

**SUBJECT:** Award of bid number 24-101B to McKenna Brothers Paving for the contract amount of \$2,233,783.70 to perform annual road maintenance for RSA 21 Big Lake.

**AGENDA OF: May 7, 2024**

**ASSEMBLY ACTION: Adopted with Assemblymember Bernier opposed  
05/27/24 - BJH**

**AGENDA ACTION REQUESTED:** Present to the Assembly for consideration.

Route To:	Signature
Purchasing Officer	X <u>          R u s t i n   K r a f f t          </u> <small>Signed by: Rustin Krafft</small>
Public Works Director	X <u>          T o m   A d a m s ,   P E          </u> <small>Signed by: Tom Adams</small>
Finance Director	X <u>          C h e y e n n e   H e i n d e l          </u> <small>Signed by: Cheyenne Heindel</small>
Borough Attorney	X <u>          N i c h o l a s   S p i r o p o u l o s          </u> <small>Signed by: Nicholas Spiropoulos</small>
Borough Manager	X <u>          M i c h a e l   B r o w n          </u> <small>Signed by: Mike Brown</small>
Borough Clerk	X <u>          L o n n i e   M c K e c h n i e          </u> <small>Signed by: Lonnie McKechnie</small>

**ATTACHMENT (S) :** Analysis Sheet (1 p)  
 Scope of Work (2 p)  
 Bid Form (5 p)  
 Fiscal Note Yes

**SUMMARY STATEMENT:** On February 9, 2024, the Matanuska-Susitna Borough Purchasing Division issued a solicitation requesting bids from qualified contractors to perform annual road maintenance for RSA 21 Big Lake. Services purchased will support the Public Works Department in assembly districts 5 & 7.

In response to the advertisement, two bids were received. One bid was rejected based on MSB 2.71.090.

Negotiations were conducted with the single bidder resulting in a reduction in per mile cost to \$12,800 per mile with an allowable 12 inch berm.

Award recommendation is being made to McKenna Brothers Paving as the single responsive and responsible bidder based on Total Bid Amount.

The term length for this agreement is for one year with two additional one year renewals (potentially three-year contract), subject to annual appropriation of funds by the Borough Assembly.

In accordance with MSB 3.08.170(B), Administration requests authority to modify the resulting contract completion date by 90 days for unforeseen circumstances.

In accordance with MSB 3.08.170(C), Administration requests a 5% change order authority to modify the resulting contract for reasons established under 3.08.170(B).

**RECOMMENDATION OF ADMINISTRATION:** Approve the subject action memorandum.

**MATANUSKA-SUSITNA BOROUGH**

**FISCAL NOTE**

Agenda Date: May 7, 2024

SUBJECT: Award of bid number 24-101B to McKenna Brothers Paving for the contract amount of \$2,233,783.70 to perform annual road maintenance for RSA 21, Big Lake.

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <b>YES</b> NO
AMOUNT REQUESTED \$2,233,783.70 *	FUNDING SOURCE RSA 21 Big Lake FY25 Operating Budget
FROM ACCOUNT # 277.000.000 4xx.xxx	PROJECT
TO ACCOUNT :	PROJECT #
VERIFIED BY:  <input checked="" type="checkbox"/> <u>Liese l W e i l a n d</u> <small>Signed by: Liese l W e i l a n d</small>	CERTIFIED BY:
DATE: 4/24/2024	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Personnel Services						
Travel						
Contractual		2,233.78				
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>		<b>2,233.78</b>				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		2,233.78				
<b>TOTAL</b>		<b>2,233.78</b>				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) \* Subject to appropriation and approval of the FY25 Budget

