

**MINUTES OF THE REGULAR MEETING
OF THE
BUFFALO SEWER AUTHORITY
March 19, 2008**

52257.....52287

BUFFALO SEWER AUTHORITY

March 19, 2008

REGULAR MEETING

9:00 A.M.

1038 CITY HALL

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ITEM NO. 2

INFORMATIVE: TEMPORARY INVESTMENTS (CERTIFICATES OF DEPOSIT AND TREASURY BILLS)

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
March 7, 2008						
CAPITAL IMPROVEMENT FUND						
15-Apr-02	Money Market		\$500,000.00	Chase	3.00%	High Yield
CONSTRUCTION FUND						
08-Apr-02	Money Market		\$13,182,140.37	Chase	3.00%	High Yield
05-Mar-08	03-Jun-08	90	\$15,000,000.00	Citizens	2.86%	\$107,250.00
			<u>\$28,182,140.37</u>			
LIABILITY AND CASUALTY RESERVE FUND						
22-Apr-02	Money Market		\$1,046,659.10	Chase	3.00%	High Yield
OPERATING FUND						
08-Apr-02	Money Market		\$3,449,577.93	Chase	3.00%	High Yield
TRUST & AGENCY FUND						
06-May-02	Money Market		\$34,127.69	Chase	3.00%	High Yield
SURPLUS FUND						
			\$1.13	MTB		
30-Jan-08	29-Apr-08	90	\$5,405,007.02	Citizens	3.08%	\$41,618.55
			<u>\$5,405,008.15</u>			
NET REVENUE FUND						
			\$55.07	MTB		
25-Jan-08	25-Mar-08	60	\$1,500,000.00	Citizens	3.17%	\$7,925.00
25-Jan-08	25-Apr-08	91	\$15,538,523.81	Citizens	3.22%	\$126,474.95
25-Feb-08	25-Apr-08	60	\$2,199,945.00	M&T Securities	3.00%	\$11,055.00
			<u>\$19,238,523.88</u>			

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
DEBT RESERVE FUND						
15-May-07	15-May-08	366	\$1,255,988.58	Series F FNMA	5.00%	
23-Sep-03	15-Aug-08	1788	\$7,350,000.00	Series I M&T Securities	3.25%	
13-Mar-03	15-Apr-32		\$2,825,593.00	Series H SLG	4.35%	
04-Mar-04	15-Nov-33		\$774,061.00	Series J SLG	3.82%	
22-Jul-04	15-Feb-33		\$498,654.00	Series K SLG	4.63%	
27-Jul-06	01-Oct-35		\$952,666.00	Series L SLG	4.52%	
CONSTRUCTION FUND SERIES H						
			\$7,099.88	MTB Funds		
CONSTRUCTION FUND SERIES K						
06-Mar-08	27-Mar-08	21	\$59,448.08	HSBC	2.80%	\$97.10

RECEIVE & FILE

Board Meeting of March 19, 2008

ITEM NO. 3

PRELIMINARY OUTLINE OF OPERATING BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2008

A proposed Operating Budget, with full details, for the fiscal year beginning July 1, 2008, will be presented for formal consideration by your Honorable Body at the next scheduled meeting on April 16, 2008. This proposed budget will be in an amount not to exceed \$54,513,475, which is a \$879,158 decrease over the current budget of \$55,392,633.

At this time, an outline of the proposed budget is submitted for your tentative approval. Once approved, we will proceed in the preparation of a formal budget document complete with comparison charts and exhibits. Attached to this outline are the following exhibits:

A revenue estimate and comparison for the years 2005-06 to 2008-09 Proposed;

A comparison of Appropriation by Division for the years 2005-06 to 2008-09 Proposed;

Capital Budget Projects for 2008-2009.

Sewer rents based on assessed valuation will not be increased to fund this proposed budget. The final rate for sewer rent will be dependent upon the final City assessed valuation. Sewer rents based upon water usage will not be increased. The estimate of sewer rents based on water use and the final budget appropriation estimates will be detailed at the scheduled meeting of April 16, 2008.

WHEREAS: The preliminary budget presented herein reflects a balanced plan to fund the necessary operations of the Buffalo Sewer Authority for the fiscal year beginning July 1, 2008.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to proceed in preparing a detailed budget not to exceed \$54,513,475 to be submitted to this Body at the meeting of April 16, 2008.

