

REPORT OF THE FINANCE COMMITTEE

JANUARY 2, 2008

A meeting of the Finance Committee was held on Wednesday, January 2, 2008 at 7:00 p.m. in the Aldermanic Chamber.

Mayor Bernard A. Streeter presided.

Members of the Committee present: Alderman-at-Large Steven A. Bolton, Vice-Chairman
Alderman-at-Large Fred S. Teeboom
Alderman-at-Large David W. Deane
Alderman Robert A. Dion
Alderman Richard P. Flynn
Alderman Daniel L. Richardson

Members not in Attendance:

Also in Attendance: Carol Anderson, Chief Financial Officer/Comptroller
Janice Tremblay, C.P.M., Purchasing Manager
Mary Sanchez, Purchasing Agent II
Scott McIntyre, Melanson, Heath & Co.
Amy Gill, CSO Storm Water Engineer
Brian Covey, Hansen-Fox Co.

PRESENTATION

Scott McIntyre of Melanson Heath & Company presented the Fiscal Year 2007 Comprehensive Annual Finance Report (CAFR).

COMMUNICATIONS

From: Janice Tremblay, C.P.M., Purchasing Manager
Re: Contract Award for Emergency Repairs to Community Development Heating System

MOTION BY ALDERMAN FLYNN TO ACCEPT, PLACE ON FILE, AND AWARD THE CONTRACT TO HANSEN-FOX CO., INC. IN THE AMOUNT OF \$35,000.00. FUNDS ARE AVAILABLE IN ACCT. #517-75023

ON THE QUESTION

Alderman Richardson

Mr. Mayor I am trying to understand how this constitutes an emergency.

Mayor Streeter

I guess when you are working in an atmosphere where the temperature fluctuates between 50 and 52 degrees to me that constitutes an emergency. Part of this building, because of the boiler system and so forth, does not get heated while parts of the building do. It is not conducive to good working conditions. I think it is an emergency particularly during the cold spells that we have been experiencing.

Alderman Richardson

I would like to read from a memo that I got from Janice Tremblay today. She says “The city has been working on the heating problem for several years.”

Mayor Streeter

Correct.

Alderman Richardson

“... We have spoken to a number of firms including J. Lawrence Hall, Viking Controls, Hansen-Fox regarding the steam pressure, thermostats, primary computer control, boilers. We have received budgetary estimates a number of times; one of them pertaining to thermostats.....” This has been going on for years. I don’t understand how this now can constitute an emergency. It doesn’t click with me. I understand what you are saying as far as it is being cook in the back rooms. I in fact verified that myself. It does not appear to be cool towards the counter desk.

Mayor Streeter

That is your opinion Alderman Richardson. It is not the opinion of the people who work there.

Alderman Richardson

I understand.

Mayor Streeter

Okay.

Alderman Richardson

But I am the one that gets to vote.

Mayor Streeter

Further questions Alderman Richardson?

Alderman Richardson

I am the one that gets to vote so I am making the statement.

Mayor Streeter

Correct, but let's proceed.

Alderman Richardson

Okay. So apparently we have had now a number of different estimates, which were not reflected over the years in the papers that we got in the Purchasing Manager's memo. One amount was \$100,000 I guess in an estimate. Apparently there have been a number of different solutions provided in the past. But we are now going out at this time exclusively to Hansen-Fox their solution. First of all I need to define what the problem is with the boiler itself to determine if it is an appropriate expenditure. What in fact is the problem with the heating system? Can we address that?

Janice Tremblay

I will give you a very brief overview, and Brian Covey from Hansen-Fox is here to really fill you in on, after he came in, worked with our building manager, Ron Jenkins, went through the system, looked at what we had in place, and determined what could we do to provide relief to the people that are over in the Community Development Division.

My reference to you about the fact that we have been looking at this for several years; the \$100,000 one we looked at the thermostats within the entire building not just Community Development. We have a number of pneumatic thermostats many of which do not work properly, do not give us proper feedback to the controls. Ron Jenkins, our Building Manager spends a lot of time manually adjusting here, there, and responding to e-mails from various locations within the building that it is too hot, too cold, on any given day depending on whether or not the sun is shining or not. The thermostats – for instance as an example, my office is set for 67 degrees, and the other day my heat came on and it was already 82 degrees in my office. Now I didn't touch the thermostat. Obviously that thermostat is not providing the proper feedback, and there is a problem with the air system through. Brian Covey can probably give you a better technical explanation.

