

*Council Questions/Comments and Staff Responses Report for September 9, 2013
as of September 9, 2013 at 12:11pm*

GENERAL QUESTIONS/COMMENTS:

Alderman: Jim Fruin

Comment: After many years of asking my weekend questions publicly, I have decided to conform to the majority of the Council and ask questions at the meeting. This will reduce Staff research time on Mondays, although it will lengthen our 7:00 meetings.

Alderwoman: Judy Stearns

Question/Comment: I have been getting a question today about whether the new bins for trash will be a different color than the recycling ones? I hope so, as I agree it will be very confusing if they are not. Let me know?

Staff Response: The City Council decided previously that the garbage cart color would be a black lid with a black base.

Alderwoman: Jennifer McDade

Question/Comment: I got a call about 35 gallon carts and plan to ask about them at the meeting tonight.

Staff Response: Staff researched the feasibility of 35 gallon containers, but still recommend issuing the 65 and 95 gallon options.

CONSENT AGENDA:

Alderman: Rob Fazzini

Item 7E: Payment to Nicor Gas Co. for Cost of Relocation of Natural Gas Main

Questions/Comments:

1. Why did the City of Bloomington not apply some pressure at Nicor to obtain this rather significant estimate especially since this estimate is identical to what Nicor is familiar with providing to all municipalities in Illinois?
2. With the familiarity of the estimating process, why was Nicor so far under in its estimate from \$182,000 to the actual cost of \$276,000?
3. Why are these estimates so much higher than the City of Bloomington budget of \$50,000?
4. Why is this dispute now coming to Council in September of 2013 for a project completed in April of 2010?

There appears to be a lack of professionalism by Nicor and the City of Bloomington on the project, the estimate and the settlement of the Nicor claim. Am I wrong? I will be asking that this item be pulled for open discussion on the Regular Agenda.

Staff Response: In the 1950's, Northern Illinois Gas (now d/b/a Nicor Gas) obtained private easements along Main Street for the construction of gas mains and related facilities. During planning for the Hamilton Road project in 2009, Nicor identified gas mains located in these private easements which required relocation to accommodate the proposed storm sewers and traffic signals at the intersection of Hamilton Road and Main Street. Since the gas mains were located in the private easements, Nicor states that the City is responsible to pay any relocation costs incurred. This is similar to what the City is required to do for other utility companies as well.

In planning for the project, City staff repeatedly asked Nicor for an estimate of the reimbursable work along Main Street beginning on May 11, 2009, with additional requests dated 6/26/2009, 7/6/2009, 8/4/2009, 10/19/2009, and 4/7/2010. Nicor never responded to the City's requests.

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The Hamilton Road project was bid by the Illinois Department of Transportation on 11/9/2009. Nicor began gas main relocations for the project in December of 2009, without providing a written estimate to the City. Typically, Nicor will not begin reimbursable work prior to approval of a Proposal Contract by the City, but work began on the Hamilton Road project without this approval, conceivable to avoid holding up the IDOT let project. The reimbursable work along Main Street was completed on March 5, 2010.

On May 12, 2010, City staff met with Ed Vanscoit, Nicor representative, to discuss the project. Mr. Vanscoit presented an after-the-fact estimate dated 4/19/2010 of \$185,000 along with a listing of an actual cost of \$276,600.53. Staff asked for additional documentation detailing the cost incurred, but Nicor refused.

During subsequent correspondence with City staff, Nicor provided a differing estimate for \$182,811.30 also dated 4/19/2010. In May of 2011, Nicor sent a staff Proposal Contract dated 9/28/2010, similar to what is usually sent to the City prior to performing the reimbursable work, showing total charges of \$182,811.30. Attachments: "Breakdown of Actual Expenditures vs. Estimates W.O. #449835", "Breakdown of Actual Expenditures vs. Estimates W.O. #449835" and "Nicor Gas Proposal Contract/Projects"

Regarding the amount budgeted, there has been \$200,000 budgeted for this item since FY 2009. In FY 2014 this line item was inadvertently changed to \$50,000.

Alderwoman: Karen Schmidt

Item 7E: Payment to Nicor Gas Co. for Cost of Relocation of Natural Gas Main

Question/Comment: I support pulling this from the Consent Agenda as requested by Alderman Fazzini. I have related concerns.

Staff Response: See staff responses to Alderman Fazzini.

Alderman: Rob Fazzini

Item 7F: Professional Services Contract for the Bloomington Center for Performing Arts

Question/Comment: Will the original budget in FY2014 for this type of expense of \$511,300 be enough?

Staff Response: Yes

REGULAR AGENDA:

Alderman: Rob Fazzini

Question/Comment: No questions or comments.

Alderwoman: Karen Schmidt

Item 8A: Scope Modification to the Professional Services Contract with Foth Infrastructure and Environment, LLC for Sewer Televising

Questions/Comments: It appears we have a list of proposed streets that are being considered for resurfacing. Can we get a list of streets prior to the meeting? (this statement in the background information suggest that streets have been identified:...the Public Works Department needs to determine

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the condition of the underground infrastructure beneath the streets being considered for resurfacing to proactively identify any deteriorating or failing facilities.

Staff Response: Staff emailed out Draft 2014 Resurfacing List to the Elected Officials on September 9, 2013 at 1:01 pm. Hard copies will also be available this evening.

