

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT SERVICES COMMITTEE MEETING
MONDAY, NOVEMBER 23, 2015, 7:00 P.M.**

Members Present: Chairman Turner, Aldr. Stellato, Aldr. Silkaitis, Aldr. Payleitner, Aldr. Lemke, Aldr. Bancroft, Aldr. Krieger, Aldr. Gaugel, Aldr. Bessner, Aldr. Lewis

Members Absent: None

Others Present: Ray Rogina, Mayor; Rita Tungare, Acting City Administrator; Peter Suhr, Director of Public Works; Chris Adesso, Asst. Director of Public Works - Operations; Karen Young, Asst. Director of Public Works -Engineering; A.J. Reineking, Public Works Manager; John Lamb, Environmental Services Manager; Tom Bruhl, Electric Services Manager; Jim Keegan, Police Chief; Joe Schelstreet, Fire Chief

1. Meeting called to order at 7:00 p.m.

2. Roll Call

K. Dobbs:

Stellato: Present

Silkaitis: Present

Payleitner: Present

Lemke: Present

Turner: Present

Bancroft: Present

Krieger: Present

Gaugel: Present

Bessner: Present

Lewis: Present

3.a. Electric Reliability Report – Information only.

3.b. Active River Project Update – Information only.

Chris Adesso presented. The Active River Project Update is a new Administrative item. There has been a request to provide a monthly update at the Government Services

Committee Meeting on the status of the Active River Project. Therefore, staff decided to present the information in the form of minutes from the monthly meetings and also agendas for upcoming meetings as well as a recap memo if needed to the Committee in their packets. The thought is that we would treat this similar to Tree Commission and Electric Reliability where folks would have the opportunity to review the information in their packet and ask Staff questions at the meeting, and we will make an effort to have someone from the Task Force available for questions also.

I'm happy to answer any questions you have, and John Rabchuck is here tonight to answer any questions as well.

Chairman Turner: There is no December Government Services Committee Meeting, but in January, given that there has been progress from the Active River Task Force to contact the IDNR and we now have a preliminary cost estimate of \$17,000,000 just for the section next to City Hall, which is \$5,000,000 more than the City budget for the entire year. In January I would like to have an agenda item that we as Council start to engage ourselves and engage the Active River Task Force preliminary where we stand and how we feel about this.

John, you get an idea where we are, because this is the first time we are going to talk about this in January, just preliminary how some of us feel about this now that we have costs. I did notice I didn't see an estimate of the Return on Investment and also, given that the structures proposed at the Park District Meeting in August, they erode. They are going to be in water, they are going to be subject to ice and I don't see anything on here about maintenance for 20 years. Staff can't remember any money being put into the dam over the last 20 years, but I don't see an earthen structure lasting 20 years.

Mr. Rabchuck: John Rabchuck, 914 Ash Street, St. Charles. Forget about all those other numbers, there is a lot of activity going to pay for those without hitting the City budget. The thing that is important right now is the \$1.5 - \$2.0 million to do the engineering studies that will prove whether this can be built, that it won't have any impact on other communities and that it will survive and not create a maintenance headache or burden for the City. That's the part that has to be done first and foremost. We are exploring ways to do that and by January, I should have some answers for you.

Chairman Turner: By January, I think we need to formulate opinions on this as we go forward. This is a hefty project.

Mr. Rabchuck: As we suggested to you and the Park District back in August, this is a 10 year time frame, but there are things underway that we thought we would update you on.

Chairman Turner: There are a lot of things on here, so in January, I would like us to start giving you our preliminary opinions.

Mr. Rabchuck: There is an ongoing community effort to produce the \$1.5-\$2.0 million in engineering costs without hitting the City budget and we think we will have some announcements about that in January as well.

Chairman Turner: That's all well and good, but one of the final approvals if this goes forward or not has to come this Council if we really want that dam to go or not.

Mr. Rabchuck: The dam is not going, it's being modified.

Chairman Turner: That is something we can talk about too.

4.a. Recommendation to approve Budget Addition for Electric Utility New Business Work.

Tom Bruhl presented. We do not budget for new electric projects so that we don't throw off the revenue anticipation, so you will see five projects listed on your Executive Summary. Of those, four of the five are well under way. The only one that hasn't started yet is the CVS at Lincoln Highway and that is anticipated to start as soon as the weather breaks.

