

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, SEPTEMBER 10, 2014  
8:30 A.M.

Present: Michael G. Lallier, Chairman  
Wick Smith, Vice Chairman  
Darsweil L. Rogers, Treasurer

Others Present: Steve Blanchard, CEO/General Manager  
Karen McDonald, City Attorney  
Kristoff Bauer, Deputy City Manager  
PWC Staff  
Media

Absent: Lynne B. Greene, Secretary  
James Arp, Council Liaison  
Billy King, County Liaison  
Mike Bailey, Hope Mills Liaison  
John Ellis, Hope Mills Liaison

Chairman Lallier called the meeting of September 10, 2014 to order.

Chairman Lallier noted Commissioner Greene is out of town and is excused from the September 10, 2014 meeting.

Approval of Agenda.

Upon motion by Commissioner Rogers, seconded by Commissioner Smith, the agenda was unanimously approved.

Consent Items

Prior to approving the Consent Items, staff responded to questions from the Commission regarding Items II-F and II-G and 'sole source exception.'

Following discussion, upon motion by Commissioner Rogers, seconded by Commissioner Smith, the following Consent Items were unanimously approved:

A. Minutes of meeting of August 27, 2014.

- B. Bid recommendation to award bid for purchase of one (1) 54,000 lb. GVWR Cab and Chassis with 12 Cubic Yard Dump Body to Smith International Truck Center, Fayetteville, NC, the lowest responsive, responsible bidder in the total amount of \$102,700.00 and forward to City Council for approval.

This is a budgeted item (budgeted amount of \$100,000) in the FY 2015 budget to replace Unit 399. The difference of \$2,700 in the actual cost and the budgeted cost will be covered by savings from the purchase of Unit 392, which was purchased at a cost of \$5,999 less than the budgeted amount.

Bids were received August 21, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Smith International Truck Center, Fayetteville, NC	\$102,700.00
Tri-Point Truck Center, Raleigh, NC	\$104,144.00
MHC Cooper Kenworth, Raleigh, NC	\$114,222.95

- C. Bid recommendation to award bid for purchase of one (1) Cab and Chassis with Service Body and PTO Mounted Compressor to Smith International Truck Center, Fayetteville, NC, the lowest responsive, responsible bidder in the total amount of \$107,555.00 and forward to City Council for approval.

This is a budgeted item (budgeted amount of \$104,000) in the FY 2015 budget to replace Unit 383. The difference of \$3,555 in the actual cost and the budgeted amount will be covered by the savings from the purchase of Unit 898, which was purchased at a cost of \$14,303 less than the budgeted amount.

Bids were received August 21, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Smith International Truck Center, Fayetteville, NC	\$107,555.00
Piedmont Truck Center, Greensboro, NC	\$109,354.00
MHC Cooper Kenworth, Raleigh, NC	\$109,513.97

- D. Bid recommendation to award contract for Lakeview Road Sewer and Water Main Replacement to Sandy's Hauling and Backhoe Service, Inc., Roseboro, NC, the lowest responsive, responsible bidder in the total amount of \$1,048,854.00 and forward to City Council for approval.

This is a budgeted item in FY 2015 – CIP WS 13 - \$460,000 (Water) and WS-61 - \$635,000 (Sewer) for a total budgeted amount of \$1,095,000.00.

Bids were received August 21, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Sandy's Hauling and Backhoe Service, Inc., Roseboro, NC	\$1,048,854.00
Step Construction, Inc., LaGrange, NC	\$1,238,098.05

- E. Issuance of a purchase order in the amount of \$110,962.00 to Schneider Electric Buildings Americas, Inc., Morrisville, NC, for all labor, materials and equipment to upgrade the Building Automation Systems in the Administration and Operations Center, Customer Service Center and Chiller Plant to the Schneider Invensys System in accordance with N.C.G.S. 143-129(e)(6) "sole source exception".

N.C.G.S. 143-129(e)(6) allows an exception to the bidding requirements when (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration.

The upgrade of the Building Automation Systems in the Administration and Operations Center, Customer Service Center and Chiller Plant to the Schneider Invensys System is recommended by Engineering Economics, Inc. (EEI), a consulting firm selected by PWC through a Request for Proposal process to provide retro-commissioning services for various PWC facilities, which included a review of the building automation systems. EEI recommends an upgrade of PWC's current systems as a more cost effective solution than replacing the current system with an entirely new system. The upgrade will also involve the conversion of existing Johnson Control Metasys system components to the upgraded Invensys System.

Following is a breakdown of the cost of the proposed Building Automation System upgrade:

1. Base Project to Upgrade Existing Invensys Systems for Administration/Operations Center - \$68,140
2. Customer Service Building (Alternate 1) - \$29,189
3. Chiller Plant Re-Programming (Alternate #2) - \$13,633  
(Estimated energy savings of \$11,900/year)

The total upgrade cost is \$110,962.00.