The \$100,000 one was to replace all of the thermostats. It was a part of that \$500,000 request that went to Capital Improvements for a number of repairs throughout City Hall. Again, we are not getting anywhere with requests for capital improvements so it got put on the back burner. Obviously I can't come up with \$100,000, and I wouldn't come to this committee and ask for money out of contingency or emergency funds for that kind of a thing. We just have to live with the variations. If it is too warm you can take your jacket off. When it is too cold and employees are actually seen working with their jackets – now I am talking their winter jackets, not a blazer or sweater, an actual jacket that they would wear outdoors to go home in the evening when it is 30 or 20 degrees. When they have to put those kinds of things on, and when I and the building manager receives on a daily basis e-mails from Mrs. Hersh it is 52 degrees in my office today what are you going to do about it, next day it is 54 degrees in my office today what can you do about it – this has been an ongoing thing for the last several weeks especially when we have had such a cold harsh winter already. We have had a lot of cold temperatures, and they are really feeling it this year.

That was when Mrs. Lemieux contacted Ron Jenkins and myself, and said you need to do something and you need to do something immediately. That is where we are. We called in Hansen-Fox because were the ones who had installed the two new boilers three years ago here

in the main building. They were the most familiar with the system in general that served the various parts of the building. We looked for their expertise to say what can we do given the way the current system works and controls and the way the boilers shut off when a certain temperature is reached. What happens is that temperature has not been reached in the satellite heating system. We asked for their expertise in what could we do to address the problem that the Community Development Division is facing.

That is where we are this evening. That is my overview – non-technical just day in and day out living with the variations in the head. Mayor if you don't mind I would like to introduce Brian Covey from Hansen-Fox. Brian has provided you with the number breakdown you had asked for on the \$35,000 proposed contract, and he will also attempt to answer for you some of your more technical questions on how does this work and how is this proposed solution going to provide for us an immediate and hopefully a permanent resolution of the problem of the experience up in Community Development for a cost that is reasonable for what we are getting for our money.

Brian Covey

As Janice said, we were asked to come in and evaluate the system. In the past, a lot of the control systems have been altered, have been modified to accommodate the temperature the building and at the same time trying to reduce costs as far as they could. In the past, what they have done is they have brought in electronic components into the system that are generally pneumatic around the entire building. Now what they are doing is they are maintaining the main building and monitoring the temperatures on every floor to modulate the amount of steam that is generated from the boiler plant. What that is doing is supplying heat for the main building. There are a lot of control valves, thermostats. There were originally a lot of zone valves that were in the boiler room that fed different zones of the building that, as of many years ago, some of them are original for the building and none of them at this point are operating.

Basically over the last few years what they have been doing is monitoring the temperatures around the building to accommodate what the building needs are. What that has been doing is they are maintaining very low steam pressure because the main building is heating up very nicely. The problem they have in the Community Development side of the building is that at one point in '87 they converted it to a hot water system versus a steam system. When they converted it to a hot water system now the steam boiler plant now provides the main heat source to convert the steamed hot water and generate hot water around the building as far as the back section of the building goes.

What is happening now is since the main building is maintaining temperature it is cycling the boilers down and to an off position when the building heats up to a certain point. At that point, there is not enough steam being generated to heat the hot water side to keep the other side of the building comfortable. That is one problem.

Alderman Richardson

Could I ask a question?

Mayor Streeter

Do you want to let him continue?

Alderman Richardson

I would like to ask a question.

Mayor Streeter

Why don't we let him continue Alderman Richardson?

Mayor Streeter

Because it is exactly related to the point that he brought up. You indicate that was a problem and a potential contributing cause. Was that ever correct to do it the way that they did it?

Brian Covey

I think the reason why they did it at that point was to monitor the system as more a – I don't want to say a band aid affect, but to get the system to operate a little more efficiently than the way it was without spending a gigantic amount of money that they didn't have.

Alderman Richardson

So the way they designed it and installed it in 1987 was not a correct installation?

Brian Covey

No. In 1987 it was very much a correct installation. At that point, the system was probably working a little better than it has been working over the last probably 10 years.

Alderman Richardson

So the configuration was not a problem?

Brian Covey

The configuration originally was not a bad design at all. Originally the building had approximately 6 zones in the building that had steam valves that turned on and off and allowed the steam to go out to a certain section of the building, and then the sections were controlled individually on top of that. So for example, this conference room in particular had its own zone. When this room got too warm it would shut the zone off completely and then any individual thermostats would not operate. Then when the zone itself cooled off the individual thermostats would take over. Most of those control valves have failed over the years, and instead of spending \$2,000 - \$5,000 to replace each control valve it was something that was just left alone and everyone just put it off as far as they could without spending all kinds of money to upgrade the system.

Between 1987 and today, there have been other alterations made, but they were all small sections of alterations. They never went through and replaced any of the original I think they were 1935 control valves that were put in when the original boiler plant was put in. Things like that have not been upgraded. They just abandoned them in place and started using the system as another source.