These are reimbursable jobs, so none of the funds will be spent until we receive the revenue and part of the building permit process.

Aldr. Stellato: Tom, if there is a cost overrun, the developer still covers that?

Mr. Bruhl: Yes.

Aldr. Silkaitis: They pay for the work before they get the permit, not after the work is done?

Mr. Bruhl: That's correct. As part of the building permit process, we will put in these charges and in order to get their building permit released, they have to pay those charges in the Building and Code Enforcement Department. If by chance, the CVS project doesn't happen, the funds will sit in the account unspent and will be washed out at the end of the fiscal year.

No further discussion.

Motioned by Aldr. Stellato, seconded by Aldr. Silkaitis. Approved by voice vote.

Motion carried

4.b. Recommendation to approve Design Engineering Agreement for the South Tyler Road Reconstruction/Resurfacing Project.

Karen Young presented. South Tyler Road is scheduled for improvements to start this spring into the summer for the reconstruction of South Tyler Road from South Tyler to Cambridge Drive and the resurfacing of Tyler Road from Cambridge to Division. We determined that the design of this project needed to be completed by a consultant. Staff sent out a Request for Qualifications and proposals to four firms which included CivilTech Engineering, HR Green, Robinson Engineering and Thomas Engineering Group. We received proposals and qualifications from all of the firms except for Thomas Engineering who declined at this time, due to their workload. Staff reviewed qualifications by all the firms regarding the quality of the responses, the completeness of the response, the capability of the firm and their proposed staff, their competence to manage sensitive projects such as this in residential areas and their proposed project schedule.

HR Green was selected based on the qualifications and review of this work. They have extensive experience in preparing design plans and specifications for both reconstruction and resurfacing and they have a long history of doing that work. HR Green also has been working successfully on the 7th Avenue Creek project and they recently completed the field surveying work for the South Tyler Road project. Bidding of this project is scheduled for March 2016 with construction to start shortly after that. As part of the project, it was include an analysis of the entire construction schedule which we will present for the approval of the construction project in March.

If there are no questions, staff recommends approval of Design Engineering Services with HR Green for the South Tyler Road Reconstruction/Resurfacing Project in the amount of \$59,902.32.

Aldr. Lemke: What is involved in the scope? It sounds like more than a grind and overlay; is that going to cause a fair amount of disruption for the residents?

Mrs. Young: As part of the process and one of the reasons with HR Green's proposal; they talked a lot about maintenance of traffic, how to detour and handle construction to allow residents to have access to their property during this week. They put a lot of emphasis on that and the QA/QC for this work as well. So yes, half the project would be reconstruction, half would be resurfaced.

Aldr. Lemke: Reconstruction, is that all new curbs and infrastructure?

Mrs. Young: Yes, I should have explained that. What happens in reconstruction is that the entire roadway is removed; the full pavement structure which includes the pavement and the stone that is existing there. This particular section that we are looking to reconstruct is on a pozzolanic base which is a substandard material that we have a lot of

problems with in our community, so that particular section is being removed to the bare ground and we would excavate any additional soil necessary to meet capacity requirements for the new roadway which would include ADA compliant improvements and driveway aprons would be replaced as well in the reconstruction section.

In the resurfacing section the work would include removing the top layer of asphalt to provide a new smooth riding surface which would include curb and cutter removal and replacement in areas that are damaged and also ADA compliant improvements as well.

Aldr. Lemke: The pozz base doesn't support the road very well and a regrind would be short lived because traffic would probably depress the pavement in places, especially if water sits on the surface, correct?

Mrs. Young: Yes, when water gets into that material, it tends to want to explode. It's not a reinforced concrete material.

Aldr. Gaugel: You mentioned you utilized a ranking system to evaluate the proposals. Where did HR Green in fall in terms of price? Where they the highest, the lowest, the middle?

Mrs. Young: They were the middle. CivilTech and HR Green were in par with each other in terms of quality of their proposal. The third proposal and what was included I did not feel was sufficient and felt like it did not cover everything necessary to complete the work.

Aldr. Gaugel: Was that the lowest?

