



ATTACHMENT #2

MEMORANDUM

TO: Patty Wahto
Airport Manager

FROM: Catherine Fritz
Airport Architect

DATE: November 7, 2017

SUBJECT: Supplemental Agreement for Snow Removal Equipment Building Phase 1b

CBJ Engineering Department's Supplemental Agreement Policy requires that a finding of public interest be made, and that the Assembly approve Supplemental Agreement amounts that are greater than \$500,000. This memo provides project background, public interest considerations, and recommends action for the JNU Airport Board.

Background.

JNU's Snow Removal Equipment Building is a multi-phase project that includes federal, state, and local funding. Phase 1a is currently under construction with a January 15, 2018 completion. The construction contract is with F&W Construction in the original amount of \$13,373,833. Change orders to date have increased the current contract amount to \$13,538,473.41. The scope of Phase 1a includes the heated storage area for JNU's fleet of snow removal equipment and was primarily funded by the Federal Aviation Administration (FAA). Phase 1b adds a vehicle wash bay and maintenance bay to the building. These components are not eligible for FAA funding. They will be funded from a state of Alaska legislative grant and local sales tax funds. There is approximately \$2.2M in funding available for Phase 1b construction. Future phases to complete JNU Airfield maintenance and operations needs do not have funding identified.

Phase 1b (wash bay/maintenance bay) is integrally connected to Phase 1a. The structural steel system, exterior envelope (walls and roof), electrical and mechanical systems from Phase 1a will be extended into Phase 1b. All of the materials and components of Phase 1a will be replicated. Portions of Phase 1a will be deconstructed and relocated into Phase 1b.

Public Interest Finding.

CBJ Engineering Department Policy #C-2 (Attachment #2a) provides the evaluation criteria for considering public interest in executing a Supplemental Agreement that is discussed below.

1. Bid preparation costs to bid the work separately: There will be no bid preparation costs if the Supplemental Agreement is authorized to proceed. The Contractor will proceed with the work upon execution of the Supplemental Agreement. The estimated costs to prepare a new set of bid documents and bid the work as a separate contract are estimated at \$25,000-\$40,000.

2. Cost and Schedule Benefits from bidding the work separately: NO BENEFITS FOR SEPARATE BID.
Cost: The original five bids were competitive and below the construction cost estimate (see Bid Summary Attachment #2b). The construction budget for Phase 1b work is approximately \$2.2M. Competitive bids for the Phase 1b work will likely result in similarly competitive bids that could be either higher or lower than the construction cost estimate. However, the current Contractor, F&W Construction has a significant bidding advantage that is discussed in items 3. and 4. below.

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Another cost benefit of the Supplemental Agreement is that submittals and shop drawings will be more efficient, since Contractor team and design team already have working relationship, and Contractor already has material sources from specific suppliers and manufacturers. This is also a bidding advantage for the current contractor, F&W.

Schedule: The time required to bid and issue a new contract for the work is approximately 12 weeks: 4 weeks to prepare documents for bidding, 4 weeks for bid advertisement, and 4 weeks to issue notice to proceed. If bidding is selected rather than a Supplemental Agreement, the contract award could not occur until the end of February 2018. This affects the submittal process, which, in turn affects the steel manufacturing schedule. Work on site would not likely begin until June 2018. It is not likely that the work could be complete prior to the winter 2018 snow removal season.

Authorization of a Supplemental Agreement would allow submittals and materials ordering to begin in December 2017, and allow an onsite start date by April 1, 2018. Completion of the work could be expected by October 1, 2018 or earlier.

3. Similarity of Work: All of the materials and components of Phase 1a will be replicated in Phase 1b. The existing east wall and a portion of north wall will be deconstructed and relocated (see Attachment #2c). The Contractor will utilize the same subcontractors and suppliers as the original project, as they are familiar with site conditions, specific materials and material sources, interface and coordination with other subs and the General Contractor's work. The major materials and subcontractors include roofing, steel, plumbing, fire suppression, sheet metal, electrical, concrete finishing, and painting. Using the same construction team for the complete building also provides a single point of legal contract responsibility for warranties.

4. Mobilization and Proximity: F&W and all primary subcontractors are currently mobilized and occupying the project site while they complete their final work. The existing Project Labor Agreement would be extended to include the work of the Supplemental Agreement. The timeline necessary for bidding the project provides F&W a bidding advantage since they are already on site. If the Supplemental Agreement is approved, the F&W team would not have to demobilize, saving both demobilization (of current contract work) and new mobilization costs.

