

Kenai Peninsula Borough Maintenance Department

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Peter A. Micciche, Mayor *PKM*
John Hedges, Purchasing & Contracting Director *JH*
Brandi Harbaugh, Finance Director *SD for Btt*

FROM: Tom Nelson, Maintenance Director *TN*

DATE: July 11, 2023

RE: LAYDOWN Resolution 2023-*051*, Authorizing a Sole Source Procurement Contract Award to Hot Rocks Asphalt Paving, LLC to Seal Coat School Parking Lots (Mayor)

In July of 2022, the Kenai Peninsula Borough's Maintenance Department solicited quotes from the two local asphalt seal coating vendors via an informal bidding process for crack sealing and seal coating multiple Borough School District facilities. Quotes were received from both vendors.

A contract was issued to the low quote for \$20,250 to complete the crack sealing portion of the quoted work, and the contract stated that seal coating portion of the work would be re-bid utilizing a formal bid process at a future date.

This spring the Maintenance Department, based on the mistaken belief that the contract had covered the remaining seal coating work, and based on the 2022 quote, contacted the vendor requesting they proceed with seal coating. The total cost of the crack sealing and seal coating work is \$115,720. The vendor obtained materials and has completed 68% of the seal coating work. Upon receipt and attempted processing of the first invoices, the Maintenance Department caught the oversight, initiated the process to correct the mistake, and instructed the vendor to stop work pending resolution.

The Borough has received the benefit of approximately 68% of the services. The contractor who performed the work was not responsible for the oversight. Considering the circumstances, the current incomplete status of the work, the fact that the contractor performed the work as requested in good faith, and the short season for the completion of work of this nature, it is in the best interest of the Brough to retroactively award the work and proceed with the work this summer.

The most appropriate means under the circumstances to retroactively award the work, is under KPB 5.28.280, Proprietary procurement. Subsection (B) allows for expenditures in excess of \$40,000 without competition that are approved by Assembly resolution.

Your consideration is appreciated.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>400.78050.21802.43780</u> (\$100,000)
	<u>400.78050.23802.43780</u> (\$ 15,720)
Amount	<u>\$115,720</u>
By: <i>CJ</i>	Date: <u>7/6/2023</u>