

CITY OF UNALASKA  
UNALASKA, ALASKA

RESOLUTION NO. 2017-44

**RESOLUTION 2017-44: AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH DEFORGE MARITIME TOWING TO SHIP SCRAP METAL AND JUNK VEHICLES FROM THE CITY OF UNALASKA'S LANDFILL TO SEATTLE IN THE AMOUNT OF \$275,000.**

WHEREAS, in order to promote the health, welfare, and safety of the public, it has been determined that there is a need for the removal of scrap metal and junk vehicles from the Unalaska Landfill; and

WHEREAS, the City of Unalaska solicited for bids on April 26, 2017 for the shipment of 900 tons of scrap metal and 200 junk vehicles from Unalaska to the Port of Seattle; and

WHEREAS, the City of Unalaska received three bids for the shipment of 900 tons of scrap metal and 200 junk vehicles from Unalaska to the Port of Seattle; and

WHEREAS, the monetary amount of all three bids exceeded the budgeted amount; and

WHEREAS, staff inquired through the marine industry for empty barges that were returning to Seattle from Unalaska that had deck space for all the scrap metal and junk vehicles; and

WHEREAS, it has been determined that Deforge Marine Towing submitted the lowest price for the shipment of 900 tons of scrap metal and 200 junk vehicles from Unalaska to the Port of Seattle.

NOW, THEREFORE, BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to enter into an agreement with DeForge Maritime Towing to ship approximately 900 tons of scrap metal and 200 junk vehicles from the City Landfill to Seattle in the amount of \$275,000.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 13th DAY OF JUNE, 2017.

  
MAYOR

ATTEST:

  
CITY CLERK



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**MEMORANDUM TO COUNCIL**

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** DAN WINTERS, DPU DIRECTOR  
**THRU:** DAVE MARTINSON, CITY MANAGER  
**DATE:** JUNE 13, 2017  
**RE:** RESOLUTION 2017-44: AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH DEFORGE MARITIME TOWING TO SHIP SCRAP METAL AND JUNK VEHICLES FROM THE CITY OF UNALASKA'S LANDFILL TO SEATTLE IN THE AMOUNT OF \$275,000.

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**SUMMARY:** Through Resolution 2017-44, Staff is requesting approval for the City Manager to enter into an agreement with DeForge Maritime Towing to ship approximately 900 tons of scrap metal and 200 junk vehicles from the City Landfill to Seattle in the amount of \$275,000.

**PREVIOUS COUNCIL ACTION:** At the December 9, 2014, meeting, Council approved Resolution 2014-89, which authorized the City Manager to enter into agreement with Samson Tug and Barge to ship 4,000 tons of scrap metal and junk vehicles to Seattle for \$344,575.

**BACKGROUND:** The City Landfill accepts both scrap metal and junk cars. These items accumulate to the extent that approximately 150 junk vehicles and 800 tons of scrap metal are received per year. The City has paid as much as \$500 per vehicle and \$250 per ton for scrap metal to remove these items from the Landfill.

On April 26, 2017, three contractors provided quotes for gathering and shipping out scrap metals and junk vehicles. These bids ranged in price from \$500,000 to \$1,100,000. Unfortunately, these bids were much higher than anticipated and budgeted for, so other options must be considered. Staff began inquiring through the marine industry for empty barges that were returning to Seattle from Unalaska that had deck space for all the scrap metal and junk vehicles. Staff found two available barges which meet these criteria. The first barge company contacted could not take all our scrap metal and junk vehicles, and wanted \$350,000 for what they could take. The second barge owned and operated by DeForge Marine Towing, can take all our scrap metal and junk vehicles at a price of \$275,000.

**DISCUSSION:** Approval of Resolution 2017-44 will give the City Manager authorization to enter into an agreement with DeForge Maritime Towing to ship approximately 900 tons of scrap metal and 200 junk vehicles stored and ready for shipment from the City Landfill to Seattle. Staff has learned from past experience that the only viable way to ship these materials off island is by barge. Loading container vans with the material is an expensive, messy and time consuming process.