Mrs. Young: It was the lowest, but they had the highest hourly rate, the lowest amount of hours. By the time we increased the amount, they would have been more than HR Green's proposal.

Aldr. Stellato: In regard to the timing; bidding in March, hopefully we start when school is out in June?

Mrs. Young: That will all be part of the conversation; we can start in the spring but we will have to evaluate that and see how significant the impacts to the school will be and make that determination once we get through the design process.

Aldr. Lemke: Is HR Green going to do this all themselves? Do they have enough resources in house or is there a risk of substitution of people from other firms that we not part of the bid?

Mrs. Young: HR Green is a very large company and they have plenty of staff. The staff they have proposed are proposed specifically to this project so it wasn't just selecting HR Green as a company, it was specifically selecting a team of people that they proposed.

No further discussion.

Motioned by Aldr. Stellato, seconded by Aldr. Silkaitis. Approved by voice vote.

Motion carried

4.c. Recommendation to approve Highway Authority Agreement for 1315 West Main Street.

Karen Young presented. This is regarding 1315 West Main Street which is located at the southeast corner of West Main and South 14th Street which is the former Sunoco Gas site. This site experienced a Release of Contaminants as part of the removal of the underground storage gas tanks at this site. As part of this, the Release exceed a Tiered 1 Residential Remediation Objective, and as part of that, the contaminants impacted both the IDOT Main Street Right of Way and the South 14th Street Right of Way. The City has been working for several years with former property owners for Sunoco which is now Evergreen Resources Group and the current property owner of Lundeen Liquors to get this approved.

IDOT has been working with and finally gave sign off last year and notified the City this year that they have completed everything necessary for their Highway Authority Agreement so the City has been working with our Environmental Attorney to get everything worked out for the City's Agreement. There are two agreements included in your packet, one being the supplemental agreement which basically handles all the financial information with the City and what requirements are within the right of way. It prohibits any domestic waterlines to be placed within that area, it limits the access to the soil in the area, so basically any permits that come through the City we have to monitor that area to make sure we are not allowing something to go in that shouldn't be there.

The Agreement does reimburse the City for all of our legal fees that we have incurred over the last several years, and if the City does have any work that needs to be done in the right of way that goes below the pavement surface, we can be reimbursed up to \$10,000 for any of those soils that may need to be hauled off to a special waste site.

The second part of the Agreement is the standard IEPA Highway Authority Agreement so they are basically looking to get all the documentation submitted to IEPA for approval. This is the last step in the process. I understand there are discussions about development on that site, and this is a totally separate issue from that; this has been going on for years in terms of the right of way work.

If there are no questions, Staff recommends approval of the Tiered Action Approach to Corrective Objectives Agreement for property at 1315 West Main Street.

No further discussion.

Motioned by Aldr. Silkaitis, seconded by Aldr. Lewis. Approved by voice vote. **Motion carried**

4.d. Presentation of North 5th Avenue Water Main Project – Information only.

Peter Suhr presented. Before we get started, I just want to clarify the purpose of tonight's discussion and how it relates to the conversation that we had a month ago at this Committee meeting. As you recall, last month City Staff was seeking approval of Change Order No. 1 for Trotter and Associates for additional services relating to this project. After much discussion, the item was tabled and continued for conversation tonight. Please note that tonight's agenda is not specifically the same as last month, we are not seeking approval tonight of Change Order No. 1 for Trotter. If I may respectfully request, we would like to consider keeping that agenda item tabled until the project is completely finished.

Instead tonight, City Staff and our consulting engineer would like to take the time to present a thorough project overview. We recognize last month, perhaps a little too late, that you are deserving of more detailed information on this project so that you have all the information needed to make informed decisions moving forward. We want to be as transparent as possible and are hopeful that all of your questions and comments will be answered tonight and you have a comfort level in this project to make those decisions necessary in the future. Again, we are not seeking any approvals tonight, this is for information only, dialogue and questions and comments.

You will hear tonight that this particular watermain has had historical problems. We knew this project was going to be difficult from the start, and very complex. Unfortunately it has proven to be so. You will also hear tonight that Staff assembled the proper team to design, specify and construct this unique project. We stand behind that decision today, and you will hear the reasons why. You will also hear that we did not necessarily expect the types of delays that we saw on this project when we started construction. We will discuss two unexpected circumstances, major factors, that delayed this project overall.

