



MEMORANDUM

Resolution 23-097, A Resolution Authorizing Issuance of a Sole Source Contract to Arno Construction, Inc., of Homer, Alaska, In The Not To Exceed Amount of \$42,500 To Install Water and Sewer Service Lines for a Future Restroom at Jack Gist Park and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents.

Item Type: Backup Memorandum
Prepared For: City Council
Date: September 7, 2023
From: Janette Keiser, PE, Public Works Director/City Engineer
Through: Rob Dumouchel, City Manager

I. Issue: The purpose of this Memorandum is to request approval to award a contract to Arno Construction, Inc., to install water/sewer service lines for a future Jack Gist Park restroom.

II. Background:

The FY23 Capital Budget includes \$42,500 appropriated from the HAWSP Fund through the adoption of Ordinance 23-37 for the purpose of installing water and sewer service lines in Jack Gist Park for a future restroom.

Arno Construction, Inc. (“Arno”) is building the road, water and sewer improvements for the Jack Gist Subdivision. The water and sewer mains will cross the Jack Gist Park parking lot. It makes sense for Arno to install the service connections from these mains to the site of the future restroom as well.

Homer City Code allows exceptions to be made to bidding requirements in certain cases. See HCC 3.16.060. One of these exceptions is for sole source procurements. HCC 3.16.060(i). A sole source procurement is justified because Arno will be on site with its equipment and materials, doing exactly the same work for the service line connections as it will be doing for the subdivision improvements. It is highly unlikely another contractor could mobilize and perform the same work as cost effectively. Further, it is late in the construction season. Waiting until Arno is finished with the subdivision, will push the service line installation, if done by another contractor, to 2024. It is not feasible to have two contractors doing underground utility work in the same place at the same time.

Arno’s quote to install the service connections is \$42,500, which is deemed fair and reasonable, compared to historic costs for similar work.

- III. RECOMMENDATIONS:** That the City Council approves a sole source contract to Arno Construction to install water and sewer connection lines in Jack Gist Park for a future restroom.