Staff recommends Council’s adoption of Resolution 2017-44, which will allow the shipping of junk vehicles and scrap metal from the Unalaska Landfill.

**ALTERNATIVES:** Staff does not believe there are other cost effective alternatives, but are always open to the Council’s recommendations.

**FINANCIAL IMPLICATIONS:** This project will be paid by the Solid Waste Proprietary Fund. The total cost for this contract will be \$275,000.

The cost to ship scrap metal and junk vehicles to Seattle is directly tied to the price the vendor will receive for the metal. As Table 1 below depicts, prices have fluctuated in past years. In 2014, prices plummeted and have not recovered.

**TABLE 1**

| <b>Scrap Metal and Junk Vehicle Disposal Cost History</b> |                         |                          |                         |                      |                             |
|-----------------------------------------------------------|-------------------------|--------------------------|-------------------------|----------------------|-----------------------------|
| <b>Date</b>                                               | <b>Vehicle Quantity</b> | <b>Price Per Vehicle</b> | <b>Scrap Metal Tons</b> | <b>Price Per Ton</b> | <b>Total Contract Price</b> |
| 2003                                                      | 450                     | \$ 1,500                 |                         |                      | \$ 650,000                  |
| 2005                                                      | 500                     | \$ 390                   | 5,000                   | \$ 390               | \$ 2,145,000                |
| 2006                                                      | 100                     | \$ 450                   | 300                     | \$ 500               | \$ 150,000                  |
| 2007                                                      | 300                     | \$ 150                   |                         |                      | \$ 45,000                   |
| 2010                                                      |                         |                          | 310                     | \$ 180               | \$ 63,000                   |
| 2012                                                      | 50                      |                          | 500                     |                      | \$ 60,000                   |
| 2014                                                      | 200                     | \$ 50                    | 1,000                   | \$ 20                | \$ 30,000                   |
| 2014                                                      |                         |                          | 4,000                   | \$ 86                | \$ 344,575                  |
| 2017                                                      | 200                     |                          | 1,100                   | \$ 250               | \$ 275,000                  |

**LEGAL:** The City Manager will determine whether a legal opinion is required.

**STAFF RECOMMENDATION:** Staff recommends approval of Resolution 2017-44.

**PROPOSED MOTION:** “I move to approve Resolution 2017-44”

**CITY MANAGER’S COMMENTS:** Previous RFP resulted in bids that were excessive in cost. I recommend Council Approve this resolution.

STANDARD FORM OF AGREEMENT  
BETWEEN THE CITY AND CONTRACTOR

THIS AGREEMENT is dated as of the \_\_\_\_ day of \_\_\_\_\_ in the year 2017, by and between the City of Unalaska (the “CITY”) and DeForge Maritime Towing (the “CONTRACTOR”).

The City of Unalaska and the Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

**Article 1. THE WORK**

CONTRACTOR shall complete all work as specified or indicated in this agreement. The work is generally described as follows:

The work will include furnishing all equipment and manpower to secure and transport approximately 900 tons of scrap metals and 200 junk vehicles in Unalaska, Alaska, to Seattle, Washington.

1. Project Location: City of Unalaska Solid Waste Landfill, Unalaska, AK 99685
2. Owner: City of Unalaska, Department of Public Utilities

The Contract Documents which comprise the entire agreement between The City and CONTRACTOR concerning the WORK consists of the following:

- Agreement
- DeForge Maritime Towing Quote dated May, 2017.
- Change Orders which may be delivered or issued after Effective Date of the Agreement and not attached hereto.