Despite the setbacks and frustrations, you will also hear and hopefully take some comfort that our team prepared a solid construction contract that includes language that will help to protect the City of any damages incurred, especially damages of a financial basis. That being said, we are not here tonight to hide behind excuses. We recognize that City Staff and our team could have done some things a little better than we have and we are going to work hard to address and move forward and make improvements in those areas. Over the past 30-45 days in particular, our team has focused on solving problems and have tried our best to deliver a successful project this year. We continue to work hard and are still hopeful that we will still be able to be able to deliver this project in completion this year; we will give you the latest project schedule tonight.

Before I hand the podium off to our technical staff, if I may, on behalf of our entire project team, I would like to make a public apology to the Mayor, to all of you, to our entire community and especially the residents that have had to deal with this project from the start of construction. It's been a difficult one, and we understand that. Our Public

Works team always strives for better results on our projects and we apologize that we fell a little short on this project. With that, Karen is going to start the presentation and Scott Trotter is going to continue, and we are all here to answer your questions to make sure you are completely comfortable with the decisions that are being made on this project. Thank you.

Power Point presentation by Karen Young and Scott Trotter of Trotter and Associates, Inc.

We are looking to deliver this project with these estimated contract prices, we are continuing to get the project done and hope to have success for you in the future.

Aldr. Gaugel: This presentation wasn't included in our packet; is there a reason why? There is a lot of good information here that I would have liked to be able to pore over ahead of time.

Mrs. Young: We were trying to make sure we included the most up to date information and things have been changing frequently. I can certainly get this to you and moving forward will make sure to do that.

Aldr. Gaugel: Going back to earlier slides. You had accountability and accuracy in terms of the bidding process. One of the things you had on there was a Change Order rate below 1%. Now, the Change Order rate you are referring to in this case, you would be referring to Martam, is that correct? Not a Change Order to the Trotter Contract.

Mrs. Young: We are referring to the construction contracts, yes.

Aldr. Gaugel: How do you calculate that 1%?

Mrs. Young: I wasn't here during that time, but I know there were several projects they completed with the City over the course of time and that was taken into account looking at the historic percentage of Change Orders for City contracts.

Aldr. Gaugel: So that is more the number of Change Orders per the number of contracts? It's not a dollar figure. Can anyone else add some clarity to this?

Mrs. Young: The 1% would mean if a contract was completed, like if it was only 1% over the original contract amount is what I'm presuming that to me.

Aldr. Gaugel: It's not the number of Change Orders.

Mrs. Young: No, it's the dollar amount, so taking into account the contract, liquidated damages.

Aldr. Gaugel: And that is to the contractor that is performing the work, not Trotter, correct?

Mrs. Young: I'm presuming that is, yes.

Aldr. Gaugel: The couplings; this still has me perplexed. Did we specify as a City to use that specific coupling?

Mrs. Young: It was a system that was designed based on those standards. There are standards in place that state you can use a mechanical fitting or you can use this HDPE fused fitting. It is an improved project that our team came up with the solution for, and yes, that is what we specified.

Aldr. Gaugel: Ok, so when the design was being done, the City specified that that had to be used, is that correct?

Mrs. Young: Yes.

Aldr. Gaugel: So now that it is now and all of those were taken out, what is the implication for the long term? I don't know that I understood the warranty that was explained. I heard one year and five year. Was the initial five year and now we have a one year warranty on that?

Mrs. Young: No, typically all projects are a one year guarantee. Switching to a mechanical type fitting that we switched to IS another system that can be used, it just is not the system we chose for this particular project, but it is a system that can be used. The reason we did that is because there were so many problems going on and the contractor wanted to make the City feel comfortable. We talked to all the manufacturers, we talked to the suppliers to gain knowledge to make sure, but Martam said they were there to guarantee to the product. They said we are switching, we know it's not what you initially wanted, but it is an approved system, and we want you, the City, to have a comfort level with that, therefore, we are going to provide you with a five year guarantee.

Aldr. Gaugel: Which is no change from what originally was proposed. The guarantee is the same as what was originally proposed?

