

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
January 6, 2005

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A regular meeting of the Board of Light, Gas and Water Commissioners, City of Memphis, was held in the Board room of the Administration Building, 220 South Main Street, Thursday, January 6, 2005 at 1:30 p.m. The following were in attendance: L. R. Jalenak, Chairman; Rick Masson, Vice Chairman; V. Lynn Evans, Commissioner; Nick Clark, Commissioner; Joseph Lee, III, President and CEO; John McCullough, Vice President, CFO and Secretary-Treasurer; Max Williams, Vice President and General Counsel; Wade Stinson, Vice President, Construction and Maintenance; Alonzo Weaver, Vice President, Operations; Linda Peppers, Vice President and Chief Information Officer; and Sherry DuBose, Vice President, Customer Service and Marketing. Commissioner James L. Russell was not in attendance.

Commissioner Masson moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held December 16, 2004, that they be recorded as the official record, seconded by Commissioner Clark and unanimously carried.

The Secretary-Treasurer acknowledged receipt of certified copies of City Council resolutions dated December 21, 2004, as follows: Item No. 8, award of 60-month contract for computer equipment to Trinity Technologies, Inc. approved by the Board at meeting held November 18, 2004 (see Minute File No. 1263); and Item Nos. 9 through 20, approving items approved by the Board at meeting held December 2, 2004 (see Minute File No. 1264.)

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11024, HVAC Replacement, to Barnes & Brower, Inc. in the amount of \$105,336.

This award provides mechanical, plumbing and fire protection to replace the HVAC systems at the Brunswick Road Service Center, 3773 Brunswick Road, and the Electric and Systems Operations Radio Tower Building, 2425 Covington Pike Road.

Bids were opened on Wednesday, November 24, 2004, with the best complying bid of four bids being from Barnes & Brower, Inc. in the amount of \$105,336.

It was moved by Commissioner Evans, seconded by Commissioner Clark and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of Contract No. 11024 to Barnes & Brower, Inc. in the amount of \$105,336 is approved; and further,

THAT, The President or his designated representative is authorized to execute the contract.

2. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11027, HVAC Renovation Projects, to Air Technical Services, Inc. in the amount of \$63,395.

This award provides mechanical, plumbing and fire protection for HVAC renovations at the South Community Office, 2935 Lamar Avenue, and the Central Shops Cafetorium, 703 Beale.

Bids were opened on Wednesday, November 24, 2004, with the best complying bid of three bids being from Air Technical Services, Inc. in the amount of \$63,395.

It was moved by Commissioner Evans, seconded by Commissioner Clark and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of Contract No. 11024 to Air Technical Services, Inc. in the amount of \$63,395 is approved; and further,

THAT, The President or his designated representative is authorized to execute the contract.

3. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11031, Indoor Air Quality Survey, to Professional Service Industries, Inc. (PSI) in the amount of \$38,078.80.

MLGW entered into Agreement No. C1014 with PSI on June 28, 2000, to provide indoor air quality survey at the Sheahan Pumping Station, lead-based paint design and inspection services at Central Shops, and site inspection and testing at the Netters Business Operations Center. This agreement now exceeds the agreement value of \$26,145, and an additional \$11,933.80 is needed due to additional structure testing for seismic mitigation.

It was moved by Commissioner Evans, seconded by Commissioner Clark and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of Contract No. 11031 to Professional Services Industries, Inc. (PSI) in the amount of \$38,078.80 is approved; and further,

THAT, The President or his designated representative is authorized to execute the contract.

4. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change Order No. 14 to Contract No. 9779, Management Support System Central Processing Unit, with Fujitsu Computer System Corporation in the amount of \$183,731.40 over a three-year period.

This change order allows MLGW to purchase three years of 24x7 product support for its storage processor which is the mainframe computer for all of MLGW's administrative systems (human resources, payroll, general ledger, etc.) and the global server which holds all of the data for the mainframe computer. The new contract amount is \$2,903,098.07.