Schneider Electric Buildings Americas, Inc. is the sole source provider for the Invensys System. The system, repair parts, or service are not available through another provider.

This is a budgeted item. A total of \$400,000 has been budgeted in FY 2015 for CPR 1000003, Energy Management Control. The total amount obligated prior to this request is \$137,909, leaving a remaining balance of \$262,091 to cover this expense.

- F. Bid recommendation to award contract for ArcGIS and ArcFM Solution Upgrade to SSP Innovations, Englewood, CO, the lowest responsive, responsible bidder in the total amount of \$326,478.93 and forward to City Council for approval.

This is a budgeted item. \$305,000 was budgeted in FY 2015 operating and capital funds to cover the ArcGIS & ArcFM Solution Upgrade. \$223,075.00 of the cost will come from the operating capital funds and \$103,403.93 will come from Information Systems expense funds.

Bids were received April 24, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
SSP Innovations, Englewood, CO	\$326,478.93

Note: Invitations to Bid were sent to two (2) vendors with one (1) vendor responding. The ArcGIS/ArcFM solution is only available from two (2) vendors – Schneider Electric and SSP Innovations. Schneider owns the proprietary rights to the solution and SSP is a certified Schneider Electric partner. Generally, both Schneider and SSP do not both submit a bid on the same project. The scope of work includes professional services for the upgrade of the core GIS product software, databases, customizations, integrations and web mapping application.

- G. Issuance of a purchase order in the amount of \$336,436.50 to GeoNexus Technologies for all implementation services, software and annual maintenance costs necessary for the implementation of the GeoWorx™ software solution suite in accordance with N.C.G.S. 143-129(e)(6) “sole source exception”.

N.C.G.S. 143-129(e)(6) allows an exception to the bidding requirements when (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration.

GeoWorx™ is a pre-packaged commercial off-the-shelf integration solution that links Oracle Utilities Work and Asset Management (WAM) with ESRI Geographic Information System (GIS). GeoNexus has proprietary rights to, and is the sole source provider of the GeoWorx™ software solution suite. GeoNexus has recently been selected by Oracle as their “preferred partner” for GIS integration solutions with Oracle WAM.

Following is a breakdown of the project costs:

Total Implementation Services	\$223,042.50
Total GeoWorx™ License Fees	\$ 94,495.00
Annual Maintenance Cost	\$ 18,899.00

The total cost for the GeoWorx™ Implementation is \$336,436.50

This is a budgeted item. \$305,000 was budgeted in FY2015 operating capital funds to cover the ArcGIS & ArcFM Solution Upgrade, which includes this GeoWorx™ implementation project. \$242,045.00 of the cost will come from the balance of operating capital funds (\$81,925.00) and a transfer of \$160,200 from FY2015 CIP EL-12 and WS-71. \$94,391.50 will be funded from Information Systems expense funds.

*Review of the Economic Development Coordination Policy/Procedure and the Sponsorship Policy/Procedure*

Steve Blanchard, CEO/General Manager presented the Economic Development Coordination Policy and the Sponsorship Policy for Commission review and approval. In discussing the Economic Development Coordination Policy, Mr. Blanchard informed the Commission that this policy has been circulated to the Commission and City Council for feedback. He stated indications are that City Council does not have any issues with the proposed policy and will be on the City Council September 22<sup>nd</sup> agenda for approval.

The Sponsorship Policy was discussed. This policy was also distributed to Commission and City Council for feedback. Commissioner Smith inquired what were the changes relative to the old policy and specifically the impact on certain sponsorships that we have done in the past and are no longer sponsoring. Carolyn Justice-Hinson, Communication and Community Relations Officer stated priority for sponsorship will be placed on conservation and sustainability items and on outreach to our customers. She also discussed items that PWC will no longer sponsor. Chairman Lallier asked if organizations have been notified of these changes and Ms. Hinson said yes. Discussion ensued. It was staff's recommendation that the Commission approve the Economic Development Coordination Policy and the Sponsorship Policy as presented.

Upon motion by Commissioner Smith, seconded by Commissioner Rogers, the Commission unanimously approved the Economic Development Coordination Policy and the Sponsorship Policy as presented.