5. Schedule Impacts: Completing the Phase 1b work ahead of the 2018 snow season is highly desirable for JNU Airport operations. Additionally, new snow removal equipment is expected to be procured by Fall of 2018, making the completed facility more vital. The Supplemental Agreement will also allow state and local funding that was awarded for this project in 2012 to be fully expended more quickly.

6. Site Constraints: F&W is already familiar with the existing site conditions, airfield safety and security requirements, and construction standards and expectations of the Airport. This too, is an advantage that could be expected to be a factor in F&W's favor if the work is bid.

7. Inspection and Administrative Efficiencies: ECI Alaska Architects and its team of subconsultants are already under contract for design and bidding services for Phase 1b. Their contract also allows the addition of construction administration services for the work of Phase 1b, whether bid or under Supplemental Agreement to F&W. A good line of communication, working relationship and level of trust has already been established between JNU, ECI, F&W and all subconsultants/subcontractors. This reduces the amount of inspection and staff time needed to ensure the work is being completed to the

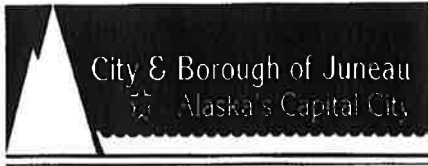
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expected construction standards. Bringing a new contractor into the project would require a significant amount of additional staff time through the submittal process and during on-site construction activities. This could affect the overall completion time of Phase 1b, as well as costly for all parties.

A Supplemental Agreement offers a further advantage to the Owner. The Airport has begun negotiating with F&W to arrive at a fair, negotiated price for Phase 1b work. This direct collaboration with the Contractor is finding savings (credits) in Phase 1a for components of work that can be delayed until Phase 1b, thereby reducing the deconstruction that may be necessary. It is also allowing the Owner the benefit of direct experience of the project from the Contractor's team to identify details during negotiations, rather than after the fact, as is typical to bidding. This is expected to reduce the need for change orders in Phase 1b.

Recommendation.

Staff recommends that a Public Interest Finding and Supplemental Agreement for JNU's Snow Removal Equipment Building Phase 1b be forwarded to the JNU Airport Board, Assembly Public Works & Facilities Committee, and CBJ Assembly for approval.



ENGINEERING DEPARTMENT
155 S. Seward Street
Juneau, Alaska 99801

Policy and Procedures Manual

Policy #: C - 2	Date:	Subject: Construction Contract Supplemental Agreement Approval Policy
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Definitions:

Change Order – A written amendment to the contract covering a modification that is within the scope of the original contract.

Supplemental Agreement – A written amendment to the contract covering a modification to the contract that is outside of the scope of the original contract. Supplemental agreements are typically for owner requested changes that are considered in the public’s best interests.

Public Interest Finding – A written narrative authored by the Engineering Department and approved by authority as identified in this policy that clearly addresses the following benefits to be derived from issuing a supplemental agreement. The narrative shall recommend an action based on the relative benefits of these issues.

- Bid Preparation Costs to bid the work separately.
- Cost and Schedule benefits anticipated from bidding the work separately.
- Similarity of Work – are the trades, materials, and equipment needed to complete the work similar?
- Mobilization costs and Proximity – does one contractor’s proximity give them an unfair advantage for which the bid price may exceed a negotiated price?
- Schedule Impacts – comparative schedule risks of bidding the work to awarding the work without schedule delays. Identify any weather, permit conditions, or environmental impacts. Identify any increased risks from a compressed construction schedule if bid.
- Site Constraints – will award of additional work to another contractor result in potential schedule and cost delay claims from either contractor that would be in excess of those same claims if awarded to the original

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contractor.

- Inspection and Administrative Efficiencies – discuss relative efficiencies of office and field personnel if authorizing one contract or two.

Background:

Owner requests for work outside of the scope of the original contract arise from time to time. Typically, these requests result from bids lower than expected, newly identified needs, maintenance needs, public safety concerns, proximity, public desire, use of opportunity, and documented savings in mobilization and materials.

The intent of this policy is to provide a mechanism to complete such work, if it is determined that is in the public's best interests.

Policy:

The project manager is responsible for project budget accounting. Engineering Department personnel may authorize or recommend supplemental agreements to the following amounts:

Chief Architect/Engineer	Items up to \$10,000 or up to 5% of the original contract amount, whichever is less.
City Manager	Items larger than Chief Architect/Engineer level and up to \$500,000 or up to 25% of the original contract amount, whichever is greater.
CBJ Assembly	Supplemental agreement items over the City Manager level.

