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


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

FROM: MAYOR

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

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

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

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

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

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

The design firm, HDL Engineering Consultants, contracted with Estimations Inc. to
provide construction cost estimates at each submittal phase to be used as a basis for negotiation with RHC.

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

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

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

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

- 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. A record of negotiations was completed and is on file.

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

MFA requests this work be reflected under Amendment 03.

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

Recommended by: Richard Sewell, Merrill Field Airport Manager
Concurrence: Rachelle A. Alger, Purchasing Director
Fund Certification: Grant Yutrzenka, CFO
Concur: Kent Kohlhase, Municipal Manager
Respectfully submitted: Dave Bronson, Mayor