



MASSACHUSETTS WATER RESOURCES AUTHORITY

Charlestown Navy Yard
100 First Avenue, Building 39
Boston, MA 02129

Frederick A. Laskey
Executive Director

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BOARD OF DIRECTORS' MEETING

to be held on

Wednesday, July 18, 2012

Location: 100 First Avenue, 2nd Floor
Charlestown Navy Yard
Boston, MA 02129

Time: 1:00 p.m.

AGENDA

- I. **APPROVAL OF MINUTES**
- II. **REPORT OF THE CHAIR**
- III. **REPORT OF THE EXECUTIVE DIRECTOR**
- IV. **ADMINISTRATION, FINANCE & AUDIT COMMITTEE**
 - A. **Information**
 1. Delegated Authority Report – June 2012
 - B. **Approvals**
 1. Approval of Competitive Purchases of Bonds

V. WASTEWATER POLICY & OVERSIGHT COMMITTEE

A. Contract Awards

1. Expansion Joint Repair Construction 2 – Deer Island Treatment Plant: Chapman Waterproofing Company, Contract 6704
2. Caruso Pump Station Improvements: Dewberry Engineers, Inc., Contract 7037

VI. WATER POLICY & OVERSIGHT COMMITTEE

A. Contract Awards

1. Wachusett Aqueduct Emergency Interconnection Valves: Barletta Heavy Division, Inc., Contract 7085C

VII. PERSONNEL & COMPENSATION COMMITTEE

A. Approvals

1. FY13 Non-Union Compensation
2. FY13 Non-Union Salary Collision Adjustments

VIII. CORRESPONDENCE TO THE BOARD

IX. OTHER BUSINESS

X. EXECUTIVE SESSION

A. Real Estate

1. Watershed Land Acquisition Approval

B. Litigation:

1. Extension of the Professional Services Contract with Randall Hafer and Kilpatrick Stockton
2. Estate of Marie Stewart

XI. ADJOURNMENT

I.
7/18/12

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the Board of Directors

June 27, 2012

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on June 27, 2012 at the Authority headquarters in Charlestown. Chairman Sullivan presided. Present from the Board were Ms. Turner and Messrs. Barrera, Carroll, Foti, Hunt, Mannering, Pappastergion and Walsh. Messrs. Cotter and Gove were absent. Among those present from the Authority staff were Frederick Laskey, Executive Director, Steven Remsberg, General Counsel, Michael Hornbrook, Chief Operating Officer, Rachel Madden, Director of Administration and Finance, Russell Murray, Director of MIS, Rose Marie Convery, Special Assistant to the Executive Director and Bonnie Hale, Assistant Secretary. The meeting was called to order at 1:00 p.m.

APPROVAL OF MINUTES

Upon a motion duly made and seconded, it was

Voted to approve the minutes of the Board of Directors' meeting of June 6, 2012, as presented and filed with the records of the meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Staff gave a presentation on features of the "Open Checkbook" segment of the MWRA website.

BOARD ACTIONS

APPROVALS

Final FY13 Capital Improvement Program

Upon a motion duly made and seconded, it was

Voted to approve the FY13 Capital Improvement Program, with a budget of \$164.9 million and five-year (FY09-13) spending of \$846.7 million, as presented in Attachment A and filed with the records of the meeting.

Final FY13 Current Expense Budget

Upon a motion duly made and seconded, it was

Voted to adopt the FY13 Final Current Expense Budget as set forth in Attachments A and B and filed with the records of the meeting, with current revenue and expenses of \$635.9 million; and to adopt the FY13 Final Operating Budget (Trustee's Budget) as set forth in Attachment D and filed with the records of the meeting.

Final FY13 Water and Sewer Assessments

Upon a motion duly made and seconded, it was

Voted to adopt the following effective July 1, 2012: (1) Water system assessments of \$196,001,401 and sewer system assessments of \$411,510,599 for Fiscal Year 2013; (2) FY13 sewer assessments of \$500,000 for the Town of Clinton and \$206,682 for the Lancaster Sewer District; (3) FY13 charge to the City of Worcester of \$129,099 which represents approximately 7.9% of the direct operating expenses for the Clinton Wastewater Treatment Plant; and (4) FY13 water assessments of \$3,056,914 for the City of Chicopee, \$655,277 for South Hadley Fire District #1, and \$609,677 for the Town of Wilbraham.

CONTRACT AWARDS

Disclosure Counsel Services: Greenberg Traurig, LLP, Contract F218

Upon a motion duly made and seconded, it was

Voted to approve the recommendation of the Consultant Selection Committee to select Greenberg Traurig, LLP to provide Disclosure Counsel services and to authorize the Executive Director, on behalf of the Authority, to execute Contract F218 with Greenberg Traurig, LLP in an amount not to exceed \$669,500.00 for a term of four years from the Notice to Proceed.

Accounts Payable and Payroll Depository Services: RBS Citizens, N.A., Contract F219

Upon a motion duly made and seconded, it was

Voted to approve the recommendation of the Consultant Selection Committee to select RBS Citizens, N.A. to provide accounts payable and payroll depository services to the Authority and to authorize the Executive Director, on behalf of the Authority, to execute Contract F219 with RBS Citizens, N.A. in an amount not to exceed \$40,497.60 for a term of four years from July 1, 2012 to July 1, 2016.

Residuals Processing Facility Technology Options Assessment: CDM Smith, Inc., Contract 7147A

Upon a motion duly made and seconded, it was

Voted to approve the recommendation of the Consultant Selection Committee to select CDM Smith, Inc. to perform a Residuals Processing Facilities Technology Options Assessment and to authorize the Executive Director, on behalf of the Authority, to execute Contract 7147A with CDM Smith, Inc., in the amount of \$614,178.00 for a term of 365 days from the Notice to Proceed.

CONTRACT AMENDMENTS/CHANGE ORDERS

Records Center/Warehouse Lease Agreement – Marlborough: SDCO St. Martin, Amendment 4

It was noted that this item was postponed by the Administration, Finance & Audit Committee, pending a cost/benefit analysis of the Authority's construction of its own facility; the Board so voted to postpone consideration.

Remote Headworks Upgrades: Malcolm Pirnie, Inc., Contract 7206, Amendment 1

Upon a motion duly made and seconded, it was

Voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 1 to extend the term of Contract No. 7206 with Malcolm Pirnie, Inc., Remote Headworks Upgrade, by 458 days to June 30, 2018, and reallocating funds within the contract, with no increase in total contract amount.

OTHER BUSINESS

Executive Director's Performance Review and Contract Extension

Chairman Sullivan noted that the Board had received Mr. Laskey's self-evaluation reviewing the issues, challenges and accomplishments of Fiscal Year 2012. Board members praised both Mr. Laskey's leadership and the excellence of the Authority's staff.

Upon a motion duly made and seconded, it was

Voted to: (1) Rate the performance of Frederick A. Laskey, Executive Director, for Fiscal Year 2012 as Excellent; (2) Extend the term of the Executive Director's employment agreement and appointment as Executive Director by one year to June 30, 2015; and (3) Increase his current salary by 1.5% effective July 1, 2012 and 1.5% effective January 1, 2013; subject to his consent.

Extension of Contract for Chief Operating Officer

Board members and Mr. Laskey also characterized Mr. Hornbrook's performance as excellent.

Upon a motion duly made and seconded, it was

Voted to: (1) Extend the term of the employment agreement with Michael J. Hornbrook, Chief Operating Officer, by one year to May 31, 2015; and (2) Authorize the Executive Director to implement a salary increase for the Chief Operating Officer of 1.5% effective July 1, 2012 and 1.5% effective January 1, 2013; subject to his consent.

EXECUTIVE SESSION

It was moved to enter executive session to discuss litigation and real estate.

Upon a motion duly made and seconded, it was, upon a roll call vote in which the members were recorded as follows:

| <u>Yes</u> | <u>No</u> | <u>Abstain</u> |
|---------------|-----------|----------------|
| Barrera | | |
| Carroll | | |
| Foti | | |
| Hunt | | |
| Mannering | | |
| Pappastergion | | |
| Turner | | |
| Walsh | | |
| Sullivan | | |

Voted to enter executive session for the purpose of discussing strategy with respect to litigation and to consider the purchase, exchange, lease or value of real property, in that such discussion in open session may have a detrimental effect on the litigating and negotiating positions of the Authority.

It was noted that the meeting would return to open session solely for the consideration of adjournment.

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EXECUTIVE SESSION

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The meeting returned to open session at 1:50 p.m. and adjourned.

Chair: A. Pappastergion

Vice-Chair: M. Gove

Committee Members:

J. Barrera

J. Carroll

K. Cotter

J. Foti

J. Hunt

V. Mannering

IV. **ADMINISTRATION, FINANCE & AUDIT COMMITTEE**

A. **Information**

1. Delegated Authority Report – June 2012

B. **Approvals**

1. Approval of Competitive Purchases of Bonds

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the
Administration, Finance and Audit Committee

June 27, 2012

A meeting of the Administration, Finance and Audit Committee was held on June 27, 2012 at the Authority headquarters in Charlestown. Chairman Pappastergion presided. Present from the Board were Messrs. Barrera, Carroll, Foti, Hunt and Walsh; Mr. Mannering and Ms. Turner joined the meeting in progress. Among those present from the Authority staff were Fred Laskey, Steve Remsberg, Rachel Madden, Mike Hornbrook, Kathy Soni, Tom Durkin, and Bonnie Hale. The meeting was called to order at 10:40 p.m.

Information

Delegated Authority Report – May 2012

The report was received without any questions or comments.

