Memorandum 21-126

TO: Mayor Castner and Homer City Council

THROUGH: Rob Dumouchel, City Manager

FROM: Janette Keiser, PE, Director of Public Works

DATE: July 15, 2021

SUBJECT: Small Works Road Repair Contract – Recommendation for Contract Award

I. Issue. The City Council authorized a Small Works Road Repair Program, Ordinance 20-33, to enable Public Works to make small scale, spot repairs of Homer’s Roads. We solicited third-party contractor assistance and recommend award of a contract for this purpose.

II. Background.

a. The Small Works Road Repair Program. Ordinance 20-33 authorized $175,000 for a Small Works Road Repair Program, the purpose of which would be to supplement the Public Works Road Crew’s efforts to make small scale spot repairs of Homer’s roads. The Road Assessment Program, developed in mid-2020, documents, using an industry-standard assessment strategy, the condition of Homer’s roads. We identify numerous sections of roads, throughout Homer, which suffered from frost boils. Some roads are barely passable during breakup. Our goal was to fix the worst of those sections first. The Road Financial Plan, adopted earlier this year, documents how the funds, allocated by Ordinance 20-33, would be distributed for that purpose. With these tools, we were ready to move forward.

b. The IDIQ contract strategy. We solicited third party contractor support, using a contract strategy known as an Indefinite Duration, Indefinite Quantity (“IDIQ”) contract. This is an industry-standard contract methodology used in instances where the owner needs maximum flexibility to get the work done. Under this methodology, the owner describes the nature of the work and asks contractors to provide unit prices for the various elements of work, in our case – the work consists mostly of excavation of unsuitable material and backfill of suitable material. The Bid Form identifies the Bid Items and identifies an assumed quantity for each Bid Item, for purposes of selecting a low bidder. However, actual payment will vary, depending on how much work is done. This is what the “Indefinite Quantity” part of the contract strategy refers to. Further, the schedule will depend on how much work is done; that is, how many segments of road can be repaired. This is what the “Indefinite Duration” part of the contract strategy...
refers to. With this approach, we only pay for the work that is done and the schedule for getting the work done, is flexible. Our goal is to repair as many sections of frost boiled road as we can, using the available budget. Work for a specific section of road will be assigned in a Task Order, which will identify a scope, schedule and budget for that section of road.

c. **The Procurement Process.** We published an Invitation to Bid, as we do for any other capital project and held a pre-bid meeting to explain the strategy. While there were some questions about how the work process would work, the contractors seemed to appreciate the intent behind the methodology.

We opened bids on July 20 and received one bid – from East Road Services, Inc., which gave us the unit prices we will use to assign work for specific sections of road in the Task Orders.

### III. **Funding.**

Ordinance 20-33 appropriated $175,000 to the Small Works Road Repair Program. Of that amount, $133,909.15 is still available. We are not seeking additional funding at this time. We will work on the worst sections of road first and make the remaining funds go as far as we can.

### IV. **Recommendation.** That the City Council pass the proposed resolution awarding a contract for the Small Works Road Repair Contract to East Road Services, Inc., in the amount of $125,000.