Mrs. Young: No, all projects typically have a one year guarantee, so this is in addition to that. Now they are saying they are not going to give us a one year guarantee, they are giving us a five year guarantee. They have gone above and beyond, yes.

Aldr. Gaugel: There was a long gap between when Martam and their sub was ultimately taken off the project, in the July to August time frame. What kind of conversations were going on at that time? Because I know, firsthand, that there was not a lot of activity going on down Rt. 25 or Iroquois. What did the City have in terms of conversations with Martam and the sub as well as Trotter and the City and the sub? What was going on during that time frame because it seems like we lost two months and then panicked.

Mrs. Young: In terms of schedule, the subcontractor was on site through September. As you can see the subcontractor was working through the middle of August. This is where the critical point came. The subcontractor was behind; they had issues getting materials and that was on them, we can't control a contractor getting materials. By the time they got the materials, they got back on site to get it done and this is where we ended up experience the pressure test fails. August 27 was where that pressure test fail began, the subcontractor came out and replaced the three fitting locations at that point thinking it was a fluke. From that point to the third week of September, there were a lot of conversations going on. We were trying to figure out exactly what was going on with the material, we were contacting suppliers, we were having internal staff meetings, we were having meetings with the contractor and meeting with the consultants trying to figure out what the problem is. We specified the material, it's an improved material, it's being installed according to standard, they have certified installers, so during that time we were trying to make some determinations about we can and should do. We were having conversations with our legal counsel, John McGuirk trying to decide if we should pull them off the job completely and get another contractor. Then the solution came up with Martam saying that they were taking control of the job and starting to replace the fittings. While it might not seem like there were things going on, there was a lot going on behind the scene.

Aldr. Gaugel: I understand from that point, but my question is even before that point because there was a considerable amount of time when there was little to no activity and if I heard you correctly, you said they were waiting for materials to arrive. Did we just buy that and say ok, let us know when it comes in and when you are going to start back up? Or did we actually do anything to facilitate getting the material and verify and talk to the suppliers to ensure that?

Mrs. Young: We were talking to not only the manufacturer, we were talking to the supplier, they were trying to talk to other contractors to pull from their current supply. The contractor bid the job and their job is to order those materials and say they are ready to go.

Aldr. Gaugel: Did they do that?

Mrs. Young: That is our understanding, yes.

Aldr. Gaugel: Did we verify that they did that?

Mrs. Young: We did get a lot of information from the supplier, yes.

Aldr. Gaugel: So they did do it when they said they were going to do it, or did they wait until three weeks into the process before they ordered it and realized it was unavailable?

Mrs. Young: From my understanding they ordered everything, it is our understanding also there is a shortage of this type of supply of material; it is not a product in which this manufacturer, we came to find out, has a substantial supply of.

Aldr. Gaugel: Did we understand that going into the project or was that news to us when it wasn't coming in.

Mrs. Young: I was not aware of that being an issue, no.

Aldr. Lemke: Did all the couplings get replaced?

Mrs. Young: All the fittings were replaced; they re-excavated all those holes. They could have gone section by section to determine where there were failures, but Martam didn't have a comfort level and they wanted to ensure that the City had a project that would last long term and they felt this was the best solution in order to guarantee the work.

Aldr. Lemke: In the future, if we were able to use the HDPE would we use it with the mechanical couplings?

Mrs. Young: We definitely would have those conversations moving forward, yes. Right now we have no other projects proposed at this point utilizing this material.

Aldr. Lemke: We did also have some side streets that were done with the ductile iron, now knowing we have some soils, it would sound like to me that we would file off a chunk of the pipe and put in an anode to help ground each section of pipe. Is that being done?

Mrs. Young: All of these mechanical fittings that we put back in all include anode bags on every single location to protect that.

Aldr. Lemke: On the central part of the pipe, did the chlorination failure happen more than once? Is there a reason why it failed there and not in the other sections of pipe?

Mrs. Young: Unfortunately this happens, even when we did the Tyler Road project, you get random samples that don't pass so you have to isolate and either rechlorinate or reflush and get whatever is in the system out so it is part of the process. The most important thing is to make sure we have proper water quality.

