

**KURE BEACH TOWN COUNCIL**

**SPECIAL MEETING**

**JANUARY 27, 2006**

Mayor Fuller called the Special Called Meeting of the Kure Beach Town Council to order noting that the purpose of the meeting is for consideration of a sewer contract proposal for the south end sewer project. All Commissioners, Finance Officer Susan Suggs and Public Works Director Sonny Beeker and Mr. David Criser, Engineer, were present.

Mayor Fuller requested Comm. Ufferman lead the invocation.

Following the invocation Mayor Fuller requested that all rise for the Pledge of Allegiance to the Flag.

Mayor Fuller noted that the only item of business on this session is the proposal for the sewer contract and he asked if Public Works Director Beeker would address this item. (copy of bid result attached).

Public Works Director Beeker noted that he would be turning this over to Engineer David Criser.

Public Works Director Beeker noted that this project has been worked on for a while—there will be some change in bid tabulation. Scope of the project has changed somewhat. His original intention was to bid the project out to E Avenue and all side streets. Mr. Criser has put together a package to show the additional work to be included and a break down of each. He suggested accepting the bid as bided and then negotiate if the funds are available to complete the whole project. He would recommend that we contact the contractors and set down and negotiate portions to be added.

Comm. Dugan noted that from the original discussions relative to the project, the project goes to E.

Public Works Director Beeker noted that the original discussions held quite a long time ago was from K Avenue to G Avenue. At Council meeting it was suggested that we go in and include everything—if it is to much then we can cut it down.

That portion was not bid out—the last two roads and the E and F Avenues. We went back got a cost estimate on what the additions would be. There are basically unit prices just like they bid the other portion.

Comm. Dugan mentioned that in the end we will have what we were talking about anyway as far as the scope of the project.

Kure Beach Town Council  
Special Meeting  
January 27, 2006

Comm. Lambeth asked if the addition will have to be re-bid because the numbers change.

Public Works Director Beeker noted that he thought we could accept the bid, as it was bid and add those as we see fit. After we look at the numbers we may not want to add all of it at one time.

Comm. Lambeth asked how many bids were received.

Mr. Criser noted two bids were received on the sewer re-hab, both reputable companies—AM Line East, Inc., out of Virginia and T.A. Loving Co., the company that did the drainage project. Mr. Criser mentioned that three bids were received on the paving—AM Liner East, Inc., T.A. Long and APAC. APAC was low bidder and they are also the ones who did the last job.

In discussion Mr. Criser mentioned that on each street the number of square yards were considered and a unit price per square yard was included in the price. For the additional work, we took the unit prices and put new quantities to them for the additional work.

Mayor Pro Tem Montgomery asked if the original allocation was for the original project up to G Avenue.

Mayor Fuller noted that he was not sure that money was actually allocated, we have been accumulating money in the W/SERF fund for a number of years to do this project in various stages. We realized last year that we probably had pretty close to what we would need to do it in the bank already. That's when we asked to have it bid as an entire project.

Comm. Dugan mentioned that in discussion, the scope of the project was intended to be to G.

Public Works Director Beeker noted this was the original, and then after discussing it and looking again at the figures that we thought were pretty close, that's when Mr. Fuller said let's proceed to E Avenue.

Mayor Pro Tem Montgomery asked if we had the money to do the entire project.

Finance Officer Suggs mentioned that she was not sure because of the water tower—this has to be taken care of as well.

Kure Beach Town Council  
Special Meeting  
January 27, 2006

Public Works Director Beeker noted that when we originally were talking about it, we were looking at between \$500,000 and \$1,000,000.00 and now we're talking about \$1,200,000.00.

Mayor Fuller noted that he did not bring the paper work with him but when they did the water tower where we decided to loan the money to ourselves, we took everything that we had in the W/SERF fund and subtracted the million dollars that was roughly budgeted for this project. We subtracted 3 months of operating expenses basically 25% of the reserve and we still had enough to do the water tower and some left over. He felt that even with this, we're looking at

Mr. Criser noted rounding it off 1.3 million.

Mayor Fuller mentioned that we need to bump in a little contingency and a little administrative cost—we're at \$1,297,262.00 and if we put in 5 or 10% of that—say additional \$130,000.00.

Comm. Dugan noted that short of having a money crunch he would say we need to do the whole project. Nothing is going to get any cheaper....

Mayor Fuller noted if we do 10% (contingency) it will be \$1,426,988.00.

Public Works Director Beeker recommended Council accept the bid as it is to G Ave. then if Council decides to continue the project to E Ave., then we can go back and negotiate with the contractors who accepted the bid and then negotiate the per unit cost. He mentioned that Susan and Frankie may want to check the legality of this but he felt it can be done.

Relative to the additional work, Mr. Criser noted the contractor will say this is the unit price as we bid it and that is what we will do the extra work at—unless material went up. We need to lock in as soon as possible with all of it we will have the same unit prices.

Mayor Pro Tem Montgomery noted he was not inclined to support piece-mealing this—it sets a bad example for us to start piece-mealing things. It's to our advantage to do the whole project at one time and it's less disruptive for the entire town to tear streets up and do it one time. If for some reason we go back to see if they will do it (the additional work) and they say no.

Mr. Criser noted that he cannot imagine the contractor saying no.

Kure Beach Town Council  
Special Meeting  
January 27, 2006

In discussion Comm. Lambeth asked if the sewer system will then be up to a 25 year life span after these improvements.