**Article 2. GENERAL PROVISIONS**

- A. All work shall be subject to review and acceptance by the City, who shall evaluate the Contractor's work for compliance with the Agreement. The City has no duty to supervise or direct the performance of the work, nor any responsibility or liability for the acts or omissions of the Contractor or any subcontractors or suppliers.
- B. The Contractor is solely responsible for each piece of scrap metal and each junk car as soon as they are loaded onto the barge. Unloading the barge at the Seattle Port is the sole responsibility of the Contractor.

**Article 3. SAFETY**

- A. The Contractor shall do whatever work is necessary for overall project safety and be solely and completely responsible for conditions of the job site, including safety of all persons (including employees) and property during the Agreement period. This requirement shall apply continuously and is not limited to normal working hours.

- B. Safety provisions shall conform to Federal and State Departments of Labor Occupational Safety and Health Act (OSHA), and other applicable federal, state, county, and local laws, ordinances, codes, requirements set forth herein, and regulations. Where these are in conflict, the more stringent requirements shall apply. Contractor shall become thoroughly familiar with governing safety provisions and shall comply with the obligations set forth therein.
- C. The Contractor shall develop and maintain for the duration of the Agreement, a safety program that will effectively incorporate and implement required safety provisions. Contractor shall appoint a qualified employee who is authorized to supervise and enforce compliance with the safety program.
- D. The City's duty to conduct a review of the Contractor's performance does not include a review or approval of the adequacy of Contractor's safety supervisor, safety program, or safety measures taken in, on, or near the construction site.
- E. As part of safety program, Contractor shall maintain at its office or other well-known location at the job site, safety equipment applicable to the Work as prescribed by governing safety authorities, and articles necessary for giving first aid to the injured. Establish procedures for the immediate removal to a hospital or a doctor's care of persons who may be injured on the job site.
- F. Contractor shall do all work necessary to protect the general public from hazards, including but not limited to equipment and operations.

#### **Article 4. LICENSE REQUIREMENTS**

The Contractor shall obtain a City of Unalaska Business License prior to commencement of the Work to the extent required by the City of Unalaska Code of Ordinances §9.04.020. Contractors and subcontractors in order to perform public work in the State of Alaska are required to hold State of Alaska Contractor's licenses of the class required to perform the specified work. Contractors and subcontractors are also required to hold current Alaska Business Licenses and City of Unalaska Business Licenses in order to perform public work in the State of Alaska.

#### **Article 5. INSURANCE**

- A. Contractor agrees to furnish the City, before commencing any Physical Work related to this Agreement and as required elsewhere, the certificates of insurance as specified in these Documents. Contractor further agrees that the amount stated herein includes specific consideration for the insurance coverage's, including contractual liability, specified.
- B. The Contractor shall carry and maintain throughout the life of this Agreement, at its own expense, insurance not less than the amounts and coverage herein specified, and the City of Unalaska, its employees and agents shall be named as additional insured under the insurance coverage so specified and where allowed, with respect to the performance of the work. There shall be no right of subrogation against the City or its agents performing work in connection with the work, and this waiver of subrogation shall be endorsed upon the policies. Insurance shall be placed with companies acceptable to the City of Unalaska, and these policies providing coverage thereunder shall contain provisions that no cancellation or material changes in the policy

relative to this project shall become effective except upon 30 days prior written notice thereof to the City of Unalaska.

