

MINUTES

SEWER ADVISORY BOARD (SAB) MEETING
FEBRUARY

The regular monthly meeting of the Upper Allen Township Sewer Advisory Board was held on February 23, 2023, in the Upper Allen Township Municipal Building, 100 Gettysburg Pike, Mechanicsburg, Cumberland County, Pennsylvania.

MEMBERS

Dan Hower, Absent
Bob Haines, Vice Chairman
Karen Overly Smith, Chair
Kathleen Ferrari

TOWNSHIP OFFICIALS

Jim Cochran, Commissioner
Jeff Walter, Commissioner, Absent
Ginnie Anderson, Commissioner
Barry A. Cupp, Sewer Department Director
Kodi Hockenberry, WWTP Supt./Asst. Sewer Dept.
Director

GHD ENGINEERING SERVICES

Joel Kostelac, P.E.

Karen Overly Smith, Chair, called the meeting to order at 6:30 p.m. The Pledge of Allegiance was recited by all. Roll Call was taken by Barry A. Cupp, Sewer Department Director.

APPROVAL OF MINUTES
JANUARY 26, 2023

Karen Overly Smith, Chair, called for approval of the Minutes of the January 26, 2023, meeting. Kathleen Ferrari made a **MOTION** to approve the Minutes of January 26, 2023; **SECONDED** by Mr. Haines. The Motion carried unanimously.

ANNOUNCEMENTS

There were no announcements.

RECOGNITION OF VISITORS

There were no visitors.

OLD BUSINESS

GRANTHAM WWTP SLUDGE DEWATERING UPGRADE AND MISCELLANEOUS IMPROVEMENTS CONTRACT

Mr. Cupp stated that on February 1, 2023, bids were opened electronically on Penn Bid for this project, and there were three bids received for the general contract and four bids received for the electrical portion of the contract. All of the bids appeared to be within reason and they are all good contractors. However, the approval was tabled due to a significant difference in the bid price versus the cost for construction provided in the budget. The matter was discussed with the Board of Commissioners and the Township Manager. Joel Kostelac was asked for further information which he later provided in a memo, a copy of which is included in the packet. Mr. Kostelac stated very bluntly that there was a pretty poor effort in communicating the construction cost estimate that GHD had prepared and developed, and communicating this information with Barry and his team and the Board prior to this coming in front of them just a few weeks ago. The long and short of it is GHD had developed a construction cost estimate for about \$1.5 million or so for the ancillary improvements portion of the project we are talking about. Barry had carried a number in his budget of about \$575,000, that was initially estimated in September of 2021. The updated construction cost estimate was never really communicated to Barry and his team and as such caught Barry and the Board by surprise. Mr. Kostelac took full responsibility for not communicating that the way it should have been done. Typically those construction cost estimates are provided at various deliverable levels and times – 30% design – 60% design – 90% design and so forth. That was not done at the final stages of the design and that caused a situation on the first of February. Of course, that has impact on planning and budgeting for the Township and GHD understands the significance of that and the screw up is on GHD to fix. On behalf of GHD Mr. Kostelac expressed that he understood the issues associated with that and apologized. Mr. Kostelac asked for comments or questions and there were none. Karen Overly Smith asked Mr. Cupp if he had anything to add. Mr. Cupp stated that we are going to go ahead and present this to the Board of Commissioners at next Wednesday's meeting in hopes of approving the contract, and award the contract to the low bidders. He also stated that he received a revised proposal from Kappe Associates for the COSTARS portion of the project for the sludge dewatering equipment, as well as the installation. The equipment cost is the same as was presented last April- \$871,500. The revised proposal includes the equipment installation cost of \$375,000. Mr. Cupp stated that we actually had \$375,000 in the budget and the proposal amounts to \$395,000, so we were under by just \$21,000. Mr. Cupp prepared a memo to the Township Manager regarding signing of that proposal. Commissioner Cochran had a question that goes back to "did we have scope creep, did we have inflation, I mean I understand there is different levels of completion and the budget is going to change slightly, but we went from \$500,000 to \$1.5 million. So that tripled and what caused that to triple, that is what I still haven't found out." Mr. Cupp stated that in his opinion he would say it is scope. There were several meetings at the treatment plant with the equipment vendors and an installation contractor, PSI, and as the meetings progressed Mr. Cupp thinks the scope just kind of gradually increased. We had to do more significant modifications to the belt filter press building than I think were originally anticipated. Mr. Kostelac then stated that he thinks it was a combination of both. So there is some added scope things like lighting upgrades, some fire alarm system upgrades, the roof and building envelope, again some minor changes. Again, those changes begin to add up and then on top of the inflation factor that contributed to the cost. Commissioner Cochran asked Mr. Kostelac when he comes in front of the Board to break it down and show them where the

changes happened because again, going from \$500,000 to \$1.5 million is a lot of increase and it would be nice to know where it came from. Scope creep, if everything was added really needs to be added, well then okay, but does all this really need to be added, what kind of review did it go through? Mr. Kostelac said he understood and he can have some of that discussion with the Board or in the Memo that GHD prepared for tonight they did prepare a bit of justification for the ancillary improvements part of the project, so the roof structure, the digester blowers, and such; we sort of broke it down into the major process components and the need basis for each of the items; we can further break it down by percentage of the cost as well. So if there are any questions or discussion on any of the particular elements of it, just in big round figures as it stands now the total contract amount for the general contract and the electrical contract that is being bid is \$1,315,700. Then as Mr. Cupp mentioned the project that is on COSTARS is \$1,269,500. So it results in a total project of about \$2.5 million. Again, I think at one point I think I was sitting here saying it was a \$2 million project, now it is a \$2.5 million project, and I think some of that is the added scope and inflation. Commissioner Anderson asked how many bids we had on the project. Mr. Kostelac stated that we had three on the general contract – PSI, Conewago and Heikes who are all pretty solid contractors, and then four on the electrical contract. They were all pretty close. Commissioner Anderson said she was just wondering how close they were and Mr. Kostelac said on the general contract there was about \$200,000 or so that separated the low bid from the high bid and then on the electrical contract they were very close, \$120,000, \$147,00, \$157,00 and \$189,000. Mr. Kostelac stated that the Township should feel they got pretty good pricing and got contractors who were pretty aware of what was involved in the project – the total cost notwithstanding. Mr. Hockenberry stated for what it is worth, regardless of the numbers, PSI Pumping Solutions, low bidder, they have done a lot of work for the Township in the past. They have done work at Arcona Road Pump Station 3 and have done work at the treatment plant, plus the low bidder on the electrical contract, they are basically our electrician when we have something that needs done right away. So, both contractors are very familiar with the plant.

NEW BUSINESS

There was no new business.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

With no further business to discuss, Karen Overly Smith, Chair, asked for a Motion to adjourn and Mr. Haines made a Motion; Kathleen Ferrari made a Second. The meeting adjourned at 6:45 p.m.

THE NEXT MEETING IS SCHEDULED FOR MARCH 23, 2023, AT 6:30 P.M.