



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

Sewerage & Water Board OF NEW ORLEANS

LATOYA CANTRELL, PRESIDENT

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

January 9, 2019

The Finance and Administration Committee met on Wednesday, January 9, 2019 in the S&WB's Second Floor Board Room located at 625 St. Joseph Street, New Orleans, LA. The meeting convened at approximately 9:04 A.M.

Present:

Director Lynes Sloss
Director Dr. Tamika Duplessis
Director Ralph Johnson
Director Alejandra Guzman

Absent:

Other Board Members Present:

Director Robin Barnes
Director Joseph Peychaud

Chief of Engineering, Mr. Ron Spooner, gave the General Superintendent's Report in the absence of Mr. Bruce Adams who was convalescing.

ACTION ITEMS:

1. Contract Renewal
 - a. (R-001-2019) First and Final Renewal of Requisition No. AL 170041 and CM 170039 for Furnishing Sodium Hypochlorite

Director Sloss wanted to know why DPC Enterprises was renewing the contract as opposed to the Sewerage and Water Board. Mr. Spooner stated that the vendor was exercising his right to renew the contract. Executive Director Ghasson Korban stated that the contractor is agreeing to continue the current terms of the agreement at the same price.

Director Dr. Tamika Duplessis moved to accept R-001-2019. Director Ralph Johnson seconded. The motion carried.

2. Final Acceptance

- b. (R-003-2019) Contract 6259 – Ratification of Change Order No. 3 for Contract 6259
Installation of Permanent Generators at 5 Drainage Underpass Stations

Mr. Spooner stated that after the contract was put out for bid, two underpass stations were added where permanent generators were installed. Director Guzman asked Mr. Spooner to elaborate on the DBE participation. The EDBP Director, Ms. Irma Plummer, commented on the DBE participation for Contract 6259. Ms. Plummer stated that they track based on the invoices paid. Their records show that the contractor is exceeding the DBE participation goal as of Change Order No. 1.

Director Ralph Johnson moved to accept R-003-2019. Director Alejandra Guzman seconded. The motion carried.

- c. (R-012-2019) Contract 1405 – Sycamore Filter Gallery Structural and Filter Rehab at Filters 21-24
- d. (R-013-2019) Contract 1402 – Removal of Silt from the New River Intake Station

Director Dr. Tamika Duplessis moved to accept R-012-2019 and R-013-2019. Director Johnson seconded. The motion carried.

3. Change Orders

- e. (R-010-2019) Ratification of Change Order No. 4 for Contract 1368 HMGP Project Oak Street Pumping Station

Mr. Spooner stated that this Change Order represented seven (7) Field Change Orders. Mr. Spooner stated that the Change Order includes additional pothole and excavations to investigate existing conditions, many of which were unforeseen during the time of the design. They also did some additional cleaning of the raw water intake lines from the river to the Carrollton Water Plant (CWP).

Director Sloss wanted to know whether the 25Hz transformer runs a pump at the CWP. Mr. Spooner stated that the pumps within the Oak Street Station are 25Hz power.

Director Dr. Duplessis asked Mr. Spooner to explain why it is that a Field Change Order of this amount was just coming to Committee. Mr. Spooner stated that there were several unforeseen conditions after the start of the project.

Director Peychaud asked Director Dr. Duplessis if the meetings proposed last summer to develop criteria about change orders ever materialized. Director Dr. Duplessis stated that staff has been given a deadline of March 2019 to come up with new policies regarding change orders. Mr. Spooner stated that Interim General Superintendent Bruce Adams had sent out a memo to all staff under his jurisdiction concerning this issue. Field Change Orders that are not time sensitive will come back to the Board, so that they will be actual change orders; however, if they are time sensitive, there are certain steps that Mr. Adams addressed in his memo that staff must adhere to in order to get a field change order approved. Director Dr. Duplessis asked that the Committee receive a copy of the memo so that they are sure of the parameters.

Executive Director Korban stated that when it comes to setting expectations, in construction, Field Change Orders are always going to occur. Their mission is to keep the Committee informed as timely as possible. If it is a time sensitive issue where a decision needs to be made, that may be conveyed to the Committee via email in an effort to be transparent.

