

MUNICIPALITY OF ANCHORAGE

ANCHORAGE ASSEMBLY

Minutes for Special Meeting of June 30, 1998

1. **CALL TO ORDER:**

The meeting was convened at 11:30 a.m. by Chair Fay Von Gemmingen in the Mayor's Conference Room, 632 West Sixth Avenue, Anchorage, Alaska.

2. **ROLL CALL:**

Present: Bob Bell, George Wuerch, Melinda Taylor, Charles Wohlforth, Fay Von Gemmingen, Kevin Meyer, Pat Abney (11:40 a.m.), Dan Kendall, Joe Murdy.  
Absent: Ted Carlson (excused), Cheryl Clementson (excused).

3. **PLEDGE OF ALLEGIANCE:**

The pledge was led by Chair Von Gemmingen.

4. **ITEMS OF BUSINESS:**

Mr. Bell moved, to approve all items on the agenda,  
seconded by Mr. Meyer,

A. **BID AWARDS:**

1. Assembly Memorandum No. AM 647-98, recommendation of award to Annette's Trucking, Inc. for **Phase I - Kempton Hills Subdivision Street Rehabilitation Road Improvement District (R.I.D.)** for the Municipality of Anchorage, Public Works (ITB 98-C42), Purchasing.
2. Assembly Memorandum No. AM 648-98, recommendation of award to C.G.I. Systems for the purchase of **switchgear equipment** for the Municipality of Anchorage, Municipal Light and Power (ITB 98-66), Purchasing.
3. Assembly Memorandum No. AM 659-98, recommendation of award to F & W Construction Co., Inc. for **Municipal Light and Power Plant #1 Turbine Bay fire damage repair** for the Municipality of Anchorage, Municipal Light and Power (ITB 98-C38), Purchasing.
4. Assembly Memorandum No. AM 662-98, recommendation of award to Spernak & Sons, Inc. for **North Point Subdivision Street Reconstruction Road Improvement District (R.I.D.)** - from Jewel Lake Road to Blackberry Road (ITB 98-C34), Purchasing.

Mr. Wuerch asked this item be considered separately from items approved with the vote on all agenda items. See further action after item 4.D.

5. Assembly Memorandum No. AM 663-98, recommendation of award to Pruhs Corporation for **South Anchorage Sports Field Road & Parking Improvements** for the Municipality of Anchorage, Cultural and Recreational Services (ITB 98-C39), Purchasing.
6. Assembly Memorandum No. AM 664-98, recommendation of award for Port of Anchorage **miscellaneous pile repairs and trestle No. 2 renovations** for the Municipality of Anchorage Port (ITB 98-C46), Purchasing.

Mr. Wohlforth asked this item be considered separately from items approved with the vote on all agenda items. See further action after item 4.D.

7. Assembly Memorandum No. AM 665-98, recommendation of award to Seacoast Construction for **1997-1998 miscellaneous American with Disabilities (ADA) improvements** for the Municipality of Anchorage, Public Works (ITB 98-C47), Purchasing.
8. Assembly Memorandum No. AM 666-98, recommendation of award to Wilder Construction, Inc. for **Northwood Drive/88th Avenue surface rehabilitation** for the Municipality of Anchorage, Public Works (ITB 98-C48), Purchasing.

B. **ORDINANCES AND RESOLUTIONS FOR INTRODUCTION:**

1. Ordinance No. AO 98-111, an ordinance amending the Anchorage Municipal Code Section 21.50.220 concerning **conditional use standards for drive-in banks**, Community Planning and Development. public hearing 7-21-98.
  - a. Assembly Memorandum No. AM 649-98.
2. Ordinance No. AO 98-112, an ordinance of the Municipality of Anchorage, Alaska, authorizing and providing for the borrowing of not to exceed \$6,090,000 from the State of Alaska Drinking Water Fund for the purpose of **financing a portion of the costs of the Anchorage Loop Water Transmission Main Project, Phase VII (Airport Water Project Phase 1B) Project**, and providing for related matters, Water and Wastewater Utility. public hearing 7-21-98.
  - a. Assembly Memorandum No. AM 657-98.
3. Ordinance No. AO 98-113, an ordinance of the Municipality of Anchorage, Alaska, authorizing and

providing for the borrowing of not to exceed \$8,325,000 from the State of Alaska Safe Drinking Water Fund for the purpose of **paying a portion of the costs of water capital improvements in the Municipality**, and providing for related matters, Water and Wastewater Utility.

