

CITY OF MONROE
PUBLIC ENTERPRISE COMMITTEE
300 W. CROWELL STREET, MONROE, NC 28112
TUESDAY, JANUARY 19, 2021 - 3:30 PM
AGENDA
www.monroenc.org

In order to comply with the need for social distancing and to limit mass gatherings in accordance with Executive Order 176, total attendance at the meeting will be limited to ten (10) people which includes the members of the Committee and City Staff. Once total attendance reaches ten (10), no additional persons will be allowed into the meeting room.

1. Minutes of November 17, 2020 Public Enterprise Committee Meeting
2. Recommendation for Contract Labor Award - Utility Lines Construction Services (ULCS)
3. Edwards Wood Products Gas Pipeline Installation - Labor Contracts - Dawn Development
4. Edwards Wood Products Gas Pipeline Installation - Labor Contract - Ertel Construction, Inc.
5. Other

Public Enterprise Committee Minutes

November 17, 2020

City Hall Conference Room

3:30 PM

Members Present: Council Member Franco McGee (Chair), Council Member Surluta Anthony, and Council Member Freddie Gordon

Staff: Larry Faison, Ann Fox, David Lucore, Sarah McAllister and Mujeeb Shah-Khan

Guests: Loretta Melancon

Council Member Surluta Anthony called the Public Enterprise Committee Meeting to order at 3:35 P.M. Item #1 on the Agenda is Minutes from our September 15th meeting. She asked everyone to look at the Minutes to see if there were any corrections.

City Attorney Mujeeb Shah-Khan noted that the spelling of his name is incorrect on Page 2 of the Minutes, the reversing of the “h” and the “a” in Khan.

Item #1. Adoption of Minutes of the Meeting

Recommendation:

Council Member Anthony made a Motion that the Minutes of the September 15, 2020 Public Enterprise Committee be adopted with the correction of the spelling of City Attorney Shah-Khan’s name.

Motion: Adopt September 15, 2020 PEC Meeting minutes

Motion made by: Council Member Surluta Anthony

Second: Council Member Freddie Gordon

Voting: **In Favor** – Council Member Surluta Anthony, Council Member Freddie Gordon and Council Member Franco McGee

Opposed – None

Action: Motion adopted

Item #2. Staff Report – State Transportation Improvement Program (STIP)

Recommendations:

This item is provided for information and discussion. No action is requested of the Public Enterprise Committee.

Presentation and Discussion:

Sarah McAllister, City of Monroe Land Development & Infrastructure Engineer, stated that this is an informational item concerning the reprogramming that is required as part of the 2023-2032 Draft STIP. This process is underway to finalize the STIP. The STIP is a 10-year fiscally-constrained planning document listing what projects NC DOT hopes to accomplish over a 10-year period. The MAP Act and various storm responses have negatively impacted NC DOT over the last few years, mainly down East. In addition, COVID has really hit them hard so they are projecting a \$2 billion-dollar estimated decrease in the STIP over the next 10 years and there has been a \$3 billion-dollar project increase mainly due to right-

of-way estimates and things of that nature. Projects have been provided that are in Monroe, or very local to Monroe, and have been affected. Most of them have been pushed out either one to seven years. Ms. McAllister stated that if the Committee would like to discuss any projects specifically, she would be happy to try to answer any questions.

Council Member Anthony asked Ms. McAllister if she knows which one has been pushed out seven years.

Ms. McAllister stated that it is Charlotte Avenue from Seymour to Dickerson. Construction was pushed from 2025 to 2032. Ms. McAllister also stated that the Rocky River Road project was actually completed but is on this list because the realignment of James Hamilton has not yet occurred.

Council Member McGee asked if there were any other questions or comments.

Council Member Anthony stated that she has one additional question. It is true noting how much COVID has affected us to this point. Being that it is surging as it is, is there a possibility that they may have to revisit this draft?

Ms. McAllister stated that she felt it would be a real possibility that projects may be pushed out further due to budget shortfalls.