MOTION TO APPROVE

MADE BY MR. ROOSEVELT

2ND BY MS. WILSON-DIVINCENZO

AYES 5 NOES 0

**BUFFALO SEWER AUTHORITY
REVENUE ESTIMATE
2008-2009 PRELIMINARY BUDGET**

Revenue	2005-2006 Actual	2006-2007 Actual	2007-2008 Budget	2008-2009 Budget
Assessment Sewer Rents	\$12,110,191	\$12,113,115	\$11,835,850	\$11,957,800
Water Use Sewer Rents	29,063,773	29,006,882	29,603,633	28,976,375
Outside City-Sewer Connection	11,057,027	9,024,341	9,700,000	9,674,000
Industrial Waste	1,588,411	1,310,393	890,500	951,800
Interest Income	2,528,353	2,471,036	2,458,900	2,046,000
Miscellaneous	1,097,431	1,282,578	903,750	907,500
Total Revenues	<u>\$57,445,186</u>	<u>\$55,208,345</u>	<u>\$55,392,633</u>	<u>\$54,513,475</u>

**BUFFALO SEWER AUTHORITY
APPROPRIATIONS BY DIVISION
2008-2009 PRELIMINARY BUDGET**

Division	2005-2006 Actual	2006-2007 Actual	2007-2008 Budget	2008-2009 Budget
General Offices	\$1,037,273	\$1,077,657	\$1,342,926	\$1,424,680
Wastewater Treatment Facility	20,275,186	19,613,527	23,126,829	22,954,153
Industrial Waste	500,203	530,628	563,971	609,170
Engineering	692,584	673,809	721,522	692,205
Sewer Maintenance	2,421,396	2,648,774	2,855,982	2,853,880
Miscellaneous Financial Chgs	3,259,879	3,517,138	2,582,286	2,914,690
Fringe Benefits	5,896,000	5,829,954	7,473,357	6,735,923
Debt Service & Reserve	11,301,557	12,115,425	16,725,760	16,328,774
Total Appropriations	<u>\$45,384,078</u>	<u>\$46,006,912</u>	<u>\$55,392,633</u>	<u>\$54,513,475</u>

**BUFFALO SEWER AUTHORITY
CAPITAL PROJECTS
2008 - 2009 PRELIMINARY BUDGET**

<u>PROJECT TITLE:</u>	ESTIMATED COST
<u>TREATMENT PLANT:</u>	
REHAB OF (1) SWW PUMP & MOTOR	120,000
REHAB OF (1) RWW PUMP & MOTOR	120,000
ANNUAL CENTRIFUGE MAINTENANCE	50,000
ROOF REPLACEMENT & STRUCTURAL REPAIRS	1,500,000
SECONDARY CLARIFIER WEIR REFURBISHMENT	400,000
INCINERATOR IMPROVEMENTS FOR CONTINUED/ FUTURE OPERATION (REHAB ONE INCINERATOR)	2,500,000
EVALUATE CONDITION OF STEEL SHELL DRYWELLS IN OUTLYING PUMPING STATION	447,000
SLUDGE MIXING TANK CLEANING AND DIFFUSER REPAIR	200,000
REPLACE THREE SODIUM HYPOCHLORITE TANKS	100,000
INSTALL DIGITAL KWH METERS	350,000
REPLACE ONE PLANT WATER SCREEN	500,000
DISSOLVED OXYGEN CONTROL	370,000
REPLACE THICKENER SLUDGE PUMPS AND CONTROLS	150,000
REMOVE FLOW BOTTLENECK-PRIMARY BYPASS	500,000
PROTECTED WATER PUMP INSTALLATION; TANK DEMO; BACKFLOW PREVENTER	350,000
BIRD ISLAND STORMWATER COLLECTION SYSTEM	50,000
GAS SYSTEM PROJECTS	210,000
INSTALL BAFFLE SYSTEM IN PRIMARY CLARIFIER	400,000
CHILLER REPLACEMENT & HVAC IMPROVEMENTS	2,000,000
SECURITY AND SAFETY ENHANCEMENTS ON ISLAND	170,000
INCINERATOR DRIVE REPLACEMENT (3 x 50,000)	150,000
MISCELLANEOUS PIPE REPLACEMENT	65,000
SCADA DCU REPLACEMENT	1,500,000
DOCUMENT SCANNING / ELECTRONIC O&M	100,000

