



MEMORANDUM

Resolution 25-010, A Resolution of the City Council of Homer, Alaska Authorizing the Single Source Procurement of Ice Metering Equipment from North Star Ice Equipment Corporation of Seattle, Washington in the Amount of \$101,100 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director.

Item Type: Back-Up Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: January 29, 2025
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

I am writing to request approval for a single-source procurement to replace the outdated ice metering equipment at the Ice Plant.

The Ice Plant, which has been in operation since 1984, is currently using the original ice metering equipment that was designed and purchased from North Star Ice Equipment Corporation located in Seattle, Washington. After years of service, this equipment has reached the end of its useful life. It is no longer repairable due to the unavailability of necessary parts and support. Furthermore, this old analog system suffers from built-in inaccuracies that have required us to over-deliver in order to ensure customers are not shorted.

Upgrading to modern ice metering equipment will integrate current digital technology that is easily maintained and reliable. This will greatly improve ice delivery accuracy thus lowering the ice plants cost per ton delivered. As a result, we expect to see lower operational costs and a return on this investment within five years due to the improved energy efficiency and accuracy of the new system.

We are requesting single-source procurement for this upgrade in order to maintain compatibility within the Ice Plants' system, the equipment must come from the same manufacturer. North Star Ice Equipment's technology is designed as a cohesive system, making it impossible to introduce a different vendor's components.

This is a long lead item. Our plan is to put in the order as soon as possible, take delivery in the summer, and install it during the winter so that the system will be fully operational for the 2026 commercial fishing season.

Thank you for your consideration.

RECOMMENDATION:

Homer City Council authorize the City Manager to move forward with this single source purchase of \$101,100.00 from North Star Ice Equipment Corporation to ensure the long-term efficiency and sustainability of the Ice Plant's operation.

ATTACHMENTS:

HCC 3.16.060

<https://www.codepublishing.com/AK/Homer/#!/Homer03/Homer0316.html#3.16.060>

3.16.060 Exceptions to bidding requirements.

Unless otherwise authorized by law, all procurement actions will be by competitive bidding. Authorized exceptions include:

- a. Negotiated procurement following unsuccessful efforts to obtain competitive bidding.
- b. Small and intermediate procurements, below \$50,000.
- c. Emergency procurement.
- d. *Repealed by Ord. [24-35\(S\)](#).*
- e. Procurement of real estate.
- f. Procurement of professional services.
- g. Interagency agreements.
- h. Utilization of State or local government contracts.
- i. Sole source procurement.
- j. Single source procurement.
- k. Procurement resulting from competitive sealed proposals as defined in HCC [3.16.110](#).
- l. Placement of insurance coverage.
- m. Electronic data processing software and hardware. Competition will be sought to the maximum extent practicable.

For the purpose of this section:

“Professional services” means professional, technical, or consultant’s services that are predominantly intellectual in character, result in the production of a report or the completion of a task, and include analysis, evaluation, prediction, planning, or recommendation.

“Single source” means the procurement of supplies, materials, services, or construction when the contractor or consultant has a preexisting relationship with the City and provides a specialized level of expertise, proprietary technology, or a service that is difficult to replicate by other vendors.

“Sole source” means the procurement of supplies, materials, services, or construction through a sole source in the following situations:

1. Based on documented research, the goods or service is only available from one source.

2. When competitive procurement procedures have been followed, but a limited number or no bids, quotations, or proposals have been received.
3. Products or services that support existing software or data exchange between public or private agencies are required for compatibility with existing equipment.
4. Purchase of patented goods or services.
5. When the Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the City. [Ord. [24-35\(S\)](#) § 1, 2024; Ord. [01-06\(A\)](#) § 1, 2001; Ord. [84-32](#), 1984].