

The Narragansett Bay Commission  
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Vincent J. Meselella  
Chairman

Raymond J. Marshall, P.E.  
Executive Director



**OFFICIAL MINUTES OF:**

Meeting of:	CEO Committee Meeting
Date:	January 24, 2007
Time:	10:00 a.m.

**MEMBERS PRESENT**

Vincent J. Meselella, NBC Chairman  
Raymond J. Marshall, Executive Director  
Robert Andrade, Treasurer  
Patrick Caine  
Michael Salvatore, CEO Chair  
John MacQueen  
Jonathan Farnum

**MEMBERS ABSENT**

Angelo Rotella, Vice Chairman  
Al Montanari

**STAFF AND GUESTS PRESENT**

Jean-Marie Grossi, NBC,  
Joanne Maceroni, NBC  
Thomas Brueckner, NBC  
Mark Thomas, NBC  
Joseph Pratt, LBG  
Bruce Campbell, NBC Commissioner

Richard Bernier, NBC  
Thomas Uva, NBC  
Karen Giebink, NBC  
Pat Hughes, CDM

**1. Call to Order**

Recognizing a quorum, CEO Chair Salvatore called the January 24, 2007 Construction/Engineering/Operations (CEO) Committee Meeting to order at 10:10 a.m.

**2. Approval of Minutes – December 13, 2006**

CEO Chair Salvatore asked if all Committee members had a chance to review the minutes of the December 13, 2006 CEO Committee meeting. Commissioner MacQueen motioned to approve the December 13, 2006 CEO Committee minutes as written. Commissioners' Farnum and Caine seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

**3. Items for Action**

*A. Review and Approval of Resolution 2007:01, Award of Contract 06:907.00RS Construction-Related Services for Laboratory HVAC Improvements*

Mr. Marshall stated that Resolution 2007:01 is related to the proposed improvements to our Laboratory. The Engineer's estimated construction cost is \$1.6M. He noted that CDM (Camp Dresser & McKee) is the firm that performed the design work. CDM has done a very good job, and NBC is pleased with the services they provided during the design work. Mr. Marshall noted that staff recommends CDM for the construction-related services, which includes contract administration, technical support and shop drawing review. It was also noted that the actual resident inspection work, which is the on-site and day-to-day supervision of the Contractor's work, will be performed by our own in-house construction staff. I was also noted that the fee for CDM's work is \$115,290 on a cost plus fixed fee basis.

Mr. Marshall recommended that the CEO Committee award this contract to CDM as proposed in Resolution 2007:01, Award of Contract 06:907.00RS Construction-Related Services for Laboratory HVAC Improvements.

With no comments or questions, Commissioner Farnum motioned to approve Resolution 2007:01, Award of Contract 06:907.00RS Construction-Related Services for Laboratory HVAC Improvements. Commissioner MacQueen seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

*B. Review and Approval of Resolution 2007:02, Recommendation to Award Contract 302.13C, Regulator Modifications*

Mr. Marshall noted that this is the last contract remaining that NBC will be awarding for CSO Phase I Project. Mr. Marshall referred to a memo from Richard Bernier to the CEO Committee and Board dated January 11, 2007, which is included in all Committee members' packets. He noted that bids were received on December 28, 2006, and the following five bids were received for the Project:

Grove Construction Corporation	\$1,121,400
Rosciti Construction Co., LLC	\$2,016,766
R. Zoppo Construction Co.	\$2,214,500
A. Korey Construction Co.	\$2,237,892
John Roccio Construction	\$2,402,550

Mr. Marshall stated that the apparent low bidder, Grove Construction Corp., was significantly lower than the other four bidders. He stated that within hours of submitting their bid, Grove Construction Co., phoned NBC and asked to withdraw their bid without penalty, noting that they had made a mathematical error in their final compilation. Grove Construction Corp., showed NBC staff the forms they used to prepare the bid, and noted that they forgot to carry one total from one page to the next, and the next. Grove Construction Corp., put themselves in a position where they could not complete the work with the bid price they submitted. Mr. Marshall noted that NBC did not want to insist that Grove Construction Corp., do the job for the price they bid, because it would not be favorable for either parties. He also noted that allowing the low bidder to re-submit his bid upward to satisfy their mistake is not recommended by NBC due to the fact that it is not a good practice; and, consequently, NBC has never done that before.

Mr. Marshall stated that after an internal staff review of Grove's bid by our Engineering, Construction, and Legal staff, it was determined that NBC has four (4) options:

**Option 1 – Compel Grove Construction Corp., to Accept the Job for \$1,121,400**

- Analysis: We believe that it would be impossible for Grove Construction Corp., to complete the work in an acceptable manner for their bid price. Forcing Grove to honor their bid would likely result in problems throughout construction, potentially resulting in significant costs and delays.

