



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: January 24, 2022

RE: **Exempting the Procurement of an Asphalt Reclaimer from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code, KM International**

In adopting the 2022 General Government Operating and Capital Budget, the City Council appropriated \$100,000 to the Public Works - Streets Division's Asphalt Reclaimer capital improvement account for the replacement of a 1990s asphalt recycler. The motion detailed below was prepared at the request of Engineering Division Contracts/Grants Administrator Bob Diaz, who asked that it be placed before the City Council for consideration at its meeting of February 3, 2022. If adopted, the motion provides for exempting the procurement of an asphalt reclaimer from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing the purchase of the equipment from KM International of North Branch, MI at a cost not to exceed \$99,984.53.

Subparagraph 9 of Section 3.12.050(a) of the Ketchikan Municipal Code provides for exempting the purchase of such equipment from competitive bidding/quotation when:

"When it is advantageous to the city to enter into a contract with a person, firm or corporation for the same supplies or services under substantially the same terms as such person, firm or corporation is providing another municipal or state government, or the United States, where such supplies or services are being provided the other government unit on the basis of formal bids, price quotations or other competitive proposal procedure or pursuant to a contract with or through such other government unit so that the benefit of the price quotation or other competitive proposal accrues to the city;"

The rationale for the exemption is detailed in Mr. Diaz's transmittal memorandum and needs no elaboration on the part of the City Manager's Office. I concur with the Contracts/Grants Administrator's recommendation. The Sourcewell contract that provides for this price through purchase with KM International falls within the above referenced section of the KMC.

The Acting Public Works Director and Mr. Diaz will be attending the City Council meeting of February 3, 2022, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

Pursuant to subparagraph 9 of Section 3.12.050(a) of the Ketchikan Municipal Code, it is recommended the City Council adopt the motion exempting the procurement of an asphalt reclaimer for the Public Works – Streets Division from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; approving the purchase of the new asphalt reclaimer from KM International of North Branch, MI under Sourcwell Contract No. 080521-KMI at a cost not to exceed \$99,984.53; approving funding in the amount of \$99,984.53 from the Public Works – Streets Division's 2022 Asphalt Reclaimer capital improvement account; and directing the Acting City Manager to execute the contract documents on behalf of the City Council.

Recommended Motion: Pursuant to subparagraph 9 of Section 3.12.050(a) of the Ketchikan Municipal Code, I move the City Council exempt the procurement of an asphalt reclaimer for the Public Works – Streets Division from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; approve the purchase of the new asphalt reclaimer from KM International of North Branch, MI under Sourcwell Contract No. 080521-KMI at a cost not to exceed \$99,984.53; approve funding in the amount of \$99,984.53 from the Public Works – Streets Division's 2022 Asphalt Reclaimer capital improvement account; and direct the Acting City Manager to execute the contract documents on behalf of the City Council.

MEMORANDUM

TO: Lacey Simpson, Acting City Manager

CC: Joe Nall, Public Works - Streets Division Supervisor

FROM: Bob Diaz, Contract/Grants Administrator

VIA: Kara Jurczak, P.E., Acting Public Works Director

DATE: January 21, 2022

SUBJECT: 2022 CIP – Public Works – Streets – Asphalt Reclaimer – KM International

In adopting the General Government 2022 Capital Improvement Program, the City Council appropriated \$100,000 to the Streets Division (See Attachment 1) for the replacement of a late 1990s' era Asten Cook Asphalt Recycler that is at the end of its useful life.

The new Reclaimer will be a KMI T-2 Asphalt Recycler from KM International (North Branch, MI) that is diesel powered and features a higher capacity and the ability to be machine loaded. These features, along with many others, will substantially reduce the amount of time and effort needed to perform asphalt repairs (See Attachment 2).

The cost of the new Reclaimer is \$99,984.53 and is derived from contract (#080521-KMI) held by Sourcewell (formerly known as the National Joint Powers Alliance or NJPA). Sourcewell contracts are competitively bid and include multiple criteria in order to determine a successful bidder. The primary benefit of using a Sourcewell contract is that it eliminates the need for member clients to independently solicit and award contracts for common equipment, supplies, or services.