Aldr. Stellato: Karen, this was a good explanation tonight. This is the first time it has been explained to me. Going forward, we can help up here with talking to residents if we have this information accessible. Plus, I would also recommend the Gant chart, maybe for the Tyler Road project, to have that posted on the website so a resident can check in and see how we are doing. To my point, I'm disappointed that we waited so long to address this. There was a lot of time that we could have been brought up to speed, and every time we do a project we learn from it, so I would like to say in this case going forward, I would like to use this opportunity to say how do we help you keep the residents better informed.

Mrs. Young: We have learned a lot through the process of this project and will be incorporating things moving forward.

Aldr. Silkaitis: On the fittings that failed; do we have the results of the engineering failure analysis?

Mrs. Young: We have not received those back yet, no. They were sent off to a third party lab and we have not seen the results of that yet.

Aldr. Silkaitis: I would like to see the results of that because obviously other municipalities must be using this system, so why is it we had a problem with it?

Mrs. Young: That is what we are trying to find out as well.

Aldr. Silkaitis: Basically all the problems we have had with this project are not really anything the City has done, is that correct?

Mrs. Young: Yes. Everything was specified correctly, it's a known system and a known product used in other communities. There is a northwest community that uses this product exclusively, so something is going on and we are going to find out what it is and report back to you.

Aldr. Silkaitis: Please go back to the last slide with the numbers. So what Trotter & Associates wants, their services are needed because of the problems with the Martam and their contractor?

Mrs. Young: Yes, we have Trotter out there on the City's behalf, especially with Martam having five crews at one point; we needed to have representation to protect the City to make sure the products there were installing were correct. We don't have the staff to be out there to that extent, so yes, for our project there was about 1,200 or 1,300 hours projected, about 50 hours a week. If the contractor had completed the construction in the time frame which was in the contract, we would have been well within the contract. When the contractor works extended hours and starts throwing in Sundays, these are well beyond what typical contract hours are. The liquidated damages are there and charged to a contractor to protect the City in situations like this.

Aldr. Silkaitis: I would like to see us go after Martam for the \$230,000 because we had to pay them BECAUSE of that.

Mrs. Young: That's what the \$364,000 is for.

Aldr. Silkaitis: I would like to see the \$230,000 above and beyond that. To me this is two separate issues, they were behind in time. To me, that's the \$3,000 per day. The \$230,000 is a completely separate issue that should be addressed with the company. I don't know if legally it's doable, but that's what I want.

Mrs. Young: In talking with our attorney, the liquidated damages are there to recoup costs to the City which include additional time we could potentially be paying for Trotter to be out there.

Aldr. Bancroft: On the liquidated damage clause, it is a flat \$3,000 a day?

Mrs. Young: It started out for the first 15 days at \$1,500 and after that, \$3,000 per day.

Aldr. Bancroft: Has Martam accepted that?

Mrs. Young: Since the liquidated damages have been instituted, every week they are handed a letter that states to them as of that date, what we are incurring for liquidated damages. So every week they receive a letter showing the current dollar amount for that week.

Aldr. Bancroft: So they are on notice, but can they dispute the amount?

Mrs. Young: They can dispute anything they want, but it's in the contract. As soon as we approached liquidated damages, the first thing we did was get on the phone with our attorney to make sure we were secure and protected with the liquidated damages clause and he said we were.

Aldr. Bancroft: This is the City's position with respect to how the contract shakes out with Martam, but it's not necessarily closed out because the work isn't done yet and to the extent that they do have a response to the \$364,000, we haven't heard it yet.

Mrs. Young: I'm sure they will request it, that's all part of the negotiation of closing out a project. When we get to that point, we will present all that information and to through the process.

Aldr. Bancroft: I understand the liquidated damages provision and it may foreclose going after over and above, but I'm not sure we are done with that conversation.

Aldr. Lemke: Is restoration considered in with substantial completion. Will LD's apply on landscape restoration?

Mrs. Young: Those are conversations we will have to have moving forward.

Aldr. Gaugel: The contract that we have with Martam is a firm fixed price contract, is that correct?

Mrs. Young: It is all based on line items and unit prices.

Aldr. Gaugel: But it's a fixed cost, correct?

Mrs. Young: It's a unit price cost for those line items.