FY12 Financial Update and Summary as of May 2012

Staff reviewed the summary and there was general discussion and question and answer. (Mr. Mannering joined the meeting during the discussion.)

Approvals

*Final FY13 Capital Improvement Program

There was general discussion and question and answer on the CIP. Also discussed was the issue of primacy at the state level, with Massachusetts being one of only a few states where EPA and not the state Department of Environmental Protection has primacy. Mr. Laskey indicated that he would have a staff summary prepared for the Board on this issue. The Committee recommended approval of the Final FY13 CIP (ref. agenda item B.1).

*Final FY13 Current Expense Budget

Staff summarized its response to the Board's direction at the previous meeting, and there was general discussion and question and answer. The Committee recommended approval of the Final FY13 CEB (ref. agenda item B.2.).

* Approved as recommended at June 27, 2012 Board of Directors meeting.

*Final FY13 Water and Sewer Assessments

The Committee recommended approval of the FY13 Water and Sewer Assessments (ref. agenda item B.3).

Contract Awards

*Disclosure Counsel Services: Greenberg Traurig, LLP, Contract F218

The Committee recommended approval of the contract award (ref. agenda item C.1).

(Ms. Turner joined the meeting.)

*Accounts Payable and Payroll Depository Services: RBS Citizens, N.A., Contract F219

There was question and answer, and the Committee recommended approval of the contract award (ref. agenda item C.2).

Contract Amendments/Change Orders

**Records Center/Warehouse Lease Agreement – Marlborough: SDCO St. Martin, Amendment 4

Committee members wondered if the Authority had looked at cost to build its own warehouse, and there was general discussion. The Committee recommended postponing consideration of Amendment 4, pending additional information (ref. agenda item D.1).

The meeting adjourned at 11:30 a.m.

* Approved as recommended at June 27, 2012 Board of Directors meeting.

** Postponed at June 27, 2012 Board of Directors meeting.

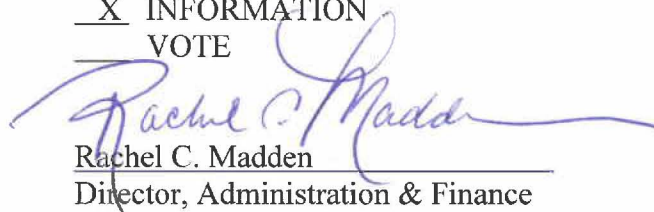
STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: July 18, 2012
SUBJECT: Delegated Authority Report – June 2012




COMMITTEE: Administration, Finance & Audit

X INFORMATION
VOTE



Rachel C. Madden
Director, Administration & Finance

Barbie Aylward, Administrator
Frank Renda, Data & Information Coordinator
Preparer/Title


Michele Gillen
Deputy Director, Administration & Finance

RECOMMENDATION:

For information only. Attached is a listing of actions taken by the Executive Director under delegated authority for the period June 1, 2012 through June 30, 2012.

This report is broken down into three sections:

- Awards of Construction, non-professional and professional services contracts and change orders and amendments in excess of \$25,000, including credit change orders and amendments in excess of \$25,000;
- Awards of purchase orders in excess of \$25,000; and
- Amendments to the Position Control Register, if applicable.

BACKGROUND:

The Board of Directors' Management Policies and Procedures, as amended by the Board's vote on October 14, 2009, delegate authority to the Executive Director to approve the following:

Construction Contract Awards:

Up to \$1 million if the award is to the lowest bidder; or up to \$500,000 if the award is to other than the lowest bidder.

Change Orders:

Up to 25% of the original contract amount or \$250,000, whichever is less, where the change increases the contract amount, and for a term not exceeding an aggregate of six

months; and for any amount and for any term, where the change decreases the contract amount. The delegations for cost increases and time can be restored by Board vote.

Professional Service Contract Awards:

Up to \$100,000 and one year with a firm; or up to \$50,000 and one year with an individual.

Non-Professional Service Contract Awards:

Up to \$250,000 if a competitive procurement process has been conducted, or up to \$100,000 if a procurement process other than a competitive process has been conducted.

Purchase or Lease of Equipment, Materials or Supplies:

Up to \$1 million if the award is to the lowest bidder; or up to \$500,000 if the award is to other than the lowest bidder.

Amendments:

Up to 25% of the original contract amount or \$250,000, whichever is less, and for a term not exceeding an aggregate of six months.

Amendments to the Position Control Register:

Amendments which result only in a change in cost center.

BUDGET/FISCAL IMPACT:

Recommendations for delegated authority approval include information on the budget/fiscal impact related to the action. For items funded through the capital budget, dollars are measured against the approved capital budget. If the dollars are in excess of the amount authorized in the budget, the amount will be covered within the five-year CIP spending cap. For items funded through the Current Expense Budget, variances are reported monthly and year-end projections are prepared at least twice per year. Staff review all variances and projections so that appropriate measures may be taken to ensure that overall spending is within the MWRA budget.

| DATE OF AWARD | TITLE AND EXPLANATION | CONTRACT | AMENDMENT/CO | COMPANY | FINANCIAL IMPACT |
|---------------|--|----------|--------------|--|------------------|
| 06/01/12 | DAM REPAIRS - SUDBURY, WACHUSETT OPEN CHANNEL LOWER, CHESTNUT HILL, WESTON AND FOSS RESERVOIR DAMS DELETE FOLLOWING WORK FROM FOSS RESERVOIR DAM: INSTALLATION OF FUSEGATES; 18-INCH DUMPED RIP-RAP ON SOUTH EARTHEN BERM; 18-INCH DUMPED RIP-RAP AT RIGHT DOWNSTREAM EMBANKMENT GROIN | 7194 | 4 | T FORD COMPANY, INC. | (\$1,551,890.00) |
| 06/01/12 | MONITORING AND MAINTENANCE OF INTRUSION ALARM SYSTEMS AWARD OF CONTRACT TO LOWEST RESPONSIVE BIDDER FOR MONITORING AND MAINTENANCE OF INSTRUSION ALARM SYSTEMS AT 23 SITES FOR A TERM OF 730 CALENDAR DAYS. (MARCH 20, 2012 AWARD HAS BEEN REVOKED AS THE CONTRACTOR FAILED TO MEET BONDING REQUIREMENTS) | EKE-028 | AWARD | AFA PROTECTIVE SYSTEMS, INC. | \$56,950.00 |
| 06/11/12 | PHASE VII VALVE REPLACEMENT ADD THREE WORK SCHEDULE CONTRAINTS; INCREASE THE DEPTH OF TWO TEST PITS AND EXCAVATE ONE ADDITIONAL TEST PIT | 6436 | 8 | RJV CONSTRUCTION CORP. | \$68,761.78 |
| 06/11/12 | NORTHERN INTERMEDIATE HIGH STONEHAM-READING CONNECTION INCREASE PERMANENT TRENCH PAVEMENT FROM 650 TONS TO 1,205 TONS; PERFORM ADDITIONAL 4,500 SQUARE YARDS OF COLD PLANE EXCAVATION AND PAVING; FURNISH AND INSTALL TWO ADDITIONAL TRAFFIC LOOP DETECTOR CIRCUITS, SIGN POST WITH BASE, CONDUIT AND WIRING, CROSSWALK MARKINGS | 7261 | 5 | ALBANESE D & S, INC. | \$190,941.75 |
| 06/12/12 | HYDRAULIC EQUIPMENT SERVICE DECREASE FOLLOWING ESTIMATED BID ITEMS TO REFLECT ACTUAL QUANTITIES USED: ANNUAL HYDRAULIC SYSTEM EQUIPMENT INSPECTIONS, EMERGENCY AND NON-EMERGENCY MAINTENANCE AND REPAIR SERVICES, REPLACEMENT PARTS AND MARK-UP | OP-122 | 2 | KEYSTONE CONSTRUCTION & MAINTENANCE SERVICES, INC. | (\$42,799.68) |
| 06/13/12 | PHASE VII VALVE REPLACEMENT DELETE REQUIREMENT TO FURNISH AND INSTALL A 48-INCH BUTTERFLY VALVE ON MYSTIC AVENUE IN MEDFORD | 6436 | 9 | RJV CONSTRUCTION CORP. | (\$109,170.02) |
| 06/13/12 | FUEL OIL PIPELINE ABANDONMENT DEER ISLAND TREATMENT PLANT AWARD OF CONTRACT TO LOWEST RESPONSIVE BIDDER FOR THE CLEANING AND PERMANENTLY SEALING OF DECOMMISSIONED FUEL OIL PIPELINE AT THE DEER ISLAND TREATMENT PLANT FOR A TERM OF 180 CALENDAR DAYS | 7415 | AWARD | TMC SERVICES, INC. d/b/a TMC ENVIRONMENTAL | \$230,000.00 |
| 06/15/12 | SECTION 156 REHABILITATION NORTH METROPOLITAN SEWER DECREASE IN DESIGN SERVICES ALLOWANCE TO REFLECT ACTUAL USED | 7393 | 5 | BARLETTA HEAVY DIVISION, INC. | (\$80,332.15) |
| 06/20/12 | TECHNICAL ASSISTANCE CONSULTING SERVICES DEER ISLAND TREATMENT PLANT PHASE 6-1 EXTEND CONTRACT TERM BY 150 CALENDAR DAYS TO COMPLETE ONGOING TASKS THAT WILL FACILITATE THE BIDDING OR CONSTRUCTION PROCESS FOR SEVERAL PROJECTS IN A TIMELY MANNER | 6721 | 1 | AECOM, INC. | \$100,000.00 |
| 06/20/12 | FURNISH, DESIGN AND INSTALL A 1500-KILOWATT WIND TURBINE GENERATOR PRETREAT EXCESS SOIL CONTAINMENT HIGH LEAD LEVELS; FURNISH AND INSTALL SIX-FOOT-HIGH ORNAMENTAL IRON STEEL FENCE ALONG ALFORD STREET IN LIEU OF CONTRACT-SPECIFIED FENCE; FURNISH AND INSTALL A SEVEN-FOOT HIGH, PLASTIC COATED, CHAIN-LINK FENCE AND TWO THREE-FOOT-WIDE GATES; EXTEND THE REINFORCED CONCRETE PAD THAT SUPPORTS THE SWITCHGEAR BY FOUR FEET; INSTALL THE TURBINE CONTROL CONSOLE IN THE CONTROL ROOM INSTEAD OF CONTRACT-SPECIFIED UTILITY ROOM; FURNISH AND INSTALL AN ELECTRIC FEED AND TELEPHONE LINE IN LIEU OF THE CONTRACT-SPECIFIED FEED | 7302 | 5 | LUMUS CONSTRUCTION, INC./ HANOVER INSURANCE GROUP | \$153,159.93 |
| 06/25/12 | MIS FIVE YEAR STRATEGIC PLAN EXTEND CONTRACT TERM BY THREE MONTHS TO COMPLETE CHANGES TO THE SCOPE OF SERVICES IN ORDER TO INCORPORATE SPECIFIED CHANGES IN THE FINAL PLAN | A562 | 2 | WESTIN ENGINEERING, INC. | \$29,500.00 |

