

**PENDING**

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Action:

**MATANUSKA-SUSITNA BOROUGH  
RESOLUTION SERIAL NO. 16-015**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE SCOPE OF WORK AND BUDGET FOR THE M/V SUSITNA FERRY ENGINE REPAIRS, PROJECT NO. 70013; AND AUTHORIZATION TO ENTER INTO A CONTRACT WITH ASSOCIATED MARITIME PROVIDERS, INC. IN THE AMOUNT OF \$1,993,488.00.

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WHEREAS, in January 2015, as a result of an extreme rain event in Ketchikan, the M/V Susitna engines and turbo chargers suffered significant damage when water entered through the exhaust towers; and

WHEREAS, funding is needed to affect the repairs totaling \$3,093,488; and

WHEREAS, the Matanuska-Susitna Borough Resolution Serial Number 15-105 authorized \$1,100,000 for engine repairs at Ward Cove, Ketchikan, Alaska and

WHEREAS, the Matanuska-Susitna Borough received a \$250,000 deposit from the Philippine Red Cross as down payment on the sale of the ferry vessel, M/V Susitna; and

WHEREAS, \$850,000 was appropriated from fund 100, areawide repair and renovations reserve and transferred to fund 450, for M/V Susitna Ferry engine repairs, project no. 70013; and

WHEREAS, our insurance company, Lloyd's of London sent a senior adjustor to re-evaluate the required repair and he determined the vessel needed to be dry docked and the engines

removed for repair at an approved fabrication facility in Kent, Washington; and

WHEREAS, the \$850,000 prior appropriation combined with the \$250,000 purchase deposit from the Philippine Red Cross and this appropriation of \$1,993,488 will total \$3,093,488 needed to complete the engine repairs; and

WHEREAS, prior to the sale of the M/V Susitna, major repairs to the diesel engines must be completed; and

WHEREAS, quotes were solicited through Associated Maritime Providers, Inc. from two qualified ship yards, Foss Maritime and Vigor Alaska; and

WHEREAS, contractors were required to use the same certified engine repair contractor and the differences in price were attributed to location and overhead costs; and

WHEREAS, Associated Maritime Providers submitted the least costly bid at \$3,093,488; and

WHEREAS, the Matanuska-Susitna Borough has a contract to sell the M/V Susitna to the Philippine Red Cross and we are owed \$1.5 million at closing, which could be used to help pay for the cost of the engine repairs; and

WHEREAS, Matanuska-Susitna Borough will submit a claim to our insurance company, Lloyd's of London, for the full amount of the repairs, minus the \$250,000 deductible which was paid with

the purchase deposit, upon completion of the repairs and sea trial.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly approves the scope of work for the M/V Susitna Ferry Engine Repairs, Project No. 70013.

SCOPE OF WORK

Repair the M/V Susitna ferry using funds identified in Ordinance Serial No. 16-....

BUDGET

Project No. 70013  
M/V Susitna Ferry  
Engine Repairs

Deposit from Philippines Red Cross	\$250,000
Major Repair and Renovations Reserve, Fund 100	\$870,000
Land Management Permanent Fund 450	<u>\$1,993,488</u>
TOTAL	\$3,093,488

FURTHER BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly Authorizes a contract with Associated Maritime Providers, Inc. for repairs to the M/V Susitna engines in the amount of \$3,093,488.

ADOPTED by the Matanuska-Susitna Borough Assembly this - day of February-, 2016.

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VERN HALTER, Borough Mayor

ATTEST:

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LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)