



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99687
PHONE: (907) 373-9050
FAX: (907) 373-0788

COUNCIL MEMORANDUM NO. 91-98

FROM: Mayor Stein

DATE: December 5, 1991

RE: Senior Center Addition Grant Agreement

Following Council adoption of Resolution WR91-42 (Substitute) on September 9, 1991, WASI, staff and Attorney Deuser have continued to seek the most mutually beneficial agreement for the construction grant administration. Staff is concerned with legalities and potential costs to the City. WASI seeks to maximize the value of the grant for the \$350,000 project.

The possible financial impact to the City, should it be required to satisfy possible labor claims, could amount to 30% of anticipated labor costs of \$175,000 or \$52,000. Impact to the City for bidders lost profit claims could amount to 10% of the total project cost of \$350,000 or \$35,000. Potential workman's comp claims have not been quantified. Non-city sources of funds might be available to deal with such claims.

After reading Mr. Deuser's memo, the Council may wish to re-state direction to the administration. Options include the following:

- (A) City administer the construction project.
- (B) WASI administer construction project
 - (1) 20% state advance with state progress payments.
 - (2) City advance funds from treasury and reimburse with state grant.
 - (3) Retain funds for possible claims.
- (C) WASI administer with protections for City
 - (1) Require worker's comp insurance.
 - (2) Follow Title 36 public contracts.
 - (3) Contractors' license and bond required.
 - (4) Payment and performance bonds.
 - (5) Competitive bid required.
 - (6) Interest paid on retainage.
 - (7) Municipal code appropriation and purchasing requirements.

The Council may wish to select from among the options.

John C. Stein, Mayor



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Requested By: Councilman
McCarthy
Prepared By: Municipal
Services

RESOLUTION NO. WR91-42 (SUBSTITUTE)

A RESOLUTION OF THE CITY COUNCIL OF WASILLA, ALASKA AUTHORIZING A TRANSFER OF RESPONSIBILITY AGREEMENT (TORA) FROM THE CITY OF WASILLA TO THE WASILLA AREA SENIORS, INC. FOR ADMINISTRATION OF MG #2/92-18.

WHEREAS, the Wasilla Area Seniors, Inc. (W.A.S.I.) wrote a grant request to the Alaska Legislature for construction of an addition to the Floyd D. Smith Senior Center (aka Wasilla Senior Center); and

WHEREAS, the Alaska Legislature appropriated \$153,000.00 to the City of Wasilla for construction of Phase I of an addition to the Wasilla Senior Center; and

WHEREAS, construction of the Wasilla Senior Center was funded by the State of Alaska on land leased by WASI from the City of Wasilla; and

WHEREAS, THE Wasilla Senior Center is operated by the Wasilla Area Seniors, Inc. (WASI), a 501(c)(3) not-for-profit corporation; and

WHEREAS, the WASI, in public testimony at the July 22, 1991 City Council meeting, has asserted its capacity to legally and efficiently administer the grant and construction of the addition; and

WHEREAS, the City must assure that grant funds are expended under the State's required conditions, policies and procedures; and

WHEREAS, the City of Wasilla wishes to cooperate with the WASI to maximize the benefit of the state grant minimizing administrative costs;

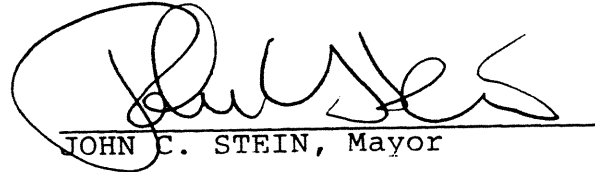
NOW, THEREFORE BE IT RESOLVED by the Wasilla City Council that the Mayor is authorized to enter into an agreement with Wasilla Area Seniors, Inc. for administration of MG #2/92-18 which provides, among other things, that:

- (1) the City waives its normal grant administration fee;
- (2) a 20% initial payment be made to WASI and the remainder of the grant disbursed on a documented submittal basis; and

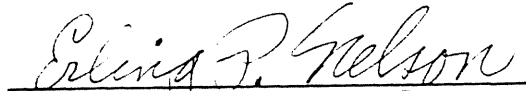
- (3) the final 20% disbursement of the grant award to the contractor will be retained until such time as all Department of Labor requirements, materials liens, sub-contractor liens or other claims against the project are satisfied without additional cost to Wasilla Area Seniors, Inc. or the City of Wasilla.

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 9th day of September, 1991.

APPROVED:


JOHN C. STEIN, Mayor

ATTEST:


ERLING P. NELSON, CMC
City Clerk

(SEAL)