

MINUTES
La Porte County Commission & Council Joint Workshop
July 17th, 2023 at 5:30pm

The La Porte County Commission & Council Joint Meeting was held on July 17th, 2023 at 5:30 p.m. (central time) in the Assembly Room of the La Porte County Government Complex, 809 State St., La Porte, IN 46350.

The meeting was led by Commissioner Connie Gramarossa, and the Pledge was led by former Director of Facilities, Larry Levendowski.

Board of Commission President Gramarossa, Board of Commission Vice President Mrozinski, and Commissioner Haney were all physically present for the meeting. Council President Rosenbaum, Councilman Koronka, Councilman Yagelski, Councilman Kiel, Councilman Novak, and Councilman Cunningham were all physically present for the meeting, while Councilman Mollenhauer was absent.

Commissioner Gramarossa noted that the purpose of the meeting was to follow up on the La Porte County Council's six-to-one vote to allow for the funding of special items that needed to be addressed in the Complex Building's flood repairs. These items in particular were mechanical, water piping, residential heat, and HVAC concerns. The Commissioners had previously voted two-to-one to put the items out to bid so public funds could be used in their repairs, however she was concerned that there currently were not enough bids for the projects. Mrs. Gramarossa asked La Porte County Project Management's Project Manager, Andy Skwiat, if he could confirm if he was content with the current bids, or if it was advisable to reach out to more vendors to receive additional bids for the proposed work. She additionally asked Mr. Skwiat to set a date and time for other vendors to be recommended, and an additional date and time to offer a walkthrough of the Complex Building so that additional vendors could view the scope of the work that needed to be done for the project.

Mr. Skwiat informed the room that two bids for the mechanical scope had been received, and explained that when the vendor was eventually selected, their work would need to be performed on a time and material basis with daily reporting to ensure that the work was compliant with Chubb's policy. He added that he was concerned as to what percentage of the work would be covered by the insurance company, and that recouping money from the insurance carrier could be potentially denied if a selected vendor did not abide by the insurance company's strict reporting requirements. Mr. Skwiat confirmed that the insurance company was content with the level of reporting that was being given to them at this time, and reiterated that any vendor selected for the project would need to abide by this regimen.

Mr. Yagelski asked why work on the building had stopped, to which Mrs. Gramarossa explained that this was a result of lack of payment due to the insurance money that had been given to the county being spent, with roughly \$100,000 of the funds remaining. Mr. Yagelski explained that the insurance company had stated that they would not give La Porte County any additional insurance funds until the original amount appropriated to them was spent, and that the remaining \$100,000 would need to be utilized before more funding could be obtained. Mr. Skwiat added that Servpro had stopped work for non-payment, and had outstanding bills in the amount of about \$431,000.

Council Attorney Guy DiMartino clarified that in discussions with Mr. Skwiat, some of the work could not go forward as walls could not be put up until the issues with the pipes were addressed. Mr. Yagelski asked why Servpro was not being paid the remaining \$100,000, which Mr. DiMartino explained that there were currently bills in queue that would expend the remaining \$100,000, and they might not have been dispersed yet. Mr. Yagelski debated that the \$100,000 should be issued to Servpro so they may continue their work on the building's repairs.

Mr. DiMartino took a moment to bring up a recent concern regarding the verbiage of the county's Emergency Reserve Fund, noting specifically that there was a statement in the verbiage indicating that only 10%-15% of the total budget could be directed into an emergency or rainy day fund, whereas La Porte County had directed 50% of its Riverboat Fund into the account, which could potentially make La Porte County non-compliant with state statute.

Mr. Skwiat additionally noted that work in the Complex Building had stopped on the construction side of the project due to concerns about ineffectiveness as a result of non-comprehensive approval of all scopes of the work that needed to be performed simultaneously in order to finalize tasks, which was done to ensure compliance with Chubb. As an example, Mr. DiMartino explained that projects such as installing carpeting would need to be held off until projects like radiant heat were addressed, as doing the carpeting beforehand could ruin the carpet work. He noted that delays in work were ultimately a result of bidding issues, and that the aforementioned approval by the Commissioners only addressed the appointment of La Porte County Project Management as a vendor on the project. He noted that a written scope had not been established for the Complex Building's repair, so an oral scope and an inspection needed to take place to allow potential vendors to understand what work needed to be done in the building so they may appropriately bid on the project.

