

GLENBARD WASTEWATER AUTHORITY
Executive Oversight Committee
Agenda

December 8, 2022

8:00 a.m.

Zoom Link: <https://us02web.zoom.us/j/86003630677>

Glenbard Wastewater Authority Meeting Procedures Statement

On March 16, 2020, Governor Pritzker issued Executive Order No. 5 in response to COVID-19, which temporarily suspended certain requirements of the Open Meetings Act ILCS 120 allowing Executive Oversight Committee members to participate electronically in Executive Oversight Committee meetings.

The Public is welcome to observe and participate in all meetings of the Executive Oversight Committee. Meetings are able to be viewed using the link

<https://us02web.zoom.us/j/86003630677> or by calling (312) 626-6799 and using the Meeting ID: 860 0363 0677. All public comments received during the meeting will be read into the record during the appropriate portion of the agenda.

Members Present:

Mark Senak	President, Village of Glen Ellyn
Keith Giagnorio	President, Village of Lombard
Kelli Christiansen	Trustee, Village of Glen Ellyn
Mark Franz	Village Manager, Village of Glen Ellyn
Scott Niehaus	Village Manager, Village of Lombard
Carl Goldsmith	Public Works Director, Village of Lombard

Others Present:

Matthew Streicher	Executive Director, GWA
Jeremy Henning	Assistant Director, GWA
Rick Freeman	Electric Superintendent, GWA
Jon Braga	Maintenance Superintendent, GWA
Andrew Pakosta	Operations Superintendent, GWA
Larry Noller	Finance Director, Village of Glen Ellyn

1. Call to Order at 8:00am
2. Pledge of Allegiance
3. Roll Call: President Senak, President Giagnorio, Trustee Christiansen, Mr. Franz, Mr. Niehaus, Mr. Goldsmith, and Mr. Buckley answered "Present". Trustee Bachner was excused.
4. Public Comment

5. Consent Agenda – The following items are considered to be routine by the Executive Oversight Committee and will be approved with a single vote in the form listed below:

Motion the EOC to approve the following items including Payroll and Vouchers for the months of October and November 2022 \$680,642.17 (Trustee Christiansen).

Mr. Franz motioned and Trustee Christiansen seconded the MOTION that the following items, on the Consent Agenda be approved. President Senak, President Giagnorio, Trustee Christiansen, Mr. Franz, Mr. Niehaus, Mr. Buckley, and Mr. Goldsmith responded “Aye” during a roll vote. The motion carried.

- 5.1 Executive Oversight Committee Meeting Minutes:
October 27, 2022 EOC Meeting
- 5.2 Vouchers Previously Reviewed:
October and November 2022 – Trustee Christiansen
- 5.3 Request for Authorization to continue into Year 3 of 3 of the Janitorial Services Contract with Vega Building Maintenance.

GWA requests authorization to continue into year three of the three-year contract for Janitorial Services with Vega Building Maintenance for \$13,780, and shall be invoiced to Fund 270-520971 in CY2023.

- 5.4 Request for Authorization to Enter into Year 3 of 3 of the Biosolids Hauling Contract with Synagro.

The Operations Staff requests the EOC to authorize award of Synagro year three of the three year Biosolids Hualing Contract for a unit price of \$19.20 per cubic yard of daily hauling. The cost of the Biosolids Handing will be expensed Fund 270-521150 in CY2023.

- 5.5 Contract Laboratory Services Open Purchase Order Request

The Authority Staff would like to request waiving of competitive bidding requirements per the Village of Glen Ellyn code, 1-10-2: EXCEPTIONS TO COMPETITIVE BIDDING. Per Administrative Order No. 3 Section “D” Professional Services – Section 3 the Authority is required to seek at least three competitive proposals. The request provides support that the Authority has gathered and evaluated three competitive proposals from qualified laboratories.

