

Erle Mathis
Acting Director

July 29, 1965

Claud M. Hoffman

Justification for Road Contract
with Don H. Clark & Son Construction

Submitted herewith for your signature and approval as the Acting Director are two contract documents. One contract document dated July 27th with Don H. Clark & Son Construction and one dated July 28, 1965 with Don H. Clark & Son Construction.

These are negotiated road contracts which the Director has the authority the negotiate up to \$1,000 directly with the contractor. The contract dated July 27th is for right-of-way clearing and grubbing of approximately 2.4 acres of land included within the right of way of an access road into Benka Lake, Alaska Subdivision. Inasmuch as this \$980 figures out to be \$410 per acre, this is a very good price. Comparable clearing for homesteads and roads in the area ranges anywhere from \$350 to \$900 per acre. A direct example is the clearing and grubbing within the Willow Townsite, Alaska Subdivision which was a bid item that went for \$925 per acre. Another comparable for further justification was the clearing within the Zodiac Manor, Alaska Subdivision which went for \$744 per acre. Therefore after considering the area and the data, I considered it in the best interests of the state to proceed with direct negotiations for this contract as we can negotiate it for less than \$1,000 which is a statutory limitation without going to bid. The basic reason for the price is due to the fact that the construction firm has the equipment in the immediate area working on road improvements into the homestead and to a possible saw mill site.

The contracted dated July 28th with Don H. Clark & Son Construction is for the grading and drainage of approximately 2590 linear feet of state land access into the Benka Lake, Alaska Subdivision. This grading and drainage will also include at its terminus, which is on the bank of Benka Lake, an area which will be adequate for launching boats into the Lake. Justification for directly negotiating this contract was that if this item were to go to bid, we feel that it would be considerably higher for the grading and drainage than the \$820 which was the negotiated price for the approximately one-half mile of road. This includes a gravel base, all-weather road. This figures to be \$1,663 per mile which is considerably less than the majority of our street improvement projects where we have an all weather type of road with a gravel bed.

Attachments