PURCHASING DELEGATED AUTHORITY ITEMS - JUNE 1 - 30, 2012


| DATE OF AWARD | TITLE AND EXPLANATION | CONTRACT # | AMENDMENT | COMPANY | FINANCIAL IMPACT |
|---------------|---|-------------|-----------|--------------------------------|------------------|
| 06/01/12 | CONTINUOUS CHLOROPHYLL ONLY MONITORING AWARD OF A SOLE-SOURCE PURCHASE ORDER FOR PERMIT-REQUIRED CONTINUOUS CHLOROPHYLL ONLY MONITORING AT THE CAPE ANN BUOY, FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013 | | | BOWDOIN COLLEGE | \$30,000.00 |
| 06/01/12 | CONTINUOUS MONITORING (WITHOUT CHLOROPHYLL) AWARD OF A SOLE-SOURCE PURCHASE ORDER FOR PERMIT-REQUIRED CONTINUOUS OCEANOGRAPHIC, OTHER THAN CHLOROPHYLL, MONITORING AT THE CAPE ANN BUOY, FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013 | | | UNIVERSITY OF MAINE | \$50,000.00 |
| 06/01/12 | ARC INFO GIS SOFTWARE MAINTENANCE AND SUPPORT AWARD OF A PURCHASE ORDER FOR RENEWAL OF MAINTENANCE AND SUPPORT, UNDER STATE BLANKET AGREEMENT # ITS39, FOR ARC INFO GIS SOFTWARE FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013 | SC - #ITS39 | | ESRI, INC | \$39,950.00 |
| 06/01/12 | CISCO E-MAIL SECURITY APPLIANCES AND USER LICENSES AWARD OF A THREE-YEAR PURCHASE ORDER CONTRACT, TO THE LOWEST RESPONSIVE BIDDER, FOR MAINTENANCE AND SUPPORT OF 3 CISCO IRONPORT E-MAIL SECURITY APPLIANCES AND 1,200 USER LICENSES, FOR THE PERIOD MAY 1, 2012 THROUGH MAY 1, 2015 | WRA-3459Q | | K-LOGIX, LLC | \$43,999.00 |
| 06/01/12 | FAIRBANKS MORSE PUMP PARTS AWARD OF A PURCHASE ORDER, TO THE LOWEST RESPONSIVE BIDDER, FOR PARTS TO REFURBISH THE FAIRBANKS MORSE PUMPS IN THE WINTROP TERMINAL FACILITY AT THE DEER ISLAND TREATMENT PLANT | WRA-3450 | | HAYES PUMP, INC | \$47,751.70 |
| 06/01/12 | ECCENTRIC PLUG VALVES AWARD OF A PURCHASE ORDER, TO THE LOWEST RESPONSIVE BIDDER, FOR SIX 8-INCH AND TWO 10-INCH ECCENTRIC PLUG VALVES FOR THE GAS STORAGE TANKS AT THE DEER ISLAND TREATMENT PLANT, REPLACING EXISTING VALVES THAT HAVE REACHED THE END OF THEIR USEFUL LIFE, AND TO REPLENISH INVENTORY | WRA-3451 | | WISE COMPANY, INC | \$53,946.00 |
| 06/01/12 | INSPECTION MANAGER HARDWARE AND SOFTWARE AWARD OF A SOLE-SOURCE PURCHASE ORDER FOR THE PURCHASE OF 20 HAND-HELD INSPECTION DEVICES, INCLUDING HARDWARE AND SOFTWARE SUPPORT, REPLACING EXISTING OBSOLETE UNITS | | | BRADY WORLDWIDE, INC | \$68,891.00 |
| 06/07/12 | VIRTUALIZATION SOFTWARE, UPGRADES AND SUPPORT AWARD OF A PURCHASE ORDER, TO THE LOWEST RESPONSIVE BIDDER, FOR EIGHT NEW VMWARE LICENSES, TWENTY UPGRADES TO EXISTING LICENSES, AND SUPPORT OF EXISTING LICENSES | SC - #ITS42 | | SHI INTERNATIONAL CORP | \$102,590.00 |
| 06/15/12 | METERING PUMPS AWARD OF A PURCHASE ORDER, TO THE LOWEST RESPONSIVE BIDDER, FOR TWO POSITIVE DISPLACEMENT METERING PUMPS FOR THE THERMAL/POWER PLANT AT THE DEER ISLAND TREATMENT PLANT, REPLACING EXISTING OBSOLETE PUMPS | WRA-3448 | | BARTLETT & BRILLON, LLC | \$27,050.00 |
| 06/15/12 | HEATING COILS AWARD OF A PURCHASE ORDER, TO THE LOWEST RESPONSIVE BIDDER, FOR HEATING COILS FOR THE AIR HANDLING UNITS IN THE RESIDUALS DIGESTER CENTRIFUGE BUILDING, REPLACING EXISTING OBSOLETE HEATING COILS | WRA-3412 | | AIR CONTROL PRODUCTS | \$32,704.00 |
| 06/15/12 | DIESEL FUEL AWARD OF A PURCHASE ORDER FOR THE SUPPLY AND DELIVERY OF 150,000 GALLONS OF ULTRA-LOW-SULFUR #2 DIESEL FUEL FOR THE DEER ISLAND ON-SITE THERMAL/POWER PLANT, UNDER STATE BLANKET CONTRACT # ENE32 | SC - #ENE32 | | GLOBAL MONTELLO GROUP | \$431,835.00 |
| 06/20/12 | SURGE CONTROL VALVES AWARD OF A PURCHASE ORDER, TO THE LOWEST RESPONSIVE BIDDER, FOR TWO 20-INCH SURGE CONTROL VALVES, TO BE INSTALLED AT THE COMMONWEALTH AVENUE PUMP STATION (EAST) | WRA-3465 | | GA INDUSTRIES, INC | \$103,990.00 |
| 06/20/12 | TEMPORARY FLOW MONITORING AND DATA COLLECTION AWARD OF A ONE-YEAR PURCHASE ORDER CONTRACT, TO THE LOWEST RESPONSIVE BIDDER, FOR TEMPORARY FLOW MONITORING AND DATA COLLECTION AT VARIOUS MWRA WASTEWATER SITES | WRA-3422 | | ADS, LLC | \$130,772.00 |
| 06/20/12 | HEWLETT PACKARD EQUIPMENT ANNUAL MAINTENANCE AWARD OF A PURCHASE ORDER FOR THE RENEWAL OF HEWLETT PACKARD EQUIPMENT ANNUAL MAINTENANCE AND SUPPORT, UNDER STATE BLANKET AGREEMENT # ITC44 | SC - #ITC44 | | HEWLETT PACKARD COMPANY | \$168,464.95 |
| 06/20/12 | SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE AWARD OF A ONE-YEAR PURCHASE ORDER CONTRACT, TO THE LOWEST RESPONSIVE BIDDER, FOR THE SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE TO THE JOHN J CARROLL WATER TREATMENT PLANT AND THE WARE DISINFECTION FACILITY | WRA-3464 | | BORDEN & REMINGTON CORPORATION | \$944,376.40 |

