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MEMORANDUM

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**TO:** STEVE GIESBRECHT, BOROUGH MANAGER  
**FROM:** KARL HAGERMAN, PUBLIC WORKS DIRECTOR  
**SUBJECT:** SCOW BAY 1 PUMP STATION PROJECT - SINGLE SUPPLIER FOR ELECTRICAL CONTROLS  
**DATE:** 5/14/2019

I am respectfully requesting that the Borough Assembly approve Resolution #2019-09, which authorizes a single supplier procurement of electrical controls from Boreal Controls Inc. of Juneau for an amount of \$79,840.00. The Borough Code chapter 4.04.40.C states that a bidding exception is allowed under the following circumstances:

“When there is a single supplier of goods or product to be purchased, the assembly may waive the bid procedure by resolution. This may occur when it is believed that a product is uniquely suitable, only a specific brand is compatible with an existing borough supply or system, is specified in capital construction contracts or manufacturer's warranties, or when it is determined to be in the borough's best interest and most cost-effective to purchase from a single supplier.”

The equipment being purchased will control the pumps being installed for the Scow Bay 1 Pump Station project. The supplier of the controls package has provided the same role and services for three other recent pump station projects. The equipment is robust, operates as desired by the Borough and will be in keeping with the standards that the Wastewater department has approved for other recent work. Maintaining a standard for this equipment makes the work of operating and maintaining the collection system pump stations more efficient and less expensive in the long term. ADEC, the funding source for the pump station work, has given preliminary approval of a sole source purchase with state loan funds pending the completion of the Borough's procurement process for single supplier equipment.

Additionally, the alternative for procurement is to place the same Engineer specified equipment into the construction bid package that would subject it to a minimum of 10% markup by a general contractor. Due to the savings provided to the Borough by purchasing this control package as a sole source and the operational efficiencies and savings that will be experienced by operations staff, I believe this procurement to be in the best interests of the wastewater utility and our rate payers.

Please find Resolution #2019 – 09 in your packet for Assembly approval. Also, please find the equipment quote provided by Boreal Controls that provides detail on the equipment being purchased for use in the pump station project.

The pump station project is being funded by a \$550,000 loan from ADEC.

Thank you for your consideration.