

Special In-Person Town Board Meeting:

Review TRI-S Star Route Road Reconstruction Project Bids Received and Possibly Select Bid

Thursday, December 21st, 2023 4:30 PM

Bayfield Town Hall, 85450 County Hwy J, Bayfield, WI 54814

Call to Order and Roll Call: The meeting was posted on Tuesday, December 19th, 2023 on the Town Hall Bulletin Board and the Town of Bayfield website. A Zoom link with meeting ID and passcode was provided on the meeting agenda. Chairman Craig Hoopman and Supervisors Robert Meierotto, Fred Erickson, and Carol Fahrenkrog were present as well as Town Clerk Kelly Faye, Town Treasurer Billie Hoopman, and Road Foreman Carl Cadotte. Karen Boutin was absent. Jeff Sjoquist and Brady Halvorson of Coleman Engineering were in attendance through Zoom. The meeting was called to order by Chairman Hoopman at 4:30 PM.

Public Comment: None.

Review Bid Results and Recommendation from Coleman Engineering for the WI Department of Transportation TRI-S Star Route Road Reconstruction Project: Chairman Hoopman explained that the Town of Bayfield received Coleman Engineering's recommendation related to the bid results and noted that the Town Board Supervisors had a copy of that recommendation in front of them. He greeted Jeff Sjoquist and Brady Halvorson and thanked them for attending. Chairman Hoopman explained that he had some questions and need for clarification related to the bid results. He noted that some of the bid result figures were "all over" the place from one bidder to another, with a wide range of numbers. He also brought up the fact that Coleman Engineering made a correction to one of the bids. He asked for clarification related to these issues. Jeff Sjoquist of Coleman Engineering explained that they did need to make a correction on the Angelo Luppino, Inc. bid on the line item for water (line 29). He explained that Coleman Engineering came up with an estimated quantity of 650 MGAL (650,000 gallons). It may not all be used, but they try to put more than possibly needed to avoid change orders. The bid is per 1,000 gallons. For a unit price Lupino put down \$140.00 on their bid but rather than listing the correct total, which would be \$91,000, they listed \$9,100. Sjoquist stated it was a multiplication error. Their total bid amount was incorrect because of this error. He noted that it is not abnormal for bidders to make errors. He added that Coleman Engineering uses Engineers Joint Council Contract (EJCDC) documents which are standard industry documents. The industry had developed these to address how to deal with errors on bids. The contract states that in this case the unit price prevails. They corrected the total price based on the contract. In this case, it made the total bid higher at a total of \$1,174,602.65. In some cases these corrections change which contractor comes in as the lowest bidder but in this case it did not. Sjoquist explained that it is not uncommon for there to be a variation in unit prices listed between bidders on a single line item. He noted that bidders sometimes inflate figures in various lines to make up for incidental costs that do not have their own individual line. Contractors can pick how to incorporate other expected costs into their bid even if those costs don't directly fall into the line categories required in the bid documents. He noted that Coleman Engineering does not have control over that option. The contractor is not under obligation to explain why they list high unit costs in any line. Sjoquist stated he is not surprised by the variation in the bid numbers and mentioned he thought the total bid range was reasonable.

He also explained that when Coleman Engineering considers recommending bids they check lists of contractors that are debarred from work and Angelo Luppino, Inc. was not on the lists. He noted that Coleman Engineering has worked with them on numerous jobs in the Ironwood, MI area and although

there are often issues on jobs such as change orders and discussion over quantities, etc., Coleman Engineering and the City of Ironwood have not had any major problems with them. Sjoquist noted that he had been unaware until that day (December 21st, 2023) that there was some possible litigation related to a job that did not turn out well in a township near the Town of Bayfield in which case Angelo Luppino was the contractor. He stated that Coleman Engineering wasn't involved in that job at all from an engineering or administrative standpoint, but their testing department was hired to do some objective tests on material. The results were turned in. They did not know about the argument that was going on between this township and Angelo Luppino, Inc. They were not aware of any discrepancy. When they provided their notice of award (recommendation), Coleman Engineering was not aware of any suspicions related to their ability to do this work. It does say in the contract documents that the Town of Bayfield is not bound to what the Coleman Engineering letter says, but that the town can pick whatever contractor it feels is in the best interest of the town. He noted that if the Town of Bayfield has other information, the town certainly can change the selection and Coleman Engineering will abide by the change and make out a new Notice of Award. He said it could be awarded to the second bidder or another as the town chooses but that it would be beneficial to the township to speak with the town's attorney before signing the Award of Bid Letter. He also suggested speaking with the WI DOT related to the (TRI-S) grant funding the town will receive for the project and ask if awarding the second bidder could affect that. It was mentioned that the Town of Bayfield could make a decision about which contractor to award the bid to but make it contingent on input from the town attorney and the WI DOT. He added that if there was concern by either, that the town could hold another meeting to re-address the issue.

