

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, SEPTEMBER 12, 2018
8:30 A.M.

Present: Wade R. Fowler, Jr., Chairman
D. Ralph Huff, III, Vice-Chairman
Evelyn O. Shaw, Treasurer

Others Present: David W. Trego, CEO/General Manager
Jay Reinstein, Assistant City Manager
Michael Boose, Cumberland County Liaison
Robert Van Geons, FCEDC
PWC Staff

Absent: Darsweil L. Rogers, Secretary
Johnny Dawkins, City Council Liaison
Melissa Adams, Hope Mills Town Manager/Liaison
Media

REGULAR BUSINESS

Chairman Wade R. Fowler, Jr., called the meeting of Wednesday, September 12, 2018, to order. He stated Commissioner Rogers will not be present due to the illness of his father.

APPROVAL OF AGENDA

Upon motion by Commissioner Shaw and seconded by Commissioner Huff, the agenda was unanimously approved.

CONSENT ITEMS

Upon motion by Commissioner Shaw and seconded by Commissioner Huff, the consent items were unanimously approved.

- A. Approve Minutes of meeting of August 8, 2018.
- B. Approve bid recommendation to award contract for the Cross Creek Water Reclamation Facility Influent Pump Station Rehabilitation Project to Crowder Construction Company, Apex, NC, the lowest responsive, responsible bidder, in the total amount of \$8,582,000.00 and forward to City Council for approval. The Cross Creek Water Reclamation Facility Influent Pump Station Rehabilitation Project is a budgeted item. Funding for this project is from FY2019 CIP, WS92 (CPR1000226), the budgeted amount is \$8,582,000.00.

This project requires excavation for installation of new manholes and raw sewage pipelines, concrete rehabilitation of the influent pump station, installation of slide gates, demolition and replacement of the septage unloading station, removal and replacement of flood control berm and bypass pumping of all raw sewage flows as required to complete the work.

Bids were received on August 23, 2018 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Crowder Construction Company, Apex, NC	\$ 8,582,000.00
TA Loving Company, LLC, Alexandria, LA	\$10,378,147.50

Comments: This project was first bid with a closing date of July 24, 2018, and only two bids were received. Subsequently the project was re-bid with a closing date of August 23, 2018, and again two bids were received. When the bids were opened Crowder Construction Company, Apex, NC, was the lowest responsive, responsible bidder. **SDBE:** The bidder intends to subcontract with Crowder Trucking, Fayetteville, NC, in the amount of \$60,000. The proposed subcontractor is certified as a Small, Disadvantaged, Minority Owned, and Historically Underutilized Business. **Local Participation:** There were no local bidders. The bidder is located in Apex, NC.

- C. Approve bid recommendation to award contract subject to availability of funding and receipt of an approved Utility Relocation Agreement and Notice to Proceed, for labor necessary to relocate the electric transmission and distribution facilities necessary along U.S. 401 (Raeford Road) to Lee Electrical Construction, Inc. Aberdeen, NC, the lowest responsive, responsible bidder, in the total amount of \$12,024,969.25 and forward to City Council for approval.

PWC funds expended for the Relocation of Electric Transmission and Distribution Facilities U.S. 401 (Raeford Road) Project will be reimbursed by the North Carolina Department of Transportation. The contract will not be awarded for this work until receipt of an executed Utility Relocation Agreement (URA) and Notice to Proceed from the North Carolina Department of Transportation. The projected contract will be in the amount of \$12,024,969.25 subject to availability of PWC funding.

This project requires the relocation of transmission and distribution facilities including poles, conductors, guy wires and anchors, roadway lighting transformers and services. Facilities are being relocated at the request of North Carolina Department of Transportation (NCDOT) and the City of Fayetteville to accommodate the widening of Raeford Road from Hampton Oaks Drive to Fairway Drive.

Bids were received on August 23, 2018 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Lee Electric Construction, Inc., Aberdeen, NC	\$12,024,969.25
Linetec Services, LLC, Alexandria, LA	\$13,071,088.00

Comments: This project was first bid with a closing date of August 16, 2018 and only two bids were received. Subsequently the project was re-bid, via Addendum 5, with a closing date of August 28, 2018, and again two bids were received. When the bids were opened Lee Electrical's bid \$12,024,969.25 and Linetec Services sealed bid was \$11,784,243.00. With their acknowledgement of Addendum 5, their pricing on labor units be increased by 12.5% (and mobilization, demobilization and traffic control rates would not be adjusted). Accordingly, Linetec's bid price was adjusted and the evaluated price was \$13,071,088.00. **SDBE:** The bidder intends to subcontract with Bird Dog Traffic Control in the amount of \$1.2 Million. The proposed subcontractor is certified as a Small, Disadvantaged, Woman-Owned, Historically Underutilized Business. **Local Participation:** There were no local bidders. The bidder is located in Aberdeen, NC.

