

PUBLIC SERVICE COMMISSION

Abandoned Mine Lands Division

Memorandum

TO: Commissioners Kalk, Christmann and Fedorchak
Darrell Nitschke
Illona Jeffcoat-Sacco

From: Jim Deutsch, Director - AML Division

Date: June 4, 2014

Subject: Contract for the Hazen West Phase 3 AML surface mine reclamation project,
Case No. AM-14-41

In early March the AML Division prepared an Invitation for Bids for the Hazen West Phase 3 reclamation project in Mercer County. This project involves the excavation of earthen materials to backfill highwalls and mine pits at an abandoned surface coal mine north of State Highway 200 west of Hazen. As part of this project, about 325,000 cubic yards of materials need to be moved to reduce the slopes on about 3,000 feet of highwalls. About 30 acres will be reclaimed at this site. The bid opening for this and other projects was held on April 22nd and five bids were received for the Hazen West project. The low bidder was Kern & Tabery, Inc. of Wadena, MN, in the amount of \$1,153,100. The other bids ranged from \$1,440,370.50 to \$2,270,750. The estimate prepared by AML staff was \$1,500,000.

A notice of intent to award a contract to Kern & Tabery was issued on April 25th. None of the other bidders appealed the Intent to Award and a contract was sent to Kern & Tabery for signing on May 8th. The signed contract has been returned and properly executed performance and payment bonds, liability insurance documents, and other requested materials have been received. The contract is now ready for execution by the Commission. The AML Division has enough funds in current OSM grants for this and other projects planned for this year.

I recommend the Commission execute Contract No. AM-694-14 with Kern & Tabery, Inc. in the amount of \$1,153,100 for the Hazen West project. Attached is a motion for the June 11th Commission meeting to execute the contract.

Attachment

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