

MEMO

To: Park Board

From: Greg Vitale, Director of Parks and Recreation

Date: June 8, 2015

Re: Olthoff, Inc. Change Order

In April, 2015 it was brought to our attention that the work by Olthoff, Inc. in the amount of \$166,794.27 was a result of a change order that was never approved by the Park Board or the Town Council. This work started last summer and ended last fall. Below is a timeline of events:

April 4, 2015

Robinson Engineering submitted a request for the Town of Munster to pay Olthoff. When attempting to compare the final price to the amount on the contract, this led to the discovery that a contract did not exist for this work. When questioned, the Project Manager from Robinson Engineering claimed that he was given the go ahead to move forward by the previous administration. Additionally, when the owner of Olthoff was questioned, he said that he was unaware of the required steps that were needed by the Town and he just started the job when he was given approval by Robinson Engineering.

April 21, 2014

The Park Board was informed and a discussion ensued.

May 1, 2015

The Munster Clerk-Treasurer informed the State Board of Accounts.

May 19, 2015

The Project Manager from Robinson Engineering attended the Park Board meeting to discuss the situation and to answer questions.

When this situation was first discovered, the funds were set aside and a purchase order was created. It has now been eight months since the work was completed. It is unclear if there will ever be closure. However, it is possible that the contractor is just stuck in the middle.

In order to pay the contractor, there are two steps. The first would be to approve the change order at a public meeting and the second would be to approve the payment at a subsequent meeting. If approved the payment will be on the voucher list for on the June 16, 2015 Park Board meeting.

Recommendation

It is recommended that the Town Council approve the change order in the amount of \$166,794.27.



Municipal Expertise. Community Commitment.

Joseph Nordman, P.E.
Direct Line: (708) 210-5670
Email: jnordman@reltd.com

April 4, 2015
Project 08-409.04

Town of Munster
1005 Ridge Road
Munster, IN 45321

Attn: Greg Vitale, Director of Parks and Recreation

RE: Community Park Phase IV

Dear Mr. Vitale:

The following work for the contract extension was completed as a part of the Community Park Phase IV work;

CONTRACT EXTENSION # 9

CENTENNIAL PARK UNDERGROUND & EARTHWORK - PHASE IV

The Town of Munster hereby approves the following change to the agreement with Olthoff, Inc., of Chicago Heights, IL:

Address Wash Outs with 3" Stone - This work consisted of placing 3" stone at locations in the outfield of both Babe Ruth fields in areas that had been washed out due to rain events. This is necessary since the landscape contract had not been awarded. **Cost \$9,219.16**

Black Direct backing North and South - This work consisted of placing black dirt around both Babe Ruth fields to minimize the wash out of the red warning track mixture. **Cost - \$6,923.00**

Downspouts and Temp Retaining Wall - This work consisted of redirecting the downspouts for the maintenance building into the storm sewer and constructing a temporary retaining wall to hold the stone was the west garage door in place. This work was required due to the need to move the maintenance building because of the conflict with the gas main. **Cost - \$5,190.00**

Batting Cage Prep - This work consisted of placing and grading stone for the batting cages. **Cost \$3,531.60**

Phase 1 Softball Work - This work consisted of providing additional grading outside of the Phase 1 Softball Fields in order to correct the existing drainage. All work completed within the ball fields was completed by the ball field contractor at no cost. **Cost \$31,335.93**

Rough Grading and Storm Sewer - This work consisted in the addition of grading to enable Gariup to place sidewalk and curb in the vicinity of the new parking lot. This also included some modifications to the sewers in this area. **Cost \$17,308**

Extension of Existing Line Items – Prior to commencing with Phase IV of the construction at Community Park, there was an extension of \$280,000. There were a few items that were underestimated. After completion of this work, there were additional amounts of the following line items - Excavation Common, Fence Removal, Exploratory Excavation, Structure Backfill, Temporary Silt Fence, 12" Storm Sewer, Catch Basin 2' Dia., 8" Sanitary Sewer, Cut to Fill, and Topsoil Respread. **Cost \$93,286.58**

Total of Extensions – Contract Extension #9 - \$166,794.27

| | |
|---------------------------------------|------------------|
| Original Contract Sum: | \$833,372.21 |
| Approved Extensions to Date | \$1,036,051.02 |
| Current Adjusted Contract | \$1,869,423.23 |
| Total of Changes per Extension #9 | \$166,794.27 |
| Revised Contract Sum | \$2,036,217.50 |
| Work Completed to Date | \$2,036,217.50 |

Very truly yours,

ROBINSON ENGINEERING, LTD.



