

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager
4 Public Works Director

5 **RESOLUTION 23-123**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
8 APPROVING A SOLE SOURCE CONTRACT TO ZENON
9 ENVIRONMENTAL CORPORATION TO PURCHASE FIVE MEMBRANE
10 FILTER TRAINS FOR THE WATER TREATMENT PLANT WITH THE
11 FIRST PAYMENT DUE IN 2024 IN THE AMOUNT OF \$92,774 AND
12 PAYMENTS IN SUBSEQUENT YEARS SUBJECT TO INFLATION AND
13 FUTURE COUNCIL APPROPRIATIONS AND AUTHORIZING THE
14 CITY MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE
15 DOCUMENTS.

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17 WHEREAS, The City's water is treated with a sophisticated system of long, small-
18 diameter hollow threads, which, when connected together in a frame, comprise a "membrane
19 filter", referred to as a "train"; and

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21 WHEREAS, The Water Treatment Plant (WTP), built in 2007, has room for six membrane
22 filter trains, of which five are operating, each with a life span of 10-15 years; and

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24 WHEREAS, It is time to procure replacements for the units currently operating; and

25
26 WHEREAS, The FY24 Capital Budget includes \$80,000 to procure one membrane filter
27 train and Ordinance 23-57 appropriated an additional \$35,000 from the Water CARMA Fund to
28 fully cover the expected cost of the first membrane train in FY24; and

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30 WHEREAS, the FY25 Capital Budget includes \$80,000 for the buy a second one, and we
31 expect to ask Council for authorization to buy one each in FY 26, FY 27 and FY 28; and

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33 WHEREAS, The total value for the purchase of five membrane trains is \$463,870, with an
34 Annual Payment of \$92,774 for the first year; and

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36 WHEREAS, Payments for subsequent years will be subject to inflationary adjustments,
37 in accordance with the US CPI-U, All Urban Consumers and future Council appropriations; and

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39 WHEREAS, Homer City Code allows exceptions to be made to bidding requirements in
40 the cases where a sole source procurements is justified, HCC 3.16.060(i); and

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42 WHEREAS, A sole source procurement is justified in this case because Zenon
43 Environmental Corporation, the manufacturer of the membrane units (1) provided the original

44 membrane trains and (2) is the only manufacturer of these specialized membranes in the
45 country; and

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47 WHEREAS, Zenon's cost proposal is deem fair and reasonable, because it is based on
48 the price guarantee formula that was part of the original purchase in 2009, adjusted for
49 inflation, shipping and other incidental costs we've been able to identify and negotiate, such
50 as costs for the repair kits, etc.; and

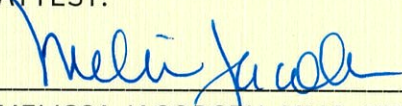
51
52 WHEREAS, In the event future City Councils do not appropriate funds for future
53 payments, we have the option to terminate the purchase agreement, but, once terminated,
54 there is no option to restart the agreement; we will need to start from scratch; and

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56 WHEREAS, This is contingent on the adoption of Ordinance 23-57 appropriating
57 additional funds for the FY24 allocation.

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59 NOW THEREFORE, BE IT RESOLVED that the Homer City Council does hereby authorize
60 issuance of a contract to Zenon Environmental Corporation for the purchase of five membrane
61 filter trains with a payment in the first year of \$92,774 and payments in subsequent years
62 subject to inflation and future Council appropriations.

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64 PASSED AND ADOPTED by the Homer City Council this 27th day of November, 2023.

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66 CITY OF HOMER
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68 _____
69 KEN CASTNER, MAYOR

70
71 ATTEST:
72 
73 _____
74 MELISSA JACOBSEN, MMC, CITY CLERK

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76 Fiscal Note: FY24 Capital Budget and Ordinance 23-57.

