

Feb 25, 2003 Public Works Committee minutes (page 2)

No. PW022503-05 - Motion was made by Kroeger, seconded by Murphy to Authorize Mayor and Finance Officer to sign a Professional Service Agreement with Phil Nichols Associates to Design W03-953, Stoney Creek Water Booster Station and Well House Project for an amount not to exceed \$101,125 plus reimbursable expenses. Public Works Director explained the scope of the project. Phil Nichols Associates, CETEC Engineering and US Filters combined will work together to develop this project. Under this project a hydraulic analysis will be prepared for the area along Hwy 16 at the City's elevated water reservoir to the Reptile Gardens that includes the Moon Meadows area and west to Red Rocks and Carriage Hills area. The booster station and well house will be a combined structure which is expected to save capital and maintenance costs. Alderman Kooiker asked for those consultants interviewed. Alderman Hadley asked what was included in reimbursable expenses. It was explained that it is the cost of printing and distributing project plans. Substitute motion was made by Hadley, seconded by Kooiker to refer to Council without recommendation. Discussion ensued relative to the hydraulic analysis. Upon a vote being taken on the motion, motion carried.

Mar 03, 2003 City Council minutes (page 19)

Motion was made by Rodriguez and seconded by Murphy to approve No. PW022503-05 - Authorize Mayor and Finance Officer to sign a Professional Service Agreement with Phil Nichols Associates to Design W03-953, **Stoney Creek Water Booster Station** and Well House Project for an amount not to exceed \$101,125 which includes reimbursable expenses. Kooiker stated that he doesn't feel the consultant selection process was followed for this contract. Substitute motion was made by Kooiker and seconded by Hanks to refer this item back to the Public Works Committee for additional discussion. Roll call vote was taken: AYE: Hanks and Kooiker; NO: Rodriguez, Murphy, Kroeger, Waugh, Johnson, Kriebel and Hadley. Substitute motion failed, 2-7. Roll call vote was taken on the original motion: AYE: Rodriguez, Murphy, Hanks, Kroeger, Waugh, Johnson, Kriebel and Hadley; NO: Kooiker. Original motion carried, 8-1.

Sept 15, 2003 City Council minutes (page 30)

Motion was made by Rodriguez and seconded by Waugh to approve No. PW090903-09 - Authorize Mayor and Finance Officer to sign Amendment No. 01 to a **Professional Service Agreement** with Phil Nichols Associates to Design Stoney Creek Water Booster Station and Well House Project No. W03-953 for an amount not to exceed \$9,840. **Kriebel questioned the costs involved with this booster station.** Project Administrator Dan Coon explained the amendment before the Council at this time is for engineering design and modeling services. The design portion is to increase the pump for Well No. 11 and modeling services for sizing of the pump and tying in other zones in this area. **Kriebel stated that typically booster stations cost much less than this to build and design.** Coon explained that the original contract was for design of a booster station and modeling services for several service zones on the west side of town. These services will insure that the booster station ties in with all of the different pressure zones on the west side of town. Vore added that the City has a bond request of \$750,000 for this project. Roll call vote was taken: AYE: Hanks, Murphy, Rodriguez, Waugh and Kroeger; NO: French, Kooiker, Hadley, Kriebel and Partridge. Motion failed due to a tie vote.

Oct 28, 2003 Public Works Committee minutes (page 5)

No. PW102803-06 – Rodriguez moved, second by Kroeger to Authorize Mayor and Finance Officer to sign Amendment No. 01 to Professional Service Agreement with CETEC Engineering Services, Inc. to Design Southwest Area Pumping System Improvements Project No. W97-700 for No Cost. Acting Public Works Director Vore explained in 1997 the City negotiated a contract with CETEC Engineering Services to design pumping improvements in southwest Rapid City, Schedule 1 of the project was the Southwest Booster Station, which was taken through preliminary design for hydraulics and site location. This project has been melded in to the Stoney Creek Booster because the combined well site/booster became the preferred option from an engineering standpoint. Schedule 2 was the Wildwood Booster Station, which was taken through preliminary design for hydraulics and site location. This project was modified to complete a project at the Mt. View Booster Station. This project was bid and constructed. It became apparent that the Stoney Creek Booster would work for both the Southwest and Wildwood Booster station replacements. No further work was anticipated for this schedule. Schedule 3 was the Wildwood/Carriage Hills Interconnection, which was taken through preliminary design for hydraulics. This project was completed under a contract with FMG. No further work was anticipated for this schedule. Schedule 4 was the abandonment of existing system components. There were three components for this schedule, the abandonment of the Wildwood Booster, completed by City crews; abandonment of the Westview Booster, not yet decided on, but likely will remain in standby mode; and the abandonment of Wildwood wells, not yet decided. Vore continued explaining that when Well No. 12 was drilled, it was determined that the City needed someone to monitor the project. The Public Works Director arbitrarily selected Phil Nichols to do Well No. 12; and this was done because it was under the \$25,000 contract wherein the Director had the authority to select the engineer of his choice. While the project was underway, he did hit a significant well so the City needed to do the pump for the well. The City needed to do the well-housing and the hydraulics in order to get the water into the system. At that time, the Engineering Division wanted to void the 1997 contract and solicit proposals for Well No. 12. In discussions with the Public Works Director, he elected not to solicit proposals but have Phil Nichols and CETEC Engineering Services work together in a joint venture because both had involvement in the two projects. A question arose as to who was going to be in charge, one or the other of those two firms had to take the lead. The Public Works Director elected to have Phil Nichols monitor and take the lead on this particular contract. The two entities came in, and in that contract they spelled out all the different items that needed to be done in this project. They included the time, man hours, and a schedule of how much it cost per hour for each of the individuals that were going to put time in on the project. The contract amount was a negotiated between Engineering and Public Works Director. The