Public works Director Beeker mentioned the only sewer system that would not be is what we have on say Hwy. 421—sewer main that runs down 421 from E to N Avenue.....After this project is completed, his only concern would be the last phase—from N and M, a small part of Atlantic Avenue and L Avenue (short streets and then realigning 421 from E to N Avenue.

Mayor Fuller noted that the unit prices are all part of their proposal and they are contractually bound by those unit prices—the only thing that would make the numbers different is if the quantities change.

Mr. Criser noted the contract is set up on unit price.....

**Motion by Comm. Dugan to accept the bid as written and that we direct the engineer and Public Works Director to go back and negotiate for the additional portions with the contractor, and bring us information on that.**

Comm. Lambeth noted he would like one more piece of information. Before commenting, **Comm. Lambeth seconded the motion.**

Comm. Lambeth asked when the contractor felt they would be able to start.

Mr. Criser noted that if we send them the contracts and notice of award today or Monday, it will take 10 days usually to get their bonding and everything back. His guess would be that they would be starting mid to late February.

Public Works Director Beeker mentioned that he has 120 days for completion—say mid-May.

Comm. Ufferman asked if we can go around Town and see if there are holes that need to be filled outside of this contract.....

Public works Director Beeker mentioned that he plans to go around especially L, M and Atlantic Avenue and get them to do some patch work while they are here.....

Mayor Fuller noted his concern is if the contract is 120 days based on K to G, do we think they can do G to E within that same 120 days or do we need to ask them.

Kure Beach Town Council  
Special Meeting  
January 27, 2006

Mr. Criser mentioned that we need to propose the extra work and see if they ask for extra time—the biggest thing is the number of services that have to be reconnected—that's what takes the longest amount of time—maybe a couple of weeks.

Mayor Pro Tem Montgomery asked if the motion is approved at what point will you know if they accept the additional work.

Mr. Criser noted that he can call the contractor and advise that the Town wants to add X # of feet and we estimate it at X dollars—will you do that—then send the paper work.....He noted there are two ways to do this. We can go ahead and say here is your base contract and then immediately after that send a change order; or, we can send in the change order request at the same time and have them do all of it at the same time. Before you sign the contract you will know the dollar amount.

In continuing discussion/comments relative to the work, the number of days, etc., Mayor Fuller mentioned that is they have 120 days from notice to proceed—28 days, Feb., 31 March, 30 April, 31 May—exactly 120 days. We would actually have to give them a notice to proceed on Feb. 1.

Public Works Director Beeker asked Mr. Criser if he contacts the contractors today or at least by Monday afternoon and they accept them how long will it take to get the contracts to them.

Mr. Criser noted he was going to try to get the contracts out today.

In continuing, Mayor Fuller noted we are asking them to accept a contract for 1.3 million dollars including the change order and the contingency—work to include all the work from K to E and we are willing to approve the contract today if they will take it at that price and be done in 120 days. We would ask APAC to accept the contract for \$244,000.00 and we would ask T.A.Loving to accept \$1,053,000.00 and the 120 day limit.....Also in discussion relative to funding the project it can be included in the motion to direct the finance Commissioner, Finance Officer and Clerk to come back to us and we could approve the additional funding at the February meeting.

Following additional comments/discussion, **motion by Comm. Lambeth and seconded by Mayor Pro Tem Montgomery to recess while Mr. Criser calls the contractors. Motion approved.**

Following the recess, Mayor Fuller recalled the meeting back in session.

Kure Beach Town Council  
Special Meeting  
January 27, 2006

Public Works Director Beeker noted they were unable to get in touch with the gentlemen they needed to talk with. He is in conference in Florida—we left a message for him to call David. He asked if we could negotiate and try and push as hard as we can to get the project completed in the time allotted.

Mayor Fuller expressed concern about May 31 being the 120<sup>th</sup> day—that's if all goes right—no break downs—etc., if something should go amiss—we could be in July. He noted that it appears that everyone wants to get started.

Comm. Dugan noted the motion is to approve the base bid, the contract as to the price agreed too, go forward with the request for the add-ons and let them negotiate the best deal and come back at the February meeting.

Mayor Fuller noted let's go with motion and let Sonny and David

Mayor Fuller noted Council will be authorizing the original base balance of \$992,000.00 to APAC and TA Loving and we are authorizing David and Sonny to negotiate the additional work based on unit prices so that the total package does not exceed 1.3 million dollars. The interest is to get it done within the original 120 days—ya'll have some flexibility using your best judgment if that is necessary to go beyond that. And we are directing the Finance Commissioner, the Clerk and the Finance Officer to come back to Council with a recommendation for financing the additional amount beyond the one million dollars that we know we have in the bank. (While ya'll were out talking, he, Susan and Bill talked about this. We have the money and by the time we spend the first million dollars, we will have figured out where the other \$400,000 is coming from. Basically we are lending it to ourselves. We have time to work this out. **Right now, (motion is) we are authorizing the total expenditure of \$1,430,000. (1.3 million to contractor \$130,000 contingency Motion seconded by Comm. Lambeth. Motion approved.**

**Motion by Comm. Ufferman and seconded by Comm. Dugan to adjourn the Special Meeting. Motion approved.**

Meeting adjourned.

Minutes by \_\_\_\_\_  
F. Jones