PURCHASING DELEGATED AUTHORITY ITEMS - JUNE 1 - 30, 2012

| DATE OF AWARD | TITLE AND EXPLANATION | CONTRACT # | AMENDMENT | COMPANY | FINANCIAL IMPACT |
|---------------|--|-------------|-----------|--------------------------------|------------------|
| 06/22/12 | PROCESS INFORMATION SOFTWARE MAINTENANCE AND SUPPORT AWARD OF A SOLE SOURCE PURCHASE ORDER CONTRACT FOR RENEWAL OF PROCESS INFORMATION SOFTWARE MAINTENANCE AND SUPPORT, FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013 | | | OSI SOFT,LLC | \$69,172.50 |
| 06/28/12 | NORTEL HARDWARE/SOFTWARE MAINTENANCE AND SUPPORT AWARD OF A PURCHASE ORDER RENEWAL FOR NORTEL HARDWARE AND SOFTWARE MAINTENANCE AND SUPPORT, UNDER STATE BLANKET AGREEMENT #ITT29, FOR THE PERIOD JUNE 23, 2012 THROUGH JUNE 23, 2013 | SC - #ITT29 | | INTEGRATION PARTNERS | \$27,593.00 |
| 06/28/12 | PROGRESSIVE CAVITY PUMPS AWARD OF A PURCHASE ORDER, TO THE LOWEST RESPONSIVE BIDDER, FOR THREE PROGRESSIVE CAVITY PUMPS FOR THE DEER ISLAND TREATMENT PLANT, TO REPLACE EXISTING OBSOLETE PUMPS (JANUARY 2012 AWARD REVOKED AND ITEMS REBID) | WRA-3475 | | LIBERTY PROCESS EQUIPMENT | \$42,555.00 |
| 06/28/12 | CONDENSING UNITS AWARD OF A PURCHASE ORDER, TO THE LOWEST RESPONSIVE BIDDER, FOR FOUR 20 TON CONDENSING UNITS FOR THE DEER ISLAND TREATMENT PLANT, REPLACING EXISTING UNITS THAT HAVE REACHED THE END OF THEIR USEFUL LIVES | WRA-3467 | | STEBBINS-DUFFY, INC | \$104,430.00 |
| 06/28/12 | SUPPLY AND DELIVERY OF SODIUM BISULFITE AWARD OF A PURCHASE ORDER CONTRACT, TO THE LOWEST RESPONSIVE BIDDER, FOR THE SUPPLY AND DELIVERY OF SODIUM BISULFITE TO VARIOUS WASTEWATER LOCATIONS | WRA-3484 | | UNIVAR USA, INC | \$98,695.20 |
| 06/28/12 | CONDENSING UNITS AWARD OF A PURCHASE ORDER, TO THE LOWEST RESPONSIVE BIDDER, FOR FOURTEEN 3 TO 15 TON CONDENSING UNITS FOR THE DEER ISLAND TREATMENT PLANT, REPLACING EXISTING UNITS THAT HAVE REACHED THE END OF THEIR USEFUL LIVES | WRA-3458 | | STEBBINS-DUFFY, INC | \$113,400.00 |
| 06/28/12 | ORACLE DATABASE SERVER AND PROCESSOR LICENSES SUPPORT AWARD OF A PURCHASE ORDER CONTRACT FOR ANNUAL ORACLE DATABASE SERVER MAINTENANCE AND PROCESSOR LICENSES SUPPORT, UNDER STATE BLANKET AGREEMENT #ITS19, FOR THE PERIOD JULY 1, 2102 THROUGH JUNE 30, 2013 | SC - #ITS19 | | ORACLE CORPORATION | \$130,451.84 |
| 06/28/12 | SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE AWARD OF A PURCHASE ORDER CONTRACT, TO THE LOWEST RESPONSIVE BIDDER, FOR THE SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE TO VARIOUS WASTEWATER LOCATIONS, FOR THE PERIOD JULY 31, 2012 TO JULY 30, 2013 | WRA-3483 | | UNIVAR USA, INC | \$146,477.00 |
| 06/28/12 | SUPPLY AND DELIVERY OF SODIUM HYDROXIDE AWARD OF A PURCHASE ORDER CONTRACT, TO THE LOWEST RESPONSIVE BIDDER, FOR THE SUPPLY AND DELIVERY OF SODIUM HYDROXIDE TO THE DEER ISLAND TREATMENT PLANT, FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013 | WRA-3482 | | BORDEN & REMINGTON CORPORATION | \$268,196.15 |
| 06/28/12 | AERIAL LIFT TRUCKS AWARD OF A PURCHASE ORDER, TO THE LOWEST RESPONSIVE BIDDER, FOR TWO DIESEL-POWERED AERIAL LIFT TRUCKS FOR THE FIELD OPERATIONS UNIT, REPLACING EXISTING OBSOLETE TRUCKS | WRA-3409 | | MINUTEMAN TRUCKS, INC | \$323,673.56 |


7/18/12

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director 
DATE: July 18, 2012
SUBJECT: Approval of Competitive Purchases of Bonds

COMMITTEE: Administration, Finance & Audit

VOTE
 INFORMATION

Thomas J. Durkin, Treasurer
 Matthew R. Horan, Deputy Treasurer 
 Preparer/Title


 Rachel C. Madden
 Director, Administration & Finance

RECOMMENDATION:

To authorize the termination of the two Standby Bond Purchase Agreements with Bank of America, N.A. on 2008 Series B and 2008 Series C-1; and

To approve the recommendation of the Selection Committee to award Competitive Purchases of the \$183,430,000 in 2008 Series B and Series C-1 bonds to Wells Fargo Bank, N.A., RBC Capital Markets, Inc., and Citibank, N.A; and

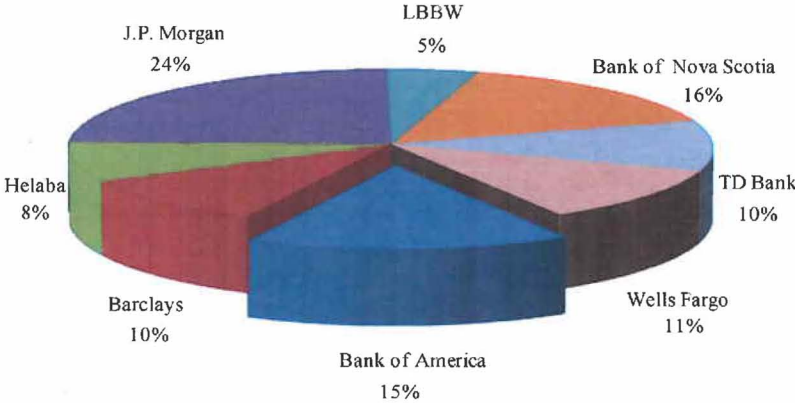
To adopt the Sixty-Fourth Supplemental Resolution authorizing the issuance of up to \$183,430,000 of Massachusetts Water Resources Authority Multimodal Subordinated General Revenue Refunding Bonds and the supporting Issuance Resolution.

DISCUSSION:

Bank of America, N.A. currently provides Standby Bond Purchase Agreements (SBPA) on \$183.4 million of the \$1.2 billion in MWRA variable rate debt currently outstanding. An SBPA provides for a credit facility that can be used in the event that bondholders no longer wish to hold bonds and the remarketing agent is not able to place them in the market or hold the bonds themselves. Bonds issued with an SBPA trade on MWRA's long-term and the bank's short-term credit ratings.

On June 21, 2012, Moody's Investors Service downgraded Bank of America's short-term credit rating from a P-1 to P-2 level. The short-term credit rating of Bank of America is important because it has implications for types of investments that can be held by firms and particularly money market funds. Under the Securities and Exchange Commission's Rule 2A-7, Tier 1 investors, such as money market funds, can only place 3% of their holdings in investments which do not fall into the highest short-term rating category. As a result, the downgrade could cause many of the Tier 1 investors, including money market funds, to be unable or unwilling to hold the approximately \$35 billion of bonds backed by Bank of America in the tax-exempt bond market. Since the Tier 1 investors are significant purchasers of variable rate bonds, the reduction

in potential buyers caused by this downgrade will result in higher interest rate cost. It's important to note that MWRA has actively diversified its exposure to any one SBPA, so that disruptions caused by the provider are isolated to a smaller portion of the total portfolio. Currently, MWRA has approximately \$183.4 million or 15% of the \$1.2 billion variable rate portfolio backed by a Bank of America SBPA. The following graph shows a breakdown of the existing variable rate debt portfolio by credit support bank.



In response to the news that Moody's was potentially going to downgrade BOA, staff issued a Request for Qualifications Statements/Proposals (RFQ/P) from firms interested in either providing a new SBPA or in purchasing MWRA's bonds through a competitive placement. One RFQ/P was used to evaluate pricing and other terms for both the new SBPA and the competitive placement since the potential bidders are the same.

Under the replacement SBPA option, the existing bonds would be tendered back to the remarketing agent by the current bondholders and then resold with the new SBPA. As it does now, the interest rate on the bonds would be reset weekly and each week the bondholders would have the opportunity to give up the bonds. The remarketing agent would then either resell them or if that was not possible the SBPA bank would have to buy them at higher interest rates. With the new SBPA, MWRA would still have exposure to credit events of the provider which could result in higher than normal market rate interest costs.

With the competitive placement of the bonds, the existing bonds would be redeemed by MWRA and instead of being offered in the market to new bondholders, the refunding bonds will all be purchased by the successful proposers. Under the terms of agreement with the purchaser, MWRA would pay the institution a market floating rate tied to a specific index, which in MWRA's case would be the Securities Industry and Financial Markets Association (SIFMA) rate, which is a tax exempt rate set weekly, plus a fixed fee. The purchaser of the bonds would hold them for the entire term of the agreement and would not have the ability to put them back on a weekly basis. Under this option, any credit changes to the purchaser would not impact the interest rate MWRA paid on the bonds. MWRA received competitive placement agreement terms that ranged from one to five years. At the end of that period, MWRA could either extend the agreement with the existing provider or procure a new firm.

On May 2, 2012, MWRA received four proposals for competitive purchases from Citibank, N.A., J.P. Morgan Chase Bank, N.A., RBC Capital Markets, Inc., and Wells Fargo Bank, N.A. Three proposals to provide SBPAs were received from J.P. Morgan, State Street Bank and Wells Fargo. However, after a review of the credit quality of the SBPA proposals, only Wells Fargo met the requirements of the MWRA's General Bond Resolution and RFQ/P for minimum credit ratings, and only provided capacity for a portion of the \$183.4 million needed.