- D. Approve bid recommendation to award contract for the Highway #401 North Water Improvements: Contract 1 to Sanford Contractors, Inc., Lemon Springs, NC, the lowest responsive, responsible bidder, in the total amount of \$1,363,575.17 and forward to City Council for approval. The Highway #401 North Water Improvements: Contract 1 is a budgeted item. FY2019 CIP WS42-US401 North Water Improvements - \$2,500,000.00 was budgeted for construction of this area.

Bids were received on August 23, 2018 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Sanford Contractors, Inc., Lemon Springs, NC	\$1,363,575.17
Odell Smith & Sons Construction, Spring Lake, NC	\$1,571,836.00
Wells Brothers Construction, Turkey, NC	\$1,587,918.48
Sandy's Hauling & Backhoe Service, Roseboro, NC	\$1,710,652.50
S & L Contracting, Wadesboro, NC	\$1,808,239.50

Comments: Plans and specifications were requested by seven (7) contractors with five (5) contractors responding. Examination of the complete bid packages determined that none of the five bidders provided all of the requested documentation for previous experience and qualifications. However, the project low bidder, Sanford Contractors has completed similar utility projects for PWC in recent years and is presently working to complete the Phase 5 (Area 18, Section 2) Annexation and Market House Water Main Replacement projects. PWC is familiar with the experience and qualifications of Sanford Contractors, and their work on PWC projects to date. Water Resources Engineering Department recommends waiving the irregularities (i.e. informalities) of all of the bids regarding documentation of bidder experience and qualifications, with are immaterial under the circumstances of this bid. **SDBE:** Sanford Contractors, Inc. will utilize Carolina Environmental Contracting, Inc., a certified DBE, for silt fence and erosion control services in the amount of \$27,855.00. Sanford Contractors, Inc. has submitted their good faith efforts to solicit minority participation on the project as required by the bid documents.

- E. Approve bid recommendation to award purchase and delivery of twenty three (23) ABB 27kV Class 1200 Amp Feeder Breakers for the replacement of like breakers at Fenix II Substation and the right to purchase additional breakers at the same unit price within a twelve month period from the award date to ABB, Inc., Lake Mary, FL, the lowest responsive, responsible bidder, in the total amount of \$616,400.00 and forward to City Council for approval. The 27kV Class, 1200 AMP Feeder Vacuum Circuit Breakers are budgeted in EL 34 - Fenix Equipment Upgrade (CPR1000059). \$2,000,000 is in the budget for the project (\$900,000 is budgeted for the equipment).

Bids were received on August 30, 2018 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Siemens Industry, Inc., Wendell, NC	\$597,862.00 *
ABB, Inc., Lake Mary, FL	\$616,400.00

*Siemens' bid did not meet any scheduled delivery times as requested within the bid documents. See comments below.

Comments: Bids were solicited from six (6) suppliers with two (2) suppliers responding. During the bid process the bid documents were amended to give the option to bidders to provide partial delivery dates of January 18, 2019, for at least eleven (11) units that are essential for the Fenix Substation Replacement Project. The remaining twelve (12) units were to be delivered by February 15, 2019. Siemens Industry, Inc. was the initial low bidder for the breakers. After review of their bid documents, the scheduled delivery time did not coincide with the delivery requirements set forth within the bid documents. Siemens' bid documents indicate a twenty three (23) week estimation delivery date for the total shipment of the breakers. ABB's bid documents provided a delivery date of seventeen (17) weeks for the delivery of the total order. After discussion with the Substation's Manager, delivery time of the breakers is essential to the completion of the Fenix Substation Project and could possibly delay getting the substation back in service before peak demand season. The timeline of delivery proposed by ABB best meets the delivery requirements of PWC and therefore ABB is being recommended for award of the breakers. **Local/SDBE Participation:** ABB is not classified as a SDBE, minority or woman-owned business. There are no known local vendors who can supply this equipment.

- F. Approve Resolution No. PWC2018.12 authorizing the use of the design-build contracting method for the Bypass and Rehabilitation of 20" North Fayetteville Force Main project.

COMMENTS: In 2013, the General Assembly enacted legislation authorizing the use of new contracting methods for public construction projects, one of which is design-build. Design-build is an integrated approach to a construction project that delivers both design (architectural or engineering) and construction services under one contract with single point of responsibility. Selection of the design-build team is made via the "qualifications based" selection method outlined in G.S. 143-64.31.

- G. Approve Resolutions – PWC2018.10 and PWC2018.11

These resolutions direct the filing of State Revolving Loan applications for the Big Rockfish Outfall Project, currently estimated at approximately \$16,662,000 and the Big Rockfish Outfall – Lift Station Elimination Project, currently estimated \$6,436,000.