Implementation:

The Chief Architect/Engineer may authorize, or may authorize project inspectors, to have the contractor proceed with supplemental agreement work to the amounts specified above. Project inspectors or Project Managers will conclude the scope, schedule, and estimated amount of authorized work in writing on the attached electronic form as soon as possible and acquire signatures from:

The Contractor's Representative;
Project Manager
Chief Architect/Engineer
Chief Contracts Engineer.

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The City Manager and Engineering Director will authorize all supplemental agreement work as specified above. The Project Manager is responsible for concluding the supplemental agreement scope, schedule, and budget amount in writing and acquiring signatures from:

The Contractor's Representative
The Chief Engineer/Architect
The Contracts Engineer
Client Department Representative
Engineering Director
City Manager

as soon as possible.

The Assembly will approve all supplemental agreements over those specified above. The Project Manager is responsible for concluding the scope, schedule, and estimated budget of the work in a memo for inclusion in consent agenda of the CBJ Assembly's packet.

Distribution: Contracts Division
Architectural Division
Engineering Division
General Engineering Division
Public Works Director
Finance Director

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Attachment 2b to 11.7.17 memo
SREB Phase 1b

BID SUMMARY

JNU SNOW REMOVAL EQUIPMENT BUILDING (SREB)

Contract No. BE 16-254

Bid Date: July 27, 2016

Certified by: Greg Smith ^{GS}
Recorded by: Janet Sanbei

CIP No.: A50-001

File No.: 1182

Architect's Estimate

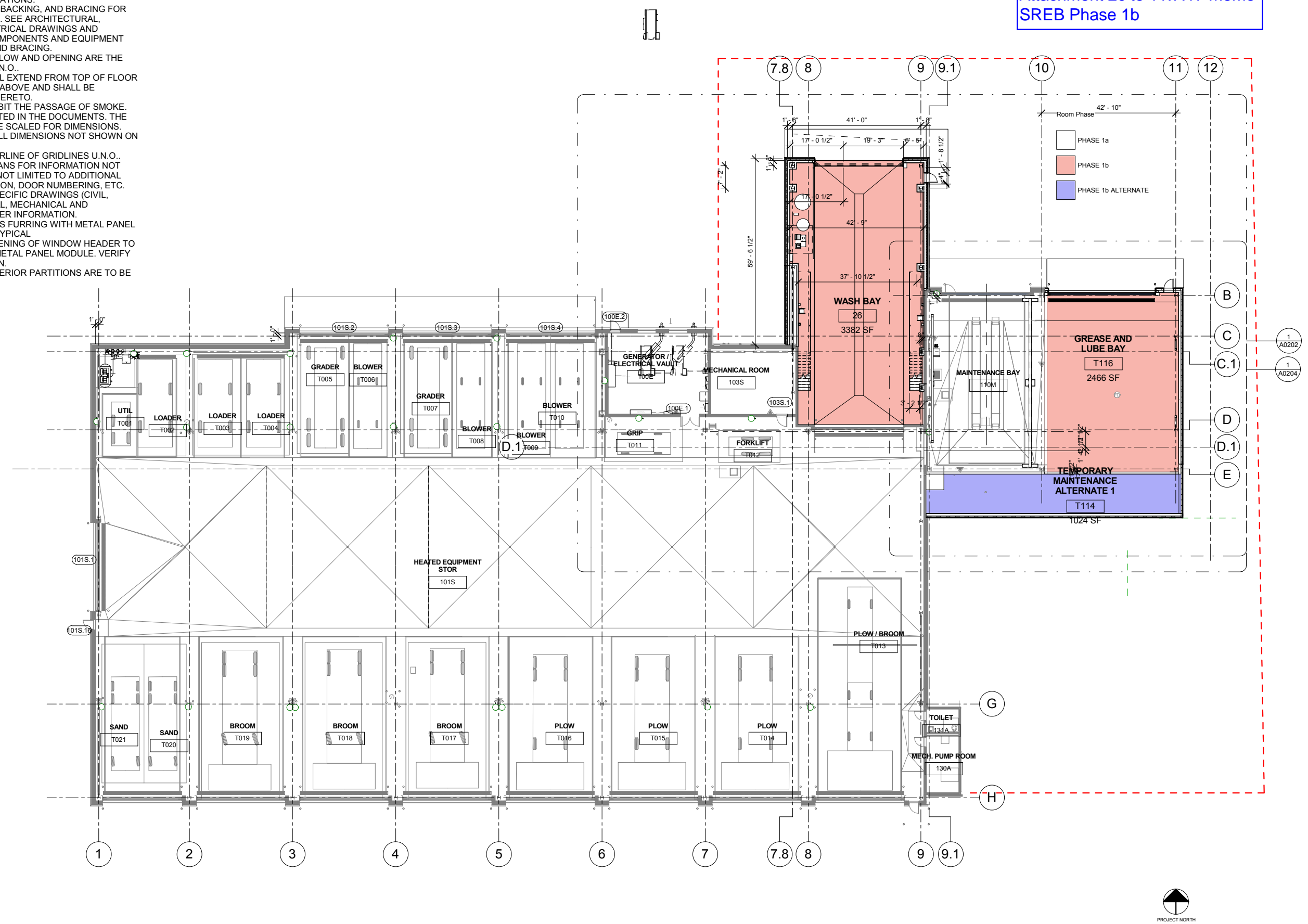
		F & W Construction 3821 Dee Circle Anchorage, AK 99516	Dawson Construction PO Box 35825 Juneau, AK 99801	Unit Company 620 East Whitney Road Anchorage, AK 99501	Swalling Building Group PO Box 241066 Anchorage, AK 99524	UIC Construction 67000 Arctic Spur Road Anchorage, AK 99518
Base Bid: Furnish all labor, equipment and materials to Construct a new building for snow removal equipment storage and perform all WORK as described in these Contract Documents.	\$16,400,000	\$ 13,373,833.00	\$ 13,597,000.00	\$ 14,140,000.00	\$ 14,162,263.00	\$ 14,517,000.00

