



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Meeting Agenda City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,
Benjamin Miyasato and Aaron Swanson*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Thursday, July 31, 2014

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

X. NEW BUSINESS:

[14-161](#)

Approve Kettleton Memorial Library notice of intent to award and project funding

Attachments: [MOTION Library Expansion](#)

[Assembly Memo Kettleton Approval to Issue NOITA](#)

XI. PERSONS TO BE HEARD:

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

XII. EXECUTIVE SESSION

XIII. ADJOURNMENT

*Sara Peterson
Acting Municipal Clerk
Publish: July 30*



Legislation Details

File #: 14-161 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 7/30/2014 **In control:** City and Borough Assembly
On agenda: 7/31/2014 **Final action:**
Title: Approve Kettleson Memorial Library notice of intent to award and project funding
Sponsors:
Indexes:
Code sections:
Attachments: [MOTION Library Expansion](#)
[Assembly Memo Kettleson Approval to Issue NOITA](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve issuance of a Notice of Intent to Award to Dawson Construction, Inc. for completion of the Kettleson Memorial Library Expansion project and authorize the Public Works Department to enter into a Value Engineering process with Dawson Construction to reduce the budget shortfall below \$385,000.

MEMORANDUM

To: Mayor McConnell and Members of the Assembly
Mark Gorman, Municipal Administrator

From: Michael Harmon, P.E., Public Works Director
Dan Tadic, P.E., Municipal Engineer
Jay Sweeney, Finance Director

Reviewed: Tori Fleming, Contract Coordinator

Date: July 30, 2014

Subject: Kettleson Memorial Library Expansion
Recommendation to Approve Issuance of Notice of Intent to Award
Contract to Dawson Construction, Inc.

Background

The Public Works Department advertised an Invitation to Bid for the Kettleson Memorial Library Expansion project in accordance with City and Borough of Sitka procurement policies. The project scope includes approximately 4,800 square feet of new construction and approximately 7,500 square feet of renovation to the existing building.

The work is anticipated to begin in Fall 2014 and be substantially complete by October 2015.

Bids were opened for this project on July 24, 2014. Two (2) responsive and responsible bids were received, as indicated in the following table.

	Base Bid	Alternates	GRAND TOTAL
Dawson Construction, Inc.	\$5,097,000	\$265,000	\$5,362,000
Alaska Commercial Contractors, Inc.	\$5,154,000	\$393,700	\$5,547,700
<i>Engineer's Estimate</i>	<i>\$4,252,933</i>	<i>\$288,424</i>	<i>\$4,541,357</i>

Analysis

The library project faces an approximate \$1,000,000 budget shortfall. In an effort to understand the discrepancy between the Engineer's Estimate and the bids that were received, Public Works held preliminary discussions with the low bidder, Dawson Construction, Inc. (Dawson). Dawson offered several items in which subcontractor and/or supplier prices were significantly higher than they anticipated. Dawson added that they are amenable to entering a Value Engineering (VE) process with Public Works upon receipt of a Notice of Intent to Award.

Public Works desires to issue a Notice of Intent to Award to Dawson and immediately engage in VE with the intent to reduce the contract amount. Public Works has put together a preliminary list of items which could be removed from the base bid and additive alternates to reduce the shortfall to approximately \$385,000 (see attached list of reductions).

Although every effort will be made to reduce the amount through the VE process, an additional \$385,000 is anticipated to be required to complete this project. Public Works anticipates returning to the Assembly requesting approval to award a contract on August 26, 2014. A deductive change order will be developed in advance of that meeting, which will be signed immediately upon award of the contract.

Fiscal Note

The Kettleson Memorial Library Expansion is funded by way of the following:

• FY 2011 State of Alaska Grant	\$5,700,000
• Community Donations	\$492,827
• City and Borough commitments	<u>\$344,868</u>
Total Project Funding	\$6,537,696

Following the VE process, we anticipate that the budget shortfall will be less than \$385,000. As of June 30, 2014, current projections show an undesignated General Fund working capital fund balance available for transfer in excess of \$2,000,000. This sizeable amount is due to two factors: (1) a fiscal surplus for FY2014, and (2) overly conservative restriction estimates in the FY13 calculation for the amount of encumbered funds in the General Fund.

Recommendation:

Approve issuance of a Notice of Intent to Award to Dawson Construction, Inc. for completion of the Kettleson Memorial Library Expansion project and authorize Public Works to enter into a Value Engineering process with Dawson Construction to reduce the budget shortfall below \$385,000.

Kettleson Memorial Library Expansion

<i>Alternates</i>		<i>Reduction Amount</i>
1	Upgraded Finishes: Tile, Carpet, Acoustical Panels (Bid Amount = \$40,000)	\$ 40,000.00
2	Landscaping: Trail, Furnishings, Plantings on Ocean Side (Bid Amount = \$40,000)	\$ 40,000.00
3	Landscaping: Hardscape, Staff Parking, Harbor Drive (Bid Amount = \$90,000)	\$ -
4	Casework, Trim, Fireplace Upgrade (Bid Amount = \$25,000)	\$ 25,000.00
5	Lighting Upgrade LED (Bid Amount = \$35,000)	\$ 35,000.00
6	New Library Stacks (Bid Amount = \$35,000)	\$ -
		\$ 140,000.00
<i>Changes to Contract Scope through Value Engineering</i>		
7	Reduce Stone Cladding at Entry and Teen, Replace with Panel Siding	
8	Change PVC siding to either alternate PVC or Fiber Cement	
9	Change Window MFG	
10	Change Requirement Malarkey Roofing Warranty/Certified Installer	
11	Reduce Square Footage 500+/- sf at GL20 in Childrens Area and Multi Purpose	
12	Delete Stain Removal at Existing Structural Beams, Stain New to Match	
13	Reduce Base Bid Landscaping. Furnishings Specialty Concrete, Hoop Drain	
14	Provide Additional Electrical Conduit Material Options	
15	Revise Book Stacks to Owner Furnished. Work with Vendor for pricing within budget.	
		\$ 405,000.00
<i>Changes to Project Budget</i>		
16	FFE Reduction Technology, Self Checkout, DVD dispensers	\$ 70,000.00
Estimate of Total Possible Reductions		\$ 615,000.00
Original Estimated Total Budget Shortfall		\$ (1,000,000.00)
New Projected Budget Shortfall		\$ (385,000.00)