PREPARED BY: \_\_\_\_\_ PHONE: \_\_\_\_\_

DEPARTMENT: \_\_\_\_\_ DATE: \_\_\_\_\_

4 / 2 5 / 2 0 2 4

C h e y e n n e H e i n d e l

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

Signed by: C h e y e n n e H e i n d e l

**SECTION 102**  
**SCOPE OF WORK**

- 2.0 Description.** The work consists of performing year-round routine maintenance. Work may also consist of periodic maintenance or public construction that is approved by the Borough prior to commencement. The Contractor shall complete all work in accordance with the Contract.
- 2.1 Roads Approved for Maintenance.** The Borough's GIS dashboard (<https://matsugov.us/roads/maintenance>) identifies the road service area (RSA) boundary and the road maintenance classifications included in this Contract. Mileage shown in the bid documents is for road assets approved for maintenance within this Contract. The Borough shall provide written notification to the Contractor of any changes in approved service area road mileage or road maintenance classification.
- 2.2 Services.** The Contractor shall provide services to the Borough for all approved road maintenance classifications within the RSA and shall identify, prioritize, and plan services in accordance with the terms of this Contract. Services are comprised of three general activities as follows:
- A. Routine Maintenance.** Routine maintenance includes the daily monitoring of road assets and the work required to conform to the Specifications for Road Maintenance.
    - 1. Work includes activities and response to conditions that are both predictable and unpredictable in nature.
    - 2. Payment for routine maintenance shall be made on a per mile basis as shown on the Bid Form.
  - B. Periodic Maintenance.** Periodic maintenance is work typically performed at certain intervals to provide protection, decrease the rate of deterioration, and preserve integrity of road assets.
    - 1. Periodic maintenance requires written authorization in the form of a Purchase Order (PO) from the Borough prior to commencing work. The amount of the PO cannot be exceeded without the Borough's written approval.
    - 2. The work is required to conform to the Specifications for Road Maintenance and the Alaska Department of Transportation & Public Facilities Standard Specifications for Highway Construction (2017).
    - 3. The annual quantity of work can be reallocated every contract year to meet the needs of the RSA.
    - 4. Payment for Periodic Maintenance shall be made at the contract unit price for the quantity of authorized work completed and accepted during the billing cycle.
  - C. Public Construction.** Public Construction is work that includes rehabilitation, alteration, extension, or repair of roadways.
    - 1. Public construction requires written authorization in the form of a PO from the Borough prior to commencing work. The amount of the PO cannot be exceeded without the Borough's written approval.

2. The annual quantity of work can be reallocated every contract year to meet the needs of the RSA.
3. Payment for Public Construction shall be made at the contract unit price for the quantity of authorized work completed and accepted during the billing cycle.
4. Public construction work shall not pay less than the current prevailing wage rates as described in Alaska Statute 36.05.
5. The work is required to conform to the Alaska Department of Transportation & Public Facilities Standard Specifications for Highway Construction (2017)

**2.3 Three (3)-Year Anticipated Work Plan.** The Borough shall provide to the Contractor a Three-Year Anticipated Work Plan in a format determined by the Borough:

- A. By no later than 120 days after Notice to Proceed for the first contract year;
- B. Each year thereafter on or before March 1 of each contract year (if the contract is renewed); and
- C. As soon as reasonably practicable within the current contract year, if the Three-Year Anticipated Work Plan is amended by the Borough.

**2.4 Additional Work.** The Borough may request Contractor to perform additional work that is not routine maintenance, periodic maintenance, or public construction. Contractor shall provide a proposal for requested additional work to the Borough for acceptance, including a description of the work to be completed and the price. Compensation for additional work will be at the agreed price. The Contractor's proposal for additional work shall be based on the equipment rates provided at the time of bid, and incorporated herein.

- A. Additional work completed without the Borough's approval will not be paid.
- B. Nothing in this Contract is intended to restrict the Borough from hiring other contractors to perform work. The Borough may use other contractors to complete work.

**2.5 Equipment.** The Contractor's rates for equipment are shown in contract documents. Rates will cover per hour, with operator, and shall include all operating and maintenance costs associated with the equipment. Hourly rates include depreciation, indirect ownership costs, major overhaul cost, fuel, lubricants, repair and labor and parts for maintenance. Service vehicle and service personnel shall be included in the rates.

- A. The Borough will only pay transport charges for haul-in and haul-out of crawler-type equipment. Once equipment is unloaded, the transport will be released unless directed, in writing by Borough personnel to remain. The Contractor shall be compensated for mobilization and demobilization of crawler type equipment by charging for the actual equipment used hauling the equipment. No compensation will be made for the equipment that is being hauled until it is placed into actual productive operation.