It was moved by Commissioner Evans, seconded by Commissioner Clark and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change Order No. 14 to Contract No. 9779 with Fujitsu Computer System Corporation in the amount of \$183,731.40 is approved; and further,

THAT, The President or his designated representative is authorized to execute the change order.

5. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change Order No. 1 to Contract No. 10995, Construction of Training Center Addition, with Omega Contractors, Inc. in the amount of \$26,217.

This change order is necessary due to the relocation of a fire hydrant, additional concrete and work to rectify ramp grade, new brick purchase, landscape grading, condensate pit work and electrical work to complete the overhead door connections. The additional work is required to bring the Protective Equipment Storage Building addition up to Shelby County Code. The new contract amount is \$214,143.

It was moved by Commissioner Evans, seconded by Commissioner Clark and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change Order No. 1 to Contract No. 10995 with Omega General Contractors, Inc. in the amount of \$26,217 is approved; and further,

THAT, The President or his designated representative is authorized to execute the change order.

6. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contracts for concrete standards which replenishes inventory material for distribution and/or contract crews to install and/or maintain the electric system. Order quantities are based upon previous usage records and projected projects that will be scheduled during the next 36 months. During the length of these contracts, quantities will be driven based on actual need for concrete standards. Items are distributed to more than one supplier to allow flexibility in obtaining needed concrete standards. These contracts will also allow the Division to have quick access to concrete standards in case of emergency situations.

Bids were opened on July 28, 2004, with the lowest and best complying bidders of three bidders being StressCrete c/o Curtis H. Stout of TN for 50% of quantity specified for four items and 75% of quantity specified for one item; and Southern Sales and Services Company, Inc. for 50% of quantity specified for four items and 25% of quantity specified for one item. The approximate total for all items is \$783,615.99.

It was moved by Commissioner Evans, seconded by Commissioner Clark and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, StressCrete c/o Curtis H. Stout of TN is awarded contract for furnishing the Division with:

36-month blanket contract for 50% of quantity specified for Items 1, 2, 3 and 5 and 75% of quantity specified for Item 4 for providing concrete standards and brackets as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, supplier will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and supplier. A copy of all unit prices to be placed on file in General Accounting

the total award amounts to \$404,706.99, approximately, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm for the first 12-month period, with a 3% maximum escalation for material in years 2 and 3; delivery in 5 days; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, Southern Sales and Services Company, Inc. is awarded contract for furnishing the Division with:

36-month blanket contract for 50% of quantity specified for Items 1, 2, 3 and 5 and 25% of quantity specified for Item 4 for providing concrete standards and brackets as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, supplier will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and supplier. A copy of all unit prices to be placed on file in General Accounting

the total award amounts to \$378,909, approximately, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm for the life of the contract; terms ½ of 1% 10 days; delivery in 14 days.

The total of all awards amounts to \$783,615.99, approximately.

7. The Manager, Procurement and Contracts submitted for consideration of the Board offers opened at 2:00 p.m., Wednesday, December 29, 2004, for the annual sale of scrap aluminum material. Analysis shows that Metal Processors, Inc. submitted the best offer for this material.

It was moved by Commissioner Evans, seconded by Commissioner Clark and unanimously carried:

THAT, The offer from Metal Processors, Inc. is accepted as follows:

Approximately 55,000 lbs. of cast aluminum, at \$46 per cwt.

Approximately 20,240 lbs. of bare aluminum wire, at \$66 per cwt.

Approximately 39,000 lbs. of aluminum scrap wire w/neo-covered copper shield internal, at \$43 per cwt.

Approximately 68,000 lbs. of aluminum/steel (ACSR) wire bare (sizes up thru 350 MCM), at \$43 per cwt.

Approximately 1,000 lbs. of miscellaneous aluminum, copper, steel sleeves and fittings, including contaminated heads, at \$21 per cwt.