Director Sloss stated that he would like to see change orders occur when there has been a change as opposed to improper scoping of the work. For efficiency for the Board, we should work to minimize change orders. Mr. Sloss stated that when the Board is considering things, they want to fully understand what it is that they are considering.

Director Johnson moved to accept R-010-2019. Director Guzman seconded. The motion carried.

f. (R-009-2019) Ratification of Change Order No. 5 for Contract 1395 Water Hammer Elevated Storage Tanks

Mr. Spooner stated that this change order is a compilation of twelve (12) Field Change Orders, including approved overtime. There was a typo in the resolution for which Mr. Spooner said would be corrected. The change order is in the amount of \$463,434.10. He stated that the total accumulated change order is roughly 18.7%. Once change order is ratified, the cumulative total of changes will amount to \$6,732,540.73.

Director Peychaud asked about the 5% DBE goal. Ms. Plummer stated that the 5% was the DBE goal established initially. It runs with the entire contract and change orders as well. Director Dr. Duplessis asked if there was a mechanism to change the percentage of the DBE participation. Ms. Plummer stated there is none at the present time and that it is more expedient to let the goal run with the extent of the work.

Director Johnson moved to accept R-009-2019. Director Duplessis seconded. The motion carried.

g. (R-011-2019) Change Order No. 1 for Contract 140033 Leak Detection Services

Chief of Networks, Mr. Fred Tharp, explained Change Order No. 1. Mr. Tharp stated that this is the fourth and final cleanup resolution where Networks staff, working under a contract since 2016, continued providing services but had lagging paperwork. This is the cleanup paperwork that documents and covers those services provided. Mr. Tharp stated that a contract will be replacing this work in the final stages of execution.

Director Sloss asked Mr. Korban if it is our goal to have new contracts every time as opposed to change orders. Mr. Korban said that is our goal. He also stated that we have a completely new contract that will allow us to continue to serve in the same fashion but under new terms. This contract was built with an extension for one extra year, and we just kept extending it when we should not have. In hindsight, we should have come to the Committee and said that we need the service, but we do not

have a contract. At that point we should have gotten your permission for an extension. Mr. Korban stated that as we move forward, we will be utilizing a new contract for the same services.

Director Johnson moved to accept R-011-2019. Director Guzman seconded. The motion carried.

4. Contracts

h. Resolution (R-005-2019) Recommendation of Funding for Proposals for Green Infrastructure Projects and Maintenance of Green Infrastructure Sites

Ms. Ann Wilson, Chief of Environmental Affairs, explained the resolution. Ms. Wilson stated that SWBNO dedicated \$2.5 million to green infrastructure over a 5-year period in order that we remain in compliance with the 3rd Modified Consent Decree. An RFP was issued for green infrastructure to be installed on public land. Spackman Mossop Michaels submitted the highest scoring proposal for an Educational Stormwater Center. This is the only project that can be awarded within the existing budget. The Environmental Affairs Department is requesting that the Educational Stormwater Center be funded. The Educational Stormwater Center is located on the Westbank. Director Dr. Duplessis requested that once a quarter the Committee be given a status report on the projects so that they know what is going on in case a Board member wanted to become involved. Ms. Wilson said that they would have that as an agenda item for the Finance and Administration Committee meeting.

Director Dr. Duplessis moved to accept R-005-2019. Director Johnson seconded. The motion carried.

i. Resolution (R-015-2019) Postlethwaite & Netterville Auditing Services

Ms. Yvette Downs explained the purpose of the resolution. She stated that this is an option renewal. This is a 1-year renewal of a contract that was awarded in November 2017, and the 2017 Audit was the first year of the contract. This is the first renewal on that contract.

Director Guzman moved to accept R-015-2019. Director Dr. Duplessis seconded. The motion carried.

EXECUTIVE SESSION

There was no Executive Session at this meeting.

INFORMATION ITEMS

All information items were received.

PUBLIC COMMENT

None

ADJOURNMENT:

There being no further business to come before the Finance & Administration Committee, the meeting ended at approximately 9:47 A.M. .

Respectfully submitted,

Lynes Sloss, Chair