



LEGISLATIVE MEMORANDUM

TO: **Honorable Mayor Gibson, Vice Mayor Bare, and Alderman Gilliam,
Alderman Patrick, Alderman Shugart, Alderman Binstock, Alderman Cross**

THRU:

FROM: **James Stables, Town Administrator/Manager**

DATE: **November 4, 2025**

RE: **DISCUSSION & CONSIDERATION: JMT Engineering Led Phase 1B
Wastewater Plant Construction Project Rebid, and Approval**

SUMMARY:

The purpose of this discussion and consideration request is to address the rebid process completed October 31, 2025, for this project for the Wastewater Plant Improvement Project identified in JMT Project number 22-V055016-002 (Phase 1B) and funded through Town funding (\$400,000) and the American Rescue Plan Act funding (\$1,200,000) that was provided to the Tennessee Department of Environment and Conservation and granted to the Town of Mount Carmel for these projects.

Phase 1B addresses and includes aeration blower replacement, clarifier 1 refurbishment, and rebuild of lift station 3 with force main replacement and reroute on the wastewater treatment plant site. All these components and the scope of work defined have been pre-approved by TDEC, and JMT previously received approval for a “change of work scope” for this specific project. No further change approvals can be expected

The original bid and three rebid processes for this project were as follows:

The 1st bid opening for this project was conducted on August 25, 2025, at 10 a.m., with one bidder submitting a bid much higher than the budgeted amount available.

The 2nd bid opening for this project was conducted on Friday, September 19, 2025, at 10 a.m., no bids were received.

The 3rd bid opening for this project was conducted on Wednesday, October 22, 2025, at 10 a.m., and two bids were received.

The 4th bid opening for this project was conducted on Friday, October 31, 2025, at 10 a.m., and two bids were received.

The Town has been struggling with this project for months and we believe that we have come to an end of the challenges. Again, both bids came in higher than budgeted. However, the ability to navigate this construction project with reduction of component parts will allow us to complete the project within range of budgeted dollars.

Additionally, we will be collaboratively managing the deadlines and milestones that have been established by TDEC to ensure efficiency and compliance are our goals.

Therefore, we would like to offer the following for evaluation and consideration and action by the Board of Mayor and Aldermen.

ITEM	Garney Co., Inc. Bid	Herrick Co., Inc. Bid	H/L Difference
<i>Mobilization (1)</i>	\$244,000	\$357,000	\$113,000
<i>By-Pass Pumping (2)</i>	\$29,000	\$92,000	\$63,000
<i>Blowers (3)</i>	\$794,000	\$1,133,000	\$339,000
<i>6" Force Main (4)</i>	\$452,000	\$363,000	\$89,000
<i>Secondary Clarifier Components (5)</i>	\$774,000	\$760,000	\$14,000
<i>Plant Drainage Pump Station (6)</i>	\$366,000	\$459,000	\$93,000
<i>Orifice Flow Meters (7)</i>	\$420,000	\$431,000	\$11,000
TOTAL	\$3,079,000	\$3,595,000	
<i>Projected overall budget shortfall</i>	\$1,479,000	\$1,995,000	\$516,000
<i>Removal of Items 5 & 7 TOTAL</i>	\$1,885,000	\$2,404,000	\$519,000
<i>Projected adjusted budget shortfall</i>	\$285,000	\$804,000	

REQUESTING DEPARTMENT(S):

Town Administrator/Manager & Sewer

FISCAL IMPACT:

OPTION 1

Acceptance and approval of the low bidder's contract, Garney Construction submitted a bid of \$3,079,000, which is outside of the budget. However, with the removal of the clarifier components and orifice flow meters, we would be slightly outside of the budgeted amount with the low bid estimated at \$1,885,000. Also, we believe through collaborative development of value-added construction practices and an appropriate construction timeline to pursue TDEC milestones and deadlines established previously this project will be a success.

OPTION 2

Reject all bids and vacate the project to a later date. This option will essentially withdraw us from eligibility of the ARPA funding identified and managed by TDEC, and we must develop a funding strategy from town provided funds only.

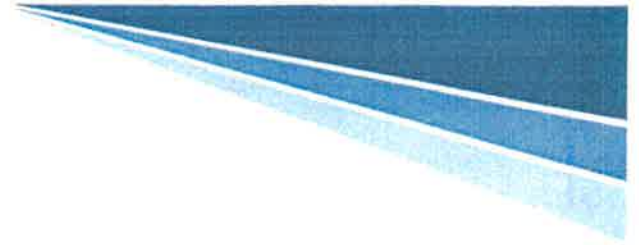
STAFF RECOMMENDATION:

Staff recommendation is to proceed to contract with the lowest bidder with modified component scope reduction and enter further value-added discussions for project success and completion.

ATTACHMENTS:

JMT Project recommendation letter with Bid Tabulation

Bid Form(s) for Construction Contract received on October 31, 2025



November 3, 2025

Mayor Gibson and Board of Alderpersons
Mr. Jim Stables, City Manager
Town of Mount Carmel
100 Main Street East
Mount Carmel, TN 37645

RE: WWTP Phase 1B Improvements
Bid Opening and Contract Award Recommendation
JMT Job No. 052250-16

Mayor Gibson, Board of Alderpersons, and Mr. Stables:

On October 31, 2025, at 10:00 a.m., the Town of Mount Carmel opened bids for the Wastewater Treatment Plant (WWTP) Phase 1B Improvements Project. We received two (2) bids, which were opened and read aloud. The low bid was from Garney Companies, Inc. in the amount of \$3,079,000.00. The Engineer's Estimate for the total project was \$1,600,000.00.