City Attorney Shah-Khan advised that the General Assembly was due to take up dealing with funding for DOT in the Short Session but chose not to do it, So, unless they come back between now and year end, which we do not expect, the problem will then be moved over to next year to the Long Session.

Council Member McGee asked if there were any other questions or comments. He also thanked Ms. McAllister for her presentation.

This item was presented for informational purposes only so no action was required from the Committee.

Staff Report – Concord Avenue Sidewalk Improvement Project – Construction Contract Award and Construction Engineering & Inspection Contract Award

Recommendation:

The Public Enterprise Committee is requested to consider information related to the award of the construction contract to Armen Construction and the Construction Engineering and Inspection (CEI) services contract to A. Morton Thomas and Associates, Inc. for the proposed Concord Avenue Sidewalk Improvements Project between Charlotte Avenue and Help Street.

Presentation and Discussion:

Ms. McAllister advised that this is for the award of two different contracts, one for the construction of Concord Avenue and one for the construction engineering and inspection services for the project. We started in July of 2015 with Union County for their CDBG Program. We were awarded \$391,000 and that covered design and right-of-way purchase that has been completed at this point. We have a nominal amount left out of that money that we will use toward construction. We were recently awarded an additional \$520,000 through the CDBG for construction. Originally, we advertised these bids and only received two bids and re-advertised in August. Three bids were received and brought before the Committee but the low bidder quickly realized that they had a substantial error. The next bidder was unresponsive and the third bidder was \$300,000 more, even accounting for the error. To avoid the use of the additional Powell Bill Reserve funds, we recommended rejecting the bids which formally took place at the October 2020 Council

Meeting. We again re-advertised and opened again on November 4th. The low bidder was unresponsive and we are recommending award to Armen Construction in the amount of \$1,349,674.70. They are a DBE firm but they did meet the minority goal as well and have two Economically Disadvantaged subs and one Hispanic sub that they are going to be using. The contract period is 240 days, which is basically eight months.

Ms. McAllister advised that they also advertised a Request for Letters of Interest for Construction Engineering and Inspection. There were 11 responses received and a three-person team scored them. We chose to interview the top two firms with the highest scores and A. Morton Thomas and Associates, Inc. was ultimately selected and they have provided a proposal of \$202,237.98. These types of services usually take up 15 to 20% of construction costs so it was on the low end at 15% of our construction costs. The construction contract will be funded through the \$520,000 CDBG grant monies and also through Powell Bill Reserves and the CEI services will be funded completely through Powell Bill Reserve funds. A Budget Ordinance is included to appropriate the grant funds and the Powell Bill Reserve Funds to the project account. There is a four-part recommendation to award both contracts, authorize the City Manager to execute and then approve the Budget Ordinance.

Council Member Anthony asked if the firm A. Morton Thomas and Associates meets our diversity standards as well.

Ms. McAllister advised that they do meet our diversity standards and that all firms are pre-qualified.

Council Member Gordon asked Ms. McAllister where would 4,000 linear feet start and stop.

Ms. McAllister stated that it starts at Charlotte Avenue and goes all the way to Help Street. This street used to be called Lomax Street, it is the first road prior to the bridge at Highway 74. It also includes a section on the side of Benton Heights Elementary.

Council Member McGee asked if there were any questions or comments. If not, he would entertain a Motion.

Council Member Anthony made the following motion:

Motion: Motion to forward recommendation to City Council on the Consent Agenda for the following to be considered at the next meeting on December 1, 2020:

- A. Award of the Concord Avenue Sidewalk Improvements Project to Armen Construction in the amount of \$1,349,674.70;
- B. Award of the Construction Engineering and Inspection services contract to A. Morton Thomas and Associates, Inc. in the amount of \$202,237.98;
- C. Authorization of the City Manager to execute the documents for both including future change orders if required;
- D. Approval of the attached Budget Ordinance (BO-2020-15)

Motion made by: Council Member Surluta Anthony

Second: Council Member Freddie Gordon

Voting: **In Favor** – Council Member Surluta Anthony, Council Member Freddie Gordon and Council Member Franco McGee

Opposed - None

Action: Motion is approved

City Attorney Shah-Khan asked if that Motion was to approve A, B, C and D?