Alderman Richardson

So you are saying the zone valves failed since 1987?

Brian Covey

Correct.

Alderman Richardson

So that in fact is the cause of the problem then?

Brian Covey

That is part of the problem correct. The first line item that we have on this description was to install a couple of new control valves at the boiler room. The option we had was we could repair or replace all the existing zone valves, which I think there were 6 or 7 of them at the time. The option was we could repair those 7 valves or look at installing just 2 right on the boilers themselves. Because the main building right now is still running all pneumatics the only thing we are doing electronically right now is monitoring. We're monitoring the temperatures of different floors. Everything else is running pneumatically; the control valves and all the thermostats around the building.

The quick option we looked at was to maintain steam pressure to the hot water heat exchanger we needed to maintain boiler pressure. The only way we could maintain boiler pressure is one of two ways; either we isolate each one of the boilers with its own control valve or we look at separating all of the individual zone valves so that we can maintain the proper steam pressure. The first thought was if we just look at installing two of the valves it would be a lot less expensive than to replace 6 or 7 control valves. That was the first thing that we looked at.

When we looked at that, we started looking at the system a little more in depth. That was the first problem we looked at right away because the boilers have only been maintaining about ½ a pound of steam pressure, which was not ample enough to supply the heat exchange or to convert steam to hot water. That is part of the reason why that section of the building was getting cold because we were only running at about – generally a hot water system will run between 160-180 degrees. We were running at about 100 degrees on a 20-degree day, which was not ample enough to give them enough heat around that section of the building. That was the first thing we found as a potential problem for that section of the building.

We started researching a little more deeply into the system and found the pneumatic system of the building, at this point, is getting very old and very tired. The air dryers, the compressors – everything has failed over the course of the years. The problem with that is a lot of oil has been going through all the pneumatic systems. If you go around to any of the control valves or even some of the thermostats you can actually see oil coming out of the air lines or out of the controls. What is happening is over time the air lines themselves have started to get blocked by the oil. If water gets in the system you can generally blow it out. When oil gets into the system it acts like molasses – it just sticks in bellies into the air lines.

What we are finding is that the majority of the thermostats in that section of the building and in this section at this point are all not functioning properly because of the amount of oil in the air lines.

They are not getting the adequate amount of air, which is not controlling the thermostats and are also not controlling the control valves.

Alderman Deane

Is that because the steam traps weren't skimmed?

Brian Covey

No. It has nothing to do with the steam system at all. The problem you run into is that every time you throw a ring on the air compressor you could throw oil out into the system. As the rings and the air compressors themselves start wearing out they will start putting oil out. What has happened is between the compressors and the air dryers and the oil separators things fail. Over time items have been failing constantly. It is just very apparent around the building that is one of the problems we have. At that point, the key is you can go through and replace all the pneumatic tubing around the building at a very expensive cost by the time you pull all new lines through all the area thermostats, zone valves, day/night set points, and the control valves, it becomes a very expensive option.

That was one of the concerns we had with that section of the building that we could go through and probably repair 1 or 2 thermostats today and we may have 2 more break tomorrow just because we don't know where the oil will concentrate in any of these areas or we may be able to blow a line out today and get the line back up and running.

When Janice and Ron first approached us for this we looked at the idea of the system needs to be upgraded at some point. Either we look at upgrading the pneumatic system or go to digital and go to electronic. One of the proposals we looked at was there are 14 heating zones out in that section of the building and we could take those 14 zones and convert them to electric, put new electric control valves in, put new electric sensors in all the rooms, and then bring it all back into the DDC system that we have downstairs, and upgrade that system to accommodate all of these new components.

It is something that needs to be done. Is this the only section of the building that it needs to be done in no the rest of the building really needs it, but at the moment the rest of the building is warm. If it is warm and you are comfortable it is not really a problem. If an area that you have people are very cold and it is running at 50 or 60 degrees that is why we are addressing that section of the building right now versus addressing the entire building.

Alderman Deane

Where on your sheet do we see the control costs? Is that item 3?

Brian Covey

That is basically item 3. We replace 14 existing control valves and thermostats.

Alderman Deane

So we have 14 control valves and thermostats for a total of \$460.00?

Brian Covey

No. Let me give you a basic breakdown of what this sheet takes off as. The labor, material, and equipment costs are generally any costs that I incur. My gentlemen's labor to go in and replace the control vales, any material that I will need to replace those valves as I pull them out of the system, and any equipment costs that I particularly have directly involved in it. My sub-contractor's costs are generally my control contracts, which is Viking Controls who has been doing most of the work in the building. They are supplying all the zone sensors, the control valves, and all the wiring to do all that work. Basically the \$460 is my miscellaneous costs I will incur in tearing the valves out, putting the valves back in, and re-piping them back in.