public hearing 7-21-98.

a. Assembly Memorandum No. AM 658-98.

4. Resolution No. AR 98-210, a resolution of the Municipality of Anchorage, Alaska, accepting and appropriating a State of Alaska Drinking Fund loan offer in the amount of \$8,325,000 for **financing a portion of the costs for the Anchorage Loop Transmission Main, Phases I, II and III**, Water and Wastewater Utility. public hearing 7-21-98.

a. Assembly Memorandum No. AM 660-98.

5. Ordinance No. AO 98-114, an ordinance of the Municipality of Anchorage, Alaska authorizing and providing for the borrowing of not to exceed \$9,000,000 from the State of Alaska Clean Water Fund for the purpose of the **construction of Cell 6 at the Anchorage Regional Landfill**; and providing for related matters, Solid Waste Services. public hearing 7-21-98.

a. Assembly Memorandum No. AM 661-98.

6. Resolution No. AR 98-211, a resolution of the Municipality of Anchorage accepting and appropriating a State of Alaska Clean Water Fund loan offer in the amount of \$9,000,000 for **constructing Cell 6 improvements at the Anchorage Regional Landfill**, Solid Waste Services. public hearing 7-21-98.

a. Assembly Memorandum No. AM 661-98.

7. Ordinance No. AO 98-115, an ordinance amending Anchorage Municipal Code Chapters 3.10 and 3.20 to amend the Executive Organization of the Municipality by **redefining the duties and responsibilities of the Municipal Manager, eliminating the position of Operations Manager and creating and specifying the duties and responsibilities of the position of Executive Manager**, Legal Department.

public hearing 7-14-98.

a. Assembly Memorandum No. AM 667-98.

#### C. NEW BUSINESS:

1. Assembly Memorandum No. AM 650-98, **Police and Fire Retirement Board appointment** (Everett Robins), Mayor's Office.
2. Assembly Memorandum No. AM 651-98, change order No. 1 to purchase order 72558 to exercise the option with Loomis Fargo & Company for **armored car pickup services** for the Municipality of Anchorage, Finance Department/Purchasing.
3. Assembly Memorandum No. AM 652-98, change order No. 1 to purchase order 73125 with Great Land Electrical Contractors for furnishing **miscellaneous electrical maintenance and interior lighting maintenance** to the Municipality of Anchorage, Department of Property and Facility Management/Purchasing.
4. Assembly Memorandum No. AM 653-98, change order No. 5 to Wilder Construction Co., Inc., for the **construction of South Anchorage Snow Disposal Site and 97th Avenue and "C" Street Sedimentation Basin**, Contract No. C-70333, DPW Project No. 91-10, Public Works.
5. Assembly Memorandum No. AM 654-98, recommendation of award to USKH, Inc. for professional engineering services for a **40th Avenue transportation engineering analysis** for the Municipality of Anchorage, Public Works Department (RFP 15-98), Purchasing.

Mr. Wohlforth asked this item be considered separately from items approved with the vote on all agenda items. See further action after item 4.D.

