

## Visiting Our Port



THE JAPANESE FREIGHTER Shinsei Maru is unloading about 4,000 tons of general cargo at the Port of Anchorage dock. The vessel, which arrived over the weekend, is the first Japanese general cargo ship to put into Anchorage this year. The Shinsei Maru's cargo includes everything from reinforcing steel, pipe, pre-finished paneling and nails to pianos and chinaware. Port officials say the next Japanese general cargo vessel probably would put in early in July, though no definite arrival date has been set. (Daily Newsphoto)

## Council Votes To Reject Port Work Low Bid

By BOB MILLER  
Times Staff Writer

The City Council met twice Tuesday and finally decided, on a 4-3 vote, to reject the lowest bid submitted for construction of an extension to the dock at the Port of Anchorage.

The low bid, \$1,317,956, was submitted by J. R. Clinton Co. Inc. and Associates who offered to do the job with Alaska Plumbing and Heating.

Other bids on the project will be considered Tuesday night. The next lowest bid, \$1,339,500, was submitted by Morrison-Knudsen, an international construction firm with headquarters in Boise, Idaho.

Former City Manager Ben Marsh had recommended against awarding the contract to Clinton. He urged the council to wait until next Tuesday in order to get more information from Morrison-Knudsen, a firm he said appeared to be a "stronger contractor."

J. R. Clinton, who attended the meeting Tuesday night with his attorney, said today, "The council took action against me without giving me time to make a presentation."

Clinton answered questions put to him by the council, but he said he also was prepared to make a presentation in support of his bid.

"We weren't given the opportunity to say one damned thing," he said.

Following a noon meeting, the city contacted George Treadwell, an engineer with Tippetts, Abbott, McCarthy and Stratton, the port's consulting engineers. He flew up from Seattle for the evening meeting, but he refused to advise the council as to which bid should be accepted.

"I have made no statement as to the qualifications of the contractors nor do I intend to make any," Treadwell said.

"Is that a normal practice?" asked Mayor George Sullivan.

"It's a safe one, your honor," the engineer replied.

A little later, City Manager Robert Sharp asked Treadwell, "If you were going to award the contract on your behalf, which of the two bids would you select?"

After a slight pause, Treadwell replied, "But I'm not making that decision, Mr. Sharp, so I don't have to make that decision here."

A shortage of funds for the dock extension project apparently is one of the reasons the council rejected Clinton's bid. The city has \$1,195,175 on hand for the construction but certain parts of the contract are payable from insurance funds the city received because of earthquake damage.

In Clinton's bid, the insurance money would amount to \$98,000 and the city would end up with \$1,293,334, an amount about \$25,000 short of Clinton's bid.

In the Morrison-Knudsen bid, the insurance money would total \$184,180 to give the city a total of \$1,379,354, or some \$40,000 in excess over the firm's bid.

The amount of the insurance money varies from bid to bid because each bid is submitted on a unit price basis. The unit prices naturally vary and only six units, or items, qualify for the insurance funds.

Altogether the city has \$1,584,174 in its bond funds but a total of \$389,000 has been reserved pending the outcome of possible litigation arising out of the first dock extension that was demolished because of severe ice damage.

In considering the new bids, the City Council decided neither Councilman Bill Besser or Richard Silberer had a conflict of interest involving J. R. Clinton Co. Inc. and Associates.

Marsh had pointed out that Besser serves as an accountant for the contractor and Silberer is affiliated with Hickel Investment Co., owner of Alaska Plumbing and Heating which bid the job with Clinton.

Silberer, vice president of Alaska Plumbing and Heating, said he didn't have any financial interest in the firm, but he abstained from voting on the matter because of his management affiliation. Besser said Clinton was merely one of his accounting clients and he declared he did not have a conflict of interest because he does not share in the profits of the firm.

Finally, after discussion of the two bids, Besser moved that Clinton's bid be accepted. Councilman Bernie Leonard seconded the motion.

