



OFFICIAL MINUTES OF:

Meeting of:	CEO Committee Meeting
Date:	December 13, 2006
Time:	10:15 a.m.

MEMBERS PRESENT

Vincent J. Mesoella, NBC Chairman
Angelo Rotella, Vice Chairman
Paul Pinault, Executive Director
Robert Andrade, Treasurer
Michael Salvatore, CEO Chair
Al Montanari
John MacQueen
Jonathan Farnum

MEMBERS ABSENT

Patrick Caine

STAFF AND GUESTS PRESENT

Jean-Marie Grossi, NBC,
Raymond Marshall, NBC
Thomas Brueckner, NBC
Cynthia Morissette, NBC
Mark Thomas, NBC
Dan Smith, NBC
Tom Massaro, PUC
Richard Burroughs, Commissioner

Paul Nordstrom, NBC
Thomas Uva, NBC
Richard Bernier, NBC
Jamie Samons, NBC
Joanne Maceroni, NBC
Karen Giebink, NBC
Roy Pruett, OCG
Pat Hughes, CDM

1. Call to Order

Recognizing a quorum, CEO Chair Salvatore called the December 13, 2006 Construction/Engineering/Operations (CEO) Committee Meeting to order at 10:20 a.m.

2. Approval of Minutes – November 15, 2006

CEO Chair Salvatore asked if all Committee members have had a chance to review the minutes of the November 15, 2006 CEO Committee meeting. Commissioner Montanari motioned to approve the November 15, 2006 CEO Committee minutes as written. Commissioner Farnum seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

3. Items for Action

- A. *Review and Approval of Resolution 2006:44, Authorization to Enter Into a Contract for Design Services with the Louis Berger Group, Inc., for Contract 303.01, Phase II, Combined Sewer Overflow (CSO) Control Facilities*

Mr. Pinault stated that back in the early- to mid-1990's, after going through NBC's Procurement process, the NBC selected the Louis Berger Group (LBG) as our Project Manager for our CSO Project. The first thing LBG did was the development of the Conceptual Design Report Amendment (CDRA). After two years of meeting with the Stakeholders, LBG finalized the CDRA Report and submitted it to the RIDEM, and the Report was approved in a three-phase schedule. He noted that LBG assisted NBC throughout the construction of Phase I of the CSO Project, which is nearing completion and expected to be completed in October of 2008.

Mr. Pinault noted that under our Consent Agreement with the RIDEM, by August of 2007, NBC must submit an amendment to the CDRA. Once the Report is approved by the RIDEM, NBC has one year to develop the preliminary design of Phase II of our CSO Project. Phase II is consists of two (2) near surface interceptors that will convey flow into the Phase I tunnel. He noted that the first interceptor runs along the along the Seekonk River, up towards Butler Hospital, and the second interceptor starts at the RI Department of Higher Education where the tunnel terminates and runs up to the Johnston town line.

Mr. Pinault stated that the estimated construction cost for Phase II is \$157 Million. Under NBC's Procurement Regulations and Contract with the LBG, if we are satisfied with quality of LBG's work, which we have been, it allows us to negotiate a contract for subsequent phases. He noted that Phase II is on a tight schedule, and we have negotiated with LBG for a cost not to exceed \$9.2 Million for the design of Phase II. This amount is for 5.8% of the construction cost, which we feel is reasonable based upon our experience over the years. He noted that Tom Brueckner of NBC's Engineering Section is here along with Paul Nordstrom, Director of Engineering and Operations, should anyone have any specific questions.

Mr. Pinault then requested approval of Resolution 2006:44, Authorization to Enter Into a Contract for Design Services with the Louis Berger Group, Inc., for Contract 303.01, Phase II, Combined Sewer Overflow (CSO) Control Facilities.

With no comments or questions, Commissioner Montanari motioned to approve Resolution 2006:44, Authorization to Enter into a Contract for Design Services with the Louis Berger Group, Inc., for Contract 303.01, Phase II, Combined Sewer Overflow (CSO) Control Facilities. Commissioners' Andrade and Farnum seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

- B. *Review and Approval of Resolution 2006:45, Recommendation to Reject Bids for Contract 304.47, Sheridan, Hartford, Oxford and Vanderwater Streets Sewer Repairs*

Mr. Pinault stated that as part of NBC's Capital Plan, every year NBC televise and clean a number of miles of our sewer system. As a result of this work, we find that most of the pipe is in excellent condition, even though it is over 100 years old. However, he noted that NBC has found from time to time problem areas where the pipe is either collapsing or has structural problems. He stated that the Engineering and Construction Sections' staff put together a contract to make miscellaneous sewer repairs along Sheridan, Hartford, Oxford and Vanderwater Streets, which included dig and replace repairs and slip-lining. This Contract was put out to bid, and NBC received five (5) bids on October 31, 2006. The low bid was Grove Construction at

\$634,800. The remaining four (4) bids ranged from \$1.1 Million to \$2.4 Million as noted in a memo from Richard Bernier dated November 27, a copy of which is included in all Committee members' packets.

