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## MEMORANDUM

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**To:** Mayor McConnell and Members of the Assembly  
Mark Gorman, Municipal Administrator

**From:** Michael Harmon, P.E., Public Works Director *MH*  
Dan Tadic, P.E., Municipal Engineer *DT*  
Stephen Weatherman P.E., Senior Engineer *SW*

**Reviewed:** Jay Sweeney, Finance Director *JS*  
Mark Buggins, Environmental Superintendent *MB*  
Tori Fleming, Contract Coordinator *TF*

**Date:** August 6, 2014

**Subject:** UV Disinfection Facility  
Recommendation for Award of Contract to Dawson Construction Inc.

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### Background

The Public Works Department advertised an Invitation to Bid for the UV Disinfection Facility project in accordance with City and Borough of Sitka procurement policies. The project scope includes excavation, basement, pre-engineered metal building, piping, UV disinfection equipment, controls and other ancillary equipment to provide Ultra Violet Disinfection of City and Borough of Sitka potable water supply.

Bids were opened for this project on July 30, 2014. One (1) responsive and responsible proposal was received, as indicated in the following table.

Bidder	TOTAL
Dawson Construction Inc.	\$5,496,207.00
Engineer's Estimate	\$4,964,207.00

### Analysis

Public Works proposes to award a contract to Dawson Construction Inc. in the amount of \$5,496,207.00 for the UV Disinfection Facility. The work is anticipated to begin in September 2014 and be completed August 2015.

### Fiscal Note

The current project budget is estimated at \$8,966,000. This includes construction, design, permitting, UV reactors pre-purchase, project management, construction management and programming. Funding for this project is provided by State of Alaska Department of Environmental Conservation (ADEC) loans and grants:

- \$4,000,000 FY 2011 ADEC Loan. Includes \$2,500,000 financed with \$1,500,000 subsidized.
  - \$2,550,000 FY 2012 ADEC Loan
  - \$3,500,000 FY 2012 ADEC Grant (30% local match requirement).
  - \$2,061,000 FY 2013 ADEC Grant (30% local match requirement).
- \$12,111,000 Total Project Funding.

At this time we anticipate utilizing \$5,561,000 in grants and \$3,405,000 in loans (of which 37.5% is subsidized) and returning \$3,145,000 in loans to DEC.

### Recommendation:

**Award a contract to Dawson Construction Inc. in the amount of \$5,496,207.00 for completion of the UV Disinfection Project.**