



**TOWN OF MIAMI
Wastewater Advisory Board Meeting
Wastewater Collection System Replacement Project**

THURSDAY, SEPTEMBER 24, 2015 AT 4:00 PM
MIAMI TOWN COUNCIL CHAMBERS
500 W SULLIVAN STREET, MIAMI, ARIZONA 85539

Meeting Minutes

I. Call to Order

Meeting was called to order at 4:00 pm by Jay Spehar.

II. Roll Call

PRESENT: Jay Spehar, Ray Webb, Jerry Barnes

ABSENT: John Trujillo, Rick Powers

III. Approval of Minutes

a. Approval of Minutes from the July 9, 2015 Meeting

- Jerry Barnes motioned to approve the minutes of the July 9, 2015 meeting. Motion was seconded by Ray Webb – All in favor.

IV. New Business

a. Project Status Update

Ron Hilgart provided an update of the project.

- Phase 2 Update:
 - The Phase 2 plans were put out to bid on April 6th, a pre-bid meeting was held on April 23rd, and bids were opened on May 7th. KinKaid Civil Construction was the low bidder. HILGARTWILSON prepared a tabulation of all bids received. HILGARTWILSON also followed USDA guidelines on the vetting process for contractors. All vetting has been completed and the bid tabulation has confirmed Kinkaid is the low bidder. HILGARTWILSON attempted to submit the bid tabulation and bid documents to USDA for approval. However, USDA would not accept the documents due to the Town not having completed certain requirements per the Letter of Conditions for the closing the funding. These

items included several audits. As a result, the project was put on hold while the Town worked on those items required by USDA.

- Per the bid documents, Kincaid's bid was guaranteed for 90 days from the bid date. This bid guarantee period expired on August 10th. Prior to the expiration date, an extension was negotiated with Kinkaid to September 9th. The Town did not complete all required USDA items on time for an award of contract to Kinkaid by September 9th. Kinkaid then agreed to an additional extension at no cost to October 18th. Prior to agreeing to the extension, Kincaid requested a 1 to 2% escalation allowance due to the amount of time that had gone by between the bid and due to the expected increases in cost, in part due to anticipated increased transportation costs with Highway 60 under construction. Ultimately, Kincaid agreed not to pursue the escalation allowance and extended their bid.
- The Town worked diligently on completing the audits and other required items and completed all items on September 21st. Joe Heatherly has an appointment scheduled with Jeff Hooper of USDA on September 29 to walk him through all materials. At that time it is hopeful that USDA will allow the closing to proceed, which will then allow a notice of award to be issued to Kinkaid.
- A detailed bid tabulation for all contractors who bid the project was presented and reviewed. Kinkaid was the low bidder at \$4,668,726 and had no errors within their bid. Jonovich was the second low bidder. Jonovich had minor errors in their bid which did not affect their second-place finish when corrected.
- Jay asked whether or not there is any escalation provision within the bid, and whether or not it is expected that Kinkaid would ask for an escalation allowance if the closing cannot occur before the October 18th date. There is no escalation allowance within the bid. Further, it is not anticipated Kinkaid will ask for an escalation allowance if the closing happens a little after the October 18th date.
- Jerry asked whether or not there was a dewatering allowance. There is not a dewatering allowance, as USDA would not allow it. However, the contractor can get a time extension if they encounter water and decide to wait for the water level to drop.
- Jerry asked whether or not there is a contingency within the bid tabulation. The bid tabulation includes two allowances, one for repairs on the Mackey Camp sewer line (if required), and a second one for unknown underground utility conflicts. The USDA funding will also include a 15% contingency, which is not included within the bid tabulation but is available if necessary.
- A list of all items required by USDA to approve Kincaid was reviewed. It was noted that all the items have been completed, reviewed and are ready to submit once USDA will accept the submittal following the Town's completion of the required items discussed above.
- Ron Hilgart described the general alignment of the Phase 2 sewer line.
- The overall Project's budget was reviewed and shows that the project remains within the original budget as approved in the PER.

b. WWAB Recommendation to Award Phase 2 Contract:

- A motion was made by Jerry Barnes and seconded by Ray Webb to recommend to the Town Council approval of a contract in the amount of \$4,668,726 to Kinkaid Civil Construction for the Phase 2 Improvements, subject to USDA concurrence. All in favor.

c. Payment Applications

- AMEC's pay application in the amount of \$14,635.06 for two months of design, program management, and construction management services was reviewed. \$1,172.52 of this will be paid by WIFA and \$13,462.50 will be paid by USDA. Joe Heatherly stated the Town has reviewed and finds it acceptable. Following discussion regarding costs related to Tri-City negotiations, a motion was made by Ray Webb to recommend to Council the approval of AMEC's pay application in the amount of \$14,635.06 subject to funding agency concurrence. Jerry Barnes seconded the motion. All in favor.
- Curtis, Goodwin, Sullivan, Udall & Schwab's (CGSUS) pay application in the amount of \$9,584.55 for legal services was reviewed. \$1,426.31 of this will be paid by WIFA and \$8,158.24 will be paid by USDA. It was noted that a large portion of the legal fees was for negotiations and review of the IGA with TRSD and that USDA is aware that costs related to these negotiations are being paid by USDA. It was noted that it was difficult to follow the CGSUS invoice. The invoice was reviewed in detail and found to be in order. However, the WWAB asked that future invoices include a summary. Motion was made by Ray Webb to recommend to Council the approval of the CGSUS pay application except specifically excluding any recommendation for charges related to the TRSD IGA and subject to funding agency concurrence. Jerry Barnes seconded the motion. All in favor.

d. Public Comment on the operation, financing, and construction of the sewer project

- Councilman Reiman questioned why there is approximately \$2.1M left from the Phase 1 closing that has not been used. Ron Hilgart stated that the phase 1 closing was not directly related to phase 1 construction, but was rather the first closing for the amount that USDA was willing to fund. It was hoped that Phase 2 could have proceeded earlier or be sub-phased so that the \$2.1M could be used earlier, but USDA specifically asked us not to proceed with sub-phasing of phase 2. You I

V. Adjournment:

- Ray Webb motioned to adjourn the meeting. Second by Jerry Barnes. All in favor. The meeting was adjourned at 5:02 pm.