Council Member McGee confirmed that was correct.

Staff Report – Award of Purchase of Substation Transformer

Recommendation:

Staff recommends that the Public Enterprise Committee recommend the purchase of a substation transformer in the amount of \$234,400 to MVA Power.

Presentation and Discussion:

David Lucore, Director of Energy Services, stated that they are asking for approval to move this forward to Council at their next meeting to purchase a large substation-type transformer for ATI's new facility on Goldmine Road. Competitive bids were taken with eight bids received and the low bidder was \$234,400. Mr. Lucore stated that he would be happy to answer any questions that the Committee might have on this item.

Council Member Anthony asked if this expenditure was already included in the budget.

Mr. Lucore stated that it is budgeted in the project account fund.

Council Member McGee asked a question regarding the approval of a low bidder. How does that work when they submit change orders? Do we have information about change orders within the contract that we have already executed?

Mr. Lucore advised that change orders would not apply to a transformer. They will build it and that completes the project. Typically, change orders come from construction and those are handled on an individual basis. Both parties have to agree that the change order is required and agree on the additional funds.

City Manager Larry Faison asked Mr. Lucore if there is typically a limit before it would come back to Council and asked for confirmation of the amount of \$50,000.

Mr. Lucore stated that he believed that amount to be correct.

City Manager Faison stated change orders under \$50,000 signature authority. If a change order goes over \$50,000 it would come back to Council.

Council Member Anthony made a Motion to approve the purchase of the substation transformer.

Motions: Motion to forward recommendation to City Council to be considered at their next meeting on December 1, 2020 to award the purchase of a substation transformer in the amount of \$234,400 to MVA Power

Motions made by: Council Member Surluta Anthony

Second: Council Member Freddie Gordon

Voting: **In Favor** – Council Member Surluta Anthony, Council Member Freddie Gordon and Council Member Franco McGee

Opposed - None

Action: Motion is approved

Staff Report – New Substation 34.5 kV to 4.16 kV – Award Labor Contract

Recommendation:

The Public Enterprise Committee is requested to consider proposals for the labor and equipment to construct the new substation at a new industrial facility.

Presentation and Discussion:

David Lucore, Director of Energy Services, stated this is the contract to build the substation at ATI Metals Facility on Goldmine Road. Competitive bids were taken with six bids being received. The low bidder was Trull Powerline Company in the amount of \$183,270 and we are seeking approval to move this to Council at the next meeting.

Council Member McGee asked if there were any questions or comments.

Council Member Anthony made a Motion to approve the \$183,270 to Trull Powerline Company for the Labor Contract to construct the substation on Goldmine Road.

Motions: Motion to forward recommendation to City Council to be considered at their next meeting on December 1, 2020 to award the Labor Contract in the amount of \$183,270 to Trull Powerline Company to construct the substation on Goldmine Road.

Motions made by: Council Member Surluta Anthony

Second: Council Member Freddie Gordon

Voting: **In Favor** – Council Member Surluta Anthony, Council Member Freddie Gordon and Council Member Franco McGee

Opposed - None

Action: Motion is approved

Other

Council Member McGee asked if anyone has any additional items to bring before the Committee.

Council Member McGee stated that he has one question directed to City Attorney Shah-Khan. With the new changes by the Governor, are we going to still be meeting or is that going to change similar to how we were before and just have Council meetings? Do you know how that is going to roll out?

