

Merrill Field Airport - Building Repairs Project

Contract Mechanism: Construction Manager / General Contractor (CM/GC)

CM Services: The construction manager assists in the design of the project by providing input on constructability, risk, safety, scheduling, and cost reconciliation for each building.

GC Services: The general contractor will perform the actual construction repairs for each building.

Construction Manager Services (CM)

Cost: \$46,896.00

General Scope: Provides input on the design, constructability, safety, and costs for each building.

Contract Awarded: August 17, 2022, Contract #4400001490, Purchase Order #2022002226

General Contractor Services (GC)

Existing Projects Currently Under Contract:

Building 1 – Work Package 1: 800 Merrill Field Drive (3,000 SF)

Cost: \$892,946.00

General Scope: Repairs to the Airport Manager's Office (800 Merrill Field Drive) primarily include replacement of the existing failing roof system and some exterior repairs (including siding and paint).

Assembly Memorandum Approval: [AM 367-2023](#) on May 9, 2023

Building 2 – Work Package 2: 1025 Orca Street (23,000 SF)

Cost: \$4,221,467.00

General Scope: Replacement of exterior doors and windows, construction of new suite entry canopies, and improvements to the siding (including paint).

Assembly Memorandum Approval: [AM 527-2023](#) on July 25, 2023

Building 3 – Work Package 3: Pilot Shelters (Alpha – 110 SF, Whiskey – 110 SF & Campground – 160 SF)

Cost: \$355,465.00

General Scope: Mostly includes product replacement, exterior improvements (paint), stairs, electrical and other generic improvements to each pilot shelter.

Assembly Memorandum Approval: [AM 527-2023](#) on July 25, 2023

Proposed Project To Be Included Under Amendment #03 (for EUOC review):

Building 4 – Work Package 4: 1568 East 12th Avenue (13,000 SF)

Cost: \$833,710.00

Cost Breakdown by Trade (approximate):

Division 0 – Contract Requirements: \$5.5K

Division 1 – General Conditions: \$378K

Division 2 – Site Work: \$12.5K

Division 8 – Doors and Windows: \$11.5K

Division 9 – Finishes: \$35.5K

Division 15 – Mechanical: \$18K

Division 16 – Electrical: \$224K

Expendables/Contingency/Bond Fees/Insurance/Contractor's Fee: \$148K

Cost reconciliation between the third party cost estimator and contractor occurred on September 15, 2023.

General Scope: Work primarily includes life/safety electrical improvements, replacement of overhead doors, and exterior building work.

Request Amendment #03 to be approved at the October 10, 2023 Assembly Meeting.

Draft AM is attached for EUOC review and comment.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM **XXX**-2023

Meeting Date: October 10, 2023

1 **FROM: MAYOR**

2
3 **SUBJECT: AMENDMENT NO. 3 TO CONTRACT WITH ROGER HICKEL**
4 **CONTRACTING, INC. (RHC) TO PROVIDE GENERAL CONTRACTING**
5 **(GC) SERVICES FOR CAPITAL IMPROVEMENT PROJECTS FOR THE**
6 **MUNICIPALITY OF ANCHORAGE (MOA), MERRILL FIELD AIRPORT**
7 **(MFA) (\$833,710.00).**
8

8 In April 2020, the MFA received Coronavirus Aid, Relief, and Economic Security
9 (CARES) Act funding from the Federal Aviation Administration (FAA). MFA then
10 developed a plan to spend \$6,860,000 of their awarded CARES Act funding on
11 construction required to complete repair and maintenance items on (up to) eleven MRI
12 owned buildings. The CARES Act funding will expire on May 10, 2024, so th
13 Construction Management/General Contractor (CM/GC) process (also known as
14 Construction Manager at Risk, or CMAR) was chosen to expedite the projects to meet
15 the deadline.

16
17 At the request of MFA, MOA Purchasing solicited proposals to provide CM services for
18 the various airport improvement projects. Of the four proposals submitted, RHC scored
19 the highest, so a Professional Services CM contract was awarded to them with a Not to
20 Exceed (NTE) amount of \$46,896.00. No Assembly approval was required for the CM
21 contract, but since subsequent construction is usually much higher, Assembly approval is
22 normally required for any GC amendments.

23
24 With a CM/GC contract, the complete award comes in two phases; an initial CM
25 professional services contract and a later possible GC construction amendment. The
26 Scope of Work for a GC contract is to provide consultation to the Design firm as to
27 constructability, material availability, preferred means and methods discussions for
28 accomplishing the work, etc. The purpose is to reduce both later construction Change
29 Order costs and the time required to make the changes.

30
31 When the design reaches 95%, the CM contractor may submit a Guaranteed Maximum
32 Price (GMP) for construction, which is verified by a third-party estimator. At that time, the
33 MOA may choose to either add a GC contract amendment for construction or end the
34 CM contract and issue an Invitation for Bid.

35
36 On April 21, 2023, MFA met with members of the MOA Assembly at the Enterprise Utility
37 Oversight Committee (EUOC) and it was determined that a guaranteed maximum price
38 (GMP) for each building must be negotiated, accepted, and presented for Assembly
39 approval before construction may begin on each building.

40
41 The design firm, HDL Engineering Consultants, contracted with Estimations Inc. to

42 provide construction cost estimates at each submittal phase to be used as a basis for
43 negotiation with RHC.

44
45 The estimate for the Building 800 Merrill Field Drive (Airport Manager's Office) was
46 completed and a mutually agreed price of \$892,946.00 was negotiated with RHC and
47 was reflected under Amendment 01.

48
49 The estimates for Building 1025 Orca Street and the three Airport Pilot Shelters have
50 also been completed and a mutually agreed price of \$4,221,167.00, and \$355,465.00
51 (respectively) was negotiated with RHC and was reflected under Amendment 02.

52
53 Associated costs for the buildings included under Amendment 01 and Amendment 02
54 were broken down by Trade and presented to Assembly members at the July 20, 2023
55 EUOC meeting.

56
57 The estimate for Building 1568 East 12th Avenue has recently been completed and a
58 mutually agreed price of \$833,710.00 was negotiated with RHC. Cost breakdown by
59 Trade (approximate) for Building 1568 East 12th Avenue is as follows:

60
61 Division 0 – Contract Requirements: \$5.5K
62 Division 1 - General Conditions: \$378K
63 Division 2 – Site Work: \$12.5K
64 Division 8 – Doors and Windows: \$11.5K
65 Division 9 – Finishes: \$35.5K
66 Division 15 – Mechanical: \$18K
67 Division 16 – Electrical: \$224K
68 Expendables/Contingency/Bond Fees/Insurance/Contractor's Fee: \$148K

69
70 Cost reconciliation between the third party cost estimator and contractor occurred on
71 September 15, 2023. A record of negotiations was completed and is on file.

72
73 General Scope: Repairs to the Building 1568 East 12th Avenue primarily include
74 life/safety electrical improvements, replacement of overhead doors, and exterior building
75 work.

76
77 MFA requests this work be reflected under Amendment 03.

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79 Based upon the above information it is recommended that the Assembly approve
80 Amendment No. 3 for construction services on Building 1568 East 12th Avenue for a
81 GMP of \$833,710.00. This will increase the total contract amount to \$6,303,288.00.

82
83
84 Recommended by: Richard Sewell, Merrill Field Airport Manager
85 Concurrence: Rachelle A. Alger, Purchasing Director
86 Fund Certification: Grant Yutrzenka, CFO
87 580910 – AP00060 – 530360 - \$833,710.00
88 Concur: Kent Kohlhase, Municipal Manager
89 Respectfully submitted: Dave Bronson, Mayor