Since under a competitive placement, the bonds would not be traded on a weekly basis by bondholders, MWRA would not be exposed to a variety of market risks, including downgrades of an SBPA provider or other "headline risk" which could result in the bonds trading higher than normal market rates. Since a competitive purchase would help to insulate MWRA from market disruptions and allow for continued diversification of the variable rate debt portfolio, staff in consultation with MWRA's Financial Advisor recommend replacing the existing SBPAs with Bank of America with competitive purchases.

After review by the Selection Committee of the competitive purchase proposals, they were ranked as follows:

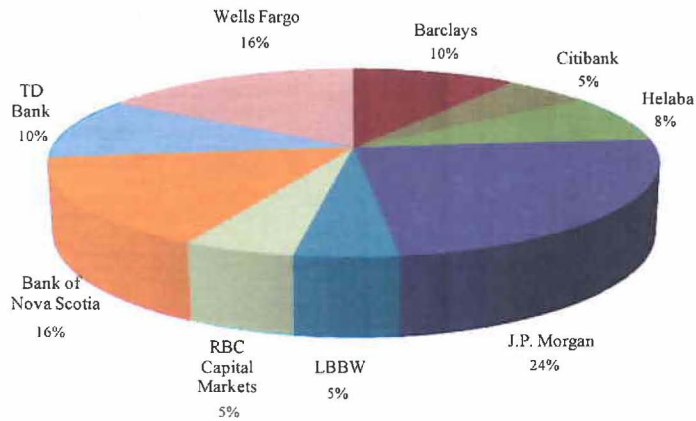
| Rank | Firm | Total Points | Total Ranking Points | Maximum Capacity Offered |
|-------------|-----------------------------|---------------------|-----------------------------|---------------------------------|
| 1 | Wells Fargo Bank, N.A. | 406 | 5 | \$ 60,300,000 |
| 2 | RBC Capital Markets, Inc. | 378 | 11 | \$ 60,300,000 |
| 3 | Citibank, N.A. | 356 | 14 | \$ 123,130,000 |
| 4 | J.P.Morgan Chase Bank, N.A. | 297 | 20 | \$ 60,300,000 |

Since none of the proposers offered enough capacity to cover the entire \$183.4 million required, staff are seeking approval to enter into agreements with the top three ranked firms, Wells Fargo Bank, N.A., RBC Capital Markets, Inc., and Citibank N.A., for competitive purchases to replace the SBPAs from Bank of America. The table below details the amount of capacity to be utilized, fixed fee and term of the competitive placements by entity.

| Firm | Capacity Utilized | Fixed Fee | Initial Purchase Period |
|---------------------------|--------------------------|------------------|--------------------------------|
| Wells Fargo Bank, N.A. | \$ 60,300,000 | 70 bps | 5 years |
| RBC Capital Markets, Inc. | \$ 60,300,000 | 60 bps | 3 years |
| Citibank, N.A. | \$ 62,830,000 | 65 bps | 3 years |

The fixed rates proposed are in line with or less expensive than costs associated with bonds that have the traditional variable rate structure for which MWRA pays both fees for remarketing agent services and for liquidity facilities. This structure has the added benefit of reducing the exposure to market disruptions for the duration of the agreements.

The graph below details the revised breakdown of MWRA's variable rate portfolio after the proposed transactions are completed.



BUDGET/FISCAL IMPACT:

There are sufficient funds in the FY13 CEB to pay for the anticipated costs associated with the competitive purchases of the bonds.

MBE/WBE PARTICIPATION:

No minimum MBE/WBE participation requirements were established due to the lack of subcontracting opportunities.

Chair: J. Foti
Vice-Chair: J. Walsh
Committee Members:
J. Carroll
M. Gove
J. Hunt
A. Pappastergion
M. Turner

V. WASTEWATER POLICY & OVERSIGHT COMMITTEE

A. Contract Awards

1. Expansion Joint Repair Construction 2 – Deer Island Treatment Plant: Chapman Waterproofing Company, Contract 6704
2. Caruso Pump Station Improvements: Dewberry Engineers, Inc., Contract 7037

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7/18/12

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the
Wastewater Policy and Oversight Committee

June 27, 2012

A meeting of the Wastewater Policy and Oversight Committee was held on June 27, 2012 at the Authority headquarters in Charlestown. Chairman Foti presided. Present from the Board were Ms. Turner and Messrs. Barrera, Carroll, Hunt, Mannering, Pappastergion, and Walsh. Among those present from the Authority staff were Fred Laskey, Steve Remsberg, Mike Hornbrook, Dave Kubiak, Pam Heidell, John Vetere, Dan O'Brien, and Bonnie Hale. The meeting was called to order at 11:30 a.m.

Information

Comparison of MWRA's Long-Term CSO Control Program with the CSO Programs of other Agencies and Municipalities

Staff gave a presentation, commenting on the difficulties encountered in compiling relevant and meaningful comparisons, and there was detailed discussion and question and answer.

Contract Awards

*Residuals Processing Facility Technology Options Assessment: CDM Smith, Inc., Contract 7147A

There was discussion of the various technology options expected to be assessed under this contract, and there was question and answer on various related topics. The Committee requested that it be kept closely up to date on the progress of the contract, and recommended its approval (ref. agenda item B.1).

Contract Amendments/Change Orders

*Remote Headworks Upgrades: Malcolm Pirnie, Inc., Contract 7206, Amendment 1

There was question and answer, and the Committee recommended approval of Amendment 1 (ref. agenda item C.1).

The meeting adjourned at 12:25 p.m.

* Approved as recommended at June 27, 2012 Board of Directors meeting.

WWS Δ.1
7/18/12

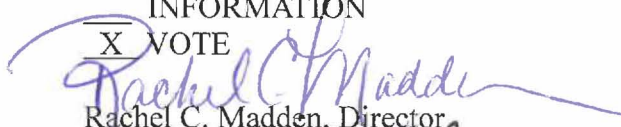
STAFF SUMMARY

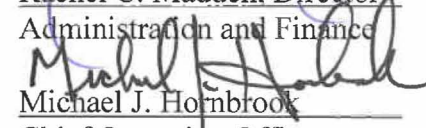
TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director 
DATE: July 18, 2012
SUBJECT: Expansion Joint Repair Construction 2, Deer Island Treatment Plant
Chapman Waterproofing Company
Contract 6704

COMMITTEE: Wastewater Policy & Oversight

INFORMATION

VOTE


Rachel C. Madden, Director
Administration and Finance


Michael J. Hornbrook
Chief Operating Officer

Daniel K. O'Brien, P.E, Director, Deer Island WWTP
Richard J. Adams, Mgr., Engineering Services
Preparer/Title

RECOMMENDATION:

To approve the award of Contract 6704, Expansion Joint Repair Construction 2, Deer Island Treatment Plant, to the lowest responsible and eligible bidder, Chapman Waterproofing Company, and to authorize the Executive Director, on behalf of the Authority, to execute said contract in the bid amount of \$1,927,500, with a contract term of 548 calendar days from the Notice to Proceed.

DISCUSSION:

Concrete structures and roadways are typically designed and constructed with expansion joints to allow for thermal expansion and contraction of the concrete without damage. In addition, a sealant is applied to prevent water from seeping into the joints that could freeze and/or otherwise accelerate the deterioration of joints, concrete slabs, and structures.

During the course of routine inspections, staff have observed deterioration of expansion joints on the top concrete decks and roadways of the Primary Clarifiers A, B, C & D, on Secondary Clarifiers A, B & C, and on the Oxygen Reactors A, B & C at the Deer Island Treatment Plant. These deficiencies need to be addressed before additional damage occurs. Most of Deer Island's concrete structures and expansion joints were installed during the Boston Harbor Project in the 1990s. Typically, expansion joints have a normal useful life of 10 to 15 years. Staff began the process of repairing some of the expansion joints in 2003 under a much smaller contract, Contract 6669, Concrete Repair Sealing and Expansion Joint Repair/Replacement, which was approved by the Executive Director under delegated authority in the amount of \$274,250.



There are two different types of expansion joints utilized on the clarifier and reactor decks and roadways on Deer Island. The first type is a mechanical armored expansion joint, which is utilized for the roadways on the tanks. These joints are designed for high traffic areas and utilize mechanical plates on both sides of the concrete slab surrounding the expansion joint and a neoprene seal within the joint. The picture on the left depicts one of the armored expansion joints in the roadway above Primary Clarifier A-2. As can be seen in the picture, the neoprene seal has become brittle

and torn, and is no longer capable of preventing water from leaking into the joints. Cracks are evident in the concrete and over time, the structural integrity of the entire slab of the roadway can become compromised.

The second type of expansion joint is a non-armored joint that is typically utilized in places such as on top of the oxygen reactor tanks. These joints do not require metal plates as the areas where they are used are exposed to minimal traffic flow. These expansion joints utilize a filler in the void of the joint areas to protect the concrete slab from water infiltration. The picture on the right depicts a non-armored joint on the northeast corner of Reactor Battery B, Train 3.



Under Contract 6704, 100% (4,300 linear feet) of Deer Island's existing armored expansion joints will be replaced with an asphaltic plug joint system that utilizes asphalt material over a one-quarter inch steel traffic-bearing plate and waterproofing binder material to cover the expansion joints. This asphaltic joint system has been successfully utilized by the MA Department of Transportation on roadways and bridges. In addition, approximately 50% (10,150 linear feet) of non-armored expansion joints on the top of the Primary/Secondary clarifier tanks and reactor tanks will be replaced by a backer rod and sealant system. The earlier contract

referenced above addressed the other approximate 50% of non-armored expansion joints. Deer Island still has thousands of feet of non-armored expansion joints that are underground and not exposed to heavy traffic or the outside environmental elements that would otherwise similarly accelerate their deterioration and do not need to be addressed at this time.