City Attorney Shah-Khan stated that right now the 10-person rule, because Council if all seven members would be in the room plus a certain number of staff, would take you close to 10. So, it is up to Council what we wish to do. The Governor held a press conference and I think it is still going on right now, where they talked about an alert system for the various counties. Fortunately, Union County is in the lowest level of that. It goes yellow, orange, red and we are in yellow so the numbers are good here. It is up to Council what you wish to do for the Council meetings in terms of how you are conducting those. Once we got to the 25-person number, it was up to Council what we wished to do and now that it is back to 10. It is what you wish to do. If some members wish to be here in the room they can and if some members wish to be on Zoom they can. That only applies for the Council. A question came up today about possibly using Zoom for this meeting. That would be up to Council to allow. We have done that with the Open Conversation on Racism Committee. No other Mayoral Committee or other Committees are allowed to do that. If the Committee wishes to make a request to Council, then at your December meeting you can discuss that. There are no changes right now. We would encourage you to still have an electronic meeting for this reason. Even if all seven of you were in the room, it means that there is not space for the public once we reach the

ten. So we would still recommend that. It is still going to require you to do the things that I know were annoying to Council, which is saying your name before you started talking and roll call votes, but we would recommend that you continue to do that until there is a point where you can have a number of people in the room that was allowed for attendance. The Committees right now are still, except for the Open Conversation on Racism, not yet allowed to do that. However, if that was something you wanted to do, that would be up to Council. I would note the Manager had provided information or response for a request that was made with respect to the use of those for other meetings. Again, it is an issue that Council can discuss and then it moves forward. For example, yesterday the whole Safety Committee meeting was able to be held here as opposed to the Duty Room because this is a lot easier to socially distance and so the determination was made by all involved to have that meeting take place here as opposed to at the Police Department Duty Room. I believe that the General Services Committee that always takes place here will be here and the same rules will apply. I hope that answered your question.

Council Member McGee advised that it did answer his question. He stated that he knew at one point they were not meeting because of COVID.

City Attorney Shah-Khan stated that was when the Stay At Home Orders were very clear on that. Once Phase I was reached, it allowed for a little different, but it is up to Council if you think that with the 10-person limit it is not appropriate for the Committees to meet. That is the determination we made. He stated he thought what had happened is during the Stay At Home Orders, that was March through May, it was very clear that the Committees would not meet. At the 10-person limit, it was seen as difficult for the Committees to meet but, again, there were some Committees that absolutely have to meet and then it is up to Council to make that determination. The Mayoral Committees, he believes, was a discussion between the Mayor and the Committees after hearing recommendations from staff. Your quasi-Judicial Commissions like the Historic Commission and the Board of Adjustment still met because there would be no way they could meet electronically under your rules and it is not advisable. If your Committee believes it is the best way to handle, we will be happy to work through the issues and provide recommendations.

Council Member Gordon stated that he spoke with City Manager Larry Faison about this and maybe Sarah McAllister might be able to answer, that Public Enterprise seems to be the Committee that this would fall under, the waste issues.

City Manager Faison confirmed with Council Member Gordon that he was referring to Solid Waste.

Council Member Gordon stated that he gets more calls from the citizens on the yard waste issues than solid waste. (1) Solid waste does not appear to be a problem; it seems to be picked up regularly like it always has been. (2) Yard waste began to be the issue, hearing this from everybody who works in Engineering that talks to you, except for you and Jim. They told me about the COVID thing and everyone was throwing out more yard waste, etc. so we continued to relay that on to the citizens and they became patient with it at first. Now, and I am going by the experiences in my neighborhood and in the area, I have had several people contact me. After a while, it is like everything else, we are almost into winter, people are not working in their yards as much, COVID 19 has been with us now eight or nine months. The issue still is (1) it use to be and always was that yard waste was included in our garbage pick-up, if I'm not correct, the yard waste would be picked up each week. If it did not fall on my appointed day, it came the next day. Then, it started getting to a week, then two weeks and sometimes months, I am going to say a month is anything over four weeks. I don't want to stretch it out too far but it was a long time. You don't need to ride through any of our neighborhoods to see that it's obviously been sitting. Once you put limbs and leaves out there, if it sits there for three or four weeks, it certainly begins to deteriorate. My point is that I believe we need to speak to our provider. I believe that we need to research other providers, if in fact that cannot correct this problem. It has gone on too long, it is still going on and it is not a matter of days, it is a matter of weeks. If that is what is in their contract and that is what we are billing our citizens for, and they are not providing it, then

we are doing a bad job of looking after their money. It is down to where there are not any providers for this anymore or we cannot go out and find competitive bids or what?

