

**CITY OF UNALASKA
UNALASKA, ALASKA
REGULAR MEETING
TUESDAY, NOVEMBER 25, 2014, 6:00 P.M.
UNALASKA CITY HALL COUNCIL CHAMBERS
AGENDA**

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

RECOGNITION OF VISITORS

ADDITIONS TO AGENDA

MINUTES: NOVEMBER 10, 2014

FINANCIAL REPORT

BOARD/COMMISSION REPORTS

AWARDS/PRESENTATIONS: TRUDIE ROSE – 20 YEARS OF SERVICE

MANAGER'S REPORT

COMMUNITY INPUT/ANNOUNCEMENTS

PUBLIC INPUT ON AGENDA ITEMS

PUBLIC HEARING

1. **ORDINANCE 2014-27:** CREATING BUDGET AMENDMENT NO. 5 TO THE FY15 OPERATING BUDGET TO INCREASE THE MAYOR AND COUNCIL'S BUDGET FOR THE USACE ARCTIC DEEP DRAFT PORT STUDY RESPONSE, INCREASE THE ROBERT STORRS C FLOAT REPLACEMENT PROJECT FOR CONSTRUCTION AND CONTINGENCY, AND CREATE NEW CAPITAL PROJECT TITLED "2015 PAVING PROJECT"

WORK SESSION

1. **DISCUSSION:** RESOLUTION 2014-81 – AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH TURNAGAIN MARINE CONSTRUCTION FOR AN AMOUNT NOT TO EXCEED \$4,357,470 FOR ROBERT STORRS C FLOAT REPLACEMENT PROJECT
2. **PRESENTATION:** CAPITAL PROJECTS UPDATE
3. **DISCUSSION:** ORDINANCE 2014-28 – CREATING BUDGET AMENDMENT NO. 6 TO THE FY15 OPERATING BUDGET TO INCREASE THE SOLID WASTE BUDGET FOR SHIPPING JUNK METAL.
4. **DISCUSSION:** INSTITUTE OF THE NORTH PARTNERSHIP
5. **DISCUSSION:** FY16 COMMUNITY SUPPORT GUIDELINES

RECONVENE TO REGULAR SESSION

CONSENT AGENDA

1. **RESOLUTION 2014-85:** AUTHORIZING THE FORMATION OF THE FY16 COMMUNITY SUPPORT COMMITTEE, AND CONFIRMING APPOINTMENTS TO THE COMMITTEE

UNFINISHED BUSINESS

1. **ORDINANCE 2014-27 – SECOND READING:** CREATING BUDGET AMENDMENT NO. 5 TO THE FY15 OPERATING BUDGET TO INCREASE THE MAYOR AND COUNCIL'S BUDGET FOR THE USACE ARCTIC DEEP DRAFT PORT STUDY RESPONSE, INCREASE THE ROBERT STORRS C FLOAT REPLACEMENT PROJECT FOR CONSTRUCTION AND CONTINGENCY, AND CREATE NEW CAPITAL PROJECT TITLED "2015 PAVING PROJECT"

NEW BUSINESS

1. **RESOLUTION 2014-81:** AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH TURNAGAIN MARINE CONSTRUCTION FOR AN AMOUNT NOT TO EXCEED \$4,357,470 FOR ROBERT STORRS C FLOAT REPLACEMENT PROJECT
2. **RESOLUTION 2014-87:** AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH RESOURCECON FOR THE ECONOMIC ANALYSIS OF THE CHANNEL DEEPENING AT THE OUTER BAR IN UNALASKA IN AN AMOUNT NOT TO EXCEED \$45,000
3. **ORDINANCE 2014-28 – FIRST READING:** CREATING BUDGET AMENDMENT NO. 6 TO THE FY15 OPERATING BUDGET TO INCREASE THE SOLID WASTE BUDGET FOR SHIPPING JUNK METAL

COUNCIL DIRECTIVES TO MANAGER

COMMUNITY INPUT
ANNOUNCEMENTS
ADJOURNMENT

**CITY OF UNALASKA
UNALASKA, ALASKA
REGULAR MEETING
MONDAY, NOVEMBER 10, 2014**

The regular meeting of the Unalaska City Council was called to order at 6:00 p.m., November 10, 2014, in the Unalaska City Hall Council chambers. Roll was taken:

<u>PRESENT</u>	Tom Enlow Roger Rowland Zoya Johnson Alejandro Tungul David Gregory Yudelka Leclere Shirley Marquardt, Mayor
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PLEDGE OF ALLEGIANCE: Mayor Marquardt led the Pledge of Allegiance.

RECOGNITION OF VISITORS: Mayor Marquardt and Council Members sang Happy Birthday to Frank Kelty. Mr. Kelty gave a brief crab update.

APPROVAL OF AGENDA: The agenda was adopted by consensus.

MINUTES: The minutes of the October 28, 2014 regular meeting were adopted by consensus.

FINANCIAL REPORT: None.

BOARD/COMMISSION REPORTS: None.

AWARDS/PRESENTATIONS: Mayor Marquardt presented an award to Mark Chisum for 10 years of service.

MANAGER'S REPORT: Included in the packet. City Manager Hladick added Tuesday, December 02, 2014 as a date for the workshop for the Housing Issue.

Mayor Marquardt acknowledged the efforts of the City Clerk, her staff and volunteers in the recent election.

COMMUNITY INPUT/ANNOUNCEMENTS:

1. Mayor Marquardt acknowledged upcoming Veteran's Day and encouraged everyone to take a moment to acknowledge our local veterans for past and current service.
2. Planning Director Reinders reported on October Planning Month.
3. Mayor Marquardt commented on the UCSD Lady Raiders Volleyball Team and the USCD Wrestling Team.
4. Council Member Johnson reported on the Museum Of The Aleutians Fund Raiser.

PUBLIC INPUT ON AGENDA ITEMS: None.

Johnson made a motion to move into a work session; Leclere seconded. Motion passed by consensus.

WORK SESSION

1. **DISCUSSION: ORDINANCE 2014-27:** CREATING BUDGET AMENDMENT NO. 5 TO THE FY15 OPERATING BUDGET TO INCREASE THE MAYOR AND COUNCIL'S BUDGET FOR THE USACE ARCTIC DEEP DRAFT PORT STUDY RESPONSE, INCREASE THE ROBERT STORRS C FLOAT REPLACEMENT PROJECT FOR CONSTRUCTION AND CONTINGENCY, AND CREATE NEW CAPTIAL PROJECT TITLED "2015 PAVING PROJECT".

Council asked for an overview of finances; questioned the reallocation of project funds; questioned why the Engineers estimates were so low compared to bids received for the Robert Storrs Project.

City Manager Hladick addressed Council's questions.

Ports Director McLaughlin addressed Council's questions regarding the Robert Storrs Project.

2. **DISUCSSION: RESOLUTION 2014-83:** MODIFYING THE CITY OF UNALASKA INVESTMENT POLICY APPROVED MARCH 15, 1995, PREVIOUSLY MODIFIED BY RESOLUTIONS 98-40 AND 2000-80.

Director Soule gave lead in comments and an overview of suggested changes recommended by Evan Rose brought forth at the August 12, 2014 meeting.

Council Member Rowland wanted to clarify the proposed changes were being suggested by Evan Rose for better service to the City.

Mayor Marquardt noted no changes in 14 years and the reasons for moving forward in this direction, as suggested by Evan Rose, were very solid and well thought out.

Council Member Leclere requested to information regarding what other communities are moving in this direction a financial before and after comparison of these communities.

RECONVENE TO REGULAR SESSION: Mayor Marquardt reconvened to Regular Session.

CONSENT AGENDA: None.

UNFINISHED BUSINESS: None.

NEW BUSINESS

1. **RESOLUTION 2014-73:** AUTHORIZING THE CITY MANAGER TO AMEND THE CONTRACT BETWEEN THE CITY OF UNALASKA AND RONALD MOORE

Council asked questions regarding scrap metal not crossing scales, future contracts, and future costs of shipping scrap metal.

Public Utilities Director Winters addressed Council's questions.

City Manager Hladick addressed Council's questions.

Mayor Marquardt requested Staff to come up with various solutions to different scenarios.

Johnson made a motion to adopt Resolution 2014-73; Tungul seconded.

VOTE: Tungul – yes, Gregory – no, Leclere – no, Enlow – yes, Rowland – yes, Johnson – yes. Motion passes 4 - 2

2. **RESOLUTION 2014-82:** ACCEPTING A GRANT FROM THE ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES IN THE AMOUNT OF \$1,757,600 FOR ROBERT STORRS C FLOAT REPLACEMENT

Rowland made a motion to adopt Resolution 2014-82; Tungul seconded.

VOTE: Unanimous. Motion passes.

4. **RESOLUTION 2014-83:** MODIFYING THE CITY OF UNALASKA INVESTMENT POLICY APPROVED MARCH 15, 1995, PREVIOUSLY MODIFIED BY RESOLUTIONS 98-40 AND 2000-80.

Johnson made a motion to adopt Resolution 2014 – 83; Leclere seconded

VOTE: Unanimous. Motion passes.

5. **RESOLUTION 2014-84:** ESTABLISHING THE FY16–FY20 CMMP SPECIAL REVIEW COMMITTEE AND APPOINTING COMMITTEE MEMBERS

Johnson made a motion to adopt Resolution 2014 – 84; Tungul seconded.

VOTE: Unanimous. Motion passes.

5. **ORDINANCE 2014-27 – FIRST READING:** CREATING BUDGET AMENDMENT NO. 5 TO THE FY15 OPERATING BUDGET TO INCREASE THE MAYOR AND COUNCIL'S BUDGET FOR THE USACE ARCTIC DEEP DRAFT PORT STUDY RESPONSE, INCREASE THE ROBERT STORRS C FLOAT REPLACEMENT PROJECT FOR CONSTRUCTION AND CONTINGENCY, AND CREATE NEW CAPITAL PROJECT TITLED "2015 PAVING PROJECT"

City Manager Hladick addressed Council's questions regarding the USACE Arctic Deep Draft Port Study.

Johnson made a motion to have this item move forward to the second reading on November 25, 2014; Leclere seconded.

VOTE: Unanimous. Motion passes 6-0.

6. **MAYOR & COUNCIL TRAVEL:** NORTH PACIFIC FISHERY MANAGEMENT COUNCIL MEETINGS – ANCHORAGE, DECEMBER 8-17, 2014

Johnson made a motion to approve Mayor's request for 2 days lodging while at the North Pacific Fishery Management Council Meetings.

VOTE: Unanimous. Motion passes 6-0.

COUNCIL DIRECTIVES TO MANAGER

COMMUNITY INPUT: Council Member Tungul announces Fil/Am function on November 15, 2014 at the Grand Aleutian.

ANNOUNCEMENTS

ADJOURNMENT: The meeting adjourned at 7:30 p.m.

City Clerk

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE NO. 2014-27

CREATING BUDGET AMENDMENT NO.5 TO THE FY15 OPERATING BUDGET TO INCREASE THE MAYOR AND CITY COUNCIL'S BUDGET FOR THE USACE ARTIC DEEP DRAFT PORT STUDY RESPONSE, INCREASE THE ROBERT STORRS C FLOAT REPLACEMENT PROJECT FOR CONSTRUCTION AND CONTINGENCY, AND CREATE NEW CAPITAL PROJECT TITLE "2015 PAVING PROJECT".

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

Section 1. Classification: This is a non-code ordinance.
Section 2. Effective Date: This ordinance becomes effective upon adoption.
Section 3. Content: The City of Unalaska FY14 Budget is amended as follows:

- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.
B. The following are the changes by account line item:

Amendment No. 5 to Ordinance #2014-08

				Current	Requested	Revised
I. OPERATING BUDGET						
A. General Fund						
Sources						
	Current year budgeted surplus			9,016,292	40,000	8,976,292
Expenditures						
	Mayor & Council			565,469	40,000	1,570,156
B. General Fund - Projects - Public Works						
Sources						
	Transfer from 1% Fund	PW204	8,230,000	(302,000)		7,928,000
	Transfer from 1% Fund	PW501	-	302,000		302,000
Projects						
	Pavement Resurfacing-Exisitng Pavement	PW204	8,230,000	(302,000)		7,928,000
	2015 Paving Project	PW501	-	302,000		302,000
C. Proprietary Funds - Projects -Ports & Harbors						
Sources						
	Transfer from Enterprise Fund to Projects		200,000	2,120,502		2,320,502
Expenditures						
	Robert Storrs Improvements	PH303	3,662,107	2,120,502		5,782,609

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 25th DAY OF NOVEMBER 2014.

MAYOR

ATTEST:

CITY CLERK

Summary of Budget Amendment
and Schedule of Proposed Accounts
Budget Amendment 5.

1) Mayor & City Council

This increase will increase Other Professional services for the Artic Deep Draft Port Study.

2) Capital Projects - Public Works

This will transfer the revenue and expense budget from, PW204, into the FY2015 paving project, PW501, for the PND Engineering design services.

2) Capital Projects - Ports & Harbors

This will increase the Robert Storrs Improvement Project, PH303, to cover the lowest bid and 20% contingency.

	Org	Object	Project	Current	Requested	Revised
1. General Fund - Mayor & Council						
<i>Sources:</i>						
Current year budgeted surplus				9,016,292	40,000	8,976,292
<i>Uses:</i>						
Mayor & Council						
Other Professional Services	0102 0152	53300		239,000	40,000	279,000
2. Capital Projects - General Fund - Public Works						
<i>Sources:</i>						
Transfer from 1% Special Revenue Fund	34019848	49110	PW204	7,630,000	(302,000)	7,328,000
Transfer from 1% Special Revenue Fund	34019848	49110	PW501	-	302,000	302,000
<i>Uses:</i>						
Engineering & Architecture	34021553	53240	PW204	954,000	(300,000)	654,000
Construction	34021553	54500	PW204	7,244,585	(2,000)	7,242,585

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: PEGGY MCLAUGHLIN, PORT DIRECTOR
THRU: CHRIS HLADICK, CITY MANAGER
FROM: PORT DEPARTMENT
DATE: NOVEMBER 10, 2014
RE: ORDINANCE 2014-27 BUDGET AMENDMENT NO. 5: CREATING A BUDGET AMENDMENT TO AMEND THE MAYOR AND COUNCIL'S BUDGET FOR OTHER PROFESSIONAL SERVICES FOR THE ARCTIC DEEP DRAFT PORT STUDY RESPONSE

SUMMARY:

This budget amendment request is housekeeping. It is a request to amend the Mayor and Council's budget by adding \$40,000 to Fiscal Year 15 from Fiscal Year 14. This \$40,000 was approved May 27, 2014 for Fiscal Year 14, but wasn't used as the invoicing for the project did not come through until Fiscal Year 15. These are not additional funds; we will simply be accounting for the already approved \$40,000 to be recognized in the Fiscal Year 15 budget.

The total requested amount: \$40,000

PREVIOUS COUNCIL ACTION:

Ordinance 2014-13 passed May 27, 2014 amending the Council budget to include \$40,000 for professional services to respond to the Arctic Deep Draft Port Study

Resolution 2014-56 passed May 27, 2014, authorizing the City Manager to enter into an agreement with Northern Economics to respond to the Arctic Deep Draft Port Study

BACKGROUND:

May 27, 2014 Council passed a budget amendment to pay for a response to the Arctic Deep Draft Port Study at the same meeting they authorized the City Manager to enter into an agreement with Northern Economics for that service. An agreement was signed and work began prior to the end of Fiscal Year 14.

DISCUSSION:

This budget amendment request is not for additional funds above the original request for \$40,000. The timing of the research for the response to the Arctic Deep Draft Port Study was time-sensitive and needed to begin prior to the end of Fiscal Year 14. In order to enter into an agreement the funds had to be approved. This happened in May of 2014.

The request for the amendment is simply housekeeping as the invoicing for this project did not hit the books until Fiscal Year 15. Because the funds were not spent, though approved, the \$40,000 reverted back to the general fund with the closing of Fiscal Year 14. In order to keep records accurate and have the already-approved funds available in this year's budget, we need to amend the budget to account for the \$40,000 in Fiscal Year 15.

ALTERNATIVES:

1. Council could choose to not approve
2. Council could choose to approve
3. Council could choose to fund the payment through other means

FINANCIAL IMPLICATIONS:

These funds will be coming from the General Fund

LEGAL: N/A

STAFF RECOMMENDATION:

Staff recommends fully funding this budget amendment request in to order account accurately for the payment of other professional services for the Deep Draft Arctic Port Study Response

PROPOSED MOTION:

I move to approve the first reading of Ordinance 2014-27 and to send it to second reading and public hearing on November 25, 2014.

CITY MANAGER'S COMMENTS:

Attachment:

Northern Economics Professional Services Contract

**PROFESSIONAL SERVICES CONTRACT
between Northern Economics, Inc. and City of Unalaska
for the Response to the USACE Arctic Ports Report**

This Professional Services Contract (the "Agreement") is made effective this 19th day of May, 2014 (the "Effective Date"), by and between Northern Economics, Inc. ("Northern Economics") and the City of Unalaska ("Client") for professional services on the Response to the USACE Arctic Ports Report ("Project"), and is subject to the terms and conditions set forth below.

ARTICLE 1

Scope of Services and Compensation. The scope of services to be supplied by Consultant, its employees and/or subcontractors is as described in Attachment A.

1.1 Compensation. Consultant's compensation for services rendered under this Agreement shall be as set forth in Attachment A.

1.2 Invoicing; Payment. Consultant shall submit invoices to Client for the work performed during each invoice period. The form and frequency of the invoices shall be as described in Attachment A. Client shall pay Consultant all amounts reflected in each invoice, within thirty (30) days of each invoice date.

1.3 Late Payment. Invoices not paid within thirty (30) days of invoice date shall be subject to interest at the rate of one and one half percent (1.5%) per month, or such lesser amount as required by law.

1.4 Records. Consultant shall maintain records of all work performed hereunder for a period of two (2) years following the expiration or earlier termination of this Agreement.

1.5 Audit. Client shall have the right to audit such records during such two-year period upon reasonable notice to Consultant, during Consultant's regular business hours, and at Client's sole expense.

ARTICLE 2

2.1 Term. The term of this Agreement shall be as set forth in Attachment A.

ARTICLE 3

3.1 Independent Contractor. Consultant shall act and be deemed at all times hereunder as an independent contractor, and nothing contained herein shall be construed to create the relationship of principal and agent, employer and employee, partners, joint venturers, or any other relationship between Client and Consultant or between Client and Consultant's employees or subconsultants. Consultant shall have no authority to enter into any contract or agreement or to bind Client except as specifically provided herein.

3.2 Control. Any employees or subconsultants engaged by Consultant shall be under the exclusive direction and control of Consultant. All contact with Client shall be through Consultant. Consultant shall assume responsibility for all of its agents and employees under any federal, state, or local laws or regulations regarding employees' liability, worker's compensation, unemployment insurance, income tax withholding, and authorization for employment, as well as any other acts, laws or regulations of similar impact.

ARTICLE 4

4.1 Indemnification. Client and Consultant agree to jointly indemnify as indicated below.

4.1.1 Consultant agrees to indemnify, defend and hold harmless Client, its agents, subconsultants, and employees from and against any and all losses, claims, liabilities, damages, or costs, including without limitation attorneys' fees, arising out of or resulting from Consultant's breach of this Agreement or Consultant's or its agents', officers', employees', or sub-subcontractors' negligence, gross negligence or willful misconduct.

