

SUBJECT: Award of bid number 26-106B to McKenna Brothers Paving, Inc. for the contract amount of \$832,815.50 to provide RSA 9 Midway Annual Road Maintenance.

AGENDA OF: March 17, 2026

ASSEMBLY ACTION:
 Adopted without objection and Assemblymember Sumner recused
 03/18/29 - EMW

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To:	Signature
Purchasing Director	X Rustin Krafft <small>Signed by: Rustin Krafft 2/27/2026</small>
Public Works Director	X Tom Adams, P.E. <small>Signed by: Tom Adams 2/27/2026</small>
Finance Director	X Cheyenne Heindel <small>Signed by: Cheyenne Heindel 3/3/2026</small>
Borough Attorney	X Nicholas Spiropoulos <small>Signed by: Nicholas Spiropoulos 3/3/2026</small>
Borough Manager	X Michael Brown <small>Signed by: Mike Brown 3/3/2026</small>
Borough Clerk	X Lonnie McKechnie <small>Signed by: Lonnie McKechnie</small>

ATTACHMENT (S): Analysis Sheet (1p)
 Scope of Work (2p)

SUMMARY STATEMENT: On January 21, 2026, the Matanuska-Susitna Borough Purchasing Division issued a solicitation requesting bids from qualified contractors to perform annual road maintenance for Road Service Area (RSA) 9, Contractors are to provide services to the Borough for all road assets approved for maintenance within the Road Service Area (RSA). Contract Services are comprised of three general activities: Routine Maintenance, Periodic Maintenance, and Public Construction. Services purchased will support the Public Works Department in assembly districts #2,#3 and #4.

In response to the advertisement, three bids were received. Award recommendation is being made to McKenna Brothers Paving, Inc. as the lowest responsive and responsible bidder based on Total Bid Amount.

The total award amount is based on the cost of Annual Routine Maintenance (basic summer and winter maintenance) Periodic Maintenance (Cracksealing, Striping, etc.) and Public Construction.

The amount represented in this legislation is broken down as follows:

Routine Maintenance	\$538,113.00
Periodic Maintenance	\$ 44,490.00
Public Construction	\$250,212.50

Public Construction and Periodic Maintenance are done through issuance of individual task orders on an as-needed basis under the 3-year work plan.

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.

The Public Works Department, Operations & Maintenance Division, will be administering the contract.

RECOMMENDATION OF ADMINISTRATION: Approve the subject action memorandum.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: March 17, 2026

SUBJECT: Award of bid number 26-106B to McKenna Brothers Paving, Inc. for the contract amount of \$832,815.50 to provide RSA 9 Midway Annual Road Maintenance.

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED \$832,815.50*	FUNDING SOURCE FY2027 Midway RSA Operating Budget
FROM ACCOUNT # 270.000.000 4xx.xxx	PROJECT
TO ACCOUNT :	PROJECT #
VERIFIED BY: <u>X</u> <u>Liese I Zanto</u> <small>Signed by: Liese I Zanto</small>	CERTIFIED BY:
DATE:	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Personnel Services						
Travel						
Contractual		832.8				
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING		832.8				

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

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

FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		832.8				
TOTAL		832.8				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) ***Pending adoption of FY2027 Budget**

PREPARED BY: _____ PHONE: _____

DEPARTMENT: _____ DATE: _____

 Recoverable Signature

X Cheyenne Heindel

APPROVED BY: _____ DATE: _____

Signed by: Cheyenne Heindel

BID ABSTRACT
26-106B RSA 9 Midway Annual Road Maintenance

Bid Date: February 13, 2026

CONTRACTOR:	Red Valley Services, LLC	McKenna Brothers Paving	Big Dipper Construction, Inc.
SCHEDULE A - ROUTINE MAINTENANCE	\$519,000.00	\$688,713.00	\$812,235.00
DEDUCTIVE ALTERNATE 1 SCHEDULE A	\$50,200.00	\$150,600.00	\$82,830.00
SCHEDULE B - PERIODIC MAINTENANCE	\$205,860.00	\$133,470.00	\$248,800.00
SCHEDULE C - PUBLIC CONSTRUCTION	\$376,385.00	\$250,212.50	\$517,385.00

* See Note #1 *

TOTAL BID ZONE AMOUNT	\$913,805.00	\$832,815.50	\$1,329,723.33
-----------------------	--------------	--------------	----------------

Note #1: Total Bid based on Schedule A minus Deductive Alternate plus (Schedule B divided by 3) plus Schedule C

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. If the RSA contains a maintenance agreement with another entity (i.e. DOT, City of Wasilla, etc) that divides maintenance responsibilities, the contractor will be notified and respective maintenance will follow terms and definitions of this contract for the respective agreement.
- 2.2 Services.** The Contractor shall provide services to the Borough for all road assets approved for maintenance within the RSA to their classification 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 is the daily monitoring of road assets and the work required to conform to the Specifications for Road Maintenance.
 - 1. Routine Maintenance 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 must be timely completed which requires a written Task Order from the Borough prior to commencing work. The amount of the PO cannot be exceeded without the Borough's written approval.
 - 2. Periodic Maintenance 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 Periodic Maintenance will be reallocated every contract year by the Borough 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 Task Order from the Borough prior to commencing work. The amount of the Task Order cannot be exceeded without the Borough's written approval.

2. The annual quantity of Public Construction will be allocated 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. All Public construction, no matter the value of the Task Order, shall not pay less than the current prevailing wage rates as described in Alaska Statute 36.05.
5. Public Construction 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 the Contractor a Three-Year Anticipated Work Plan in a format determined by the Borough:

- A. By no later than 90 days after a complete Startup Condition Assessment has been received from the Contractor for the first contract year.
- B. Each year thereafter on or before March 1 of each contract year (if the contract is renewed).

2.4 Additional Work. The Borough may request Contractor to perform additional work. Contractor may 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.

- 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 Additional 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 the total amount the Borough will pay under every circumstance covered by this contract.

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 or specifically identified within this contract 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.