Council Member Anthony advised that we just signed a new contract with Waste Pro.

City Manager Faison stated that he is not sure if Sarah is the one to really talk about that. What Jim Loyd had mentioned to me, is that they will put together a report for the December meeting and probably have Waste Pro here as well.

Council Member Anthony stated that she gets calls mostly from the Winchester area and the Church Street – Morrow Avenue area every week.

Council Member McGee stated that he calls them regularly and has those issues. I walk a lot and I see things that have been sitting there so I asked when the pickup is for this. It is supposed to be weekly. I thought it was just my area. We do need to look into that because first of all, it starts to make the communities look very bad. Like Council Member Gordon stated, if our taxpayers are paying for this then we need to make sure that it is picked up in a timely manner.

Council Member Anthony stated that two weeks ago, something fell off the truck in the road. I told the person this is dangerous, it fell off your truck. He stated that it did not fall off his truck. I told him whether it did or not, it is yard waste and you need to get it. He drove off, I called and reported it, and they did have him come back and get it.

Council Member Gordon stated that he personally thinks we should get out of the business if we cannot provide the service and they cannot do it for what they are charging. We will see if there is not somebody else that can provide that service and go from there.

Council Member Anthony stated that we are probably going to have to work it out with them because we just signed a new contract.

Council Member Gordon asked how long the contract runs for, is that typically a multi-year deal?

City Attorney Shah-Khan stated that we have quite a few years to go.

City Manager Faison stated that we are in year one or two of five years, I believe.

Council Member McGee thanked Council Member Gordon for bringing this matter up to the Committee.

Council Member McGee asked if there were any additional items for consideration or any other comments.

Council Member Anthony made a Motion to adjourn.

Recommendation: Adjourn meeting at 3:55 PM

Motion: Adjourn Public Enterprise Committee meeting

Motion made by: Council Member Surluta Anthony

Second: Council Member Freddie Gordon

Voting: **In Favor** – Council Member Surluta Anthony, Council Member Gordon and Council Member Franco McGee

Opposed - None

Action: Approved

There being no further business, the meeting adjourned at 3:55 p.m.

Franco McGee, Chair

Next Meeting – January 19, 2021, 3:30 PM



STAFF REPORT

TO: Public Enterprise Committee

VIA: E.L. Faison, City Manager

DATE: January 19, 2021

FROM: David E. Lucore, Director of Energy Services

PREPARED BY: David E. Lucore, Director of Energy Services

SUBJECT: Recommendation for Contract Labor Award

SUMMARY STATEMENT

Staff requests the Public Enterprise Committee to consider a contract with Utility Lines Construction Services, Inc. for contract labor forces to supplement City forces in the day-to-day operation of the electric system.

REVIEW

With construction underway on several new residential subdivisions and several more already approved to begin construction, the Energy Services department may need to employ contract labor to keep up with consumer demand for electric services to new homes. Staff solicited and received three (3) bids for labor and equipment rates from prospective contractors listed below.

Utility Lines Construction Services (ULCS)	\$26,922.80/week
Volt Power	\$30,251.20/week
Lee Electrical Construction, Inc.	\$30,256.00/week

RECOMMENDATION

City staff recommends that the Public Enterprise Committee approve forwarding staff's recommendation to award a contract to Utility Line Construction Services, Inc. (ULCS) in the amount not to exceed \$300,000 to Council for approval.



STAFF REPORT

TO: Public Enterprise Committee

VIA: E.L. Faison, City Manager

DATE: January 19, 2021

FROM: David E. Lucore, Director of Energy Services

PREPARED BY: Robert Miller, Energy Services General Manager of Engineering

SUBJECT: Edwards Wood Product Gas Pipeline Installation – Labor Contract – Dawn Development Company, Inc.

