

Villa Rica Public Facility Authority
July 27, 2010 – 4:30pm
Holt-Bishop Justice Center
Minutes

Chairman Collins called meeting to order having been duly advertised this 1st day of April 2010.

Those in attendance: Chairman Jay Collins, Committee members: Verland Best, Rusty Dean, Woody Holland, Patrick Henrickson, Shirley Marchman, and Danny Carter, City Attorney-David Mecklin, City Manager-Larry Wood, Fred Hawkins-Rindt-McDuff.

Shirley Marchman had invocation, followed by the Pledge of Allegiance.

Motion made by Woody Holland to accept minutes with changes/Carter seconded with corrections. 7/0 motion carried.

Collins asked for project update from Rindt-McDuff by Fred Hawkins who presented a power point presentation and financial status report. Cost saving to date: Site Layout from concrete to asphalt, cost reduction of \$380,000; Influent Pump Station, cost savings of \$7,000.00; Influent Headworks, cost saving of \$136,200.00; Biological Reactor, cost savings of \$400,000.00; Tertiary Treatment, cost savings of \$44,100.00; UV/Effluent Pump Station, cost savings of \$98,937.00; Cascade Aeration, cost savings of \$66,000.00; WAS/RAS Pump Station, cost savings of \$50,000.00; Sludge Digester/ATAD, cost savings of \$137,393.00; Plant Drain Pump Station, cost savings of \$50,000.00; Raise all hydraulic structures 3' and re-grade to match, cost savings \$150,000; Delete unnecessary back-up generators at Headworks & Effluent, cost saving \$102,000.00; Remove unnecessary line from ATAD tanks, cost savings \$200,000.00; Change from custom color blocks to standard gray blocks, cost savings \$40,000.00; Change yard piping, cost savings \$270,000.00; Redesign yard piping, cost savings \$58,000.00; Reduce EIMCO scope of supply, use submersible mixers, cost savings \$118,000.00 (Note: Larry has copy of power point presentation/slide show if anyone wants to review project).

Engineering Fee-Construction Management paid to date: \$1,035,921.13 and original fee balance \$314,028.87 with additional change order request of \$228,768.72.

Invoices submitted: Professional services rendered through December 20, 2009 - \$78,923.72 and Professional services rendered through April 11, 2010 - \$175,921.13 for a total of \$254,844.85.

The project is 83% complete as of June 26, 2010 and is currently 266 days ahead of schedule even after the flood of September 2009 and a wetter than usual fall and winter. Scheduled substantial completion is December 2010.

Best asked when anticipated for to place sod on site, Fred stated this was close and that a landscaping plan was being worked on now. Larry stated that the estimated time for planting would be in October 2010 and that he had asked Jeff Reese to work on this project.

Fred presented to authority a breakdown of the complete financial status as of July 2010:

Financial Status Report:

Change Order No. 1 (Savings)	\$1,979,229.00	
Net Change Order No. 2 (Savings)	\$ 202,961.00	
Current Allowance Balance	\$ 940,021.12	
Current Extra Owner Directed Work	\$ 138,100.00	
Total Allowance+Extra Work Balance		\$1,078,121.12
Approximate Change Order Balance (Savings)	\$ 102,961.00	
Approximate Other Change order Balance (Savings)	\$ 179,981.00	
Engineering Construction Management	\$ 1,350,000.00	
Balance Remaining	\$ 314,921.13	
Change order Requested for Redesign-Cost Only	\$ 228,768.72	
Total Engineering Fee+CO Request		\$1,578,768.72

(Note: complete breakdown of Financial Status as of July 2010 are attached to these minutes for record.)

(Note: Fred stated that on Outstanding Change Order Request by contractor he is looking at these figures which total just over \$250,000.00 and believe these are not all valid and is not going to approve payments. Fred's estimate on these charges should be \$100,000.00 or less.)

Carl Jones would like to add Clarifier Brushes, not required but good to have, the City and RMA and RTD has worked to create enough money to provide these brushes (\$47,980.00).

Please look at Change Order #2. If I had not done a redesign and saved the City \$749,000.00, you would be over budget today in the amount of \$546,000.00. Was it necessary? Yes, not a question in my mind that this was necessary. Because of this redesign today we and you are in better condition to look at the project get and include any extra's you might want. This brings us up to date as to where we are today.

We started this project at \$32,777,000.00 and you asked us to reduce that amount and we reduced this to \$30,798,000.00 giving you a reduction of \$1,979,000.00. I pledged to the City to operate in net negative and I have worked to accomplish this for you and currently you are almost \$200,000.00 in net negative.