project was awarded and approved by Council and they proceeded to do the design. The City now had Well No. 11 that now needed to have some revisions so that the City could blend in Well No. 11 with this system so as to provide the adequate pressure to Red Rocks. The Engineering Division decided that since the City already negotiated a contract that now had Council approval; what we have referred to as the Phil Nichols contract, they recommended a \$5,000 requested amendment to include the design of Well No. 11. Staff recommended this because CETEC had already done the majority of the hydraulics portion of the project. Staff believed it would fit well in this particular contract. That amendment was turned down by Council. The City encountered a situation that it was determined there was a real need for Well No. 11 to come online; but the City will have to put some very significant water restrictions on the citizens in the southwest area of the City if Well No. 11 is not brought online. Because Council denied the amendment to the Phil Nichols contract, the Engineering Division staff resumed with the 1997 CETEC contract because CETEC had already completed all the hydraulics; and rather than another firm coming in and having to get up to speed on the project, staff recommended CETEC finish the project. There is approximately \$24,000 remaining of the 1997 negotiated contract amount of \$54,885. If Council approves this amendment, staff will proceed and get Well No. 11 online. Vore explained that only 50% of the contract was completed because things were evolving so fast in the City. Staff did not know and could not out guess which area was going to cry the loudest. Staff stopped these things and rightfully so, the City now knows how it got developed and knows what has to be done to supply them rather than anticipating as was being done in 1997. This amendment proposes to modify the scope of the 1997 contract, to do away with the Wildwood Booster and the items suggested, and add in the pump station and modifications for Well No. 11. In response to Alderman Kooiker's question, Vore responded that the Phil Nichols contract of \$101,000 should have been done through the Consultant Selection Process; but the City needs to complete the project. The City will never get the project done by anyone, any cheaper, because the consultant already has all the background information needed to finish. The motion on a split vote (2-2) referred the item to Council without recommendation.

Nov 3, 2003 City Council minutes (page 34)

Motion was made by Rodriguez and seconded by Partridge to approve No. PW102803-06 – Authorize Mayor and Finance Officer to sign Amendment No. 01 to Professional Service Agreement with CETEC Engineering Services, Inc. to Design Southwest Area Pumping System Improvements Project No. W97-700 for NO COST. Public Works Director Ted Vore explained that this contract is an amendment to change the scope of an existing project. Kriebel called the question; second by Hanks. Kooiker objected to the question being called. 34
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Upon vote being taken, the motion to call the question carried with Kooiker voting no. Upon vote being taken, the motion to approve the amendment carried with Kooiker voting no.

Jan 05, 2004 City Council minutes (page 2)

