to combine the efforts of the consultants. Interim Director Edwards explained that Raffelis, which deals with funding, is more of a stand-alone because it's feasibility and methodology funding; however, she is starting to see where Veolia and CH2M are starting to develop a synergy.

Ms. Katie Dignan, Project Delivery Unit (PDU) Manager, informed the Committee that the amendments for CH2M and Veolia will be brought to the April Finance and Administration Committee meeting.

INFORMATION ITEMS:

There were no information items to receive.

ADJOURNMENT:

There being no further business to come before the Finance & Administration Committee, the meeting adjourned at approximately 3:04 PM.

Respectfully submitted,

Joseph Peychaud, Chair