Discussion and possible action on awarding bid for the Star Route Road Reconstruction Project:

Chairman Hoopman thanked Sjoquist for his insight. He stated that he spent the afternoon that day going through the bids from the lowest and second lowest bidder. He noted that after the changes in the (Angelo Luppino) bid total, the difference between the bids from Angelo Luppino, Inc. and Northwoods Paving Co. is \$60,114.18.

Hoopman explained that he has concerns and is skeptical about awarding the bid to the lowest bidder Angelo Luppino and gave his reasoning for this as follows...

- 1) He explained that he called around to people that had worked on projects with the various contractors that submitted bids. He received information from the Town Chairman of a nearby township (Town of Barksdale) that an attorney has been hired to handle future litigation related to a project that was completed by Angelo Luppino in that township. The Town of Barksdale is very unsatisfied with Angelo Luppino Inc.'s work on Ondossagon Road. Hoopman noted that he and Road Foreman Carl (Chuck) Cadotte have both driven the road and that there are already several patches on the road. He was told that the Town of Barksdale will be making payments on the road for six more years but that the road is already failing. He added that it is his understanding that there were issues with the amount of fill put in and issues with the roadbed. Borings and samples were taken on the road. He commented that he doesn't want to see, several months after the road (Star Route) is put in, the need to do boring samples to test for things. He doesn't want people to come to him and say "you had knowledge of this, but yet you still did this?" He stated that he is elected to do the best thing he knows possible for the Township of Bayfield. He noted that this two miles (2.2-miles) of road is expected to cost over one million dollars, that it's difficult to get funding for road projects, and that road needs to last for a long time. He wants the best possible road so that when it is done it is something to be proud of. Hoopman admitted that every contractor

has issues but that Ondossagon Road is in our backyard, is used by a lot of Town of Bayfield residents, and is in the public eye.

- 2) He noted his other concerns about hot mix being hauled from Hurley, WI to the western end of the Town of Bayfield. He stated that one of the people he spoke to thought that was too long of a transport and could be an issue. He wanted to present the concerns that were presented to him, so the rest of the town board could be informed of any possible issues.

Chairman Hoopman noted that he feels he did his homework and did it well and asked for the opinion of the other Town Board Supervisors. Fahrenkrog asked if he also check Northwoods Paving Co. and he stated that he did check all the bidders and there are always issues but that he has particular concerns with the lowest bidder in this situation. He stated that his opinion is that the bid would be awarded to Northwoods Paving Co. if the town attorney and the WI DOT say that it is fine for us to do that. Chairman Hoopman stated that he hopes that it can be resolved as soon as the town can get clarification. He noted that Northwoods Paving Co. primarily paves roads, is a big company, and the hot mix would be batched in Ashland or somewhere close. Meierotto noted that even if the second lowest bidder is taken it is still within the town's budget. Erickson commented that the County Hwy J project which is 8-miles long and has held up very well and that he does not see cracks and heaves and other problems with it. He expressed concerns about working with a contractor that is already under litigation. Fahrenkrog stated that she didn't think that the town should go into business with anyone that is in litigation.

Billie Hoopman, Treasurer, asked how long the bids are good for? Sjoquist stated that the standard is 60-days. She also asked if Coleman Engineering contacted Angelo Luppino to ask if \$140.00 that they listed as the unit price for water was correct or if it should have been \$1.40. Sjoquist stated he did call Angelo Luppino, Inc. as the low bidder, immediately after the bids were opened/reviewed and without hesitation were told that \$140.00 was the correct unit price and that they made a mistake in the multiplication and the total price for that line should have been \$91,000.

A motion was made by Meierotto, seconded by Erickson, to award the job to Northwoods Paving pending attorney review and WI DOT approval. Chairman Hoopman reiterated that the motion should state that the award is contingent on consultation with the town attorney and the WI DOT. Meierotto and Erickson agreed that this is part of the motion. Chairman Hoopman asked for discussion. A roll call vote was taken with the results as follows: Fahrenkrog-yes, Meierotto-yes, Hoopman-yes, Erickson-yes, Boutin-absent. Motion carried with a vote of 4-yes, 1-absent.

Hoopman and Sjoquist agreed that they both hope the issue can be resolved and the bid awarded soon.

Discussion and any other possible action needed to be taken related to Star Route Road Reconstruction Project: Chairman Hoopman asked the Town Clerk to reach out to Attorney Max Lindsey the next day to request input on these issues. Clerk Faye also suggested that Lindsey be asked to contact the WI DOT to request confirmation that taking the second lowest bidder will not affect the TRIS funding.

Set date and time for future meeting to address this issue (if needed): Chairman Hoopman suggested that the town may be able to take care of awarding the bid without calling another meeting on the issue. Erickson made a motion, seconded by Fahrenkrog, that the Town Chairman be authorized

to sign off on awarding the bid pending/based on the town's findings (from the town attorney and WI DOT). Chairman Hoopman called for discussion. Motion carried.

Adjourn: A motion was made by Meierotto, seconded by Erickson, to adjourn. Motion carried. Meeting adjourned at 5:00 PM.

Minutes submitted by: Kelly Faye-Clerk