SUMMARY STATEMENT

Energy Services staff requests the Public Enterprise Committee to consider a change order to Dawn Development Company, Inc. to incorporate the items that Ertel Construction, Inc. failed to complete in their contract to install a natural gas pipeline to the Edwards Wood Products facilities in Marshville.

REVIEW

Energy Services staff recommends the remainder of the work left incomplete by Ertel Construction, Inc. be awarded to Dawn Development by Change Order #1 to contract 6190 (Purchase Order 210425). Change Order #1 will include the installation 4,419 feet of 4-inch polyethylene pipe along the pipeline route and the remaining pressure testing, cleanup and other items left incomplete by Ertel Construction, Inc.

The amount of Change Order #1 is \$297,553.80, which will be available by the termination of Ertel Construction Inc.'s contract and release of encumbered funds,

RECOMMENDATION

Staff recommends that the Public Enterprise Committee approve the recommendation for Change Order #1 for \$297,553.80 to Dawn Development and authorize this item to go before the full Council for consideration and approval.

Attachments:

Change Order #1 for Contract 6190 (Purchase Order 210425)



CHANGE ORDER

CHANGE ORDER NUMBER: 001
DATE: 03/01/2021

PROJECT: WF0696180
NATURAL GAS MARSHVILLE EXPANSION – EDWARDS WOOD PRODUCTS

PROJECT NUMBER: NG-1903

PURCHASE ORDER NUMBER: 210425

CONTRACTOR: DAWN DEVELOPMENT COMPANY, INC.

ADDRESS: 1815 N. ROCKY RIVER RD, MONROE, NC 28110

THE CONTRACTOR IS HEREBY AUTHORIZED AND REQUESTED TO MAKE THE FOLLOWING CHANGES TO THE ABOVE DESCRIBED CONTRACT:

ORIGINAL CONTRACT AMOUNT	\$ 713,339.00
NET CHANGE BY PREVIOUS CHANGE ORDER	\$ 0.00
CONTRACT TOTAL PRIOR TO THIS CHANGE ORDER	\$ 713,339.00
AMOUNT OF THIS CHANGE ORDER	\$ 297,553.80
REVISED CONTRACT TOTAL INCLUDING THIS CHANGE ORDER	\$ 1,010,892.80

CHANGE ORDER INCLUDES THE FOLLOWING WORK TO BE PERFORMED:

ADDITION OF WORK TO CONTRACT:

Stationing	Roadway
From L 74+00 to L 92+50	Along Highway 74
From L 146+00 to L 149+63	Along Highway 74
From L 184+00 to L 186+00	Along Highway 74
At L 220+50	Along Highway 74
From L 251+00 to L 269+00	Along Highway 74
From OB 13+00 to OB 24+00	Along Olive Branch Road
From OB 121+50 to OB 124+50	Along Olive Branch Road

EDWARDS WOOD PRODUCTS - PIPELINE EXTENSION PROJECT

CHANGE ORDER #1

CONTRACT 6190 (PO 210425)

