

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO award a time and expenses contract to Boreal Controls Inc. with a not to exceed amount of \$193,525 for completion of the SCADA system including hardware, software, licenses and system integration and installation services.

MEMORANDUM

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

From: Michael Harmon, Public Works Director *WH*
Shilo Williams, Deputy Environmental Superintendent *SW*

Reviewed: Jay Sweeney, Finance Director *JS*
Tori Fleming, Contract Coordinator *TF*

Date: February 1, 2016

Subject: UV Disinfection (Water Treatment) - SCADA upgrades

Background

The Blue Lake drinking water system is a surface water system, which must comply with the EPA Enhanced Surface Water Treatment Rules (ESWTRs). The UV Disinfection Facility will provide the additional microbial and disinfection controls required under the ESWTRs. The addition of the UV Disinfection Facility to the CBS Supervisory Control and Data Acquisition (SCADA) network requires the current system to be amended and upgraded to allow communication between the new and current systems.

Analysis

Public Works proposes to award a sole source contract to Boreal Controls, Inc. Currently CBS Water and Wastewater Divisions utilize Boreal Controls, Inc. of Juneau for the maintenance and upkeep of the SCADA system in order to maintain a cohesive functioning system. The WWW SCADA system is a customized product utilizing Allen Bradley software as its backbone.

Sitka General Code 3.16.020 Limitation on administrator's authority states: The administrator may not make an acquisition or contract...without first obtaining assembly approval of the appropriation. Such approval can occur either through the listing of the property, service, or contract in the annual budget as adopted by the assembly or by passage of a motion by the assembly.

Sitka General Code 3.16.060 Exceptions to competitive bidding requirements states: Unless otherwise authorized by law, all procurement actions shall be by competitive bidding. The following is a list of authorized exceptions describing situations in which competitive bidding is not required...

- i. Specialized equipment for enterprise funds where standardization is a primary criteria.

Fiscal Note

The Ultraviolet Disinfection project is funded by way of the following:

\$4,000,000 FY 2011 ADEC Loan (Includes \$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)
\$398,000 Municipal Funds – Water
\$12,509,000 Total Project Funding

The grant and loan funding is dedicated and secured for the UV Disinfection upgrades and cannot be directed to another purpose.

The UV disinfection project is 70% funded through State of Alaska grant funds with the remaining 30% funded using the ADEC low interest loan program. There is \$4,800,000 of unencumbered funds available. The upgrading of the SCADA system is one of the last major components needed in order to have the treatment system fully functional. The State of Alaska grant for this project will expire in April 2016. It is imperative this work gets underway as soon as possible to avoid losing grant funding.

Recommendation:

Award a time and expenses contract to Boreal Controls Inc. with a not to exceed amount of \$193,525, for completion of the SCADA system including hardware, software, licenses and system integration and installation services.