This request is made due to the specific requirements that need to be met in order for the Authority to properly test our Influent, Effluent, Anaerobic Digester and Land Applied Biosolids samples per the IEPA and EPA specifications. With the EOC’s approval, a purchase order will be created under O&M account 270-520806 –

Professional Services Laboratory Support for a not to exceed budgeted amount of \$27,500 to be utilized during the 2023 calendar year.

6. Request for Flow Monitoring Services Contract Approval

The Glenbard Wastewater Authority (GWA) has received a proposal for flow monitoring services for the installation, operation, maintenance, monitoring, and leasing of seventeen (17) flow meters and two (5) rain gauges located throughout GWA’s service area. The main purpose of these meters is to determine the flow splits between the two owning Villages in order to properly bill each Village for the treatment of their wastewater. In 2016 an in-depth analysis was performed, and determined there to be substantial savings by leasing the meters, instead of owning.

For the past six years, GWA has been utilizing RJN Group for ownership, operation, maintenance, data analysis, and reporting on the flow meters and rain gauges. During the entire time GWA has been utilizing RJN Group, GWA has been paying \$9,649 per month, or \$115,788 per year for these services.

Pending the expiration of the existing contract, recent discussions at the TAC led to the decision to only pursue a proposal from RJN Group for the 2023-2025 contract period, and also to request the proposal to include a scope for the 2026-2028 period. Since the contract is proposed as a professional service, based on GWA’s professional services policy, and as defined in section 2.A of the policy that was adopted by the EOC, this is a continuing relationship with a firm “who has successfully performed a variety of work for the Authority in a specific area.” Therefore, any competitive RFP process was waived. After sharing the Authority’s professional services policy with Finance Director Noller from the Village of Glen Ellyn, it was agreed upon that the Authority could request a proposal directly from RJN Group for two consecutive 3-year period contracts.

Upon receipt of RJN’s proposal, further negotiations were held to reduce financial impacts to GWA, while still ensuring the best quality of service. Below are tables demonstrating the original proposal layout and the two negotiated layouts:

Original Proposal							
Period	Item	Annual Budget Amount	3 Year Total	RJN Group Unit Price	Equipment Allowance per Year	3 Year Total	Percent Increase
2020-2022	Flow Monitoring Services	\$132,000	N/A	\$115,788	N/A	\$347,364	N/A
2023-2025	Flow Monitoring Services	\$132,000	N/A	\$141,600	Not Assessed	\$424,800	22%
2026	Flow Monitoring Services*	N/A	N/A	\$148,680	\$10,000	N/A	5%
2027	Flow Monitoring Services*	N/A	N/A	\$156,000	\$10,000	N/A	5%
2028	Flow Monitoring Services*	N/A	N/A	\$163,800	\$10,000	N/A	5%
					2026-2028 Total:	\$468,480	10%
					2023-2028 Total:	\$893,280	29%
					Including Allowance	\$923,280	

* 3-year total and percent increase does not include if allowance were used.

Market Based Proposal							
Period	Item	Annual Budget Amount	3 Year Total	RJN Group Unit Price	Equipment Allowance per Year	3 Year Total	Percent Increase **
2020-2022	Flow Monitoring Services	\$132,000	N/A	\$115,788	N/A	\$347,364	N/A
2023-2025	Flow Monitoring Services	\$132,000	N/A	\$141,600	Not Assessed	\$424,800	22%
2026	Flow Monitoring Services*	N/A	N/A	\$145,848	\$10,000	N/A	3%
2027	Flow Monitoring Services*	N/A	N/A	\$150,223	\$10,000	N/A	3%
2028	Flow Monitoring Services*	N/A	N/A	\$154,730	\$10,000	N/A	3%
					2026-2028 Total:	\$450,802	6%
					2023-2028 Total:	\$875,602	26%
					Including Allowance	\$905,602	
* 3-year total and percent increase does not include if allowance were used.							
** - 2026-2028 percent increases would be 3% or the CPI, whichever is <i>GREATER</i>							

Recommended Proposal							
Period	Item	Annual Budget Amount	3 Year Total	RJN Group Unit Price	Equipment Allowance	3 Year Total	Percent Increase
2020-2022	Flow Monitoring Services	\$132,000	N/A	\$115,788	N/A	\$347,364	N/A
2023-2025	Flow Monitoring Services	\$132,000	N/A	\$141,600	Not Assessed	\$424,800	22%
2026-2028	Flow Monitoring Services*	N/A	N/A	\$153,000	\$30,000	\$459,000	8%
					2023-2028 Total:	\$883,800	27%
					Including Allowance	\$913,800	
* 3-year total and percent increase does not include if allowance were used.							