<i>Line</i>	<i>Steel Main Tie-In Fittings</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Total</i>
1.1	6" Spherical 3-Way Tee	0	\$8,000.00	\$0.00
<i>Line</i>	<i>PE Main Installation</i>	<i>Quantity LF</i>	<i>Unit Price</i>	<i>Total</i>
2.1	6" HDPE Pipe	0	\$50.00	\$0.00
2.2	4" HDPE Pipe	3552	\$28.00	\$99,456.00
<i>Line</i>	<i>PE Service Line Installation</i>	<i>Quantity LF</i>	<i>Unit Price</i>	<i>Total</i>
3.1	4" HDPE Pipe	0	\$0.00	\$0.00
<i>Line</i>	<i>PE Service tie-over</i>	<i>Quantity EA</i>	<i>Unit Price</i>	<i>Total</i>
4.1	4" HDPE	0	\$3,000.00	\$0.00
<i>Line</i>	<i>PE main tie-in fittings and methods</i>	<i>Quantity EA</i>	<i>Unit Price</i>	<i>Total</i>
5.1	4" squeeze off and tie-in (fusion)	2	\$3,000.00	\$6,000.00
<i>Line</i>	<i>PE Main Abandonment</i>	<i>Quantity EA</i>	<i>Unit Price</i>	<i>Total</i>
6.1	4" HDPE Main (Approx. 1900 FT)	0	\$2,000.00	\$0.00
<i>Line</i>	<i>Valve Installation</i>	<i>Quantity EA</i>	<i>Unit Price</i>	<i>Total</i>
7.1	6" HDPE Valve	0	\$1,000.00	\$0.00
7.2	4" HDPE Valve	7	\$700.00	\$4,900.00
<i>Line</i>	<i>Test Stations and Markers</i>	<i>Quantity EA</i>	<i>Unit Price</i>	<i>Total</i>
8.1	Test Station on HDPE Main	15	\$200.00	\$3,000.00
<i>Line</i>	<i>Pavement & Concrete - Cut, Removal, and Replacement</i>	<i>Quantity SQFT</i>	<i>Unit Price</i>	<i>Total</i>
9.1	Removal of asphalt, backfill with crusher run gravel, re-asphalt	0	\$9.00	\$0.00
<i>Line</i>	<i>Padding Dirt / Chrusher Run Gravel</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Total</i>
10.1	Screened backfill material (CYD)	1052.00	\$60.00	\$63,120.00
10.2	Chrusher run gravel (Ton)	32.33	\$60.00	\$1,939.80
<i>Line</i>	<i>Erosion Control</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Total</i>
11.1	4" PE Main Seed & Straw (Linear FT)	3552	\$1.00	\$3,552.00
11.2	6" PE Main Seed & Straw (Linear FT)	0	\$1.00	\$0.00
11.3	Erosion Control Blanket-SC150 (SQYD)	0	\$6.00	\$0.00
11.4	Silt Fence Install & Removal (Linear FT)	0	\$4.00	\$0.00
11.5	Straw Wattles (Each)	0	\$0.00	\$0.00
<i>Line</i>	<i>Dry Bore</i>	<i>Quantity LF</i>	<i>Unit Price</i>	<i>Total</i>
12.1	6" HDPE	0	\$85.00	\$0.00

12.2	4" HDPE	128	\$48.00	\$6,144.00
12.3	4" HDPE Rock Bore	235	\$150.00	\$35,250.00
Line	Horizontal Directional Drilling (HDD)	Quantity LF	Unit Price	Total
13.2	4" HDPE Main or Service	504	\$48.00	\$24,192.00
Line	Ertel Contract Requirements	Time and Materials	Unit Price	Total
MISC	Cleaning of Pipe, Pressure Test, Cleanup - Estimated	1	\$50,000.00	\$50,000.00
Total Change Order #1				\$297,553.80

TOTAL COST: \$ 297,553.80

RECOMMENDED:

BY: _____
Architect/Engineer/Consulting Staff

DATE: _____

BY: _____
Contractor

DATE: _____

BY: _____
City Project Superintendent

DATE: _____

BY: _____
Department Head

DATE: _____

APPROVED:

BY: _____
City Manager

DATE: _____

**This instrument has been pre-audited in the manner required
by the Local Government Budget and Fiscal Control Act.**

Signature: _____
Finance Officer

Date: _____



STAFF REPORT

TO: Public Enterprise Committee

VIA: E.L. Faison, City Manager

DATE: January 19, 2021

FROM: David E. Lucore, Director of Energy Services

PREPARED BY: Robert Miller, Energy Services General Manager of Engineering

SUBJECT: Edwards Wood Products Gas Pipeline Installation – Labor Contracts -
Ertel Construction, Inc.

SUMMARY STATEMENT

The Public Enterprise Committee is requested to consider the termination of the Ertel Construction, Inc. contract to install a natural gas pipeline to the Edwards Wood Products facilities in Marshville for cause.

