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TAMICO, INC.

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City and Borough of Sitka
100 Lincoln St
Sitka, AK 99835

Regarding: Appeal of Bid Evaluation/Intent to Award for O'Connell Bridge Lightering Pile Replacement

Attention: Dan Tadic

Mr Tadic,

Tamico is appealing your evaluation of our bid as well as your decision to award the project to Turnagain Marine to the City and Borough of Sitka Assembly.

Tamico does not agree that our Permitting Specialist requires an IHA background as inquiries we have had with the permitting agencies indicate that an IHA would not be required. We have conflicting information coming out of NMFS. Tamico talked to 2 different NMFS agents on 4/23/18 one Fisheries and one resources agent. Both concurred as well as the resource agents head supervisor that the permit could be applied for under an informal status. We also had a similar discussion with the USACE office as well.

The reasons we were given were that an informal permit had a high potential to happen were

- It was an existing facility and it was a maintenance project
- The number of pile and duration of pile driving was very small
- The diameter of pile was less than 24"
- Tamico as part of the permit was willing to do several sound mitigating measures
 - bubble curtain
 - Silt curtain
 - Use of an impact hammer instead of a vibratory hammer as much as possible
 - Do the work during a time when mammal levels were lower

Tamico's first source for doing the permitting was PND engineers out of Juneau. PND was informed that CBS thought it was a conflict of interest and verbally denied Tamico using their services.

PND suggested Tamico inquire with Solstice Alaska Consulting for permitting pricing. We were informed by Solstice that they were working exclusively with another contractor.

Which led us to select R & M Engineering as they have the ability to perform the work needed to acquire the permits. R & M concurred that an informal permit should be attainable. R & M made the valid point that the Specs and Plans did not stipulate that an IHA was mandatory. Verbal comments during the prebid were made, but there were no minutes produced on the matter. CBS did not make their permit

application attempts and any information regarding it available to perspective bidders. CBS failed to state in the project specs any problems they had with permitting or to what extent they anticipated the permitting could go to.

Regarding insurance documentation, this typically is handled post bid. The per occurrence limits change for each owner, if Tamico was low bidder we have the ability to up our limits on a per project basis. To our knowledge there was no bidder qualification form for insurance in the qualification questionnaire.

I am most intrigued by your reference to the Sitka Transient Float failure to comply. I look forward to presenting all of Tamico's information and evidence on this project to the Assembly. Suffice it to say that CBS, specifically the City Engineers Dept and City Attorney's office has handled this referenced project at a substandard level. The timeliness to which the issues have been addressed (two years and counting) as well as the misinformation and decisions made will surely raise more questions about the actions of the Department. Tamico to this day has not received any correspondence regarding this violation. Given the evidence, that your department would attach further action to an unsettled issue is perplexing.

As stated in a previous letter, If CBS does pay this unreasonable amount of funds for the permitting of a maintenance project, it may be leading all owners of marine facilities (private or public) as well as all marine contractors down a path of setting precedence for an unsustainable and unjust cost. If the permitting agencies make it so no owner can afford to build or maintain their projects it does not make any sense to do them and the industry will not be sustainable.

With the given information it makes financial and logical sense to do either of the following

- Reject all bids and rebid clarify the permitting issues in the bid documents or some other written (not verbal) intent of the bid item. To be fair to all bidders I would recommend doing it as a contingent fund.
- Reevaluate all bids on the basis that the permitting is based on a contingent fund and the requirement for previous IHA's is waived.
- Accept Tamico's proposal as presented during the evaluation process as it makes the project financially feasible for this project as well as future projects for all.

In conclusion it is evident that CBS did not make the permitting specifications clear in written form during the bidding process. NMFS has put out conflicting stances on which permit would be needed based on the information provided. There were some questionable actions prebid on what permitting specialist were available for pricing, border lining on collusion. I think the residents of the Borough deserve a fair price for what they are getting, this project would not do so on its current path. I also believe this issue is big enough that the Assembly and citizens of Sitka should know about its impacts, financially and on principle. Spending \$240,000 dollars more for a project over permitting issues isn't fiscally prudent.

Sincerely

Jim Martinsen

Jim Martinsen
President Tamico Inc