**Option 2 – Permit Grove Construction Corp., to Adjust their Bid Upward Provided they Could Satisfy NBC that the Mistake was Legitimate**

- Analysis: Allowing a low bidder to increase their bid price after the fact is not an approach NBC supports, and this would very likely result in a bid protest and/or litigation from other bidders, which could add significant costs and delays to the Project. In addition, NBC has never before allowed a bidder to increase a bid after the bid has been submitted.

**Option 3 – Reject Grove Construction Corp.'s Bid and Award it to the Second Low Bidder**

- Analysis: Staff recommends this option. The NBC's Procurement Regulations directs NBC to award projects to the lowest responsive, responsible bidder. Due to the fact that Grove Construction Corp., requested to withdraw their bid renders the low bidder non-responsible (He cannot accomplish the work for the amount they bid). This makes the second low bidder the lowest responsive, responsible bidder. Due to the fact that this contract is the last contract in Phase I of our CSO Program, we are under a Consent Agreement with the RIDEM to complete Phase I by October 2008 or face potential fines for late completion (\$10,000 per day).

**Options 4 – Reject all Bids and Re-Bid the Project**

- Analysis: As stated in Option 3, it is felt by NBC that time is of the essence.

Mr. Marshall stated that NBC had a similar situation last month where NBC recommended rejection of all bids and re-bid the project, because when bids were received for the project, staff studied the bids and reviewed the projects that were a series of smaller contracts, and determined more efficient ways to address those particular projects. We also uncovered one or two other problem locations that we want to add to the original project. Mr. Marshall noted that in that particular case, staff repackaged the bid and re-bid the project. He stated that in the prior case, time was not a factor; however, with this Contract, we would re-bid the exact same contract, without changing anything, and time is of the essence here, because it is the last contract of the Phase I CSO Program to be completed under our Consent Agreement with the RIDEM, which must be completed by October 2008.

Mr. Marshall noted that while we understand that no solution is perfect under these circumstances, we do believe the third option is the best option for NBC to ensure we stay on schedule with our Consent Agreement with the RIDEM. He further stated that NBC's consultant, The Louis Berger Group, has evaluated the qualifications of the second low bidder, and determined that Rosciti Construction Co., LLC of Johnston, Rhode Island, is the lowest, responsive, responsible bidder. Therefore, based on The Louis Berger Group's review, they recommend NBC award the construction contract to Rosciti Construction Co., LLC in the amount of \$2,016,766. It was also noted that this project will be funded through capital financing.

Mr. Marshall then compared the second to the fifth bidders, and noted that their bids are all tightly grouped, which normally reflects the cost of constructing the project. Grove Construction Corp., simply needs to work on their ability to put together a quality bid. We

discussed the issue with Grove's staff, and they agreed and were appreciative of the fact that we are not keeping their bid bond, which would hurt their business.

Commissioner Farnum thought it might be interesting to discuss why our Engineer's estimate was so very different from the bid prices, since it is a factor, and twice the amount of our Engineer's estimate. Chairman Mesolella stated that there have not been any serious discussions about this yet, but noted that he discussed with the Executive Director the possibility of instead of having the engineering consulting firm who performs the actual design work do our estimates, perhaps we should engage a firm to review their work, but within the business of estimating construction project costs, as opposed to design work, in order to give us better pricing information. He noted that this is an item that he would like to pursue, and he will raise the course to the Committee as an option at the appropriate time when we put it out for bid. He noted that we may offer to make two contracts instead of one; one for the design, and the other would be for design review and pricing. The Chairman noted it is an option, and that he will bring this matter up with the Committee at the appropriate time.

Mr. Marshall noted that included with Richard Bernier's memo of January 11, 2007, is a copy of a letter from The Louis Berger Group who did analyze the bids, the low bidder in particular, compared it to the Engineer's estimate and they identified several areas, including traffic control, water and electric utility relocation, excavation, soil disposal to support bypass sewage, pumping prices and the risk associated with the job, and determined that the job was under-estimated by approximately \$500,000. He noted that in some instances, the bid prices are a reflection of the bidding climate.

Mr. Marshall noted that staff's recommendation is to select Option 3, and award the contract to Rosciti Construction Co., LLC in Johnston, Rhode Island for the bid price of \$2,016,766, as outlined in Resolution 2007:02, Recommendation to Award Contract 302.13C, Regulator Modifications.

After some discussion with Commissioners' Caine and Farnum regarding this matter, Commissioner Caine motioned to approve Resolution 2007:02, Recommendation to Award Contract 302.13C, Regulator Modifications. Commissioner Farnum seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

#### **4. Other Business**

None to report.

**5. Adjournment**

Chairman Mesolella motioned to adjourn. Commissioner MacQueen seconded the motion, and the meeting adjourned at 10:25 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Raymond J. Marshall". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

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Raymond J. Marshall, P.E.  
*Executive Director*