Mr. Novak stated that the Council and Commissioners needed to give Mr. Skwiat authority to do a verbal presentation of the building instead of doing a scope of the work. Mr. Skwiat recommended not changing the current HVAC vendor as most of the HVAC system had already been removed, and it would be too difficult for a new vendor to get a scope of the work without having seen the previous condition of the HVAC system as the current vendor had. Mr. Koronka asked if the current HVAC vendor had plans or drawings to replicate the previous HVAC system

before it was demolished in order to prevent items such as ducts from being installed where a wall would go as an example, and to allow for a point of reference. Mr. Skwiat answered that only photographs of the demolition work were available for reference for the insurance carrier, as it was more cost efficient for the carrier and timely for the county. Mr. Yagelski asked if profit margins would be the only factor in determining the cost of hiring vendors, as labor and materials would generally cost the same for vendors across the board. Mr. Skwiat noted that efficiency also played a large role in determining the quote that would be offered by a vendor.

Mr. Stabosz asked how a vendor could confidently bid on a project with only an oral scope, or why they would even be willing to bid. Mr. Novak asked if, for the two bids currently received, if the potential vendors were only visually shown what needed to be done before they presented their bids, or if a scope of work was created for the vendors. Mr. Skwiat explained that Mr. Levendowski did a site tour with the bidding vendors, and this is how the bids had been estimated. He added that, with verbal scopes, vendors could bid anything, however if things went wrong on the project, there would be concern on how to hold the vendors accountable and advised that the county hire vendors that they had a history with and were confident in working with. He clarified that it was not unheard of to receive bids for a project with only a verbal scope.

Regarding fixed bidding of a not-to-exceed amount, Mr. Stabosz asked what would need to be done to reconcile the requirement for a bidding process when utilizing public funds for the project when the insurance company required an hourly and a time and materials rate. Mr. DiMartino recommended having a maximum amount set based on time, which the current vendors had already begun establishing with the insurance carrier. Mr. Stabosz asked if doing so would add hourly rates for every employee working on the repairs, which Mr. Skwiat explained that the insurance carrier would need to give their approval for this. Mr. Stabosz additionally asked if a not-to-exceed bid by a vendor would bind the vendor to their bid, which Mr. Skwiat noted that they would not be entirely bound to their bid as the scope of the project was pliable, and were only theoretically “morally” bound to value of their not-to-exceed bid.

For additional HVAC vendors, Mr. Rosenbaum recommended Circle R Mechanical Inc., a company which Mr. Koronka stated he supported as a vendor, in addition to D.A. Dodd. When Mr. Rosenbaum asked that the two vendors be formally reached out to for a bid, Mr. DiMartino explained that the Commission would need to address the recommendations at their next meeting. Mr. Novak recommended reaching out to Tonn and Blank Construction, in addition to Larson-Danielson Construction. Mrs. Gramarossa confirmed with Mr. Skwiat that all the current vendors had their businesses and wages approved by Chubb, and then asked how long the process was to onboard a new vendor with Chubb.

Mr. Haney noted that at the last Commissioners’ Meeting, a motion for La Porte County Project Management to create of scope of work was made, and once the scope was provided, the

project would be put out for quotes. He asked Mr. Skwiat where La Porte County Project Management was in the process of developing this scope. Mr. Skwiat explained that due to the complexity of the work and demolition that had been done so far, he would recommend a walkthrough of the Complex Building in addition with a verbal explanation of the project, as creating a written scope would require lengthy coordination times between architects, maintenance, vendors who were already working on the project, and the departments that normally resided in the building. Mr. Haney asked Mr. Skwiat if, in his working with the current vendors assigned to the project, he had been given any definitive material requirements, such as footage needed for piping, that could be offered to other potential vendors so they may be able to provide an accurate quote to the county. Mr. Skwiat responded that the mechanical scope already stated how many units per floor were required, and added that no piping and valves had yet been removed. Regarding water lines, there was an amount of footage available, however it would be less than expected as the upstairs Sheriff's restrooms, which were previously being considered for replacement, had since been omitted from the repair plans.

Mr. Mrozinski noted his confidence in La Porte County Project Management and Larry Levendowski's work on the project and stated that he felt as though the county created a problem that it didn't need to have by deciding to bid out the project and seek additional vendors, and emphasized the importance of reopening the building as soon as possible, a statement which Mr. Cunningham noted he agreed with. Mr. Haney clarified that Mr. Mrozinski's grievances needed to lay with the state, as the county was trying to remain compliant with state statute.

Mrs. Gramarossa noted that while the proposals given to the Council and Commission did not give a list of materials, it did offer detail on the work that was required within the project.

