

**REPORT OF
OPERATIONS & PLANNING COMMITTEE MEETING**

May 26, 2015

A meeting of the Operations and Planning Committee was held May 26, 2015, at 4:00 P.M. at the Authority's Administrative Office in Conway, South Carolina. In accordance with SWA policy, notices setting forth the date, time and place of meeting were mailed to the news media.

Present were Committee Members Mike Campbell, Norfleet Jones and M. Lance Thompson. Board Members Dan Gray, John Long and Pam Creech were in attendance as well.

The following individuals were also in attendance: Danny Knight, SWA Executive Director; Mike Bessant, Assistant Executive Director; Bill Hilling, Director; Esther Murphy, Director; Jan Bitting, Director; and SWA Attorney Emma Ruth Brittan. Mr. Vance Moore of Garrett & Moore represented the public in attendance.

Committee Chairman Campbell called the meeting to order.

Mr. Vance Moore of Garrett & Moore Consulting Firm proceeded to report on the bid process for the Piggyback Expansion project. Four bids were received for the expansion. Those bidders were, Southeast Environmental Contracting with a bid price of \$9,245,181.20, A.O. Hardee & Sons with a bid price of \$9,384,410.52, Thalle Construction Company with a bid price of \$9,389,792.19, and King Construction Service, Inc. with a bid price of \$9,838,078.34. Mr. Moore stated all bid tabulations were summarized and checked for responsiveness. He commented interviews were also conducted with all four contractors and sources for borrow pits were discussed during the interviews.

Mr. Moore stated that based on the submitted bids, review of the work plans and interviews, it is his recommendation, that the lowest responsible responsive bid was submitted by Southeast Environment Contracting, Inc. (SEC).

Mr. Thompson asked Mr. Moore if he could address any potential for change orders and could the bid line items fluctuate? Mr. Moore explained that a line item could go over the amount on the bid; however he does not anticipate that and he is certainly sensitive to change orders.

Mr. Jones asked Mr. Moore if he knew of any reason why any of the four, specifically the lowest bidder, would not only be qualified to do the job? In addition he asked would there be any concerns from past history or references or anything that would be of concern? Mr. Moore responded that he checked references and he knew the experience of Southeast Environmental Contracting. He stated SEC has worked with them on this site in the past and they have done similar piggyback type construction projects. Mr. Moore commented SEC's experience is solely building solid waste facilities, therefore they have a significant amount of experience.

Mr. Jones stated his concerns regarding the borrow pits pertaining to who was permitted and who was not. He asked Mr. Moore if he had researched and if he was comfortable saying that all four bidders are qualified. Mr. Moore said all were qualified from the stand point of having performed the work in the past or by submitting a work plan to convince us they are qualified to do this work. He stated all contractors have demonstrated they are qualified to do the work and any of the four bidders could have done this job. Mr. Moore said the dirt is a separate issue and bidders are asked to identify the pits quoted on their price in their bids. He informed the Committee that SEC did turn in several sources and said all bidders acknowledged that their price including hauling all dirt from a facility that was permitted and operated in accordance with permit issued by the County.

Mr. Jones asked Mrs. Brittan about the rules on accepting the lowest bidder and if the SWA was required to do so? Mrs. Brittan indicated she had not seen the actual document that went out to the bidders. However, she was confident the award criteria was stated specifically in the instructions to the bidders. She commented that usually SWA considers the lowest responsible responsive bidder meeting all specifications and what is in the best interest of the SWA.

Mr. Moore indicated Section 0100, Paragraph 16.7 of the contract documents states: "If the contract is to be awarded it will be awarded to the lowest responsible responsive bidder who's evaluation by owner indicates to owner that the award will be in the best interest of the project. However, the owner may award the bid in accordance with any and all procedures allowed by law including but not limited to SC Code of Law."

Mr. Jones commented that Horry County spends a lot of money hiring people and creating companies to go out and find people to come here and go to work, to create jobs and to create the tax base in Horry County. He said there is approximately less than one percent between first and second bidder. Mr. Jones asked Mrs. Brittan her opinion of what would occur if the SWA did not take the lowest bidder.

Mrs. Brittan stated this is probably an opinion that should be given in Executive Session; however, the Board can waive that option. She stated the bidding instructions are contractual documents and commented that State code requires local governmental agencies to follow certain bidding requirements. Mrs. Brittan said if it is in the contract documents that the bid will be awarded to the lowest responsible responsive bidder and it is not, the Solid Waste Authority could be subject to a bid protest or the possibility of a protest because this is a large project. She stated if the bid was awarded to someone who is not the lowest bidder who is ranked number one, the SWA would be subjected to potential legal challenge and depending on how it came out, to liability or equitable damages.

Mr. Jones asked if County rules have any effect on SWA and do they have a home rule in place for local bids. Mrs. Brittan indicated she was not aware of any resolution or document of the SWA whereby the County's procedures have been adopted. She said she would have to check that out to be sure. Mrs. Brittan stated that in working with different County bidding issues over the years, contract documents form the basis for the contract and for the receipt of proposals. Otherwise, she stated, if it's changed now and another set of rules apply, every proposer who has submitted a bid would be upset.

Mr. Thompson stated that he knows that it's not the case here, but based on Mr. Moore's evaluation, if there was a determination that a low bidder was either not responsible or not responsive that would disqualify them. He commented the SWA would always have the option, and would not necessarily have to take the low bid. Mr. Thompson said Mr. Moore is recommending that we accept the low bid in this situation. Mr. Moore said he has determined that SEC is responsible and responsive.

Mr. Knight asked Mr. Moore to speak briefly regarding the timeline that we are facing.

Mr. Moore stated the goal is to issue the notice to proceed in early July, followed by a fourteen month construction schedule, weather permitting. He indicated there would be a three month period after construction is complete for construction quality approval and to receive the permit to operate from the State, which would equate to 17 months all together.

Mr. Campbell thanked Mr. Moore and asked the Committee if they wished to make a recommendation.

Mr. Jones moved to recommend to the full Board Garrett & Moore's recommendation to award the Piggyback Expansion project to Southeast Environmental Contracting as the lowest responsible responsive bid at a cost of \$9,245,181.20. Mr. Thompson second the motion and it was unanimously carried.

There being no further discussion, the meeting adjourned approximately 4:30P.M.