

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2013-08

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING AMENDMENT NO. 2 TO THE AGREEMENT FOR MATERIAL SALE FROM MUNICIPALLY OWNED PROPERTY ("AGREEMENT") WITH S&S GENERAL CONTRACTORS AND EQUIPMENT RENTAL, INC. ("S&S") AT SITE 5 OF THE GRANITE CREEK INDUSTRIAL AREA, AND APPROVING THE AGREEMENT TO HAVE S&S PROVIDE CONTRACT SERVICES AS AN ALTERNATIVE FOR CERTAIN PAYMENT OWED UNDER THE AGREEMENT

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code.

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** On January 22, 2013, the Assembly passed Ordinance No. 2013-04, approving Amendment No. 1 to the Agreement regarding Granite Creek Gravel Pit Site 5, as well as passed Ordinance No. 2013-03, approving the assignment of the Agreement to S&S.

Based on Amendment No. 1 to the Agreement and the assignment of the Agreement, S&S assumes liability for \$107,375.21 of delinquent royalty and land lease payments plus interest owed to CBS by Southeast Earthmovers, Inc., based on Southeast Earthmovers, Inc.'s prior agreement regarding Granite Creek Gravel Pit Site 5. S&S has also signed the Promissory Note ("Note") and Confession of Judgment Without Action ("Confession") as required by Amendment No. 1.

CBS and S&S have proposed an alternative payment process regarding the Note and Confession. CBS Electric Department intends to install new diesel-fueled generation capacity at its Jarvis Street Diesel Plant. To accommodate physical installation of new generation equipment, significant amounts of rock and overburden must be removed from the site. Rock removed from this site will be used for further CBS projects (i.e., Thomsen Harbor Breakwater Improvements). S&S has extensive experience in rock blasting and removal and is familiar with quantity and quality of rock that is to be removed, approximately 25,000 cubic yards. CBS would like to enter into a contract with S&S as an alternative to payment in accordance with Amendment No. 1. The attached Amendment No. 2 sets out that alternative payment process. Instead of payment according to the Note and Confession signed by S&S, S&S will perform the

rock work, not exceeding \$107,375.21.

The Assembly determined competitive bid is not required and is waived, based on the competitive rate for S&S under the contract, its immediate availability for the work, and its expertise.

The Assembly approves authorizing the Municipal Administrator to sign the contract between CBS and S&S, and Amendment No. 2 to the Agreement.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the attached contract between CBS and S&S is approved, as well as Amendment No. 2 to the Agreement, and the Municipal Administrator is authorized to sign both documents.

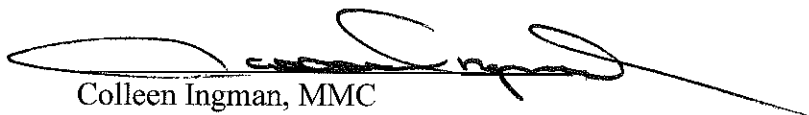
5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 26th day of February, 2013.



Mim McConnell, Mayor

ATTEST:



Colleen Ingman, MMC
Municipal Clerk