After discussion at the TAC level, the Authority is recommending the proposal depicted directly above, showing the 8% flat rate increase for 2026-2028. Although the “Market Based Proposal” may show a slightly lower fee over the entire duration of the contract, there is significant risk in going with an option that would depend on the Consumer Price Index increases staying below 3% per year. In addition, by locking in a flat rate, the Authority is able to better plan and budget for this contract.

A few items should be noted in regards to the pricing; RJN mistakenly had been undercharging the Authority by \$500/month during the 2020-2022 contract, therefore, the price increase is more realistically only a 16.3% increase for 2023-2025 compared to the 22% increase shown in the table. According to the US Bureau of Labor Statistic Consumer Price Index for the Chicago-Naperville-Elgin area, there has been a 21.2% CPI increase (compounded) from 2017-2022, which further justifies the increase RJN is proposing for the 2023-2025 period.

As stated in the formal proposal, the equipment allowances will only be used if RJN’s cost to replace equipment exceeds \$25,000 per year, in which case GWA will be assessed some of the additional costs. The allowances are on an as-needed basis, if needed at all, and will need to be agreed upon by the Authority prior to being assessed. If RJN purchases or repairs equipment, they will provide documentation to demonstrate if their costs exceed \$25,000. The table of equipment costs contained in the proposal illustrates that the cost to own the equipment far exceeds the potential \$30,000 in equipment allowances the Authority may be liable for.

In the event the Authority wants to discontinue its relationship with RJN Group, the contract language provides that GWA can withdraw with advanced written notice, and may discontinue the contract. In addition, the EOC will still need to authorize future years of the contract based upon RJN's performance.

Motion to the EOC to authorize the Authority to waive the competitive bidding process and award RJN Group of Wheaton, IL the Flow Services Contract in the amount not to exceed \$913,800 for the period of 2023-2028. In addition, it is requested that the EOC authorize the Authority to enter into year one of six of this contract for the amount of \$11,800 per month, equaling \$141,600 for CY2023. This shall be invoiced to CY2023 O&M account number 270-520981.

Mr. Goldsmith motioned and Mr. Niehaus seconded the to authorize the Authority to waive the competitive bidding process and award RJN Group of Wheaton, IL the Flow Services Contract in the amount not to exceed \$913,800 for the period of 2023-2028. In addition, it is requested that the EOC authorize the Authority to enter into year one of six of this contract for the amount of \$11,800 per month, equaling \$141,600 for CY2023. President Giagnorio, President Senak, Trustee Christiansen, Mr. Franz, Mr. Niehaus, Mr. Buckley, and Mr. Goldsmith, responded "Aye" during a roll vote. The motion carried.

Mr. Streicher explained that when he started at the Authority, ADS had been providing the flow monitoring services for approximately 14 years. The quality of service was poor, they were not a local provider, and simply provided data – which often times was either missing or erroneous. Therefore, in 2017 a proposal was obtained from RJN Group in Wheaton, IL.

RJN's proposal provided more of a professional service rather than ADS' contractual service – providing QA/QC on data, data analysis, annual reports, notifications of outlier data, etc. The cost for the first three years was comparable to what the Authority had been paying ADS, but with the benefit of the professional services component.