Councilman Joe Yesenski explained he would vote against Clinton because he didn't feel the firm had enough experience to build a dock in Cook Inlet.

On the final vote, Councilman Joe Josephson, Besser and Leonard voted for Clinton. Councilman Richard Albers was absent.

The council also authorized the administration to borrow \$750,000 in tax anticipation notes from the First National Bank of Anchorage for an interest rate of 4.385 per cent.

It also okayed the issuance of \$1,790,000 in general obligation bonds when it approved the bid of Ebin Robertson and Co. Inc. of Minneapolis, Minn., who agreed to buy the bonds with an interest rate of 5.0942 per cent. It was the lowest of five bids submitted.

Anchorage Daily Times 15  
Wednesday, April 24, 1968

## Rebuilding City Dock Extension

By Bob Miller  
Times Staff Writer

AH, SPRING. AND the city's fancy turns once more to thoughts of building a dock.

Perhaps it's the time to go back a bit and look over what's happened in the past when the city's thoughts have turned to building a north extension to the dock at the Port of Anchorage. It's not exactly a happy history.

Back in March 1965 Anchorage voters went to the polls and approved a \$750,000 bond issue for construction of a 160-foot extension. By October of the same year some of the money had been spent but there was a change in plans and the city went back to the voters for \$3,200,000 to build a 600-foot extension. Voters gave their approval better than two-to-one.

So, in the last three years, Anchorage residents have approved the spending of \$3,950,000, all in general obligation bonds, for a dock extension. They don't have one yet.

There was an extension down there for awhile, but it only extended 140 feet. Built of steel and prestressed concrete, the extension failed to survive the winter of 1966-67. Workmen discovered in the spring it had been severely damaged by ice.

again making plans to proceed with building an extension. But it has to keep a careful eye on its pocketbook.

Of the \$3,950,000 that has been okayed by the voters, only \$1,195,175 actually is available now for building the extension. That amount can be supplemented by some insurance funds the city was given for earthquake damage but it is impossible to determine exactly how much because the amount varies from contract to contract because of a unit price setup.

Bond funds actually total \$1,398,604 and the amount jumps to \$1,584,174 with the addition of \$35,570 in interest and \$150,000 estimated for salvage recovery of dock materials left over from the last ill-fated extension attempt.

But of that amount there is \$389,000 the city can't spend yet. It is reserving \$89,000 for engineering and inspection, \$100,000 for possible litigation expense and \$200,000 that it might have to pay Swalling-General, the contractors who built the extension that was eventually demolished.

These reserve funds will have to be saved until the case of the demolished dock is brought to a close in court. And that could be several years from now.

THAT LEAVES \$1,195,175, an amount that is \$2,754,825 below the \$3,950,000 approved by Anchorage voters for a dock extension we have yet to see.

With that amount in hand, the city advertised for bids on the extension not long ago and received five. The lowest bid was \$1,317,956 from J. R. Clinton Co. Inc. and Associates and the next lowest came from Morrison-Knudsen, who said it would cost \$1,339,500 to build the dock extension.

With the lowest bid higher than the amount of money the city has in its account, the amount of insurance money available became very important indeed. The city administration said Clinton's bid would qualify for only \$98,160 in insurance money and the city would end up \$25,000 in the hole.

But the Morrison-Knudsen bid, said the city administration, would qualify for \$184,180 and the city would end up with \$40,000 to spare. The amounts vary because of the unit price differences in the individual bids.

Probably, the city could have avoided the problem had it told the contractors what its money situation was before taking the bids, but it failed to do so.

Clinton's low bid was turned down last week and the council turned its eyes toward Morrison-Knudsen.

If all the differences finally get worked out, it could be that construction on the extension will get under way this season. Just three years and over \$2 million late.

Anchorage Daily Times 23  
Wednesday, June 19, 1968

## \$5,000 Port Study Slated For Junkpile

Officials Say It Has  
Errors And Doesn't  
Support Their Case

By BOB MILLER  
Times Staff Writer

A \$5,000 economic impact study concerning a dock extension at the Port of Anchorage has been completed, but members of the Port Commission and other city officials are not satisfied with the results.