AMHERST QUARRY CLEAN	100,000
<u>COLLECTION SYSTEM:</u>	
SEWER CLEANING / TV INSPECTION	300,000
UNANTICIPATED SEWER REPLACEMENTS	400,000
OUTSIDE DISTRICT FLOW VERIFICATION	30,000
CSO SYSTEM IMPROVEMENTS - HAMBURG DRAIN	2,000,000
KELLY ISLAND STATION RELOCATION	300,000
CSO PHASE II STUDY	400,000
CSO 057 & 058 MODIFICATIONS	50,000
CSO SYSTEM IMPROVEMENTS - CAZENOVIA CREEK	4,000,000
SPP 123 A MODIFICATIONS	1,500,000
GIS INFRASTRUCTURE IMPROVEMENTS	60,000
CSO 003 SYSTEM MODIFICATIONS	<u>60,000</u>
<u>GRAND TOTAL</u>	<u>\$21,502,000</u>

ITEM NO. 4

AUTHORIZATION FOR RENEWAL OF ANNUAL CUSTOMER SUPPORT PLAN

WHEREAS: The Buffalo Sewer Authority has been utilizing Maximo Maintenance System software for its work order tracking, purchasing, and inventory control program; and

WHEREAS: An annual customer support plan is beneficial in order to keep current, receive the latest releases of this program, and receive unlimited telephone support; and

WHEREAS: The Treatment Plant Superintendent, Computer Systems Engineer Coordinator, and staff recommend renewal of the annual customer support plan with International Business Machines Corporation (formerly MRO Software) through March 31, 2009, at a cost of \$38,803.56; and

WHEREAS: Board approval is required on services over \$20,000.00.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to renew the annual customer support plan with International Business Machines Corporation through March 31, 2009, at a cost of \$38,803.56. Account no. 00200106-443420 will be charged for this service.

MOTION TO APPROVE
MADE BY MS. WILSON-DIVINCENZO
2ND BY MR. KENNEDY, JR.
AYES 5 NOES 0

Board Meeting of March 19, 2008

ITEM NO. 6

AUTHORIZATION TO PURCHASE VOGELSANG REPLACEMENT PARTS

WHEREAS: At this Board Meeting, the Board of the Buffalo Sewer Authority approved the addition of the Vogelsang Rota-Cut 5000E Macerator equipment to the sole source listing approved at the Board Meeting of July 18, 2007; and

WHEREAS: The Superintendent of Mechanical Maintenance has determined a need to purchase Vogelsang replacement parts for the Rota-Cut 5000E Macerator; and

WHEREAS: Koester Associates, Inc., the authorized local representative, has submitted quotes in the total amount of \$4,772.00, plus freight charges estimated not to exceed \$100.00, for these necessary replacement parts; and

WHEREAS: The total monies payable to Koester Associates, Inc., for fiscal year 2007-2008 is over \$10,000.00; and

WHEREAS: Board approval is required on purchases over \$10,000.00; and

WHEREAS: The Treatment Plant Superintendent, Superintendent of Mechanical Maintenance, and staff recommend the purchase of these necessary replacement parts from Koester Associates, Inc., at a cost of \$4,772.00, plus freight charges not to exceed \$100.00.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase the necessary replacement parts for the Vogelsang Rota-Cut 5000E Macerator located at the Treatment Plant, north digester control building, from Koester Associates, Inc., at a cost of \$4,772.00, plus freight charges not to exceed \$100.00. This purchase will be charged to account no. 00260105-466107.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. KENNEDY, JR.