Alderman Deane

Can you explain the material costs again?

Brian Covey

The material costs list here is direct material costs that my company is going to be purchasing.

Alderman Deane

What would that be?

Brian Covey

That material cost there is every time we tear out one of the control valves we are going to have to replace a section of copper piping, we will have to replace fittings, and put everything back into the system to operate.

Alderman Deane

What is the breakdown of the \$13,225 with labor and materials?

Brian Covey

I do not have a direct breakdown from them. That is all my sub-contractor's costs.

Alderman Deane

So we have no idea what the labor and material is just that is what the sub is charging for the 14 existing control valves and thermostats?

Brian Covey

Correct.

Alderman Deane

About \$1,000 each.

Brian Covey

At this point, what he has to be able to do is go from the basement wire in wires from the basement all the way up to the second floor, he is then going to have to go from a junction point to every one of these 14 rooms; wire in 14 thermostats and from the thermostats then also wire two of the control valves at the baseboard radiation.

Alderman Deane

Is he pulling all the wires in the walls or obviously above some of the suspended ceilings?

Brian Covey

Where he can he will pull them all into the walls. There are some areas where he may have to put wire mold in. Basically that is going to go on a room by room basis. If he has block walls there is no way he is going to be able to pull wire and will have to run wire mold. If he has hollow open walls he will attempt to try to run all the wires in the walls as much as possible.

Alderman Deane

When were you contacted about this project?

Brian Covey

Probably a week before Christmas. I have actually been down to City Hall a couple of times in the last month and a half for different heating problems.

Alderman Deane

Were you aware of the resolution that was filed that showed the \$35,000 transfer?

Brian Covey

Yes.

Alderman Deane

And the total cost is \$35,000?

Brian Covey

Correct.

Alderman Teeboom

Let me follow up on that. Is this oil fired system?

Brian Covey

No this is a gas fired...

Alderman Teeboom

Is the temperature of the steam always at the same temperature? You said 100 degrees. Does it vary by the zones?

Brian Covey

Steam varies anything above 212 degrees. Depending on how much pressure is in the system the steam temperature actually does go up. Generally in low pressure steam systems like this the steam pressure will maintain about 212 degrees.

Alderman Teeboom

What about the water system?

Brian Covey

The water system is variable on the amount of steam that is being fed to the water system.

Alderman Teeboom

The individual zones are not controlled?

Brian Covey

The individual zones in this case are the individual rooms. They control the temperature of the room but not the temperature of the water.

Alderman Teeboom

Do you control the temperature of the water with this system based on the outside temperature?

Brian Covey

Right now it is running off the all pneumatic systems yes.

Alderman Teeboom

So it is adjusted.

Brian Covey

Yes.

Alderman Teeboom

Mrs. Tremblay mentioned \$100,000. Does this \$35,000 fix all the things that you thought would be fixed at \$100,000?

Janice Tremblay

The \$100,000 was a proposal we had obtained from J. Lawrence Hall 2.5 years ago. We had basically asked them to take a look at our thermostat problem. The \$100,000 was to replace all of the existing thermostats throughout the building because we were having such a problem trying to control the heat back and forth.

Alderman Teeboom

How does this fix compare with that?

Janice Tremblay

This fix is basically only addressing Community Development, and it is addressing things other than the thermostats. It really doesn't compare with it.

Alderman Teeboom

So we still have to face more expenses coming down the pike?

Janice Tremblay

As Brian Covey indicated earlier, this is addressing the real problem today, which is Community Development, which isn't getting workable heat. The rest of the building is acceptable, but it is not ideal. Were we able to go back in and re-adjust and replace the existing thermostats throughout the building I am sure down the line we could achieve some additional savings just in fuel costs because we wouldn't be wasting fuel and achieving temperatures – as I said there was no reason for my office to be close to 90 degrees – that was obviously a waste of energy. There are lots of things you can do, but the problem is always the money situation.

If I could just clarify one point, the reason we asked for \$35,000 on the resolution is because we had asked Brian Covey for an estimate of what the fix was going to be. That is how we arrived at that \$35,000 that we asked to have transferred.

Alderman Teeboom

In another year or so you may come back and ask for additional money to fix these thermostats?

Janice Tremblay

I can't tell you.

Alderman Teeboom

Let me ask the expert – the thermostats in bad shape?