GENERAL NOTES

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1. PROVIDE WATER RESISTANT GWB AT ALL AREAS INDICATED PER SPECIFICATIONS.
2. COORDINATE BLOCKING, BACKING, AND BRACING FOR WALL SUPPORTED ITEMS. SEE ARCHITECTURAL, MECHANICAL, AND ELECTRICAL DRAWINGS AND SPECIFICATIONS FOR COMPONENTS AND EQUIPMENT REQUIRING BLOCKING AND BRACING.
3. PARTITION ABOVE OR BELOW AND OPENING ARE THE SAME AS SCHEDULED, U.N.O..
4. FIRE RATED WALLS SHALL EXTEND FROM TOP OF FLOOR TO UNDERSIDE OF DECK ABOVE AND SHALL BE ATTACHED SECURELY THERETO.
5. ALL WALLS SHALL PROHIBIT THE PASSAGE OF SMOKE.
6. DIMENSIONS ARE INDICATED IN THE DOCUMENTS. THE DRAWINGS SHALL NOT BE SCALED FOR DIMENSIONS. DETAILS WILL GOVERN ALL DIMENSIONS NOT SHOWN ON PLANS.
7. COLUMNS ARE AT CENTERLINE OF GRIDLINES U.N.O..
8. SEE ENLARGED AREA PLANS FOR INFORMATION NOT SHOWN INCLUDING BUT NOT LIMITED TO ADDITIONAL DIMENSIONAL INFORMATION, DOOR NUMBERING, ETC.
9. REFER TO DISCIPLINE SPECIFIC DRAWINGS (CIVIL, EQUIPMENT, STRUCTURAL, MECHANICAL AND ELECTRICAL) FOR FURTHER INFORMATION.
10. COORDINATE FIBERGLASS FURRING WITH METAL PANEL FASTENER LOCATIONS. TYPICAL
11. COORDINATE ROUGH OPENING OF WINDOW HEADER TO ALIGN WITH COMPLETE METAL PANEL MODULE. VERIFY PRIOR TO CONSTRUCTION.
12. ALL METAL STUDS AT INTERIOR PARTITIONS ARE TO BE 8" U.N.O.

Attachment 2c to 11.7.17 memo
SREB Phase 1b



1 LEVEL 1 - PHASE 1b
1/16" = 1'-0"

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JUNEAU INTERNATIONAL AIRPORT
SREB - PHASE 1b

ECI ARCHITECTURE DESIGN STRATEGY
3909 ARCTIC BOULEVARD, SUITE 103
ANCHORAGE, ALASKA 99503 907.561.5543
PROJECT NO. 16-0002

LEVEL 1 OVERALL
AUTHOR: Author CHECKED: Checker
REVISION:
ISSUE DATE: 9 OCT. 2017
JUNEAU CONTRACT: BE ###-###

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