

City of Bethel Action Memorandum

Action memorandum No.	19-39		
Date action introduced:	July 9, 2019	Introduced by:	Bill Howell, Acting City Manager
Date action taken:	July 9, 2019	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied
Confirmed by:	KM		

Action Title: Approve KNIK Construction as a sole-source provider of Hot Mix Asphalt Paving services for the period July 1, 2019 to September 30, 2019.

Attachment(s):

1. Sole-Source Justification Supporting KNIK Construction as the only company in Bethel that can provide Hot Mix Asphalt Paving Services for the Period July 1, 2019 to September 30, 2019;
 - A. KNIK Construction quotes for paving City properties.
2. Ridgecrest Rehabilitation Proposal Solicitation by the State of Alaska (Project CFHWY00291) listed on April 24th, 2019.
3. Bid results of Rehabilitation Proposal Solicitation by the Alaska Department of Transportation and Public Facilities showing only two contractor responses: KNIK Construction and Quality Asphalt Paving (QAP), both out of Anchorage.

Department/Individual:	Initials:	Remarks:
Administration / William Howell, III	WH	
Public Works / Bill Arnold	WA	
Amount of fiscal impact:	Account information:	
	No fiscal impact at this time.	
\$435,000	FY 2020 Budget	10-70-690
\$21,194	Budget Modification Ordinance in the amount of \$87,091, which contains \$21,194.	51-83-773

Summary Statement

Bethel City Council approved the FY 2020 Budget with a planned capital expenditure of \$435,000 to pave the front and side City Hall parking lots, Bethel Courthouse parking lot, and Fire Station apron. City Administration would also like to pave the truck fill area at the Bethel Heights Water Treatment Plant. Funds to pave the Water Plant require approval of a budget modification by Bethel City Council.

KNIK Construction shipped its paving plant to Bethel in May 2019 in order to complete the Ridgecrest Drive Rehabilitation Project for which it was contracted (State Department of Transportation and Public Facilities (DOT&PF) Project CFHWY00291).

KNIK Construction incurred the mobility cost to ship its paving plant and related apparatus to Bethel. KNIK shipped paving supplies, materials, and aggregate to Bethel. KNIK has skilled personnel and heavy equipment at its disposal in Bethel so that it can prepare sites and provide two-inches of pavement over large areas.

According to the Bethel Municipal Code 4.20.250, Bethel City Council must approve all sole-source procurements in advance. In this case, KNIK Construction is the only company in Bethel during summer 2019 with a paving plant and skilled professionals that can supply paving services to the City. No reasonable alternative exists.

Research into the State DOT&PF's solicitation for paving services in Bethel revealed that only two contractors responded, neither of them local to Bethel. The fact that no Bethel companies responded further supports the fact that there are currently no other paving companies in Bethel during summer 2019 capable or willing to do the job. The city will save on the cost of shipping a company's pavement plant out to Bethel by approving KNIK Construction as a sole source provider of hot asphalt mix services.