It follows then that this acquisition is in compliance with Ketchikan Municipal Code, Section 3.12.050(a)(9), which clarifies when 'competitive bidding or quotations are not required'.

"When it is advantageous to the city to enter into a contract with a person, firm or corporation for the same supplies or services under substantially the same terms as such person, firm or corporation is providing another municipal or state government, or the United States, where such supplies or services are being provided the other government unit on the basis of formal bids, price quotations or other competitive proposal procedure or pursuant to a contract with or through such other government unit so that the benefit of the price quotation or other competitive proposal accrues to the city"

If approved, it is anticipated that the new Reclaimer will be on site, personnel trained, and available for full operations by the end of April.

A motion has been prepared for City Council consideration.

RECOMMENDATION

Pursuant to subparagraph 9 of Section 3.12.050(a) of the Ketchikan Municipal Code, it is recommended the City Council adopt the motion exempting the procurement of (1) Asphalt Reclaimer from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorizing the purchase of such equipment from KM International at a cost of \$99,984.53 under Sourcewell Contract #080521-KMI; and directing the City Manager to execute the contract documents on behalf of the City Council.

Recommended Motion: Pursuant to subparagraph 9 of Section 3.12.050(a) of the Ketchikan Municipal Code, I move the City Council exempt the procurement of (1) Asphalt Reclaimer from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the purchase of such equipment from KM International at a cost of \$99,984.53 under Sourcewell Contract #080521-KMI; and direct the City Manager to execute the contract documents on behalf of the City Council.

Attachments:

1. City 2022 GG CIP, Page L-9
2. KM T-2 Asphalt Recycler Brochure
3. KMI Quote (Estimate # 32990, dated 1/11/22)

Date	Estimate #
1/11/2022	32990

Name / Address
CITY OF KETCHIKAN, ALASKA ATTN: STEVE LANGLEY 1315 TONGASS AVE. KETCHIKAN, AK 99901

Ship To
CITY OF KETCHIKAN 3915 TONGASS KETCHIKAN, AK 99901

P.O. No.	Terms	Rep	Delivery		
	Net 30 Days	MDM	PO+30 DAYS		
Item	Description	Qty	Cost	Total	
KM T2 C1M2	KM T-2 C1M2 ASPHALT RECYCLER TANDEM AXLE TRAILER MOUNTED W/ SCISSOR HOIST DUMP, 4 TON/HOUR CAPACITY, 700,000 BTU DIESEL FUEL HEATED, 898CC KUBOTA DIESEL POWERED ENGINE, 75 GALLON FUEL TANK	1	83,403.00	83,403.00	
ASPHALT CEMENT - PER BAG	ASPHALT CEMENT, 3.5 LB/BAG / 10 BAGS/BUCKET *MINIMUM SALES QTY. = 10 BAGS OR 1 BUCKET** (PRICE IS PER BAG)	140	11.25	1,575.00	
TRAINING - PROCESS	PROCESS REPAIR TRAINING ON SITE - 1 DAY ONSITE, 2 DAYS TRAVELING- 3 DAYS TOTAL	2	1,250.00	2,500.00	
TRAVEL SERVICE - STD	STANDARD TRAVEL SERVICE. RATE FOR ONE TECHNICIAN PER DAY INCLUDING TRAVEL DAYS. ARRANGED 10 BUSINESS DAYS IN ADVANCE	1	2,000.00	2,000.00	
	QUOTED USING SOURCEWELL CONTRACT 080521-KMI				
HANDLING	HANDLING/PACKAGING AND/OR CRATE CHARGES	1	150.00	150.00	

Tax Indemnification. Buyer shall pay, and indemnify and hold Seller, and its Affiliates, and all officers, directors, employees and agents harmless from and against, any taxes that may at any time be asserted in respect of the transactions described in this purchase order, or the Buyer's use or possession of the equipment that is the subject of this purchase order (including any sales, use, receipts, value added, occupation, excise, personal property, privilege or license taxes, or any withholdings, but not including taxes imposed upon Seller with respect to its overall net income) and costs, expenses and reasonable counsel fees in defending against the same, whether arising by reason of the Buyer's purchase, use or possession of the equipment or otherwise.

