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September 29, 2008

Mayor David B. Cohen
City Hall
1000 Commonwealth Avenue
Newton Centre, MA 02459

Dear Mayor Cohen:

A bid protest was filed with the Business & Labor Bureau of the Massachusetts Attorney General involving the plumbing trade contract work on the Newton North High School project. The plumbing trade contract was awarded to Sagamore Plumbing, which was the low monetary bidder. The bid protest was initially filed by Plumbers & Gasfitters Local 12 Boston. Commonwealth Plumbing, the second low bidder, ultimately joined in the bid protest. Commonwealth Plumbing's bid price was approximately \$570,000 more than Sagamore's bid price.

The bid protest involved a very technical aspect of bidding procedure, and did not involve the competency or bid price of Sagamore. In an unexpected result, the Attorney General's Office ruled in favor of the protest and asked the City to direct Dimeo Construction to rescind the trade contract with Sagamore Plumbing and award the contract to Commonwealth Plumbing, or to rebid the plumbing trade contract. The City vehemently disagreed with the ruling and declined to follow the Attorney General's request. The Attorney General's Office then stated that it was prepared to go to court to enforce its ruling against the City. The Attorney General would be joined in a potential law suit by Commonwealth Plumbing. The first step in such a law suit would involve both the Attorney General and Commonwealth Plumbing asking for injunctive relief.

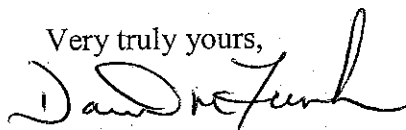
Although the City was confident it would ultimately prevail in a court case, the City was gravely concerned that even the remotest possibility of an injunction issuing would derail the project, even temporarily. It became apparent that even the slightest delay in the project schedule imposed by an injunction would likely result in a catastrophic, financial impact on the project, including delaying the opening of the school.

#347-08

In order to avoid this possibility, the City offered \$100,000 to Commonwealth Plumbing in exchange for an agreement that the bid protest enforcement action not be pursued in court. In this manner, no injunction could be issued that would delay the project for any period of time. Commonwealth Plumbing has agreed to accept this amount; Local 12 is satisfied with this result, and the Attorney General has agreed to not pursue the enforcement of its ruling.

I hereby request that you submit this settlement request to the Board of Aldermen for its approval to be funded out of the new NNHS project fund.

Very truly yours,



Daniel M. Funk
City Solicitor