The report was done by Development Research Associates Inc., at a cost of \$5,000. The research firm was formed several years ago by Hugh Gellert and Ron Saroff and maintains an office at 801 F St. here.

The study has been severely criticized by the Port Commission, and City Manager Robert E. Sharp said this week the 27-page report probably will not be used for the city's application for federal funds to help in building the north dock extension at the port.

It won't be used, he indicated, because it contains several factual errors and it does not effectively support the theory that the extended dock will be a boon to the state's economy.

Instead, the city will use its own data and prepare its own backup material to accompany the application, Sharp said. City officials will meet with representatives of the Economic Development Administration this week to discuss the city's request for funds.

Hugh Gellert of Development Research Associates appeared before the City Council several weeks ago, while the study was still in progress, to report that his findings as of that time indicated the report might not be useable as supporting material for an application for federal funds. He asked the council if it wanted him to complete the study.

The council agreed that he might as well go ahead and complete the survey since about \$3,500 of the \$5,000 already had been spent.

Russ Painter, port director, outlined his objections to the report in a memo to the Port Commission late last month. He said the report was of "questionable value and far less than what we sought and contemplated would be received when the city entered into its Jan. 11, 1968 agreement with Development Research Associates."

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2—Anchorage Daily News, Wednesday, June 26, 1968



CONSTRUCTION on the new dock extension at the Port of Anchorage is progressing daily. Here two men work on the corner of the pier which will be rounded off and resurfaced. A jackhammer is used to break away the existing concrete and expose the steel ties. Then new concrete is dropped into a mold, giving the structure a new shape. (Daily Newsphoto by Robin Smith)

12 Anchorage Daily Times  
Thursday, June 27, 1968

## Expect Action From City On Dock Damage

Court action may begin this week with the city trying to recover over \$2 million in damages from the engineering firm and contractor involved in the ill-fated dock extension that was demolished last year because of severe ice damage.

Speculation that court action is pending began Tuesday night after the City Council met in an executive session "to discuss a legal matter concerning the port."

Attorney Ron Benkert and City Atty. Karl Walter Jr. remained in the council chamber after others left. Benkert is a partner in the law firm of McCutcheon, Groh and Benkert, special counsel for the city since it began planning possible litigation.

Just how the court action will be carried out is not certain. But probably the city will sue the engineering firm of Lounsbury, Sleavin and Kelly (LSK) or Swalling-General, the contractor, or both.

The city will be out to recover about \$2.8 million, roughly the amount spent on the partial dock extension that was damaged by ice in the winter of 1966-67. The damage was so extensive that the facility was demolished in the summer of 1967 and the city is going ahead with new construction.

Lounsbury, Sleavin and Kelly actually comprises two firms that worked together. Hewitt V. Lounsbury and Associates, a local surveying and engineering firm, worked jointly with Sleavin and Kelly, an engineering firm with offices here and in Seattle.

Swalling-General also is two firms that were engaged in a joint venture — Swalling Construction Co. of Anchorage and General Construction Co. of Seattle.

The city first began plotting its legal steps over a year ago after the City Council voted to fire Lounsbury, Sleavin and Kelly. The law firm of McCutcheon, Groh and Benkert later was retained by the city at the minimum bar fee of \$35-an-hour plus expenses, Walter said.

Litigation, once it begins, is expected to take about two years, not counting time for a possible appeal.

2 Anchorage Daily Times Tuesday, June 18, 1968



## TEST PILES DRIVEN FOR CITY DOCK EXTENSION

Jack Sproule, Morrison-Knudsen Co. surveyor, uses a level in checking test piles driven for the dock extension program at the Port of Anchorage. The test piles were driven to a distance of 261 feet for the 271-foot dock extension. Driving of the

actual piling is scheduled to start next week with the work being done by Associated Divers, working for M-K, the prime contractor on the \$1.3 million city port contract. The dock extension job is scheduled for completion in mid-November.