4.1.2 Client agrees to indemnify, defend and hold harmless Consultant, its agents, subconsultants, and employees from and against any and all losses, claims, liabilities, damages, or costs, including without limitation attorneys' fees, arising out of or resulting from Client's breach of this Agreement or Client's or its agents', officers', employees', or sub-subcontractors' negligence, gross negligence or willful misconduct.

4.2 Limitation of Liability. Except as to compensation due Consultant pursuant to this Agreement, in no event shall either party have any liability to the other for special, indirect, incidental, consequential, or punitive damages.

ARTICLE 5

5.1 Insurance. Consultant shall obtain and keep in full force and effect, at its own expense, during the performance of any work under this Agreement, the following minimum policy limits:

5.1.1 Worker's Compensation, in accordance with the laws of the State of Alaska, and Employer's Liability Insurance with minimum limits of \$1,000,000 / \$1,000,000 / \$1,000,000.

5.1.2 General Liability Insurance in an amount not less than \$1,000,000 per occurrence; \$1,000,000 personal and advertising injury; \$2,000,000 general aggregate; and \$2,000,000 products/completed operations aggregate for bodily injury or death and for property damage.

5.1.3 Professional Liability with minimum limits of \$1,000,000 aggregate and each claim.

5.1.4 Automobile Liability Insurance covering owned, non-owned, or hired vehicles used by Consultant, with limits not less than \$1,000,000 combined single limit for bodily injury and property damage.

ARTICLE 6

6.1 Termination. This Agreement may be terminated by either party upon thirty (30) days written notice to the other party. Upon receipt of written notice of termination, Consultant shall cease further work under this Agreement other than the routine tasks associated with winding up the Project. Consultant shall be paid for services rendered up to the effective date of the termination.

ARTICLE 7

7.1 No Exclusivity. Consultant agrees to perform the services described in Attachment A for Client on a non-exclusive basis, and nothing in this Agreement shall be deemed to restrain Consultant from performing work for other clients.

7.2 No Assignment. Neither party shall assign or otherwise transfer the obligations under this Agreement without the prior written consent of the other party, provided, however, that Client acknowledges and agrees that Consultant may assign particular tasks associated with the scope of services to subconsultants of Consultant's choosing, and that the subconsultant shall also be subject to the terms of this Agreement.

7.3 Jurisdiction; Venue. This Agreement shall be governed by the laws of the State of Alaska. Any action brought by either party to enforce or interpret this Agreement shall be filed and maintained in the Third Judicial District in Anchorage, Alaska.

7.4 Severability. If any provision of this Agreement is held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the parties.

7.5 Waiver. One or more waivers by either party of any provision, term, condition, or covenant of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same by the other party.

7.6 Amendments; Modifications. This Agreement may be amended or modified only by written instrument signed by both parties.

7.7 Attorney's Fees and Costs. Should litigation be initiated to enforce the terms or provisions of this Agreement, then all actual, reasonable litigation costs, including court costs and attorneys' fees, shall be paid by the non-prevailing party.

7.8 Construction. This Agreement shall not be construed more strictly against any party hereto regardless of which party is responsible for its preparation, it being agreed that this Agreement was fairly negotiated by the parties and that both parties have had the opportunity to have this agreement reviewed and negotiated by an attorney of their choosing.

7.9 Notice. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed given:

- (i) upon receipt if delivered by hand;
- (ii) upon receipt by the sending party of confirmation of successful transmission if sent by facsimile or email; or
- (iii) five (5) business days following its deposit in the United States mail, postage prepaid, and addressed to the address set forth after the parties' signatures below.

7.10 Entire Agreement. This Agreement, together with any Attachments and documents attached hereto (all of which are incorporated herein by this reference), represent the entire and integrated agreement between the parties concerning the subject matter hereof and supersedes all prior negotiations, representations, or agreements, whether written or oral.

7.11 Counterparts. This Agreement may be executed in counterpart, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date first set forth above.

Northern Economics, Inc.

By:



5/19/2014

Patrick L. Burden

Date

Chairman

880 H Street, Suite 210

Anchorage, AK 99501

City of Unalaska

By:



6/4/14

Chris Hladick

Date

City Manager

43 Raven Way

Unalaska, Alaska 99685

Attachment A: Scope of Services, Compensation, Invoicing, and Term

1. Scope of Services

Consultant, its employees, and subconsultants shall perform the services for Client as described below.

Task 1. Develop outline to guide our investigation. We think an important first step will be to put together a draft outline for the response. This outline will allow us to focus our work and ensure that we are not omitting any substantial areas for investigation. We would propose to initiate this task after receiving a notice to proceed and submit the outline to you for review.

Task 2. Document use of Unalaska facilities by Arctic users. Unalaska has served as a support base for OCS oil exploration activities and has been available to and/or used by other vessels operating in the Arctic. We will work with Port of Dutch Harbor staff to link vessel traffic data from the Marine Exchange of Alaska with the port's Daily Vessel Check data to identify Arctic-going vessels that have used facilities in Unalaska. We will also research news publications to identify documented uses of private facilities. We will follow this research with interviews with private facility owners and operators to determine if there has been additional uses we have not uncovered. These interviews will be completed via in-person and telephone interviews and may include a trip to Unalaska. As part of this task, we will also research news publications to document planned infrastructure improvements intended to support OCS and other Arctic-related vessels. We will write up our findings from this task descriptively so that they can be used by the Corps as the basis for a no-action alternative.

Task 3. Review other studies and document important information (e.g., MARAD report re: Arctic shipping growth). We will research other studies and publications about the potential for Arctic shipping, including growth projections and logistical issues. After completing our research, we will document the relevant points in a written summary. In addition to our own research, we will review the MARAD Panama Canal report, Maritime-Executive.com article you provided, and the recent GAO report on Arctic shipping.

Task 4. Develop narrative about supporting infrastructure, fleet, and services required by a dock. Development of a port facility requires not only a land/water interface (typically a dock), but also an extensive array of supporting infrastructure, a fleet to provide water-based services, a range of upland-based services, transportation links, a diverse range of users, and a viable business case for vessels to use these facilities. We will conduct research and interviews to document the scope and role of these supporting items. After developing a set of criteria for evaluating the viability of a port, we will then assess Unalaska/Dutch Harbor and the ports identified by the Corps based on these criteria. This benchmarking exercise will identify what criteria are met for each location. We will complete our work on this task by developing a narrative about the criteria as well as how each location ranks.

Task 5. Interview Alaska Marine Pilots, LLC representative(s) and document their input. We will interview one or more representatives from Alaska Marine Pilots to get their input on the role of Unalaska/Dutch Harbor in the Arctic, the role of ports included in the Corps' report, logistical issues in those northern ports, transportation issues, and any other issues the pilots feel are important to document. We will write up these findings for inclusion in the response. This work will be completed via in-person and telephone interviews and may include a trip to Unalaska.

Following completion of this scope of work, Northern Economics, Inc. and the City of Unalaska intend to add, through a change order to this contract, a meeting with the U. S. Army Corps of Engineers and preparation of written comments for submittal to the U. S. Army Corps of Engineers. These scope elements are not included in this contract at this time.

2. Compensation

Consultant, its employees, and subconsultants shall perform the services described above on a time and materials basis including all actual and reasonable expenses. Total compensation including expenses will not exceed \$40,000. Details regarding billing rates are shown in the table below.

Full Name	Hourly Rate
Burden, Patrick L	\$260.00
Cuyno, Leah M	\$175.00
Eaton, Gary A	\$85.00
Fisher, Michael H	\$150.00
Hartley, Marcus L	\$215.00
Humphrey, Michelle L	\$85.00
Kerr, Cal L	\$165.00
King, Jonathan R	\$190.00
McCoy, Terri J	\$95.00
Schug, Don M	\$165.00
Sauer, Diane L	\$95.00
Weiss, David W	\$100.00
Wellman, Katharine F	\$165.00

3. Invoicing

Consultant shall submit regular invoices that specify: a) the project name, b) the invoice number, c) the period covered by the invoice, and d) the date of the invoice, e) the date that payment is due, and f) the total amount of the invoice. In addition the invoice will include such details as by the type of contract as specified in Part 2 above. A sample invoice is included as Attachment A-1. Invoices will be submitted on a monthly basis.

4. Term

The term of this Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to Article 7, shall expire on the 31st day of December, 2014.

Attachment A-1: Example Invoice

The figure below contains an example invoice in that format that will be used in this project.

Figure 1. Example Invoice for a Time-and-Materials Not-To-Exceed Contract

Northern Economics, Inc. 880 H Street, Suite 210 Anchorage, AK 99501 907-274-5600 Fax: 907-274-5601		Invoice								
		<table border="1"> <tr> <th>DATE</th> <th>INVOICE #</th> </tr> <tr> <td>2/14/2008</td> <td>08-723</td> </tr> </table>	DATE	INVOICE #	2/14/2008	08-723				
DATE	INVOICE #									
2/14/2008	08-723									
<table border="1"> <tr> <th>BILL TO</th> </tr> <tr> <td> Client Name 123 Park Ave Breath-taking, Alaska 99501 Attn: Contract Manager </td> </tr> </table>		BILL TO	Client Name 123 Park Ave Breath-taking, Alaska 99501 Attn: Contract Manager							
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Client Name 123 Park Ave Breath-taking, Alaska 99501 Attn: Contract Manager										
		<table border="1"> <tr> <th>PROJECT NUMBER</th> </tr> <tr> <td>10800201.01 Project Title</td> </tr> </table>			PROJECT NUMBER	10800201.01 Project Title				
PROJECT NUMBER										
10800201.01 Project Title										
ITEM	DESCRIPTION	QTY	RATE	AMOUNT						
	For Professional Services and Expenses previously uninvoiced through January 31, 2008									
ALW	Alex L. Warren	15	45.00	675.00						
BKD	Blake K. Davidson	20	35.00	700.00						
PLB	Phillip L. Bradford	42	200.00	8,400.00						
MLH	Madison L. Harrison	17	175.00	2,975.00						
	Subtotal Labor			12,750.00						
Data	Data	1	300.00	300.00						
Travel Exp.	Travel Expenses - airlines	2	525.00	1,050.00						
Travel Exp.	Travel Expenses - car rental	1	267.50	267.50						
Subcontract...	Subcontractor - Alaska Map Company	4	150.00	600.00						
	Subtotal Expenses			2,217.50						
We appreciate the opportunity to be of service. If you have any questions please contact us at once.		<table border="1"> <tr> <td>Invoice Total</td> <td>\$14,967.50</td> </tr> <tr> <td>Payments/Credits</td> <td>\$0.00</td> </tr> <tr> <td>Balance Due</td> <td>\$14,967.50</td> </tr> </table>			Invoice Total	\$14,967.50	Payments/Credits	\$0.00	Balance Due	\$14,967.50
Invoice Total	\$14,967.50									
Payments/Credits	\$0.00									
Balance Due	\$14,967.50									

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: PEGGY MCLAUGHLIN, PORT DIRECTOR
THRU: CHRIS HLADICK, CITY MANAGER
FROM: PORT DEPARTMENT
DATE: NOVEMBER 10, 2014
RE: ORDINANCE 2014-27 BUDGET AMENDMENT NO. 5: CREATING A BUDGET AMENDMENT TO AMEND THE ROBERT STORRS C FLOAT REPLACEMENT PROJECT TO INCLUDE ADDITIONAL FUNDS FOR CONSTRUCTION COSTS AND CONTINGENCY

SUMMARY:

This budget amendment is necessary to move forward with the award of the Robert Storrs C Float Replacement project. The request is for \$2,120,502 to be added to the Robert Storrs C Float Replacement Project from the Port Net Asset Fund. The project budget is short \$1,249,800 for construction and we need to add \$871,494 for administrative costs, engineering, inspection, and contingency. We believe that \$871,494 (or 20% of the project cost) is ample to complete the project, including all oversight, without additional budget requests. Any surplus from the project will be turned back over to the Port Net Asset Fund.

The total requested amount: \$2,120,502

PREVIOUS COUNCIL ACTION:

- Resolution 2010-40, on May 25th 2010 in support of the FY2012 application for funding through the State of Alaska Department of Transportation and the Public Facility Grant Program in the amount of \$3,325,126 for the Robert Storrs International Small Boat Harbor Improvement Project.
- Resolution 2012-26, on April 24, 2012 adopting the City of Unalaska FY13-FY17 Capital Major and Maintenance Plan.
- Ordinance 2012-04, on May 22, 2012 adopting the City of Unalaska FY13 Capital Budget, appropriating \$123,719 for design of the Robert Storrs International Boat Harbor Float Replacement Project.
- Resolution 2013-08, authorizing the City Manager to enter into a contract with PND Engineers for Robert Storrs Boat Harbor Float Replacement scoping services in the amount of \$22,016.

- Resolution 2013-77 awarding the design of C Float
- Ordinance 2014-08 adopting the FY 15 Capital Budget, which included funding for Robert Storrs C Float Replacement

BACKGROUND:

The Robert Storrs Float Replacement project has been a priority since 2010. Staff has been working since then toward securing the funding for the engineering design and construction of the Robert Storrs Boat Harbor Floats. In 2012 the City received a 50/50 grant from the State of Alaska Department of Transportation and Public Facilities for \$1,757,500 and it was determined that the replacement project would focus on C Float due to the overall cost of the entire project. The State of Alaska has been holding this grant money for the project in anticipation of releasing the funds for fabrication of the floats during the winter of 2014/2015, and installation of the floats in the spring of 2015.

DISCUSSION:

The funding for the Robert Storrs Float Replacement Project has been appropriated in phases. The initial funding was for scoping and engineering. This took place in early 2013, and during that time we developed the concepts for replacing A, B and C Floats. It was apparent during this process that the 50/50 grant from the State would not cover the complete project, and the focus shifted to replacing C Float the first priority or Phase 1.

Through discussion with the users, the general public and Council, it was determined that a robust float system should be designed to handle the surf conditions and wind that funnel through Robert Storrs Harbor.

A budget for C Float replacement was established through the CMMP process based on the amount of the grant, the required City match, and the initial Engineer's Estimates. This original budget included contingency, engineering and administrative oversight. As the design progressed closer to 100%, the Engineer's Estimate was further detailed to include actual costs of components, materials, and labor.

The original budget outlined in the CMMP was \$3,662,107. This amount included contingency, inspection, engineering and administrative costs. The detailed Engineer's Estimate developed for the bid process was \$3,706,940. This included additive alternatives for anode placement, but did not include any additional engineering, inspection, administrative oversight costs, or contingency.

The bid opening for the Robert Storrs Harbor C Float Replacement Project was held November 4, 2014. We had four bidders, all of whom bid over the Engineer's construction estimate. The lowest bidder's overall bid including additive alternatives was \$4,357,470. This did not include any contingency or inspection and oversight.

In general, the lowest bidder was fairly consistent with the Engineer's Estimate, with the exception of the uplands work and the float fabrication, which were consistently higher

amongst all the bidders. The amount of the bid does exceed both the Engineer's Estimate and the current approved budget for this project.

The project was originally budgeted for \$3,662,107 and we have spent \$475,000 for engineering and geotechnical drilling and analysis. This work was for all of Robert Storrs Harbor Floats A, B, and C. Also included in \$475,000 was the permitting for C Float replacement. This brings the current available amount in the project to \$3,108,462. The available amount also assumes the \$1,757,500 from the State.

At this point, the construction budget is short \$1,249,008 and we still need inspection, administrative oversight and a small contingency. In the request for this amount, I have assumed a 20% contingency for the project based on the lowest bidder's overall bid. This amount is \$871,494. The total of what we are short in the budget plus the contingency is \$2,120,502.

We are not anticipating any major change orders. I do believe that by requesting the 20%, we are covering our needs to move forward with this project and any remaining amount of the 20% contingency will go back to the Port Net Asset Fund once the project is complete and closed.

In order to award this bid to begin the construction process, we need to increase the project budget to cover construction and the assumed costs of inspection, engineering, and oversight.

ALTERNATIVES:

1. Council could choose to approve
2. Council could choose to not to approve

FINANCIAL IMPLICATIONS:

This funding request will come from the Port Net Asset Fund. Delay in funding this project could result in turning back grant money to the State of Alaska.

LEGAL: N/A

STAFF RECOMMENDATION:

Staff recommends fully funding this budget amendment request in to award the construction contract and begin using the State of Alaska Grant Money for this project

PROPOSED MOTION:

I move to approve the first reading of Ordinance 2014-27 and to send it to second reading and public hearing on November 25, 2014.

CITY MANAGER'S COMMENTS: I recommend approval. It could be years before we see funding for A and B floats. The current C float has the most issues requiring maintenance. We can't apply for more funding until C float is completed.

