



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

Sewerage & Water Board OF NEW ORLEANS

LATOYA CANTRELL, PRESIDENT

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March 13, 2019

The Finance and Administration Committee met on Wednesday, March 13, 2019 in the S&WB's Second Floor Board Room located at 625 St. Joseph Street, New Orleans, LA. The meeting convened at approximately 9:01 A.M.

Present:

Director Lynes Sloss
Director Ralph Johnson
Director Alejandra Guzman
Director Joseph Peychaud
Director Dr. Duplessis

Absent:

None

Other Board Members Present:

None

General Superintendent Robert Turner, Deputy General Superintendent Bruce Adams, Chief of Engineering Ron Spooner, and Chief of Networks Fred Tharp discussed the Action Items.

ACTION ITEMS

General Superintendent's Recommendations - Final Acceptance

Resolution (R-002-2019) Ratification of Change Order No. 1 and Final Acceptance for CO-17-0010 - Emergency Repairs for Turbine 3 Phase I was combined with **Resolution (R-039-2019)** Ratification of Change Order No. 1 and Final Acceptance for Contract CO-17-0019 - Emergency Repairs for Turbine 3 Phase II

Mr. Ron Spooner explained that the initial allotment was for the original \$500,000 for Phase I. Due to work tasks associated with emergency repairs on Turbine 3, the total amount of Change Order No. 1 was \$3.4 million. A separate procurement was done on an emergency repair on Turbine 3, and the additional work task in addition to the original procurement amount totaled \$1.72 million.

Director Joseph Peychaud moved to accept R-002-2019 and R-039-2019. Director Alejandra Guzman seconded. The motion carried.

General Superintendent Robert Turner stated that this Work Order was approved in 2017 and 2018. Director Joseph Peychaud moved to accept Resolution (R-002-2019) and Resolution (R-039-2019). Director Alejandra Guzman seconded. The motion carried.

Resolution (R-029-2019) Reconciliation and Final Acceptance for Contract 30203 - Restoration of Gravity Flow Sewer Mains by Point Repair at Various Sites throughout Orleans Parish

The amount approved in Change Order No. 2 was approximately \$155,000 more than what was needed. The final value of the contract was decreased by \$155,000 plus.

Resolution (R- 031-2019) Reconciliation and Final Acceptance for Contract 2126 - Water Main Point Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites throughout Orleans Parish

The contract was overestimated by \$16,000. The final amount of the contract was decreased by \$16,000.

Resolution (R-032-2019) Reconciliation and Final Acceptance for Contract 2136 - Emergency Repair Contractor for Winter Freeze (INGA) - Water Main Point Main Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites throughout Orleans Parish

SWBNO entered into a contract in the amount of \$643,000. The actual amount of the work performed was substantially less. Mr. Fred Tharp stated that there was a deductive amount of \$473,882. Director Lynes Sloss asked Mr. Tharp to explain deductive balance. Mr. Tharp explained that the original contract was in the amount of \$643,000. To reconcile the contract, \$473,000 was removed from the contract value. Director Sloss concluded that the contract would be \$643,00-\$473,000 and requested that the subtraction be done prior to the meeting going forward.

Resolution (R-035-2019) Reconciliation and Final Acceptance for Contract 2135 - Emergency Repair Contractor for Winter Freeze (INGA) - Water Main Point Main Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites throughout Orleans Parish

SWBNO entered into a contract in the amount of \$1,107,848.63. The actual amount of work charged against the contract was approximately \$64,000 less. Director Johnson stated that it would be helpful to have consistent language for each resolution.

Director Alejandra Guzman moved to accept R-029-2019, R-031-2019, R-032-2019, and R-035-2019 in globo. Director Ralph Johnson seconded. The motion carried.

Resolution (R-040-2019) Final Acceptance for Contract ME 17-0020 - Emergency Temporary Generators at Eight (8) Drainage Underpass Stations

The final contract amount was not included in the resolution. Director Johnson pointed out that there should be consistent language throughout. Mr. Robert Turner stated that their department would make the corrections. Mr. Spooner located the amounts in the supporting documentation. The contract bid was \$623,841.16. The expenditures were \$917,482.40. Mr. Spooner stated that their department would put those amounts in the resolution.

Resolution (R-041-2019) Final Acceptance for Contract EE 17-0023 - Accelerate Scope Associated with Point Emergency Event for Contract 6259

This contract was for part of the emergency work done in 2017. Mr. Spooner stated that the total contract amount was \$392,113.42, and that amount was expended. Director Johnson pointed out that the resolution had \$312,113.42. Mr. Spooner stated that he would verify those amounts. Nevertheless, the amount of the contract and the amount expended remained the same.

Resolution (R-044-2019) Final Acceptance for Contract EE 17-0015 - EMD SCADA Project

The contract amount was \$42,618.07. There was no discussion.

Resolution (R-045-2019) Final Acceptance for Contract EE 17-0007 - Emergency Generator Rentals at Station “D”

The temporary generators were at Station “D” approximately ten (10) months. Director Sloss inquired as to the cost of the generators if we purchased them. Mr. Spooner stated that he would get that information for the Committee. A discussion ensued. Mr. Korban stated that if it is cheaper to buy, then we will buy them.

Resolution (R-046-2019) Final Acceptance for Contract EE-17-0011 - Furnishing 6.6 KV.3000A Switchgear Equipment for STG No. 4

The total contract bid was \$647,664.00. The total expenditure was \$638,219.86.

