# Memorandum 13-118 Contract Award for Homer Redwood Tank Demolition Project

**Memorandum ID:** 13-118
**Memorandum Status:** Backup

MEMORANDUM 13-118
To: Walt Wrede, City Manager
From: Carey Meyer, PW Director
Date: August 12, 2013
Subject: Award of Construction Contract
Homer Redwood Tank Demolition

On August 8, 2013 bids were opened for the Homer Redwood Tank Demolition project. This work was advertised in the Homer Tribune and the Peninsula Clarion during the month of July (in accordance with the City of Homer Procurement Manual).

The project consists of removing all asbestos containing materials from the roof, permanently capping off all incoming and outgoing water mains that are associated with the tank, and demolition and remove the entire tank structure and its foundation. Backfill, compact and grade the tank site to match adjacent grades.

Six responsive bids were received:

Central Environmental, Inc. Anchorage $ 89,858
Cornerstone Construction Alaska, LLC Anchorage $ 91,720
Herndon Construction LLC Homer $ 89,897.40
North Star Paving & Construction, Inc. Soldotna $ 159,000
Paul's Services Anchor Point $ 174,720
Property Improvements LLC Fritz Creek $ 85,700

Engineer's Estimate $ 114,000

The City's local bidder preference* does apply to this bid. The two lowest bids were from non-local bidders. The third low bid was a local bidder who was less than 5% higher than the low bid (low non-local bid = $85,700 x 1.05 = 89,985). The low local bid is $89,897.40; $87.60 less than the low non-local bid plus 5%). Therefore the local bidder is deemed the low responsive bidder. This award is within the budget established by Public Works and approved by the City Council.

* A Bidder who maintains and operates a business within the boundaries of the City of Homer shall be considered a low bidder where there offer is "not more than five percent (5%) higher than the lowest non-local bid". A bidder shall be deemed a Local Bidder who "has maintained a place of business within the boundaries of the City of Homer for a period of at least six (6) months immediately preceding the date of the Bid and intends to permanently maintain such place of business in the future...
Recommendation: City Council pass a resolution awarding the construction contract for the Homer Redwood Tank Demolition project in the amount of $89,897.40 to Herndon Construction LLC of Homer, Alaska and authorizing the City Manager to execute all appropriate documents necessary to complete this project.

Fiscal Note: 215-828

Related Resolutions**Memorandum - Related Resolutions:** Resolution 13-085(S) Contract Award for Redwood Water Storage Tank Demolition

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