Joseph Nordman, P.E.
Senior Project Manager
Jmn/pc

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**MUNSTER BOARD OF PARKS AND RECREATION
REGULAR MEETING
TUESDAY, April 21, 2015
MUNSTER TOWN HALL - CONFERENCE ROOM 'A'
7:00 P.M. – Regular Meeting**

MINUTES

I. CALL TO ORDER

The meeting was called to order by Vice President Dan Repay at 7:00 p.m.

Park Board Members present: Dan Repay, Vice President; Dave Cerven, Secretary; Mike Sowards, Board Member; John Friend, School Board Liaison; Dave Nellans, Town Council Liaison. Absent: Marcus Olsen, President.

Town Staff Present: Dustin Anderson, Town Manager; Greg Vitale, Director of Parks and Recreation; Barb Holajter, Superintendent of Recreation; Jerry Rosko, Superintendent of Parks; Rod Potts, Maintenance Manager; Mike Airolti, Golf Superintendent; Jessica DeGiulio, Food Service Manager, Janice Uram, Administrative Assistant.

II. PUBLIC INPUT

Lou Carbonare, 207 Salisbury Dr.

Mr. Carbonare voiced concerns about the Babe Ruth fields being ready for opening day.

III. ADMINISTRATIVE MATTERS

A. Approval of Park Board Minutes

March 17, 2015, and April 7, 2015

Dan Repay made a motion to approve the minutes. The motion was seconded and passed 4-0.

The Town Manager advised the Board that the Town would like to establish a single cost for a violation regardless of the location. The current fine for parking violations in the municipal parks is \$500.00, an amount that has only been collected 10 times in the past 3 years.

The Town Manager moved to recommend the Park Board amend Ordinance 34-81: Park Ordinance Violation to a \$50.00 fine, establishing a single fine of \$50.00.

John Friend made a motion to approve amending Ordinance 34-81 to a \$50.00 fine. The motion was seconded and passed 4-0.

B. Confirmation of Park Vouchers

| | |
|---|-------------|
| Park Vouchers Confirmed Register #15-4C: Totaling - | \$55,213.56 |
| Fund 204 Park & Recreation | |

| | | |
|---|--|-------------|
| | (employee payroll \$14,606.63 + \$40,606.93) | \$55,213.56 |
| Park Vouchers Confirmed Register #15-4D: Totaling - | | \$645.92 |
| Fund 204 Park & Recreation | | \$645.92 |
| Park Vouchers Approved Register #15-4E | | \$29,594.97 |
| Fund 204 Parks & Recreation | | \$28,457.47 |
| Fund 419 Park Board Proceeds | | \$1,137.50 |

Dan Repay questioned the status of the Manor acquisition. The Director of Parks and Recreation will follow-up with the Contractor and Attorney Feingold.

Dave Nellans informed the Board that the removal of the Obelisk was discussed at the recent Civic Foundation meeting. The Foundation will get hard quotes on repair, replacement and moving the Obelisk, the flag and the time capsule. The Civic Foundation determined this not a project They can fund by themselves, and they will seek a sponsor to help with the cost. The Foundation may come back to The Park Board for funding.

Dave Cerven made the motion to approve the vouchers. The motion was seconded and passed 4-0.

C. Reports

1. Park & Recreation Department Report

The Director of Parks and Recreation discussed the Park Board Report. He pointed out the new logo for River's Edge, that the golf course had a record couple of months, and the underwater video of the egg hunt that was posted was a big hit.

2. Energy Systems Group – Mar/Apr. 2015 Reports

3. Board Information

The Director of Parks and Recreation highlighted a thank you email from a resident.

D. Items for Discussion/Action

1. Park and Recreation Repair & Replacement Schedule

The Director of Parks and Recreation presented to the Board the Parks and Recreation Repair and Replacement Schedule. He acknowledged to the Board the contribution and hard work the Department as whole put into the report. The Director explained to the Board that the schedule is a proposed Plan of Action that needs to be in place now for the future approximately \$1.9 million bond issue, and what can and will affect where the money goes. He discussed the photos included in the schedule with the Board and directed them to the spreadsheet at the end of the schedule detailing the proposed repairs and replacements.

2. Contract extension for Community Park underground

The Director of Parks and Recreation presented the Community Park Phase IV Contract Extension to The Board for review and questions. Dan Repay had questions about the General Contractor, the original bid, the amount owed, and why the contract extension. The Board requested that Joe Nordman from Robinson Engineering come to the next board meeting.

3. Resolution 2015-01 Summer Recreation Guide, and Enrichment program fees

The Superintendent of Recreation advised the Board that the Summer programs and fees are in place. She explained some of the scheduling scenarios are still being worked out due to the schools closing on Friday's during the Summer. The Superintendent of Recreation said the Department continues to input data and work toward going live with Activenet.