Approximately 69,000 lbs. of aluminum scrap wire, neoprene-covered, at \$43 per cwt.

Approximately 69,000 lbs. of aluminum/steel (ACSR) neoprene-covered wire, at \$43 per cwt.

totaling \$144,218.40, approximately, with the understanding that the prices quoted are subject to adjustment based on market prices as reported in the American Metal Market, and further, that release of these scrap metals will be in accordance with MLGW bidding requirements dated November 30, 2004, a copy of which will be placed on file in General Accounting.

8. The Manager, Procurement and Contracts submitted for consideration of the Board offers opened at 2:00 p.m., Wednesday, December 29, 2004, for the annual sale of scrap copper material. Analysis shows that Southern Metal Processing submitted the best offer for this material.

It was moved by Commissioner Evans, seconded by Commissioner Clark and unanimously carried:

THAT, The offer from Southern Metal Processing is accepted as follows:

Approximately 84,000 lbs. of mixed brass, at \$70.75 per cwt.
 Approximately 22,000 lbs. of bare copper, at \$135.75 per cwt.
 Approximately 20,000 lbs. of bare tinned, at \$126 per cwt.
 Approximately 58,000 lbs. of #1 W. R. copper, W. P. covered, at \$94.56 per cwt.
 Approximately 141,000 lbs. of #2 W.R. copper, W.P. covered, at \$13.77 per cwt.
 Approximately 31,000 lbs. of copper/lead communication cable paper/textile insulated, at \$12 per cwt.
 Approximately 40,000 lbs. of copper/lead ins. cable (sizes up to 350 MCM), at \$20 per cwt.
 Approximately 169,000 lbs. of cable, copper conductor, paper insulated, lead covered and polyethylene jacketed, 350 MCM and above, at \$57.98 per cwt.
 Approximately 1,000 lbs. of copperweld, at \$50 per cwt.
 Approximately 1,000 lbs. of lead, at \$2 per cwt.
 Approximately 1,000 lbs. of mixed copper, brass molded fittings and current transformers, at \$10 per cwt.

totaling \$299,081.70, approximately, with the understanding that the prices quoted are subject to adjustment based on market prices as reported in the American Metal Market, and further, that release of these scrap metals will be in accordance with MLGW bidding requirements dated November 30, 2004, a copy of which will be placed on file in General Accounting.

9. The Manager, Procurement and Contracts submitted for consideration of the Board offers opened at 2:00 p.m., Wednesday, December 29, 2004, for the annual sale of scrap iron material. Analysis shows that Metal Management Memphis submitted the best offer for this material.

It was moved by Commissioner Evans, seconded by Commissioner Clark and unanimously carried:

THAT, The offer from Metal Management Memphis is accepted as follows:

Approximately 281,000 lbs. (125.45 gross tons) mixed ductile/cast iron, at \$145 per gross ton
 Approximately 652,000 lbs. (291.07 gross tons) mixed iron, at \$291.07 per gross ton

totaling \$62,580.05, approximately, with the understanding that the prices quoted are subject to adjustment based on market prices as reported in the American Metal Market, and further, that release of these scrap metals will be in accordance with MLGW bidding requirements dated November 30, 2004, a copy of which will be placed on file in General Accounting.

10. Item No. 10, resolution authorizing MLGW to refund the City of Memphis certain fees charged by MLGW to the City for collection of sewer and sanitation fees, was not added to the agenda.

11. The President submitted for consideration of the Board adoption of the MLGW Strategic Plan for 2005-2010, as outlined in the attached document (see Minute File No. 1265.)

It was moved by Commissioner Evans, seconded by Commissioner Clark and unanimously carried:

THAT, The MLGW Strategic Plan for 2005-2010, as outlined in the attached document, is adopted (see Minute File No. 1265.)

There being no further business presented, the meeting was adjourned.

SEE MINUTE FILE NO. 1265.

Secretary-Treasurer