

**MWRA Board of Directors Meeting
June 5, 2013
Voting Summary Sheet**

Item Name	Type	Notes	Vote	Discussion Highlights	Attachments
Approval of Minutes	n/a	n/a	Unanimous		
Report of the Chair	n/a	n/a	n/a	*	
Report of the Executive Director	n/a	n/a	n/a	*	
MWRA FY14 Insurance Program Renewal	Approval	Authorized the Executive Director, on behalf of the Authority, to award to lowest and responsive bidders, insurance policies, bonds and contracts for services for MWRA's FY14 Insurance Program, for the period beginning July 1, 2013, through June 30, 2014 Total Program amount not to exceed \$1,709,284	Unanimous	*	
Wastewater Advisory Committee Contract	Approval	Authorized Executive Director , on behalf of the Authority, to execute a contract, substantially in the form presented and filed with the records of the meeting, with the Wastewater Advisory Committee Term of one year, from July 1, 2013-June 30, 2014 Total contract cost of \$64,168	Unanimous		
Water Supply Citizens Advisory Committee Contract	Approval	Authorized Executive Director, on behalf of the Authority, to execute a contract, substantially in the form presented and field with the records of the meeting, with the Water Supply Citizens Advisory Committee Term of one year, from July 1, 2013-June 30, 2014 Total contract cost of \$96,528	Unanimous		
PCR Amendments-June 2013	Approval	Approved amendments to the Position Control Register, as presented and filed with the records of the meeting.	Unanimous		
Weston Aqueduct Supply Main 3-Design, Construction Administration and Resident Engineering Services: Fay, Spofford & Thorndike, LLC, Contract 6539	Contract Awards	The Board voted to postpone the recommendation of the Selection Committee to award Contract 6539, Weston Aqueduct Supply Main 3: Design, Construction Administration and Resident Engineering Services, to Fay, Spofford & Thorndike, LLC. Two members voted nay to postpone.	Not Unanimous	*	*
Crane Maintenance Service: Safeway Overhead Crane Service, Inc., Contract OP-200, Change Order 1	Contract Amendments/Change Orders	Authorized Executive Director, on behalf of the Authority, to approve Change Order 1 Increase the amount of Contract No. OP-200 with Safeway Overhead Crane Service, Inc., Crane Maintenance Service Amount not to exceed \$68,470.20 No increase in contract term Approve additional change order as may be needed Not to exceed the aggregate of \$50,000	Unanimous	*	

MWRA Board of Directors Meeting

June 5, 2013

Voting Summary Sheet

Extension of Contract for Executive Director	Other Business	Board of Directors voted to rate the performance Frederick A. Laskey, Executive Director, for Fiscal Year 2013 as Excellent and extend the term of employment agreement and appointment to June 30, 2016	Unanimous		
Extension of Contract for Chief Operating Officer	Other Business	Board of Directors voted to extend the term of the employment agreement with Michael J. Hornbrook, Chief Operating Officer to May 31, 2016	Unanimous		
2012 Annual Water Quality Report	Information	MWRA staff reported that Consumer Confidence Report has been printed and mailed out to every household in the metropolitan area, which represents 90,000 households.	N/A	*	

■ Administration and Finance
 ■ Wastewater
 ■ Water
 ■ Personnel
 * Link to Advisory Board position



MWRA Advisory Board Summary
of the
MWRA Board of Directors Meeting
Wednesday, June 5, 2013

- *Please note that this serves to highlight active discussion on agenda items at the Board of Directors meeting.*
- *Language directly from the staff summary is highlighted in grey, while the discussion remains in plain text.*
- *Please see the attached summary sheet for a complete list of Board actions.*

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on June 5, 2013 at the Charlestown Navy Yard. **Present:** Chair Rick Sullivan and Joel Barrera, Gubernatorial Appointees; John Carroll, Andrew Pappastergion, and Joseph Foti, Advisory Board Representatives; Kevin Cotter, Henry Vitale, and Brian Swett, City of Boston Representatives; Jack Walsh, City of Quincy Representative; Paul Flanagan, Town of Winthrop Representative **Absent:** Jennifer Wolowicz, Gubernatorial Appointee.

Prior to the start of the June Board of Directors' meeting, hearings were held on the Draft Final FY14 Capital Improvement Program (CIP) and Current Expense Budget (CEB). Each year the Massachusetts Water Resources Authority (MWRA) transmits its proposed CIP and proposed CEB to the MWRA Advisory Board for its statutory review. If you are interested in viewing the presentation made by the MWRA Advisory Board, please click [here](#) to view its *Integrated Comments and Recommendations* and [here](#) to view the presentation made by the MWRA.

Report of the Chair

No Report.

Report of the Executive Director

Executive Director Fred Laskey stated that the MWRA received a request from the Town of Hudson to have an emergency connection to Marlborough to get 500,000 gallons per day for approximately one week, while they clean one of their wells; the request has been granted.

