



Memorandum

03-16-16

To: Steve Giesbrecht, Borough Manager

From: Chris Cotta, Assistant Public Works Director

Re: Pump Station 1 and Force Main Upgrade, Phase II – Award Recommendation

The referenced project is the second phase of upgrades related to the relocation of one of the Borough's wastewater force mains. The subject force main runs between Pump Station 1 (next to ACE electronics) and Pump Station 2 (next to the crane dock parking lot). This heavily corroded ductile iron main runs under the beach through south harbor, and is exposed in two places from erosion.

The first phase of this project was accomplished in 2015, when the new force main was installed under S. Nordic, and related gravity sewer improvements were partially completed. This work was done by the Alaska Department of Transportation via reimbursable services agreement with the Borough. Phase II will replace some additional gravity sewer pipe, rehabilitate pump stations 1 & 2, and activate the new force main. Once the new main is operational, the existing force main will be capped and abandoned in place.

Bids for Phase II were opened on March 10, 2016. Three bids were received, as shown in the attached bid tab. CBC Construction Inc., of Sitka was low bidder, with a total bid price of \$574,000. The engineer's estimate for this work was \$618,750. This project is being funded with both a grant and loan from the Alaska Department of Environmental Conservation (ADEC). The Borough's adopted budget for both phases of this project is \$2,525,000. With the cost of Phase II construction now established, Public Works estimates the final cost of both phases will be \$2,416,000. Existing grant funding will be adequate for the 70% match, but we will need another \$180,000 in loan funding, as our existing loan falls a bit short.

ADEC has indicated that the additional funds are readily available, and we are preparing an application to obtain the extra \$180,000 in loan funding. We do not anticipate having to fund any of the project from Wastewater reserves, and the extra loan amount will not result in any rate changes beyond what has already been established in the Borough's municipal code.

With the above considerations in mind, the Public Works Department recommends award of the Pump Station 1 and Force Main Upgrade, Phase II, to CBC Construction, Inc., in the amount of \$574,000. If you agree with this recommendation, please forward this request to the Borough Assembly for consideration at their next regular meeting on March 21, 2016. Thank you.

Public Works Department

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