Prepared by: Barbara J. Adkins, Deputy City Manager

**Breakdown of Actual Expenditures vs. Estimates
W.O.# 449835**

Dear Customer,

This is a breakdown of the costs for the work performed. All appropriate charges are allocated as either labor, materials or taxes along with appropriate overheads. If you have any further questions please contact your Nicor representative.

| <u>Job Estimates</u> | | <u>Job Actuals</u> | |
|----------------------|--------------|---------------------|----------------|
| Labor | \$125,118.16 | Labor | \$241,285.48 |
| Materials | \$18,071.85 | Materials | \$31,344.10 |
| Taxes | \$3,837.49 | Taxes | \$3,970.95 |
| Total | \$147,027.50 | Total | \$276,600.53 |
| % Difference | -100.38% | Labor Difference | (\$116,167.32) |
| | | Material Difference | (\$13,272.25) |
| | | Tax Difference | (\$133.46) |
| | | Refund / Rebill | (\$129,573.03) |

OIL DRIP
REMOVAL

+ 35,000

185,000

Breakdown of Actual Expenditures vs. Estimates
W.O.# 449835

Dear Customer,

This is a breakdown of the costs for the work performed. All appropriate charges are allocated as either labor, materials or taxes along with appropriate overheads. If you have any further questions please contact your Nicor representative.

| <u>Job Estimates</u> | | <u>Job Actuals</u> | |
|----------------------|--------------|---------------------|----------------|
| Labor | \$161,904.25 | Labor | \$241,285.48 |
| Materials | \$16,135.58 | Materials | \$31,344.10 |
| Taxes | \$4,771.47 | Taxes | \$3,970.95 |
| Total | \$182,811.30 | Total | \$276,600.53 |
| % Difference | -100.38% | Labor Difference | (\$116,167.32) |
| | | Material Difference | (\$13,272.25) |
| | | Tax Difference | (\$133.46) |
| | | Refund / Rebill | (\$129,573.03) |

Nicor Gas proposes to furnish the necessary labor and material to do the work described below.

| | | | | | |
|--------------------------------------|--------|----------------------------------|----------|---------------------------|----------------------|
| WORK FOR CUSTOMER / CONTRACTOR | | AT OR ADJACENT TO STREET ADDRESS | | | JOB NO. |
| CITY OF BLOOMINGTON | | HAMILTON ROAD | | | 149835-349835-449835 |
| TOWN | COUNTY | STATE | ZIP CODE | PREPARED BY AND PHONE | |
| BLOOMINGTON | MCLEAN | IL | 61702 | MARINA FRUTH 815-221-4308 | |
| MAILING ADDRESS (IF DIFFERENT) | | TOWN | STATE | ZIP CODE | |
| 115 E WASHINGTON ST. ATTN: RYAN OTTO | | BLOOMINGTON | IL | 61702 | |

| Company Charges | | Charge | AMOUNT RECEIVED | RECEIVED BY |
|--|--|---------------|-----------------|---------------|
| | | | \$ | |
| Base Charge | | \$ 178,039.83 | | |
| 999 | Account No. 233150 I.C.C. Tax (see Rider 8)* | \$ 178.04 | | For Nicor Gas |
| 999 | Account No. 233140 Municipal Tax* | \$ 4,593.43 | | |
| Payment in full to be made on acceptance Total Charge → | | \$ 182,811.30 | | |

* Calculation based on total base charge

Internal Use Only – Base Charge

| A/U | Account No. | Activity or W.O. No. | |
|-----|-------------|----------------------|---------------|
| 303 | 173710 | 449835 | \$ 178,039.83 |
| 998 | 327000 | 49500 | \$ 0.00 |
| | | | \$ |
| | | | \$ |
| | | | \$ 178,039.83 |

Description of Work

RELOCATION OF GAS MAIN ALONG HAMILTON ST. DUE TO CONFLICTS

Payment must be made in full and all applicable permits approved & received before any work can be scheduled. Nicor will provide material and labor to relocate gas main and services.

This Proposal Contract is an estimate. You are responsible for the actual costs even if they exceed the estimate. Once the job is completed and all actual costs are processed, a reconciliation of estimate to actual cost will be performed. If the variance exceeds \$200 a refund or rebill will be sent. Actual labor and material unit costs will be provided upon reasonable request, but unit costs will include both direct and indirect (administrative and overhead) costs. You agree and understand that Nicor Gas will not provide a further breakdown of unit costs.

Work to be done on: Nicor Gas facilities Customer-owned facilities Mains Services Metering facilities Fuel line Other _____

Nicor Gas is not responsible for restoration of landscaping/paving on private property.

The sketch, if any, appearing on the reverse side hereof, or attached hereto, is hereby made a part of this Proposal/Contract. Work will be done during regular working hours except upon the Customer's/Contractor's specific request and agreement to pay for overtime work. All material and equipment from the main to and including the meter is the property of the Company. All material and equipment beyond the meter is the property of the Utility Customer and is to be maintained and repaired at the Utility Customer's expense.

Except in case of emergency, no repairs chargeable to the Utility Customer shall be made other than upon the Utility Customer's written order. The Utility Customer agrees that the Company shall have the right to enter the Utility Customer's premises at all reasonable hours to make the necessary repairs to piping, regulators, meters and other equipment connected to the Company's system.

The Company shall not be responsible for any damages resulting from delay in completing the above work, where such delay is due to casualties, labor disputes, or other causes beyond the reasonable control of the Company. The Customer/Contractor agrees to indemnify and hold harmless the Company against all costs, damages, liabilities and expenses (including those incurred in connection with any claim, suit or proceeding) arising out of the Work, except when such costs, damages, liabilities and expenses arise solely from the negligence of the Company.

This Proposal shall be void unless accepted within 30 days of its presentment. This Proposal contains the entire understanding between the parties with respect to the subject matter hereof, and may be modified, amended or mutually rescinded only by a written instrument executed by the parties hereto. This proposal, as submitted, becomes a Contract when accepted by the Customer/Contractor and approved by the Company.

Nicor Gas
Submitted by MARINA FRUTH

Accepted

Customer/Contractor

Date 09/28/2010

By _____

ED VANSCOIT
Supervisor Signature

Official Capacity