The re-work of the Carroll Water Treatment Plant remains in high gear and staff is still optimistic that it is going to meet the federal deadline.

Mr. Laskey also noted that a lot of employees have been involved in raising money for the One Fund Boston and he congratulated them on that effort.

Approvals

MWRA FY14 Insurance Program Renewal

The Board voted to authorize the Executive Director, on behalf of the Authority, to award to the lowest eligible and responsive bidders, insurance policies, bonds and contracts for services for MWRA's FY14 Insurance Program, for the period beginning July 1, 2013, through June 30, 2014, for the premiums and fees described below, and incorporated by reference for the record, for a total program amount not to exceed \$1,709,284:

1. Workers' Compensation Excess Policy with N.Y. Marine, submitted by broker Willis of Massachusetts, with a \$25 million limit and a \$500,000 self-insured retention, for a premium of \$127,311;
2. Property Policy (including Boiler & Machinery coverage) with FM Global Insurance Co., with various limits of coverage with a \$2.5 million self-insured retention, for a premium of \$710,130;
3. General Liability Policy (including Automobile Liability, Marine Liability, Wharfingers, and Employment Practice Liability) with Lexington Insurance Company submitted by broker Richards Robinson Sheppard, with a \$25 million limit and a \$2.5 million self-insured retention, for a premium of \$420,264;
4. Excess Liability Policies with insurance companies to be determined and submitted by broker Richards Robinson Sheppard, providing a combined total of \$75 million of coverage in excess of primary coverage for a total combined premium not to exceed \$300,000;
5. Public Official's Liability Policy with Hiscox Insurance Co., submitted by broker Wells Fargo Insurance Services, with a \$5 million limit and a \$1 million deductible, for a premium of \$48,932;
6. Fiduciary Liability Policy with Chubb Insurance Co., submitted by broker Wells Fargo Insurance Services, with a \$5 million limit and a \$1 million deductible, for a premium of \$8,600;
7. Public Official's/Crime Bond with the Hartford Insurance Co., submitted by broker William Gallagher Associates, with a \$1 million limit and a \$25,000 deductible for a premium (including commission) of \$6,397;
8. Treasurer's Bond with a \$1 million limit with a vendor to be determined in an amount not to exceed \$3,300, with a one year term beginning 2/5/14; and
9. Broker contracts with Richard Robinson Sheppard for an amount of \$65,000; Willis of Massachusetts for an amount of \$10,250; and Wells Fargo Insurance Services for an amount of \$9,100, with a term beginning from notice of award through June 30, 2014.

Staff explained that overall the news is good on the insurance renewal program; it's six percent less than last year. Primarily, there are two components that make up the discount. The first component under the property insurance program is that MWRA qualified for a membership credit. This means that when there is a surplus at the end of the year, rather than going to the shareholders, they would go to the policy holders. In this case, FM Global had a favorable year, the MWRA had a membership credit. In order to qualify, the MWRA had to have favorable experience, tenure with the company and there was a \$78,000 credit on that policy. The second component has to do with a very competitive general liability, a proposal came in that would save the Authority an additional \$70,000. Those two components combined create about a six percent discount or reduction from last year's program.

Wastewater Advisory Committee Contract

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute a contract, substantially in the form presented and filed with the records of the meeting, with the Wastewater Advisory Committee for a term of one year, from July 1, 2013 to June 30, 2014, with a total contract cost of \$64,168.00.

Water Supply Citizens Advisory Committee Contract

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute a contract, substantially in the form presented and filed with the records of the meeting, with the Water Supply Citizens Advisory Committee for a term of one year, from July 1, 2013 to June 30, 2014, with a total contract cost of \$96,528.00.

PCR Amendments-June 2013

The Board voted to approve amendments to the Position Control Register, as presented and filed with the records of the meeting.

Contract Awards

Weston Aqueduct Supply Main 3 Design, Construction Administration and Resident Engineering Services: Fay, Spofford & Thorndike, LLC, Contract 6539

The Board voted to postpone this item.

Board member Andrew Pappastergion stated that there was a 10% difference in price; Chief Engineer Jae Kim stated that FS&T proposed an increase in cost to be attributed to expenses that will be incurred to prepare topographic maps for the pipeline route, to accurately locate existing utilities along the route, and to acquire information to support the MEPA approval process. Mr. Pappastergion asked if Dewberry would have had to do the same thing. Mr. Kim stated that Dewberry proposed a certain number of hours but their price on the expenses was slightly less than FS&T. Mr. Pappastergion stated that overall Dewberry has a higher level of effort. Mr. Kim stated that yes that is on the design side; this is about the expenses that are subcontracted out to the borings and finding out the locations of utilities and more borings. Board member Joseph Foti stated that it was not a small amount of money. Mr. Kim stated that it was not, it was \$1.3 million. Mr. Foti stated that he would need to be talked into supporting this item because it is expensive and based on what is seen in the report, Dewberry is qualified to do the work.