6. Assembly Memorandum No. AM 655-98, recommendation of award to R & M Consultants for providing professional engineering services to prepare **engineering analyses and cost estimates for safety improvements to six locations** (Sand Lake Road and Kincaid Road; Northern Lights Boulevard and UAA Drive; Airport Heights and Penland Parkway to 600 feet north of Glenn Highway; Arctic Boulevard and Dowling Road/Railroad Curve; Lake Otis Parkway and 80th Avenue and Azurite Court; Commercial Drive and Viking Road) for the Municipality of Anchorage, Public Works Department (RFP 22-98), Purchasing.
7. Assembly Memorandum No. AM 656-98, change order No. 11 to purchase order 53821 with Skyline Electric, Inc. for furnishing **repair/installation of street lights/poles, traffic signals, lift stations, and thaw wires** for the Municipality of Anchorage, Public Works Department/Purchasing.
8. Assembly Memorandum No. AM 668-98, proprietary purchase of professional services for providing **software conversion services** from Mitrastech, Inc. to the Municipality of Anchorage, Municipal Attorney's Office/Purchasing.

#### D. INFORMATION AND REPORTS:

1. Information Memorandum No. AIM 81-98, **results of the City Water Taste Test at the United States Conference of Mayors Annual Meeting** June 19-23, 1998, at Reno, Nevada, Water and Wastewater Utility.

Mr. Bell asked this item be considered separately from items approved with the vote on all agenda items. See action after the following vote.

Question was called on the motion to approve all items on the agenda with the exception of those requested to be considered separately and it passed:

AYES: Bell, Wuerch, Taylor, Wohlforth, Von Gemmingen, Meyer, Kendall, Murdy.

NAYS: None.

(Clerk's Note: Ms. Abney had not arrived at the time of the vote.)

The Assembly then returned to items considered separately from items approved with the vote on all agenda items.

Assembly Memorandum No. AM 662-98, recommendation of award to Spernak & Sons, Inc. for **North Point Subdivision Street Reconstruction Road Improvement District (R.I.D.)** - from Jewel Lake Road to Blackberry Road (ITB 98-C34), Purchasing.

Mr. Wuerch moved, to approve AM 662-98.  
seconded by Mr. Murdy,

Mr. Wuerch spoke against approval. He noted the award was for a company that billed the Municipality for almost \$1 million as a consequence of unbalanced bidding practices. He felt this company should not be rewarded with another contract.

Mr. Bell disagreed. He pointed out Spernak & Sons was the low bidder, and the defect in the policy that led to the unbalanced bid issue has been corrected. Denying the proposed contract would send the wrong message. He added Spernak & Sons was a well-established in Anchorage and has a good reputation.

Mr. Wohlforth agreed with Mr. Wuerch. He pointed out Spernak & Sons was involved with a job at the Port, where there were legal problems and problems with trucks not using approved routes for material delivery. He felt the Assembly should make its concern clear, although he was unsure if that should extend to denying the proposed contract.

Mr. Murdy agreed with Mr. Bell. He reiterated the bidding policy was deficient, and the contractor had a right to attempt to recover losses. It is the responsibility of the Assembly to revise the Code to preclude that situation in the future.

In response to Mr. Bell, Purchasing Officer Ted Chenier said Spernak & Sons was a responsible bidder, and was the lowest bidder. According to the Municipal Code, that is criteria for awarding the contract. He felt the Municipal Attorney should address the possibility of litigation if the award was denied.

Public Works Director Jim Fero said a delay would prolong the complicated job; this meeting was called so the work could be done before winter.

In response to Ms. Abney, Mr. Chenier said after the Merrill Field incident, purchasing specifications were changed. All construction bidders submit unbalanced bids. Now, specifications prohibit bidding to the Municipality's detriment.

In response to Mr. Wohlforth, Mr. Chenier explained bids may be unbalanced, but if the possibility exists that costs will eventually exceed the next lowest bidder, the bid may be refused. A team of people determines the likelihood that the bid will increase. He said this system is similar to that of the State of Alaska.

Question was called on the motion to approve AM 662-98 and it failed:

AYES: Bell, Von Gemmingen, Meyer, Kendall, Murdy.  
NAYS: Wuerch, Taylor, Wohlforth, Abney.

Ms. Abney moved, immediate reconsideration.  
seconded by Mr. Wuerch,

Mr. Chenier requested direction on what explanation to give the bidder. He reiterated the bid was the lowest, and the bidder was responsive and responsible.