Attachment:

Robert Storrs C Float Replacement Bid Tabs

BID TABULATION FORM						
JOB		ROBERT STORRS HARBOR - C FLOAT REPLACEMENT				
Bid Opening Date		November 4, 2014, 2:00 PM				
	Contractor A	Contractor B	Contractor C	Contractor D		
Company Name	Turnagain Marine	Orion Marine	Pacific Pile & Marine	Northern Alaska	Engineer's Estimate	
Bid Received by Deadline	X	X	X	X		
Bid 00300 -1 thru 6 Signed	X	X	X	X		
Bid Schedule 00310-1 thru 2	X	X	X	X		
Bid Bond	X	X	X	X		
Addenda - 1 ,2 and 3	X	X	X	X		
Base Bid	\$4,270,670.00	\$4,533,000.00	\$3,919,200.00	\$6,993,050.00	\$3,624,940.00	
Modification	\$0.00	\$0.00	\$1,050,500.00	\$0.00	\$0.00	
Base Bid, with Modification	\$4,270,670.00	\$4,533,000.00	\$4,969,700.00	\$6,993,050.00	\$3,624,940.00	
Add Alt A	\$52,800.00	\$49,200.00	\$71,000.00	\$77,000.00	\$59,000.00	
Modification	\$0.00	\$0.00	-\$18,800.00	\$0.00	\$0.00	
Add Alt A with Modification	\$52,800.00	\$49,200.00	\$52,200.00	\$77,000.00	\$59,000.00	
Add Alt B	\$34,000.00	\$32,000.00	\$20,000.00	\$3,200.00	\$23,000.00	
Modification	\$0.00	\$0.00	\$6,000.00	\$0.00	\$0.00	
Add Alt B with Modification	\$34,000.00	\$32,000.00	\$26,000.00	\$3,200.00	\$23,000.00	
Base Bid + Add Alt A (w/ mods)	\$4,323,470.00	\$4,582,200.00	\$5,021,900.00	\$7,070,050.00	\$3,683,940.00	
Base Bid + Add Alt A + B (w/ mods)	\$4,357,470.00	\$4,614,200.00	\$5,047,900.00	\$7,073,250.00	\$3,706,940.00	

Witness: Derrick Honrud, PND Engineers

Michael Gemmell, PND Engineers

Peggy McLaughlin, Port of Dutch Harbor

Lori Gregory, City of Unalaska

Grace Magpantay, City of Unalaska

CITY OF UNALASKA - ROBERT STORRS HARBOR - C FLOAT REPLACEMENT
BID RESULTS SUMMARY - NOVEMBER 4, 2014

BASE BID				Engineer's Estimate		Turnagain Marine Construction		Orion Marine Contractors		Pacific Pile & Marine		Northern Alaska Contractors	
Item	Item Description	Units	Quantity	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
1505.1	Mobilization	LS	All Req'd	\$329,540	\$329,540	\$400,000	\$400,000	\$460,000	\$460,000	\$884,000	\$884,000	\$1,100,000	\$1,100,000
1580.1	Contaminated Materials - Excavation, Bagging and Stockpiling	CY	90	\$60	\$5,400	\$58	\$5,220	\$240	\$21,600	\$100	\$9,000	\$350	\$31,500
2060.1	Demolition and Disposal	LS	All Req'd	\$200,000	\$200,000	\$115,000	\$115,000	\$560,000	\$560,000	\$310,000	\$310,000	\$300,000	\$300,000
2200.1	Upland Construction	LS	All Req'd	\$65,000	\$65,000	\$350,000	\$350,000	\$81,000	\$81,000	\$140,000	\$140,000	\$590,000	\$590,000
2500.1	Storm Drain System	LS	All Req'd	\$30,000	\$30,000	\$35,000	\$35,000	\$44,000	\$44,000	\$44,000	\$44,000	\$60,000	\$60,000
2601.1	Domestic Water System	LS	All Req'd	\$300,000	\$300,000	\$260,000	\$260,000	\$310,000	\$310,000	\$290,000	\$290,000	\$420,000	\$420,000
2601.2	Board Insulation	BD	120	\$50	\$6,000	\$120	\$14,400	\$70	\$8,400	\$65	\$7,800	\$50	\$6,000
2603.1	Fire Hydrant	LS	All Req'd	\$12,000	\$12,000	\$20,000	\$20,000	\$21,000	\$21,000	\$25,000	\$25,000	\$25,000	\$25,000
2611.1	Fire Suppression Standpipe System	LS	All Req'd	\$90,000	\$90,000	\$105,000	\$105,000	\$111,000	\$111,000	\$120,000	\$120,000	\$180,000	\$180,000
2702.1	Construction Surveying	LS	All Req'd	\$10,000	\$10,000	\$25,000	\$25,000	\$47,000	\$47,000	\$50,000	\$50,000	\$70,000	\$70,000
2718.1	Signage and Assemblies	LS	All Req'd	\$10,000	\$10,000	\$7,500	\$7,500	\$4,000	\$4,000	\$3,000	\$3,000	\$5,000	\$5,000
2894.1	7'x80' Aluminum Gangway	LS	All Req'd	\$90,000	\$90,000	\$92,000	\$92,000	\$70,000	\$70,000	\$70,000	\$70,000	\$112,000	\$112,000
2895.1	Mainwalk Float, 12' x 360'	LS	All Req'd	\$1,080,000	\$1,080,000	\$1,480,000	\$1,480,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,800,000	\$1,800,000
2895.2	20'x24' Gangway Landing Float	LS	All Req'd	\$120,000	\$120,000	\$225,000	\$225,000	\$150,000	\$150,000	\$190,000	\$190,000	\$270,000	\$270,000
2896.1	Float Mooring Pile, 16" Dia. x .500" t	EA	20	\$10,000	\$200,000	\$12,500	\$250,000	\$9,000	\$180,000	\$10,000	\$200,000	\$13,800	\$276,000
2896.2	Predrilled Pile Socket, 16" Dia. Piles	EA	20	\$10,000	\$200,000	\$1,650	\$33,000	\$18,000	\$360,000	\$19,000	\$380,000	\$34,000	\$680,000
2897.1	Supply Floatation Billet	EA	15	\$200	\$3,000	\$150	\$2,250	\$200	\$3,000	\$200	\$3,000	\$430	\$6,450
2897.2	Install Floatation Billet	EA	15	\$500	\$7,500	\$1,600	\$24,000	\$800	\$12,000	\$1,000	\$15,000	\$220	\$3,300
2899.1	Life Ring Cabinet and Base	EA	3	\$1,500	\$4,500	\$1,600	\$4,800	\$1,000	\$3,000	\$1,500	\$4,500	\$2,000	\$6,000
2899.2	Fire Extinguisher Cabinet and Base	EA	4	\$1,200	\$4,800	\$1,600	\$6,400	\$1,000	\$4,000	\$1,200	\$4,800	\$1,500	\$6,000
2899.4	Safety Ladders	EA	6	\$1,200	\$7,200	\$1,600	\$9,600	\$2,000	\$12,000	\$1,600	\$9,600	\$2,800	\$16,800
2900.1	Marine Mammal Observance Contingency	HR	10	\$1,500	\$15,000	\$2,100	\$21,000	\$1,000	\$10,000	\$3,500	\$35,000	\$1,000	\$10,000
3305.1	Concrete Abutment	LS	All Req'd	\$120,000	\$120,000	\$120,500	\$120,500	\$131,000	\$131,000	\$250,000	\$250,000	\$300,000	\$300,000
16000.1	Electrical and Lighting Systems	LS	All Req'd	\$695,000	\$695,000	\$640,000	\$640,000	\$600,000	\$600,000	\$600,000	\$600,000	\$684,000	\$684,000
16000.2	Electrical Support Assemblies	LS	All Req'd	\$20,000	\$20,000	\$25,000	\$25,000	\$30,000	\$30,000	\$25,000	\$25,000	\$35,000	\$35,000
TOTAL BASE BID				\$3,624,940		\$4,270,670		\$4,533,000		\$4,969,700		\$6,993,050	
ADDITIVE ALTERNATE A													
Item	Item Description	Units	Quantity	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
1505.1A	Mobilization	LS	All Req'd	\$25,000	\$25,000	\$25,500	\$25,500	\$24,000	\$24,000	\$27,000	\$27,000	\$35,000	\$35,000
2996.2A	Install Pile Anodes	EA	40	\$600	\$24,000	\$650	\$26,000	\$600	\$24,000	\$600	\$24,000	\$1,000	\$40,000
2996.3A	Field Photos, Continuity, Potential Readings & Report	LS	All Req'd	\$10,000	\$10,000	\$1,300	\$1,300	\$1,200	\$1,200	\$1,200	\$1,200	\$2,000	\$2,000
TOTAL ADD ALT A				\$59,000		\$52,800		\$49,200		\$52,200		\$77,000	
ADDITIVE ALTERNATE B													
Item	Item Description	Units	Quantity	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
2996.1B	Supply Pile Anodes	EA	40	\$575	\$23,000	\$850	\$34,000	\$800	\$32,000	\$650	\$26,000	Not Provided	\$3,200
TOTAL ADD ALT B				\$23,000		\$34,000		\$32,000		\$26,000		\$3,200	
TOTAL BASE BID + ADD ALT A				\$3,683,940		\$4,323,470		\$4,582,200		\$5,021,900		\$7,070,050	
TOTAL BASE BID + ADD ALT A + B				\$3,706,940		\$4,357,470		\$4,614,200		\$5,047,900		\$7,073,250	

Prepared by: PND Engineers, Inc.

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: THOMAS COHENOUR, DIRECTOR OF PUBLIC WORKS
THRU: CHRIS HLADICK, CITY MANAGER
DATE: NOVEMBER 10, 2014
RE: ORDINANCE 2014-27 BUDGET AMENDMENT REQUEST –
CREATING A NEW CAPITAL PROJECT “2015 PAVING PROJECT”

SUMMARY: This budget amendment request, if approved, will move \$302,000 from the Pavement Resurfacing Project into a new capital project “2015 Paving Project”. Funding is requested for Engineering Services, Telephone & Fax, and Construction.

PREVIOUS COUNCIL ACTION: Council has taken the following action specific to the 2015 Paving Project:

- On September 9, 2014, via Resolution 2014-74, Council awarded the 2015 Paving Project’s design services work to PND Engineers, Inc. in the amount of \$300,000.

BACKGROUND: This budget amendment will fund design work for the next phase of road improvements as set forth in the Road Improvement Master Plan. The scope of the proposed 2015 Paving Project is to design and construct paved driving surfaces for the following streets and roads:

E Broadway (from Alpha Welding to stop sign at Steward Rd)	Mill & Overlay
W Broadway (from 3 way stop by school to boat ramp by Alyeska)	Mill & Overlay
Salmon Way (from gas station to Museum)	Mill & Overlay
King St (from E Broadway to Bayview Ave)	Gravel - Full Build
E Broadway (from stop sign at Steward Rd to Hawley Ln)	Mill & Overlay

DISCUSSION: The purpose of this budget amendment request is to create a new capital project entitled 2015 Paving Project. Upon final close-out of the existing 2014 paving projects, Staff will request remaining monies be transferred into the 2015 Paving Project in order to fund construction. Depending upon the level of funding available, some or all of the proposed design will be constructed in 2015.

ALTERNATIVES: Council could appropriate General Fund monies to fund this work instead of transferring remaining funds after final close-out of the existing 2014 projects.

FINANCIAL IMPLICATIONS: The proposed initial budget for 2015 Paving Project is set forth below. After all invoices have been paid related to 2014 Paving Projects, Staff will request another Budget Amendment to move remaining funds into the 2015 Paving Project.

2015 Paving Project – Proposed Initial Budget

Engineering & Architectural	\$ 301,000.00
Telephone & fax	\$ 250.00
Construction	\$ 750.00
Total	\$ 302,000.00

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends fully funding this budget amendment request.

PROPOSED MOTION: I move to approve Ordinance Number 2014-27

CITY MANAGER'S COMMENTS: I recommend approval of this budget amendment request.

**CITY OF UNALASKA
UNALASKA, ALASKA**

RESOLUTION 2014-81

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNALASKA,
AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH
TURNAGAIN MARINE CONSTRUCTION FOR ROBERT STORRS C FLOAT
REPLACEMENT PROJECT IN THE AMOUNT OF \$4,357,470**

WHEREAS, the City of Unalaska has determined that it is necessary replace the Robert Storrs C Float; and

WHEREAS, the City of Unalaska completed the design, public review, and bid process for the Robert Storrs C Float Replacement Project; and

WHEREAS, the Robert Storrs C Float Replacement Project is a component of the approved CMMP; and

WHEREAS, the City of Unalaska solicited and received bids for the Robert Storrs C Float Replacement Project; and

WHEREAS, Turnagain Marine Construction was found to be the lowest responsive bidder;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Unalaska authorizes the City Manager to enter into an agreement with Turnagain Marine Construction for the Robert Storrs C Float Replacement Project in the amount of \$4,357,470.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 25th DAY OF NOVEMEBER 2014.

MAYOR

ATTEST:

CITY CLERK

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: PEGGY MCLAUGHLIN, PORTS DIRECTOR
THRU: PATRICK JORDAN, ACTING CITY MANAGER
DATE: NOVEMBER 25, 2014
RE: RESOLUTION 2014-81: AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH TURNAGAIN MARINE CONSTRUCTION FOR AN AMOUNT NOT TO EXCEED \$4,357,470 FOR ROBERT STORRS HARBOR C FLOAT REPLACEMENT PROJECT

SUMMARY:

Resolution # 2014-81 will authorize the City Manager to enter into an agreement with Turnagain Marine Construction for the replacement of the C Float at Robert Storrs Harbor. The total amount requested for this agreement is: \$4,357,470.

The City received four bids for the Port Lighting Project. Turnagain Marine was the lowest responsive bidder at \$4,357,470. This came in over the Engineer's Estimate by \$650,530 and includes the Additive Alternatives of installing city owned anodes.

PREVIOUS COUNCIL ACTION:

- Resolution 2010-40, on May 25th 2010 in support of the FY2012 application for funding through the State of Alaska Department of Transportation and Public Facility Grant Program in the amount of \$3,325,126 for the Robert Storrs International Small Boat Harbor Improvement Project.
- Resolution 2012-26, on April 24, 2012 adopting the City of Unalaska FY13-FY17 Capital Major and Maintenance Plan.
- Ordinance 2012-04, on May 22, 2012 adopting the City of Unalaska FY13 Capital Budget, appropriating \$123,719 for design of the Robert Storrs International Boat Harbor Float Replacement Project.
- Resolution 2013-08, authorizing the City Manager to enter into a contract with PND Engineers for Robert Storrs Boat Harbor Float Replacement scoping services in the amount of \$22,016.
- Resolution 2013-77 awarding the design of C Float

- Ordinance 2014-08 adopting the FY 15 Capital Budget, which included funding for Robert Storrs C Float Replacement Project

BACKGROUND:

The Robert Storrs Float Replacement Project has been a priority since 2010. Staff has been working since then toward securing the funding for the engineering design and construction of the Robert Storrs Boat Harbor Floats. In 2012, the City received a 50/50 grant from the State of Alaska Department of Transportation and Public Facilities for \$1,757,500 and it was determined that the replacement project would focus on C Float due to the overall cost of the entire project. The State of Alaska has been holding this grant money for the project in anticipation of releasing the funds for fabrication of the floats during the winter of 2014/2015, and installation of the floats in the spring of 2015. A budget amendment was requested to completely fund this project.

DISCUSSION:

The bid opening for the Robert Storrs Harbor C Float Replacement Project was held November 4, 2014. There were four bidders, all of whom bid over the Engineer's construction estimate. Turnagain Marine Construction, the lowest bidder, placed an overall bid of \$4,357,470. This included the additive alternative of anode installation.

Through discussion with the users, the general public and Council, it was determined that a robust float system should be designed to handle the surf conditions and wind that funnel through Robert Storrs Harbor. At the request of the City, PND Engineers designed a linear float similar to the Carl E Moses style float to replace the existing concrete float system. We believe this system meets the needs of the Robert Storrs C Float and will provide longevity for the harbor. It was this design concept that we put out to bid for construction.

In general, Turnagain Marine was fairly consistent with the Engineer's Estimate with the exceptions of: increased cost for uplands work, mobilization, demolition and disposal. These bid items are the overall drivers for the cost above the Engineer's Estimate.

Turnagain Marine has successfully managed dock and harbor construction projects throughout Alaska, including the Aleutians. We are confident in their bid and the quality of work they produce. In reviewing the detail of the bid they provided, the bid items that were significantly higher than the Engineer's estimates. The bid items reflect the reality of their operational costs. For example, the actual cost of mobilizing equipment and crew, the cost of disposing of the existing floats off-island, and the quote for the uplands work with their subcontractors. These areas can be difficult for an Engineer's detail as these costs can and do continually change.

In reviewing the bid tabs, Turnagain Marine has provided a responsive bid that meets the requirements of the Robert Storrs C Float Project. We have provided the Council with the budget amendment in anticipation of this contract award. This project has been in the

process since 2010, and a thorough process has taken place to choose the design and bid it for construction. For these reasons, we are recommending awarding Turnagain Marine Construction with the construction contract for Robert Storrs C Float Replacement Project.

ALTERNATIVES:

- 1) Council could fully support Resolution 2014-81
- 2) Council could choose to not award this Contract

FINANCIAL IMPLICATIONS:

The award of this contract will activate the grant funds from the State of Alaska Department of Transportation and Public Facilities.

LEGAL: N/A

STAFF RECOMMENDATION:

Staff recommends approving this Resolution.

PROPOSED MOTION:

I move to approve Resolution 2014-81

CITY MANAGER'S COMMENTS:

Attachment:

1. Bid Tabs
2. Agreement

BID TABULATION FORM JOB ROBERT STORRS HARBOR - C FLOAT REPLACEMENT Bid Opening Date November 4, 2014, 2:00 PM						
	Contractor A	Contractor B	Contractor C	Contractor D		
Company Name	Turnagain Marine	Orion Marine	Pacific Pile & Marine	Northern Alaska	Engineer's Estimate	
Bid Received by Deadline	X	X	X	X		
Bid 00300 -1 thru 6 Signed	X	X	X	X		
Bid Schedule 00310-1 thru 2	X	X	X	X		
Bid Bond	X	X	X	X		
Addenda - 1 ,2 and 3	X	X	X	X		
Base Bid	\$4,270,670.00	\$4,533,000.00	\$3,919,200.00	\$6,993,050.00	\$3,624,940.00	
Modification	\$0.00	\$0.00	\$1,050,500.00	\$0.00	\$0.00	
Base Bid, with Modification	\$4,270,670.00	\$4,533,000.00	\$4,969,700.00	\$6,993,050.00	\$3,624,940.00	
Add Alt A	\$52,800.00	\$49,200.00	\$71,000.00	\$77,000.00	\$59,000.00	
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Add Alt B	\$34,000.00	\$32,000.00	\$20,000.00	\$3,200.00	\$23,000.00	
Modification	\$0.00	\$0.00	\$6,000.00	\$0.00	\$0.00	
Add Alt B with Modification	\$34,000.00	\$32,000.00	\$26,000.00	\$3,200.00	\$23,000.00	
Base Bid + Add Alt A (w/ mods)	\$4,323,470.00	\$4,582,200.00	\$5,021,900.00	\$7,070,050.00	\$3,683,940.00	
Base Bid + Add Alt A + B (w/ mods)	\$4,357,470.00	\$4,614,200.00	\$5,047,900.00	\$7,073,250.00	\$3,706,940.00	

Witness: Derrick Honrud, PND Engineers
Michael Gemmell, PND Engineers
Peggy McLaughlin, Port of Dutch Harbor