Chief Operating Officer Michael Hornbrook stated that one of the areas that has been seen in the most recent construction projects have been considerable change orders as staff gets out in the field and hits utilities and other issues. Mr. Hornbrook explained that staff gives out a base scope to the consultants to give on the design and the consultants respond back to that base scope. The consultants also have the ability to enhance the proposal if they think it is worthwhile. In this particular case, the team of FS&T proposed more effort and more money in the early design phase of the proposal, geotechnical work and utilities than did the other firm. The selection committee thought that was a good proposal and there is cost-savings in future construction contracts if staff can get a better handle on that.

Mr. Foti stated that he was not going to be in favor of this proposal based on the staff summary before us; Dewberry is qualified. If staff was looking for the additional work that FS&T was willing to do, it should have been included in the specifications. Mr. Hornbrook stated that in all of the professional procurements, staff has always allowed any of the bidders to propose enhancements or to propose anything beyond the scope of services that they think is appropriate to do the job. The technical approach is to allow each consulting firm to explain in great detail how they are going to respond to the scope of services that has been given to them. In this particular case, FS&T responded with a lot of detail on how there would be a continuation of water service to the communities. This showed the selection committee that FS&T had a much deeper grasp of what this project would entail and from their experience on other projects including the Authority, FS&T has a greater understanding of what it is going to take to get this done.

Mr. Hornbrook continued that FS&T also gave a much more detailed explanation of how they were going to provide uninterrupted service to the communities. The detail they provided gave the selection committee much more confidence that they could get the job done at the price given. The selection committee is able to look at the technical approach and cost to see if one firm is willing to offer something that the other is not. From there, the committee determines what points should be given during the evaluation based on all of the factors mentioned. There were senior people on the committee and a total of five voted in favor of FS&T because they had the better technical approach to the project. There are going to be a lot of decisions made in this design that will have cost implications on the construction phase. FS&T's proposal showed that they have the best understanding of this project. Mr. Kim noted that FS&T's key staff had a lot of experience with this type of large pipe design and construction, which also helped favor the firm.

Board member John Carroll asked how the score determined the outcome because the numbers were very close when comparing the two firms. Mr. Kim stated that it comprised of five criteria, which included cost, key personnel, technical approach, organization and management approach. Each committee member can score points on each of those items. Deputy Director of Administration and Finance Michelle Gillen stated that each category has a predetermined amount of points; none of the other categories can exceed the points or cost.

Mr. Carroll asked at what difference in price would staff have determined that Dewberry be hired. Mr. Hornbrook stated that if the technical approach and the key personnel didn't match up to the cost then the committee would have made a different decision. However, FS&T justified why they were more qualified and the selection committee thought that upfront effort and money would save money in the long term on the construction; that is essentially why the committee selected FS&T. Mr. Hornbrook stated that it is not just about the lowest cost, this was weighted 30% cost & 25% approach. The committee used their judgment in determining which firm was appropriate for the job.

Ms. Gillen stated that in the past there was an all qualified, low bid, two step process. This gave the selection committee more discretion to try to choose the firm that offered the best value at the best price. Interestingly, the engineering community has pushed staff very hard to move toward a qualifier with less emphasis on cost. Based on an engineering view, staff has tried to strike a balance between value and cost.

Mr. Foti stated that the report explained that Dewberry was capable of performing the work. Mr. Hornbrook stated that Dewberry was qualified but again, it's the value of what you're getting. The FS&T proposal was a better value for the Authority when looking at the key people, qualifications and technical approach.

Board member Brian Swett stated for the same work, the direct labor cost was comparable between the two firms. Did FS&T propose doing additional work that Dewberry did not propose? Mr. Kim stated yes, on the boring programs. Mr. Swett asked if that work is necessary for later on in the project. He asked why this additional work was not in the scope when it was bid out in the beginning; this meaning the topical graphs, MEPA preparedness, etc. Staff explained that all the borings, geotechnical work and the mapping were specified in the scope of services. The proposers submitted their cost proposals that were required to include all

that work. The FS&T proposal is more explicit and showed what those expenses would be. The committee thought that the Dewberry team did not properly estimate the costs for the mapping and the geotechnical work.

Board member Henry Vitale asked what the budget was before the responses to the bid. Staff stated that it was currently estimated at \$160 million for the project. Mr. Hornbrook explained that staff used those past projects and budgeted a design estimate at 20% of similar projects, and then used a competitive procurement.

Mr. Foti stated that he respects every staff member's opinion; however, it is clear that Dewberry can do the work but the difference between the two proposals is that FS&T is offering to do work that was not in the scope of services or specifications. The additional work that FS&T has added in is driving up the cost and that is something he does not agree with.