Mr. Wohlforth moved, to postpone action on the  
seconded by Mr. Meyer, reconsideration until July 14, 1998.  
and it was withdrawn,

Mr. Bell spoke in support of immediate reconsideration. He reiterated the project would be seriously delayed if action was postponed.

Mr. Wuerch also spoke in support of immediate reconsideration. He said he merely wanted to make a point that there is concern among Assembly members over the ethical behavior of contractors. He said he was now prepared to vote in favor of the award.

Mr. Wohlforth felt the point would not be made if the item is reconsidered today. Postponement for two weeks would send a stronger message. He was skeptical that a two-week delay would endanger the project. He withdrew his motion to postpone.

Question was called on Ms. Abney's motion to reconsider and it passed:

AYES: Bell, Wuerch, Taylor, Von Gemmingen, Meyer, Abney, Kendall, Murdy.  
NAYS: Wohlforth.

In response to Mr. Wuerch, Mr. Chenier said he would relate the debate on this item to the bidder.

Question was called on the motion to approve AM 662-98 and it passed:

AYES: Bell, Wuerch, Taylor, Von Gemmingen, Meyer, Abney, Kendall, Murdy.  
NAYS: Wohlforth.

Assembly Memorandum No. AM 664-98, recommendation of award for Port of Anchorage **miscellaneous pile repairs and trestle No. 2 renovations** for the Municipality of Anchorage Port (ITB 98-C46), Purchasing.

Mr. Wohlforth moved, to approve AM 664-98.  
seconded by Mr. Meyer,

Mr. Wohlforth read from the memorandum, commenting the language was unclear for those not familiar with Port operations.

Port Director Don Dietz explained batter piles are driven into the ground at an angle for support. Some have been damaged by ice between the pilings, and structural strength is in question. They will be removed and replaced.

Question was called on the motion to approve AM 664-98 and it passed without objection.

Assembly Memorandum No. AM 654-98, recommendation of award to USKH, Inc. for professional engineering services for a **40th Avenue transportation engineering analysis** for the Municipality of Anchorage, Public Works Department (RFP 15-98), Purchasing.

Mr. Wohlforth moved, to approve AM 654-98.  
seconded by Mr. Meyer,

In response to Mr. Wohlforth, Operations Manager George Vakalis said this item was in response to a request by the Assembly. The analysis will include determination of need for extension of 40th. The analysis will indicate the type, size and alignment of the road, if one is needed. Two scenarios will be provided, one for the current zoning and the other for possible future zoning. The Request For Proposal requires that all user groups and potential interested parties be consulted by the contractor. The contractor is supposed to hold public hearings, as well as contact all adjacent land users and owners.

Question was called on the motion to approve AM 654-98 and it passed without objection.

Information Memorandum No. AIM 81-98, **results of the City Water Taste Test at the United States Conference of Mayors Annual Meeting** June 19-23, 1998, at Reno, Nevada, Water and Wastewater Utility.

Mr. Bell moved, to accept AIM 81-98.  
seconded by Mr. Murdy,

Mayor Mystrom explained one hundred sixty cities entered the contest to determine the best water in America. After reducing the field, the best six samples were judged a second time. He commended Water and Wastewater Utility staff for performing sometimes mundane functions in an excellent manner.

Water and Wastewater General Manager Mark Premo thanked the Mayor and Operations Manager George Vakalis for attending the event in Reno. He also thanked the Assembly for allowing the utility freedom and flexibility in its operation, which results in a quality product.

Mr. Vakalis noted as he sampled the entries, all except Anchorage's water had an odor and some type of after taste.

Question was called on the motion to accept AIM 81-98 and it passed without objection.

5. **ADJOURNMENT:**

The meeting adjourned at 12:15 p.m.

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Chair

ATTEST:

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Municipal Clerk

Date Minutes Approved: September 15, 1998

VC/db

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