



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes - Final Public Works Council Committee

Wednesday, December 12, 2012

5:00 PM

Huntington Building

Special Called Meeting

1. Call To Order

Mayor Perrin was also in attendance.

Present 6 - Gene Vance; Chris Moore; John Street; Mitch Johnson; Darrel Dover and Charles Coleman

2. New Business

Resolutions To Be Introduced

RES-12:222

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO ACCEPT THE BID AND ENTER INTO A CONTRACT WITH OLYMPUS CONSTRUCTION, INC FOR THE RENOVATIONS OF THE MERCANTILE CENTER

Sponsors: Mayor's Office

Attachments: [Olympus Contract](#)
[Bid sheet for the Mercantile Center](#)

Chairman Street explained the lowest bid was by Stonebridge Construction but it did not meet the requirement of having their subcontractors within 30 miles of Jonesboro. Mayor Perrin noted one of the subcontractors was out of Memphis.

Councilman Vance stated the Building Facilities Committee recommended Olympus Construction for this project with a 7-2 vote.

Councilman Moore explained he spoke with the Mayor concerning Olympus Construction currently being in liquidated damages for not fulfilling their contract in a timely manner for two different jobs. He inquired if the City needs this project done in a timely manner. Chairman Street answered that is his understanding. He stated Architect Jerry Brackett was told that the problem was a concrete subcontractor. Mayor Perrin agreed. Councilman Vance noted it was Enterprises who did not fulfill their contract.

Councilman Moore asked how much the penalty would be if this project is not completed in a timely manner. Mayor Perrin answered the penalty would be \$200 a day or \$6,000 a month.

Councilman Coleman questioned if the contract states what the penalty will be if the work is not done in a timely manner. Mayor Perrin answered yes.

Councilman Moore recommended raising the daily penalty due to the job being over

\$2 million dollars. Councilman Vance stated the City cannot change how much is charged as a penalty.

Discussion was then held concerning the penalty amount.

Councilman Vance explained there are other safeguards in place that will protect the City in case this contractor does not fulfill his contract. He noted one of the safeguards will be that Mr. Brackett will be able to deny payment if the work is not done correctly.

Chairman Street asked if the contractor will be paid on a draw basis. Councilman Vance answered yes.

Councilman Moore stated the State of Arkansas pays the same way and they haven't been able to get their job completed. He added if the City is going to hire this contractor then the penalty should be high enough to get the contractors attention. Chairman Street stated he agrees.

Mayor Perrin discussed the phases of this project and the deadlines for each phase.

Councilman Vance asked if the rent for City Hall would be more than the \$6,000 penalty amount. Mayor Perrin answered no.

Councilman Moore again recommended raising the penalty amount. Councilman Vance explained if the City changed the penalty amount then the project would have to be rebid. He then stated he does not think the City can change the specifications after the contract has been bid out. City Attorney Phillip Crego explained he does not know if the bid documents states what the penalty will be under the contract. Councilman Vance stated the bid documents did state what the penalty would be. Mr. Crego then explained that if the documents did state the penalty then the City cannot change the documents.

Councilman Moore questioned if the City could change the penalty fee to \$500 a day if the City wanted to enter into a contract with the second lowest bidder. Mr. Crego answered if it was bid based on a \$200 a day penalty fee then the City could not change it without rebidding. He added if it was not part of the bidding process then the City could add it as a part of the contract negotiations.

Councilman Vance asked if the City told the bidder that they would not sign the contract without raising the penalty amount and the contractor refused could the City change it the penalty fee for the next bidder. Mr. Crego answered if he met the bid specs then the City couldn't change it.

Councilman Moore inquired if the City would have a legitimate reason to pass on this contractor due to the fact he is under liquidated damages for other jobs. Mr. Crego answered potentially, but he received a letter from the Highway Department stating that the issue was with a subcontractor. He added all the companies who bid on this project have the same subcontractors. He noted the Highway Department stated that Olympus Construction would be eligible for rehire on any state project and that would make it difficult for the City to exclude him on that basis. He noted he was unaware of the problem with the project in Blytheville.

Discussion was held concerning the process of working with the Highway Department.

Councilman Vance noted one of the other bidders has had the same issue as

Olympus Construction. Councilman Moore stated that the other company is not currently in trouble like Olympus Construction is.

Discussion was held concerning what would happen if the contractor did not complete the work on time.

Councilman Moore asked if anyone knew how far behind Olympus Construction was on the West Memphis job. Mayor Perrin answered he did not, but it was stated in the letter that was previously discussed. He added the letter also stated Olympus Construction did pay the liquidated damages and poured the concrete themselves.

A motion was made by Councilman Gene Vance, seconded by Councilman Mitch Johnson, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 4 - Gene Vance; Mitch Johnson; Darrel Dover and Charles Coleman

Nay: 1 - Chris Moore

RES-12:225

A RESOLUTION TO MODIFY PREVIOUSLY APPROVED RESOLUTION RES-07:2386 INDUCING REDEVELOPMENT OF THE PROPERTY COMMONLY KNOWN AS THE "INDIAN MALL" AND DECLARING AN EMERGENCY UPON THE CALL OF A SPECIAL CITY COUNCIL MEETING FOR SECTION TWO ONLY

Sponsors: Mayor's Office, Planning and Engineering

Attachments: [RES 07 2386 Adopted July 2007](#)

Chairman Street explained this resolution is just transferring everything to MBC Holdings and its successors and assigns. He added nothing will change concerning the criteria that deals with the drainage issues.

Councilman Moore asked if the depth of the requirement has changed. Chairman Street answered no. City Engineer Craig Light stated the only change was the addition of successors and assigns.

A motion was made by Councilman Darrel Dover, seconded by Councilman Chris Moore, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 5 - Gene Vance; Chris Moore; Mitch Johnson; Darrel Dover and Charles Coleman

3. Adjournment

A motion was made by Councilman Darrel Dover, seconded by Councilman Mitch Johnson, that this meeting be Adjourned. The motion CARRIED by a Voice Vote.

Aye: 5 - Gene Vance; Chris Moore; Mitch Johnson; Darrel Dover and Charles Coleman