AYES 5 NOES 0

Board Meeting of March 19, 2008

ITEM NO. 7

AUTHORIZATION TO PURCHASE EIM VALVE ACTUATOR PARTS

WHEREAS: On July 18, 2007, the Board of the Buffalo Sewer Authority designated EIM Controls, the original equipment manufacturer, and/or their authorized local service representative as a sole source for replacement parts, supplies, and service for the EIM valve actuators and controls located at the Treatment Plant; and

WHEREAS: The Superintendent of Mechanical Maintenance has determined a need for EIM valve actuator parts for the sludge pump and final clarifier areas; and

WHEREAS: Nibsco Automation, the authorized local representative for EIM Controls, has submitted a quote in the amount of \$5,514.00, plus freight charges estimated not to exceed \$75.00, for these needed parts; and

WHEREAS: The total monies payable to Nibsco Automation for fiscal year 2007-2008 is over \$10,000.00; and

WHEREAS: Board approval is required on purchases over \$10,000.00; and

WHEREAS: The Treatment Plant Superintendent, Superintendent of Mechanical Maintenance, and staff recommend the purchase of these necessary replacement parts for the EIM valve actuators from Nibsco Automation at a cost of \$5,514.00, plus freight charges not to exceed \$75.00.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase the needed parts for the EIM valve actuators for sludge pump and final clarifier areas from Nibsco Automation at a cost of \$5,514.00, plus freight charges not to exceed \$75.00. This purchase will be charged to account nos. 00240105-466107 and 00290105-466107.

MOTION TO APPROVE

MADE BY MR. ROOSEVELT

2ND BY MR. KENNEDY, JR.

AYES 5 NOES 0

Board Meeting of March 19, 2008

ITEM NO. 8

AUTHORIZATION TO PURCHASE REPAIR PARTS FOR THICKENERS

WHEREAS: On July 18, 2007, the Board of the Buffalo Sewer Authority designated Siemens Water Technologies, the original equipment manufacturer, and/or their authorized local service representative as a sole source for replacement parts, supplies, and service for the sludge thickeners located at the Treatment Plant; and

WHEREAS: The Superintendent of Mechanical Maintenance has determined a need for replacement parts for these thickeners; and

WHEREAS: Siemens Water Technologies has submitted a quote in the amount of \$1,555.00, plus freight charges not to exceed \$65.00, for these necessary replacement parts; and

WHEREAS: The total monies payable to Siemens Water Technologies for fiscal year 2007-2008 is over \$10,000.00; and

WHEREAS: Board approval is required on purchases over \$10,000.00; and

WHEREAS: The Treatment Plant Superintendent, Superintendent of Mechanical Maintenance, and staff recommend the purchase of these necessary replacement parts from Siemens Water Technologies at a cost of \$1,555.00, plus freight charges not to exceed \$65.00.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase the necessary replacement parts for the sludge thickeners from Siemens Water Technologies at a cost of \$1,555.00, plus freight charges not to exceed \$65. This purchase will be charged to account no. 00340105-466107.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. KENNEDY, SR.

AYES 5 NOES 0

Board Meeting of March 19, 2008

ITEM NO. 10

AUTHORIZATION FOR SERVICE - KING WHOLESALE/SUBURBAN LOCK AND KEY

WHEREAS: Various doors at the Megastructure, Final Clarifier, Chemical Handling, Blower, and Final Effluent Buildings at the Treatment Plant are in need of repair and/or replacement; and

WHEREAS: Informal quotes were requested for the inspection, repair, and replacement of doors and received as follows:

King Wholesale/Suburban Lock and Key	\$24,645.00
Adams Door	No bid
Abbot Door	No bid
Gorenflo's Buffalo Wholesale Lock Company	No bid

WHEREAS: The only bidder, King Wholesale/Suburban Lock and Key, noted that upon inspection of the work needed that some doors were iced up, preventing complete inspection; and

WHEREAS: The Treatment Plant Superintendent, Superintendent of Mechanical Maintenance, and staff reviewed the quote received and recommend this service for a total cost not to exceed \$30,000.00; and

WHEREAS: Board approval is required on services over \$20,000.00.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to have the repairs and/or replacements needed done by King Wholesale/Suburban Lock and Key at a total cost not to exceed \$30,000.00. Account nos. 00290106-443200, 00300106-443200, 00320106-443200, 00330106-443200, and 00380106-443200 will be utilized for this service.