Lori Gregory, City of Unalaska
Grace Magpantay, City of Unalaska

CITY OF UNALASKA - ROBERT STORRS HARBOR - C FLOAT REPLACEMENT
BID RESULTS SUMMARY - NOVEMBER 4, 2014

BASE BID				Engineer's Estimate		Turnagain Marine Construction		Orion Marine Contractors		Pacific Pile & Marine		Northern Alaska Contractors	
Item	Item Description	Units	Quantity	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
1505.1	Mobilization	LS	All Req'd	\$329,540	\$329,540	\$400,000	\$400,000	\$460,000	\$460,000	\$884,000	\$884,000	\$1,100,000	\$1,100,000
1580.1	Contaminated Materials - Excavation, Bagging and Stockpiling	CY	90	\$60	\$5,400	\$58	\$5,220	\$240	\$21,600	\$100	\$9,000	\$350	\$31,500
2060.1	Demolition and Disposal	LS	All Req'd	\$200,000	\$200,000	\$115,000	\$115,000	\$560,000	\$560,000	\$310,000	\$310,000	\$300,000	\$300,000
2200.1	Upland Construction	LS	All Req'd	\$65,000	\$65,000	\$350,000	\$350,000	\$81,000	\$81,000	\$140,000	\$140,000	\$590,000	\$590,000
2500.1	Storm Drain System	LS	All Req'd	\$30,000	\$30,000	\$35,000	\$35,000	\$44,000	\$44,000	\$44,000	\$44,000	\$60,000	\$60,000
2601.1	Domestic Water System	LS	All Req'd	\$300,000	\$300,000	\$260,000	\$260,000	\$310,000	\$310,000	\$290,000	\$290,000	\$420,000	\$420,000
2601.2	Board Insulation	BD	120	\$50	\$6,000	\$120	\$14,400	\$70	\$8,400	\$65	\$7,800	\$50	\$6,000
2603.1	Fire Hydrant	LS	All Req'd	\$12,000	\$12,000	\$20,000	\$20,000	\$21,000	\$21,000	\$25,000	\$25,000	\$25,000	\$25,000
2611.1	Fire Suppression Standpipe System	LS	All Req'd	\$90,000	\$90,000	\$105,000	\$105,000	\$111,000	\$111,000	\$120,000	\$120,000	\$180,000	\$180,000
2702.1	Construction Surveying	LS	All Req'd	\$10,000	\$10,000	\$25,000	\$25,000	\$47,000	\$47,000	\$50,000	\$50,000	\$70,000	\$70,000
2718.1	Signage and Assemblies	LS	All Req'd	\$10,000	\$10,000	\$7,500	\$7,500	\$4,000	\$4,000	\$3,000	\$3,000	\$5,000	\$5,000
2894.1	7'x80' Aluminum Gangway	LS	All Req'd	\$90,000	\$90,000	\$92,000	\$92,000	\$70,000	\$70,000	\$70,000	\$70,000	\$112,000	\$112,000
2895.1	Mainwalk Float, 12' x 360'	LS	All Req'd	\$1,080,000	\$1,080,000	\$1,480,000	\$1,480,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,800,000	\$1,800,000
2895.2	20'x24' Gangway Landing Float	LS	All Req'd	\$120,000	\$120,000	\$225,000	\$225,000	\$150,000	\$150,000	\$190,000	\$190,000	\$270,000	\$270,000
2896.1	Float Mooring Pile, 16" Dia. x .500" t	EA	20	\$10,000	\$200,000	\$12,500	\$250,000	\$9,000	\$180,000	\$10,000	\$200,000	\$13,800	\$276,000
2896.2	Predrilled Pile Socket, 16" Dia. Piles	EA	20	\$10,000	\$200,000	\$1,650	\$33,000	\$18,000	\$360,000	\$19,000	\$380,000	\$34,000	\$680,000
2897.1	Supply Floatation Billet	EA	15	\$200	\$3,000	\$150	\$2,250	\$200	\$3,000	\$200	\$3,000	\$430	\$6,450
2897.2	Install Floatation Billet	EA	15	\$500	\$7,500	\$1,600	\$24,000	\$800	\$12,000	\$1,000	\$15,000	\$220	\$3,300
2899.1	Life Ring Cabinet and Base	EA	3	\$1,500	\$4,500	\$1,600	\$4,800	\$1,000	\$3,000	\$1,500	\$4,500	\$2,000	\$6,000
2899.2	Fire Extinguisher Cabinet and Base	EA	4	\$1,200	\$4,800	\$1,600	\$6,400	\$1,000	\$4,000	\$1,200	\$4,800	\$1,500	\$6,000
2899.4	Safety Ladders	EA	6	\$1,200	\$7,200	\$1,600	\$9,600	\$2,000	\$12,000	\$1,600	\$9,600	\$2,800	\$16,800
2900.1	Marine Mammal Observance Contingency	HR	10	\$1,500	\$15,000	\$2,100	\$21,000	\$1,000	\$10,000	\$3,500	\$35,000	\$1,000	\$10,000
3305.1	Concrete Abutment	LS	All Req'd	\$120,000	\$120,000	\$120,500	\$120,500	\$131,000	\$131,000	\$250,000	\$250,000	\$300,000	\$300,000
16000.1	Electrical and Lighting Systems	LS	All Req'd	\$695,000	\$695,000	\$640,000	\$640,000	\$600,000	\$600,000	\$600,000	\$600,000	\$684,000	\$684,000
16000.2	Electrical Support Assemblies	LS	All Req'd	\$20,000	\$20,000	\$25,000	\$25,000	\$30,000	\$30,000	\$25,000	\$25,000	\$35,000	\$35,000
TOTAL BASE BID				\$3,624,940		\$4,270,670		\$4,533,000		\$4,969,700		\$6,993,050	
ADDITIVE ALTERNATE A													
Item	Item Description	Units	Quantity	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
1505.1A	Mobilization	LS	All Req'd	\$25,000	\$25,000	\$25,500	\$25,500	\$24,000	\$24,000	\$27,000	\$27,000	\$35,000	\$35,000
2996.2A	Install Pile Anodes	EA	40	\$600	\$24,000	\$650	\$26,000	\$600	\$24,000	\$600	\$24,000	\$1,000	\$40,000
2996.3A	Field Photos, Continuity, Potential Readings & Report	LS	All Req'd	\$10,000	\$10,000	\$1,300	\$1,300	\$1,200	\$1,200	\$1,200	\$1,200	\$2,000	\$2,000
TOTAL ADD ALT A				\$59,000		\$52,800		\$49,200		\$52,200		\$77,000	
ADDITIVE ALTERNATE B													
Item	Item Description	Units	Quantity	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
2996.1B	Supply Pile Anodes	EA	40	\$575	\$23,000	\$850	\$34,000	\$800	\$32,000	\$650	\$26,000	Not Provided	\$3,200
TOTAL ADD ALT B				\$23,000		\$34,000		\$32,000		\$26,000		\$3,200	
TOTAL BASE BID + ADD ALT A				\$3,683,940		\$4,323,470		\$4,582,200		\$5,021,900		\$7,070,050	
TOTAL BASE BID + ADD ALT A + B				\$3,706,940		\$4,357,470		\$4,614,200		\$5,047,900		\$7,073,250	

Prepared by: PND Engineers, Inc.

SECTION 00500 - AGREEMENT

THIS AGREEMENT is dated as of the _____ day of _____ in the year 2014, by and between the **City of Unalaska** (hereinafter called OWNER) and _____ (hereinafter called "CONTRACTOR"). OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1. WORK

CONTRACTOR shall complete the WORK as specified or indicated in the Contract Documents. The WORK is generally described as follows:

The WORK will include, but not be limited to, furnishing all labor, tools, equipment, and materials and performing all operations in connection with the **City of Unalaska ROBERT STORRS HARBOR – C FLOAT REPLACEMENT**.

- Project Location: Robert Storrs Harbor; Dutch Harbor, AK
- Owner: City of Unalaska

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

- Invitation to Bid (Section 00030)
- Instructions to Bidders (Section 00100)
- Bid Forms (Sections 00300, Section 00310, Section 00320)
- Agreement (Section 00500)
- Performance Bond (Section 00610)
- Payment Bond (Section 00620)
- General Conditions (Section 00700)
- Supplementary Conditions (Section 00800)
- Alaska Labor Standards, Reporting, and Prevailing Wage Determination (Section 00830)
- Drawings and Specifications
- Geotechnical Report (Appendix A)
- Addenda numbers ____ to ____, inclusive
- Change Orders which may be delivered or issued after Effective Date of the Agreement and not attached hereto

ARTICLE 2. CONTRACT COMPLETION TIME

2.1 For the Base Bid Items and all awarded Additive Bid Items, the **Substantial Completion date shall be August 17, 2015** and the **Final Completion date shall be August 31, 2015**.

2.2 **Liquidated Damages.** The OWNER and CONTRACTOR recognize that time is of the essence of this Agreement and that the OWNER will suffer financial loss if the work is not completed within the times specified above, plus any extensions thereof allowed in accordance with Article 11 of the General Conditions. These damages include, the potential loss of direct revenue from use of the Project Site, potential indirect loss of revenue resulting from vessels deciding to use other facilities, general inconvenience to the public and similar difficult to quantify elements of damage. They also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration preceding the actual loss suffered by the OWNER if the work is not substantially completed on time. Accordingly, instead of requiring any such proof, the OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay the OWNER **Five Hundred Dollars (\$500.00) for each day** that

SECTION 00500 - AGREEMENT

expires after the time specified above for **Substantial Completion** and **One Thousand Dollars (\$1,000.00) for each day** that expires after the time specified above for **Final Completion** and readiness for final payment. Should Substantial Completion not be accomplished before the specified Final Completion date, then the combined liquidated damages shall be **One Thousand Dollars (\$1,000.00) for each day**.

ARTICLE 3. CONTRACT PRICE

- 3.1 The OWNER shall pay CONTRACTOR for completion of the work in accordance with the Contract Documents an amount equal to sum of the established unit prices for each separately identified item of unit price work multiplied by the measured quantity of actual items installed plus the sum of the lump sum prices for each separately identified and selected bid item (herein referred to as the "Contract Sum").
- 3.2 The Contract Sum is based upon the Proposal Items which are set forth in the Contract Documents and which are hereby accepted by the OWNER.
- 3.3 The Contract Sum for the Base Bid and Awarded Additive Alternate Items is \$_____.

ARTICLE 4. PAYMENT PROCEDURES

CONTRACTOR shall submit Applications for Payment in accordance with Article 13 of the General Conditions. Applications for Payment will be processed by the OWNER as provided in the General Conditions.

- 4.1. Progress Payments. The OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR's Applications for Payment on or about a day of the month mutually agreeable to the OWNER and CONTRACTOR as agreed to at the preconstruction conference. All progress payments will be on the basis of the progress of the work measured by the actual installed quantity of items, plus allowances for stockpiled materials.

4.1.1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below, but, in each case, less the aggregate of payments previously made and less such amounts as the OWNER shall determine, or the OWNER may withhold, in accordance with Article 13 (paragraph 13.8) of the General Conditions and the Supplemental Conditions.

- a. Ninety percent of work completed.
- b. Once 50 percent of the work is complete as determined by the OWNER, and if the character and progress of the work have been satisfactory to the OWNER, the OWNER, may determine that, as long as the character and progress of the work remain satisfactory to them, there will be no additional retainage on account of work completed; in which case, the remaining progress payments prior to Substantial Completion will be in an amount equal to 100 percent of the work completed.

4.1.2. Upon Substantial Completion, in an amount sufficient to increase total payments to CONTRACTOR to 95 percent of the Contract Price, less such amounts as the OWNER shall determine, or the OWNER may withhold, in accordance with Article 13 of the General Conditions.

SECTION 00500 - AGREEMENT

- 4.2. Final Payment. Upon final completion and acceptance of the work in accordance with the General Conditions; Affidavit of Payment of Debts and Claims; Affidavit of Release of Liens; and Receipt of Consent of Surety Company to Final Payment, the OWNER shall pay the remainder of the Contract Price as provided in said Article 13.

4.2.1 Deductions. The City may deduct from the amount of any payment made to Contractor any sums owed to City by Contractor including, but not limited to, past due sales tax, port and harbor fees, property tax, or rent. Before making any such deduction the City shall have provided Contractor written notice of the amount claimed by City to be due and owing from Contractor.

ARTICLE 5. INTEREST ON RETAINAGE

All retainage shall bear interest at the rate required by AS 36.90.250, if applicable.

ARTICLE 6. CONTRACTOR'S REPRESENTATIONS

In order to induce the OWNER to enter into this agreement, CONTRACTOR makes the following representations:

- 6.1. 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.
- 6.2. 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, including specifically the provisions of paragraph 4.2 of the General Conditions; and no additional examinations, investigations, explorations, tests, reports, studies, or similar information or data are or will be required by CONTRACTOR for such purposes.
- 6.3. 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.
- 6.4. 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.
- 6.5. CONTRACTOR has given the OWNER written notice of all conflicts, errors, or discrepancies that it has discovered in the Contract Documents and the written resolution thereof by the OWNER is acceptable to CONTRACTOR.

SECTION 00500 - AGREEMENT

ARTICLE 7. MISCELLANEOUS

- 7.1. Terms used in this Agreement which are defined in Article 1 of the General Conditions will have the meanings indicated in the General Conditions.
- 7.2. The CONTRACTOR shall submit the Performance Bond, Labor and Material Payment Bonds, and Certification of Insurance and City of Unalaska business licenses and all Subcontractor City of Unalaska business licenses as required by the Contract Documents, prior to commencement of the Work. The Performance and Material Payment Bonds shall be in the amount of 100% of the contract bid price.
- 7.3. 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.
- 7.4. OWNER and 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 OWNER and CONTRACTOR have signed all counterparts of this Agreement. All portions of the Contract Documents have been signed or identified by the OWNER and - CONTRACTOR.

This Agreement will be effective on _____, 2014.

CITY OF UNALASKA

By _____
Chris Hladick, City Manager

By _____

(CORPORATE SEAL)

(CORPORATE SEAL)

Attest _____
City Clerk

Attest _____

OWNER's Address for giving notices:
P.O. Box 610
Unalaska, Alaska 99685

CONTRACTOR's Address for giving notices:

Capital Projects Update



November 25, 2014

CAPITAL PROJECTS UPDATE 11-25-14

Contract or Budget	Const or Design	% Done	Notes
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1. GENERAL SECTION

10101	<i>Delta Way Storm Drainage</i>	\$ 539,920	C	100%	
11102	<i>Misc. Storm Drain Improvements</i>	\$ 138,855	D	50%	
13102	<i>Ballyhoo Road Paving</i>	\$ 8,967,303	C	100%	
13103	<i>2014 Paving</i>	\$ 6,704,151	C	99%	<i>Airport short term pkg lighting incomplete</i>
14101	<i>Lake / River Restoration Stormwater Mgt</i>	\$ 197,000	D	50%	<i>2nd public mtg held on Nov 19th</i>
14102	<i>Summer Bay Bridge Replacement</i>	\$ 2,035,578	C	100%	
14103	<i>DPS Parking Lot Improvements</i>	\$ 180,436	D	100%	<i>Bid set ready</i>
15101	<i>Aquatics Center Improvements</i>	\$ 1,031,188	D	0%	<i>RFP's due on Nov 24th</i>
15102	<i>2015 Paving</i>	\$ 300,000	D	5%	

2. CAPITAL SECTION

08201	<i>School Master Clock, PA System</i>	\$ 88,260		100%	
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3. ELECTRIC SECTION

08301	<i>Waste Heat Recovery</i>	\$ 1,963,689	C	98%	
13302	<i>Powerhouse 4th Engine</i>	\$ 7,223,180	C	50%	
14301	<i>Powerhouse Control System Upgrades</i>	\$ 523,715	C	85%	
14302	<i>Alyeska Seafoods Electrical Tie In</i>	\$ 66,152	D	90%	

CAPITAL PROJECTS UPDATE 11-25-14

Contract or Budget	Const or Design	% Done	Notes
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4. WATER SECTION

13401	New Water Plant Construction	\$ 8,628,000	C	40%	
13403	Water Supply Phase II - Well Design	\$ 362,245	D	100%	
14401	Nirvana Water Pump Sta Panel Upgrade	\$ 57,290	C	50%	
15401	Backflow Prevention	\$ 501,550	C	0%	
15402	Chlorine Contact / Storage Tank	\$ 100,000	D	0%	RFP's Due Nov 20th

5. WASTEWATER SECTION

11503	Sewer Lift Sta #3 Force Main Replace	\$ 382,760	C	100%	
13501	WWTP CEPT Construction	\$ 19,640,107	C	68%	Site prep under separate contract

6. PORTS AND HARBOR SECTION

11602	UMC Backreach Drainage Improv & Pave	\$ 632,882	C	100%	
12601	Storrs Boat Harbor Rehabilitation	\$ 553,652	D	35%	
13601	Ports Lighting	\$ 988,042	C	98%	
13602	UMC Dock Replacement & Expansion	\$ 420,858	D	5%	

7. AIRPORT SECTION

12701	Airport Parking Lot Improvements	\$ 29,800	D	100%	Const costs in 2014 Paving Project
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8. LANDFILL SECTION

12801	Landfill Leachate Tank	\$ 6,793,541	C	100%	
12802	Cells 2-1 & 2-2 Construction	\$ 3,596,076	C	0%	

Total Contractual / Budgeted Amount \$ 72,646,229

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE NO. 2014-28

ORDINANCE 2014-28 CREATING BUDGET AMENDMENT 6 TO THE FY15 OPERATING BUDGET TO INCREASE THE SOLID WASTE BUDGET FOR SHIPPING JUNK METAL.

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

Section 1. Classification: This is a non-code ordinance.
Section 2. Effective Date: This ordinance becomes effective upon adoption.
Section 3. Content: The City of Unalaska FY14 Budget is amended as follows:

- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.
B. The following are the changes by account line item:

Amendment No. 6 to Ordinance #2014-08

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
I. OPERATING BUDGET			
B. Proprietary Funds			
Sources			
Unrestricted Net Assets		378,575	13,500
Expenditures			
Solid Waste	2,908,296	378,575	3,286,871

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS ____ DAY OF _____ 2014.

MAYOR

ATTEST:

CITY CLERK

Summary of Budget Amendment
and Schedule of Proposed Accounts
Budget Amendment 6.

- 1) Solid Waste Fund
To fund the shipping of scrap metal and junk vehicles from Unalaska to Seattle

	Org	Object	Project	Current	Requested	Revised
<i>Proprietary Funds - Solid Waste</i>						
<i>Sources:</i>						
Unrestricted Net Assets					378,575	378,575
<i>Uses:</i>						
Solid Waste				65,000	378,575	443,575

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: DAN WINTERS, PUBLIC UTILITIES DIRECTOR
THRU: CHRIS HLADICK, CITY MANAGER
DATE: NOVEMBER 25, 2014
RE: ORDINANCE 2014-28; BUDGET AMENDMENT TO FINANCE THE SHIPMENT OF SCRAP METAL AND JUNK VEHICLES IN THE AMOUNT OF \$378,575.

SUMMARY: On November 8, 2014, Staff solicited bids for the shipping of scrap metal and junk vehicles from Unalaska to the Seattle Port. The four bids received were opened on November 19, 2014. After accounting for requested shipping rate and standby charges, Samson Tug and Barge was the lowest bidder, in the amount of \$344,575, or \$86.14 per ton. Staff finds it prudent to add 10% of the bid amount to this funding request, to cover unseen issues that may arise. This increases the price per ton by \$8.50 for a total per ton cost of \$94.64. The full amount of this budget amendment request is \$378,575. Staff recommends Council adopt Ordinance 2014-28.

PREVIOUS COUNCIL ACTION: Council Action concerning this issue is as follows:

- At the July 8, 2014, Council Meeting, Council adopted Resolution 2014-60, which awarded a contract to Ron Moore to remove junk vehicles and scrap metal from the Unalaska Landfill in the amount of \$30,000. This contract was for one year, renewable annually for a ten year period.
- At the October 28, 2014, Council Meeting, Council discussed the amendment to the contract between the City and Ron Moore; giving the City the responsibility for costs for shipping scrap metal and junk vehicles.
- At the November 10, 2014, Council Meeting, Council adopted Resolution 2014-73, amending the contract between the City of Unalaska and Ron Moore to state that the cost of shipping scrap metal and junk vehicles removed from the Landfill is the responsibility of the City.

BACKGROUND: In 2012, the City contracted with R L Moore Metal Recycling to remove all scrap metal and junk vehicles from the Landfill for \$60,000. Since the inception of this contract, Mr. Moore has removed over 13 million pounds of scrap metal from the Unalaska area.

On May 27, 2014, the City solicited bids to remove junk vehicles and scrap metal from the Landfill. The City received one bid on June 26, 2014, from Ron Moore at a cost of \$30,000. The contract was awarded to Mr. Moore on July 8, 2014.

In 2012, during the first contract between the City and Ron Moore, metal prices were at \$250 per ton. The cost of shipping junk vehicles and scrap metal to Seattle by open containers or flats was \$70 per ton. This gave Mr. Moore a comfortable profit margin to sustain his business and family, who lives here in Unalaska. In 2014, metal prices have dropped to \$140 per ton and shipping costs have increased to approximately \$250 per ton for open containers and flats. This decrease in metal prices and increase in shipping costs puts Mr. Moore's business in a negative profit margin, which will eventually force Mr. Moore to discontinue his operation in Unalaska.

Currently, there is approximately 4,000 tons of scrap metal and junk vehicles stored at the Landfill ready for shipment. If shipped by open top containers and flats, it could cost as much as \$1 million to ship this material off island. The most likely, least expensive is shipping the material by barge, which will cost from \$160,000 to \$450,000, according to our queries.

