

PUBLIC SERVICE COMMISSION

Abandoned Mine Lands Division

Memorandum

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

From: Jim Deutsch, Director - AML Division

Date: April 1, 2015

Subject: Contract for AML's 2015-16 Sinkhole Filling Project, Case No. AM-15-55

In early February the AML Division issued an Invitation for Bids (IFB) for sinkhole filling at numerous locations in western North Dakota. This project involves the excavation and filling of sinkholes that have formed due to the collapse of abandoned underground coal mines. This sinkhole filling project will occur over the 2015 and 2016 construction seasons and the contract will have an end date of December 31, 2016.

Competitive sealed bidding procedures were used with notices issued to specified registered vendors through the State Procurement Office. The IFB for this project set a maximum bid price of \$200,000. The low bidder was determined by the contractor who will be able to fill the most sinkholes based on the total number of cubic yards of fill material specified in the bid. The public bid opening occurred on February 26th and six bids were received.

The low bid was received from Ross Smith, dba Earthworm Excavating LLC, of Tolna, ND. He bid 20,000 cubic yards of fill material at \$9.00 per cubic yard, plus \$15,000 for mobilizing equipment to fifteen different sites with mine sinkholes, or \$1,000 for each mobilization. The next lowest bid was 18,750 cubic yards of material at \$8.80 per cubic yard, plus \$30,000 for the fifteen mobilizations, or \$2,000 for each mobilization. The AML Division's estimate for fill material was \$12.50 per cubic yard for 12,800 cubic yards, plus \$30,000 for the fifteen mobilizations, or \$2,000 for each mobilization.

A notice of Intent to Award a contract to Earthworm Excavating was issued on February 27th. None of the other bidders appealed the Intent to Award and on March 10th a contract was sent to Mr. Smith to execute. The signed contract has been returned and liability insurance documents and other materials that were requested have been received. The contract is now ready for execution by the Commission.

I recommend the Commission execute the contract with Earthworm Excavating in the amount of \$200,000 for sinkhole filling at numerous abandoned underground mines in western North Dakota. Attached is a motion for the April 8th Commission meeting.

Attachment

Minedata\AML\2015\SinkholeFillingProject2015-2016\Earthworm_Contract_memo_4-1-15.docx

5 **AM-15-55** Filed: 4/1/2015 Pages: 1
Memorandum

Public Service Commission Staff

Jim Deutsch

