



Legislation Text

File #: 23-1426, **Version:** 1

FINANCIAL BUSINESS REQUEST (FBR)

Motion/Request:

MOTION to grant a Bid Waiver to STV Construction Inc. not to exceed \$91,496 due to receiving fewer than the required three bids in response to Bid #LPS 23-01 (*Owner's Representative Services for Select Capital Projects*), in accordance with Ordinance #200-001 (rev 1) "*An Ordinance for Purchasing*".

Background:

The PMBC via the Board of Education issued an RFQ/RFP for Owner's Representative Services for Select Capital Projects on January 13, 2023. There were only two respondents to the RFQ/RFP. Respondents were as follows:

Collier's Project Leaders submitted a price proposal of \$63,301.

STV Construction submitted an original price proposal of \$141,470.

Both firms were interviewed by the PMBC.

STV Construction Inc was afforded the opportunity to revise their proposal on several occasions. The original pricing proposal was initially reduced to \$134,092. After further discussion, the proposal was reduced to \$116,518. Further discussions were had and a final proposal of \$91,496 was submitted.

Collier's Project Leaders was not contacted after their original interview with the Committee.

Department Comment/Recommendation:

Finance Director Comment/Recommendation:

Mayor Comment/Recommendation:

Meeting Action Detail .

Meeting Action Detail:

Finance Committee Meeting 05/03/2023:

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Action: Remove from Agenda (Withdrawn)

Minute Note:

Finance Director Matthew Bonin stated the Permanent Municipal Building Committee (PMBC) met on May 1, 2023 and decided to update the bid specifications to include the full scope of work and to rebid the "*Owner's Representative Services for Select Capital Projects*".

The Finance Committee noted that they were pleased with the PMBC's decision to rebid the work, noting the importance to have a fair and equitable process; and that rebidding the work was the right process.

The Committee agreed by consensus to remove the bid waiver request regarding the work for the "*Owner's Representative Services for Select Capital Projects*" from their Agenda.

Action: Remove from Agenda (Withdrawn)

Finance Committee Meeting 04/19/2023:

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Action: No Action

Minute Note:

No Action.

Councilor Saums noted this item was withdrawn at the Finance Committee's April 5, 2023 meeting for the

Permanent Municipal Building Committee (PMBC) to obtain more information. He stated the PMBC was not ready for the Finance Committee to act on this request tonight.

Action: No Action

Finance Committee Meeting 04/5/2023:

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Moved: Ingalls

Seconded: Saums

Action: Withdrawn

Minute Note:

Moved by Councilor Ingalls, seconded by Councilor Saums

Discussion: Councilor Saums explained when the town received fewer than the required three bids that a bid waiver was required. He stated in response to Bid #LPS 23-01 (Owner's Representative Services for Select Capital Projects) that only two bids were received. However, he stated that he had some questions regarding the process, noting that the PMBC has requested a bid waiver for STV Construction, Inc., whose original bid came in at \$141,470; but after several meetings the price was negotiated down to \$91,496. However, he stated the original proposal submitted by other Bidder, Colliers Project Leaders, came in at \$63,301, but the PMBC did not negotiate with that Firm.

Councilor Saums went to state that although they had the right to select the best value for the taxpayer, and not necessarily the lowest cost, that he had concerns with the mechanics of negotiating with the highest bidder, but not also negotiating the lowest bidder. He stated when this has happened in the past the Finance Committee has rejected the request for the bid waiver because they had only negotiated with one of the bidders.

Mr. Gary Schneider, Permanent Municipal Building Committee (PMBC) Chairman, 101 Inchcliffe Drive, Gales Ferry, stated the PMBC via the Board of Education issued an RFQ/RFP for the "*Owner's Representative Services for Select Capital Projects*" on January 13, 2023 for the Board of Education Roof Replacement Projects for the Central Office and the Juliet W. Long School. He explained the RFQ was a two-part request: (Part A) Qualifications; and (Part B) Dollar Value. He stated the dollar value part was kept in a sealed envelope that was held by Board of Education Director of Facilities and Grounds Wayne Donaldson.