On November 8, 2014, Staff solicited requests for proposals for barge service to ship 4,000 tons of scrap metal and junk vehicles from Unalaska to the Seattle Port. The City received four proposals on November 18, 2014. The lowest proposal was from Samson Tug and Barge in the amount of \$344,575 or \$86.14 per ton. Samson Tug and Barge standby charge was included in their bid, whereas the other bidder's standby charge was separated from their bid. A copy of the bid tab is included as an attachment to this memo.

DISCUSSION: Of the 4,000 tons of scrap metal and junk vehicles at the Landfill, approximately 1,200 tons of this material came over the Landfill scale and belongs to the City. The remaining 2,800 tons was brought to the Landfill by Ron Moore. Samson Tug and Barge proposal to ship 4,000 tons of scrap metal and junk vehicles to Seattle from Unalaska equates to \$86.14 per ton. In the past, the City has spent as much as \$500 per ton to ship the same type of material off island.

If adopted, Ordinance 2014-28 will finance the one time barge shipment of 4,000 tons of scrap metal and junk vehicles from Unalaska to the Seattle Port in the amount of \$344,575. Staff deems it prudent to add 10%, or \$34,000, of the bid price to cover any standby costs due to unforeseen issues that may arise. The total budget amendment request amount before the Council is \$378,575.

If further large volume shipments of scrap metal and junk vehicles are necessary before June 30, 2015, Staff will again solicit proposals and present Council with a Budget Amendment. Staff recommends Council's adoption of Ordinance 2014-28.

ALTERNATIVES: Council could choose to not adopt Ordinance 2014-28. Doing so would burden the City with 4,000 tons of scrap metal and junk vehicles and no viable way to ship the material off island.

FINANCIAL IMPLICATIONS: The monetary funds in the amount of \$378,575, for the shipping of scrap metal and junk vehicles, will come from the Solid Waste net assets. The funds will be placed in the Solid Waste budget line item; Solid Waste 53024752-54210.

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends adopting Ordinance 2014-28.

PROPOSED MOTION: I move to adopt Ordinance 2014-28.

CITY MANAGER'S COMMENTS: I recommend approval of Ordinance 2014-28

Scrap Metal and Junk Vehicle Disposal Cost History

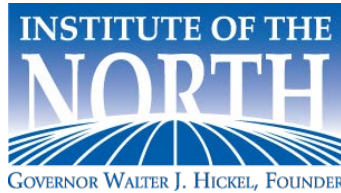
Date	Vehicle Quantity	Price Per Vehicle	Scrap Metal Tons	Price Per Ton	Total Contract Price
2003	450	\$ 1,500			\$ 650,000
2005	500	\$ 390	5,000	\$ 390	\$ 2,145,000
2006	100	\$ 450	300	\$ 500	\$ 150,000
2007	300	\$ 150			\$ 45,000
2010			310	\$ 180	\$ 63,000
2012	50		500		\$ 60,000
2014	200	\$ 50	1,000	\$ 20	\$ 30,000
2014			4,000	\$ 86	\$ 344,575

CITY OF UNALASKA, ALASKA
Department of Public Utilities
Junk Vehicle & Scrap Metal Shipping
41961
2:00 p.m.
Council Chambers

Contractor / Business Name	Bid Form Used?	Licenses		Tonnage	Total Flat Rate for All Metals & Cars	Rate Per Ton	Standby Rate	Total Bid With Eight Days Standby	Dockside Date
		State Contractor	State Business						
Samson Tug & Barge	X	X	X	4000	\$ 344,575.00	\$ 86.14	Standby included in bid	\$ 344,575.00	Early January
Heko Services	X	X	X	4000	\$ 487,000.00	\$ 121.75	Unknown		
SeaTac Marine	X			4000	\$ 312,000.00	\$ 78.00	48 hrs free \$8,000 per day after	\$ 360,000.00	
Waste Management	X	X	X	4000	\$ 545,694.00	\$ 136.42	\$11,000 per day	\$ 633,694.00	

Witness

Witness



2015 Arctic Policy Forum Agenda

Convened as part of the Arctic Resource Governance Network

Alaska's Arctic – the Aleutians, YK Delta, Bering Straits, Northwest Arctic and Arctic Slope – has assets, capabilities, richness and responsibilities that are under-recognized and under-represented in national and international Arctic policy discussions. Similarly, there is work to do within the state to educate all Alaskans of the role of this region. Showcasing Alaska's Arctic should be done in collaboration with local governments, Alaska Native regional and village corporations, tribes and tribal organizations in the region, and include the private sector, state and federal government, and academia. The 2015 program of activities for the Arctic Policy Forum is designed to a) educate Alaskans about the region, b) provide insight into the region for national and international policy makers, and c) engage subject matter experts from the region in an analysis of challenges and opportunities.

The Arctic Policy Forum will feature lunchtime presentations and panel discussion, followed by afternoon work sessions that develop findings to report to state, national and international audiences. Each program – held the third Wednesday of every month, with lunch provided – is free for Arctic Resource Governance Network members and \$25 for non-members.

January	Industry Innovation – Science and Research investments; Conflict Avoidance Agreements; Subsistence Council; North Slope Science Initiative
February	Fiscal Plans – Local government budgets; revenue generation; prioritization of expense
March	Enterprise and Business Development – Models for economic development, including CDQs and Village Corporation enterprise
April	Revenue Sharing – State and federal revenue sharing – current and potential impact
May	Search and Rescue/Emergency Management – North Slope Borough SAR; Aleutian Island Risk Assessment; Arctic Waterways Safety Committee
June	Locally-Driven Arctic Policy – Arctic Economic Development Summit; Leadership Teams
July	Consultation – Review of federal agency approaches to consultation
August	Comprehensive Planning – Regional approaches to economic, energy and transportation planning
September	Capital – new and innovative approaches to attracting capital and investment, including co-investment and public-private partnerships
October	Co-Management – lessons learned for maritime and terrestrial resources

November **Subsistence Mapping** – identification and sharing of best practices

December **Devolution** – responsibilities that could be devolved federal to state, and state to local or regional Arctic policy

Alaska Arctic Economic Development Working Group

Under the auspices of the Arctic Resource Governance Network, an Arctic Economic Development Working Group will meet regularly throughout the year, with quarterly Alaska Arctic Business Roundtable meetings, evaluating options that complement resource and infrastructure development.

- Maritime services
- Offshore development services
- Value added opportunities
- Energy related product development
- Expanded fisheries return
- Entrepreneurship education
- Small and medium enterprise development
- Science and research support services
- Arctic design and engineering
- Emerging technologies applied research
- Tribal enterprise

The product from these sessions will be a white paper that will be delivered to state policy makers and delegates of the Arctic Economic Council. Key findings from the proceedings will articulate competitive advantages of and fundamental opportunities for the region.

Institute of the North's Pillars of Partnerships

Strengthening Relationships and Results

Individual Partners

Individual Alaskans and people around the circumpolar North realize they have a role to play in shaping the decisions being made at local, national and international levels. Partners believe in the Institute's mission to inform public policy and cultivate an engaged citizenry. By contributing to the Institute at this level, individuals can have a real impact on our capacity to deliver essential services. Individual partners are listed on the Institute of the North website. They receive special invitations to participate in events throughout the year.

Individual Partner Underwriting Levels

Friend	\$100
Supporter	\$250
Patron	\$500
Benefactor	\$1,000

Sustaining Project Partners

Sustaining project partners are aligned with specific Institute projects, and are typically companies or organizations. These partners value the Institute's ability to bring together diverse audiences to address critical issues facing the state and its work to elevate the dialogue in a way that fosters new and creative ideas. Sustaining project partners actively participate in Institute programming, benefiting from increased exposure and network development. These partners are regularly asked to contribute as speakers, facilitators and panelists at Institute events; and are invited to attend invitation-only discussions. Sustaining Project Partners select a contribution level and apply it to 1-3 regularly occurring projects each year (see below for opportunities), for which they are recognized verbally and in print materials. This giving circle is also recognized on the Institute of the North's website, and new partners are highlighted through the Institute's social media.

Project Partner Underwriting Levels

Jade	\$1,000
Zinc	\$2,500
Copper	\$5,000
Silver	\$7,500

Strategic Partners

Organizations and businesses that have strong alignment with the Institute of the North's mission and who wish to co-develop activities that support a specific program area can collaborate with the Institute as strategic partners. These are close allies of the Institute—activities of both organizations are leveraged for mutual benefit. These partners understand the Institute's ability to present Alaska's perspectives in national and international conversations and support the Institute's efforts to elevate conversations about important issues facing the state. When possible, these partners have the opportunity to serve on the Institute's board or participate in an active committee and board structure. These organizations provide featured speakers for Institute events, attend a partner appreciation function each year and are recognized as key to the Institute's success throughout the year.

Strategic Partner Underwriting Levels

Latitude 50	\$10,000
Latitude 66	\$15,000
Latitude 87	\$25,000+

Institute of the North Project Partnership Opportunities

Arctic Energy Summit

The Arctic Energy Summit, held September 28-30 in Fairbanks, is a multi-disciplinary event expected to draw several hundred industry officials, scientists, academics, policy makers, energy professionals and community leaders together to collaborate and share leading approaches on Arctic energy issues. The 2015 Summit will address energy extraction, production and transmission in the Arctic as it relates to four thematic areas of Oil & Gas Exploration and Production; Remote Heat & Power; Business of Clean Energy; and Transportation & Transmission. The Arctic Energy Summit in the past has been an endorsed project of the Sustainable Development Working Group of the Arctic Council and is timed to take place in conjunction with a meeting of that body.

The State of Alaska's Arctic

This publication will highlight Alaska's many assets and capabilities, recognizing the strengths within the region. With maps, narrative, and infographics, this will be a useful reference for Arctic Council delegates, attendees at international circumpolar conferences, and Alaskans and the rest of the U.S. Included will be renewable and non-renewable resources, governance structures, industry activity, infrastructure, summaries of recent reports, and descriptions of key issues in the Arctic.

The Hickel "Day of the Arctic" Luncheon and Robert O. Anderson Sustainable Arctic Award

On August 18, the Institute of the North recognizes one of many nominees with the Robert O. Anderson Sustainable Arctic Award, which honors an individual or organization for their long-time achievements balancing development of arctic resources with respect for the environment and benefit to communities and peoples of the North.

Week of the Arctic

Organized in collaboration with the University of Alaska Fairbanks, the Week of the Arctic is designed specifically to raise awareness of critical Arctic issues within Alaska and engage more Alaskans in this increasingly relevant discussion. Activities during the Week range from workshops to presentations, and cover an array of topics important to Alaskans - Arctic Council working groups; Aleutian and Bering Strait management; northern science and research; energy and power; workforce development; and much more.

Arctic Resource Governance Network

The **Arctic Resource Governance Network (ARGN)** is a community of interest focused on exploring policy and practice related to the Arctic's unique energy and mineral resources as well as the power and heating needs of Arctic communities. ARGN brings together stakeholders from across the Arctic to learn, teach and collaborate on Arctic energy issues; by 1) Hosting networking and learning opportunities; 2) Educating policy makers and administrators; 3) Seeking out and sharing best practices; 4) Supporting collaborative research opportunities; and 5) Conducting research projects.

Arctic Policy Forums

Events in this series include: meetings with visiting trade and policy delegations from the Circumpolar North, as opportunities arise; the Alaska Arctic Business Roundtable, held quarterly; and Alaska's Arctic, which will feature information sessions led by local leaders.

Circumpolar Policy Tours

Policy tours in circumpolar nations or regions have included Norway, Iceland, Chukotka and Finland. Potential Tours include Greenland and Sakhalin, as well as shorter tours to hub communities in Alaska's Arctic, timed to coincide with Arctic Council meetings. Policy tours provide the opportunity to examine energy, resource and economic development lessons and best practices from northern nations while also sharing Alaska's interests and perspectives with international northern leaders. Participants bring new ideas and opportunities back to the state.

2015 Partnership Underwriting Commitment Form

Name _____

Company or Organization _____

Address _____

Phone _____ Fax _____

Email _____

Partnership level: ☐ Individual Partnership ☐ Sustaining Project Partnership

** To discuss Strategic Partnership, please contact Nils Andreassen.*

Sustaining Project Partnership		
	\$7,500	Silver Level Project Underwriting
	\$5,000	Copper Level Project Underwriting
	\$2,500	Zinc Level Project Underwriting
	\$1,000	Jade Level Project Underwriting
		Arctic Energy Summit
		The State of Alaska's Arctic
		Hickel Day of the Arctic Luncheon and Robert O. Anderson Sustainable Arctic Award
		Week of the Arctic
		Arctic Resource Governance Network
		Arctic Policy Forums
		Circumpolar Policy Tours
Individual Partnership		
	\$1,000	Benefactor
	\$500	Patron
	\$250	Supporter
	\$100	Friend
Strategic Partnership		
	\$10,000	Latitude 50
	\$25,000	Latitude 66
	\$50,000	Latitude 87

Method of payment: Please make your check payable to the Institute of the North or use your


☐ VISA ☐ MC ☐ AMEX

Credit Card Number _____ Exp date _____

Signature accepting this agreement _____ Date _____

Please mail or fax to The Institute of the North
1675 C St., Suite 106, Anchorage, AK 99501 (Fax: 907 786-6368)

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: CHRIS HLADICK, CITY MANAGER
THROUGH: PATRICK JORDAN, ASSISTANT CITY MANAGER
FROM: DEBRA HANSON-ZUEGER, RISK MANAGER 
DATE: NOVEMBER 20, 2014
RE: ANNUAL COUNCIL REVIEW OF COMMUNITY SUPPORT PROGRAM IN PREPARATION FOR FY16 GRANT CYCLE

SUMMARY: Council reviews the Community Support Program each year prior to the beginning of the grant cycle. The Community Support Program documents include the guidelines, or program policy; the application form; and the application scoring form. Not only does Council review the program, Council determines the funding level and the review committee appointments.

Staff is asking for Council's concurrence for the FY16 grant cycle on the application availability date of Thursday, December 11, 2014, and the completed application due date of Monday, February 2, 2015.

PREVIOUS COUNCIL ACTION: Council adopted the Community Support Program Guidelines and approved the application evaluation form through Resolution 2002-88 on December 17, 2002. The policy was revised on December 8, 2003 through Resolution 2003-76. The policy was revised on December 13, 2005 prior to the FY07 funding year, at which time some minor changes were made: the City's old account codes were replaced by the new MUNIS account numbers in the guidelines, and the grace period for submitting audited financial statements was extended from six to seven months. The policy was last revised on December 12, 2007 through Resolution 2006-57 to clarify the role, function, and size of the review committee.

BACKGROUND: Council has reviewed the Community Support Guidelines or policy annually since the guidelines were adopted in 2002. This is typically done at the end of the calendar year before the start of each budget cycle.

In 1996, Council established the practice of appointing a special committee each year to review the applications and to make recommendations on funding for the year. The committees have been made up of between five and eight community members and one or two Council members. One or two staff members have attended committee meetings to provide both historical and current information, to respond to requests for further information, to contact applicants with questions, and to provide additional support as needed. Over the years, it became difficult to find volunteers to serve on the committee, and costs in staff time, copies produced, and food provided, as well as scheduling conflicts resulted in Council reconsidering the size of the committee.

Beginning in FY06, the committee was made up of three people: the Mayor, the Assistant City Manager, and a member of the public. The committee reviews the applications and scores them

using the evaluation form developed by the Council. The committee does not, however, make funding recommendations to Council.

DISCUSSION: Council reviews the Community Support Program Guidelines, funding cap, and application process annually, and each year, Council determines the make-up of the review committee. Staff sets the application deadline to conform to the budget process.

Community Support Program Guidelines: City staff and the agencies and organizations who apply for City grants are very familiar with the policy, the application format and forms, and the process. The process now in place has worked smoothly for the past several years, staff is recommending that no changes be made to the existing process.

Community Support Funding Level: Council sets the annual funding level for this program with their budget goals in January. Council set the FY15 Community Support Program funding cap at **\$1,093,775.68**, using the formula established in one of its budget goals: 3.4642% of the average revenue for the General Fund and Bed Tax fund for the five most recently completed fiscal years. Staff has no recommendations on the funding level formula for FY16.

Review Committee Appointments: Prior to 1996, Council made the funding decisions on requests submitted by non-profits as they came in. From 1996 through 2005, Council appointed special committees to review and evaluate the applications and to make funding recommendations to Council. Due to growing difficulty in finding people to serve on the review committee and in an effort to streamline the process, Council chose to appoint smaller three-member committees each year from FY06 through FY15. Staff will submit a separate resolution for the appointment of a three-person committee for FY16.

ALTERNATIVES: While there are many changes Council might make, staff has identified the following for consideration at this meeting:

No changes are recommended.

FINANCIAL IMPLICATIONS: Implications depend on the amount Council sets as the FY16 funding goal for the program. Last year the formula derived **\$1,093,775.68** as the Community Support Program funding cap.

LEGAL: N/A

STAFF RECOMMENDATION: Staff has no recommendations for the FY16 grant cycle

Staff has set the application availability date for Thursday, December 11, 2014 and the due date for completed applications for Monday, February 2, 2015.

PROPOSED MOTION: None – Informational Only – Seeking Concurrence

CITY MANAGER'S COMMENTS:

Community Support FY16 Packet

Community Support Program Guidelines

CITY OF UNALASKA

Community Support Program Guidelines

Purpose: The City Council of the City of Unalaska has established a Community Support Program to provide funds in the form of annual grants to assist with the operating budgets for non-profit organizations that provide health and safety resources or the enhancement of the quality of life for residents of Unalaska.

Scope: Funding through the Community Support Program is available to regional and local non-profit organizations whose requests meet the described purpose of the program for the delivery of local services or services that provide direct benefits to local residents.

Eligibility: Entities eligible for the program shall be community-based and regional non-profit organizations that are tax exempt under §501(c) of the Internal Revenue Service Code. Eligible organizations must use City funds for the delivery of local services that provide health and safety resources or enhancement of the quality of life for residents.

General Guidelines: All applicants must be familiar with these general guidelines:

- Completed applications must be submitted to the City of Unalaska on the application form provided by the City and must include all required attachments.
- At the request of the applicant, applications received at least seven (7) calendar days prior to the submission deadline will be reviewed for completeness. If the application is found to be incomplete, the applicant will be notified and provided the opportunity to submit the missing items prior to the deadline.
- Grantees must abide by the requirements set forth in the application and in the grant agreement.
- To the extent consistent with the purpose for which funds are made available under this program, the services and facilities provided by the grantee will be available to the general public, and Grantee shall not discriminate in the administration of these services based on race, religion, color, national origin, age, sex, physical or mental disability, marital status, changes in marital status, pregnancy, or parenthood.
- All promotional or printed material for any program funded in whole or in part through the City of Unalaska Community Support Program shall include the following statement: **“This program is partially funded by the Citizens of the City of Unalaska.”**
- Programs will not be funded retroactively.
- All successful applicants shall sign a grant agreement prior to the disbursement of funds.

Application Process: Interested organizations must submit completed application packets to the City of Unalaska Department of Administration. Application forms will be made available each year based on the City’s annual budget preparation calendar. **An**

electronic copy and one hard, unbound copy of the completed application form, with required supporting documents are required. Completed applications must include the following:

- All information requested in the application;
- The signature of the president or chair of the governing board as an indication of the board's approval of the contents of the application;
- Proof of non-profit status, such as a copy of the IRS designation letter;
- Proof of legal status, such as a business license or articles of incorporation; and
- The required number of applications using the form provided by the Department of Administration and in format indicated in the application.

