



TOWN OF MIAMI
Wastewater Advisory Board Meeting
Wastewater Collection System Replacement Project
THURSDAY, FEBRUARY 8, 2018 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 4:12 pm by Jay Spehar.

II. Roll Call

PRESENT: Jay Spehar, Jerry Barnes, Ray Webb (Joined During Meeting), John Trujillo (By Phone)

ABSENT: Don Reiman

III. Approval of Minutes

a. Approval of Minutes from the January 18, 2018 Meeting.

- John Trujillo motioned to approve the minutes of the January 18, 2018 meeting. Motion was seconded by Jerry Barnes – All in favor.

IV. New Business

a. Project Status Update

Mark Ipson with HILGARTWILSON (HW) provided a project update.

- Mark Ipson noted that ProPipe was onsite to conduct additional mandrel testing on four segments of the Phase 2 sewers. Steve Flinn of HILGARTWILSON gave a brief summary of the testing performed and stated that the mandrel got stuck on each segment and that each segment appeared egg-shaped. One particular sewer segment also had a broken wye fitting. Additional discussion was held about how the tests are performed and what type of equipment is typically used.
- Joe Heatherly informed the WWAB that the Town was planning to meet with attorneys to discuss the recent testing results as well as the other issues stemming from Phase 2. Additional discussion was held about potential further testing and about may have led to the sewers becoming egg-shaped. Joe noted that he understood Kinkaid had successfully mandrel and pressure tested the sewers at the time they were installed.
- Mark Ipson gave a brief overview of the preliminary construction schedule. Contractor bids for the Phase 3-5 sewer work have been received and reviewed by HILGARTWILSON. Based on the bid review, HILGARTWILSON is recommending that the WWAB recommend approval to Town Council of a contract with KE&G Construction.

The Town Council would then consider the contract at its next regular meeting on February 12. The schedule to issue the notice to proceed and start construction is tentative, and depends on USDA's review and approval of the bid. Additional discussion was held regarding the remaining schedule. It was noted that although the construction schedule is aggressive, the contractors were aware of this timeline when preparing their bids.

- At this point in the meeting, Board Member Ray Webb joined the WWAB meeting in person and Board Member John Trujillo, who was on the phone, left the meeting after Mr. Webb joined, thereby ensuring a quorum was present for the entire meeting.
- Mark Ipson provided a summary of the bid review for the Phase 3-5 sewer work. The Town received four bids: Jonovich (\$12,149,641.35), Achen-Gardner (\$12,595,288.00), KE&G (\$10,447,648.00) and Redpoint (\$11,484,932.00). Mr. Ipson noted that the math for the all bids added up correctly with the exception of Achen-Gardner, who miscalculated the total cost for one particular line item. This miscalculation resulted in an increase in Achen-Gardner's bid amount by over \$1,000. However, this did not affect the bid results since Achen-Gardner was the high bidder. Additional discussion was held about the contractor bid tabulation, the bid review process, and HILGARTWILSON's findings and recommendations regarding KE&G Construction.
- Mark Ipson provided a funding summary of the Phase 3-5 sewer work. The total funding that the Town has through USDA's grants and loans is approximately \$24.8 million. As of January 2018, the total soft costs and construction costs for the entire sewer replacement project to date total approximately \$5.9 million and \$6.5 million, respectively. When considering anticipated future costs, contingency, and ADEQ approval, the total cost of the project is expected to be approximately \$24.3 million, leaving approximately \$0.54 million of available funds for other project-related expenses including contingency, Phase 2 trench settlement issues, and other possible costs. Discussion was held regarding the other anticipated future costs for Phase 3-5 and the best way to display the contingency amounts.
- Mark Ipson noted that as the Phase 3-5 sewer work progresses into the construction stage, the project updates for the WWAB will be given by HILGARTWILSON's Construction Management team, which includes Rick Hurula, Steve Flinn, and Rick Powers.

b. Contractor Recommendation for Wastewater System Improvements – Phases 3-5

- Mark Ipson explained that the contract documents for the Phase 3-5 work include specific qualifications that the bidding contractors must meet. HILGARTWILSON reviewed the bid package submitted by KE&G Construction, who was the lowest bidder, and confirmed they meet the qualifications listed in the contract documents. HILGARTWILSON also confirmed that KE&G's representative projects are applicable to the Miami project and that said projects were successful. HILGARTWILSON also followed up with KE&G's references, as well as others in the industry that have worked with KE&G. Following HILGARTWILSON's review, they submitted a draft recommendation package to USDA, who provided only a couple minor comments and indicated the final recommendation package can be submitted once the meeting minutes from the governing authority's (Town Council's) approval are available. KE&G was found to be a responsible bidder and qualified to perform the Phase 3-5 work. Additional discussion was held regarding KE&G's references, comparable projects, and what the next steps would be pending the WWAB, Town Council, and USDA approval of the contractor and bid amount. A motion was made by Jerry Barnes to recommend to

Council the approval of a contract with KE&G Construction in the amount of \$10,447,648.00, subject to funding agency concurrence, for Phases 3-5 of the Miami Wastewater Collection System Improvements Project. Ray Webb seconded the motion. All in favor.

c. Payment Applications

- Town of Miami's payment application in the amount of \$8,805.01 for project-related expenses was reviewed and discussed. Joe Heatherly explained that most of the expenses are for internal labor stemming from easement coordination and other miscellaneous project expenses. A motion was made by Ray Webb to recommend to Council the approval of the Town of Miami payment application in the amount of \$8,805.01, 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

- No public comments were given.

V. Adjournment:

- Jerry Barnes motioned to adjourn the meeting. Seconded by Ray Webb. All in favor. The meeting was adjourned at 5:00 pm.