



**CITY OF THORNE BAY  
RESOLUTION 22-03-01-04**

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ACCEPTING BIDS AND APPROVING A CONTRACT WITH NEWLOOK CONSTRUCTION LLC, OWNED BY COUNCIL MEMBER SHANE NYQUEST, FOR INSURANCE RELATED WORK FOR REPAIRING THE DAMAGES TO THE CITY SHOP AS REQUIRED BY CITY CODE AND WAIVING THE PROCUREMENT PROCEDURES REQUIRING FORMAL COMPETITIVE BIDDING.

**WHEREAS**, the City Council is the governing body for the City of Thorne Bay; and

**WHEREAS**, the City incurred significant damage to its Streets and Roads Department shop due to a City vehicle crashing into it during the recent icy winter weather conditions; and

**WHEREAS**, The City filed an insurance claim with the City's insurer (AMLJIA) for repairs of the damages to the shop including the compressed air delivery system integrated into the shop building and the City's deductible is \$5,000; and

**WHEREAS**, per the request of AMLJIA Claims Adjuster, the City asked several local contractors for bids to repair the damage as a basis for the claim settlement amount and sent several reminders to try to invoke action to visit the shop, evaluate the damages and submit bids for repairs; and

**WHEREAS**, since none of the initial contractors contacted were interested in the work, considering they were unresponsive to the City's invitation, and a local City Council Member, Shane Nyquest, owns a construction company called NEWlook Construction LLC and being local to Thorne Bay and licensed to do this type of work the City asked Shane if he was interested in submitting a bid for the repairs; and

**WHEREAS**, NEWlook Construction LLC submitted the only viable bid of \$26,900, just for the building repairs, with an additional amount of \$9,770 for the replacement of the compressed air delivery system; and

**WHEREAS**, the AMLJIA Claims Adjuster accepted the bid for the building as sufficient for the settlement amount of the claim for damages to the building but agreed with the City Administrator to delay the claim settlement for the compressed air system until a more detailed inventory and assessment could be completed to settle as a

separate claim amount in the future once we have dismantled the system and have a better idea of potential damages; and

**WHEREAS**, per City Code 3.12.060, Approval of City Council Required – Procurements, procurements estimated at over \$25,000 require City Council approval; and

**WHEREAS**, per City Code 3.12.100, Competitive Procurement Procedure, contracts estimated at over \$25,000 are supposed to be competitively bid for adequate competition in seeking the best value for the City; and

**WHEREAS**, this is a unique situation where the City’s actual expenditure is limited to the deductible of \$5,000 and the rest of the procurement for repairs is covered by the City’s insurance provider, AMLJIA, and the insurer has accepted the City’s only bid for payment of the construction services needed for the repairs; and

**WHEREAS**, time is of the essence and the City has no reason to believe that spending the additional time and effort involved with bidding the project competitively would result in any more responsiveness or more favorable bids and will have sufficient insurance funds to accept the bid from NEWlook Construction LLC and move forward with an award of a contract for the building repairs only; and

**WHEREAS**, per City Code 2.04.075, Contractual Services by Council Members, a City Council Member may provide contractual services to the city if approved by the Mayor and City Council; and

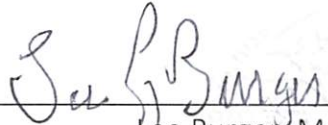
**WHEREAS**, per City Code 2.04.080, Conflicts of Interest, a City Council Member or employee of the City must disqualify himself or herself from participating in any official action in which he or she has a substantial financial interest and thus would require Shane Nyquest to disqualify himself for this and future actions of the City Council as they may pertain to this matter if he wishes to remain eligible for potential contractual services being considered in this Resolution.

**NOW, THEREFORE, BE IT RESOLVED** the City Council for the City of Thorne Bay, Alaska, hereby accepts the bid from NEWlook Construction LLC as the basis for the insurance settlement amount and waives the requirement for formal competitive bidding for contracts over \$25,000 and approves the Mayor and City Administrator to award a contract for the shop repairs to NEWlook Construction LLC based on the value of the insurance claim settlement for the building only, so long as Council Member Shane Nyquest disqualify himself from taking any official action on this matter now and forever; and

**BE IT FURTHER RESOLVED**, the Thorne Bay City Council authorizes the mayor to sign any and all awards, insurance agreements, contracts, change orders or other such

future documents related to this project so long as they are covered by the insurance settlement budget and connected with this same insurance claim and covered event.

**PASSED AND APPROVED** this 1<sup>st</sup> day of March 2022, by a duly constituted quorum of the Thorne Bay City Council with a vote of 6 Yeas and 0 Nays and 1 Abstained.

  
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Lee Burger, Mayor

ATTEST:

  
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Teri Feibel, CMC