Application Deadline: Completed application packets for the Community Support Program must be received at the City of Unalaska's Department of Administration or the Clerk's Office by 4:00 p.m., or postmarked by midnight, on the date specified in the City's approved budget calendar. Below are specific requirements:

- The electronic copy may be emailed or submitted on a flash drive, no CD's please.
- Completed application packets may be mailed to the City of Unalaska, to the attention of the Department of Administration. Applications must be postmarked by midnight of the date due.
- Completed application packets may be hand delivered to Administration or Clerks at City Hall
- Faxed copies of the completed application materials will be accepted if Administration is notified in advance and a faxed copy is received by the deadline. Faxed applications will be retained until the original application in the acceptable format is received. Late applications may not be accepted or will result in a lower score.

Review Committee: The Mayor and City Council shall appoint a separate review committee as provided in the Unalaska City Code, Title 2.62, Special Committees. In an effort to avoid conflicts of interest and to promote fairness, the review committee may not include board members whose agencies have submitted applications for City funding, employees of agencies that have submitted applications for City funding, or grant writers who have provided input on a grant under review. The function of the appointed review committee will be to read and score the grant applications; obtain additional information from applicants, as necessary; and deliver a written report of the final scores and findings to the City Council. The review committee will be made up of the Mayor, the Assistant City Manager, and a member of the public who does not serve on the board of directors of any non-profit applicant. The review committee does not make funding recommendations to the City Council. The committee appointment will be made by resolution in accordance with UCO §2.62.020.

Grant Award Review Criteria: The review committee will review only complete applications received from eligible applicants prior to the deadline. Applications will be

judged based on responsiveness to application requirements and the guidelines set out in this policy. Applications will be evaluated using a scoring form developed by the City Council

Evaluation of Grant Applications: Completed applications received by the deadline will be evaluated as follows:

1. The review committee will use a scoring system that has been developed and approved by Council based on the guidelines established by the City Council.
2. Administration will evaluate the applications for completeness upon submission, and the results of the evaluation will be attached to the application.
3. Copies of applications and the preliminary evaluation by Administration will be provided to the review committee members who will evaluate the applications based on the scoring system.
4. The review committee will prepare a written summary of the scores and findings for the City Council's consideration during the City's annual budget presentation process.
5. The City Council will determine the funding level to be awarded to applicants based on 3.4642% of the average revenue for the General Fund and Bed Tax fund for the five most recently complete fiscal years.

Financial Management and Reporting

1. The Grantee shall establish and maintain a financial management system conforming to generally accepted accounting principles.
2. The financial management system shall do the following:
 - Provide accurate, current, and complete disclosure of all financial transactions relating to the City of Unalaska Community Support Program;
 - Maintain separate accounts by source of funds for all revenues and expenditures;
 - Effectively control and account for all City funds and property and/or equipment purchased with those funds; and
 - Provide accounting records supported by source documentation.
3. The Grantee shall use all monies awarded under the Community Support Program to perform only the services, functions, or activities described in the submitted application.
4. Any change in a budget category in the approved grant budget that exceeds the total budget category by an amount greater than 10% or one thousand five hundred dollars (\$1,500), whichever is less, must be reported in writing to the City.
5. Grantee will submit financial reports, outlining cash disbursements and accountability:
 - Grantees receiving less than \$25,000 per year from the City of Unalaska shall submit a Financial Report detailing the expenditure of funds to the City no later than seven (7) months after the Grantee's fiscal year end.

- Grantees receiving \$25,000 or more from the City of Unalaska shall submit quarterly Financial Reports to the City, within thirty (30) days after the end of each quarter. Such grantees shall also submit an Audited Annual Financial Statement within seven (7) months after the Grantee's fiscal year end.
6. Failure to submit the required Financial Reports in a timely manner may result in immediate cessation of all current grant funding. Future grant applications may not be considered if a grantee fails to meet its financial reporting requirements or if financial reports are consistently submitted late.
 7. Any funds not spent as authorized in the grant and all unexpended funds will be paid back to the City of Unalaska with the final evaluation and final report.
 8. Should a grantee fail to fulfill the terms of the application and agreement with the City, or should a grantee, for any reason, no longer provide the services identified in the application, unexpended funds will be returned to the City. Additionally, equipment purchased with City funds will be returned to the City within thirty (30) days of the failure of the entity to fulfill the terms of the grant awarded by the City.
 9. Grantees funded under this program shall submit, within thirty (30) days of the end of each quarter, using the reporting format provided by the City, a written demonstration of the Grantee's progress toward fulfillment of the goals and objectives put forth in the approved application for funding.
 10. Grantees whose funding is awarded for operating costs for a specific, time-sensitive program shall provide the City Council with a final report within sixty (60) days of the completion of the funded project.
 11. All other Grantees shall provide the City Council with a final written report within sixty (60) days of the end of the award year. Such report shall describe the level of success in achieving the goals and objectives outlined in the grant application through the use of City funds.

Disbursement of Grant Awards: Grantees will be notified in writing by the Department of Administration of their awards. Upon receipt of this notification, the Grantee shall sign an official grant agreement with the City. Grant payments will be mailed to the Grantee's address listed in the application paperwork unless other arrangements have been made. **Grantees receiving \$25,000 or more must provide a current certificate of insurance prior to receiving grant funding. Insurance requirements are included in section three of the grant agreement**

POLICY HISTORY

12/17/02 Council adopted Community Support Guidelines by Resolution 2002-88.

12/08/03	Revised by Resolution 2003-76.
12/13/05	Revised by Resolution 2005-75.
12/12/06	Revised by Resolution 2006-57.
12/28/10	Revised by Resolution 2010-75.

Community Support Application

City of Unalaska Community Support Program

Application Submission Requirements

1. Applications must be received in the Department of Administration or office of the City Clerk, City Hall, 43 Raven Way, Unalaska, by Monday, 4:00 p.m. on February 2, 2015.
2. Applicants must use the format provided, the page limitations must be closely followed, and a font size no larger than 12 and no smaller than 10 must be used in preparing the application. Applications must be typed, and one inch margins must be maintained on the sides, top, and bottom.
3. Completed applications must be submitted electronically via flash drive (no CD's please) or via e-mail to riskmanager@ci.unalaska.ak.us. One **unbound**, hard copy must also be submitted for duplicating purposes.
4. Letters of support may be solicited by the applicant. However, the following shall be observed:
 - As representatives of the granting agency, the Mayor, Council members, and City employees should *not* be asked to supply letters of support.
 - Letters must be submitted with the application; they will not be accepted by the City after the application is submitted.
 - No more than five letters of support will be accepted.
5. Each page of the application should be numbered, and continuous pagination should be used throughout the application.

APPEARANCE OF THE APPLICATION

1. The Application Check Sheet, which can be found near the end of this application packet, should appear at the beginning of the application.
2. The check sheet should be followed by the completed Title Page form which also appears near the end of this packet of information.
3. The Table of Contents that lists the headings that appear in bold in this packet of information should appear on a separate page.
4. The Executive Summary should appear on a separate page following the Table of Contents.
5. The remaining sections of the application should appear in the following order:
 - A. Agency Description;

- B. Statement of Need
- C. Goals/Objectives/Activities/Timelines
- D. Project Description
- E. Project Evaluation
- F. Community Coordination
- G. Management Capacity, Including Organizational Chart
- H. Annotated Listing of Board of Directors
- I. Explanation of Most Recent Board Training
- J. Most Recent Full-Year Financial Statement
- K. Project Expenditures
- L. Project Revenues
- M. Budget Narrative
- N. Budget Summary
- O. Letters of Support
- P. Proof of Non-Profit Status
- Q. Proof of Legal Status
- R. Current Statement of Revenue Sources
- S. Copy of Most Recent Audited Financials (for Agencies Receiving \$25,000 or more)

EXECUTIVE SUMMARY

(300 Word Limit)

Provide a concise summary of the program. This element will be used as a reference. It will not be evaluated; however, should it be omitted, it may affect the overall evaluation.

The Executive Summary should include the following:

- A brief statement of the need being addressed;
- A brief explanation of the planned project as it addresses the identified need; and
- Identification of the total amount of funding being requested for FY15.

AGENCY DESCRIPTION

(Two [2] Page Limit)

Describe the agency's community function by including the following required items:

1. Agency's mission statement;
2. Outline or synopsis of programs and projects that are currently offered in the community by the agency;

3. Agency's history and experience in delivering services in this community;
4. Agency's history and experience in delivering services in the area of the proposed project(s);
5. Narrative of how the agency coordinates services with other service providers in the community, specifically addressing how this program is part of the community's continuum of care or delivery of cultural and educational experiences or advancement of economic development, and how the services proposed are unique and/or avoid duplication of services provided by other commercial or non-commercial agencies; and
6. Narrative that addresses the ways in which the proposed project is relevant to existing community needs and how the agency is able to adjust to changes in community needs.

I. Narrative

A. Statement of Need (Limit to one [1] page)

1. Describe the target population(s) the program will serve or currently serves and the size of the target population. Indicate new events or recurring events that may result in an increased need for services. Provide data to support the need and, if applicable, to support the anticipated increase in need.
2. Indicate any unusual conditions that affect utilization of programs and services. Explain significant increases or decreases in utilization compared to previous years.
3. If applicable, explain why goals and objectives were not met in the previous funding year and how the program has been adjusted in response to the unmet goals and objectives.

B. Goals/Objectives (Limit to no more than one [1] page for each set of goals, objectives, activities, and timelines)

1. Community indicators and the Statement of Need should be the basis of the goals. Goals should be clear and concise. There should be at least one goal for each service component in the program.

2. Objectives should be based on the agency's expected outcomes. Objectives should be measurable, have time limits, and relate to the primary goals. They should focus on *services* to be provided.
3. If prior year funding for this project was obtained from the City, please compare proposed goals and objectives with the prior year's goals and objectives.

C. Project Description (Limit to two [2] page)

1. Describe the manner in which the need(s) identified in the Statement of Need will be addressed through the funding of this request.
2. Describe the activities, procedures, and strategies that explain how the project for which funds are requested will be delivered to the identified target population.
3. Provide an explanation of project staffing patterns for both direct service staff and administrative staff.
4. Provide an explanation of the role of the governing authority (board of directors, tribal council, etc.) in the project for which funding is requested.

D. Program Evaluation Components (Limit to one [1] page)

Describe how the agency will evaluate the program's performance and accomplishment of objectives with expected outcomes throughout the year, and how the evaluations will be used. Continuing or on-going programs should summarize how the program met the previous year's goals and objectives, and, if any objectives were not met, an explanation should be provided.

E. Community Coordination (Limit to one [1] page)

1. Describe which community entities have been involved and the extent of their continued involvement in planning for the proposed services, or in the carrying out of the proposed services.
2. *If applicable*, discuss other agencies to which the program refers or will refer clients and from which the program receives or will receive referrals. List any other agencies providing the same or similar services in the community. Explain how the grantee has worked with and will continue to work with those agencies.

II. Management Capacity

(Limit to two [2] pages, including organizational chart)

1. Describe how the agency plans to assure accountability and the organization's management capabilities to administer the grant.
2. Provide an organizational chart that includes key staff positions involved in service delivery.
3. Describe how the agency has used volunteers in the past and plans for continued or future use of volunteers.
4. Provide a list of current board members, annotated in the following manner:
 - a. Indicate each member's tenure on the board.
 - b. Indicate whether or not each board member specifically represents certain entities (the City, the native corporation, the Tribe, the fishing industry, the elders, the school district, etc.).
 - c. Indicate the type of board training each member has had and how current that training is.
 - d. Indicate when the last training occurred for the board as a *unit*.
5. Regular, current board training is essential to the proper functioning of a board of directors. If board training has not occurred in the last 18 months, please explain why and indicate when the next training is anticipated.
6. Indicate how often the Board of Directors meets, whether or not the board conducts self-evaluations, and whether or not the board conducts regular evaluations of the director, administrator, or executive director. If it has been more than 18 months since board self-evaluation or director evaluation occurred, please provide an explanation in each case.

III. Program Budget and Narrative

A. Program Expenditures

1. Submit a project budget by using the budget pages found in the appendix, by recreating the budget pages using an Excel program, or by requesting that the pages be sent electronically.

2. Provide a budget narrative that gives a brief description of each line item listed in the budget by cost category. Include a description of each line item's function in the proposed program.

B. Program Revenues

1. If prior year funding was obtained from the City for the proposed project, please summarize in no more than one (1) page any budget increases requested and explain the proposed changes. Indicate how the budget changes impact the goals and objectives.
2. Identify any other funding sources, amounts, restrictions, and funding period.

IV. Other Required Information

- A. Proof of non-profit status.
- B. Proof of legal status (such as, a business license, articles of incorporation, etc.).
- C. The job description for the director/administrator and job descriptions for all other staff members who will be financially supported by City funds.
- D. A current statement of all funding sources and revenues generated from special fund-raising activities.
- E. If the Grantee is requesting \$25,000 or more in funding from the City, or if the Grantee received \$25,000 or more in funding from the City in the last fiscal year, a copy of the audited financial statement for the most recently completed fiscal year.
- F. **The agency is not required to include a Certificate of Insurance with the application. However, prior to the receipt of funding, entities receiving \$25,000 or more from the City must provide a current Certificate of Insurance for all coverage in the amounts designated below:**
 - Commercial General Liability insurance of not less than \$1,000,000 per occurrence;
 - Workers' Compensation coverage no less than is required by Alaska statute; and
 - Professional Liability for agencies providing medical, legal, and/or counseling services

The City of Unalaska shall be named as an additional insured on all policies except Professional Liability and Workers' Compensation, and a waiver of subrogation in favor of the City of Unalaska must be in place. All policies shall have 30-day cancellation clause. The Certificate of Insurance shall reflect all of the above.

TITLE PAGE

PROGRAM TITLE: _____

ORGANIZATION: _____

MAILING ADDRESS: _____

PHONE: _____ **FAX:** _____

E-MAIL ADDRESS: _____

NAME OF AUTHORIZED CONTACT PERSON: _____

TITLE/POSITION WITH ORGANIZATION: _____

COMMUNITY SUPPORT REQUEST FOR FY16: \$ _____

TOTAL PROGRAM BUDGET: \$ _____

TOTAL ORGANIZATION BUDGET: \$ _____

BY SIGNING BELOW, THE CHAIR/PRESIDENT OF THE BOARD OF DIRECTORS AND THE DIRECTOR/EXECUTIVE DIRECTOR/GENERAL MANAGER ACKNOWLEDGE THAT THE CONTENTS OF THIS APPLICATION HAVE BEEN REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS. THE SIGNATURES FURTHER INDICATE THAT THE COMMUNITY SUPPORT GUIDELINES, APPROVED BY THE UNALASKA CITY COUNCIL, HAVE ALSO BEEN REVIEWED AND WILL BE FOLLOWED BY THE AGENCY.

CHAIR/PRESIDENT, BOARD OF DIRECTORS

DATE

DIRECTOR/EXECUTIVE DIRECTOR/GENERAL MANAGER

DATE

Attach the completed checklist to the completed application.

Does your application include the following?

- ☐ Completed checklist
- ☐ Title Page with signatures
- ☐ Table of Contents
- ☐ Executive Summary on a Separate Page
- ☐ Agency Description
- ☐ Statement of Need
- ☐ Goals/Objectives/Activities/Timelines
- ☐ Project Description
- ☐ Project Evaluation
- ☐ Community Coordination
- ☐ Management Capacity
- ☐ Organizational Chart
- ☐ Annotated Listing of Board of Directors
- ☐ Explanation of Most Recent Board Training
- ☐ Most Recent Full-Year Financial Statement
- ☐ Project Expenditures
- ☐ Project Revenues
- ☐ Budget Narrative
- ☐ Budget Summary
- ☐ Letters of Support (Limit to 5)

- ☐ Proof of Non-Profit Status
- ☐ Proof of Legal Status
- ☐ Current Statement of Revenue Sources
- ☐ Copy of Most Recent Audited Financials (for Agencies Requesting \$25,000 or More)

Estimated Expenditures

Personnel	
Salaries (<i>Itemize by employee on Budget Narrative</i>)	
Benefits (<i>Itemize by employee on Budget Narrative</i>)	
Consultants	
Stipends	
Other	
Subtotal	\$ -

Services	
Rent	
Utilities	
Office Supplies	
Equipment	
Other	
Subtotal	\$ -

Special Expenses	
Fundraiser Overhead	
Training	
Travel	
Fees	
Other	
Subtotal	\$ -

Other Expenses	
Subtotal	\$ -

Total Expenses	\$ -
-----------------------	------

Estimated Revenues

Fees for Services	
Subtotal	\$ -

Fundraising Efforts	
Subtotal	\$ -

In-Kind Contributions	
Subtotal	\$ -

Grants	
Local	
State	
Federal	
Other	
Subtotal	\$ -

Other Sources	
Subtotal	\$ -

Total Revenues	\$ -
----------------	------

Agency: _____

Evaluator: _____

Scoring Categories		Points Possible
Overall Proposal Review and Requirements		10
♦ Application complete as required		
Need Justification and Target Population		20
♦ Defines unmet need requiring City funding		
♦ Clearly identifies the target population		
♦ Proposed service falls within the agency's mission statement		
♦ Actively pursues outside funding sources		
Goals / Objectives and Project Description and Community Coordination		25
♦ Clearly defined Project Description that explains how Need will be met		
♦ Clear connection between Goals and Statement of Need		
♦ Comparison made between FY15 Goals & FY16 Goals		
♦ Involvement with other non-profits and/or appropriate agencies (Interagency Group)		
Management Capacity		20
♦ Policies in place to ensure financial & operational accountability		
♦ Complete Organizational Chart that identifies funding sources for all positions		
♦ Board Members as individuals or as part of board received training in past 3 years		
Financial Management		25
♦ Budget Narrative clarifies use of funds with relation to Statement of Need & Project Description		
♦ If increase over prior year requested, justification with supporting documents provided		
♦ Financial reporting to City accurate and timely		
♦ City-funded employee wages and benefits listed by position		

Total Score

CITY OF UNALASKA

FY16 Grant-in-Aid Agreement

This Agreement is entered into this ____ day of _____ 2015 by and between _____ ("Grantee") and the City of Unalaska ("Grantor").

WHEREAS, Grantor has appropriated funds for community support; and

WHEREAS, the application of Grantee for Grant in Aid has been approved,

NOW THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto acknowledge and agree as follows:

I. Grantor agrees as follows:

- a. Funds approved by the Unalaska City Council in the amount of _____ will be furnished for the purpose of funding _____;
- b. After execution and approval of this Agreement, approved funding for awards under \$25,000 will be disbursed in August of 2015. The remaining awards will be disbursed in equal monthly payments, beginning in July of 2015.