Staff recommends the Commission adopt the above resolutions.

- H. Approve Electric and Water/Wastewater (W/WW) Budget Amendment #2 - PWCORD2018-26

PWCORD2018-26 is an Electric and Water/Wastewater Fund FY 2019 amendment increasing the Electric Fund \$4,823,400 to \$275.6 million and increasing the W/WW Fund \$1,438,500 to \$114.9 million.

Electric Fund

- Budgetary Appropriations is being increased \$4,823,400. A total of \$1,060,000 is being added to the Transfer from Budget Carryover Reserve to offset vehicles ordered in FY18. Transfer from REPS is being increased by \$3,750,000 as a result of moving the LED Conversion Capital projects from bond funded to the REPS Reserve. The impact on Electric Net Position is \$13,400.
- Operating Expenditures are being decreased by \$366,100. Included in this amount is \$266,400 for purchase order encumbrances for professional services carried over from FY18, a \$100,000 increase in Contractual Services for the Rates cost center as a reallocation from Water to cover AMI data gathering and modeling from NewGen, and a decrease in Other Finance Costs of \$300.
- Debt Service is being decreased \$630,300 as a result of reallocating the Series 2016 bond proceeds from Electric to Water to cover Annexation costs.
- Capital Expenditures is being increased a total of \$5,087,600. Of that total, \$3,750,000 is the result of moving the LED Conversion projects from bond funded to REPS and \$1,337,600 represents the purchase order encumbrances carried forward from FY18 for capital projects.

W/WW Fund

- Budgetary Appropriations (Revenue) is being increased by \$1,438,500. Included is a Transfer from Capital Projects Reserve in the amount of \$272,000 to cover the FY18 purchase order encumbrance roll forward for the Market House Main Project. The remaining \$1,166,500 is the change in Net Position. Budgetary Appropriations (Expenditures) is increased by \$80,000 as a result of an Appropriation to Capital Projects Reserve for Hurricane Matthew Capital Projects.
- Operating Expenditures is being increased by \$520,000. Of that total, \$159,700 is to cover the FY18 purchase order encumbrance roll forward for Water Professional Services, a decrease of \$100,000 in Contractual Services for Rates for the reallocation to Electric, \$460,000 to cover dredging at P.O. Hoffer plant and Other Finance Costs in the amount of \$300.
- Debt Service is being increased by \$630,200 as a result of the reallocation of the Series 2016 bond proceeds from Electric to Water.
- Capital Expenditures are being increased by \$208,300 as a result of the FY18 purchase order encumbrance roll forward (\$257k), Market House Main transfer (\$31,300) and Hurricane Matthew transfer (-\$80k).

Staff recommends that the Commission adopt the above budget ordinance amendment.

I. Approve Capital Project Fund (CPF) Budget Ordinances - PWCORD2018-27 thru PWCORD2018-33

Below are the CPF budget ordinances and a summary explaining the purpose for each ordinance.

- PWCORD2018-27 establishes a \$17.9 million Rockfish Creek Basin Peak Flow Facilities State Revolving Loan Capital Project Fund for a project to be funded with State Loan proceeds. This loan was applied for in March 2017 and PWC received a letter of intent to award on August 1, 2017. This fund is needed now to establish

budgets in support of executing engineering task authorizations and Right-of-Way activity.

- PWCORD2018-28 Hurricane Matthew CPF amendment #2 amends funding sources and project costs.
- PWCORD2018-29 Series 2014 Water and Wastewater Revenue Bond CPF amendment #4 closes this fund.
- PWCORD2018-30 2014 LED Street Lighting Revenue Bond CPF amendment #4 allows for the transfer of unused REPS funds back to the REPS Reserve and the transfer of remaining Series 2016 bond proceeds to the Annexation Phase V, Areas 20 & 21 CPF. The remaining cost of LED conversion projects will be completed in the General Fund and will be funded from the REPS Reserve.
- PWCORD2018-31 2014 LED Street Lighting Revenue Bond CPF amendment #5 closes this fund.
- PWCORD2018-32 Annexation Phase V, Area 20 & 21 CPF is amended to add Series 2016 bond proceeds as a funding source. These proceeds were made available from an amendment to the 2014 LED Street Lighting Revenue Bond CPF. Funding was also adjusted from other sources due to changes in estimated costs and amounts available for funding.
- PWCORD2018-33 Annexation Reserve Fund is amended to increase its funding to Annexation Areas 20 & 21 by \$370,000 and increases the transfer from the Annexation Reserve to the General Fund for annexation related debt service by \$1,195,184 as a result of the Series 2016 bond proceeds transferred from the 2014 LED Street Lighting Revenue Bond CPF to the Annexation Phase V, Areas 20 & 21 CPF.