Total

Phone #	Fax #
(810) 688-1234	(810) 688-8765

Quoted By: _____

Accepted

Date	Estimate #
1/11/2022	32990

Name / Address
CITY OF KETCHIKAN, ALASKA ATTN: STEVE LANGLEY 1315 TONGASS AVE. KETCHIKAN, AK 99901

Ship To
CITY OF KETCHIKAN 3915 TONGASS KETCHIKAN, AK 99901

P.O. No.	Terms	Rep	Delivery	
	Net 30 Days	MDM	PO+30 DAYS	
Item	Description	Qty	Cost	Total
FREIGHT - NORTH BRANCH	FOB - DOOR NORTH BRANCH, MI 48461 TO DOOR 99901 - PICKED UP WOULD BE FROM KETCHIKAN DOCK WILL CALL	1	10,356.53	10,356.53

Tax Indemnification. Buyer shall pay, and indemnify and hold Seller, and its Affiliates, and all officers, directors, employees and agents harmless from and against, any taxes that may at any time be asserted in respect of the transactions described in this purchase order, or the Buyer's use or possession of the equipment that is the subject of this purchase order (including any sales, use, receipts, value added, occupation, excise, personal property, privilege or license taxes, or any withholdings, but not including taxes imposed upon Seller with respect to its overall net income) and costs, expenses and reasonable counsel fees in defending against the same, whether arising by reason of the Buyer's purchase, use or possession of the equipment or otherwise.

Total \$99,984.53

Phone #	Fax #
(810) 688-1234	(810) 688-8765

Quoted By: _____

Accepted _____



1 12" LOAD OPENING FOR ASPHALT MATERIAL

2 INSULATED ASPHALT HEATING DRUM

3 LOADING CHUTE HYDRAULICALLY CONTROLLED

4 EXHAUST STACK

5 ACCESS DOOR FOR EASY MAINTENANCE

6 21HP KUBOTA DIESEL ENGINE

7 8" CHANNEL STEEL FRAME

8 HYDRAULIC CONTROL PANEL

FEATURES:

- > **COST SAVINGS:** Asphalt for \$15-25 a ton compared to \$60-75 at the plant or \$110 + for cold patch.
- > **EFFICIENCY:** Produces a load of 2,600Lbs. every 15-20 minutes or Approx. 4 tons/hr.
- > **RELIABILITY:** Recycle millings into plant quality or better mix year round. *NO DIRECT FLAME IMPINGEMENT ON MATERIAL.*
- > **GREEN PROCESS:** No longer do you have to throw out old chunks or millings.
- > **VERSATILITY:** Ability to add as much or as little asphalt cement as you want to completely customize you mix design.
- > **EASE OF USE:** Easy to use controls and operating features.

Ready to Buy or Have Additional Questions? 800-492-1757 | sales@kminternational.com



Department: Public Works - Streets			Project Priority: 8			Project Number:				
Project Title: Asphalt Reclaimer			Start Date: 01/22			Estimated Project Cost:				
Description:			End Date: 12/22			Design				
<p>This would fund the purchase of a replacement asphalt reclaimer for portable on-site asphalt recycling. The current reclaimer is at the end of its useful life, and parts are no longer available. The replacement machine would be a KM BIG A T2 Asphalt Recycler (or similar), which is made in America. It features 4-times greater production per hour, is trailer mounted, diesel powered, and machine loaded. When allowed to efficiently recycle asphalt in-house, the savings is nearly ten-fold over hiring a paving contractor to perform basic road repairs. This is an essential piece of equipment.</p>						Land/Right-of-Way				
						Construction Management				
						Construction				
						Equipment				
						100,000				
						Other				
						Project Total				
						100,000				

Source of Funds	Fund No.	Prior Years	Adopted 2022			Projected Requirements				Total Project
			Reappro- priated	New Funding	Total	2023	2024	2025	2026	
Public Works Sales Tax Fund	111			100,000	100,000					100,000