### Review of Fiscal Year 2014 Capital Projects

Dwight Miller, Chief Finance Officer updated the Commission on Fiscal Year 2014 Capital Projects as requested by the Commission during their August 27, 2014 meeting. Mr. Miller reviewed a list of the capital projects with major variances and provided a summary of the projects by funding source to the Commission. He stated the auditors have looked at this report but have not signed off on the report. The Commission was informed some of the projects have been delayed and several are NC Department of Transportation (DOT) projects. Mr. Blanchard stated none of the projects listed have been cancelled, just delayed. Rhonda Haskins, Director of Financial Planning informed the Commission that funds for these projects that have been delayed are put in a special reserve account to hold the funding in order to carry over from one fiscal year to another. Discussion ensued.

The Commission thanked Mr. Miller for the update on these projects.

### General Manager Report

#### ➤ Discuss City's Fiber Billing

Steve Blanchard updated the Commission on the City's fiber billing. He stated there is an informal agreement that needs to be finalized. Mr. Blanchard stated there was an outstanding balance on the City's account for fiber billing last year and that the Commission and Council have agreed to reduce the outstanding balance. Chairman Lallier stated there was approximately \$100,000 due from the City for fiber cost for last year and he proposed, in order to move forward with the proposed fiber cost, to split the remaining cost due (approximately \$100,000) from last year. Chairman Lallier stated the City Manager has recommended to Council that we move forward and to split the \$100,000 outstanding fiber cost due from the City to \$50,000 for last year (FY 2014).

Commissioner Rogers asked if PWC and the City are in agreement on how to calculate the fiber cost moving forward. Chairman Lallier stated the City Council has approved a budget of \$80,000 for FY 15 for fiber. The manager did not recommend a unit cost per connection, but an overall budget. Chairman Lallier felt we have made good steps and will need further discussion on the fiber cost moving forward for the FY 16 budget. Mr. Blanchard stated the \$80,000 budget proposed by the City will pay for existing fiber connections and any new connections with the exception of the initial installation cost for the facilities. The City Manager is proposing a flat annual fee, not a cost per connection charge.

Following discussion, a motion was made by Commissioner Rogers to direct staff to discount the outstanding bill for fiber to the City of Fayetteville for FY 2014 by fifty percent (50%) which is approximately \$55,000. Motion seconded by Commissioner Smith and unanimously approved.

Mr. Blanchard requested the Commission approve providing fiber to the City for this fiscal year (FY 15) for \$80,000. Chairman Lallier asked if a motion should be to amend existing agreements to reflect the billing for FY 2015 in the amount of \$80,000. Mr. Blanchard stated staff needs authorization to bill the City for the fiber cost. Commissioner Rogers inquired how staff came up with \$80,000. Mr. Blanchard stated the cost to provide fiber to the City is calculated at \$92 per connection, which is the cost to maintain the fiber system. Discussion ensued. Chairman Lallier stated he was uncomfortable not acknowledging the pricing agreements between the City and PWC that have been in place for a number of years. Mr. Blanchard stated these agreements would become null and void because they specify a price per point and we are not doing a price per point but a flat fee for everything. Chairman Lallier stated he would feel more comfortable amending the pricing formula in the existing agreements.

Following discussion, a motion was made by Chairman Lallier to amend the pricing on the existing agreements with the City of Fayetteville dealing with fiber connections to their facilities from the per connection cost to a FY 2015 overall cost of \$80,000 and also cover any new connections for this year with the understanding that the City of Fayetteville continues to pay for the extension of fiber to any new facility. Motion seconded by Commissioner Rogers and approved.



- Offering Statement (OS-Bonds) – Copies of the OS statement were provided to the Commission for their reference. Dwight Miller stated this document was prepared by the Bond Attorney. Mr. Miller outlined the highlights of the OS Statement. He stated this document has good information pertaining to PWC and the City which would be helpful to the Commission. This document is also available electronically. Copies of the OS statement were also provided to the City for distribution to Council.

Reports and Information: The Commission acknowledges receipt of the following reports and information:

- A. Monthly Incident Summary for August 2014
- B. Position Vacancies
- C. September 2014 Wholesale Power Cost Adjustment
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
  - Encr. #17962 – installation of gravity sewer main – SR-1415 (Yadkin Road)
- E. Approved Utility Extension Agreement(s):
  - Allison Holdings, LLC – electric, water and sewer utilities to serve Systel Distribution Center
- F. Actions by City Council during meeting of September 2, 2014, related to PWC:
  - PWC fiber charges update. Consensus to bring this item forward to a regular City Council meeting.
  - Finance/Treasury Best Practice Review – Phase 1 – Analysis of Funds – Update. Consensus to move forward with Phase 2 – Finance and Treasury matters.
  - Call Center Update. Consensus to move forward with the objective to merge via Option 2 and report back.
  - City of Fayetteville Public Works Community Support & Economic Development Policies – Update. Consensus to move forward with this item and adopt the policy and budget ordinance at a future regular City Council meeting.

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Smith and unanimously approved, the meeting was adjourned at 9:40 a.m.