

MINUTES OF THE JANUARY 22, 2015  
SPECIAL MEETING  
OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Paul Willumstad, Bud O'Hara, Barb Bernard, Bill Alt, Ron Serna

Also Present: Administrator Rick Kidd, Attorney Don Banner

Guests: Kim Kock, NorthStar Engineering  
Bill Hoffman, CTL Thompson  
Chris Woodka, Pueblo Chieftain  
Earl Wilkinson, City of Pueblo Director of Public Works  
Tom Joseph, Colorado Backhoe Service  
Mario Lopez, Colorado Backhoe Service  
Ray Swerdfeger, KR Swerdfeger  
Blue Pate, Pate Construction  
Ty Rice, Rice and Rice, Inc.  
Del Shannon, ASI Constructors

The special meeting of the Pueblo Conservancy District was called to order at 9:00 am. A quorum was present, although no administrative action was scheduled to be taken.

Paul Willumstad opened the meeting. He stated that the meeting was scheduled for three reasons: 1) To explain the Phase I Levee construction contract bidding process, 2) To answer questions that the contractors have, and 3) To receive constructive criticism for improving the evaluation and bidding process. Willumstad then asked Bud O'Hara to explain the proposal evaluation process.

Bud O'Hara --

The evaluation team met at the offices of NorthStar Engineering on the afternoon of October 20, 2014. Those present were himself, Don Banner, Kim Kock, and Bill Hoffman. Rick Kidd was part of the evaluation team but was out of Town and did not receive the submittals until that evening. Four complete proposals had been received by the 1:00 pm deadline. The qualifications portion of a fifth proposal had been received but the submittal lacked the pricing information and that was not received until after the stipulated time. The proposals were distributed to the evaluators for individual evaluations and scoring on the score sheets. The reviews and evaluations were done individually, without interaction and discussion. NorthStar summed the scores of the four reviewers. All four indicated that ASI was the preferred contractor based on the qualifications and considering that their bid was higher than the low bid. ASI's bid was second low. Their concern was that the early contract value, per the ASI pricing proposal, was high. They discussed contacting ASI to schedule a meeting to discuss flattening out these costs over the course of the contract. One of the reasons for wanting to do this was that the financing package had not yet been executed by ABC Bank and there was concern about the District having the funds available for the first part of the contract. Banner agreed to contact ASI to schedule a meeting. The meeting was scheduled for October 21<sup>st</sup>. Kidd's rating came in the evening of the 20<sup>th</sup> and his scoring also showed ASI to be the preferred contractor after weighting for qualifications and pricing.

Banner said that when ASI came in to the meeting, they said that they had some thoughts that could help reduce costs. They had noted this in their. Banner asked them point blank if ASI could finance the project for the District. They responded that they could not. Then the group went on to talk about the mobilization costs and the potential of spreading them through the contract. After that discussion, ASI said that they had some proposals that they felt were proprietary and would like to discuss them with the committee. ASI said that they thought they

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could construct the project for less money with their proposed methodology. The pricing of the other contractors was not disclosed to ASI. ASI offered some cost saving ideas but did not have a target of a lower bid that they were trying to get to. After discussion of what the design team was wanting to accomplish and ASI's proposed methodology, ASI revised their pricing resulting in a reduction of approximately \$600,000. The reduced price was still higher than the lowest pricing received.

The evaluation committee made a recommendation to the Board to award the contract to ASI. The evaluation scoring and pricing were reviewed by the Board at their October 22, 2014 regular meeting. The Board was informed that it was the committee's opinion that ASI should have been selected even before they reduced their pricing. The reduced pricing just made this an even better selection. The Board followed the committee's recommendation and awarded the contract to ASI Constructors.

Blue Pate – The spreadsheets did not clarify the assumptions of the evaluators.

Ty Rice - Did Swerdfeger have the chance to reduce their price. Banner responded that ASI was selected based on qualifications regardless of their higher cost proposal. Even before they offered suggestions of what they could do and how they could reduce costs.

Tom Joseph – How did we pick the contractor based on qualifications when Rice and Swerdfeger are contractors known to be good. Banner said that contractor reputations were not considered. The review and evaluation was based solely on the written proposals submitted by the contractors. O'Hara commented that public contracts cannot be awarded based on who we know. The award must be based on documentation.

Kim Kock said that when he was putting the contract package together he looked at qualifications based proposals issued by several other entities. These included Denver Water Board, CSU-Pueblo, City of Pueblo. He pulled out parts that he felt best suited this project and used that information to prepare the Arkansas River Levee request for proposals package.

How were they scored? O'Hara said that the ratings were based on partial point scores for the various categories. Banner said it was not a comparison of one contractor against another. The reviewers looked at the proposals and how well each demonstrated that they met the criteria.

Banner said that Neal Hall, with the Colorado Building and Trades Council, came to his office to pick up the documents that had been requested under the Colorado Open Records Act. Banner asked Hall what their concerns were. He said that they were interested in the process used. They want a way for entities to have a contract award basis that is not just based on the lowest bid. Hall said that the contractor selection process needs to be so that entities get the best contractor. Hoffman said that he was recently at a meeting with Colorado Department of Transportation and they were using a qualifications based selection process similar to the one used for this contract.

Ray Swerdfeger - Why was a contractor that submitted a late proposal evaluated? Kock explained that Kidd could not attend the meeting with the others so he set aside the proposals to be picked up for Kidd to do his review and evaluation that evening. Kidd had not been informed of the situation with the Rice and Rice proposal and completed his scoring sheet with consideration of their proposal. Banner said that the spreadsheet was a summary and the District is trying to be totally transparent of all information received and input from the reviewers. They could have just not shown Kidd's evaluation, but then there could have been a question about why it was not disclosed.

Bernard asked the contractors if on the next phase they would like to go with a low bid or qualifications based selection process. Blue and Ray responded they would prefer low bid. Ray then stated that the contractors could be prequalified and then let the qualified contractors offer bids. If the District uses a contractor qualification requirement then there needs to be better definition of what specific criteria is desired or being evaluated. Wilkinson said that the City has used a qualification process where there were certain pass/no-pass criteria to initially evaluate

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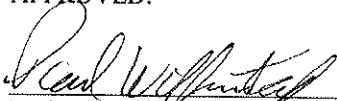
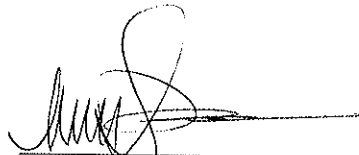
contractors. Then the proposals were scored afterward. He will provide a copy of this solicitation to NorthStar.

The general consensus by the contractors was that if contractor qualifications were going to be a consideration, then time should be allowed to prequalify the contractors. Bids would then be received from the pool of qualified contractors.

The meeting was adjourned at 10:10 am.

The next regular meeting date will remain January 28, 2015, at 10:30 am.

APPROVED:

  
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Paul Willumstad, President  
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Matt Cordova, Secretary