

Finance Committee Meeting June 20, 2012

The **Finance Committee** met June 20, 2012, at 12:00 noon in the City Hall Conference Room. Present were Chairperson Mark Ahner and Committee Members Bill Melnik, Jerry Partridge and Roxanna Brush. Mayor Chris Grenz and Councilperson Sue Galbraith were also in attendance. Also present were Public Utilities Director Allen Kelm, City Planner Dianna Broadie, Fire Chief Dale Berg, Water Treatment Plant/Wastewater Treatment Plant Superintendent Dave Harris, Utility Billing Clerk Diane Schweigert, and Recorder -Deputy City Clerk Linda Wildman.

Request to Forward water/sewer debt to collection

Chairperson Ahner explained water/sewer bills in the amount of \$5,267.39 will be turned over to the City's collection agency.

- * * *Committee Member Melnik moved to recommend to the City Council to approve forwarding \$5,267.39 in water/sewer bills to collection, seconded by Committee Member Partridge. Motion carried unanimously, 4-0.*

Request to waive ambulance bill

Chairperson Ahner asked everyone except the Committee Members, Fire Chief, Recorder and ambulance client to step out of the meeting due to privacy laws. He explained the circumstances per the letter received from patient #12-000344.

Chief Berg explained the history of ambulance bill waivers and how the City provides a process for payment plans with payments as low as \$5.00 to \$10.00 per month. Chairperson pointed out that the City had not made a practice of granting waivers for ambulance bills.

After hearing the client's wife explain their situation, Mayor Grenz volunteered to contribute \$5.00 from his City check every pay period for as long as he was Mayor. He will make arrangements with the Ambulance Billing Clerk.

- * * *Committee Member Partridge moved to let the Mayor, on a monthly basis, pay towards this ambulance bill \$10.00 per month as long as he is in office , seconded by Committee Member Melnik. Motion carried 3-1 with Committee Member Brush opposing.*

Review of Ordinance No. 1243: An Ordinance Amending Ordinance No. 796 to Change the Zoning of Lot 1 Through 8 of Block 11 of the Richland Addition located in Section 26, T8, R47E, M.P.M., Custer County, Montana, From Mobil Home Residential (MH-A) to Light Industrial (LI), and Providing an Effective Date

Thereof.

Planner Dianna Broadie explained this property is outside the City but within the two mile jurisdiction. There was a unanimous decision to approve from the Zoning Commission.

* * *Committee Member Brush moved to recommend to the City Council to approve Ordinance No. 1243, seconded by Committee Member Partridge. Motion carried unanimously, 4-0.*

Review Ordinance No. 1244: An Ordinance Amending Ordinance No. 796 to Change the Zoning of a portion of Tract 2b of Hardesty Tracts located in the SW ¼ of Section 26, T8N, R47E M.P.M., Custer County, Montana, From General Commercial District to Industrial, Providing for a Hearing thereon, and providing an effective date thereof.

Planner Dianna Broadie explained this property is located close to the Opti Blend site that was approved for zone change previously. There was a unanimous decision to approve from the Zoning Commission.

* * *Committee Member Partridge moved to recommend to the City Council to approve Ordinance No. 1244, seconded by Committee Member Melnik. Motion carried unanimously, 4-0.*

Bid Review of Waste Water Treatment Plant Influent Building and Haynes Avenue Lift Station

Chairman Ahner explained that four bids were received and opened at the June 12, 2012 Council Meeting. They were forwarded to Robert Peccia & Associates for it's review. Jackson Contractor Group from Missoula was the apparent low bidder for both Schedule One and Schedule Two in the amount of \$2,533,600.

Utilities Director Allen Kelm explained that Attorney Huss had also reviewed the information. Director Kelm informed the Committee that all bidders had to meet certain qualifications. The contractor had to provide a list of no less than three public works projects that were completed by the bidder that included deep excavation, structural concrete, and de-watering. The bid submittal needed to include the name of the project, a description of the project and an owner reference that is familiar with the bidder's performance. Bidders who did not provide this information will be considered unqualified and may cause the bid to be considered non-responsive. After Robert Peccia and Asso. reviewed the bids, the projects submitted by Jackson Contractor Group did not appear to comply with the requirements outlined in the "Contractor Experience" section of Addendum No. 2. Due to this the engineering firm felt this bid should be considered non-responsive (see attached report from Robert Peccia and Associates).

Bids provided by Dick Anderson Construction for Schedule One in the amount of \$1,181,000 and Williams Brothers Construction for Schedule Two in the amount of \$1,624,000 were reviewed by Robert Peccia and Asso. Robert Peccia and Asso. wrote in it's recommendation that "it appears that the projects comply with the experience required by the contract documents for both Dick Anderson Construction and Williams Brothers Construction.

