

SPECIAL MEETING OF THE COUNCIL
CITY OF AMITY, OR

Minutes

A Special Meeting of the City of Amity City Council was held at 6:30 p.m. on Thursday, December 12, 2019 in the Council Chambers, City Hall, 109 Maddox, Amity, Oregon.

Councilors Present

Councilor Ryan Lehman, Councilor Robert Andrade, Councilor Jenna Goings, Councilor Nickolas Wilkinson, Council Advisor Sandy McArthur, Council Advisor Napua Rich and Mayor Michael Cape

Councilors Absent

None

Staff Present

City Administrator Michael Thomas, City Treasurer/Recorder Natasha Johnson and Public Works Gary Mathis

CITIZEN COMMENTS/QUESTIONS:

A. CITIZEN COMMENTS: None

OLD BUSINESS:

NONE

NEW BUSINESS:

- A. Selection and Approval of Water Reservoir Contract Bid: Peter Olsen with Keller Associates (Keller Assoc. being our contracted City Engineers) went over the bids. Peter stated that Keller Associates determined Elk Mountain Construction as the lowest bidder at \$533,200. This is lower than Keller's estimated cost for the project of \$554,000. Peter stated that Elk Mountain did submit an incomplete bidding package, having omitted certain required documents. So, Keller Associates checked with our City Attorney, Bill Monahan, to request possible options in light of this combination of lowest bid, but incomplete bid package. City Attorney Monahan said the City could either elect to disqualify Elk Mountain for submitting an incomplete bid, in violation of the contract provisions, or could request the missing documents from Elk Mountain. Keller Associates, on behalf of the City, did reach out; Elk Mountain acknowledged the oversight and submitted the missing documents upon request.

Peter Olsen then discussed some of Keller Associates investigation into Elk Mountain as a reputable contractor, having never worked with them before. Keller Associates contacted the provided references and those references came back with satisfactory comments. Peter went on to state that none of the references indicated that Elk Mountain wouldn't be able to complete the project as assigned. Although, there were some indications that Elk Mountain had neither worked on a project like Amity's and there may be some concerns about the company following through on its required documentation. Still, Keller Associates recommended that the project be awarded to Elk Mountain, but left the choice to the Council.

Mayor Cape asked if there is a chance of their being cost overruns if the City selected Elk Mountain. Peter explained that Elk Mountain would be required to provide a breakdown of their costs at the pre-construction meeting, and would be held to the costs presented and agreed to at that meeting. This would mitigate the risk of future cost overruns. Additionally, City Administrator Thomas mentioned that Elk Mountain's low bid likely meant that they were eager to get the bid, being a small firm; this also meant they ran a much leaner operation. Peter mentioned Elk Mountain's owner is often on the job site,

doing the work!

Councilor Ryan Lehman brought up that if the City chose to disqualify Elk Mountain, due to its inability to meet the bid application requirements, he might have a possible conflict of interest. The next lowest bidder is Turney Excavating. Councilor Lehman stated that he knows the Co-Owners of Turney Excavating. Mayor Cape stated that he appreciated the admission of a possible conflict of interest, but stated that there is not a conflict of interest at this time.

Next, City Administrator Thomas stated to Council that they should be cautious that if Elk Mountain made mistakes during the bid, then these little errors could be the warning sign of bigger errors to come. Councilor Goings asked about the pre-construction meeting and requested more details. Peter went over all of the next steps from now until the pre-construction meeting. Next, Peter explained what a pre-construction meeting was and what it would entail.

As the City Council had two new (non-voting) members and another who had returned after a long absence, Mayor Cape provided a quick background regarding the project to the Council. He explained the relevance and importance of the decision at hand.

Councilor Lehman then commented on the notes Keller Associates provided regarding Elk Mountain. His concern regarded the multiple comments on Elk Mountain's ability to complete the paperwork portion of the project. Peter said USDA/RD will be checking all of the paperwork and will let the City know if anything is missing. Peter went on to state that there are three levels of oversight on the project and its paperwork. He also noted that Elk Mountain has worked on projects with USDA/RD before and therefore should be familiar with their extensive requirements.

Councilor Lehman moved to waive Elk Mountain's omissions in the bid application, and accept their late submissions, decline to reject their bid, award the project to Elk Mountain Construction in the amount of \$533,200.00. Councilor Andrade seconded the motion. Before concluding the voting process, Mayor Cape asked Peter a question. He questioned that since the bid came in lower than estimated, if the City could apply the difference to other aspects of the project or would we forfeit the amount. Peter said, yes, the City could apply the difference toward other items in the project. Mayor Cape then asked for the vote. With no further discussion the motion passed 4-0.

Elk Mountain was accepted by the City as their preferred bidder for the Water Reservoir.

- B. Selection and Approval of Emergency Water Filter Contract Bid: Peter Olsen with Keller Associates (Keller Assoc. being our contracted City Engineers) went over the bids. Keller Associates recommended that the project be awarded to Stettler Supply Company who had the lowest bid of \$99,915.00. Although this was higher than the advertised expected bid of \$90,000, this bid was still lower than Keller's expected bids for the project; they expected bids in the \$100,000+ range. With minimal discussion or dissention, Councilor Lehman moved to approve the bid from Stettler supply Company for \$99,915.00. Councilor Andrade seconded the motion.

As the City Council had two new (non-voting) members and another who had returned after a long absence, Mayor Cape provided a quick background regarding the project to the Council. He explained the relevance and importance of the decision at hand.

Peter did elaborate, in response to the Mayor's comments that the bids were solely for the installation of the filters. The City had previously purchased the materials and currently had them in its possession. Peter then stated that they contacted our City Attorney, Bill Monahan, to review the bids for legal sufficiency. City Attorney Monahan responded that Stettler's bid was legally sufficient. Keller Associates did a reference check and also concluded that this was the lowest and best bid, recommending the City accept it. With no further discussion, Mayor Cape called for the vote and the motion to accept Stettler's bid passed 4-0.

Stettler Supply Company was accepted by the City as their preferred bidder for the installation of the Emergency Water Filters.

Councilor Lehman moved to adjourn. Councilor Andrade seconded the motion. It passed 4-0.

Approved by City January 8, 2020

Michael Cape, Mayor

Attest:

Natasha Johnson, City Recorder