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TOWN COUNCIL SPECIAL MEETING MINUTES
THURSDAY, APRIL 7, 2011
Town Hall Council Chambers
10:00 A.M.

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Jackson, Council Member Lattin
- II. **NEW BUSINESS**
 1. **Lewis Street Reconstruction Project** - Davis Engineering presented the Lewis Street reconstruction project to the Council on April 5th, however there were some questions regarding the bids and the local preference. Mike Davis said bidding it out as one project will hurt perhaps smaller contractors for bonding the large project. He suggested a joint venture between smaller contractors to allow meeting the bonding requirements of a \$1.6 million project. Council Member Cotton would like to bid the project as all three blocks, and perhaps allow for a two year completion timeframe. Council Member Holt suggests requiring local subcontractors or giving incentives for those who hire local workers. Council Member Cotton suggests 50% of the cost of construction needs to come from local suppliers. The definition of local includes residence or principle place of business in Town limits or Archuleta County. The County's local definition reads the business has to be in business in Archuleta County for 12 months prior to solicitation and 50% of workers have to live in Archuleta County and 50% of the fleet has to be registered in Archuleta County. Town Manager Mitchem suggests a 2-3% local preference application. Mr. Davis suggests a sliding scale for the larger projects. Council Member Holt suggests taking the 3% off of the local bid to determine if they are within the percentage for local preference. Town Manager Mitchem suggests taking the 3% of the lowest bid and deciding if any local bidders are within the 3% of the lowest bid. Town Manager Mitchem believes interest rates will rise along with the cost of construction; therefore he would like to bid and finance the whole project. He received current interest rate of 4.2% with some local banks and said it is likely if completed per block, the interest rates and costs will increase. He suggests financing for ten years and paying off early once the community center loan is paid in 2014. Mr. Davis believes the construction prices will probably increase along with oil prices. Council Member Cotton suggests allowing two seasons to complete the project, and doesn't feel the bonding will be an issue. Mr. Davis said the two seasons would be an option, but would work it into the document to require that the portion worked on has to be completed at the end of the season. Mr. Davis says that including the geothermal piping at this time is an option. Town Manager Mitchem said the staff will refine the definition of local with the assistance of Town Counsel. He suggests in this RFP, that local vendors that have an office or customarily due business in the county have a preference. Also the requirement for 50% of materials or contractors be included for strong local participation and determine the project can be spread over two construction seasons. Council Member

Cotton moved to bid the project in its entirety and allow the option to spread the project over two consecutive construction seasons, and include in the RFP a requirement of minimum 50% of the gross bid be the use of local contractors and/or materials, and a 2.5% local preference be applied to the low bid, and direct the town manager to define "local" with Counsels assistance, Council Member Jackson seconded, unanimously approved.

III. **ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 10:50pm

Ross Aragón
Mayor