- C. Prior to commencement of the work, the Contractor shall furnish certificates to the City of Unalaska, in duplicate, evidencing that the Insurance policy provisions required hereunder are in force. Acceptance by the City of Unalaska of deficient evidence does not constitute a waiver of Agreement requirements.
- D. The Contractor shall furnish the City of Unalaska with certified copies of policies upon request. The minimum coverages and limits required are as follows:
  - 1. Workers' Compensation insurance in accordance with the statutory coverages required by the State of Alaska and Employers Liability insurance with limits not less than \$1,000,000 and, where applicable, insurance in compliance with any other statutory obligations, whether State or Federal, pertaining to the compensation of injured employees assigned to the work, including but not limited to Voluntary Compensation, Federal Longshoremen and Harbor Workers Act, Maritime and the Outer Continental Shelf's Land Act.
  - 2. Commercial General Liability with limits not less than \$1,000,000 per Occurrence and \$2,000,000 Aggregate for Bodily Injury and Property Damage, including coverage for Premises and Operations Liability, Products and Completed Operations Liability, Contractual Liability, Broad Form Property Damage Liability and Personal Injury Liability. Coverage shall not contain any exclusion of Explosion, Collapse, or Underground. Coverage is to be endorsed to include a per project aggregate. Additionally, such insurance shall be considered primary to any other insurance carried by the City of Unalaska and the insurer will endorse the policy accordingly.
  - 4. If applicable, Contractor's Equipment insurance covering all of the Contractor's equipment and machinery to be used in connection with the performance of the work specified in this Agreement. This coverage requirement may be waived at the discretion of the City of Unalaska if the Contractor self-insures the equipment and will waive all right of recovery against the City of Unalaska in writing.
  - 5. Umbrella/Excess Liability insurance coverage of not less than \$1,000,000 per occurrence and annual aggregate providing coverage in excess of General Liability, Auto Liability, and Employers Liability.
  - 6. If work involves use of aircraft, Aircraft Liability insurance covering all owned and non-owned aircraft with a per occurrence limit of not less than \$1,000,000.
  - 7. If work involves use of watercraft, Protection and Indemnity insurance with limits not less than \$1,000,000 per occurrence. Hull and Machinery coverage is to be carried on the vessel for the full current market value. This coverage requirement may be waived at the discretion of the City of Unalaska if the Contractor self-insures the equipment and will waive all rights of recovery against the City of Unalaska in writing.

8. Where applicable, Professional Liability insurance with limits of not less than \$1,000,000 per claim and \$1,000,000 aggregate, subject to a maximum deductible of \$10,000 per claim. The City of Unalaska has the right to negotiate increase of deductibles subject to acceptable financial information of the policyholder.
9. Where applicable, Pollution Liability insurance with a project limit of not less than \$1,000,000 subject to a maximum deductible of \$10,000 to include coverage for Asbestos, Hazardous Materials, Lead or other related environmental hazards. The City of Unalaska has the right to negotiate increase of deductibles subject to acceptable financial information of the policyholder.

In the event Asbestos, Hazardous Materials, Lead or other related environmental hazards are transported by vehicle and/or marine vessel, the operator of such vehicles and vessels shall provide a Certificate of Insurance for the transportation of such materials (including loading and unloading) with limits of not less than \$1,000,000.

10. Builder's Risk Insurance: Coverage shall be provided on an "All Risk" completed value basis and protect the interests of the City, the Contractor and its subcontractors. Coverage shall include all materials, equipment and supplies that are intended for specific installation in the project while such materials, supplies and equipment are located at the project site and in transit from port of arrival to job site and while temporarily located away from the project site.
- E. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expense.
  - F. All insurance policies as described above except Professional Liability and Worker's Compensation, are required to be written on an "occurrence" basis. In the event occurrence coverage is not available, the Contractor agrees to maintain "claims made" coverage for a minimum of two years after project completion.
  - G. If the Contractor employs subcontractors to perform any work hereunder, the Contractor agrees to require such subcontractors to obtain, carry, maintain, and keep in force during the time in which they are engaged in performing any work hereunder, policies of insurance which comply with the requirements as set forth in this section. This requirement is applicable to subcontractors of any tier.
  - H. The Contractor is required to maintain all certificates of insurance during the course of the project. It is further agreed, that upon request by the City of Unalaska, the Contractor will provide copies of any and all subcontractor certificates of insurance for review of compliance.
  - I. Failure by the Contractor to maintain the required insurance coverage or to comply with the above, may, at the option of the City of Unalaska, be deemed Defective Work and remedied in accordance with the Agreement.

