



## **KENAI PENINSULA BOROUGH**

### *Major Projects Division*

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**DAVE CAREY  
BOROUGH MAYOR**

### **MEMORANDUM**

**TO:** Milli Martin, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** David R. Carey, Mayor  
Mark Fowler, Purchasing/Contracting Officer

**FROM:** Kevin Lyon, PW/MPD Director  
Tom Bartlett, Project Manager

**DATE:** November 6, 2008

**SUBJECT:** Ordinance 2008-19-35, appropriating \$120,000 to cover costs in excess of budgeted amounts for construction of Nanwalek Teacher Housing and authorizing award of contract for construction

The project consists of furnishing all labor, materials and equipment for a new teacher housing unit for the Nanwalek School. The base bid includes all work to complete a duplex housing unit - each floor is approximately 1,200 square feet for a total of 2,400 square feet, and includes all site work and utilities. Additive alternate No. 1 is for one additional 500 square-foot single story housing unit. Additive alternate No. 2 covers all work with decks, stairs and rails for the exterior of the duplex unit and additive alternate No. 3 includes all work to install one new Heat Recovery Ventilator unit to reduce utility costs.

This project is the KPB School District's No. 1 priority. It was funded by an Alaska Housing Finance Corporation grant of \$523,650 and KPB matching funds of \$200,000 for a total of \$723,650. Ordinance 2007-19-33 accepted the grant and appropriated both the grant funds and matching funds to the project account.

The Purchasing Department solicited and opened bids for this project on October 28, 2008. The Invitation to Bid was advertised in the Peninsula Clarion on October 8 and 14, 2008, Anchorage Daily News on October 14, 2008, and Homer News on October 9 and 16, 2008. Three bids were received and are recorded on the attached bid tabulation.

The low responsive bid was received from G&S Management Services of Anchorage, Alaska, for a total of \$656,086 (base bid plus additive alternate 2 and 3). Additive Alternate #1 is outside of the budget parameters.

The current available construction budget is \$539,750 and with the low bid of \$656,086, an additional \$120,000 is necessary to award the contract and to complete the project, including providing for a reasonable construction contingency.

The attached Ordinance requests the additional \$120,000 to complete the project and award of contract for this work to G&S Management Services for the stated bid amount. All expenditures for this project will be charged to available funds in account number 400.71140.8DCTH.49101.

We are requesting a shortened hearing with introduction on November 18, and action on December 2. The contractor is only required to hold their bid open for 45 days. This is the School District's #1 priority. The need is to have the housing available for the 2010 school year; it is in the best interest of the borough and school district for this project to move forward in a timely manner.

**FINANCE DEPARTMENT FUNDS VERIFIED**

Acct. #400.71140.8DCTH.49101 (\$656,086.00)

By: \_\_\_\_\_ Date: \_\_\_\_\_

**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: Nanwalek Teachers Housing**

<b>CONTRACTOR</b>	<b>BASE BID</b>	<b>ADD. ALT. 1</b>	<b>ADD. ALT. 2</b>	<b>ADD. ALT. 3</b>	<b>TOTAL EXTENDED BID PRICE</b>
Sunland Development	\$797,465.00	\$157,300.00	\$14,400.00	\$18,400.00	\$987,565.00
Holden Company	\$690,846.00	\$114,856.00	\$11,966.00	\$16,743.00	\$834,411.00
G&S Management Services	\$640,610.00	\$125,080.00	\$6,360.00	\$9,116.00	\$781,166.00