**2.6 Changes to Contract.** Changes to the Contract must be in writing and can only made by the Borough. Contractor shall not perform work on any road, bridge or pedestrian facility not shown on the GIS dashboard unless otherwise provided by written change order issued by the Borough. The Borough may adjust road mileage or modify any road maintenance classification by issuing a change order to the Contractor.



**MATANUSKA-SUSITNA BOROUGH PURCHASING DIVISION**

BID OPENING PRELIMINARY RESULTS

24-101B Bid RSA 21 Big Lake

<b>BIDDER</b>		Mckenna Brothers Paving	
Signed Bid Form		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Receipt of Addendum -		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>BID ITEM</b>	<b>DESCRIPTION</b>	<b>TOTAL BID AMOUNT</b>	<b>TOTAL BID AMOUNT</b>
1.	Schedule A: Routine Maintenance	\$ 1,558,795.20	\$
2.	Deductive Alternate 1	\$ 51,700.00	\$
3.	Deductive Alternate 2	\$ 84,788.00	\$
4.	Schedule B: Periodic Maintenance	\$ 188,256.50	\$
5.	Schedule C: Public Construction	\$ 486,732.00	\$

**RECOMMENDATION:** ALL BIDS ARE TAKEN UNDER ADVISEMENT

Tuesday, March 5, 2024  
DATE

PURCHASING OFFICER

PURCHASING REPRESENTATIVE

WITNESS

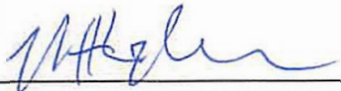
**BID FORM**  
**SOLICITATION 24-101B**  
**Annual Road Maintenance**  
**ROAD SERVICE AREA (RSA 21) - Big Lake**

Having carefully examined the Project Plans and Specifications and all Bidding and Contract Documents as listed in the "Table of Contents" and in compliance with the "Invitation for Bids", the undersigned hereby proposes to furnish all materials, labor, equipment, and supervision necessary to complete this project for the Matanuska-Susitna Borough in full accordance with the Bidding Documents.

The bidder shall insert a Unit Price per Mile and a Total Bid Amount opposite the Line Item that appears in the Bid Schedule. All erasures, strike-through, white-out and/or corrections made on this form must be initialed.

Award will be based on the weighted Bid Amount to include Schedule A, Schedule B and Schedule C plus and selected deductive alternates.

<b>SCHEDULE A: ROUTINE MAINTENANCE</b>					
Item No.	Work Description	Pay Unit	Est. Quant.	Unit Price	Extended Bid Amount
A-1	LEVEL 1	MILE	0.00	\$	\$
A-2	LEVEL 2	MILE	24.1	\$ 14,874. <sup>00</sup>	\$ 358,463. <sup>40</sup>
A-3	LEVEL 3	MILE	79.3	\$ 14,874. <sup>00</sup>	\$ 1,179,508. <sup>20</sup>
A-4	LEVEL 4	MILE	1.4	\$ 14,874. <sup>01</sup>	\$ 20,823. <sup>60</sup>
<b>SUBTOTAL BID (SCHEDULE A)</b>					\$ 1,558,795. <sup>20</sup>
<b>DEDUCTIVE ALTERNATE 1</b>					
DA-1	Modify 5.01.6 d. to allow berms measured on the homeowner side of the driveway to be no more than 12 inches high on any portion for the full width of the driveway for Level 1, 2, and 3.	MILE	103.4	\$ 500. <sup>00</sup>	\$ 51,700. <sup>00</sup>
<b>SUBTOTAL BID (SCHEDULE A - DEDUCTIVE ALTERNATE 1)</b>					1,507,095. <sup>20</sup>
<b>DEDUCTIVE ALTERNATE 2</b>					
DA-2	Remove the no berm requirement (5.01.6 d.) at driveways for Level 1, 2, and 3.	MILE	103.4	\$ 820. <sup>00</sup>	\$ 84,788. <sup>00</sup>
<b>SUBTOTAL BID (SCHEDULE A - DEDUCTIVE ALTERNATE 2)</b>					1,422,307. <sup>20</sup>

