



MEMORANDUM 19-094

To: Katie Koester, City Manager

From: Carey Meyer, PW Director

Date: July 19, 2019

Subject: **Award of Construction Contract
A-Frame Tank Demolition**

The Homer City Council passed Resolutions 18-009(S) and 18-039; and Ordinance 18-10 which authorized utilizing remaining ADEC Municipal Matching Grant funds to complete the design and construction of various water distribution/storage improvements. The demolition of the existing A-Frame water tank is one of these projects. These projects are funded through the ADEC Municipal Matching Grant program (70% grant/30% City) with the City’s match financed through the low interest State Revolving Loan Program.

On July 18, 2019, bids were received for the A-Frame Water Tank Demolition project (the tank was originally built in 1960’s). The project was advertised in the Homer News on July 4 and July 11 and in the Peninsula Clarion on July 6, 2019. Competitive bidding was completed in accordance with the City’s procurement regulations and ADEC grant conditions. Due to federal funding, the City’s local bidder’s preference does not apply.

Three responsive bids were received from qualified firms. The bid results were evaluated and the results are as follows:

Responsive Bidder’s Names	Location	Base Bid
Building Specialties, Inc.	Anchor Point	\$ 145,850
Property Improvements	Homer	\$ 249,000
Steiner’s North Star Construction	Homer	\$ 146,000
Engineer’s Estimate		\$ 94,054

The low bid is within the overall project budget approved by the City Council and provided for in the grant. Public Works recommends awarding the contract to Building Specialties, Inc., even though it is higher than the Engineer’s estimate. I attribute the difference mainly from our lack of experience demolishing steel tanks and disposing of a demolition debris stream containing lead-based paint and asbestos.

Recommendation:

City Council pass a resolution awarding the construction contract for the A-Frame Water Tank Demolition project in the amount of \$145,850 to Building Specialties, Anchor Point, Alaska and authorizing the City Manager to execute all appropriate documents necessary to complete this project.