Aldr. Gaugel: The contract that we have with Trotter and Associates is a cost reimbursable meaning we reimburse them for whatever they incur, correct? So to my colleagues here, I would highly recommend that we look at these contracts a lot closer in the future when we are issuing cost reimbursable contracts because we are going to run into this exact scenario with a company like Trotter again. If the project isn't completed in time, his clock is going to keep on ticking because it is cost reimbursable whereas Martam, we have fixed cost per line item. I would suggest we look at that a lot closer the next time we award something major to avoid this exact scenario.

The tradeoff is that we are going to pay more for a fixed price contract, but you know what the price is going to be at the end of the day. When the project is done, this is the cost. Maybe Trotter doesn't operate under that business model, but it should be within our discretion to look at these contracts a lot closer. Maybe the next time we bid something like this out, we can also ask for it to be bid both ways, cost reimbursable and fixed price and we can weigh the options. I doubt if we would have bid it out that way and Trotter would have bid on this, that we would have seen the price double.

Mrs. Young: I understand where you are coming from, what I will tell you is that with any consultant, you make assumptions and assumptions are based on information. We had information on an estimate of time. Every contract we put out in terms of a construction contract, we utilize IDOT rates and determine the estimated time to complete a project. I think it would be unfair to a consultant to say that we anticipate it's going to be 1300 hours to complete a project, but if it goes 5,000 hours, we aren't going to pay you. I agree there are some things we definitely need to look at and have conversations moving forward, but at this point, what I can tell is that Trotter's contract was based on the estimated amount of time that was realistic.

Aldr. Gaugel: We would bid it out not on a time, but a scope of work until the job is completed. Rather than an estimate, we give them the scope of work and find out what it would cost for them to oversee the project – same as we do with Martam. In my opinion, we should be looking at the engineering firm in that same perspective; we should be saying what is the cost to do this from start to finish, regardless of the hours – tell them to estimate the hours, doesn't make a difference to us. Give them our schedule, and if we need to, bid it both ways; bid it as a cost reimbursable and bid it as a fixed price contract.

Mrs. Young: We bid the project for Martam Construction with a contract schedule. The contractor agreed that they would complete it within the contract schedule. Trotter's price was quoted according to that project schedule and the contractor guaranteeing that they were going to meet that schedule. That's why we have liquidated damages. I understand there are some discussions moving forward.

Aldr. Gaugel: To wrap this conversation up, Martam is incentivized with liquidated damages to finish on time. The contract with Trotter isn't the same, there is no incentive there to make sure the project gets done on time. His clock keeps running regardless

whether it goes well or poor. That's the perspective not for you, but for everybody up here, I think we need to seriously weight that in the future.

Aldr. Lemke: The only thing I would add is certainly if there was a lot of activity trying to correct this and you had an engineer on site, standing in your shoes, I don't have a problem with that. If I were looking at this nose to nose, I would say that I hope they weren't running the meter on us while the pipe wasn't being delivered and supply wasn't available. That's all I would look at.

Aldr. Bessner: How real is the \$364,000 in regard to liquidated damages?

Mrs. Young: That is the liquidated damages as of the completion date.

Aldr. Bessner: You made mention of possibly negotiating that at the end of the project. Are we talking 5 or 10% negotiations?

Mrs. Young: It's not uncommon for a contractor to reduce or request liquidated damages to be reduced, but the City has every right to not reduce it. That is within our negotiation that we can move forward; we will be working with the attorney and having conversations with staff. Right now, their contract states \$3,000 per day at this point. The contractor is on notice, he is fully aware. They can request is down to \$0 or they may not request anything. I think realistically most contractors try to request something, but that doesn't mean the City has to grant it.

Aldr. Bessner: Are you comfortable with that amount?

Mrs. Young: Typically is to cover what the damages are and we will certainly have to talk to our legal team regarding that.

Chairman Turner: Thank you, Karen. Very good presentation.

No further discussion.

4.e. Illinois Department of Public Health Commendation for Flouride Compliance – Information only.

John Lamb presented. The City of St. Charles, along with all public water supplies in the State of Illinois, is required to treat the drinking water with Flouride and maintain the level within certain limits. Flouride in the drinking water has long been acknowledged as a benefit to the public and is considered by the Center for Disease Control as one of the 10 greatest public health achievements of the 20th Century.