**Article 6. INDEMNIFICATION**

- A. The Contractor will name the City as "Additional Insured" and will provide a "Waiver of Subrogation".
- B. The Contractor shall indemnify, save harmless, and defend the City and its agents and its employees from any and all claims or actions for injuries or damages sustained by any person or property arising directly or indirectly from the Contractor's performance of this Agreement; however, this provision has no effect if, but only if, the sole proximate cause of the injury or damage is the negligence of the City or its agents.

**Article 7. TIME OF COMPLETION**

The Contractor shall complete all work associated with this Agreement no later than August 1, 2017.

**Article 8. STATUS OF WORK**

The Contractor shall keep the City advised as to the status of work being done by the Contractor and the details thereof. The Contractor shall maintain coordination with representatives of the City. The City or Contractor may request and be granted a conference with the other party.

**Article 9. MEASUREMENT AND PAYMENT**

Application for Payment or Invoice shall be sent to the City of Unalaska, Accounts Payable, P.O. Box 610, Unalaska, Alaska 99685, for payment. This agreement is a Lump Sum agreement for Two Hundred Seventy Five Thousand Dollars (\$275,000).

**Article 10. CONTRACTOR'S REPRESENTATIONS**

In order to induce the City to enter into this agreement, the Contractor makes the following representations:

- A. Contractor has familiarized itself with the nature and extent of the Contract Documents, work, site, locality, and all local conditions and Laws and Regulations that in any manner may affect cost, progress, performance, or furnishing of the work.
- B. Contractor has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests, reports, and studies which pertain to the subsurface or physical conditions at or contiguous to the site or which otherwise may affect the cost, progress, performance, or furnishing of the work as Contractor considers necessary for the performance or furnishing of the work at the Contract Price, within the Contract Time, and in accordance with the other terms and conditions of the Contract Documents, and no additional examinations, investigations, explorations, tests, reports, studies, or similar information or data are or will be required by Contractor for such purposes.
- C. Contractor has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing Underground Facilities at or contiguous to the site and assumes responsibility for the accurate location of said Underground Facilities. No



additional examinations, investigations, explorations, tests, reports, studies, or similar information or data in respect of said Underground Facilities are or will be required by Contractor in order to perform and furnish the work at the Contract Price, within the Contract Time, and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of paragraph 4.4 of the General Conditions.

- D. Contractor has correlated the results of all such observations, examinations, investigations, explorations, tests, reports, and studies with the terms and conditions of the Contract Documents.
- E. Contractor has given the City written notice of all conflicts, errors, or discrepancies that it has discovered in the Contract Documents and the written resolution thereof by the City is acceptable to the Contractor.

**Article 11. MISCELLANEOUS**

- A. The Contractor shall submit the Performance Bond, Certification of Insurance, and State of Alaska and City of Unalaska business licenses prior to commencement of the Work. The Performance Bond shall be in the amount of 100% of the contract bid price.
- B. No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically but without limitation monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.
- C. The City and the Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect of all covenants, agreements, and obligations contained in the Contract Documents.

**IN WITNESS WHEREOF,** The City and the Contractor have signed all counterparts of this Agreement. All portions of the Contract Documents have been signed or identified by the City of Unalaska and the Contractor.

DeFORGE MARITIME TOWING

CITY OF UNALASKA, ALASKA

By: \_\_\_\_\_  
\_\_\_\_\_, Its \_\_\_\_\_

By: \_\_\_\_\_  
David A. Martinson, City Manager

State of \_\_\_\_\_  
\_\_\_\_\_ ) ss.  
\_\_\_\_\_ Judicial District )

State of Alaska )  
\_\_\_\_\_ ) ss.  
Third Judicial District )

The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_, an \_\_\_\_\_ Corporation, on behalf of the corporation.

The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2017, by David A. Martinson, City Manager for the City of Unalaska, a First Class Alaska Municipal Corporation, on behalf of the City of Unalaska.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Alaska  
My Commission Expires \_\_\_\_\_