REVIEW

The Energy Services Department recommends the termination of the Ertel Construction, Inc. contract dated 11-5-2019 for the contract labor to install the natural gas pipeline to Edwards Wood Products. The termination of the contract for cause is due to failure of Ertel Construction, Inc. to perform satisfactorily and for significant delays in the project schedule. Ertel Construction, Inc. was provided numerous notices from the City regarding unsafe work practices, not meeting permit requirements, and delays to the project schedule. Energy Services staff held multiple meetings with Ertel throughout the project to communicate deficiencies in Ertel's work performance and to require immediate improvement, to which they did not comply. Ertel Construction, Inc. has been paying liquidated damages of \$500 per day since July 31, 2020 due to their failure to comply with the contracted deadline for project completion.

The termination of the contract will result in the release of approximately \$359,800 to the project fund.

Ertel failed to complete the following contract requirements:

1. Cleaning of the pipe installed
2. Pressure testing of the pipe installed
3. Ground cleanup and restoration of disturbed areas to the original condition

4. Permit requirements - NC Department of Transportation and NC Department of Environmental Quality

Ertel will maintain the requirement to repair the NCDOT culvert at station 266+50 at their sole expense to the satisfaction of NCDOT due to the damage caused by Ertel during construction of the pipeline. Ertel will also continue to be responsible for any and all damages, claims and/or warranties that arise as the result of the construction work performed by Ertel.

The City will contract services to complete the contract requirements left incomplete by Ertel using the funds released by the termination of the contract and pursuing restitution through Ertel's bonding agent if necessary. The City reserves the right to seek restitution for contract obligations not met by Ertel. Ertel's warranty for work performed will be in place for one year after the final day of work.

RECOMMENDATION

Staff recommends the Public Enterprise Committee approve the recommendation to terminate the Ertel Construction, Inc. contract for cause and authorize staff to take this recommendation to the full Council for their consideration at their next meeting.

Attachments:

02-11-2021 – Contract Termination Letter – City of Monroe to Ertel Construction



February 11, 2021

Mr. Glen Prescott
Ertel Construction, Inc.

City of Monroe Edwards Wood Products Natural Gas Pipeline Project

Mr. Prescott,

This letter is to inform you that effective **March 1, 2021** the City of Monroe will terminate the contract between the City of Monroe and Ertel Construction, Inc. for cause due to failure of Ertel Construction, Inc. to perform satisfactorily and for significant delays in the project schedule. The City will pay the progress payments per the contract for work completed up to the date of termination of the contract.

Ertel Construction, Inc. was provided numerous notices from the City regarding unsafe work practices, not meeting permit requirements, and delays to the project schedule. Energy Services staff held multiple meetings with Ertel throughout the project to communicate deficiencies in Ertel's work performance and to require immediate improvement, to which they did not comply. Ertel Construction, Inc. has been paying liquidated damages of \$500 per day since July 31, 2020 due to their failure to comply with the contracted deadline for project completion.

Ertel failed to complete the following contract requirements:

1. Cleaning of the pipe installed
2. Pressure testing of the pipe installed
3. Ground cleanup and restoration of disturbed areas to the original condition
4. Permit requirements - NC Department of Transportation and NC Department of Environmental Quality

Ertel will maintain the requirement to repair the NCDOT culvert at station 266+50 at their sole expense to the satisfaction of NCDOT due to the damage caused by Ertel during construction of the pipeline. Ertel will also continue to be responsible for any and all damages, claims and/or warranties that arise as the result of the construction work performed by Ertel.

The City will contract services to complete the contract requirements left incomplete by Ertel using the funds released by the termination of the contract and pursuing restitution through Ertel's bonding agent if necessary. The City reserves the right to seek restitution for contract obligations not met by Ertel. Ertel's warranty for work performed will be in place for one year after the final day of work.



The City will pay the progress payments per the contract for all work completed up to the date of termination of the contract.

Please submit all requests for payment to the Energy Services Department. If you have any questions, you may contact me at 704-704-282-4504.

Sincerely,

S. Mujeeb Shah-Khan

City of Monroe

City Attorney

C: Mr. Tom Ertel, Ertel Construction
Mr. David Lucore, Director of Energy Services