Brian Covey

The thermostats in the control system right now are in bad shape. Next year someone may be addressing why it is 78 or 80 degrees on the second floor. For the same purpose that is the controls failing in the open position versus the closed position. Not having enough heat in that

section of the building – next year it may be someone's opinion why are we running City Hall at 80 degrees upstairs and the rest of the building is maintaining 65 degrees nicely.

Alderman Teeboom

Mr. Mayor I have noticed that it gets very hot for instance in the conference room at times. Maybe someone ought to take a look at a better fix because we are probably spending too much money on fuel costs.

Mayor Streeter

I am sure that is something the Budget Committee and ultimately the Board of Aldermen will have to consider in the years to come, but right now we are talking about one section of City Hall that needs to be fixed. I frankly think anything we can do to help...

Alderman Teeboom

I agree with you. I don't think the \$35,000 is excessive. It sounds to me like we have a problem in this building and this will only fix a small piece of the building.

Alderman Dion

I am looking Mr. Covey at the work in Article 13. I was looking for the warranty part and that is the only part I could find that covers that issue. I believe it says work is guaranteed for one year?

Brian Covey

Correct.

Alderman Dion

There is no warranty longer than a year?

Brian Covey

General standard is one year.

Alderman Richardson

I guess we haven't completed actually talking about the fix. That is one of the things I did want to ask is do we have a warranty for the work. Do we have some kind of assurance that will in fact fix the problem?

Brian Covey

At this point, as far as we can determine – as far as we can see everything is relating to the thermostats and the existing control valves. Whether or not there would be an issue on something else that is something we don't know. We don't feel at this point that there are any other issues because there is not much else in the operating side of that system that we are not correcting at this point. Something that was addressed to us or we looked at is yes we could go in and do one room at a time situation. If there are only 2-3 rooms out of the 14 that are really

bad could we go in there and correct those for right now and the opinion was that if we correct 2 or 3 of them today and you have a problem with the other 2 or 3 next week then you are starting all over again.

When we looked at this we addressed the entire hot water system. There are other items that still could fail in that system yes. You still have electric circulating pumps that are circulating the water. The sensors and everything else is being changed over at this point. There is not going to be very much left of that hydronic system that we are not addressing.

Alderman Richardson

You are specifically addressing the hydronics system?

Brian Covey

Correct.

Alderman Richardson

That is the other point I wanted to make is I went and toured the back offices and there are a number of offices that have steam heat. You go into those offices and it is very hot in that very area. The hydronics or hot water parts are cool. How will this affect improving the excessive heat in the steam portions?

Brian Covey

At this point, we are not addressing the excessive heat portions because what is happening is we looked at basically the hydronic systems that were present in that section of the building. We did not address any of the steam systems at this point just because they are operating; at this point they are overheating not being too cold. That is something that will need to be addressed throughout the entire building.

The only reason why I think the main body of the counter area out there is relatively comfortable periodically is because those offices are over heating. At this point, we don't want to address any of that because that is what is helping those girls get some warmth out there. One of the proposals we looked at is we started looking at that whole general area was that counter area does get cool because there is no heat in that general center core. The original section of that building was heated by the external radiators that are now in the hallway outside of that department. That is one of the things we did try to address. If we are going to try to get everybody comfortable in that area then we need to address that counter area also by adding some extra heating there.

Alderman Richardson

So Mrs. Tremblay's office is still going to get hot.

Brian Covey

Right.

Alderman Richardson

And this \$100,000 bid that we got some time in the past about changing out controls that was an approach, which we didn't go with at the time, and that wouldn't have fixed the problem either. We now have identification of a problem, presentation of a solution – now is it an emergency? I guess that is up to every individual to decide for themselves.

Mayor Streeter

I think Alderman Richardson if you worked in the area you would consider it an emergency. Are there any further questions?

Alderman Deane

I want to know why this didn't go out to bid. We have nothing to compare this price to. I am not debating whether the work needs to be done or the solution that has been rendered through the documents that have been presented, I have a big problem with the competitive bid process being bypassed.

Janice Tremblay

I summarized for you earlier the fact that we have on several occasions looked at what can we do about a situation that is far less than ideal within this building. We have talked to a myriad of different potential suppliers. Yes we did not do a formal bid on this. The main reason for this gentlemen is that when the winter hit and several weeks ago we were speaking with Brian Covey because we were experiencing some problems and actually he was in here working with Ron Jenkins to try to adjust some thermostats and controls, and really not resolving the problem – the urgency came at a directive from Director Lemieux where she called Ron Jenkins and myself into her office and said I want this problem corrected and I want it done now.

Mayor Streeter

She was acting under my instructions. I told her I wanted the problem solved.

Janice Tremblay

I didn't realize that and ...