II. Grantee agrees as follows:

- a. Grantee shall establish and maintain a financial management system conforming to generally accepted accounting principles.
- b. The financial management system shall do the following:
 - Provide accurate, current, and complete disclosure of all financial transactions relating to the City of Unalaska Community Support Program;
 - Maintain separate account for all City funds and property/equipment purchased with said funds; and
 - Provide accounting records supported by source documentation.
- c. Expendable funds awarded under the Community Support Program shall be used to perform only the services, functions, or activities described in the grant application approved by the Unalaska City Council;
- d. Grantor will be notified in writing of any change in a budgetary category in the approved grant budget that exceeds the total budget category by an amount greater than 10% or One Thousand Five Hundred Dollars (\$1,500), whichever is less;
- e. Grantee shall abide by the conditions set forth in its application and approved by Grantor, including the following:
 1. Grantee's Mission Statement,
 2. Expenditure of funds, and
 3. Provision services to the community.
- f. Grantee will submit financial reports outlining cash disbursements and accountability:
 1. Grantees receiving less than \$25,000 per year from Grantor are required to submit to Grantor a Financial Report detailing expenditure of funds no later than seven (7) months after Grantee's fiscal year end.

2. Grantees receiving \$25,000 or more from Grantor shall submit to Grantor quarterly Financial Reports, using the reporting format and guidelines set forth by the City, within thirty (30) days after the end of each Grantees receiving \$25,000 or more from the Grantor shall submit an Audited Annual Financial Statement within seven (7) months after the Grantee's fiscal year end.
 3. Failure to submit the required Financial Reports in a timely manner for this FY16 grant and for a prior year grant that requires that Financial Reports be submitted during FY16 will result in immediate cessation of all current grant funding. Future grant applications may not be considered if the required Financial Reports are not submitted or if they are consistently submitted late.
- g. Any funds not spent as authorized in the approved grant and all unexpended funds will be paid back to Grantor at the time of the submission of the final evaluation and final report.
 - h. Should Grantee fail to fulfill the terms of the approved application and this agreement with Grantor, or should Grantee, for any reason, no longer provide the services identified in the approved application, unexpended funds will be returned to Grantor. Additionally, equipment purchased with funds provided through the City of Unalaska Community Support Program will be returned to the Grantor within thirty (30) days of the failure of Grantee to fulfill the terms of the grant awarded by Grantor.
 - i. Grantee will adhere to the following audit requirements: Grantee agrees to maintain sufficient and accurate records and books of account, including detailed analysis of revenues and expenses as stated in the approved application. Grantee receiving *\$25,000 or more* agrees to an annual audit performed by a recognized CPA firm.
 - j. Grantee will submit within thirty (30) days after the end of each quarter, using the reporting format and guidelines set forth by the City, a written demonstration of progress made toward fulfillment of the goals and objectives put forth in the approved application for funding,.
 - k. Within thirty (30) days after the end of the award year, all Grantees shall provide the Unalaska City Council with a final written report describing the level of success achieved in fulfilling the goals and objectives outlined in the grant application through the use of Grantor funds.

Indemnity. Grantee acknowledges that Grantor is serving only as a funding source for the agency and, as such, is not liable in any manner for any claims or damages arising during or as a result of the services provided by the agency. Grantee shall defend and save harmless Grantor, its employees, elected officials, volunteers, and representatives from and against all losses, damages, liabilities, expenses, and claims demands against Grantee while performing under the terms of this Agreement.

Proof of Insurance. Entities receiving *\$25,000 or more* from the City must provide the City with a current certificate of Commercial General Liability insurance of not less than \$1,000,000 per occurrence and proof of Workers' Compensation coverage no less than is required by Alaska statute. Professional Liability is required for agencies providing medical, legal, and/or counseling services. The City of Unalaska shall be named as an additional insured on all policies except Professional Liability and Workers'

Compensation, and a waiver of subrogation in favor of the City of Unalaska must be in place. All policies shall have 30-day cancellation clause. *The Certificate of Insurance shall reflect all of the above.*

Discrimination Prohibited. To the extent consistent with the purpose for which funds are made available under this program, the services and facilities provided by Grantee will be available to the general public, and Grantee shall not discriminate in the administration of these services based on race, religion, color, national origin, age, sex, physical or mental disability, marital status, changes in marital status, pregnancy, or parenthood.

Guidelines. Grantee agrees to abide by the Community Support Program Guidelines adopted by the Unalaska City Council on December 12, 2006 and revised on December 28, 2010.

Grant Cancellation. Grantor reserves and may exercise the right to rescind this grant and seek recovery of payments made under the grant if the grant application or other information provided by Grantee relating to the proposed services is found to contain incorrect or misleading information or if this Agreement is violated.

Applicable Laws. Grantee agrees to comply with all local, state, and federal ordinances, statutes, laws, and regulations applicable to the services provided by the agency. Violation of any such ordinance, statute, law, or regulation is a violation of this grant agreement.

Records and Audit. By accepting this award and signing this Agreement, Grantee or designee may become subject to inspection and audit by Grantor at all reasonable times.

As a result, Grantee may be required to permit Grantor or designee to have access to its records and financial statements for a period of one year from the date of receipt of the Final Report.

In WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement on the respective date indicated below.

CITY OF UNALASKA

By: _____

Its: City Manager

Dated: _____

By: _____

Its: Chair, Board of Directors

Dated: _____

FY16 CITY OF UNALASKA QUARTERLY FINANCIAL REPORT QTR. _____

Organization Name: _____

Period: _____

Original _____ Revised _____

Expenditures

EXAMPLE

Budget Category - Personnel	City of Unalaska Approved Budget	City Funds Expended Q1	City Funds Expended Q2	City Funds Expended Q3	City Funds Expended Q4	Expended YTD	% Expended
Salaries (itemize by position)	\$ 50,000.00	\$ 5,000.00				\$ 5,000.00	10.00%
Benefits (itemize by position)	10,000.00	\$ 3,000.00				\$ 3,000.00	30.00%
Consultants	\$ 500.00	\$ 100.00				\$ 100.00	20.00%
Stipends	300.00	\$ 100.00				\$ 100.00	33.33%
Other	250.00	\$ 50.00				\$ 50.00	20.00%
Subtotal	\$ 61,050.00	\$ 150.00	\$ -	\$ -	\$ -	\$ 150.00	0.25%

Budget Category - Services	City of Unalaska Approved Budget	City Funds Expended Q1	City Funds Expended Q2	City Funds Expended Q3	City Funds Expended Q4	Expended YTD	% Expended
Rent							#DIV/0!
Utilities (itemize by utility)							#DIV/0!
Office Supplies							#DIV/0!
Equipment							#DIV/0!
Other							#DIV/0!
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!

Budget Category - Special Expenses	City of Unalaska Approved Budget	City Funds Expended Q1	City Funds Expended Q2	City Funds Expended Q3	City Funds Expended Q4	Expended YTD	% Expended
Fundraiser Overhead							#DIV/0!
Training							#DIV/0!
Travel							#DIV/0!
Fees							#DIV/0!
Other							#DIV/0!
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!

Budget Category - Other Expenses	City of Unalaska Approved Budget	City Funds Expended Q1	City Funds Expended Q2	City Funds Expended Q3	City Funds Expended Q4	Expended YTD	% Expended
							#DIV/0!
							#DIV/0!
							#DIV/0!
							#DIV/0!
							#DIV/0!
							#DIV/0!
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!

Total Expenditures	\$ 61,050.00	\$ 150.00	\$ -	\$ -	\$ -	\$ 150.00	0.25%
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FY16 CITY OF UNALASKA QUARTERLY FINANCIAL REPORT QTR. _____

Organization Name: _____
 Period: _____

_____ Original _____ Revised

Revenue Sources Example

Fees for Services	Budgeted Revenue	Received Revenue Q1	Received Revenue Q2	Received Revenue Q3	Received Revenue Q4	YTD Revenue	% Budget
Service Fees	\$ 50,000.00	\$ 10,000.00	\$ 3,000.00	\$ 5,000.00	\$ 2,000.00	\$ 20,000.00	40.00%
mail delivery service	\$ 800.00	\$ 200.00				\$ 200.00	25.00%
consultations	\$ 10,000.00	\$ 7,000.00				\$ 7,000.00	70.00%
						\$ -	
Subtotal	\$ 60,800.00	\$ 17,200.00	\$ 3,000.00	\$ 5,000.00	\$ 2,000.00	\$ 27,200.00	44.74%

Fundraising Efforts	Budgeted Revenue	Received Revenue Q1	Received Revenue Q2	Received Revenue Q3	Received Revenue Q4	YTD Revenue	% Budget
Documentary Film	\$ 400.00	\$ 500.00				\$ 500.00	125.00%
Art Raffle	\$ 500.00		\$ 1,000.00			\$ 1,000.00	200.00%
Women's History Dinner/Lecture	\$ 2,000.00			\$ 3,000.00		\$ 3,000.00	150.00%
						\$ -	
Subtotal	\$ 2,900.00	\$ 500.00	\$ 1,000.00	\$ 3,000.00	\$ -	\$ 4,500.00	155.17%

In-Kind Contributions	Budgeted Revenue	Received Revenue Q1	Received Revenue Q2	Received Revenue Q3	Received Revenue Q4	YTD Revenue	% Budget
Rent							#DIV/0!
							#DIV/0!
							#DIV/0!
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!

Grants	Budgeted Revenue	Received Revenue Q1	Received Revenue Q2	Received Revenue Q3	Received Revenue Q4	YTD Revenue	% Budget
Local							#DIV/0!
State							#DIV/0!
Federal							#DIV/0!
Other							
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!

Other Sources	Budgeted Revenue	Received Revenue Q1	Received Revenue Q2	Received Revenue Q3	Received Revenue Q4	YTD Revenue	% Budget
						\$ -	#DIV/0!
						\$ -	#DIV/0!
						\$ -	#DIV/0!
						\$ -	#DIV/0!
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!

Total Revenues	\$ 63,700.00	\$ 17,700.00	\$ 4,000.00	\$ 8,000.00	\$ 2,000.00	\$ 31,700.00	49.76%
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FY16 CITY OF UNALASKA QUARTERLY GOALS & OBJECTIVES REPORT

Example

Organization Name: _____
 Quarter: _____

____ Original ____ Revised

GOAL #1 Our organization will have four fundraisers this year.

Objectives:	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Objective 1.1 In FY15 we will have a fund raiser every quarter	8/9/14 public showing: documentary about child abuse. Raised \$500	10/3/14: Art raffle raised \$1000	1/4/14: Women's History Event Speaker/Dinner. Raised \$3000	3/14/15: Bake Sale. Raised \$800
Objective 1.2 In FY15, 2 of the 4 fundraisers will be educational	Showed film above		See event above	
Objective 1.3				
Objective 1.4				
Objective 1.5				
Objective 1.6				
Objective 1.7				
Objective 1.8				

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2014-85

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE FORMATION OF THE FY16 COMMUNITY SUPPORT COMMITTEE, AND CONFIRMING APPOINTMENTS TO THE COMMITTEE.

WHEREAS, non-profit agencies provide services to the community that are invaluable; and

WHEREAS, the City of Unalaska acknowledges, appreciates, and supports the services provided to the community by non-profit agencies; and

WHEREAS, the City of Unalaska wishes to provide financial aid to qualifying non-profit agencies through its Community Support Program; and

WHEREAS, Unalaska City Code Chapter 2.62 allows special committees to be established by resolution; and

WHEREAS, the Unalaska City Council has established such committees annually from 1995 through 2004 to review all City grant-in-aid applications and to make recommendations on funding levels to the City Manager and the City Council;

WHEREAS, The Unalaska City Council established three-member committees in 2005 through 2014 to review and score FY06 through FY16 City grant-in-aid applications and to present a report to the City Council; and

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the establishment of the FY16 Community Support Committee as outlined in the current Community Support Program Guidelines; and

BE IT FURTHER RESOLVED that the Unalaska City Council confirms that the following persons shall serve as the FY16 Community Support Grant Review Committee:

<u>Name</u>	<u>Term expiration</u>
Mayor Shirley Marquardt	June 30, 2015
Assistant City Manager Patrick Jordan	June 30, 2015
Member of the Public	June 30, 2015

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL
THIS ____ DAY OF _____ 2014.

MAYOR

ATTEST:

CITY CLERK

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: CHRIS HLADICK, CITY MANAGER
THROUGH: PATRICK JORDAN, ASSISTANT CITY MANAGER
FROM: DEBRA HANSON ZUEGER, RISK MANAGER
DATE: NOVEMBER 20, 2014
RE: **RESOLUTION 2014-85** AUTHORIZING THE FORMATION OF THE FY16 COMMUNITY SUPPORT REVIEW COMMITTEE AND CONFIRMING THE MAYOR'S APPOINTMENTS TO THE COMMITTEE

SUMMARY: Each year the Mayor and Council appoint a special committee to review the applications submitted for local grants through the Community Support Program. The FY06 through FY15 committees consisted of three members: the Mayor, the Assistant City Manager, and a member of the public who was not on the board or the staff of a non-profit agency. Based on recent history and the current policy guidelines, staff recommends approval of the appointment of a three-person committee to serve for FY16.

PREVIOUS COUNCIL ACTION: Each year since 1996, Council has established a special committee to review the City's grant applications and make recommendations on funding levels. From FY06 through FY15, the committees were charged with reviewing and scoring the applications using the Council-approved evaluation tool; however, the committees have not been asked to make recommendations since 2005.

Council adopted the Community Support Program Guidelines by Resolution 2002-88 on December 17, 2002. The original Guidelines stated that the Mayor would appoint and Council would approve by resolution a special review committee to make recommendations on grant awards to the City Council.

The City Council adopted Resolution 2004-02 in January 2004, appointing six volunteers from the community and two Council members to serve on the FY05 Review Committee.

From 2005 through 2014, the City Council adopted the following resolutions appointing the Mayor, the Assistant City Manager, and a volunteer from the community to the review committee for the appropriate year:

- Resolution 2005-07, adopted in January of 2005
- Resolution 2005-76, adopted on December 13, 2005
- Resolution 2006-58, adopted on December 13, 2006
- Resolution 2007-58, adopted on November 27, 2007

- Resolution 2008-77, adopted on November 25, 2008
- Resolution 2009-55, adopted on November 25, 2009
- Resolution 2010-73, adopted on December 28, 2010
- Resolution 2012-02 adopted on January 10, 2012
- Resolution 2013-02 adopted January 8, 2013
- Resolution 2014-02 Adopted on January 14, 2014

DISCUSSION: As provided in Title 2.62, the Council approves the Mayor's annual appointments to a special committee to review grant applications. From 1996 to 2005, Community Support Review committee membership was not restricted. The committees ranged in size from as large as eight members to as small as three members. Members were able to serve on boards or be employees of agencies applying for grants or be authors of grants under review. Council members were also appointed to the committees to facilitate understanding and communication between committee and Council. These committees made funding recommendations to the Council. This process and the use of larger committees gradually became labor intensive and contentious. By FY05, it was becoming extremely difficult to recruit volunteers to serve in this capacity.

Starting in FY06, Council appointed a three-person committee whose members could not be board members or employees of applying agencies, nor could members have written grants to be reviewed by the committee. The committee's charge was to read and score the grant applications without making funding recommendations to the Council. The committee did, however, prepare a final report and present their findings to the Council during the budget presentation.

Based on this history and the current policy guidelines, staff recommends approval of appointments of a three-person committee to serve for FY16.

ALTERNATIVES:

1. Appoint a three-person committee as recommended;
2. Appoint a larger committee;
3. Ask staff to review and score the applications; or
4. Council could review grant applications directly and make their final funding determinations by the date specified in the FY15 budget schedule.

FINANCIAL IMPLICATIONS: A larger committee means increased costs in copies made, sustenance provided, and staff time required.

LEGAL: City Code, Chapter 2, Section 62, governs the process and procedures for the appointment of special committees that serve in an advisory capacity to the City Manager and City Council. The committees are appointed by the Mayor and established by resolution.

STAFF RECOMMENDATION: Staff recommends the appointment of a three-person committee as outlined in Resolution 2014-85

PROPOSED MOTION: “I move to adopt Resolution 2014-85”

CITY MANAGER’S COMMENTS:

**CITY OF UNALASKA
UNALASKA, ALASKA**

RESOLUTION 2014-87

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNALASKA,
AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH
RESOURCECON FOR THE ECONOMIC ANALYSIS OF THE DEEPENING OF THE
CHANNEL AT THE BAR IN UNALASKA IN AN AMOUNT NOT TO EXCEED \$45,000**

WHEREAS, the City of Unalaska has determined that dredging the bar in Unalaska is critical to the future of growth of the port and of industry; and

WHEREAS, The City of Unalaska has included this capital project in the CMMP; and

WHEREAS, the City of Unalaska would like the dredging project to be a Corps of Engineers Project; and

WHEREAS, the City of Unalaska needs to prove the economic benefit of dredging in the application to the Corps of Engineers; and

WHEREAS, ResourceCon is a reputable economic consulting company with experience conducting analysis for the Corp of Engineers, having provided preliminary analysis on the Unalaska bar in 1995;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Unalaska authorizes the City Manager to enter into an agreement with ResourceCon for an economic analysis of the deepening of the channel at the bar in Unalaska in an amount not to exceed \$45,000.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 25th DAY OF NOVEMBER 2014.

MAYOR

ATTEST:

CITY CLERK

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: PEGGY MCLAUGHLIN, PORTS DIRECTOR
THRU: PATRICK JORDAN, ACTING CITY MANAGER
DATE: NOVEMBER 25, 2014
RE: RESOLUTION 2014-87: AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH RESOURCECON FOR THE ECONOMIC ANALYSIS OF THE CHANNEL DEEPENING AT THE OUTER BAR IN UNALASKA IN AN AMOUNT NOT TO EXCEED \$45,000.

SUMMARY:

Resolution 2014-87 authorizes a contract award to ResourcEcon for the economic analysis of dredging the bar in Unalaska. The dredging of the bar has been a long-term objective for the City of Unalaska. It has been the goal of the City for the dredging to be a Corps of Engineers project. In order to be successful with the application to the Corps, we need to provide proof of the national economic benefit. This analysis will identify the economics of dredging and serve as the required economic chapter for the application to the Corps of Engineers.

The amount of this contract is not to exceed \$45,000

PREVIOUS COUNCIL ACTION:

Council has identified the dredging of the bar in the CMMP and appropriated \$100,000 to this project.

BACKGROUND:

In 1995 the Corps of Engineers conducted the “Northern Sea Route Reconnaissance Study” which included preliminary information about the Unalaska Outer Bar. This analysis will update the Corps information from that Study.

DISCUSSION:

The intent of this contract is to provide an analysis of the economic benefit to the nation for dredging the outer bar in Unalaska. The dredging of the bar has been a long-term objective for the City of Unalaska. It has been the goal of the City for the dredging to be a Corps of Engineers project.

There are both long and short-term benefits as a Corps project. The obvious benefit is some relief in the cost of dredging and also in maintenance. Other long-term benefits, which the analysis intends to define, are the economic benefits of completing this project. For example, what does that mean to shipping, fuel companies, cruise ships and ferries, and what economic benefit does that produce for industry at a local and national level?

This analysis will include the findings from the 1995 study and utilize that information and apply it to today's vessel activity across the bar. This information will be used to justify to the Corps of Engineers the need for this project. The report produced from this analysis will support the application to the Corps of Engineer under their Continuing Authorities Program (CAP) 107.

The lead on this project is very familiar with the 1995 Study and has worked with the Corp of Engineers as a consultant. He has done various projects in Unalaska, including part of the research for the 1995 study. He has also visited with Corps of Engineers regarding this project as he was defining the scope of work for this contract.

In order to move this dredging project forward, we need to be able to provide the Corp of Engineers with the national economic benefit. In general, we need prove the need to dredge by providing a benefit to their investment. Once we can produce that benefit, we will continue to use this analysis as support for the application to the Corps of Engineers for funding.