MOTION TO TABLE
MADE BY MR. KENNEDY, SR.
2ND BY MS. WILSON-DIVINCENZO
AYES 5 NOES 0

Board Meeting of March 19, 2008

ITEM NO. 11

AUTHORIZATION FOR REPAIRS TO CHILLER NO. 2 AND CHILLER NO. 3

WHEREAS: On July 18, 2007, the Board of the Buffalo Sewer Authority designated Johnson Controls, the original equipment manufacturer, and/or their authorized local service representative as a sole source for replacement parts, supplies, and service for all Johnson Controls manufactured products, including the York brand chillers, located at the Treatment Plant; and

WHEREAS: Chiller No. 2 and Chiller No. 3 are over 30 years old and in need of major repairs to ensure their continued operation; and

WHEREAS: Upon request, Johnson Controls submitted a quote in the amount of \$194,980.00 as follows:

Inspection of Chiller No. 2	Remove evaporator tubes and cut the outer chiller shell to determine viability of further repairs to this unit	\$9,890.00
Repair of Chiller No. 2	If above evaluation determines that it would be economical to repair this unit, a new evaporator tube bundle would be installed along with other components to ensure startup for Spring 2008	\$78,435.00
Repair of Chiller No. 3	Complete rehabilitation and start-up of unit for Spring 2008	\$106,655.00
Total estimated cost		\$194,980.00

; and

WHEREAS: The Treatment Plant Superintendent, Superintendent of Mechanical Maintenance, and staff recommend authorization for the above at a total cost not to exceed \$194,980.00. The repairs to Chiller No. 2 in the amount of \$78,435.00 will only be authorized if it is determined that this unit can be restored.

ITEM NO. 13

CHANGE ORDER NO. 3 – CONTRACT NO. 84500005

CONTRACTOR:	ORIGINAL CONTRACT COST	\$188,050.00
URS Corporation	PREVIOUS CHANGE ORDERS	298,300.00
77 Goodell Street	THIS CHANGE ORDER	<u>15,000.00</u>
Buffalo, New York 14203	ADJUSTED CONTRACT COST	\$501,350.00

WORK: Engineering Agreement with URS Corporation Engineering Report and Design for
Installation of Anaerobic Digester Mixing and Heating Systems in Digester No. 1 &
Digester No. 2 at the Bird Island Wastewater Treatment Plant.

DESCRIPTION OF CHANGE OR EXTRA WORK:

Item #1 Phase III – Task No. 5 – Construction Administration and Inspection.

REASON FOR CHANGE OR EXTRA WORK:

Item #1 The scheduled completion date of August 23, 2006 has been exceeded; as a result, the need for construction administration services to verify completion of punch list items and general inspection and administration requirements need to be increased to reflect extended period. The Buffalo Sewer Authority and URS Corp. now desire to change the contract compensation to include additional funding through contract completion.

COST OF CHANGE OR EXTRA WORK:

Item #1 Phase III – Task No. 5 - \$15,000.00

THE TOTAL COST OF THE CHANGE OR EXTRA WORK \$15,000.00

The total INCREASE to the contract as a result of this Change Order is \$15,000.00

; and

WHEREAS: The Buffalo Sewer Authority Treatment Plant Administrator and staff reviewed the cost and recommend the increase to the contract.

ITEM NO. 14

CHANGE ORDER NO. 4 – CONTRACT NO. 84500006

CONTRACTOR:	ORIGINAL CONTRACT COST	\$4,747,000.00
Kranick Environmental	PREVIOUS CHANGE ORDERS	192,207.33
537 Lincoln Highway	THIS CHANGE ORDER	<u>(10,631.00)</u>
East McKeesport, Pa. 15035	ADJUSTED CONTRACT COST	\$4,928,576.33

WORK: Digester No. 3 and Digester No. 4 Upgrade

DESCRIPTION OF CHANGE OR EXTRA WORK:

- Item #1 Replacement Parts for Sludge/Hot Water Heat Exchangers - Additional parts and more costly replacement parts were necessary to rebuild the two (2) existing sludge/hot water heat exchangers.
- Item #2 Remote Lower Explosion Limit (LEL) Sensor in the Mix Building - Additional conduit and wiring was necessary in order to mount the LEL sensor remote from the LEL control panel.
- Item #3 Liquid Tight Conduit to Digester 5 and 6 Digester Gas Flow Meters - Liquid tight conduit needed to be installed between the Digester 5 and 6 digester gas flow meter sensors and the flow meter display unit. The cost of this item was split between the two-digester projects (Digester 1 & 2 and Digester 3 & 4 because the original change order was processed similarly).
- Item #4 Computer Work Station Credit - The computer work station (Pay Item 8) that was slated to be installed in the NDCB Electrical Room was deleted from the project scope.
- Item #5 Pipe Repair Allowance Credit - Pay Item 9 included an allowance for repairs to piping within the digester. A portion of the allowance was not used. Therefore a credit is necessary.
- Item #6 Liquidated Damages - The contract duration has extended well past the contract specified completion date of August 23, 2006. As a result the BSA is assessing \$7,500 in liquidated damages to cover costs resulting from the contractor's failure to complete the project on time.

REASON FOR CHANGE OR EXTRA WORK:

- Item #1 The scope of replacement parts for the sludge/hot water heat exchangers could not be determined until the contractor disassembled the heat exchangers. A reasonable estimate of the value of these parts was included in the contract bid items (Pay Item 4A \$3,000). Once disassembled it was determined that the cost of the components that required replacement exceeded the bid item. The value of this item was negotiated.

- Item #2 The Digester 3 and 4 Mix Building LEL meter, consisting of a sensor and a control panel, specified that the LEL sensor should be attached to the control panel. The BSA prefers their LEL sensors to be mounted at a higher elevation than the control panel would normally be mounted; therefore the sensor had to be mounted remotely from the control panel.
- Item #3 The Digester 5 and 6 digester gas flow meters that were installed as part of Digester 3 and 4 Change Order No. 2 were installed with exposed cables between the flow meter panel and the sensor.
- Item #4 The Buffalo Sewer Authority decided that the computer workstation was not absolutely necessary and could be deleted from the project scope without affecting the project.
- Item #5 A portion of pay Item No. 9 (piping repair allowance) was unused. Therefore, a credit was necessary.
- Item #6 The Buffalo Sewer Authority incurred significant additional cost as a result of contractor delays in completing the project. The value of liquidated damages assessed represents a negotiated amount.

COST OF CHANGE OR EXTRA WORK:

Item #1	\$2,424.00
Item #2	918.50
Item #3	406.50
Item #4	(6,000.00)
Item #5	(880.00)
Item #6	(7,500.00)

THE TOTAL COST OF THE CHANGE OR EXTRA WORK (\$10,631.00)

The total DECREASE to the contract as a result of this Change Order is (\$10,631.00) and;

CONTRACT SUPPLEMENT CONDITIONS:

1. The contract completion date established in the original contract or as modified by previous contract supplements remains unchanged.
2. Any additional work to be performed under this contract supplement shall be carried out in compliance with the specifications included in the preceding description of changes involved with the supplemental contract drawings and under the provisions of the original contract, including compliance with applicable Equipment Specifications, General Specifications and Project Specifications for the same type of work.
3. This contract supplement, unless otherwise provided herein, does not relieve the contractor from strict compliance with the guarantee provisions of the original contract, particularly those pertaining to performance and operation of equipment.
4. The contractor expressly agrees that he will place, under coverage of his Performance and Payment Bonds and Contractor's Insurance, all work covered by this contract supplement. The contractor will furnish to the owner evidence of increased coverage of his Performance and Payment Bonds for the accrued value of all contract supplements that exceeds the original contract price by twenty percent (20%).

ITEM NO. 15

CHANGE ORDER NO. 5 – CONTRACT NO. 84500011

CONTRACTOR:	ORIGINAL CONTRACT COST	\$4,963,000.00
Kranick Environmental	PREVIOUS CHANGE ORDERS	408,922.50
537 Lincoln Highway	THIS CHANGE ORDER	<u>(21,625.00)</u>
East McKeesport, Pa. 15035	ADJUSTED CONTRACT COST	\$5,350,297.50

WORK: Digester No. 1 and Digester No. 2 Upgrade

DESCRIPTION OF CHANGE OR EXTRA WORK:

