Official Proceedings of the Stutsman County Commission – August 9th, 2013

At 8:00 a.m., Chairman Mark Klose called the special meeting of the Stutsman County Commission meeting to order. Present were Denny Ova, Dale Marks, David Schwartz, Craig Neys, and Mark T. Klose answered the roll call.

One bid was received for the 6.253 mile segment of County Highway 40. The bid was from Border States Paving Inc. for $1,978,779.54 for the base bid and $2,213,328.54 for the base bid plus the alternative which is a polymer modified coating. The polymer modified coating prevents less cracking over a longer period of time. The funding the county has secured so far fell short of the alternate bid; however the county would have sufficient funding if the private contributions come through to proceed with the base bid. The county has received letters of intent for private funding contributions from Gayne Gasal for the amount between $50,000 to $100,000, Frey Incorporated in the amount of $5000, and Cargill in the amount of $45,000 in the amount of $15,000 increments over three years. It is the intent of the county to request $75,000 from Spiritwood Township. The county has received a verbal commitment from another organization of $250,000 in the amount of $50,000 increments over five years. The county would receive a total of $425,000 to $475,000. The county does have $1.6 million of the senate bill money the county would contribute to the project. Schwartz made a motion, seconded by Marks to award the base bid of $1,978,779.54 to Border States contingent upon receiving all of the verbal and written private contribution commitments. Roll call vote: Ova, Marks, Schwartz, Neys, Klose voted aye. Commissioner Schwartz extended a thank you to all of the people who contributed to this project.

Four bids were received for the 2013-01 Special Improvement Paving District. They were from Lindberg Brothers Inc. in the amount of $5,125,491.88, Northern Improvement Co. in the amount of $5,475,633.23, J.M. Marschuetz Construction Co. in the amount of $6,037,869.65, and Strata Corporation in the amount of $6,070,066.30.

Daren Peterka, Interstate Engineering, informed the commissioners the two low bidders were asked to provide additional information regarding the following items:

(1) Identify subcontractors that would be completing items totaling greater than ten percent of the total contract, a description of their tasks and number of personnel that would be dedicated to the project for the subcontractors and prime contractor.
(2) Rough proposed schedule – specifically identifying if the grading and aggregate surfacing would be completed by November 15, 2013.
(3) List three similar concrete surfacing projects completed in the past.

The responses from the contractors are as follows:

(1) Both identified the only major subcontractor would complete the grading, culverts, and aggregate surfacing;
(2) Both indicated they expected the grading and aggregate surfacing would be completed by November 15, 2013;
(3) Lindberg Brothers – have completed urban concrete paving jobs in the past but have not completed a “mainline” paving project similar to this project. Lindberg also provided documentation they are prequalified as a “Urban PCC Pavement” contractor with the NDDOT prequalification system.
(4) Northern Improvement – have completed similar “mainline” paving projects and provided examples of 5.15 mile, 11.49 mile, and 12.89 mile projects for the NDDOT.

Section 226-2 of the specifications does indicate the contractor shall not award work to subcontractors in excess of 50% of the contract price without prior written approval of the owner. Conversations with Lindberg indicate they were planning to subcontract approximately 52% of the work. Lindberg Brothers did not request prior written approval to waive this requirement. It is suggested to contact the State’s Attorney on this issue. Northern indicated they would be close to subcontracting 50% of the project but guaranteed at least 50% would be complete by their forces, if required.

It is of the opinion of Daren Peterka, in reviewing the information, conversations with the contractors and general knowledge of the contractors, it appears each has completed due

diligence in the assembly of the bid prices and assessment of the job requirements. The two low bidders were competitive in general (approximately 16% difference) and extremely close for the two major bid items of trimming and concrete pavement (less than 0.4% difference). The majority of the differences between the two low bidders are included in two bid items: salvaged aggregate base and mobilizations (totaling a difference of $310,272.20). There are concerns with the inexperience of the apparent low bidder for the type of paving that is necessary on this project. Lindberg indicated they own appropriate equipment to complete the project had have planned for appropriate staffing, they do recognize they do not have specific "mainline" paving experience. Lindberg Brothers do have years of completing concrete surfacing projects but not "mainline" paving type which is necessary for this particular project. Lindberg Brothers website indicates they have completed projects up to approximately three million dollars and their typical comfort level is under 2.5 million dollar projects.

It is of the opinion of Interstate Engineering that the issue of no experience for this type of paving and the indication they apparently have not completed a project with total cost comparable to their bid for this project are reasonable considerations for rejecting the Lindberg Brothers bid.

It is Interstate Engineering's recommendation if the county wishes to make the award of the projects without rejecting the Lindberg bid such is done with the following contingencies (as a minimum):

(1) The award be contingent upon the contractor providing evidence of completing two jobs within 80% of their bid price;
(2) The award is contingent upon the Engineer's visual review of the PCC Pavement equipment to determine appropriate size, nature, and condition of the equipment to perform the required work.

The commissioners requested Casey Bradley, Auditor/COO; to seek the State's Attorney's opinion.

At 8:52 a.m., a motion to adjourn was made by Schwartz, seconded by Neys. Motion Carried.

ATTEST:

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Casey Bradley
Auditor/COO

Mark T. Klose
Commission Chairman