

Kenai Peninsula Borough
Purchasing and Contracting Department

MEMORANDUM

TO: Charlie Pierce, Mayor
THRU: Valentina Sustaita, Director *V. Sustaita*
FROM: John Hedges, Project Manager *JH*
DATE: May 9, 2018
RE: Request for Waiver of Formal Bidding per Kenai Peninsula Borough Code of Ordinances, 5.28.300 – Central Peninsula Hospital Phase VI OB/Cath Lab Project Electrical Feed

This memo is to request that waiver of formal bidding procedures, per KPB Code 5.28.300, be considered for the following reasons:

As part of the Central Peninsula Hospital Phase VI OB/Cath Lab project the Borough will be installing a new medium voltage electrical feed to supply power to the entire facility through one meter.

The original design included an electrical switch gear that was intended to be purchased through the cooperative purchasing using Group Purchasing Organization (GPO) under the authority of Code of Ordinances 5.28.030 E. While working with the vendor it was determined that the lead times for this equipment are not aligned with the current project timeline.

In an effort to maintain the project scope, budget and timelines, the Borough contacted Homer Electric Association (HEA) for assistance in developing options to address the requirement through other means. HEA promptly informed the project team that they had compatible switch gear and metering cabinets available on hand and staged around the peninsula. The project engineering team promptly created a solution that would utilize this HEA equipment.

HEA has provided a quotation for the equipment at cost based on their incurred expense totaling to \$66,787.00. The original equipment cost as quoted by the GPO was \$226,000.00. Purchasing equipment from HEA would provide cost savings of nearly \$160,000 and address the project schedule impacts. Formal bidding process would not produce different or better results, would affect the project timelines and would not be in the best interest of the Borough.

We request approval for the purchase of this equipment from HEA for a not to exceed amount of \$66,787.00. All expenditures for this project will be charged to account 490.81110.18CPH.48311.

CP

Charlie Pierce, Mayor

5/14/2018

Date

FINANCE DEPARTMENT	
FUNDS VERIFIED	
Acct no. <u>490.81110.18CPH.48311</u>	
Amount: <u>\$66,787.00</u>	
By: <i>BJS</i>	Date: <i>5/10/18</i>