Staff recommends that the Commission adopt the above budget ordinances.

J. Approve Revision to the Power Supply and Coordination Agreement

Approve a mutually agreed to amendment to the Power Supply and Coordination Agreement between PWC and Duke Energy Progress. This amendment extends the first termination notification date from June 30, 2019 to December 31, 2019.

END OF CONSENT

UPDATE ON BUILDING LOCAL/SMALL BUSINESS CAPACITY PROBLEM, VISION AND MISSION STATEMENTS

Presented by: Darsweil Rogers, PWC Commissioner

David Trego, PWC CEO/General Manager presented this update. Commissioner Rogers was not present due to family illness.

Mr. Trego stated Commissioner Rogers, after the success of the Building Business Rally, set-up a sub-committee in order to more formalize this group and to go through the phases of identifying a Problem, Vision and Mission statements with the hope that each of the governing bodies involved in this group make this an official committee, as opposed to an ad-hoc committee.

Mr. Trego stated Commissioner Rogers wanted the Commission to see the group's progress and provide a consensus that they approve of the following statements.

Proposed Problem Statement:

The inability to grow and enhance our local supplier base and attract diverse qualified vendors who have the financial stability and skills to compete for local procurement opportunities

Mr. Trego stated the vision statement is aspirational. Because we have a competitive bidding process, we may not completely meet this goal.

Proposed Vision Statement:

To locally fulfill all purchasing and procurement opportunities from within our region thereby enhancing the wealth and health of the community

Mr. Trego stated for the mission statement, we did not mention municipal, public or private. The group wanted to leave door open to partner with other groups to enhance this goal.

Proposed Mission Statement:

Use community collaboration to enhance our regional supplier base by:

- Advocating for the resources needed to support a thriving business community;
- Removing barriers to entry and growth;
- Attracting more diverse and qualified vendors

He stated the group is just looking for a consensus of the Commission and the green light to move forward. Discussion ensued.

After discussion the Commissioners stated they were fine with the direction of the committee and approved their Problem, Vision and Mission statements, though a formal vote was not necessary.

GENERAL MANAGER REPORT

Hurricane Florence

Mr. Trego updated the Commission on PWC's storm preparation efforts. He discussed PWC's efforts to coordinate with the City. Information between the City and PWC will flow through Jay Reinstein. Mr. Reinstein also updated the Commission on the City's preparation efforts. He stated the City of Fayetteville's offices will close on Thursday and Friday.

Jon Rynne, PWC Chief Operations Officer of Electric stated our engineering teams will complete assessments before crews are sent out to begin repairs.

Mark Brown stated we will have six crews to support police and fire officers related to downed lines and trees.

Commissioner Shaw asked if we have received any requests from shelters. Ms. Hinson stated we will send water to the Red Cross and will coordinate with the City on other

requests. She stated we began our efforts to inform residents on Saturday through e-blasts, encouraging them to prepare. We will update the media, social media and will have information on our website.

Commissioner Shaw asked how we will handle live wires on the ground. Mr. Trego stated the City's Fire Department will respond and we are assisting, though each situation will be different. Discussion ensued.

Commissioner Shaw also asked about the baseball stadium. Mr. Noland stated the water mains have already been installed and we are completed with installations. We just have to complete testing. We are in contact with the City's rep. in case they have any issues near the stadium. Mr. Trego will continue to keep Commissioners updated.

Commissioner Fowler stated he met with the County on yesterday regarding extending water to Grays Creek area. He will provide an update during the first meeting in October.

Commissioner Shaw thanked staff in advance of Hurricane Florence and wished all safety through the storm.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Incident Summary – July 2018
- B. Personnel Report – August 2018
- C. Position Vacancies
- D. Actions by City Council during the meeting of August 13, 2018, related to PWC:
 - Approved Bid Recommendation for Water and Water Reclamation Chemicals – Caustic Soda 50%; Sodium Hypochlorite; Magnesium Hydroxide
 - Approved Bid Recommendation – Area Lighting (Luminaire Only) Replacement Contract
 - Approved Bid Recommendation – Water Main Encasements Under Railroads – Package 2
 - Approved Bid Recommendation – Annual Lighting LED Upgrade and Replacement
 - Approved Resolution to Purchase Tangible Personal Property from the Fayetteville Public Works Commission
- E. Actions by City Council during the meeting of August 27, 2018, related to PWC:
 - Approved P.O. Hoffer WTP Raw Water Intake Screen and Slide Gate Replacement Project

ADJOURNMENT

There being no further business, upon motion by Commissioner Shaw, seconded by Commissioner Huff and unanimously approved, the meeting was adjourned at 9:15 a.m.