

Villa Rica Facility Authority
February 2, 2010
Minutes

Mayor called meeting to order having been duly advertised this 2nd day of February 2010.

Those in attendance: Mayor Jay Collins, Councilman Verland Best, Councilman Rusty Dean, Councilman Woody Holland, Councilman Patrick Henrickson, Councilwoman Shirley Marchman, City Attorney-David Mecklin, City Manager-Larry Wood.

David Macklin stated the agenda needed to be amended to include the swearing in of Danny Carter as his term has expired. Holland made motion to amend agenda to include swearing in of Danny Carter; seconded by Shirley Marchman 4/0 motion carried (Dean, Carter, Henrickson not yet sworn in)

David Macklin also stated that those who are now on the Public Facility Authority which have never been on the authority before should also be sworn in also.

Mayor administered the oath of office Councilman Dean and Councilman Henrickson to the Public Facility Authority of Villa Rica.

Dean nominated Danny Carter as board member to the Public Facility Authority, seconded by Best. 6/0 motion carried.

Mayor administered the oath of office to Danny Carter to the Public Facility Authority of Villa Rica.

Mayor reminded members of the authority that they do have the ability to name one more person to the authority from the general public from the business district whomever the board would like to nominate. Dean stated that would give the board an even number, authority agreed they would rather leave it as is at an odd number.

Dean nominated Holland as the vice-chair. Dean amended his motion to nominate Jay Collins as Chairman and Woody Holland as Vice Chairman; Best seconded. 7/0 motion carried.

Fred Hawkins with Rindt-McDuff, presented change order to board and reported progress, going well even with all the rain. Need additional engineering fees, money that has already been spent, in an effort to do value engineering on this project.

The selected biological treatment system (Philadelphia Mixer) was changed to Eimco Caroussel when they became non-responsive, a virtual "ghost company".

When project came in over budget, RMA negotiated Change Order No. 1 for cost savings of \$1,979,228.92. (Value engineering actually found more deducts that weren't approved)

Change Order No 1 line items including redesign of site/civil, mechanical, electrical, structural and wastewater engineering.

Drawings and specs were completely reissued by TMA as “conformed” to RTD or construction. Redesign and reprint 381 drawings sheets and two volumes of specs. RTD would not proceed with construction without conformed drawings and specs.

Additional Value Engineering during construction was conducted to yield approximately \$750,000 in additional savings.

Even with rock, poor soils, water and excessive rainfall problems, the project is still under budget (net negative cost) as a result of the value engineering efforts and well ahead of schedule

TMA is requesting \$313,395.17 in additional fees to cover this extra engineering that has resulted in savings of over \$2.7 million in construction cost. We are making every effort to bring this project in under budget and at this point are under budget.

Original design fee on this project was \$1.2 million, we have spent about ¼ of that amount and we had to completely reissue the entire drawing sets, value wise you have saved approximately \$2.7 million on this project that cost you approximately \$255,000, re: Philadelphia Mixer, flood protection work and the new plants site weathered that storm well with no flooding to new structure, old plant sites however is in a restricted section of flood plan and elevations of water was higher there. We have redesigned the electrical room for the pump station and flood protected the pump station.

Dean asked the Philadelphia Mixer, this was something ya’ll picked and it was not available. Fred – it was available just everyone in the company went somewhere else and started a new company, the company left was a ghost, not financing, our concern if you had a problem what would you go against so decision was made to change to Carroussel.

Where I am headed is based on your decision we had to re-engineer at a cost of over \$300,000, I am not sure that we are not paying for an error that we had no involvement in....Fred, that portion was only \$44,000. Dean the rest is in the value added engineering? Fred – yes sir.

Dean, would we not have value engineered from day one? Fred worked with staff no longer with city and the plant was designed around a lot of their selection along with ours, it was not the least expensive plant we have ever done, it came in over budget and could not pay for it with the borrowing capacity the city had, so we had to do value engineering. Could I have built you a cheaper plan, absolutely, a better plant, not sure, but we have reduced cost because of the value engineering, after the fact., after the job was bid, working with the contractor to widdle the cost down.

(Best asked question...could not hear)...Fred’s response – work with the staff and pretty much did what they wanted, we valued engineered and selected every single piece of equipment based on 3 or 4 quotes.

Jay remember they presented us a price and we could not get the financing for that and they came back and said here’s what we can do for you. Carter stated RTD came in with the low bid and we decided it was \$2million higher than we could afford, and we asked them to take \$2 million out and that is where the value engineering came into play. They were able to pull that out and I go to the meeting at the plant and I can say that RTD is a very professional contractor and Rindt McDuff is to and they have been

working hard to pull money out and continue to give us what we want and at the same time bring the price down to our level.

Jay wanted price difference between Philadelphia Mixer and Carousel, you said they were 1 & 2 respectively. The equipment cost was not that much different, but size of units were significantly different, the Carousel is larger and as it turns out the Philadelphia Mixer were marginal at best. It turned out good that we actually went the way we have gone.

Dean – is our facility considered to be a Cadillac when it is finished, Fred-it one of the nicest plants in the area, it has the capability to treating well and flow well above the current design capacity without any expansion, so you have built something for the future of the city.

Dean, it is build to go to 2.15 and can increase 3.25, Fred-yes. Holland, in addition to what, Fred – virtually nothing, Holland – basically doing a licensing deal, all the hardware is there, is that right...yes, just change the criteria a bit and if will increase more than 3.25.

Dean – that is some of the reason that our cost per gallon is higher than other treatment plants that have been built recently in this area. It's a little higher, you have to compare apples to apples, your system can produce slug that can be used anywhere, it has been pasteurized. You have water that can be pumped back into a pipeline and used for irrigation.

Holland said depended also on the 2.5 versus the 3.5 and that for about \$40,000 you could go to the 3.5, that the hardware is already there. Carter confirmed that cost is good competitive number considering the type of plant.

Jay – in interest of time, need to get back to the \$313,395.17 you are asking for...I see this as a need that we need to fund this additional engineering that had to be done, I don't think we are going to fund the whole , we can come to compromise on something that is good for the company and the city, I believe to vote for this is not the right thing to do. Holland how did you come up with the number, was it presented to the city....Fred has back-up and Holland feels need to look over and analyze and agree or disagree with you, Fred agrees. Holland asked that Fred supply back up documents to the city during the next week. Get together in a month..

Holland made motion to have Fred provide invoices, etc. for the \$313,395.17 request and give them opportunity to look over and get back together with Fred in a month; Dean seconded. 7/0 motion carried.

With no further business, Dean made motion to adjourn; seconded by Best. 7/0 motion carried.

Meeting adjourned at 6:55pm