Also included in this contract is 29,000 square yards of concrete deck re-sealing, and the replacement of non-armored expansion joints in the fuel oil, sodium bisulfite, and sodium hypochlorite containment areas.

Procurement Process

Contract 6704 was bid in accordance with Chapter 149 of Massachusetts General Laws. General bids were opened on June 21, 2012 with the following results:

| | |
|-------------------------------|--------------------|
| Chapman Waterproofing Company | \$1,927,500 |
| Acme Waterproofing Co., Inc. | \$2,262,061 |
| <i>Engineer's Estimate</i> | <i>\$2,600,000</i> |

Chapman Waterproofing's bid at \$1,927,500 is \$672,500 or 25.9% lower than the Engineer's Estimate. The average of both bids is almost 20% lower than the Engineer's Estimate and yet both bids are only 8% apart. It is likely that the estimated production rates assumed by the Design Engineer, Fay, Spofford & Thorndike (FST), did not accurately reflect the current bidding approaches employed by these specialty contractors as both bidders were significantly lower than the Engineer's Estimate.

MWRA staff and FST interviewed the lowest bidder, Chapman Waterproofing, to verify that the Contractor understood and included all aspects of the work in its bid. Staff verified that the level of work and the proper materials were included in Chapman's bid. The information obtained during the interview indicated that there were three main reasons for the variance in cost compared to the estimate. These differences were: a significantly lower material cost available to the Contractor, lower indirect and overhead costs, and lower labor costs for installation of the repairs. Since Chapman is a contractor specializing in the area of waterproofing, staff believe that the firm can likely perform the specified work in a more cost-effective manner than FST assumed.

References were checked and found to be favorable.

Based upon the interview, staff and FST are of the opinion that the Contractor understands the nature and complexity of the project, possesses the skill, ability, and integrity necessary to complete the work, and is qualified to do so. MWRA staff and FST have reviewed Chapman's bid and have determined that it is reasonable, complete, and includes the payment of prevailing wage rates as required.

Therefore, MWRA staff recommend the award of Contract 6704 to Chapman Waterproofing Company as the lowest responsible and eligible bidder.

BUDGET/FISCAL IMPACT:

The FY13 CIP contains \$2,000,000 for Contract 6704.

MBE/WBE PARTICIPATION:

There were no MBE/WBE requirements established for this contract because of the specialized nature of the work.

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: July 18, 2012
SUBJECT: Caruso Pump Station Improvements
Dewberry Engineers Inc.
Contract 7037



COMMITTEE: Wastewater Policy & Oversight

INFORMATION

VOTE



Rachel C. Madden, Director
Administration and Finance



Michael J. Hornbrook
Chief Operating Officer

Patrick E. Smith, Project Manager
Jae R. Kim, Chief Engineer
Preparer/Title

RECOMMENDATION:

To approve the recommendation of the Consultant Selection Committee to select Dewberry Engineers Inc. to provide design and construction administration services, including resident engineering services, for the Caruso Pump Station Improvements project, and to authorize the Executive Director, on behalf of the Authority, to execute Contract 7037, with Dewberry Engineers Inc., in an amount not to exceed \$773,396 for a contract term of 1,308 calendar days from the Notice to Proceed.

BACKGROUND:

The Caruso Pump Station, located adjacent to the Chelsea River in East Boston, was constructed in 1991 and has a designed wastewater flow capacity of 125 million gallons per day. The facility receives flow from East Boston, the Chelsea Branch Sewer, and Revere Extension Sewer, as well as wet-weather flow from the Chelsea Creek Headworks, and pumps screened flows to the Winthrop Terminal Facility via the North Metropolitan Trunk Sewer. After 21 years, several of the pump station's operating systems have reached the end of their useful life and require replacement and/or upgrades.



The existing generator has reliability issues and performing timely maintenance/repairs has been challenging due to the increasing difficulty obtaining parts for this one-of-a-kind generator, with its antiquated compressed-air start system. In 2011, MWRA completed a Preliminary Design Report for the replacement of the 800kW standby emergency generator and associated equipment (pictured on the right).



In 2010 and 2011, MWRA staff investigated the HVAC and fire detection/suppression systems and recommended improvements to these systems based on observations and the numerous repairs required to maintain them. In addition, the existing security system is outdated and does not meet current post-9/11 MWRA requirements.

DISCUSSION:

Contract 7037 will provide preliminary design, final design and Construction Administration and Resident Engineering services for the construction of these improvements, which include: replacement of the 800kW standby power generator and associated equipment; replacement/upgrades to the HVAC system, including air handling units on the roof of the facility (pictured on the right), fans, evaluating the boiler capacity, replacement of the fire control panel, heat and smoke detectors, removal/disposal/replacement of the



dry-gas fire suppression systems; security equipment including new perimeter fencing and gates, cameras, card readers, motion detectors, and intrusion alarms, and changes to the SCADA system. The project will also include an upgrade of areas of the pump station that are affected by the proposed work to meet current applicable building codes.

Procurement Process

On May 16, 2012, MWRA issued a one-step/one-envelope RFQ/P. Criteria were weighted as follows: Cost - 50 points; Qualifications and Key Personnel - 15 points; Technical Approach - 13 points; Past Performance on Authority Projects - 8 points; Experience/Past Performance on Similar Non-Authority Projects - 7 points; Capacity/Organization and Management Approach - 5 points; and MBE/WBE Participation - 2 points.

MWRA received four proposals on June 13, 2012 from Arcadis U.S., Inc., CDM Smith Inc., Dewberry Engineers Inc., and Fay, Spofford & Thorndike, LLC.

The proposal costs are presented below:

| | <u>Proposed Contract Cost</u> | <u>Level of Effort</u> | <u>Cost per Hour</u> |
|---------------------------|-----------------------------------|----------------------------|--------------------------|
| Dewberry Engineers | \$773,396* | 7,697 hours | \$100.35 |
| CDM Smith | \$922,041 | 9,331 hours | \$98.81 |
| Fay, Spofford & Thorndike | \$1,076,630 | 10,538 hours | \$102.17 |
| Arcadis U.S. | \$1,091,858 | 9,903 hours | \$110.26 |

*Reflects corrections made due to mathematical errors made in the cost proposal.

The five voting members on the Selection Committee scored and ranked the proposals as follows:

| | <u>Total Points</u> | <u>Order of Preference* Total Score</u> | <u>Final Ranking</u> |
|---------------------------|-------------------------|---|--------------------------|
| Dewberry Engineers | 399 | 5 | 1 |
| CDM Smith | 366.75 | 11 | 2 |
| Fay, Spofford & Thorndike | 349 | 14 | 3 |
| Arcadis U.S. | 336.5 | 20 | 4 |

*Order of Preference represents the sum of the individual Selection Committee members' rankings where the firm receiving the highest number of points is assigned a "1;" the firm receiving the next highest number of points is assigned a "2," and so on.

Dewberry Engineers, Inc. (Dewberry) was the first-ranked firm. The Selection Committee was in agreement that Dewberry's proposal presented good qualifications, experience, technical approach and capacity. Although there is a high change order rate on Contract 7261 Northern Intermediate High Stoneham-Reading Connection, Dewberry's overall past MWRA and non-MWRA experience is good, with MWRA Contract 7316 Carroll Water Treatment Plant Technical Assistance Consultant Services, East/West Spot Pond Supply Mains, and task orders for the Caruso Pump Station, DeLauri Pump Station, Chelsea Screenhouse, and Nut Island Headworks Fire Alarm. The Dewberry team will be led by a well-qualified project manager with extensive technical experience and familiarity with MWRA projects. The Selection Committee agreed that the project manager has very good management skills and demonstrated attention to quality control in projects that he has managed.

Dewberry presented the lowest cost of the four proposals, the highest MBE/WBE percentage, and proposed the lowest overhead rate and a discounted fee. The Selection Committee did note that Dewberry also proposed a significantly lower level of effort, but determined that it was likely a result of the firm's familiarity with the Caruso Pump Station, as it has completed previous task order technical assistance work at this facility on the pumps and the emergency generator. The Selection Committee also noted that Dewberry is currently providing similar design services in connection with the DeLauri Pumping Station.

MWRA staff met with representatives of Dewberry to discuss the firm's proposal and were assured that the firm understands the project and that its level of effort is appropriate and sufficient to complete the work for the proposed cost. Dewberry confirmed the Selection Committee's initial thought that its proposed cost and level of effort were developed based upon the firm's overall familiarity with the facility, as well as its previous experience on competitively bid Chapter 149 construction projects for MWRA.

CDM Smith was the second-ranked firm. The Selection Committee agreed that although CDM Smith presented good experience, capacity and references, the technical approach was brief and lacked sufficient detail to warrant higher scoring points in that category. CDM Smith proposed the second lowest cost but the Selection Committee members felt that the distribution of hours between Project Manager and Project Engineer seemed unbalanced for this technical project.

Fay, Spofford & Thorndike (FST) was the third-ranked firm. The Selection Committee determined that FST presented good qualifications, experience/past performance and capacity, and proposed an excellent technical approach. However, FST's final ranking reflected the Selection Committee's belief that the firm's proposed cost and level of effort were excessively high for this project. FST proposed the highest level of effort and the second highest cost and management hours.