Dave Cerven motioned to approve Board of Parks and Recreation Resolution 2015-01 Amending Schedule A, Non-Certified portion of the Municipal Code, amending fees, charges and violations. The motion was seconded and passed 3-0.

IV. ADJOURNMENT

Next Park Board meeting – Tuesday, May 5, 2015, 12:00 p.m., at Centennial Clubhouse
Next Regular Park Board meeting – Tuesday, May 19, 2015, 7:00 p.m., at Town Hall

Dan Repay motioned to adjourn the meeting at 8:15 p.m. The motion was seconded and passed 3-0.

Park Board Secretary

Date

Director of Parks and Recreation/Park Board President

Date

MEMO

To: Park Board

From: Greg Vitale, Director of Parks and Recreation

Date: April 21, 2015

Re: Community Park Phase IV – Olthoff, Inc.

It has brought to my attention that a substantial amount of the work at Community Park by Olthoff, Inc. in the amount of \$166,794.27 was being performed as a result of a change order that was never officially approved by the park board or the town council. According to the Project Manager from Robinson Engineering, the approval was lost in the mix last summer at approximately the same time that the previous administration was leaving their positions. When asked for clarification, the Project Manager told me that he had numerous conversations with the previous administration about the work and was told to go ahead with it. He assumed that the changes would be approved, but the approval process never took place. Although the work has been performed, the contract extension process is now in my hands. Furthermore, since the work has been completed, Olthoff is seeking their payment.

I have met with the Town Manager about the situation and we feel that the board and council should be aware of this situation. The contract extension documents are attached for your review and questions.



At Your Service

May 1, 2015

Mr. Todd Caldwell
Director, Cities & Towns, et al.
Indiana State Board of Accounts
302 West Washington Street, Room E-418
Indianapolis, Indiana 46204-2765

Dear Mr. Caldwell:

The Munster Clerk-Treasurer's Office has been informed by the Munster Park & Recreation Department that change orders against a competitively bid contract for improvements to Community Park have resulted in exceeding the original contract amount by more than twenty percent.

On September 7, 2011, the Munster Redevelopment Commission awarded a contract in the amount of \$833,372.21 to Olthoff, Inc. of Chicago Heights, Illinois (the lowest responsive and responsible bidder among seven bidders) for infrastructure work at Community Park including installation of storm sewers, sanitary and water main extensions, removal of tennis courts, and excavation for a pond. The project was to be funded through the Town's TIF Allocation Fund 471. Work proceeded and a series of change orders was approved initially by the Redevelopment Commission and later by the Munster Park Board following a decision to fund Community Park improvements through the proceeds of Park District Bonds.

To date, expenditures against the Olthoff contract total \$2,014,063.90. The Clerk-Treasurer's Office is now in the process of determining whether the change orders were issued as a result of circumstances that could not have been reasonably foreseen. We believe it is necessary to report this matter to the State Board of Accounts at our earliest opportunity as we continue our inquiries. We note that Town personnel who were in a position to be knowledgeable of or responsible for the change orders are no longer in the employ of the Town of Munster.

We anticipate reviewing this matter with State Board of Accounts personnel during our next audit or examination.

Sincerely,

David F. Shafer, IAMC, MMC, CMO
Clerk-Treasurer, Town of Munster

cc: Munster Town Manager
Munster Director of Parks & Recreation



**MUNSTER BOARD OF PARKS AND RECREATION
REGULAR MEETING
TUESDAY, MAY 19, 2015
Munster Town Hall, conference Room A
7:00 PM Regular Meeting**

MINUTES

1. CALL TO ORDER

The meeting was call to order by Vice President Dan Repay at 7:00 p.m.

Park board members present: Dan Repay, Vice President; Mike Sowards, Board Member; John Friend, School Board Liaison; and Dave Nellans, Town Council Liaison. Absent: Marcus Olsen, President and Dave Cerven, Secretary.

Town Staff Present: Greg Vitale, Director of Parks and Recreation; Barb Holajter, Superintendent of Recreation; Jerry Rosko, Superintendent of Parks, and Janice Uram, Administrative Assistant.

2. PUBLIC INPUT

Ron Johnson, 8144 Hohman Ave.

Mr. Johnson had questions about the proposed park bond issue.

