

City of Bethel Action Memorandum

Action memorandum No.	18-49		
Date action introduced:	June 12, 2018	Introduced by:	Peter Williams, City Manager
Date action taken:	June 12, 2018	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied
Confirmed by:	KM		

Action Title: Direct Administration to negotiate and execute the purchase of five sewer haul trucks per the revised scope of work for the USDA-RD grant/loan funding the Sewer Lagoon Jetty Repair & sewer trucks.

Attachment(s): (1) Amendment 1 to Letter of Conditions, dated June 4, 2018; (2) Kenworth quote for purchase of five sewer haul trucks; (3) Customer Truck Purchase Order and Deposit Agreement from Pape Kenworth Northwest, Inc./Kenworth Alaska.

Department/Individual:	Initials:	Remarks:
Administration	<i>PW</i>	
Finance	<i>JS</i>	<i>Approved</i>
Public Works	<i>JS</i>	<i>BA</i>

Amount of fiscal impact:		Account information:
	No fiscal impact at this time.	
\$875,595	Funds in Revised USDA-RD Grant Budget.	TBD
	Requires funding in FY 2019 Budget.	

Summary Statement

The City of Bethel has an approved USDA-RD grant (\$1,669,358)/loan (\$913,000) in place that is paying for most of the sewer lagoon jetty repairs. The USDA-RD approved budget includes funds for engineering, construction, administration, financing, legal fees, contingency, and the purchase of sewer trucks. In the required order of project funding, the grant portion is last, so it behooves the City to spend as much grant funding as possible on this project.

The use of the bid process for jetty repairs resulted in a savings of \$1,054,112 under budget. As a result, the City requested USDA-RD to reallocate funds to include the purchase of five new sewer trucks. The USDA-RD approved the City's request. See Amendment to Letter of Conditions dated June 4, 2018 attached.

The City of Bethel is poised to place the order for five new sewer haul trucks from Kenworth Alaska, a qualified dealer in Anchorage whose parent company was awarded a contract through the National Joint Powers Alliance. The City is legally able to purchase its five sewer haul trucks from the Kenworth pre-bid contract. The expected purchase price for five trucks is \$875,595 (\$175,119 each). See Kenworth quote and Purchase Order and Deposit Agreement attached.