Regarding fire suppression, Mr. Koronka asked if potential vendors were aware that the scope of work included an inspection of the fire system, as it was different than standard mechanical work. Mr. Skwiat noted that it was his understanding that the sprinkler system on the fifth floor of the building was going to be removed, which would come as a savings to Chubb, while a new and complete fire alarm would be put into the building, including all its floors and the Sheriff's Department and Jail. Mr. DiMartino explained that, in a meeting with Mrs. Gramarossa, Mr. Rosenbaum, Commissioner Attorney Scott Pejic, and Johnson Controls, the county was offered a special rate for the fire system in the amount of roughly \$280,000 by Johnson Controls, with the intent that Johnson Controls be given a contract for maintenance and monitoring. He clarified that while the county was not required by law to give Johnson Controls this contract, a fire suppression system of similar quality would normally cost about \$500,000 to \$600,000, so allowing Johnson Controls to have this contract could be of interest, however if the county did not want to do this, the fire control system purchased from Johnson Controls could be sent back. He continued to explain that floors three, four and five of the Complex Building's fire system would be covered by the insurance company, while the remaining floors would likely not

be covered, as there was a preexisting fire system that would be upgraded. Mr. Rosenbaum added that about two-thirds of the building's fire alarm system was going to be covered by insurance, while the remaining one-third would need to be covered by the county, and that the fire system offered by Johnson Controls was a superior product as it had increased sensors. Mr. Novak explained that the reason that the sprinkler system was being removed was because, in the past, a Sheriff's Deputy used to sleep on the fifth floor, however this was no longer the case, and with that area no longer being considered a residence, the system was no longer required to be there and could be removed.

Mr. Skwiat emphasized that one of the main obstacles in working on the project was the need to have funding to purchase items with long lead times, such as carpet and secure door items, as it could take months to receive the items if they were not ordered soon.

Mr. Stabosz asked if, apart from following state law, the county was getting anything of value that protects the public by abiding by the not-to-exceed bids and hourly rates for vendor employees. Mrs. Gramarossa questioned if these things were covered by the insurance company, while Mr. Skwiat opined that by bringing in other vendors, the only thing that would happen was that jobs and approvals got delayed. He explained that the reason he had selected the vendor Arctic was because they collectively performed plumbing, mechanical, and HVAC work. Mr. DiMartino noted that continuity of the job could be lost when extending to additional vendors, however the issue previously brought up by Mr. Kiel in the past was what the community would think of the county's actions in pre-selecting vendors for county work, noting that other vendors could be potentially "chilled" in doing county work.


Mr. Haney asked if the county was going to solicit quotes from vendors, should the quotes formally be made public, or should the county represent them at another future meeting, to which Mr. DiMartino recommended presenting the quotes at a later date.

Mr. Novak asked if having a construction walkthrough of the building with potential vendors would allow for the county to meet the letter of the law, which Mr. DiMartino stated that he believed the county would be complaint with this. Mr. Pejic commented that, given the unique and complicated situation that La Porte County was in with the building and its repair, that it was feasible that the county would end up paying more money in the end by being compliant with the Public Works Statutes, which went against the intention of the project itself, as it was intended to reduce spending of taxpayer dollars. He noted that he and Mr. DiMartino had reached out to the third adjuster of the insurance company to try and receive more insurance money to continue working on the building, which was his recommendation to retain the project's continuity, however the county would need to work at the insurance company's pace. He added that he had been considering reaching out to legal counsel in Indianapolis so he could meet with the State Board of Accounts' legal counsel to get their approval on how the county wanted to approach the project, especially given the unique situation that the county was in.

Mr. Stabosz asked if there was any precedent in meeting with the State Board of Accounts about dispensation, to which Mr. Pejic clarified that his intent was to get the State Board of Accounts approval on how the county was approaching the project, as in previous talks with the State Board of Accounts, they neither approved nor disapproved of how the county was choosing vendors or going about the project. He assured the room that La Porte County had already been taking steps to show that it was being compliant and within the scope of the law on the project.

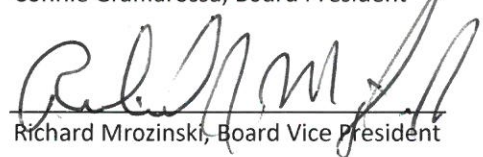
- i. Motion to adjourn made by Mr. Mrozinski and seconded by Mr. Novak.
- ii. All Council Members and Board of Commission Members voted in favor.

Examined & Approved by the La Porte County Council the 28th day of August, 2023, and by the LaPorte County Commission the 6th day of September, 2023.


Mike Rosenbaum, Council President


Connie Gramarossa, Board President



Justin Kiel, Council Vice President


Richard Mrozinski, Board Vice President


Earl Cunningham, Councilman



Joseph Hapey, Board Member


Mike Yagelski, Councilman


Randy Novak, Councilman


Adam Koronka, Councilman


Mike Mollenhauer, Councilman

ATTEST: 
Timothy Stabosz, Auditor