



Memorandum

September 1, 2016

To: Steve Giesbrecht, City Manager
CC: Karl Hagerman, Public Works Director
From: Chris Cotta, Assistant Public Works Director
Re: Wastewater Compost and Septage Receiving Project
Skilled Labor Services for Concrete Work

As you know, Public Works is currently implementing a capital project to accommodate changes in the Wastewater Department's sludge treatment and septage disposal functions. In FY16, the Borough Assembly approved a supplemental budget request of \$140,000 in order to begin implementing this project and bring the Department's sludge and septage treatment facilities up to full regulatory compliance. The supplemental budget request memo for this initial appropriation is attached, and contains a full description of the project background, needs, and anticipated costs.

In FY17, an additional \$170,000 was added to the capital project budget in order to fully fund the anticipated \$310,000 cost of the project. Since the Borough's personnel have most of the expertise needed to implement this project, we have been sourcing materials and services piecemeal rather than having a consultant design the entire project and then bid it out as a whole. This avoids some of the large costs usually associated with traditional design and construction, and reduces the overall impact to our bottom line.

The concrete work for this project includes a lot of detailed forming and finishing, and is complex enough that we engaged local engineering firm Harai and Associates to provide some basic plans for the various slabs, underground piping and septage receiving station. The Borough's personnel are doing much of the site work for the project, however the concrete setup, forming and finishing requirements are beyond the scope of what our personnel can accomplish.

Due to the exigent nature of this project (in order to satisfy ADEC requirements and bring our facilities into regulatory compliance as quickly as possible), we are hoping to get the concrete work done before the weather shuts us down, so that we can continue to work on the project during the winter season. This factor along with the complexity of the work led us to seek a professional services proposal from local firm Rainforest Contracting (Jesse West), to provide specialized labor needed to assist the Borough in ordering supplies, setting up, forming, and finishing the concrete slabs and structures.

Rainforest Contracting responded to the Borough's RFP with an initial estimate of \$74,000 which was reduced after some negotiation to \$60,000. Their proposal is attached for reference. Although this work

Public Works Department

PO Box 329, Petersburg, AK 99833 – Phone (907)-772-4430 Fax (907) 772-4102

www.ci.petersburg.ak.us

was not competitively sourced, the Borough's Municipal Code allows for non-competitive procurements of professional services as follows:

4.04.080 - Professional service contracts.

- A. Contracts for professional services may be entered into without soliciting requests for sealed competitive bids or competitive proposals when the borough manager determines that there is qualified and experienced service provider that is available to perform the work, there is a single source of the expertise or knowledge required, that one person or firm can clearly perform the required task more satisfactorily because of the person's or firm's prior work experience with the borough, or that public necessity will not permit delay in conducting a formal request for competitive sealed bids or competitive proposals. The non-solicitation of professional services is at the discretion of the borough manager with notice to the borough assembly.

Since Rainforest Contracting possesses the specialized knowledge required for this work, has performed similar work for us in the past successfully, and is able to accomplish this work quickly and meet our goal of getting the concrete in place this fall, we believe the proposed expenditure adheres to the purchasing requirements set out in the Borough's Municipal code. The \$60,000 cost will fit within our existing project budget and not require any additional funding. Accordingly, we request approval to enter into a professional services contract with Rainforest Contracting Inc. for an amount not to exceed \$60,000 as per their written proposal. If you agree with our request, please forward it to the Borough Assembly for consideration at their next regular meeting on September 6, 2016. Thank you.