



Interior Gas Utility

Board of Directors Special Business Meeting

March 27, 2015

10:00 AM

Interior Gas Utility

100 Cushman St., Suite 501 Fairbanks, Alaska

Approved Minutes

I. Call to Order

- Roll call

Members Present: Frank Abegg (Chair), Mike Meeks (online), Steve Haagenson, Aaron Lowjewski, Bill Butler (online)

Member Absent: Jack Wilbur

Others in attendance: Cynthia Kelpaski (FNSB Attorney), David Prusak (online), Keith Hanneman (PDC), Mindy O'Neall

Seeing as a quorum was established, the meeting was called to order at 10:00 am by Frank Abegg, presiding.

II. Special Business Meeting

- Approval of Award IFB 2015-G-01 Zone A to Central Environmental, Inc. for \$7,439,993.45

A motion was made by Mr. Butler to authorize the General Manager to award and sign a contract to **Central Environmental, Inc.**, contingent on the execution of the AIDEA Line of Credit and Loan documents, in the amount not to exceed \$7,439,993.45 for the construction services in Phase I, Zone A, and to grant change order authority without board approval in the not to exceed amount of \$400,000, roughly 5.4% of the initial contract value to address adjustments for purposes of benefitting the project.

Director Haagenson seconded the motion and the board moved into discussion.

Percentages for not to exceed amounts were based on the level of comfort of the board to approve the general manager to authorize, and must be reasonable and justified in order to be authorized. The change order amount is cumulative for the project.

Zone A is the most developed area and the balance to mitigate the impact of residents in the city were reasons for a higher bid amount compared to the others. Additionally, sulfolane in the

area was a reason for some contractors not to bid, which also played a role in a higher amount. Requirements for dealing with sulfolane requires special handling that incur costs, in addition there are 5 rail road track crossings in Zone A that impacted the bid price.

The risk of handling sulfolane contamination will be the responsibility of the contractor. Information was provided on the contamination levels as well as the handling for disposal. This could be an issue with directional drilling. These rules are governed by ADEC.

By unanimous consent, the motion passed.

- Approval of Award IFB 2015-G-02 Zone B to Utility Technologies, Inc. for \$4,478,900.00

Director Butler Moved to authorize the General Manager to award and sign a contract to **Utility Technologies, Inc.**, contingent on the execution of the AIDEA Line of Credit and Loan documents, in the amount not to exceed \$4,478,900.00 for the construction services in Phase I, Zone B, and to grant change order authority without board approval in the not to exceed amount of \$300,000, roughly 7% of the initial contract value to address adjustments for purposes of benefitting the project.

Director Haagenson seconded the motion.

The vote was unanimously approved and the motion passed.

- Approval of Award IFB 2015-G-03 Zone C to Robinson Brothers Construction for \$3,756,740.00

Director Butler moved to authorize the General Manager to award and sign a contract to **Robinson Brothers Construction** contingent on the execution of the AIDEA Line of Credit and Loan documents, in the amount not to exceed \$3,594,740.00 for the construction services in Phase I, Zone C, and to grant change order authority without board approval in the not to exceed amount of \$200,000, roughly 6% of the initial contract value to address adjustments for purposes of benefitting the project.

Director Lojewski seconded the motion.

A protest was filed against this zone. A unit price bid was checked for math errors and found an item in the unit price that was not properly extended. The unit price written in did increase the bid, however this same bidder still remained the lowest bidder. An NOIA was issued with the increased amount and sent to all bidders of the project and posted online. Drennon Construction & Consulting protested the bid. Chris Rutz (MWH) worked with FNSB legal counsel on the protest. Pursuant to SOA law, IGU is allowed and did discussed the intention of the contractor for the bid item, and confirmed the value intended for this item of bid, which matched the extended value written into the bid form.

IGU General Manager has to make final decision on appeal. RBC remained as the low bid, the value of the modified unit rate of the bid item was accepted as committed to by the contractor and did match the extended value for this item and also matched the grand total of the bid as read at the bid opening.

The vote was unanimously approved and the motion passed.

- Approval of Award IFB 2015-G-05 for HDPE Gas Fittings and Locate Material to Ferguson Enterprises, Inc. for \$308,304.78

Director Butler moved to authorize the General Manager to award and sign a contract to **Ferguson Enterprises, Inc.** on the execution of the AIDEA Line of Credit and Loan documents, in the amount not to exceed \$308,340.78 for the construction services in Phase I, and to grant change order authority without board approval in the not to exceed amount of \$15,000, roughly 5% of the initial contract value to address adjustments for purposes of benefitting the project.

Director Meeks seconded.

FOB North Pole, Delivery and acceptance must be done before payment. There are spare parts included in this bid at the amount of about 20%, understanding that it could be stocked for Phase 2. It will not be sorted by zone.

The vote was unanimously approved and the motion passed.

IV. **Adjournment**

- Adjourn

As the business set forth in the agenda was seen as complete, the Director Haagenon made a motion to adjourn, seconded by Director Lojewski and the meeting was adjourned at 10:57 am.