Mr. Schneider stated the PMBC interviewed both Firms noting that they were both very qualified. He stated during the interviews the PMBC discussed with both Firms what their process/procedure would be; and he noted the following:

STV Construction, Inc. - Mr. Schneider stated STV Construction, Inc., was willing and included in their proposal having a full-time inspector on-site while the roof was being installed, noting that the roof was the most valuable piece of the building envelope.

Collier's Project Leaders - Mr. Schneider stated Colliers Projects Leaders stated that since they knew both of the roofing contractors, and because they knew that both of the contractors were good, that their process would be to have a person drive/stop by to see that they were starting the work right, and then leave, noting that Colliers proposal included 2 - 4 hours of an inspector on each of the roof projects.

Mr. Schneider went on to state because they had issues with the roofs for the Schools Consolidation/Improvement Projects (Middle School & Gallup Hill School) that the PMBC was not comfortable with Colliers Project Leaders approach. He stated the PMBC did ask Colliers what the cost would be to have a full-time inspector on the roofs. However, he stated Colliers's response was that a full-time inspector on the roofs was not needed and that they would not recommend it, and it was left it at that.

Mr. Schneider stated based on the interviews and not knowing the bid proposal prices, because they were in sealed envelopes, that the PMBC selected STV Construction, Inc. He stated the proposals were as follows:

- Collier's Project Leaders \$63,301
- STV Construction, Inc. \$141,470

Mr. Schneider stated because the PMBC thought \$141,470 was high they authorized Board of Education Director of Facilities and Grounds Wayne Donaldson to invite STV Construction, Inc., back. He stated they had a good discussion, noting that the PMBC told STV Construction, Inc., that they did not think they needed the added expense of having their Project Manager on-site, and so they came back with a lower price. He stated that the PMBC asked Mr. Donaldson to go back one more time to STV Construction, Inc., to ask what their price would be to have an inspector on the job full-time while the roofer was there, and having the Project Manger provide oversight to make sure the paperwork was correct. He stated STV Construction, Inc., came back with the \$91,496 proposal, which was higher than Colliers Project Leaders' proposal. However, he stated the STV Construction's, Inc., proposal included having the inspector on the job full-time.

Mr. Schneider went on to state that the PMBC was comfortable with how STV Construction, Inc., was going to move thru the projects, noting that the town would only be billed for the hours that the roofers were on the job. He stated the PMBC also asked Board of Education Director of Facilities and Grounds Wayne Donaldson to monitor the projects, monitor the time the roofers were on the job, and to work with the Firm to ensure they used the minimum amount of hours to do a good job in completing the projects.

Mr. Schneider stated to get an idea of what Colliers Project Leaders proposal would have been if they added a full-time inspector to their cost that he doubled their price for the 2-4 hours (8-hours) which came out to a little more than STV Construction Inc., proposal, noting that the two proposals would be about the same.

Mr. Schneider continued by addressing the cost for the Architect to watch the instruction portion of the project and to handle the paperwork for the roof projects. He stated although the Architect would have to be on-site to

verify that the work was being done to the specifications, that they did not want to have duplicate inspections. Therefore, he explained by having a full-time inspector on-site that it would be less time that the Architect would need to be on-site minimizing the cost for the Architect. He stated that they have not solicited bids for the Architect work yet.

Mr. Schneider stated the PMBC believed that they gave Colliers Project Leaders every opportunity to come back with another price. He concluded his comments by stating that the PMBC selected STV Construction, Inc., based on all the reasons he explained this evening.