Director Ralph Johnson moved to accept R-040-2-19, R-041-2019, R-044-2019, R-045-2019 and R-046-2019, with recommended changes to R-041-2019. Director Alejandra Guzman seconded. The motion carried.

Amendments and Change Orders

Resolution (R-021-2019) Amendment No. 5 to the Agreement between the Sewerage and Water Board of New Orleans and G.E.C., Inc. for Hurricane Katrina Related Drainage Restoration - Broad Underpass Pump Station Design

This contract is for an additional amount of \$85,000 to cover the completion of this professional services contract.

Resolution (R-023-2019) Ratification of Change Order No. 2 for Contract 30014 - Cleaning and CCTV Inspection of Sanitary Sewer Mains at Scattered Sites within Orleans Parish

This is a ratification of a field change order in the amount of \$250,000.

Resolution (R-038-2019) Contract Amendment No. 8 Stanley Consultants, Inc. Water Hammer Hazard Mitigation Project

Mr. Spooner stated that this amendment is inclusive of two tasks. The first task is the construction of the elevated water towers at the Carrollton Water Plant. The contract has been extended beyond its original completion date. The total amount is \$679,125.48. Phase II includes upgrades and offsite improvements for the Claiborne Pumping Station. The contract is anticipated to be awarded in the summer of 2019 in the amount of \$2.43 million. The work is eligible for FEMA reimbursement to SWBNO. The General Superintendent is requesting that an additional \$3.11 million be added to the contract with Stanley Consultants, Inc. via Amendment No. 8.

Resolution (R-042-2019) GEE, CEE, Construction, Co. LLC

This is an extension of a contract for skilled and unskilled labor for maintenance services. Mr. Turner stated that the original contract was initiated 4-5 years ago. It was extended several times and also rebid. On both occasions, the bids were either rejected or cancelled. The contract must be extended through the end of July 2019, at which time a new contract will be put in place. Directors Duplessis and Guzman asked for examples of skilled and unskilled labor. Ms. Grinstead stated that skilled laborers are licensed and unskilled laborers are working towards securing their licenses.

Director Dr. Duplessis needed clarification on the signature authority on the resolution. Ms. Grinstead stated that it would be the President of the Board and not the Executive Director and that the correction would be made.

Resolution (R-043-2019) Amendment No. 7 to the Agreement between the Sewerage and Water Board of New Orleans and Jacobs

This is an agreement between SWBNO, New Orleans and CH2M Hill Engineers, Inc. Mr. Spooner stated that this is a professional services contract to carry their services to the end of 2019 in the amount of \$4.7 million. A portion of this project is FEMA eligible.

Prior to the motion to accept the amendments and change orders, Director Johnson asked if we were confident that we will be able to award the contract in R-042-2019 before June 2019. Mr. Bruce Adams stated that they are not expecting any protests. Mr. Turner stated that they are working closely with the Legal Department to get the language correct in the new RFD.

Director Ralph Johnson moved to accept R-021-2019, R-023-2019, R-038-2019, R-042-2019 and R-043-2019. Director Dr. Duplessis seconded. The motion carried.

Contracts

Resolution (R-054-2019) Amendment No. 3 to Professional Services Agreement with Richard CPAS

Ms. Downs stated that this action is to increase the previous contract with Richard CPAS. They were hired last fall to help us with the 2017 Audit. Part of the contract helps us start on the 2018 Audit. Ms. Downs is requesting that Richard CPAS be allowed to complete the 2018 Audit. This amendment gives more assistance to our staff to help us address Postlethwaite and Netterville.

Director Dr. Duplessis moved to accept R-054-2019. Director Alejandra Guzman seconded. The motion carried.

PRESENTATION ITEMS

Water Loss Audit

Ms. Downs stated that this audit is something that we should be doing every year. It gives us a window into what is happening so that we can get some ideas as to what we can do to improve our statistics and we can then take action. It better informs us on how to improve and reduce our water loss. Ms. Downs introduced Mr. Tony Hairston from Raftelis who would take us through the report that was commissioned.

Mr. Hairston began by saying that the Water Loss Audit is an important part of effective utility management. It is the next step in being able to account for the water from our two water treatment plants to all our customers. It follows American Water Works Association (AWWA) guidelines. Mr. Hairston answered question from the Pension Committee. Director Sloss thought Mr. Hairston gave an excellent report

Procurement Policies and Procedures Overview

Ms. Yvette Downs stated that this report came as a result of the Finance and Administration Committee's request to take a look at our procurement policies and procedures, specifically change orders. In addition, we had a November 2018 report from the Louisiana Legislative Auditors that made a number of recommendations regarding our procurement practices and having written policies and procedures was one of them, including change orders. Ms. Downs stated that the general procurement policy that they presented was a draft. The team is proposing a SWBNO Procurement Policy, a Federal Procurement /Grant Policy and a Procurement Procedures Manual. Ms. Downs stated that she would like to have feedback from the Board so that she could finalize and publish new policies and procedures in the next couple of weeks.

INFORMATION ITEMS

The information items were received.

EXECUTIVE SESSION – None

PUBLIC COMMENT - None

There being no further business to come before the Finance and Administration Committee, Director Dr. Duplessis moved to adjourn. Director Ralph Johnson seconded. The motion carried. The meeting adjourned at approximately 10:30 AM.

Respectfully submitted,

Lynes Sloss, Chair