

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2016-36

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE CITY MANAGER TO WAIVE THE COMPETITIVE BID PROCESS AND PURCHASE A 2016 LINKBELT 248HSL 200 TON CRANE

WHEREAS, the Manitowoc 4000W S/N 40148 is the main crane that is used at the City Dock for off-loading barges is inoperable with a cost of \$190,000 to repair; and

WHEREAS, staff was able to identify seven cranes in that would fit our needs in Dutch Harbor, Ohio, North Dakota, Texas and Seattle with the prices ranging from \$520,000 - \$1.5 Million; and

WHEREAS, the crane that staff is recommending is to purchase rather than repair the current crane is in Seattle, with Construction Machinery Industrial, LLC (CMI) for \$1.5 Million landed in Dillingham; and

WHEREAS, the crane is a 2016 LinkBelt 248 HSL 200 ton crane and will be able to be put on the June 6th barge and be here before the busy fishing season; and

WHEREAS, CMI has agreed to send the crane to us with \$300,000 down and will carry the note for us for 90 days; and

WHEREAS, the down payment of the crane will be charged to the Dock Enterprise Fund which has an unaudited balance of \$1,170,747 as of March 31, 2016; and

WHEREAS, staff has contacted Alaska USA Federal Credit Union, Wells Fargo and Denali Credit Union and identified loans for \$1.2 Million @ 4 – 8% rate; and

WHEREAS, a response from Alaska USA Federal Credit Union for a 7 year loan with an approximate annual payment of \$200,000 a year; and

WHEREAS, communication with Wells Fargo is wanting to offer a seven year lease, with interest less than four percent and a bargain purchase option at the end of the lease and will provide a final quote later in the week; and

WHEREAS, staff will finalize a loan or lease with the bank that provides us the best deal for the total purchase within 90 days; and

WHEREAS, the old crane will be put out to bid and sold to the highest bidder; and

WHEREAS, Dillingham Municipal Code (DMC) 4.30.120, allows waiving of purchase restrictions if the City Council finds that it is not in the public interest to follow the procurement procedures as established for the contracting of professional services, the

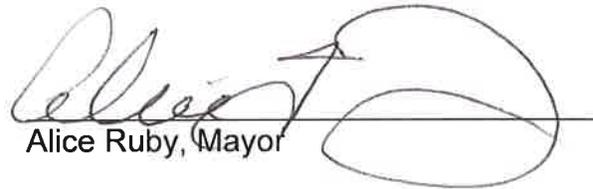
City Council may, following approval of a resolution stating such, proceed to negotiate with a selected supplier or suppliers for subject services; and

WHEREAS, the waiver is based on the criteria outlined in DMC 4.30.130, Exemptions, A. 3, to supplies, materials, equipment or contractual services which can only be furnished by a single dealer, or which has a uniform published price;

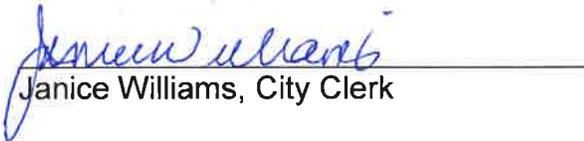
NOW, THEREFORE, BE IT RESOLVED that the City Council authorizes the City Manager to waive the competitive bid process and purchase the 2016 LinkBelt 248 HSL 200 ton crane for \$1.5 million from Construction Machinery Industrial, LLC putting \$300,000 down and financing the balance and putting the old crane up for bid.

PASSED and ADOPTED by the Dillingham City Council on May 31, 2016.

SEAL:


Alice Ruby, Mayor

ATTEST:


Janice Williams, City Clerk