Mayor Streeter

I have had it with any number of employees complaining about being unable to work in a particular area of City Hall so I said I want it resolved. I think they did a fantastic job up to this point for a relatively small amount of money so that we can keep these people warm at least through the winter. What you guys do in the years to come relative to this building is your responsibility. My responsibility right now is to make sure that the employees over there have a comfortable work environment, and I think that you have been told this evening that it will provide them with a comfortable work environment.

Alderman Deane

That is not the point Mayor. We have...

Mayor Streeter

It is the point that I – it is of an emergency nature...

Alderman Deane

Excuse me...

Mayor Streeter

I have the right to do that under the emergency aspect of our...

Alderman Deane

And we haven't heard of an emergency yet. Is this the initial price that you gave. Did you give another price prior to this \$35,000 or has it always been \$35,000?

Janice Tremblay

I had a \$41,000 originally.

Alderman Deane

So now it is \$35,000. See Mayor and he was bidding against himself and he came down \$6,000. That is part of the process.

Mayor Streeter

You raised the point Alderman Deane about an emergency nature. I considered it an emergency nature, and under the authority granted to me, we proceeded along those lines.

Alderman Deane

I don't believe that is stated in the memo. If you were going to proceed along those lines you would have followed through and just had the work done and brought it to the Finance Committee after the fact.

Mayor Streeter

And then you would have had probably more...

Alderman Deane

No Mayor we discussed that with the CSO...

Mayor Streeter

The point of the matter is Alderman Deane I think we have discussed this enough. Are we ready to take a vote? This is something that needs to be done, it needs to be done yesterday, and I

think we owe it to our dedicated city employees to make sure that they have a proper work environment.

Alderman Deane

I think you are pushing the envelope Mayor. I think this should have been put out to bid in a timely manner, and it wasn't done.

Mayor Streeter

What would the time be Janice if this were put out to bid?

Janice Tremblay

First of all I would have had to hire some kind of an engineering firm such as Integrated Engineer Systems who designed many of the heating system renovations for the fire stations. They generally charge at least 10% of the anticipated project, and let's say we ended up with a \$35,000 project we would have had to find someone to do that, hire them, and the \$3,500 would have been that cost. They would have spent a couple of weeks putting together the specifications coming to the City Hall building and going through that. I would have put the specs together and put that out for bid, we would have had an on sight visit for interested potential bidders, and then I would have allowed them after that on sight visit probably another two weeks to put their quote together so two weeks for the consultant and another three weeks for the bid process. Approximately 5 weeks from now we would be opening bids and then depending on what we got for bids and how direct they were to our requests for those bids and evaluating back with the engineering firm as to whether the low bidder met the specs, etc., and then maybe coming to Finance within the next maybe 2-3 weeks depending on where it fit in with your schedule.

Now of course we could have called an emergency Finance meeting so we probably could have cut some of that time off so probably reasonably estimating a good 6 weeks from now before we awarded the contract.

Alderman Dion

And winter would be almost over.

Janice Tremblay

Well winter would be almost over so our problem would be gone, but I don't think that is the issue. If you try to cut the schedule any more than that all you basically do is get fewer people who want to participate in the bid process. To be fair and to get a good number of responses about 6 weeks.

Mayor Streeter

Let's don't belabor the point Alderman Richardson. We have other items to consider tonight.

Alderman Richardson

I guess it is the Purchasing Manager who is responsible for the adequacy and delivery of the goods, and I guess it is under your auspices that services are evaluated by city employees. I

guess where I am going with that is has the city provided any kind of a technical review? Has someone passed judgment, who passed judgment on adequacy from the city's perspective on the solution?

Janice Tremblay

Well the solution was reviewed if you will by Ron Jenkins. He met with Mr. Covey and myself and looked at what was being proposed. We also looked at some of the other approaches, the more expensive ones, that were initially offered, and discussed the pros and cons of each of the components within those, and determined there was a way that we could eliminate some of the expense, but still be able to solve the problem. That is where we are today. Has this been reviewed by an engineer no it has not. We have Hansen-Fox and the knowledge from Hansen-Fox, and when we did install the new boilers several years ago, and that was an emergency because as you recall they caught fire, Hansen-Fox was indeed the low bidder in that regard, and we had worked with an engineering firm, a separate firm for the designing. I have full confidence in their abilities to provide us with a workable solution.

Alderman Richardson

So we don't really have someone on the city side that would say this is a correct and adequate technical solution?

Janice Tremblay

No we do not. I don't believe that Mr. Covey worked with anybody in the building department.

Alderman Richardson

Thank you.

Alderman Deane

When you reduced your cost by \$6,000 what did we take off the table?

