

Granite Oaks Water Users Association
Minutes of Special Board Meeting
Meeting of June 26, 2013

Draft 2
Approved July 24, 2013

BOARD MEMBERS

THOSE PRESENT

Contract Staff

Jim Peoples, President Ken Mino, Vice President John James, Treasurer John Monroe, Secretary Gene Zutell, Director Gerry Tumey, Director Dave Kramer, Director
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Bob Busch, MDI Taxes & Acctg

The meeting was convened at 8:00 am by President Jim Peoples.

Meeting Purpose: Evaluate Bids for Phase 1 of the Capital Improvement Program

Bob introduced Davin Benner to the Board. Davin noted that there is a \$27,000 spread among the bids- about 60% of the lowest bid. GBE has discussed the location of the line with all the contractors. It is a tight fit through the corridor. Since the bids amount for water are less than \$50,000, the work can be done without an ADEQ permit or a County permit. As built drawings, will be required. Approval to Construct or Approval to Operate certificates are not required. Davin stated he is familiar with all the firms, he has worked with all of them and feels they are all reputable. Timing is important for some of the firms, as they have other work scheduled.

Bob inquired about the \$50,000 threshold, and whether that would eliminate the Fann bid of \$70,000. Davin clarified that the threshold applies to "water system improvements" and since there is a \$10,000 contingency, mobilization and other non-water work in the bid, their bid would also fall within the threshold.

There was some discussion about the high bid from Fann Construction. They are the big firm in this area, and according to Davin, it is not unusual for them to be high on small projects. They are more competitive on the big jobs. Ken Mino commented that it might be more of a courtesy bid.

There was discussion about the \$10,000 contingency included in all the bids. Davin explained that all contractors were instructed to include it. The contract would be for the full bid amount and the contingency would only be billed if it were necessary to use it.

Jim Peoples asked about the new water service included in the bids. Davin explained that the current service for the Christopher property is served off the transmission line from the wells, rather than from the distribution line from the pump station. Generally, this is not a good idea. Most services are connected to the distribution side of the system.

Ken Mino observed that the Watkins bid compared very closely to Granite Basins original estimate. He noted that the contractor has a Phoenix address. Davin commented that Watkins has been operating in Phoenix for awhile during the economic downturn, but that he is a Prescott native and thought that he is in the process of moving back to Prescott. Ken noted that the cost breakout for the 8" line was the big difference for T&H. His breakout for the line is \$10,000 under the GBE estimate. Davin commented that maybe the contractor chose to bid low, in order to get the Phase 1 work and be in a better position for later work. He felt that the nature of the bid package protected the Association from a low bidder getting a job and making it up on change orders.

There was some discussion about the bid from Watkins. Geri Tumey said she was familiar with the company, as Watkins had built a number of homes. Ken Mino said he was impressed with the bid package, noting that it was very close to the Granite Basin estimate.

Jim Peoples asked whether the Board wanted to interview any of the contractors. There was some discussion about who would be interviewed and what questions would be asked of the contractor. No consensus was reached.

Ken Mino suggested that the top and bottom bids be eliminated. Jim Peoples commented that there seemed to be a difference of opinions about which contractors to talk with and suggested that was the first decision to make.

Motion: Gene Zutell moved that the high and low bids be thrown out. Ken Mino seconded. Motion carried.

There was continued discussion about throwing out bids. Dave Kramer noted that he has gotten lots of business by being the low bidder. There was further discussion about the previous motion and vote.

Gene Zutell restated his motion to throw out the high and low bids. Geri Tumey seconded. Jim Peoples asked for a show of hands for and against. Jim Peoples, Gene Zutell, Ken Mino and Geri Tumey voted in favor, John James, Dave Kramer and John Monroe opposed. Motion carried.

Jim Peoples then asked if meetings should be set up with the remaining two contractors: Watkins and Norco. Geri Tumey noted that the completion date on the Norco bid was September 15th, which is later than Watkins.

Jim Peoples stated that several of the members feel comfortable with Watkins and he would entertain a motion to award the contract to Watkins. After some discussion about the details of the remaining two bids:

Motion: Ken Mino moved that the contract be awarded to Watkins. John James seconded. Following some discussion about line item breakdown between Norco and Watkins, the motion was carried unanimously.

Bob suggested that a motion be made to authorize signing of the contract.

Jim Peoples asked for a motion.

Motion: Ken Mino moved to authorize the president to sign the contract. Gene Zutell seconded. Motion carried unanimously.

Bob suggested that the Board consider the matter of construction administration, since that is not covered by the current GBE contract.

Some discussion ensued about whether to have GBE submit and estimate or to do it hourly.

Motion: Dave Kramer moved to retain GBE for construction administration on an hourly basis. Ken Mino seconded. Davin Benner stated that his time is billed at \$125.00/hour. Construction Inspector is \$90.00 or \$95.00 per hour.

There followed some discussion about the upcoming election and candidates for the election

There being no further business to discuss, Jim People called for a motion to adjourn.

Motion: Gene Zutell moved to adjourn. Ken Mino seconded. Motion Carried.

Meeting was adjourned at approximately 9:30 am.

Next meeting: Wednesday, July 24, 2013, 8:00am – Post Oak Site.

Attachments: Bid Forms: Fann Environmental, Norco, Watkins/Mendoza, T&H Construction

Minutes transcribed by Bob Busch

Submitted By:

Secretary