Best ask how often the sludge truck would be moving from North Plant to this plant. Fred explained that it would only move 1-2 times per week, that they will put a holding tank in to keep from hauling everyday, which we don't want to do. Best asked if we would have to hire someone to do this, Wood stated no we would not.

Fred commented to authority that this is class A sludge which is really better than compost and can be used anywhere land Holland asked if it would be used in a garden, Fred-yes. Larry stated that Jeff is planning on putting in an area where we could grow our own turf for the football field.

Fred stated that he had come before authority a couple of time for engineering invoice covering extra work for the city. Engineering was \$1,350,000.00 and to date I have been paid \$1,035,078.87 leaving a balance of \$314,921.13. I come as a medium sized company and just can't float that amount of money for too long. I am asking for payment of two invoices: (1) from December for work completed in November 2009 in the amount of \$78,923.72; (2) from April 2010 in the amount of 175,921.13 for a total of \$254,844.85.

I came to you with a change order in the amount of \$313,935.00 and reduced that by \$84,626.00 bringing that change order to \$228,768.72. But what I am asking for is payment of the two invoices totaling \$254,844.85. I agreed to hold off until the job is complete on the extra work in the amount of \$228,768.72, but not committing to hold the balance of the funds that has already been approved. I will continue to hold off on the extra work balance as best I can until the existing project budget is complete, the \$1,350,000.

My request is that you allow the City Manager pay the invoice presented.

Carter commented that he did not believe that the authority said they would not pay on the current contract, but only hold payment on additional funds. We should be paying for work done under this contract.

Dean stated we have paid for $\frac{3}{4}$ of the work and asked what percent was complete, Carter said on paperwork states 83%, Fred said to date 85%. At the time of last meeting I thought we were $\frac{3}{4}$ of the way paid but not $\frac{3}{4}$ of the way complete. Collins was also under the impression that city was paying forward.

Henrickson agreed with Carter on payment schedule and asked that basically you just want us to pay the two invoices on work that has been done under the current contract.

Holland asked if this request was at the request of council to bring down cost of project, Fred stated yes, this was done to save the city money on this project overall. We appreciate that you have done everything he could to save the city money.

Dean stated he was in agreement to pay him up to the amount equal to the 85% completion, but Carter stated if the contract state we pay for work done we will pay more than the 85%. Fred stated that he is over that because of work requested by the city, there is just no way around this, but had we not done this, this job would not have been done. This extra work created you a savings \$2,000,000.00 plus another 750,000.00.

Holland asked if the \$1,578,768.72 (original figure plus the \$228,768.72 change order) was a not to exceed figure for this project and Fred confirmed that this is a not to exceed figure. Fred stated he would be willing to change contract to a lump sum and remove hourly if that is what they wanted.

Henrickson made motion to pay the money owed to Rindt-McDuff in the amount of \$254,844.85.

Fred stated, your financial guys said we can do this if you can cut \$2,000,000.00. We totally redesigned at this request, contractor would not build otherwise, ya'll said if you find more I that would be great. We found an additional \$700,000.00. If we had not done this redesign you would be $\frac{1}{2}$ million dollars shy of completion. Collins asked, you are not going to charge us anymore, and we will still debate the \$228,768.72 because we are not comfortable with that, but you may still have more change orders. Fred stated he will agree not to go over the \$228,768.72. I am not asking you to approve this figure tonight, I am just asking for payment of invoice on work completed.

Mecklin said we can debate the \$228,768.72 at a later date, that he is asking for payment of invoice under current contract that has been completed and the authority has the ability to approve that payment tonight. Carter agrees we need to pay for work that has been done.

Holland made statement that there was a motion on the floor.

Henrickson made motion to pay the money owed to Rindt-McDuff in the amount of \$254,844.85/seconded by Holland. 5/2 motion carried 2-Collins/Dean.

Mecklin stated, to give you assures if he get up to \$1,350,000.00 and quits city will have right to legal action. Holland has stated he has agreed to not walk away and to complete. Dean agrees he is not worried about him walking away; he is worried about meter running. Holland stated that the meter is not ticking because Fred has agreed to a not to exceed. Fred stated that even approving this payment tonight you are not even going to full contract.

Holland asked if the Authority had the authority to approve payment or if this would now have to go before council. Mecklin stated that authority has right to approve tonight and does not need to go before council.

Collins asked for motion to adjourn. Best made motion/Carter seconded. 7/0 motion carried.