Signature 


Date 3/4/29

Company Name McKenna Bros. Paving Co, INC

**BID FORM CONTINUED ON THE FOLLOWING PAGE**

**BID FORM  
SOLICITATION #24-101B  
Annual Road Maintenance  
ROAD SERVICE AREA (RSA 21) - Big Lake**

<b>SCHEDULE B: PERIODIC MAINTENANCE</b>					
Item No.	Work Description	Pay Unit	Est. Quant.	Unit Price	Total Bid Amount
B-1	CRACK SEALING	POUND	33,300	\$ 2.98	\$ 99,234.00
B-2	SINGLE STRIPE	MILE	40.0	\$ 800.00	\$ 32,000.00
B-3	DOUBLE STRIPE	MILE	19.8	\$ 1,600.00	\$ 31,680.00
B-4	TRANSVERSE PAVEMENT MARKING LINES	SQUARE FOOT	8,130	\$ 0.75	\$ 6,097.50
B-5	TRANSVERSE PAVEMENT MARKING, WORDS AND SYMBOLS	EACH	12	\$ 125.00	\$ 1,500.00
B-6	CALCIUM CHLORIDE	TON	45.5	\$ 390.00	\$ 17,745.00
<b>SUBTOTAL BID (SCHEDULE B)</b>					<b>\$ 188,256.50</b>

Signature 



Date 3/4/24

Company Name McKenna Bros. Paving Co, Inc.



**BID FORM  
SOLICITATION #24-101B  
Annual Road Maintenance  
ROAD SERVICE AREA (RSA 21) - Big Lake**

<b>SCHEDULE C: PUBLIC CONSTRUCTION</b>					
<b>Item No.</b>	<b>Work Description</b>	<b>Pay Unit</b>	<b>Est. Quant.</b>	<b>Unit Price</b>	<b>Total Bid Amount</b>
202(4)	REMOVAL OF CULVERT PIPE	LINEAR FOOT	200	\$ 75.00	\$ 15,000.00
203(3)	UNCLASSIFIED EXCAVATION	CUBIC YARD	1,310	\$ 29.00	\$ 37,990.00
203 (27)	DITCH LINEAR GRADING	STATION	178	\$ 874.00	\$ 155,572.00
301(4)	AGGREGATE SURFACE COURSE, GRADING E-1	CUBIC YARD	890	\$ 32.00	\$ 28,480.00
302(2)	AGGREGATE FOR SUBGRADE MODIFICATION	CUBIC YARD	1056	\$ 30.00	\$ 31,680.00
302(3)	PROCESSING FOR SUBGRADE MODIFICATION	STATION	5	\$ 1800.00	\$ 9,000.00
303(1)	RECONDITIONING	STATION	101	\$ 320.00	\$ 32,320.00
401(18)	REPAIR UNSTABLE PAVEMENT	SQUARE YARD	270	\$ 49.00	\$ 13,230.00
603(1-12)	CSP 12 INCH	LINEAR FOOT	470	\$ 140.00	\$ 65,800.00
603(1-18)	CSP 18 INCH	LINEAR FOOT	120	\$ 180.00	\$ 21,600.00
603(1-24)	CSP 24 INCH	LINEAR FOOT	200	\$ 210.00	\$ 42,000.00
630(1)	GEOTEXTILE, SEPARATION	SQUARE YARD	840	\$ 3.00	\$ 2,520.00
640(1)	MOBILIZATION AND DEMOBILIZATION	CONTINGENT SUM	ALL REQ'D		\$12,000.00
641(5)	EROSION AND SEDIMENT CONTROL BY DIRECTIVE	CONTINGENT SUM	ALL REQ'D		\$500.00
643(2A)	TRAFFIC MAINTENANCE	CONTINGENT SUM	ALL REQ'D		\$6,000.00
643(15A)	FLAGGING	CONTINGENT SUM	ALL REQ'D		\$1,040.00
800(1)	INTERIM WORK AUTHORIZATION	CONTINGENT SUM	ALL REQ'D		\$12,000.00
<b>SUBTOTAL BID (SCHEDULE C)</b>				<b>\$</b>	

