CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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DATE: July 13, 2017

TO: Mary Becker, Chair
Public Works and Facilities Committee

FROM: Michele Elfers
Chief Landscape Architect

SUBJECT: Public Interest Finding for Pump Room and Restroom Building Supplemental Agreement, Seawalk Bridge to Gold Creek, Phase III, E16-128

Phase III construction of the Seawalk Bridge to Gold Creek project is underway. Currently the contractor is working on pouring the pool concrete foundation and walls, placing the final planting medium (topsoil and gravels) on the island, and placing rock for the parking lot. Phase II is almost complete with punch list items being finished in the next few weeks. For completion of the pool and fountainworks, a pump room and additional piping must be constructed and installed. Additionally, a restroom is recommended due to high anticipated user volumes. The cost of this construction work is $650,000 for the pump room and piping and $614,470 for the restroom, for a total cost of $1,264,470.00. The original contract amount awarded to Admiralty Construction is $2,961,791.00. The additional cost of the pumproom and restroom work is a 43% increase to the original award amount.

Admiralty Construction's bid for Phase III of the Seawalk- Bridge to Gold Creek was $500,000 below the Engineer's Estimate. In addition, the Whale Project was able to fundraise an additional $250,000 to go towards the pump room construction. With the current budget, there is adequate funding in place for all restroom and pumproom project costs. Staff requests performing this work under a supplemental agreement with the Phase III contractor, Admiralty Construction. Supplemental agreements are allowed by code and have been used in projects that exhibit: 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.

Issuing a Supplemental Agreement for the construction of the Pump Room and Restroom at the Seawalk Bridge to Gold Creek project will ensure that the fountain and restrooms will be completed, commissioned and functioning by spring 2018. CBJ will realize cost savings with the supplemental agreement in construction costs, contract administration costs, and operations and maintenance costs. CBJ 53.50.040 allows for Supplemental Agreements to existing contracts provided that there is a written finding that such Agreement is in the best interests of the CBJ. The size of this proposed Agreement requires Assembly approval. The following are benefits to be derived from a supplemental agreement for this work:

1. Bid Preparation Costs
    a. Staff estimates $20,000 in savings in design, bidding and CBJ overhead costs.
2. Cost and Schedule Benefits
    a. Approximately $30,000 in savings for electrical work will be realized by installing electrical infrastructure inside the pump room and restroom building. Currently, the site panel and boxes are being installed under the Phase III contract in the park. Constructing the building this fall allows for relocation inside the building, protection from weather and easier maintenance.
    b. Bidding the project would likely push the schedule back so that the foundation and walls would not be poured until early spring (warmer temperatures) and it would not be possible to finish and start-up the project prior to the summer season, making this new facility unavailable to Juneau residents and visitors for another year. Pursuing this work through supplemental agreement will save CBJ monies in inflation (approximately $15,000), but also allow Juneau residents full benefit of the facility sooner.
    c. Next spring, the seawalk, park, and parking lot will be open to residents and visitors. Construction of the restroom and pump room next spring and summer would create user conflicts and public safety issues.
    d. Part of the work is the purchase of the remaining fountain and pump room piping equipment from the fountain manufacturer, Roman Fountains. These parts have a long lead time. To install the parts in the fall and winter, a contract must be in place by early August. To complete bid documents and bid the project would push the ordering of the parts until fall.
    e. The whale piping system is very complex and there is substantial benefit for the CBJ to limit contractors working on the system. To complete the fountain, the contractor needs to connect the piping into the pump room and pumps as well as complete the piping manifold within the whale. The commissioning and startup of the fountain will require adjustments that will be more efficient if one contractor has installed most of the system. Additionally, after construction Parks and Recreation will manage the park, pumps, and fountains. When problems arise, they can work with one contractor to understand the system and potential issues. This will save CBJ time and money in operations and maintenance.
3. Similarity of Work
    a. As discussed above, piping for the whale fountain is being installed in Phase III, the pump room and restroom building project requires connections to the piping and pumps as well as piping work within the whale. Considerable time and effort is needed to understand the system in its entirety and one contractor completing the system will be more efficient.
    b. The pump room and restroom building is designed with similar structural details, materials and finishes to the two shelters in the park that are being constructed under the Phase III contract.
4. Mobilization Costs & Proximity

   a. The Phase III contractor is currently mobilized on site and therefore can offer savings in this bid item. Typically, mobilization costs are 5% of construction costs, or roughly $60,000 for this project. A supplemental agreement would lower the mobilization cost by at least $20,000.
5. Schedule Impacts
   a. In order to complete the pump room and restroom by next May, the foundation and building shell will need to be completed prior to cold winter temperatures. Bidding the project will likely result in this work being delayed by six months and occurring in the spring.
6. Inspection and Administrative Efficiencies
   a. Time can be added to the current Contract Administration and Inspection services contract for the Phase III project. Approximately $3000 in cost savings will be realized by eliminating the RFP process for services.

Following a competitive bidding process could allow for perceived bid day savings, but in our opinion the earlier completion date, the identifiable savings and the avoidance of conflict between separate contractors and subcontractors supports the finding that the award of this Supplemental Agreement is in the best interests of the CBJ.

Staff requests that the PWFC forward this Supplemental Agreement request to the full Assembly for approval.

53.50.040 - Public improvement contracts.

(c)

Supplemental agreements. A supplemental agreement shall be approved only as provided in this subsection (c). Competitive sealed bids shall not be required for public improvement projects procured by supplemental agreement. A supplemental agreement may be approved only if the manager makes a written finding that procuring a particular public improvement by supplemental agreement would be in the best interests of the City and Borough because doing so would save substantial and verifiable amounts of money for the City and Borough. In making this finding, the manager shall consider bid preparation costs, contractor mobilization costs, similarity of work, schedule savings, weather or environmental factors, site constraints, inspection and administration efficiencies, and other factors found relevant by the manager. The manager may approve supplemental agreements not greater than $250,000.00 or 25 percent of the contact amount, whichever is less, per contract. The manager shall notify the assembly, at its next regular meeting, of any supplemental agreement approved. Prior assembly approval shall be required for any supplemental agreement greater than $250,000.00. Nothing in this subsection shall be applied or construed in any manner inconsistent with the requirements of CBJ Charter Section 9.13. The manager shall seek an appropriation or transfer of funds by the assembly prior to incurring any obligation for any supplemental agreement unless the manager ascertains that there is a sufficient unencumbered balance in an appropriation for the project the agreement supplements, and that sufficient funds are or will be available to cover the obligation. As used in this subsection, "manager" shall have the meaning set forth in CBJ Charter Section 4.1.