Acting Public Works Director Ted Vore updated the Council on the Stoney Creek Booster Station and Wellhouse Project which is scheduled to be bid on March 11, 2004. Vore gave the following history on the project. Well No. 12 was drilled and the monitoring task was performed by Phil Nichols and Associates. As an aside, Vore stated that Phil Nichols & Associates has been involved with all of the wells that have been drilled for the City of Rapid City. This company was directly selected by the Public Works Director as the project was "so specialized as to eliminate any other firm from being listed as a qualified consultant". This is authorization number one under the Consultant Selection Procedure. Vore stated that Nichols is a mechanical engineer, an electrical engineer, and he has considerable geology background. At the March 3, 2003 Council meeting, the contract with Phil Nichols & Associates to design the Stoney Creek Booster Station and Wellhouse for an amount of \$101,125 plus reimbursable expenses was approved by the City Council. Subsequent to this meeting, there were questions about the City's selection procedure and whether or not it has been followed. On October 28, 2003, the Public Works Committee was informed of the total process followed for this project. It was also noted at that time that the City's consultant selection process was followed in the original CETEC contract in 1997 and also with the Phil Nichols contract for Well No. 12. The Public Works Director elected to combine the two projects. The process being followed today under the current administration would be to go out for new proposals which is different than the previous process. Under the Stoney Creek contract negotiations, the Engineering Dept. wanted to void the existing 1997 contract with CETEC and solicit proposals for Well No. 12 Pump, Booster and Wellhouse. The previous Public Works Director elected not to solicit new proposals as his belief was that the two firms had already been through the consultant selection process and it would be more prudent to combine the contract with Phil Nichols and CETEC Engineering. The Public Works Director and Engineering worked out the contract details between the two firms involving the scope of services, manhours, who was to be the prime, and the fees that would be charged. The project was then awarded and approved by the Council. An amendment of \$9,840 was proposed on September 9, 2003, to increase the pump size and modeling for Well No. 11. This was defeated by the Council on September 15, 2003. On November 3, 2003, Council agreed to an amendment to the old 1997 CETEC Contract to allow the upgrade of Well No. 11 Pump and system improvements, at no additional cost, as that contract had never been terminated and still had approximately \$24,000 of uncommitted funds. Subsequent to all of this action, questions and controversy, the City has implemented a review team to examine and recommend changes to the Consultant Selection Procedures. This team has completed their review and the recommended changes will be forthcoming.

Jan 19, 2004 City Council minutes (page 4)

Alderman Kooiker stated that the City Council was told previously that the company that was awarded the \$101,000 contract for the Stoney Creek Booster Station was directly selected by the Public Works Director last March because the

project was "so specialized as to eliminate any other firm from being listed as a qualified consultant". Last fall, I was informed by the new Acting Public Works Director, after concerns had been expressed, that the contract was awarded last March above the objections of engineering staff to someone who wasn't necessarily qualified to design booster stations and that most of the work is being subbed out. Kooiker stated that he is concerned that the Council didn't get the full story a few weeks ago. In fact, the presentation that was made a couple weeks ago appears to be a contradiction of earlier statements. Kooiker stated that it leads him to wonder if this firm has now suddenly become so qualified, why was most of the work being subbed out. Kooiker stated that he can only conclude that the result of not following the consultant selection process resulted in a higher cost to taxpayers. He added that he feels it is crucial for the healing of city government and to restore trust with out constituents that we admit that there have been problems and move on. The new Consultant Selection Process is on the agenda tonight for approval by the council and Kooiker thanked all those who worked on developing that policy. Kooiker stated, however, that the new policy will only work if there is a commitment to follow it. Acting Public Works Director Ted Vore stated that, relative to the report he gave, the first item on the report says "Well No. 12 was drilled and the monitoring tests were performed by Phil Nichols and Associates, directly selected by Public Works as a project so specialized as to eliminate any other firm from being listed as a qualified consultant authorized as No. 1 of the Consultant Selection Procedure". It had absolutely nothing to do with the Stoney Creek Booster Station; it was Well No. 12.

Feb 02, 2004 City Council minutes (page 18)

Motion was made by Hanks and seconded by Murphy to authorize Mayor and Finance Officer to sign a Professional Service Agreement with CETEC Engineering to design Catron Blvd. Sanitary Sewer Extension, Hwy 79 to 5th Street, Project No. SS01-1052 for an amount not to exceed \$38,713.75 (PW012704-11). Vore explained that this is the first contract the Council has been asked to approved under the new consultant selection process. There have been questions regarding a contract awarded by the City for work on the Stoney Creek Booster Station. The contract was for \$101,125 and was awarded by the City Council to a consultant who subsequently sub-contracted out most of the work. The issues include the City's former consultant selection process was not followed; the contract was awarded above the objections of staff; a method unknown to me (Vore) was used for price negotiations since the consultant section process was not follows. Subsequently, a \$10,000 amendment to the contract failed to pass a vote of the Council on September 15, 2003. At a council meeting on November 3, 2003, the amendment was attached to an existing contract and it was passed by the Council as a no-cost amendment. This contract was negotiated and drawn up under the administration of the former Public Works Director and I can assure you that I (Vore) would not have proceeded in this way. And although the contract is legal, I (Vore) can see where there might be questions raised since the City's consultant selection process was not followed. Vore assured the Council that the Public Works Department will always follow the newly implemented process and will endeavor to keep the Council informed. Hanks asked why this explanation was given. Shaw explained that he allowed the explanation to clarify any questions that might remain from the previous consultant selection process. Upon vote being taken, the motion carried unanimously.