- Item #1 Replacement Parts for Sludge/Hot Water Heat Exchangers - Additional parts and more costly replacement parts were necessary to rebuild the two (2) existing sludge/hot water heat exchangers.
- Item #2 Remote Lower Explosion Limit (LEL) Sensor in the Mix Building - Additional conduit and wiring was necessary in order to mount the LEL sensor remote from the LEL control panel.
- Item #3 Liquid Tight Conduit to Digester 5 and 6 Digester Gas Flow Meters - Liquid tight conduit needed to be installed between the Digester 5 and 6 digester gas flow meter sensors and the flow meter display unit. The cost of this item was split between the two-digester projects (Digester 1 & 2 and Digester 3 & 4 because the original change order was processed similarly).
- Item #4 Pile Foundation Length Reduction Credit - The length of steel H piles used in the Digester 1 and 2 Mix Building was less than was included in pay Item 6B. Therefore a credit is necessary.
- Item #5 Digester Tank Surface Repairs Credit - The square feet of surface repairs included in Pay Item 7A exceeded the actual square footage of repairs. Therefore a credit is necessary.
- Item #6 Digester Tank Crack Repairs Credit - The lineal feet of crack repairs included in Pay Item 7B exceeded the actual length of repairs. Therefore a credit is necessary.
- Item #7 Digester Tank Corbel Repairs Credit – The number of corbels included in Pay Item 7C exceeded the actual number of corbels that required repair. Therefore a credit is necessary.
- Item #8 Pipe Repair Allowance Credit - Pay Item 8 included an allowance for repairs to piping within the digester. A portion of the allowance was not used. Therefore a credit is necessary.
- Item #9 Steel Adjustment Clause Credit - Pay Item 11 included an allowance to adjust for the price of steel in the digester lids between the time of the bids and the time the digester lids were ordered. The line item exceeded the necessary adjustment and other additions that were paid for under this item. Therefore a credit is necessary.

- Item #10 Water Line Relocation - Pay Item 4, the digester mixing system included relocation of an underground potable water line. The contractor was able to install the underground sludge piping for the mixing system without relocating the water line. Therefore a negotiated credit for the waterline is necessary.
- Item #11 Liquidated Damages - The contract duration has extended well past the contract specified completion date of August 23, 2006. As a result the BSA is assessing \$7,500 in liquidated damages to cover costs resulting from the contractor's failure to complete the project.

REASON FOR CHANGE OR EXTRA WORK:

- Item #1 The scope of replacement parts for the sludge/hot water heat exchangers could not be determined until the contractor disassembled the heat exchangers. A reasonable estimate of the value of these parts was included in the contract bid items (Pay Item 4A \$3,000). Once disassembled it was determined that the cost of the components that required replacement exceeded the bid item. The value of this item was negotiated.
- Item #2 The Digester 1 and 2 Mix Building LEL meter, consisting of a sensor and a control panel, specified that the LEL sensor should be attached to the control panel. The BSA prefers their LEL sensors to be mounted at a higher elevation than the control panel would normally be mounted. Therefore the sensor had to be mounted remotely from the control panel.
- Item #3 The Digester 5 and 6 digester gas flow meters that were installed as part of Digester 1 and 2 Change Order No. 1 were installed with exposed cables between the flow meter panel and the sensor.
- Item #4 The bid item for pile length (Pay Item 6B) exceeded the actual installed lineal feet of piles.
- Item #5 The scope of surface repairs could not be determined until the contractor emptied and cleaned the digester tanks. A reasonable estimate of the square footage of surface repairs was included in the contract bid items (Pay Item 7A). Once the tanks were emptied and cleaned, it was determined that the extent of surface repairs was less than estimated.
- Item #6 The scope of crack repairs could not be determined until the contractor emptied and cleaned the digester tanks. A reasonable estimate of the lineal footage of crack repairs was included in the contract bid items (Pay Item 7B). Once the tanks were emptied and cleaned, it was determined that the extent of crack repairs was less than estimated.
- Item #7 The number of corbels that would require repair could not be determined until the contractor emptied and cleaned the digester tanks. A reasonable estimate of the number of corbels was included in the contract bid items (pay Item 7C). Once the tanks were emptied and cleaned, it was determined that the number of corbels requiring repair was less than estimated.
- Item #8 A portion of pay Item 8 (piping repair allowance) was unused. Therefore a credit was necessary.
- Item #9 The value of this line Item (pay Item 11) was not used. Therefore a credit was necessary.
- Item #10 The contractor was able to install the buried sludge piping without the need to relocate the potable water line.
- Item #11 The Buffalo Sewer Authority incurred significant additional cost as a result of contractor delays in completing the project. The value of liquidated damages assessed represents a negotiated amount.