Director Kelm informed the Committee that an e-mail from City Attorney Huss pointed out that there was "sufficient grounds for the Council to reject the Jackson Group bid as non-responsive to Addendum 2". He also wrote that the Council could waive these deficiencies and whatever decisions the Council makes should be fully documented in the minutes of the meeting at which the decision was made.

Director Kelm is recommending awarding the bid for the Haynes Avenue Lift Station (Schedule One) to Dick Anderson Construction in the amount of \$1,181,000 and awarding the bid for the Influent Building (Schedule Two) to Williams Brothers Construction in the amount of \$1,624,000 per Robert Peccia and Asso.'s recommendation (see attached documentation)

*** Committee Chairman Ahner moved to recommend to the City Council to approve awarding the bid for the Wastewater Treatment Influent Building (Schedule Two) in the amount of \$1,624,000 to Williams Brothers Construction and that Schedule One for the Haynes Avenue Lift Station be awarded to Dick Anderson Construction in the amount of \$1,181,000, for a total of \$2,805,000. Further, we make this recommendation finding that the apparent low bidder of Jackson Group is a non-responsive bidder in regards to Addendum Two projects that have been completed do not meet the specifications of the bid. Seconded by Committee Member Brush. Motion carried unanimously, 4-0.*

Review Resolution No. 3498 to amend 2011-2012 budget to add \$22,000 of revenue to Building Inspector Fund: A Resolution Pursuant to 7-6-4006 of the Montana Code Annotated, Authorizing Amendment of Final Budget for FY 2011-2012 to Appropriate Unanticipated Revenues to Building Inspector Fund No. 2394 for Contracted Professional Services

Chairperson Ahner explained the following budget amendments were needed for the fiscal year 11/12.

*** Committee Member Brush moved to recommend to the City Council to approve Resolution No. 3498, seconded by Committee Member Melnik. Motion carried unanimously, 4-0.*

Review of Resolution No. 3499 to amend 2011-2012 budget to add \$170,000 of revenue to Airport Fund: A Resolution pursuant to 7-6-4006 of MCA Annotated, Authorizing amendment of final budget for FY 2011-2012 to appropriate unanticipated revenues to Airport Fund 5610 for Fuel Supplies

* * *Committee Member Brush moved to recommend to the City Council to approve Resolution No. 3499, seconded by Committee Member Partridge. Motion carried unanimously, 4-0.*

Review of Resolution No. 3500 to amend 2011-2012 budget to add \$1,600 of revenue to Lighting District #165 Fund: A Resolution pursuant to 7-6-4006 of MCA Annotated, Authorizing amendment of final budget for FY 2011-2012 to appropriate unanticipated revenues to Lighting District No. 165 Fund 2400 for Electrical Utilities

* * *Committee Member Brush moved to recommend to the City Council to approve Resolution No. 3500, seconded by Committee Member Melnik. Motion carried unanimously, 4-0.*

Review of Resolution No. 3501 to amend 2011-2012 budget to add \$3,000 of revenue to Library Grant Fund: A Resolution pursuant to 7-6-4006 of MCA Annotated, Authorizing amendment of final budget for FY 2011-2012 to appropriate unanticipated revenues to Library Grant Fund 2880 for Office Supplies and Materials

* * *Committee Member Melnik moved to recommend to the City Council to approve Resolution No. 3501, seconded by Committee Member Partridge. Motion carried unanimously, 4-0.*

Committee Member Partridge expressed concern as to what the City of Miles City is going to do if we get an influx of people coming into the City in the future. Mayor Grenz suggested that the City has adequate water and sewer facilities, Police Department will be staffed at 17 officers, and Fire and Ambulance Services are more than adequate. Mr. Partridge suggested that the Council and Mayor need to provide a united front on the information presented to the citizens concerning their concerns on this issue. Chairperson Ahner informed the Committee that the Montana League of Cities and Towns will be approaching the Legislature concerning monies to help out the cities impacted in Eastern Montana. Mayor Grenz pointed out that he has also been in contact with our Representatives.

Request of Citizens

-None-

There being no further business, the meeting was adjourned at 12:45 p.m.