Staff recommends that ResourcEcon be awarded this contract based on their experience and local knowledge as well as their success with navigating the Corps of Engineer's application process.

ALTERNATIVES:

- 1) Council could fully support Resolution 2014-87
- 2) Council could choose to not award this Contract

FINANCIAL IMPLICATIONS:

There is funding for this contract award in the Dredging Project

LEGAL: N/A

STAFF RECOMMENDATION:

Staff recommends approving this Resolution

PROPOSED MOTION:

I move to approve Resolution 2014-87

CITY MANAGER'S COMMENTS:

I recommend approving this resolution in order to move forward with the application for the Corp of Engineers.

Attachment:

1. ResourcEcon Proposal
2. Contract for ResourcEcon and City

Proposed Economic Analysis of Channel Deepening at Outer Bar, Unalaska

The goal of this project is to produce a stand-alone document that will have two major uses. The first use will be to help justify to the Corps of Engineers a project to remove the Outer Bar navigation impediment at Dutch Harbor. The City of Unalaska is planning to make an application for funding to the Corps, and having a current demonstration of economic viability will assist in getting that process underway. The second use will be as a stand-alone chapter in the report to support the application to the Corps of Engineers for funding under their Continuing Authorities Program (CAP) 107 for marine projects.

The tasks to be completed under this project are described below.

Task 1: Introduction to Navigation Problem at Unalaska

This section will provide a description of the ongoing problem created by the water depth limitation at the Outer Shoal at the entrance to Dutch Harbor. It will include general information on Unalaska's role as a center of fish processing and shipping, as well as recent trends in shipping. It will also include a discussion of the role of Unalaska in support of oil exploration and development, as a forward support base for increased Arctic activity, and as a default Port of Refuge for deepwater vessels moving through the region.

Task 2: Review of the 1995 Corps of Engineers Report

This navigation problem at Unalaska's Outer Bar was the subject of an earlier study by the Corps of Engineers (*Northern Sea Route Reconnaissance Study: Preliminary Investigation – Navigation Improvement Needs – Unalaska/Dutch Harbor, Alaska, June 30, 1995 authored by Tryck Nyman & Hayes et. al*). It will assist the application for Corps funding to make use of appropriate information from the 1995 report. For example, the economic benefit/cost analysis will make use of the 1995 cost estimate to deepen the channel at the outer bar, updated to 2014 dollars. In their application, the City of Unalaska may need to conduct a geotechnical analysis of bottom structure at the shoal, and have a new engineering estimate prepared for removal of the substrate to the required depths. When that occurs, the new cost numbers can be substituted in the economic analysis. In the meantime, use of the 1995 report costs will allow calculation of preliminary benefit/cost estimates (see Task 4). Another example is that the 1995 study developed and utilized a surface wave model to determine channel depth requirements. This wave model can be utilized (reused) in the Unalaska application to the Corps, eliminating the need to redo this task.

Task 3: Analysis of Outer Bar Navigation Constraint

This task will utilize data from the Unalaska Harbormaster's Office to identify deepwater freight vessel traffic into and out of Dutch Harbor in recent years. In addition, it will address the effects of the navigation constraint on other marine vessels with deep drafts, such as cruise ships, ocean vessels seeking a port of refuge and others.

As part of this task, major freight shippers, including APL, Horizon Lines, Maersk and others identified by the harbormaster's data files (such as cruise ship operators) will be contacted. Success of the study will be dependent upon their cooperation to provide data of delays, and resulting increases to operating costs, as a

result of the depth restriction at the Outer Bar. In addition, we will be looking to document instances of vessel damage, the need for lightering, the need for vessel load lightening, and other aspects of operating constraints imposed by the navigation constraint of the Outer Bar water depth limitation. The Alaska Marine Pilot's Association will also be in integral part of completion of this task in providing data on delays and other responses to the existing depth limitation.

We will send out a joint letter with the City of Unalaska to each of the companies to be contacted, providing information on the purpose of the study, and requesting their cooperation. The results of the data findings will be combined into a record of cost impacts, resulting from adaptations to the existing water depth navigation depth constraint at the Outer Bar.

The first of two trips to Unalaska for Jim Richardson will be part of this task.

Task 4: Analysis of Potential Project Benefits

This task will develop estimates of the annual costs created by the navigation constraint at the Outer Bar under current and anticipated future conditions. The benefit categories will include:

1. Reduced operating costs by freight shipment companies and other deepwater vessel operators utilizing Dutch Harbor from elimination of delays for pumping ballast water, or delays to hold up for tidal changes, or delays waiting for more favorable weather conditions.
2. Reduced operating costs by freight shipment companies operating in Dutch Harbor from elimination of the need to lighten loading to ensure clearance across the Outer Bar.
3. Identification of vessel damages that could be avoided by an appropriate channel depth across the Outer Bar.
4. Reduced operating costs that could be avoided from the need to lighter freight across the Outer Bar.
5. Avoided operating costs for large vessels that currently are forced to anchor out rather than enter Dutch Harbor, due to insufficient water depth at the Outer Bar.

These calculations will include both vessel operating cost benefits and benefits in the form of reduced crew costs for elimination of vessel delays. The estimates will be in for format required by the Corps of Engineers, projected for 50 years and presented in present value at the current discount rate stipulated by Congress for Corps of Engineers project analyses.

Task 5: Preliminary Identification of Project Alternatives

Based on the results of interviews with deepwater vessel operators, a preliminary set of alternatives will be identified in this task, which will specify the required channel width and depth across the outer bar. The respective benefits for each alternative will depend on the proportion of navigation restrictions to be resolved at the varying minimum water depths and channel widths.

Task 6: Report Summary and Recommendations

This task is for preparation of ResourceEcon's stand-alone report for both the City of Unalaska and the Corps of Engineers. It includes a second field visit to Unalaska for Jim Richardson to make a presentation to the City of Unalaska and the Unalaska City Council.

The report will also be provided to the Corps of Engineers staff at a meeting to be held in Anchorage.

The report will be presented in electronic format, so that the City of Unalaska can make whatever future uses of the report they may choose.

Task 7: Additional Letter Report for the City of Unalaska

This task will be a separate letter report to the City of Unalaska that is not intended to be part of the Economic Study. It will be prepared following a meeting with Corps of Engineers staff to present/discuss the results of the study. This letter report will contain ResourceEcon's recommendations to the City of Unalaska on how to proceed with the Corps to gain funding for the navigation improvement project.

Project Budget

The proposed budget for this project is shown in the Table below. Project billings will be sent monthly, based on the proportion of project work completed to date.

<i>ResourceEcon Cost Proposal for Unalaska Navigation Study</i>			
task	description	hours	cost
Task 1:	<i>Introduction to Navigation Problem at Unalaska</i>	25	\$4,250
Task 2:	<i>Review of 1995 Corps of Engineers Report</i>	20	\$3,400
Task 3:	<i>Analysis of Current Outer Bar Navigation Constraints</i>	65	\$11,050
Task 4:	<i>Analysis of Potential Project Benefits</i>	55	\$9,350
Task 5:	<i>Preliminary Identification of Project Alternatives</i>	18	\$3,060
Task 6:	<i>Report Summary and Recommendations</i>	32	\$5,440
	<i>totals</i>	215	\$36,550
Direct Costs:			
1)	<i>air travel Anchorage to Unalaska (first trip)</i>	\$1,118	
2)	<i>air travel Anchorage to Unalaska (second trip)</i>	\$1,118	
3)	<i>accommodation and per diem, Unalaska (two trips)</i>	\$1,245	
	<i>total direct costs</i>	\$3,481	

Project Schedule

ResourceEcon can begin work on this project immediately upon authorization by the City of Unalaska. The schedule will be dependent upon the need to obtain needed information from the major shipping company representatives on vessel delays and increased operating costs as a result of the navigation impediment at the Outer Bar. Delays in obtaining their responses could lead to delays in the analysis. The tentative schedule shown below is a guideline based on a starting date of mid-November 2014 and extending through the first week of March 2015.

November 15 to 30 - Contacts with Harbormaster's office and City of Unalaska (re: letters to shipping companies)

December 5 to 15 - Potential window for first field trip to Unalaska to work with the Harbormaster's staff and complete interviews with local representatives of shipping companies and the Alaska Marine Pilot's Association

January 1 to 15 - follow up interviews/discussions with freight shippers

November 15 to January 30 - target for completion of work on Tasks 1-6

February 1 to 30 - completion of report preparation and meeting with Corps of Engineers staff to review results

Week of March 2nd - Second trip to Unalaska to present the economic report and letter report with recommendations for proceeding to obtain project funding through the Corps.

AGREEMENT

THIS AGREEMENT is entered into this _____, 20____, by and between **JIM RICHARDSON, doing business as ResourceEcon**, 308 G Street, Suite 208, Anchorage, Alaska, 99501, hereinafter called "Consultant", and the **CITY OF UNALASKA**, 43 Raven Way, P. O. Box 610, Unalaska, Alaska, 99685, hereinafter called "City".

WITNESSETH THAT:

WHEREAS City desires to engage Consultant to render consulting and related services to complete an Economic Analysis of Channel Deepening at the Outer Bar of Unalaska Bay; and

WHEREAS Consultant represents that it has the experience and ability to perform such services; and

WHEREAS the parties hereto desire to enter into a basic agreement setting forth the terms under which Consultant will, as requested, perform such work;

NOW THEREFORE the parties hereto do mutually agree as follows:

1. Employment of Consultant

Consultant agrees to provide professional services in accordance with the provisions of this Agreement. A written description of the work to be performed, schedule and compensation is set out in Exhibit A of this Agreement.

2. Performance

Consultant agrees to perform the work described in Exhibit A; however, the Consultant is not authorized to perform any work or incur any expense which would cause the amount for which he is entitled to be paid under this Agreement to exceed the amount set forth in Exhibit A, without the prior written approval of the City. All services shall be rendered in accordance with the schedule set forth in Exhibit A.

3. Fee

After receipt of a periodic billing for said services, the City agrees to pay Consultant as compensation for the services under this Agreement such sums of money as set forth in Exhibit A of this Agreement. The amount payable to the Consultant shall not exceed the amount specified in Exhibit A, with the exception that direct costs, such as airline travel and lodging, will be paid based on actual costs incurred.

4. Payments

City agrees to make monthly payments to Consultant as services are performed and costs are incurred, provided Consultant submits a proper invoice for each payment, in such form accompanied by such evidence in support thereof as may be reasonably required by the City. City may, at its option, withhold ten percent (10%) from each monthly payment pending satisfactory completion of the work by Consultant. All invoices are otherwise due and payable within thirty (30) days of receipt by City. City shall pay Consultant for the services identified in Exhibit A the Not to Exceed Total

Fee of Thirty Six Thousand Five Hundred Fifty and 00/100 Dollars (\$36,550), plus direct costs, such as airline travel and lodging. The Not to Exceed Total Fee is based on the distribution of the Not to Exceed Total Fee between tasks set forth in Exhibit A. The portion of the Not to Exceed Total Fee billed and paid for Consultant's services shall be equal to the proportion of services actually completed for each task set forth in Exhibit A during the billing period to the fee total specified for that task.

5. Personnel

Consultant agrees to furnish all personnel necessary for expeditious and satisfactory performance of this Agreement, each to be competent, experienced, and well qualified for the work assigned. No person objected to by the City shall be employed by Consultant for work hereunder.

6. Independent Contractor Status

In performing under this Agreement, Consultant acts as an independent contractor and shall have responsibility for and control over the details and means for performing the consulting services required hereunder.

7. Indemnification

Consultant shall defend and save harmless City or any employee, officer, insurer, or elected official thereof from and against losses, damages, liabilities, expenses, claims, and demands but only to the extent arising out of any negligent act or negligent omission of Consultant while performing under the terms of this contract.

8. Assignment

Consultant shall not assign this Agreement or any of the monies due or to become due hereunder without the prior written consent of City.

9. Subcontracting

Consultant may not subcontract its performance under this Agreement without prior written consent of City. Any subcontractor must agree to be bound by terms of this Agreement.

10. Designation of Representatives

The Parties agree, for the purposes of this Agreement, the City shall be represented by and may act only through the City Manager or such other person as he may designate in writing. Consultant shall advise City in writing of the name of its representative in charge of the administration of this Agreement, who shall have authority to act for and bind Consultant in connection with this Agreement.

11. Termination

Either party shall have the right to terminate this Agreement in whole or in part at any time and for reasonable cause, by delivery of thirty (30) days written notice, specifying the extent and effective date thereof. After receipt of such notice, Consultant shall stop work hereunder to the extent and on

the date specified in such notice, terminate all subcontracts and other commitments to the extent they relate to the work terminated, and deliver to City all designs, computations, drawings, specifications and other material and information prepared or developed hereunder in connection with the work terminated.

In the event of any termination pursuant to this clause, Consultant shall be entitled to be paid as provided herein for direct labor hours expended and reimbursable costs incurred prior to the termination pursuant to Section 3 hereof, and for such direct labor hours and reimbursable costs as may be expended or incurred thereafter with City's approval in concluding the work terminated, it being understood that Consultant shall not be entitled to any anticipated profit on services not performed. Except as provided in this clause, any such termination shall not alter or affect the rights or obligations of the parties under this Agreement.

12. Ownership and Use of Documents

Consultant agrees that all original design reproducible drawings, all pertinent calculations, specifications, reports, data and other documents prepared for the City hereunder are the property of the City and the City shall have the right, without payment of additional compensation, to disclose, reproduce and use such documents for this project

13. Insurance

- A. During the term of the contract, the Contractor shall obtain and maintain in force the insurance coverage specified in these requirements. Such coverage shall be with an insurance company rated "Excellent" or "Superior" by A. M. Best Company, or a company specifically approved by the City.
- B. The contractor shall carry and maintain throughout the life of this contract, 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 contract 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.
 3. Commercial Automobile Liability on all owned, non-owned, hired and rented vehicles with limits of liability of not less than \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage per each accident or loss.
 4. 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.
 5. 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.
 6. If work involves use of watercraft, Protection and Indemnity insurance with limits not less than \$1,000,000 per occurrence.
 7. Professional Liability insurance with limits of not less than \$1,000,000 per claim and \$1,000,000 aggregate, subject to a maximum deductible \$10,000 per claim. The City of Unalaska has the right to negotiate increase of deductibles subject to acceptable financial information of the policyholder.
- 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 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 and to furnish copies thereof to the City of Unalaska. This requirement is applicable to subcontractors of any tier.

14. Claims Recovery

Claims by City resulting from Consultant's failure to comply with the terms of and specifications of this contract and/or default hereunder may be recovered by City by withholding the amount of such claims from compensation otherwise due Consultant for work performed or to be performed. City shall notify Consultant of any such failure, default or damage therefrom as soon as practicable and no later than 10 days after discovery of such event by written notice. Nothing provided herein shall be deemed as constituting an exclusive remedy on behalf of City, nor a waiver of any other rights hereunder at law or in equity. Design changes required as a result of failure to comply with the applicable standard of care shall be performed by the Consultant without additional compensation.

15. Performance Standard

Services performed under this Agreement will be performed with reasonable care or the ordinary skill of the profession practicing in the same or similar location and under similar circumstances and shall comply with all applicable codes and standards.

16. Compliance with Applicable Laws

Consultant shall in the performance of this Agreement comply with all applicable federal, state, and local laws, ordinances, orders, rules, and regulations applicable to its performance hereunder, including without limitation, all such legal provisions pertaining to social security, income tax withholding, medical aid, industrial insurance, workers' compensation, and other employee benefit laws. Consultant also agrees to comply with all contract provisions pertaining to grant or other funding assistance which City may choose to utilize to perform work under this Agreement. The Consultant and all subcontractors must comply with state laws related to local hire and prevailing wages.

17. Records and Audit

Consultant agrees to maintain sufficient and accurate records and books of account, including detailed time records, showing all direct labor hours expended and all reimbursable costs incurred and the same shall be subject to inspection and audit by City at all reasonable times. All such records and books of account pertaining to any work performed hereunder shall be retained for a period of not less than six (6) years from the date of completion of the improvements to which the consulting services of this Agreement relate.

18. Reporting of Progress and Inspection

Consultant agrees to keep City informed as to progress of the work under this Agreement by providing monthly written progress reports, and shall permit City to have reasonable access to the work performed or being performed, for the purpose of any inspection City may desire to undertake.

19. Form of City Approval

Except as otherwise provided in this Agreement, City's requests and approvals, and Consultant's cost estimates and descriptions of work to be performed, may be made orally where necessary, provided that the oral communication is confirmed immediately thereafter in writing.

20. Duration of Agreement

This agreement is effective for a period of one (1) year from the date first shown above. The agreement may be extended by the mutual written agreement of City and Consultant.

21. Inspections by City

The City has the right, but not the duty, to inspect, in the manner and at reasonable times it considers appropriate during the period of this Agreement, all facilities and activities of the Consultant as may be engaged in the performance of this Agreement.

22. Endorsements on Documents

Endorsements and professional seals, if applicable, must be included on all final plans, specifications, estimates, and reports prepared by the Consultant. Preliminary copies of such documents submitted for review must have seals affixed without endorsement (signature).

23. Notices

Any official notice that either party hereto desires to give the other shall be delivered through the United States mail by certified mail, return receipt requested, with postage thereon fully prepaid and addressed as follows:

To City:

Chris Hladick, City Manager
City of Unalaska
P. O. Box 610
Unalaska, Alaska 99685

To Consultant:

Jim Richardson, Principal
ResourceEcon
308 G Street, Suite 208
Anchorage, AK 99501

The addresses hereinabove specified may be changed by either party by giving written notice thereof to the other party pursuant to this paragraph.

24. Venue/Applicable Law

The venue of any legal action between the parties arising as a result of this Agreement shall be laid in the Third Judicial District of the Superior Court of the State of Alaska and this contract shall be interpreted in accordance with the laws of the State of Alaska.

25. Attorney's Fees

In the event either party institutes any suit or action to enforce its right hereunder, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in such suit or action and on any appeal therefrom.

26. Waiver

No failure on the part of City to enforce any covenant or provisions herein contained, nor any waiver of any right hereunder by City, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same or any other provision in the event of any subsequent breach or default.

27. Binding Effect

The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and bind the parties and their respective successors.

28. Entire Agreement/Modification

This agreement, including Exhibit A, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and all prior negotiations and understandings are superseded and replaced by this Agreement and shall be of no further force and effect. No modification of this Agreement shall be of any force or effect unless reduced to writing, signed by both parties and expressly made a part of this Agreement.

In witness whereof, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in duplicate on the respective date indicated below.

CONSULTANT:

CITY OF UNALASKA:

BY: _____
JIM RICHARDSON
DBA ResourceCon

BY: _____
CHRIS HLADICK
City Manager

STATE OF ALASKA)
) ss.
Municipality of Anchorage)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by **JIM RICHARDSON**, principal of and doing business as **ResourcEcon**, a sole proprietorship.

Notary Public, State of Alaska
Residing in _____
My Commission Expires _____

STATE OF ALASKA)
) ss.
3rd Judicial District)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by **CHRIS HLADICK**, known to me to be the City Manager of the **City of Unalaska**, an Alaska Municipal Corporation, on behalf of the City of Unalaska.

Notary Public, State of Alaska
Residing in _____
My Commission Expires _____

EXHIBIT A

Agreement between ResourceEcon and City of Unalaska
For Economic Analysis of Channel Deepening at the Outer Bar of Unalaska Bay