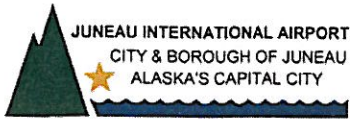


## ATTACHMENT #5



TO: Jeannie Johnson,  
JNU Airport Manager

DATE: November 3, 2011

FROM: Catherine Fritz, AIA  
JNU Airport Architect

FILE: 1382.16

RE: Bid Costs for Terminal Entry Renovation

Per the request of the Airport Board at their October 12, 2011 meeting, this memo summarizes the costs of bidding the terminal's Main Entry Renovation project, E12-036. Figures provided are both actual, where direct costs could be retrieved, and estimated. The successful low bidder for the Entry Renovation project was McGraw's Custom Construction (MCC), who was also the contractor on-site for the main terminal renovation.

The Entry Renovation project overlapped with MCC's work under contract E09-121. The procurement alternative to bidding this work would have been a Supplemental Agreement to MCC's existing construction contract. This would have required time and expense to negotiate and execute, but less time and cost than a separate bid documents set. The costs noted below have been adjusted to consider this point. **The figures are above (in addition to) the estimated cost of negotiating the additional work with MCC directly, had a Supplemental Agreement been pursued. They total \$76,900.**

MCC costs = \$14,400

MCC subcontractor costs = \$6,000

Engineering Dept staff (sal + ben + overhead) = \$7,000

Airport projects staff (sal + ben + overhead) = \$12,000

Consultant design costs (JYL Architects + subconsultant engineers) = \$35,000

Printing & Advertising costs = \$2,500

Additional costs were incurred by the three general contractors and multiple subcontractors that were not successful in offering the low bid. While these costs, estimated at \$20,000, were not direct costs of the Entry Renovation project, they should be noted as a bidding cost.

As for schedule impacts, the construction bid method required approximately 140 days more to complete than a Supplemental Agreement would have taken. The two main reasons for this were the time required for consultants to develop complete bid documents (as opposed to Supplemental Agreement documents), and the length of the bidding process itself that is set out in ordinance and CBJ policy. The schedule impact of the separate bid process has resulted in the work being pushed into the winter construction season, thereby increasing both cost and risk.