  
 Signature \_\_\_\_\_  
  
 Company Name \_\_\_\_\_

Date 3/4/24

**SOLICITATION #24-101B**  
**Annual Road Maintenance**  
**ROAD SERVICE AREA (RSA 21) - Big Lake**

EQUIPMENT RATE SCHEDULE FOR ADDITIONAL WORK			Contractor Hourly Rates
Equipment Description	Pay Unit	MSB HOURLY RATE	
MOTOR GRADER 150 HP	HOUR	\$165	\$ 225.00
D3 CATERPILLAR OR EQUAL DOZER WITH 6-WAY BLADE	HOUR	\$125	\$ 210.00
WHEEL LOADER 4 YD ARTICULATING	HOUR	\$125	\$ 225.00
DUMP TRUCK 10 YD TANDEM AXLE	HOUR	\$125	\$ 205.00
CATERPILLAR 315 OR EQUAL EXCAVATOR 1/2 YD BUCKET	HOUR	\$150	\$ 245.00
CATERPILLAR 330 OR EQUAL EXCAVATOR 1-1/2 YD BUCKET	HOUR	\$150	\$ 290.00
SELF PROPELLED VIBRATORY COMPACTOR 60 IN DRUM	HOUR	\$100	\$ 185.00
TRACTOR, 2 AXLES WITH TRAILER (14 WHEELS)	HOUR	\$100	\$ 190.00
TRACTOR, 2-AXLES WITH TRAILER (18 WHEELS)	HOUR	\$100	\$ 200.00
ROADSIDE BRUSHING TRACTOR WITH ARTICULATING BOOM	HOUR	\$100	\$ 185.00
MOTORIZED VACUUM STREET SWEEPER	HOUR	\$140	\$ 195.00
COMBINATION VACUUM TRUCK	HOUR	\$350	\$ 490.00
LABORER, GENERAL	HOUR	\$75	\$ 100.00

Signature 

Date 3/4/24

Company Name MYKEMA BROS. PAVING Co, Inc.

**BID FORM  
SOLICITATION #24-101B  
Annual Road Maintenance  
ROAD SERVICE AREA (RSA 21) - Big Lake**

By signing below, the Bidder is hereby certifying to the following:

1. The Bidder has carefully examined the bid documents for the solicitation number and agrees to perform all specified services for the sum(s) provided above.
2. The individual signing below, or the firm association or corporation of which they are a member, has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with this solicitation.
3. The individual signing below is authorized by the firm association or corporation to bind such association or corporation to a legal contract.
4. The individual signing below, or the firm association or corporation of which they are a member, is not debarred or suspended from doing business with the Matanuska-Susitna Borough.
5. They are acknowledging receipt of the following Addenda Numbers (if no addenda have been issued, either leave blank or write "N/A"):

Addenda numbers being acknowledged: <u>          #1          </u>
---

Mckenna Brothers Paving

Company Name

P.O. Box 240007

Mailing Address

Anchorage Alaska 99524

City, State and Zip Code

Matthew Mckenna

Contact Person (printed or typed)

907-272-0909

Phone Number

907-272-9990

Facsimile Number

3/5/2024

Date



Signature

Matthew Mckenna

Printed (or typed) Name

Vice President

Title (printed or typed)

mckennabrotherspaving@gmail.com

Email Address

AKBL # 269530    CONS 25677

State and Specialty License Numbers

<p>It shall be the responsibility of the Bidder to see that their bid is received before the date and time fixed for bids due.</p>	<p>To be considered responsive, Bidders should include the following with their bid:</p> <ul style="list-style-type: none"> <li>✓ Signed Bid Form (acknowledging Addenda if applicable)</li> <li>✓ Other Items required in Instructions to Bidders &amp; Specifications/Scope of Work</li> </ul>
--	--