COST OF CHANGE OR EXTRA WORK:

Item #1	\$11,000.00
Item #2	918.50
Item #3	406.50
Item #4	(1,500.00)
Item #5	(2,033.00)
Item #6	(1,540.00)
Item #7	(2,738.00)
Item #8	(5,520.00)
Item #9	(3,392.00)
Item #10	(9,727.00)
Item #11	(7,500.00)

THE TOTAL COST OF THE CHANGE OR EXTRA WORK (\$21,625.00)

The total DECREASE to the contract as a result of this Change Order is (\$21,625.00)
and;

CONTRACT SUPPLEMENT CONDITIONS:

1. The contract completion date established in the original contract or as modified by previous contract supplements remains unchanged.
2. Any additional work to be performed under this contract supplement shall be carried out in compliance with the specifications included in the preceding description of changes involved with the supplemental contract drawings and under the provisions of the original contract, including compliance with applicable Equipment Specifications, General Specifications and Project Specifications for the same type of work.
3. This contract supplement, unless otherwise provided herein, does not relieve the contractor from strict compliance with the guarantee provisions of the original contract, particularly those pertaining to performance and operation of equipment.
4. The contractor expressly agrees that he will place, under coverage of his Performance and Payment Bonds and Contractor's Insurance, all work covered by this contract supplement. The Contractor will furnish to the owner evidence of increased coverage of his Performance and Payment Bonds for the accrued value of all contract supplements that exceeds the original contract price by twenty percent (20%).
5. The costs established under this contract supplement are acknowledged as including any and all costs associated with the work performed or to be performed by the contractor that may be affected in any manner by the work described herein.

ITEM NO. 16

**AMENDMENT TO SCHEDULE OF JOB CLASSIFICATION PLAN (“SEASONAL”
LABORERS AND CLERKS)**

WHEREAS: There is a need to modify the Job Classification Plan.

NOW THEREFORE

BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby amends the pay of “Seasonal” Laborers and Clerks from the current daily rate of pay of \$65.00 to \$90.00 to reflect the Living Wage.

MOTION TO APPROVE

MADE BY MR. KENNEDY, SR.

2ND BY MS. WILSON-DIVINCENZO

AYES 5 NOES 0

Board Meeting of March 19, 2008

ITEM NO. 18

CONFIRMATION OF APPOINTMENTS

**SEWER CONSTRUCTION INSPECTOR (PROVISIONAL)
CHANGE OF STATUS ONLY
ENGINEERING DEPARTMENT
\$49,859 PER ANNUM
EFFECTIVE: MARCH 10, 2008**

GREGORY CUDNEY
551 OLD FALLS BLVD.
NORTH TONAWANDA, NY

**SEWER CONSTRUCTION INSPECTOR (PROVISIONAL)
ENGINEERING DEPARTMENT
\$49,859 PER ANNUM
EFFECTIVE: MARCH 17, 2008**

FRANCIS MAIORANA
4404 MANOR LANE
HAMBURG, NY

**SEWER CONSTRUCTION INSPECTOR (PROVISIONAL)
ENGINEERING DEPARTMENT
\$49,859 PER ANNUM
EFFECTIVE: MARCH 17, 2008**

RICHARD DISALVO
299 CHELSEA
TONAWANDA, NY

**SEWER MAINTENANCE SUPERVISOR I (PERMANENT-
CONTINGENT)
SEWER MAINTENANCE DEPARTMENT
\$45,460 PER ANNUM
EFFECTIVE: MARCH 17, 2008**

ANGELO GIANCARLO
218 CARMEL RD.
BUFFALO, NY

ITEM NO. 19

ADJOURNMENT OF MEETINGMOTION TO APPROVE MADE BY MR. KENNEDY, SR. 2ND BY MS. WILSON-DIVINCENZO AYES 5 NOES 0

Board Meeting of March 19, 2008