Mr. Swett stated that the summary could have been a lot tighter in explaining the costs.

Mr. Hornbrook explained that there can be firms that are qualified and capable of doing the work; however, when you read the total package, Dewberry could not match the depth and experience of FS&T; the firm was not as qualified. Staff wants the most qualified and strongest team because of the technical work involved in the project. This will save the MWRA ratepayers' money when the construction phase of this project begins.

Mr. Carroll asked what would happen if the majority of the Board did not want to approve this item. Mr. Laskey stated that staff would have to go back and regroup to re-bid or reconfigure the bid. Mr. Carroll stated that he agreed with Mr. Foti that there is a remarkable difference with a lot of language in the staff summary that makes it seem that Dewberry could do the job.

Mr. Laskey asked if there was a sense from the Board that this item needed to be withdrawn so staff can regroup. Mr. Foti stated that his comments had nothing to do with FS&T, he believed they do great work; however, his reservations are more based on cost.

Ms. Gillen stated that many other public authorities and entities place no emphasis on cost; MWRA has done a good job trying to strike a balance between getting the best contractor for the best cost.

Mr. Pappastergion asked for a motion to postpone this time. Mr. Barrera and Mr. Swett opposed the motion to postpone. The motion carried to defer the item.

If you are interested in viewing the presentation made at the Board of Director's meeting, please click [here](#).

Contract Amendments/Change Orders

Crane Maintenance Service: Safeway Overhead Crane Service, Inc., Contract OP-200, Change Order 1

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve change Order No. 1 to increase the amount of Contract No. OP-200 with Safeway Overhead Crane Service, Inc., Crane Maintenance Service, in an amount not to exceed \$68,470.20, with no increase in contract term; and to authorize the Executive Director to approve additional change orders as may be needed to Contract No. OP-200 in amounts not to exceed the aggregate of \$50,000.00, in accordance with the Management Policies of the Board of Directors.

Deputy Chief Operating Officer John Vetere stated that an issue had been presented at the Braintree/Weymouth Pump Station where the screens were overwhelmed and knocked out the pump station in that a rain storm back in February/early March; temporary screens needed to be put in. It's rather cumbersome and time consuming so staff wants to put in an explosion proof hoist and explosion proof wiring throughout the facility. Staff feels that the best way to accomplish this is through a contract with a hoisting company that does the Authority's maintenance. It would be the quickest and easiest way to do it.

Board member Joseph Foti asked if the contract with Safeway Overhead Crane Service is just for maintenance. Mr. Vetere stated that the contract was for maintenance and emergency repairs for all crane services within all of the facilities including Deer Island. Testing will be done, which will include safety requirements and a yearly inspection to make sure that the cables are maintaining the weight capacity.

Mr. Foti asked Ms. Gillen if the original contract was competitively bid. Ms. Gillen stated that it was. Mr. Foti asked if change orders on a contract can go up to 25%. Ms. Gillen stated that the Board has total discretion on that.

Mr. Laskey stated because of the sensitivity of not wanting to have Sanitary Sewer Overflows (SSO) related to the inability to get the screens out, staff felt there was a sense of urgency to get this done. Board member Jack Walsh stated that this would provide the equipment to do the job properly. He stated that he was 100% supportive of this item.

Other Business

Extension of Contract for Executive Director

Whereas, on May 15, 2013, the Board of Directors voted to rate the performance of Frederick A. Laskey, Executive Director, for Fiscal Year 2013 as Excellent, the Board voted to extend the term of the Executive Director's employment agreement and appointment as Executive Director by one year to June 30, 2016.

Extension of Contract for Chief Operating Officer

The Board voted to extend the term of the employment agreement with Michael J. Hornbrook, Chief Operating Officer, by one year to May 31, 2016.

Information

2012 Annual Water Quality Report (Consumer Confidence Report)

Director of Planning Stephen Estes-Smargiassi stated that the annual water quality report has been required by the Federal Drinking Water Act since 1999. Staff produces and distributes the report on behalf of all of the MWRA communities, which provides a consistent message to everyone that drinks MWRA's water. These reports are printed and mailed to every household in the metropolitan area for about twenty-one cents per copy; that represents about 900,000 households. Each community gets to include their own local information in a letter or a section of the report so consumers just don't get the metropolitan area data. It is mailed directly to every household including renters, which is not required but makes sense in a region where there are a lot of renters.

The message is that the water is thoroughly tested and it comes from high quality well-protected reservoirs and there continues to be investments made in water quality. The report has been printed and should be in the mail by this week. The report will also be available online. Mr. Foti commended staff on a job well done on this report.

This summary does not include every item discussed by the Board, nor the full extent of the discussions. Please contact Maggie Kenneally at the Advisory Board office with questions, comments or requests for more information.