In 2020 GWA did send out a formal RFP and only received proposal from ADS and RJN. Again, the level of service from ADS was nowhere comparable to RJN's, so RJN was selected. That contract expires at the end of this calendar year. During discussions at a TAC meeting this fall, since GWA's professional services policy allows for the waiving of a competitive selection process for the continuation of professional services, and RJN's service has exceeded expectations, it was decided to only seek a proposal from RJN. In addition, the TAC suggested requesting a proposal for a six-year period instead of the typical 3 year, it's unlikely the Authority would move away from RJN unless unforeseen circumstances arose.

RJN submitted the six-year proposal in the form of 2 three-year periods. The proposal saw a 22% increase in price for the first 3-year period, which in reality, was a 16% increase because RJN had been unintentionally billing us a lower amount the past three years. The contract price was actually increased in 2020, however, they continued to bill

us at the same rate as the previous 3-year period. Also, according to the US Bureau of Labor CPI for our area, there has been a 21.2.% compounded CPI increase from 2017-2022

For the second three-year term, the original proposal contained a 5% increase year after year, resulting in a total of a 10% increase over the three-year period. The Authority felt this RJN may have been taking into account worst case scenario on their part and didn't necessarily sharpen their pencils, so we negotiated with them for a better rate in the second three-year term. RJN countered with two options; a market-based proposal, and a flat rate increase proposal. Although the market-based proposal may have come out just about \$8k lower over the six-year period, it also contained significant risk, in that if the CPI increases didn't stay below 3% year after year, the Authority would see higher increases in our contract. In addition, with the uncertainty, it would have made it difficult to budget for the increases. After discussion at the TAC level, it was decided to go with the flat rate increase.

The other component of the second three-year term in the proposal was an equipment allowance. This was not expected, so the Authority questioned this during negotiations as to why it was included. If RJN spends over \$25k in a year's period, as long as they provide documentation, the Authority could be liable for up to a maximum \$30k over the three-year period. The proposal demonstrates that the true cost of the equipment is much more, and therefore, if this does become a worst-case scenario the Authority still benefits from a significantly reduced equipment replacement cost.

Mr. Franz asked if the EOC will be approving the renewal of the contract on an annual basis. Mr. Streicher confirmed that, and thanked Mr. Franz for bringing up that important detail, in that the Authority has the right to back out of the contract at anytime if the proper 10-day notification is given. Therefore, if market conditions improve that it would seem the Authority would benefit from renegotiations, or sending another RFP, then the Authority could terminate the contract. In addition, the EOC will have to renew the approval each year in order for the Finance Department to generate new purchase orders to make payment, which would most likely occur on a consent agenda.

President Senak asked to clarify what the benefits of RJN are over the prior provider, ADS. Mr. Streicher clarified that RJN Group is a consulting engineering group, whereas ADS is actually an equipment manufacturer who was simply obtaining raw data from flow meters, uploading it, and sending it to the Authority. RJN Group would perform data analysis and ensure quality assurance/quality control is performed so that the Authority is delivered the highest quality data. A historical chart had been shown at the Full Board meeting where it demonstrated the data from RJN appeared to be much more realistic. Mr. Senak confirmed that the ability to obtain reliable data translated into the ability to bill each Village more accurately. Mr. Streicher added that when the prices were first obtained from RJN it came out to relatively the same cost as ADS, but with the additional benefits of the professional service.

7. Discussion

No items for Discussion

8. Other Business

8.1 Technical Advisory Committee Updates

9. ***Next EOC Meeting*** – The next regularly scheduled EOC Meeting is set for ***Thursday, January 12, 2023 at 8:00 a.m.***

Mr. Streicher explained that either a EOC meeting or an email poll will be required for January, as there will be two items that are being publicly bid and will require EOC approval. The method of approval can be determined at a further date.

Mr. Franz made the motion to adjourn the December 8, 2022 EOC Committee meeting and Mr. Buckley seconded the MOTION. President Giagnorio, President Senak, Trustee Christiansen, Mr. Franz, Mr. Niehaus, Mr. Buckley, and Mr. Goldsmith responded “Aye” during a roll call. The motion carried. The meeting adjourned at 8:15 a.m.