Finance Committee:

Chairperson Mark Ahner

Respectfully Submitted:

Deputy City Clerk Linda Wildman



June 19, 2012

CIVIL ENGINEERING TRANSPORTATION PLANNING SURVEYING

ROBERT PECCIA & ASSOCIATES

Al Kelm, Public Utilities Director
City of Miles City
17 South 8th Street
Miles City, MT 59301

Re: Miles City Wastewater Award of Schedule One-Haynes Avenue Lift Station and
Award of Schedule Two -New Headworks Building

Dear Al:

Bids for the above referenced projects were received and opened on June 12, 2012. We have reviewed those bids, and are furnishing the accompanying Bid Tabulations. Based on the numbers, the Jackson Contractor Group from Missoula, Montana is the apparent low bidder for both Schedule One and Schedule Two in the amount of \$2,533,600. We have reviewed Jackson's bid, including the following:

Mathematical verification of the bid amounts and totals.

Review of bid forms for proper signature and acknowledgments. No irregularities were noted.

Review of bid bond. Bid bond is attached and signed.

Contractor Experience: The project required that the contractor provide the following as a bid submittal as stated in Addendum #2.

" A list of no less than 3 public works projects that were completed by the bidder that included deep excavations, structural concrete, and de-watering. The bid submittal shall include the name of the project, a description of the project, and an owner reference that is familiar with the bidder's performance. Bidders who do not provide this information will be considered unqualified and may cause the bid to be considered non-responsive."

In this case the apparent low bidder provided three projects:

The first project included construction of a sanitary sewer lift station and some deep sewer main. The Owner of the project is the Ravalli County Economic Development Association. I contacted the reference listed by the bidder with

HDR Engineering. It appears this project was a design-build arrangement completed as a cooperative venture between HDR and Western Excavating. The project included deep excavation and de-watering. However, the Jackson Group had no part in the project as the general contractor or as the subcontractor. Instead, a superintendent who currently works for Jackson, worked for Western Excavating at the time was involved with the project.

The second project provided by the bidder is the Garlington-Lohn-Robinson Law Building in Missoula. I spoke with Doug Maves who was the owner's representative for the law firm during the project. He reported that the building is six-story building in the downtown area of Missoula. The project included shoring and structural concrete. No de-watering was required. Doug reported that they did a good job and managed things well. This was not a "Public Works" project as required.

The third project provided by the Jackson Group is the Community Activity Center at Malmstrom Air Force Base. I spoke with Bill McLaughlin from the base. He indicated that the project was approximately \$8-million dollars and included construction of a large structure. Difficult aspects included driving piers 34-feet deep by auger and pouring grade beams on top of the piers. The project did not include de-watering or shoring. The project went very well and was a success.

Based on the projects submitted, it does not appear that the projects comply with the requirements outlined in the "Contractor Experience" section of Addendum Number 2. Because of this we feel that you have the right to consider the bid from the Jackson Group non-responsive.

Contractor Superintendent Experience: The project required that the contractor provide the following as a bid submittal as stated in Addendum #2.

"The qualifications and experience of the bidder's proposed superintendent that would be on-site during the work. The superintendent shall have a minimum of (3) projects where the individual served as the superintendent on projects that include the above aspects. Bidders who do not provide this information will be considered unqualified and may cause the bid to be considered non-responsive"

It appears that the proposed superintendent would be Keith Ferguson. The projects on his resume appear to reflect the requirements. The provided information states that Keith is the operations manager and oversees all project superintendents. It is unclear to me if the Jackson Group is intending Keith to be on site during the work. I can certainly follow-up if this information is necessary.

Montana Contractor's license number was provided.

If it is determined that the Jackson Group is not a qualified bidder, the subsequent bidders would be Dick Anderson Construction for Schedule One in the amount of \$1,181,000 and Williams Brothers Construction for Schedule Two in the amount of \$1,624,000 for a total of \$2,805,000. We have reviewed the bids from Dick Anderson and Williams Brothers, including the following:

Mathematical verification of the bid amounts and totals.

Review of bid forms for proper signature and acknowledgments. No irregularities were noted with the bid from Dick Anderson Construction. Williams Brothers Construction did not sign the *Certification Regarding Debarment, Suspension, and Other Responsibility Matters* as required in the Instructions To Bidders under 26. **DEBARMENT CERTIFICATION** We believe this to be an oversight on their part, to be considered a minor irregularity. This should not prevent the award of any project assuming that they can sign this form and are not debarred. Should it be necessary, I will contact Williams Brothers regarding the submittal of this form.

Review of bid bond. Bid bond is attached and signed.

Contractor Experience: The project required that the contractor provide the following as a bid submittal as stated in Addendum #2.

" A list of no less than 3 public works projects that were completed by the bidder that included deep excavations, structural concrete, and de-watering. The bid submittal shall include the name of the project, a description of the project, and an owner reference that is familiar with the bidder's performance. Bidders who do not provide this information will be considered unqualified and may cause the bid to be considered non-responsive."