Arcadis U.S. (formerly Malcolm Pirnie) was the fourth-ranked firm. The Selection Committee members were in agreement that Arcadis presented good qualifications and experience/past performance. However, similar to FST, Arcadis' final ranking resulted from the firm's highest proposed cost, highest management level of effort, and the highest proposed fully loaded hourly rate. The Selection Committee was unanimous in its belief that Arcadis' proposed level of effort was simply too high for this project.

Based on final rankings and the follow-up discussions with Dewberry, staff recommend the award of this contract to Dewberry Engineers, Inc. in an amount not to exceed \$773,396.

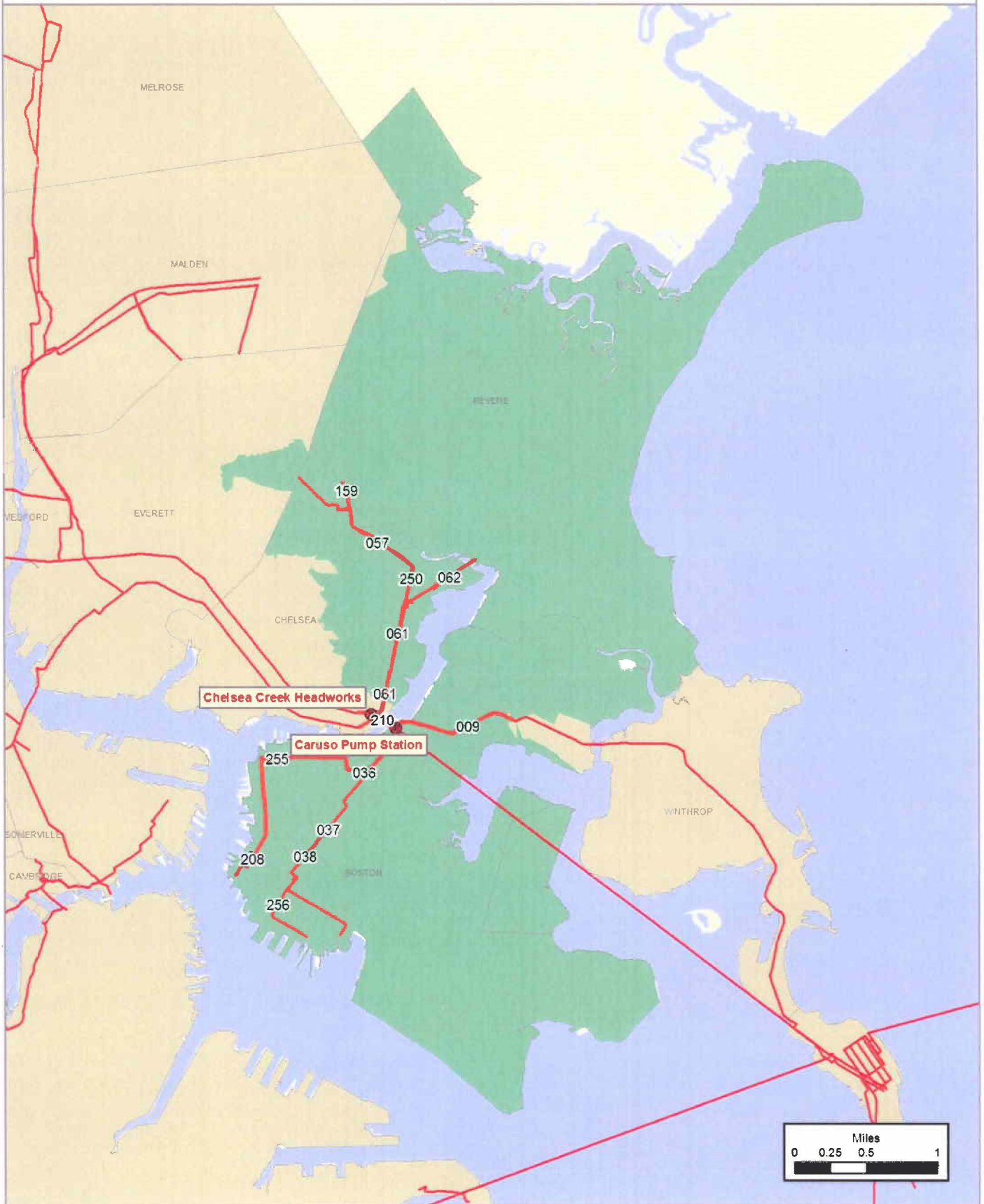
BUDGET/FISCAL IMPACT:

The FY13 CIP includes a budget of \$594,000 for Contract 7037. The FY13 CIP budget is lower than the award amount and cost proposals because additional scope of work for evaluation and design of building code compliance, security, fire suppression and HVAC alternatives were added to the project. The Proposed FY14 CIP will reflect the higher contract award amount.

MBE/WBE PARTICIPATION:

There were no MBE and WBE participation requirements for this project. However, Dewberry Engineers has committed to 3.82% MBE and 25.61% WBE participation.

Caruso Pump Station and Service Area



Chair: J. Hunt
Vice-Chair: V. Mannering
Committee Members:
J. Barrera
J. Carroll
J. Foti
M. Gove
A. Pappastergion
J. Walsh

VI. WATER POLICY & OVERSIGHT COMMITTEE

A. Contract Awards

1. Wachusett Aqueduct Emergency Interconnection Valves: Barletta Heavy Division, Inc., Contract 7085C

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7/18/12

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the
Water Policy and Oversight Committee

June 6, 2012

A meeting of the Water Policy and Oversight Committee was held on June 6, 2012 at the Authority headquarters in Charlestown. Vice-Chair Mannering presided. Present from the Board were Messrs. Barrera, Carroll, Foti, Pappastergion and Walsh. Among those present from the Authority staff were Fred Laskey, Steve Remsberg, Steve Estes-Smargiassi, Josh Das, John Vetere, Nava Navanandan, and Bonnie Hale. The meeting was called to order at 12:00 noon.

Information

2011 Annual Water Quality Report (Consumer Confidence Report)

Staff handed out copies of the report and there was brief discussion.

Approvals

*Water Supply Citizens Advisory Committee Contract

The Committee recommended approval of a one year contract with the Water Supply Citizens Advisory Committee (ref. agenda item B.1).

Contract Amendments/Change Orders

*Lynnfield/Saugus Pipelines Project: Albanese Brothers, Inc., Contract 6584, Change Order 16

There was question and answer; the Committee recommended approval of Change Order 16 (ref. agenda item C.2).

*Hultman Aqueduct Interconnections: Barletta Heavy Division, Inc., Contract 6975, Change Order 24

The Committee recommended approval of Change Order 24 (ref. agenda item C.2).

The meeting adjourned at 12:10 p.m.


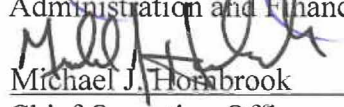
* Approved as recommended at June 6, 2012 Board of Directors meeting.

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: July 18, 2012
SUBJECT: Wachusett Aqueduct Emergency Interconnection Valves
Barletta Heavy Division, Inc.
Contract 7085C



COMMITTEE: Water Policy & Oversight

 INFORMATION
 X VOTE

Rachel C. Madden, Director
Administration and Finance

Michael J. Hornbrook
Chief Operating Officer

Paul T. Rullo, Design Manager
Jae R. Kim, Chief Engineer
Preparer/Title

RECOMMENDATION:

To approve the award of Contract 7085C, Wachusett Aqueduct Emergency Interconnection Valves at the Carroll Water Treatment Plant, to the lowest responsible and eligible bidder, Barletta Heavy Division, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute said contract in the bid amount of \$1,091,000 for a contract term of 365 calendar days from the Notice to Proceed.

DISCUSSION:

The Wachusett Aqueduct conveys raw (untreated) water and is currently an emergency backup for the Cosgrove Tunnel and a means for an emergency bypass of the Carroll Water Treatment Plant (CWTP) in the event of a plant failure. Prior to completion of the Wachusett Aqueduct Pumping Station in 2016, the proposed emergency interconnection could be used to facilitate supply of water to metropolitan Boston from the Wachusett Aqueduct due to a failure of the Cosgrove Intake or Cosgrove Tunnel. The water would bypass the CWTP and would be chlorinated at the Wachusett Reservoir similar to operations during the connection of the CWTP to the system in 2004. Upon completion of the Wachusett Aqueduct Pumping Station, the Wachusett Aqueduct will be capable of providing up to 240 mgd to be treated at the CWTP. The proposed interconnection will continue to provide flexibility of emergency operations once the pumping station is completed.

Sanitary practice and the Massachusetts DEP Drinking Water Regulations require an air gap between raw water and finished water pipelines, which prevents contamination from entering the finished water system. The air gap can either be a physical gap between two pipes, or two valves (normally closed) with a drain between the closed valves. To comply with this DEP

requirement, there is currently a physical air gap between the raw water in the Wachusett Aqueduct and the finished treated water in the Hultman Aqueduct and MetroWest Tunnel.

The current bypass procedure would require removal of two 120-inch caps and the installation of a 120-inch spool piece (pictured on the right), which could take up to two days to complete due to the large number of bolts to be removed and reinstalled, moving the spool piece into position, and to fully fill the Wachusett Aqueduct. There is insufficient covered storage in the Metropolitan area to provide adequate water for this duration.