Brian Covey

Most of it was in controls. One of the options we gave was for the 14 zones we could put self regulating thermostats in all the rooms. Basically what you have would be everyone in all those rooms could actually walk up to the thermostats and turn them up and down. One of the options we took out of that policy was to put in just sensors in each one of the rooms. Now there will be a master computer running the temperature in that room so that not everybody can just walk up to the thermostat and turn it up and down. That was actually a cost savings of almost I want to say \$4,500 by itself because that requires a lot more wiring and everything else to be able to do that.

Alderman Deane

What brand thermostats are you using?

Brian Convey

These are all Johnson controls.

Alderman Deane

What was the other \$1,500 item?

Brian Covey

Honestly I don't remember right off the top of my head. One of the other things we were going to be looking at was we were going to go through the entire – all the controls and all the air handlers and going through all that equipment at the same time. One of the other problems we found that we have over at that point in the building is we had multiple air handlers that feed air to the systems that are not running in the winter time because none of them have heating capacities to them. At that point they are not bringing fresh air in. One of the other items we were looking at was addressing each one of those air handlers and evaluating them to see what condition they were in to see if they needed to be upgraded to electronic. We felt at that point that was more of an air conditioning issue that we didn't need to address at this time.

MOTION CARRIED

From: Janice Tremblay, C.P.M., Purchasing Manager

Re: Mine Falls Park Improvements Phase Two Dam Gatehouse Renovations Contract

MOTION BY ALDERMAN FLYNN TO ACCEPT, PLACE ON FILE, AND AWARD THE CONTRACT TO THE LOW BIDDER, ENGELWOOD CONSTRUCTION CO., INC., IN THE AMOUNT OF \$288,205.15. FUNDS ARE AVAILABLE IN ACCT. #352-6513 (\$252,735.00) AND ACCT. #952-5351 (\$35,470.15)

ON THE QUESTION

Alderman Deane

If you look at the back side of the memo we received with our packet, you will see an extension fluctuation of bids from \$288,000 up to \$429,000 for the same work. That is the beauty of the bid process. Look at the difference in cost – well over \$100,000 for the same work. The Public Works Commission approved this. When you look at some of the figures on some of the tasks and some of the material costs it just kind of – I don't understand how some of them fluctuate so greatly in costs when you are looking at the same print and the same job.

Alderman Teeboom

This is a much bigger job than the \$35,000 so I have the same question that was asked earlier. Has someone checked over and made sure it was a good bid?

Amy Gill

I was the one as well as our consultant Louis Berger in order to review the references that were submitted.

Alderman Teeboom

Everything looked good to you?

Amy Gill

Yes. We contacted several of them and found them to be acceptable.

Alderman Teeboom

Why does it fluctuate so high?

Amy Gill

I think some of the work as referred to for unit pricing; it is up to the contractors to bid high in some cases where they either have to sub out. Perhaps some of the work is done in house where they can keep the unit costs down. Contractors can also load certain items in order to gain the price that they need. For instance, one item where they came in very close was the copper roof. We summarized that they had to use the same contractor, which was Melanson Copper. We also do request that they submit contractor lists for large sub-contractors that will be working on the contract.

Then an item like item 2 – general conditions & temporary facilities fluctuates greatly. Also a concern was Englewood Construction was the apparent low bidder. Their costs for electrical work that is to be done was low. We were concerned about why it was so much lower and they felt comfortable with still doing the work at that price so we found that to be acceptable.

Alderman Teeboom

When this is all done this is it? When this job is done what do we finally see? Does the public go visit this house? What is the end product?

Amy Gill

As mentioned before, this gatehouse renovation repair work is being done in order to preserve the building, to keep it structurally sound, and in order to open it for supervised visits. The gatehouse is listed on the historic register and we hope to bring a historic component to Mine Falls Park and open it up to the public – mainly school children.

Alderman Teeboom

But visits only?

Amy Gill

Supervised visits.

Alderman Teeboom

You go inside and see the original hydraulic works and all that restored?

Amy Gill

We would be happy as we have said in the past to open up the gatehouse in order to get a good feel of what is existing in there. There are gates that have existed from early 1900 late 1800s.

The gears have been updated through the years. They were electrified at one point. Some of those works are still in there, and it is the intention to use the building to show it as it has changed through the years.

Alderman Teeboom

None of them will be working?

Amy Gill

None of them will be working.

Alderman Teeboom

So what makes it so expensive?

Amy Gill

The building pretty much was abandoned when it was first pretty much rediscovered by the Fairgrounds Middle School Preservation Team. They identified the gatehouse as a building that had pretty much been abandoned, graffiti laden, and what we are trying to do is just restore the building, preserve it so that people can go in it.