This year the City received a commendation from the IL Department of Public Health, the Illinois Environmental Protection Agency for compliance with this act. Specifically it is for the City meeting the Flouride limits for the last 20 years in a row, which is quite an accomplishment. There are approximately 420 communities in the state that Fluoridate

their water and the City of St. Charles is one of 60 who have received this award for 20 years of compliance.

I would like to mention the fact that this commendation is the result of our Water Division staff and our Laboratory staff who are responsible for taking these samples on a regular basis. We felt that this merited the Committee's attention.

No further discussion.

4.f. Recommendation to Waive the Formal Bid Procedure and approve a Purchase Order with Zimmerman Ford for Non-Stocked Automotive Parts and Vehicle Repairs.

Aldr. Silkaitis abstained from this item.

AJ Reineking presented. The City utilizes Ford vehicles for its light and medium duty applications including utility trucks, police squad cars, aerial lift trucks and pick-up trucks. Zimmerman Ford is our local Ford dealer and our preferred vendor to supply us with our Ford parts because of their availability and they stock most of our parts for same day pick up which allows us to keep our inventory relatively small and reduces our downtime on vehicles. They provide us with OEM parts which don't require any fabrication by our technicians. Prices across the Ford network are consistent from dealership to dealership. Zimmerman also offers diagnostic services beyond the capability of our shop.

This request is not a guaranteed contract, it's for an as needed parts and service basis. If there are no questions, Staff recommends waiving the formal bid procedure and approving an open PO with Zimmerman Ford for parts and repair services.

Aldr. Gaugel: Do we have a price sheet or price schedule of the parts that we use? Is there any agreed to pricing with this or is it strictly a blanket for \$40,000 to use as we need?

Mr. Reineking: It is a blanket.

Aldr. Gaugel: So when we purchase those parts, do we verify the price against other dealers or a parts shop like Thompson Auto Supply so that we know we aren't overpaying on an individual basis?

Mr. Reineking: It depends on the service; our techs will call and get three quotes for specialty repairs.

Aldr. Gaugel: From other vendors?

Mr. Reineking: From other dealers; if we go into a place like Thompsons there is no benchmark standard for getting the parts, so we don't know if we are going to get

something that requires additional fabrication or not. So if we call to get quotes, we want OEM or OEM recommended parts.

Aldr. Lemke: Is there a response time specified?

Mr. Reineking: If they don't have it and can't get it, we start calling around to find it because that is inefficiency for our Fleet tech and loss of productivity for the end user, so it's in our best interest to get vehicles fixed as quickly as possible.

Aldr. Lewis: Are a lot of our vehicles still under warranty?

Mr. Reineking: If they are under warranty, we send them in for service rather than to try and get parts to repair in house.

Aldr. Lewis: Where are we at with those warranties? Are we pretty much all under warranty, or half and half?

Mr. Reineking: We are on top of when our warranties are due, and our Assistant Division Manager is well tuned in to when a vehicle comes in, if it's even questionable if it's under warranty, he is calling about it.

No further discussion.

Motioned by Aldr. Stellato, seconded by Aldr. Krieger. Approved by voice vote.

Motion carried

5.a. Recommendation to approve the Kane County Fire Chiefs Fire Investigation Task Force Memorandum of Understanding and Authorization of the Mayor and City Clerk to Execute Same.

Kevin Christensen presented. The Fire Department is currently a member of the Kane County Fire Chiefs Fire Investigation Task Force. The Task Force membership allows member agencies to request assistance in the form of Certified Fire Investigators for investigation which are of significant size or complexity. All the assistance, including training is provided to the department free of charge. All participating agencies must adopt the MOU and confirm that they are willing to provide investigators and will not expect reimbursement for their services when called out.

Fire Department Staff is recommending approval of the Task Force MOU and I would be glad to answer any questions.

No further discussion.

Motioned by Aldr. Stellato, seconded by Aldr. Krieger. Approved by voice vote.

Motion carried

6. Additional Business.

None.

7. Executive Session.

None.

8. Adjournment from Government Services Committee Meeting.

Motion by Aldr. Krieger, seconded by Aldr. Stellato. No additional discussion.
Approved unanimously by voice vote. **Motion carried.**