3. ADMINISTRATIVE MATTERS

a. Approval of Park Board Minutes

April 21, 2015

Dan Repay motioned to approve the minutes. The motion was seconded and passed 3-0.

b. Confirmation of Park Vouchers

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|---|-------------|
| Park Vouchers Confirmed Register #15-4F: Totaling | \$60,626.82 |
| Fund 204 Parks & Recreation | |
| (Employee payroll \$44,960.00 + \$15,666.27) | |

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|--|--------------|
| Park Vouchers Confirmed Register #15-5B: Totaling: | \$279,699.82 |
| Fund 204 Parks & Recreation | 158,934.18 |
| Fund 312 Park B & I Non-Exempt | 8.06 |
| Fund 419 Park Bond Proceeds | 113,344.44 |
| Fund 770 Park Donation Non-Reverting | |

| | |
|--|-------------|
| Park Vouchers Confirmed Register #15-5C: Totaling: | \$68,064.39 |
| Fund 204 Parks & Recreation | |
| (Employee payroll \$51,852.99 + \$16,211.40) | |

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|--|-------------|
| Park Vouchers Approved Register #15-5A | \$22,935.54 |
| Fund 204 Parks & Recreation | 22,815.91 |
| Fund 770 Park Donation Non-Reverting | 119.63 |
| Park Vouchers Approved Register #15-5D | \$42,548.12 |
| Fund 204 Parks & Recreation | 39,261.12 |
| Fund 419 Park Bond Proceeds | 37.50 |
| Fund 770 Park Donation Non-Reverting | 3,249.50 |

c. Reports

i. Parks and Recreation Department Report

The Board acknowledges the relocation of the Farmer's Market to Town Hall. The Superintendent of Recreation stated that most all vendors were good with the change in venue. The market is more visible at Town Hall and parking was not an issue.

The Director of Parks and Recreation asked board member questions regarding the School Town using community Park as a bus drop off location and potential "walking paths" thru the park and surrounding area. The Director of Parks and Recreation continues to work with the school as this develops.

The Director of Parks and Recreation responded to board member questions about the lights at Community Park being on late, and if they were on a timer. The Director of Parks and Recreation answered that the Babe Ruth Board has access to electronically turn off the lights, and that in the future the lights should not be on after activities are finished.

The Board asked for an end of 2014 year report on the banquets and restaurant and Centennial Park. The Director of Parks and Recreation told the Board that he will have that report available at the next board meeting.

The Board acknowledged the success of the car show based on the thank you emails included in the board packet, and some of the members being present.

- ii. Energy Systems Group – Apr./May, 2015 Reports
- iii. Board Information

4. ITEMS FOR DISCUSSION/ACTION

a. Olthoff Change Order; Joe Nordman, Robinson Engineering

The Director of Parks and Recreation brought to the attention of the Board that the work on Phase IV at Community Park is complete. At issue is a substantial amount of work that was performed as a result of a change order that was never officially approved. The work was subsequently completed

via several contract extensions. The original contract with Olthoff was for approximately \$833,000.00, with the final cost of the project now at about \$2,000,000.00. They are requesting final payment in the amount of \$166,794.00. Joe Nordman was on hand to answer questions and explain the situation from his standpoint. The board questioned if there was any change order documentation supporting the approval of a change order or contract extensions. The Director of Parks and Recreation advised the Board he could not find any. The Director of Parks and Recreation also advised the Board he will keep them informed as the payment process moves along.

b. Proposed Scope of Work for 2015 Park Bond Issue

The Director of Parks and Recreation presented to the Board the Proposed Scope of Work for the 2015 Park Bond Issue. He explained to the Board that Attorney Feingold will be further defining the terms and leave a more open scope for the use of funds. The Board questioned how much of the bond issue is based on the Parks and Recreation 2015 Repair and Replacement Schedule. The Director of Parks and Recreation said that about one-third of the funds pertain to the Repair and Replacement schedule. The Director of Parks and Recreation will keep the Board advised of the calendar for the bond issue.

c. West Lakes Construction

The Director of Parks and Recreation presented three options for the construction at West Lakes, which is mostly about the soccer fields; complete all of the proposed construction, complete half, or do nothing. In the interest of saving some of the money from the bond issue, He recommended to do half of the work, which would be starting at the end of July and include work on the soccer fields.

Dan Repay motioned to approve. The motion was seconded and passed 3-0.

d. Community Park Change Order Approvals - January, 2015

The Board reviewed Community Park Change Order 01, Phase 4 – Bid Package 5 – Ballfields/Irrigation.

Mike Sowards motioned to approve. The motion was seconded and passed 3-0.

e. Kelly Miller Circus

The Board agreed to discuss the circus when all board members were present at the next meeting.

5. ADJOURNMENT

Next Regular Park Board Meeting – Tuesday, June 16, 2015 7:00 p.m. at Town Hall.

Mike Sowards motioned to adjourn. The motion was seconded and approved 3-0.