Alderman Teeboom

What confused me is the building is not made of gold or porcelain – it is just a bunch of old bricks. What makes it so expensive to restore the building?

Amy Gill

Based on the bidding price we have that is what it takes to re-point certain bricks, to clean the interior of it. The building has also been abandoned. There were some creatures in there, which left some areas we need to clean up. The building had been vandalized.

Alderman Teeboom

This is all federal money?

Amy Gill

The HUD Grant is federal money and a portion of it is being paid out of the cell tower account, \$35,000. The windows have to be replaced. People have tried to break into the building. There are bricks that are missing. There is a drainage issue and some sinkhole issues. When you open the structure it is sometimes quite amazing to see what is in the interior of it.

Alderman Teeboom

When will this be done?

Amy Gill

The target date for substantial completion is May 30th should the contract be awarded tonight.

Alderman Teeboom

So I will be able to sign up for a tour and finally be able to get inside that building?

Amy Gill

We would be happy to take you there as a supervised visit during construction, but yes the building will be open hopefully for classrooms next fall.

Alderman Richardson

Do we have experience with this contractor?

Amy Gill

The city does not have experience, but he is a local contractor out of Manchester.

Alderman Richardson

Were you able to get some sort of references?

Amy Gill

Yes. We have a list of references. He had done some work for the Manchester Public Works Division. Again, he does not focus on historic repairs. He has done one project with historic repairs. As Alderman Teeboom referenced a lot of it is re-pointing of bricks and general construction.

Alderman Richardson

I want to ask about the special revenue account, Mine Falls HUD Grant Phase II in the amount of \$252,735. Is that going to tap that out?

Amy Gill

Yes that will exhaust that HUD grant.

Alderman Richardson

And there will be no monies left for further expenditures except cell tower money I guess.

Amy Gill

Right, but this HUD II Grant through that account that you referenced, the \$252,000, that money was dedicated just for the gatehouse and that will exhaust that. When we did the preservation study there were different additional items that they had recommended. For instance, there is a

lower level where the wood is completely rotted out that we would like to do some work in there as well, but we just don't have the funds.

Mayor Streeter

I will say that Senator Gregg was responsible in part or mostly for this particular grant, and the monies have been allocated to the Mine Falls Park in light of the fact that his family has a tremendous interest in Mine Falls Park. I think in the future there will be more grant applications to continue to fix up Mine Falls Park.

Amy Gill

We hope so. We have been very fortunate to receive the three grants targeted towards the project.

Alderman Dion

Looking at all the cost items here, and the biggest single expenditure that I can see is the roof. Copper roof \$49,000. That is a lot of money for a roof isn't it?

Amy Gill

The copper roof was recommended by the consultant for several reasons. One was knowing that funding to make improvements to the gatehouse once this HUD grant was exhausted may be limited, the copper roof has a 50 year design life whereas the membrane roof as shown as the alternative item in 25(a) has a 20 year design life. We were weighing whether or not to do the long term repair versus the 20 year repair.

Alderman Dion

So if you add 20 and 20 that is twice then another half would come to \$50,000, but with the cost of inflation would probably be more, but \$50,000 for a copper roof – it seems like a high cost.

Amy Gill

It also was considered that copper was going up during the design period of this. As you see we also supplied the alternative bid item of the membrane roof so we can make that decision if we want to go with the copper or the membrane.

Alderman Dion

So pay now or pay later.

Amy Gill

That is what we have to evaluate correct.

Alderman Teeboom

I want to caution you on the copper roof. There was a report not long ago because of the high cost of copper and the scarcity people are starting to rip these things off.

Amy Gill

Something that has been considered is the safety of the copper on site during construction as well as the possibility of it being removed once it has been installed. Those are all things we are considering in making this evaluation.

MOTION CARRIED

From: Janice Tremblay, C.P.M., Purchasing Manager
Re: Amendment to NRPC Contract for Broad Street Parkway Study
WITHDRAWN

UNFINISHED BUSINESS - None

NEW BUSINESS - None

WARRANT

MOTION BY ALDERMAN FLYNN TO APPROVE WARRANT #12 IN THE TOTAL AMOUNT OF \$17,821,083.54 OF WHICH \$1,742,475.28 ARE ACCOUNTS PAYABLE, \$4,861,173.02 ARE PAYROLL AMOUNTS, \$588,671.40 ARE PREPAY AMOUNTS AND \$ 10,628,763.84 ARE WIRE TRANSFERS
MOTION CARRIED

DISCUSSION

ADJOURNMENT

MOTION BY ALDERMAN DION TO ADJOURN
MOTION CARRIED

The Finance Committee meeting was adjourned at 8:45 p.m.

Alderman Richard P. Flynn
Committee Clerk