In light of this time frame, staff recommend replacement of the existing caps and spool piece with two 120-inch-diameter valves, which would reduce the duration of an emergency response time to six to eight hours, including the time required to fully fill the Wachusett Aqueduct. This reduction in response time would maintain system flow and pressure while eliminating the need to activate the emergency backup reservoirs (Chestnut Hill, Spot Pond, Weston Reservoir, and Sudbury Reservoir). A boil water order may still be necessary due to use of chlorinated-treated-only Wachusett Reservoir water, but might be avoided depending on the actual circumstances. In 2016, upon completion of the Wachusett Aqueduct Pumping Station, up to 240 mgd of flow conveyed by the Wachusett Aqueduct can be treated at the CWTP, which would eliminate the possibility of a boil water order in an emergency scenario with the Cosgrove Tunnel and/or Cosgrove Intake.

Procurement Process

Contract 7085C, designed by Dewberry Engineers, Inc., was advertised and bid in accordance with Chapter 30 of Massachusetts General Laws. Bids were received and opened on June 28, 2012 from five contractors as follows:

| <u>BIDDERS</u> | <u>BID AMOUNT</u> |
|---|--------------------|
| Barletta Heavy Division, Inc. | \$1,091,000 |
| R. Zoppo Corp. | \$1,155,019 |
| <i>Engineer's Estimate</i> | <i>\$1,198,000</i> |
| MDR Construction Co., Inc. | \$1,275,950 |
| Delta Control Engineers DBA Harding & Smith Inc. | \$1,276,000 |
| P. Caliacco Corp. | \$1,317,000 |

Barletta Heavy Division, Inc.'s bid is 8.9% less than the Engineer's Estimate and 5.5% less than the next lowest bidder demonstrating reasonableness of price.

MWRA staff have determined through an interview with Barletta Heavy Division, Inc. that the firm understands the scope of work. After reviewing Barletta's bid, MWRA staff are of the opinion that it is reasonable, complete and includes the payment of prevailing wages required.

References were checked and found to be favorable. Barletta Heavy Division, Inc. is the prime contractor on the recently awarded Hultman Aqueduct Interconnections project (upper Hultman, Contract 6B) and the ongoing Hultman Aqueduct Interconnections project (lower Hultman, Contract 6A) and has successfully completed other projects for MWRA, including the Loring Road Covered Storage project, Rehabilitation of Water Pump Stations project and the Carroll Water Treatment Plant.

Staff have determined that Barletta Heavy Division, Inc. possesses the skill, ability and integrity necessary to perform the work under this contract and is qualified to do so. Therefore, staff recommend the award of Contract 7085C to Barletta Heavy Division, Inc. as the lowest responsible and eligible bidder.

BUDGET/FISCAL IMPACT:

The FY13 CIP includes a budget of \$6,736,000 for Carroll Water Treatment Plant Ancillary Modifications Construction 2 under Contract 7085; Contract 7085C is a subphase of this budget item, which is funded at \$1.2 million.

MBE/WBE PARTICIPATION:

There were no MBE or WBE participation requirements established for this contract due to limited opportunities for subcontracting.

Chair: K. Cotter
Vice-Chair: J. Barrera
Committee Members:
J. Foti
V. Mannering
J. Walsh

VII. PERSONNEL & COMPENSATION COMMITTEE

A. Approvals

1. FY13 Non-Union Compensation
2. FY13 Non-Union Salary Collision Adjustments

P+C(i)
~~6/27/12~~
7/18/12

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the
Personnel and Compensation Committee

June 6, 2012

A meeting of the Personnel and Compensation Committee was held on June 6, 2012 at the Authority headquarters in Charlestown. Vice-Chair Barrera presided. Present from the Board were Messrs. Carroll, Foti, Mannering, Pappastergion and Walsh. Among those present from the Authority staff were Fred Laskey, Steve Remsberg, Mike Hornbrook, Bob Donnelly, and Bonnie Hale. The meeting was called to order at 12:10 p.m.

Approvals

*PCR Amendment – June 2012

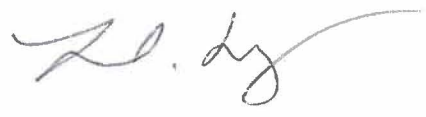
The Committee recommended approval of an amendment to the Position Control Register (ref. agenda item A.1).

The meeting adjourned at 12:15 p.m.

* Approved as recommended at June 6, 2012 Board of Directors meeting.

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: July 18, 2012
SUBJECT: FY13 Non-Union Compensation

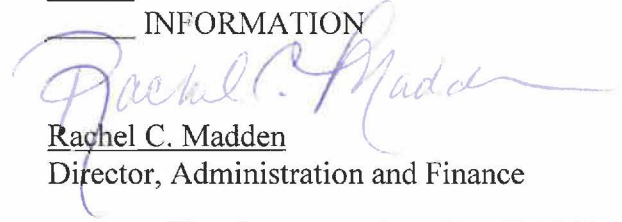


COMMITTEE: Personnel and Compensation

X VOTE
INFORMATION



Robert Donnelly, Director of Human Resources
Preparer/Title



Rachel C. Madden
Director, Administration and Finance

RECOMMENDATION:

That the Board of Directors take the following actions in MWRA's FY13 Non-Union Compensation Program:

1. Authorize the Executive Director to implement a 1.5% across-the-board compensation adjustment for non-union managers effective July 1, 2012, and further authorize the Executive Director to implement a 1.5% across-the-board compensation adjustment for non-union managers effective January 1, 2013.
2. Approve a revision to the non-union salary ranges for FY13 presented in the Attachment A and filed with the records of the meeting.

DISCUSSION:

Under this proposal, there are 61 non-union managers who will be eligible for an adjustment. These adjustments mirror increases provided to union employees covered by recently ratified successor collective bargaining agreements.

In addition to any negotiated and approved annual across-the-board adjustments, the Authority's union employees are eligible for annual step increases, longevity payments, sick leave buyback programs, and subsidized parking program (CNY only) in which non-union managers are not eligible to participate.

The table below summarizes the recent across-the-board increases for union employees as compared to non-union managers:

Fiscal Year Union ATB & Non-Union Managers ATB History

| Fiscal Year | Union ATB | Non-Union Managers ATB |
|---------------------------|------------------|-------------------------------|
| July 1, 2008 (FY 2009) | 3.0% | 3.0% |
| July 1, 2009 (FY 2010) | 2.5% | 0.0% |
| July 1, 2010 (FY 2011) | 0.0% | 0.0% |
| July 1, 2011 (FY 2012) | 2.0% | 2.0%* |
| July 1, 2012 (FY 2013) | 1.5% | ? |
| January 1, 2013 (FY 2013) | 1.5% | ? |

*In FY12, non-union managers received the equivalent of a 2% ATB by calculating the aggregate dollar value of the 2% adjustment based on all manager salaries but distributing it evenly across all 61 eligible managers.

BUDGET/FISCAL IMPACT

These adjustments for non-union managers result in a total annual cost of approximately \$216,000 for FY13.

ATTACHMENT:

Attachment A: FY12 Non-Union Salary Ranges and FY13 Proposed Non-Union Salary Ranges

ATTACHMENT A

FY12 Non-Union Salary Ranges

| Grade | Minimum | Maximum |
|--------------|----------------|----------------|
| 13 | \$68,301 | \$106,131 |
| 14 | \$76,861 | \$116,810 |
| 15 | \$86,525 | \$129,302 |
| 16 | \$97,333 | \$142,718 |
| 17 | \$109,545 | \$153,632 |

FY13 Proposed Non-Union Salary Ranges

| Grade | Minimum | Maximum |
|--------------|----------------|----------------|
| 13 | \$70,365 | \$109,339 |
| 14 | \$79,184 | \$120,341 |
| 15 | \$89,140 | \$133,210 |
| 16 | \$100,275 | \$147,032 |
| 17 | \$112,856 | \$158,276 |

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: July 18, 2012
SUBJECT: FY13 Non-Union Salary Collision Adjustments

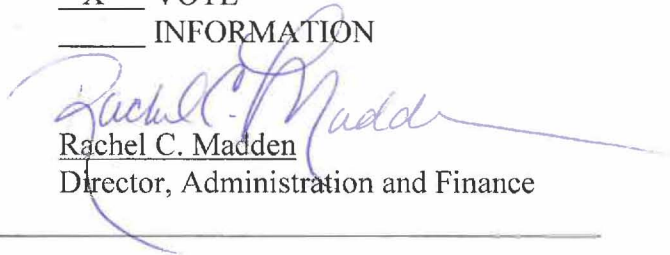


COMMITTEE: Personnel and Compensation

X VOTE
 INFORMATION



Robert Donnelly, Director of Human Resources
Preparer/Title



Rachel C. Madden
Director, Administration and Finance

RECOMMENDATION:

That the Board of Directors take the following actions in MWRA's FY13 Non-Union Compensation Program:

1. Authorize the Executive Director to implement a salary adjustment of \$1,978 for the position of Manager, Western Maintenance effective July 1, 2012 to alleviate a salary collision issue.
2. Authorize the Executive Director to implement a salary adjustment \$1,860 for the position of Deputy Director, Human Resources effective July 1, 2012 to alleviate a salary collision issue.

DISCUSSION:

Salary collision exists where a non-union manager's salary is less than that of a staff who reports to the manager. The annual salary of the Manager, Western Maintenance, is \$1,528 below that of a Unit 9 employee under the Manager's direction. The annual salary of the Deputy Director, Human Resources, is \$1,410 below that of a Confidential Unit 6 employee under the Deputy Director's direction.

The recommended salary adjustments will alleviate the collision and place these managers' annual salary approximately \$450 above that of the direct reports.

BUDGET/FISCAL IMPACT

These adjustments for 2 non-union managers result in a total annual cost of approximately \$3,338 for FY13.