Mr. Pinault stated that immediately after the bids were opened, NBC received correspondence from Grove Construction indicating that they made a mistake in their bid and asked if they be allowed to withdraw their bid without penalty. This letter is also attached to Richard Bernier's memo. After discussing this matter with Legal staff, NBC's options are as follows:

1. Compel Grove Construction to Accept the Project for \$634,800
 - Analysis: NBC believes that it would be impossible for Grove Construction to complete the work in an acceptable manner for their bid price. Forcing them to honor their bid would likely result in problems throughout construction, potentially resulting in significant costs and delays.
2. Permit Grove Construction to Adjust Their Bid Upward, Provided They Could Satisfy NBC that the mistake was legitimate
 - Allowing Grove Construction to increase their bid after the fact would very likely result in a bid protest and/or litigation from other bidders, which could add significant costs and delays to the Project.
3. Reject Grove Construction's Bid and Award it to the Second Low Bidder
 - Analysis: Likewise, rejecting Grove Construction's bid but accepting the second low bidder would potentially result in a bid protest and/or litigation, again exposing the NBC to significant costs and delays.
4. Reject All Bids and Re-Bid the Project
 - Analysis: This last option is the one that NBC staff recommends. This option meets the NBC's main criterion, which is to maintain the integrity of our bidding process. Historically, the NBC has never allowed a contractor to increase their bid after the bid opening, since it inherently results in the appearance of impropriety. Additionally, based on the bid prices, we may alter the scope of work in an attempt to get the work completed in a more cost-effective manner.

Mr. Pinault stated that based on NBC staff's opinion, NBC's intent is to modify the contract and put it out to bid again, and hopefully receive some good bids. Therefore, staff's recommendation is outlined in Resolution 2006:45, Recommendation to Reject Bids for Contract 304.47, Sheridan, Hartford, Oxford, and Vanderwater Streets Sewer Repairs. Mr. Pinault noted that Mark Thomas, Assistant Construction Manager and Richard Bernier, Construction Manager, are both here if anyone has any specific questions.

After some discussion, Commissioner Montanari motioned to approve Resolution 2006:45, Recommendation to Reject Bids for Contract 304.47, Sheridan, Hartford, Oxford, and Vanderwater Streets Sewer Repairs. Commissioners' Rotella and Farnum seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

- C. *Review and Approval of Resolution 2006:46, Approval of Amendment No. 1 to Contract 117.00D, Architectural Services for the Design of the Upgrade of the Field's Point Operations Building and Other Miscellaneous Improvements*

Mr. Pinault stated that at the March 2006 Board Meeting, the Board unanimously voted to award a planning contract to William Kite Associates (Kite) to develop a report for the Upgrade of the Field's Point Operations Building and other Miscellaneous Improvements. The report was prepared and developed by Kite, NBC staff reviewed the report, and the recommendation by staff was to rehabilitate the existing Field's Point Operations Building, which is over 20-years old, to meet current building code requirements and other improvements in addition to demolishing the wooden structure that is attached to the left side of the Building, which was installed a number of years ago as an interim laboratory, and to construct in its place a two-story addition that would house our Environmental Monitoring and Data Analysis Section. He noted that the Board unanimously voted to award the Design Phase to Kite for a cost not to exceed \$327,300 at the June 2006 Board of Commissioners' meeting.

Mr. Pinault stated that due to the fact the Operations Building is presently fully-occupied, one of the challenges is how to reconstruct the Building with employees working there. He noted that one option was to bring in portable trailers for office space for the EMDA Section. The other issue is the fact that the first thing that would need to be done demolish the wooden laboratory extension. The second option is at Bucklin Point, we have an Administration Building, which was built in the 1950's as part of the facility and is structurally sound, but needs to be renovated.

Mr. Pinault noted that before the merger with Bucklin Point, the building was fully-occupied. This space is presently partially used by our Construction Section and our Assistant Manager of the Bucklin Point facility. He stated that staff recommends renovating the Bucklin Point Administration Building (new windows, boiler system, etc.) We also have set-up an area there as part of our Disaster Relief Plan, NBC set-up a backup area if and when our Information Technology system went down. He noted that although the servers and outlets are there, we plan to make some renovations there so that on the short-term, the space would be used by the EMDA staff, and on the long-term, it would be our backup for a Disaster Relief Area.

Mr. Pinault stated that staff is recommending that William Kite Architects to design the modifications and improvements to the Bucklin Point Administration Building as outlined in a memo from Richard Bernier dated November 29, 2006, a copy of which is included in all Committee members' packets. This work will be incorporated into the overall contract construction, and basically would be phased. The first thing the Contractor will have to do is renovate the Bucklin Point Administration Building, then move the EMDA Section there for probably a year, and then demolish the laboratory extension and gut the current office space so that they can perform the renovations without interrupting our day-to-day activities, because Operations staff is going to take over that space. When Operations staff moves down to that space, the Contractor will renovate the second floor and so on. Therefore, it is staff's recommendation to approve Resolution 2006:46, Approval of Amendment No. 1 to Contract 117.00D, Architectural Services for the Design of the Upgrade of the Field's Point Operations Building and Other Miscellaneous Improvements.

With no comments or questions, Commissioner Farnum motioned to approve Resolution 2006:46, Approval of Amendment No. 1 to Contract 117.00D, Architectural Services for the Design of the Upgrade of the Field's Point Operations Building and Other Miscellaneous Improvements. Commissioners' Montanari and MacQueen seconded the motion, and the vote taken by the CEO Committee was unanimous, and the motion carries.

4. Other Business

None to report.

5. Adjournment

Chairman Mesolella motioned to adjourn. Commissioner Montanari seconded the motion, and the meeting adjourned at 10:37 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paul Pinault".

Paul Pinault, *Secretary*