Both bids were reviewed by the engineering firm for completeness, and references provided by the low bidder were contacted to confirm that the contractor is qualified for the work described within the project manual.

The project consists of improvements to the existing Wastewater Treatment Plant owned and operated by the Town of Mount Carmel in Hawkins County, Tennessee. The work includes renovation of an existing clarifier, installation of new blower units, renovation of a pump station, yard piping, installation of a new force main, and installation of orifice plate flow meters.

Based on the bid review and contractor qualifications, the Engineer recommends awarding the construction contract to Garney Companies, Inc. The Engineer further recommends working with Garney Companies, Inc. to explore value-added engineering options to help align the project costs with the available grant budget, while maintaining the overall intent and functionality of the proposed improvements.

If you have any questions or need further information, please do not hesitate to contact me at 865-546-5800 or mmlynarski@jmt.com.

November 3, 2025

Very truly yours,

JOHNSON, MIRMIRAN & THOMPSON, INC.

A handwritten signature in dark ink, appearing to read 'Mark Mlynarski', is written over the company name.

Mark Mlynarski, P.E.
Project Manager

Enclosures

Cc: Matthew Porter, Project Manager

Waste Water Treatment Plant Improvements - Phase 1B
Mount Carmel

Bid Tabulation 10/31/2025

Garney Companies, Inc.

Item	Unit	Est. Quantity	Bid Unit Price	Bid Amount
Mobilization	LS	1	\$ 244,000.00	\$ 244,000.00
By-Pass Pumping	LS	1	\$ 29,000.00	\$ 29,000.00
Blowers	LS	1	\$ 794,000.00	\$ 794,000.00
6" Force Main	LS	1	\$ 452,000.00	\$ 452,000.00
Secondary Clarifier Components	LS	1	\$ 774,000.00	\$ 774,000.00
Plant Drainage Pump Station	LS	1	\$ 366,000.00	\$ 366,000.00
Orifice Flow meters	LS	1	\$ 420,000.00	\$ 420,000.00

Total

\$ 3,079,000.00

Herrick Company, Inc.

Bid Unit Price	Bid Amount
\$ 357,000.00	\$ 357,000.00
\$ 92,000.00	\$ 92,000.00
\$ 1,133,000.00	\$ 1,133,000.00
\$ 363,000.00	\$ 363,000.00
\$ 760,000.00	\$ 760,000.00
\$ 459,000.00	\$ 459,000.00
\$ 431,000.00	\$ 431,000.00

\$ 3,595,000.00



BID FORM FOR CONSTRUCTION CONTRACT

The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

ARTICLE 1—OWNER AND BIDDER

- 1.01 This Bid is submitted to: Town of Mount Carmel – 100 Main St E, Mount Carmel, TN, 37645.
- 1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

ARTICLE 2—ATTACHMENTS TO THIS BID

- 2.01 The following documents are submitted with and made a condition of this Bid:
- A. Required Bid security;
 - B. List of Proposed Subcontractors;
 - C. List of Proposed Suppliers;
 - D. Evidence of authority to do business in the state of the Project; or a written covenant to obtain such authority within the time for acceptance of Bids;
 - E. Contractor's license number as evidence of Bidder's State Contractor's License or a covenant by Bidder to obtain said license within the time for acceptance of Bids;
 - F. Required Bidder Qualification Statement with supporting data;

ARTICLE 3—BASIS OF BID—LUMP SUM BID AND UNIT PRICES

3.01 Unit Price Bids

- A. Bidder will perform the following Work at the indicated unit prices:

Item No.	Description	Unit	Estimated Quantity	Bid Unit Price	Bid Amount
1	Mobilization	LS	1	\$244,000.00	\$244,000.00
2	By-Pass Pumping	LS	1	\$29,000.00	\$29,000.00
3	Blowers	LS	1	\$794,000.00	\$794,000.00
4	6" Force Main	LS	1	\$452,000.00	\$452,000.00
5	Secondary Clarifier Components	LS	1	\$774,000.00	\$774,000.00
6	Plant Drainage Pump Station	LS	1	\$366,000.00	\$366,000.00
7	Orifice Flow Meters	LS	1	\$420,000.00	\$420,000.00
Total of All Unit Price Bid Items					\$3,079,000.00

- B. Bidder acknowledges that:

1. each Bid Unit Price includes an amount considered by Bidder to be adequate to cover Contractor's overhead and profit for each separately identified item, and

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2	By-Pass Pumping	LS	1	92,000	\$ 92,000
3	Blowers	LS	1	1,133,000	\$ 1,133,000
4	6" Force Main	LS	1	363,000	\$ 363,000
5	Secondary Clarifier Components	LS	1	760,000	\$ 760,000
6	Plant Drainage Pump Station	LS	1	459,000	\$ 459,000
7	Orifice Flow Meters	LS	1	431,000	\$ 431,000
Total of All Unit Price Bid Items					\$3,595,000

- B. Bidder acknowledges that:

- each Bid Unit Price includes an amount considered by Bidder to be adequate to cover Contractor's overhead and profit for each separately identified item, and