
MEMORANDUM

To: Mayor Westover and Members of the Assembly
Jim Dinley, Municipal Administrator

From: Michael Harmon, P.E. Public Works Director *MH*
Stephen Weatherman, P.E, Municipal Engineer *SW*
Lance E. Henrie, P.E., Senior Engineer *LH*

Reviewed: Jay Sweeney, Finance Director *JS*
Mark Buggins, Environmental Superintendent
Tammy O'Neill, Contract Coordinator *TO*

Date: January 18, 2012

Subject: Japonski Island Sewer Lift Station Upgrades, CIP# 90697
Recommendation for Award of Construction Contract

The Public Works Department opened bids for this project on January 17, 2012. The Invitation to Bid was published in the Sitka Sentinel and Juneau Empire, in accordance with City and Borough of Sitka procurement policies. Six (6) proposals were received, as indicated in the following table:

Contractor	Base Bid	Additive Alternate No. 1	Additive Alternate No. 2	Additive Alternate No. 3	Total Bid
CBC Construction	\$562,800.00	\$154,459.00	\$111,500.00	\$79,500.00	\$908,259.00
Trenchless Construction	\$654,526.90	\$118,230.75	\$88,887.70	\$72,455.90	\$934,101.25
Southeast Earthmovers	\$678,500.00	\$113,700.00	\$126,200.00	\$69,500.00	\$987,900.00
Admiralty Construction	\$793,000.00	\$160,000.00	\$145,000.00	\$110,000.00	\$1,208,000.00
Derian Inc.	\$824,000.00	\$164,000.00	\$120,500.00	\$118,295.00	\$1,226,795.00
Razz Construction	\$1,391,000.00	\$320,000.00	\$310,000.00	\$310,000.00	\$2,331,000.00
Engineers Estimate	\$714,000.00	\$103,000.00	\$83,000.00	\$90,000.00	\$990,000.00

Analysis

All six (6) bids were judged to be responsive. CBC Construction was the low bidder for both the base bid at \$562,800.00, and for the Base Bid plus Additive Alternates No. 1, No. 2 and No. 3, at \$908,259.00. The total bid is approximately 8% below the Engineers Estimate.

Fiscal Note:

The project includes pump replacement and new electrical components and control systems and has a total in place funding of \$1,282,000.00 (\$1,089,700 ADEC wastewater loan with

\$192,300 principal forgiveness) with an additional \$458,000.00 loan increase committed to by the ADEC under the Alaska Clean Water Fund (ACWF). The total estimated cost of the project is \$1,700,000.00.

Recommendation:

Award a contract to CBC Construction, in the amount of \$908,259.00, for the Base Bid and Additive Alternate No. 1, No. 2 and No. 3 for the Japonski Island Sewer Lift Station Upgrades project, contingent upon the passage of the required 10 day protest period and formal approval of the ADEC loan increase.

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF WATER
MUNICIPAL GRANTS & LOANS PROGRAM

SEAN PARNELL, GOVERNOR

555 Cordova Street, 4th Floor
Anchorage, AK 99501-2617
Phone: (907) 269-7502
Fax: (907) 269-7509

<http://www.dec.state.ak.us>

January 13, 2012

The Honorable Cheryl Westover
Mayor
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835

Dear Mayor Westover:

Enclosed for signature is the loan amendment for the City and Borough of Sitka Japonski Island Sewer Lift Station Upgrades project (ACWF#783391). This loan increase is made to the City and Borough for the Japonski Island Sewer Lift Station Upgrades project in the amount of \$458,000 for a total amount of \$1,740,000.

After all signatures have been obtained, please return the document to the Alaska Clean Water Fund-MAT, Division of Water, Department of Environmental Conservation, P.O. Box 111800, Juneau, AK 99811-1800.

Sincerely,



Michelle Bonnet
Director

Enclosure: Japonski Island Sewer Lift Station Upgrades (ACWF783391) Loan Amendment



ALASKA CLEAN WATER FUND AGREEMENT

ACWF LOAN #783391

Japonski Island Sewer Lift Station Upgrade

THIS AGREEMENT is amended as of January 13, 2012, by the Alaska Department of Environmental Conservation (the Department) and the City and Borough of Sitka (the Borrower) acting pursuant to Ordinance No. 2011-23 approved by the City and Borough of Sitka for a loan increase of \$458,000 with a loan term of 20 years. This loan increase is made to the City and Borough from the Clean Water Fund in the amount of \$458,000 for a total loan amount of \$1,740,000.

This loan agreement is amended by replacing Sections 1.1 (f) and 4.1 with new language.

Section 1.1 (f) will read as follows:

Section 1.1

(f) "Eligible Project Costs" include the following costs disbursed from the Alaska Clean Water Fund, estimated to not exceed \$1,740,000; demolition, construction, and engineering for the Project Facility; machinery, furnishings, and equipment; surveys, plans, estimates, and specifications; necessary insurance; financial and environmental investigations; laboratory testing, resident engineering and inspection fees; force account; legal expenses; and any other necessary miscellaneous expenditures, minus the amount of any grant applicable to foregoing costs.

Section 4.1 will read as follows:

Section 4.1. This loan increase is made to the Borrower from the Clean Water Fund in the amount of \$458,000 for the maximum amount of \$1,740,000. Of this total amount, \$192,300 or no more than 15% of total funds disbursed or \$1,000,000 per community is offered to the Borrower as a funding subsidy (principal forgiveness). All remaining unsubsidized funds will be repaid as provided in the following sections.

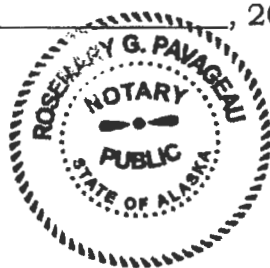
These new Sections shall become part of the original loan agreement (ADEC Loan Number 783391) and are hereby agreed to by:

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

By: Michelle Bonnet
Michelle Bonnet, Director
Division of Water

**ACKNOWLEDGEMENT
STATE OF ALASKA
Third Judicial District**

The foregoing instrument was acknowledged before me this 13th day of January, 2012.



Rosemary G. Pavageau
Notary Public, State of Alaska
My commission expires: 09-27-12

CITY AND BOROUGH OF SITKA

By: _____

**ACKNOWLEDGEMENT
STATE OF ALASKA
First Judicial District**

The foregoing instrument was acknowledged before me this _____ day of _____, 2012.

Notary Public, State of Alaska
My commission expires: _____