Councilor Saums stated that this was an interesting case noting that with the Schools Consolidation/Improvement Projects (Middle School & Gallup Hill School) they learned that the town should have had some professional oversight. Therefore, he stated for the Board of Education's Roof Replacement Projects they were looking to hire a company to oversee the contractor. However, he stated what makes this interesting was the following:

- Colliers Project Leaders - Councilor Saums stated Colliers was the Firm that was looking over the work that was done by O&G Industries on the Schools Consolidation/Improvement Projects (Middle School & Gallup Hill School) to close out the Projects in preparation for the State's Audit as it pertained to receiving the Grant Reimbursement Funding. Councilor Saums stated Colliers Project Leaders was doing a good job for the town, noting that they were finding the errors that were made by not having a Project Manager on-site. He stated Colliers Project Leaders work was known by the town; however, they were not specifically asked to come back with a second or third proposal, as STV Construction, Inc., was. He stated he understands that PMBC Chairman Schneider did the calculation to add a full-time inspector to Colliers Project Leaders' proposed cost.
- STV Construction's, Inc., - Councilor Saums stated their work was not known by the town, but the PMBC asked them to come back with a second and third proposal.

Councilor Saums stated because the proposals were now made public that it would be difficult to ask Colliers Project Leaders to come back with a second price. He stated the process should have been to ask Colliers Project Leaders to provide a second proposal that included a full-time inspector on-site to provide a fair and equitable process. Mr. Schneider acknowledged that Colliers Project Leaders was doing an excellent job with preparing the Schools Consolidation/ Improvement Projects (Middle School & Gallup Hill School) for the State Audit, noting that they know everything about what was required for the filing of State Grants, etc. However, he stated in interviewing the two Firms for the Roof Replacement Projects (Colliers Project Leaders and STV Construction, Inc.) that the PMBC felt that STV Construction interviewed well, and the PMBC was more comfortable with how STV Construction, Inc. was going to manage the roof replacement projects.

Councilor Saums stated his experience with Requests for Proposals (RFP) was that some companies interview well, and some do not interview well; they respond to bids well and they do not respond to bids well; and they do jobs well and they do jobs poorly. Therefore, he stated because the town had experience with using Colliers Project Leaders that he would like to know what their price would be if the town gave them the same requirements to include a full-time inspector to bring the two bid specifications up to the same expectations. Mr. Schneider stated that they could go back to Colliers Project Leaders.

Councilor Ingalls questioned whether the initial Bid Specifications called for a full-time inspector on-site. Mr. Schneider stated in the Requests for Proposals that they were looking for the scope of work that the Firms would provide, stating that he did not believe the Bid #LPS 23-01 (Owner’s Representative Services for Select Capital Projects) was detailed to specifically ask for a full-time inspector. Board of Education Director of Facilities and Grounds Wayne Donaldson stated the LPS Request was not specific and did not call for a full-time inspector on-site. He stated the LPS Request asked for the following:

- Inspect the work
- Attend the Construction Meetings
- Review the Plans
- Follow the Project thru to the State Audit

Mr. Donaldson commented on the issues they had with the new roofs for the Schools Consolidation/Improvement Projects (Middle School & Gallup Hill School), noting that areas had to be cut out and replaced. Therefore, he stated although the roof manufacturer provided a 25-year warrantee, they have brand new roofs that look like they have already been patched.

Councilor Saums requested the PMBC ask Colliers Project Leaders to provide a second proposal that included a full-time inspector on-site to level the specifications and provide a fair and equitable process.

Mr. Donaldson stated Colliers Project Leaders’ proposal included an inspector for 20-hours for each of the two roof projects (Board of Education Central Office and Juliet W. Long School).

MOTION to withdraw the

MOTION to recommend the Town Council grant a Bid Waiver to STV Construction Inc., not to exceed \$91,496 due to receiving fewer than the required three bids in response to Bid #LPS 23-01 (Owner’s Representative Services for Select Capital Projects.), in accordance with Ordinance #200-001 (rev 1) “*An Ordinance for Purchasing*”.

Moved by Councilor Ingalls, seconded by Councilor Saums

VOTE: 2 - 0 Approved to Withdraw

Action: Withdrawn