
MEMORANDUM

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

From: Michael Harmon, P.E., Public Works Director *MAH*
Gary E. Baugher Jr., M&O Superintendent *GEB*
Chris Wilbur, Facilities Manager

Reviewed: Jay Sweeney, Chief Finance and Administration Officer *JS*
Robin Koutchak, Attorney *RK*

Date: November 11, 2014

Subject: Approval for Exception: Marine Services Center Compressor #2 Replacement

Background:

The Marine Services Center (MSC) was built in 1991. The refrigeration system has three screw compressors to power the cold room refrigeration. Compressor #1 and 2 were rebuilt in 2003, and are past their service life. Compressor #3 is a smaller compressor that was replaced in 2007. All three compressors are maintained and operated by CBS refrigeration maintenance contractor, Wyatt Refrigeration.

Due to the technical nature of the ammonia refrigeration system when we replace any piece of equipment we require the Contractor have three replacement projects of similar size. The Contractor is also responsible for the operation of the refrigeration system while the replacement is underway. This is especially critical because of the 3.6 million pounds of product held in the freezers and leased by Northern Pacific Processor Inc. (NPPI), and Seafood Producers Cooperative (SPC). These specialized equipment replacement projects and standardization of that equipment is critical for the continuity of services.

Wyatt Refrigeration was the original contractor that installed the refrigeration equipment in the MSC. They have held the CBS refrigeration maintenance contract since January 2003. They also perform maintenance and capital projects on the refrigeration systems at NPPI and SPC. There are no refrigeration contractors in Sitka capable of doing this work.

Analysis

CBS procurement policy and procedures, section 3.16.060, Section I, authorizes exceptions to the competitive bid process:

3.16.060 Exceptions to competitive bidding requirements. *Unless authorized by law, all procurements actions shall be by competitive bidding. The following is a list of authorized exceptions describing situations in which competitive bidding is not practicable:*

Item I: Specialized equipment for enterprise funds where standardization is a primary criteria.

Fiscal Note

There is \$135,000 budgeted for this project in the MSC FY 15 budget in GL account 320-600-630-5212.000 31016 2015

Recommendation:

Approve an award for the replacement of this compressor with our Refrigeration Maintenance Contractor, Wyatt Refrigeration.