In this case, the bidders included many projects. Below is a summary of the references I contacted:

Dick Anderson included numerous references. I contacted references for projects at the Missoula Wastewater Treatment Plant, City of Hamilton Wastewater Treatment Plant, and the City of Livingston Wastewater Treatment plant. All references were positive and included the required project aspects. The work at the Missoula facility sounded particularly difficult and owner was very happy with Dick Anderson's performance.

Williams Brothers Construction also included many references. I spoke with Dan Harmon of HDR Engineering regarding the recently completed Bozeman Wastewater Treatment Plant. The Bozeman project included a very extensive and elaborate de-watering system. The project went very well and Dan reported that there was a lot of deep excavation and shoring necessary to construct the work. I also spoke with Will Robins from the City of Billings. Will reported that Williams Brothers has recently completed four projects for the city that include shoring, deep excavation, and de-watering. These projects include new headworks at the wastewater treatment plant, a maintenance building at the water treatment plant, "L" intake structure at the water treatment plant, and the UV building at the wastewater treatment plant. RPA has also worked with Williams Brothers on a large project at the Big Springs Fish Hatchery and Blue Water Fish Hatchery that included deep excavations, shoring, and de-watering.

It appears that the projects comply with the experience required by the contract documents for both Dick Anderson Construction and Williams Brothers Construction.

Contractor Superintendent Experience: The project required that the contractor provide the following as a bid submittal in Addendum #2.

"The qualifications and experience of the bidder's proposed superintendent that would be on-site during the work. The superintendent shall have a minimum of (3) projects where the individual served as the superintendent on projects that include the above aspects. Bidders who do not provide this information will be considered unqualified and may cause the bid to be considered non-responsive"

It appears that Dick Anderson's proposed superintendent would be Allen Dreiling or Ron White. The projects on his resume appear to meet the requirements. It appears that Williams Brothers Construction is proposing John McRae as a superintendent. The projects on his resume also appear to meet the requirements.

Montana Contractor's license number was provided.

In summary it appears that the bidder with the lowest numbers, the Jackson Contractor Group, does not meet the experience submittal requirements required in the Contract Documents. This situation should be reviewed carefully by the city and legal advice may be warranted. If it is determined that the Jackson Group is not a qualified bidder, the subsequent bidders would be Dick Anderson Construction for Schedule One and Williams Brothers Construction for Schedule Two. Both Dick Anderson and Williams Brothers appear to be qualified bidders. Please feel free to contact me at (406) 447-5000 with any questions.

Sincerely,
ROBERT PECCIA AND ASSOCIATES

Brad Koenig, P.E.
Project Manager

Enclosures

Allen Kelm

From: George Huss
Sent: Wednesday, June 20, 2012 12:00 PM
To: 'Allen Kelm'
Cc: Jana Mueller
Subject: RE: Wastewater Project Bid Information

AI-

Based upon the information provided by Robert Peccia and Associates letter to you of June 19, 2012. the information provided by the Jackson Group to Addendum 2 is non-responsive in that (1) it only lists 2 "public works" projects, the 3rd project, the GLR Building, was not a public works project, (2) one of the projects listed was not performed by the Jackson Group, but, rather by a person who subsequently became their employee, and (3) the two projects that the Jackson Group performed (GLR and Malmstrom) did not involve de-watering, as specified in Addendum 2.

Addendum 2 required the bidder to also identify its "one-site" supervisor and demonstrate that supervisor's experience in deep excavation. structural concrete and, dewatering. The Jackson Group identified Keith Ferguson, however, their response indicates that he is the overall operations manager and over-sees superintendents on all projects. The Addendum 2 requirement related to the "on-site" supervisor. If the Council contemplates rejecting the bid as non-response to the identification of the on-site supervisor, prior to doing so, RPA should clarify with the Jackson Group whether Keith Ferguson will be "on-site" during the project.

There are sufficient grounds for the Council to reject the Jackson Group bid as non-responsive to Addendum 2 regarding listing of public work project experience that involved deep excavation, structural concrete and, dewatering. In addition, the response as to the "on-site" superintendent may also be non-responsive to the requirements of Addendum A. However, the Council can also waive these deficiencies. Whichever decision the Council makes should be fully documented in the minutes of the meeting at which the decision is made.

w.:JW.,

BROWN AND HUSS, P.C.
507 Pleasant Street
P.O. Box 128
Miles City, Montana 59301 (406) 234-3054
(406) 234-5864 (FAX)
bhpc@midrivers.com