

Should this item be pulled from the Consent Agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE to award a contract to Bathymetric Survey to TerraSond Limited in the amount of \$151,365 and authorize the total expenditure not to exceed \$185,000 (a contingency for weather delays) – for Takatz Lake.



Memorandum

July 19, 2011

To: Jim Dinley, Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Professional Services Agreement – Bathymetric Surveys - Takatz Lake**

Request:

This is to request Assembly approval to authorize the Municipal Administrator to sign Professional Services Agreements (PSA's) between TerraSond Limited, Palmer, Alaska and the City and Borough of Sitka (CBS) for Bathymetric Surveys for the Takatz Lake Hydroelectric Project.

Background:

A Request for Proposal (RFP) for Bathymetric Surveys was issued by the CBS on June 3, 2011 with an RFP opening date of July 8, 2011. Five (5) responses were received and evaluated. Additional information was provided by the two low bidders via email on July 18, 2011. The base bid results, and a comparison assuming three days of weather delay at the bidders' proposed standby rates, are as follows:

Company	Base Bid	(with 3 days Standby)
TerraSond Limited, Palmer, AK	\$141,286	\$168,589
David Evans & Associates, Vancouver, WA	\$155,500	\$167,200
Bethel Environmental Solutions, LLC, Anchorage, AK	\$169,950	\$184,650
Tetra Tech, Juneau, AK	\$197,000	\$211,100
Hughes & Associates, Wasilla, AK	\$207,750	\$222,750

On July 18 the two low bidders responded to an inquiry regarding survey control for the project. TerraSond indicated that the required survey control would result in an increase in project cost of \$10,079. David Evans and Associates indicated that the cost of the required survey control was included in their bid and no change in their proposed price is required.

Purpose:

On September 19, 2008, the Federal Energy Regulatory Commission (FERC) formally issued a 3-year preliminary permit to study the feasibility of the Takatz Lake Hydroelectric Project. Pursuant to FERC's approval CBS initiated proceedings under the Alternative Licensing Process (ALP) to investigate project feasibility.

Obtaining the necessary FERC license to construct and operate the project will require that we determine the most appropriate project physical arrangement to meet Sitka's energy needs. The primary objective of the bathymetric survey is to determine whether a phased construction of Takatz Lake Hydroelectric project is feasible. Specifically, the bathymetry survey will help establish whether the lake can be tapped below the existing lake level, allowing a "Phase 1" Development which does not include a dam at the outlet of Takatz Lake.

Constructing the project in phases will allow Sitka to stagger its investment over time, to better suit our energy needs and to reduce the initial Takatz Project construction cost.

The Bathymetry survey includes geophysical surveys that will determine the depth and nature of sediments on the lake bottom and along the shore. This data is needed to confirm a lake tap is feasible.

Evaluation:

The two low bidders both offer well thought-out survey programs, corporate experience on similar projects, and competent project teams. Both low bidders are using Golder Associates out of British Columbia for the geophysical surveys. Golder is well qualified and has worked with both bidders in the past.

TerraSond has a slightly lower base bid, but they would be the higher cost consultant, if the survey work experiences 3 or more days of weather delay (out of a 13 day field program). TerraSond is using its own boat for the surveys, (as opposed to David Evans' use of the City skiff located on Takatz Lake). The City skiff is normally shared by consultants working on the lake. By providing its own boat TerraSond would reduce the risk of delays to other consultants and contractors working in the area.

Funding:

Sufficient funds are available in the Takatz Lake Feasibility Project to award a contract for the Bathymetric survey.

Recommendation:

I recommend the award of the Bathymetric Survey contract be awarded to TerraSond Limited, Palmer, Alaska in the amount of \$151,365. I also request that the Assembly authorize a total expenditure for this contract in a not to exceed amount of \$185,000. This larger amount will allow payment for potential weather delays for the selected contractor.

Cc: Jay Sweeney, Finance Director
Janet Schwartz, Budget Officer
Lesly Peters, Grants Administrator