FROM: MAYOR

SUBJECT: AMENDMENT 2 TO CONTRACT (2022001049) WITH ROGER HICKEL CONTRACTING (RHC) FOR CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC) SERVICES FOR THE NAVIGATION CENTER BUILDING FOR THE MUNICIPALITY OF ANCHORAGE (MOA), MAINTENANCE AND OPERATIONS DEPARTMENT (M&O) ($4,900,000.00).

On March 21, 2022, MOA Purchasing approved a Contract with RHC for Pre-Construction Management (CM) services for the MOA Navigation Center as the result of Request for Proposal 2022P007. Of the two proposals received, reviewed, and evaluated, RHC received the highest score. The contract amount was $50,000.00 and the period of performance was through December 31, 2022. M&O is now requesting approval of the addition of General Contractor (GC) construction services at a Not to Exceed (NTE) cost of $4,900,000.00 and a contract extension through June 30, 2023. This will increase the contract amount from $50,000.00 to $4,950,000.00.

Amendment No. 1, approved May 31, 2022, added certain construction documents to the Contract with no increase to the NTE or extension of the expiration date.

Proposed Amendment 2 adds GC services for an additional amount of $4,900,000.00. Due to complexities associated with design, construction, and current market conditions, it was decided early on that the CM/GC (aka Contractor Manager at Risk or CMAR) approach would best deliver the project in the least amount of time and cost, versus the traditional design, bid, build, or design-build process.

The CM/GC approach is a common contracting method commonly used on large and complex construction projects. It has been used on several large MOA projects, so it is not a new concept. In the first phase, the Contract is approved as a CM contract only, where the Contractor assists others in the design of the project by providing input on constructability, risk, safety, scheduling, and cost reconciliation. The result of this effort is that one or multiple Work Packages are in progress. The CM may construct the Work Packages (GC) based on a negotiated Guaranteed Maximum Price (GMP) validated by a third-party estimator. If the MOA and the CM cannot agree on the GMP, then the Scope of Work identified in the Work Package(s) is bid through the standard Invitation to Bid process.
Based upon the above information and attached Memorandum, it is recommended that the Assembly approve the contract increase from $50,000 to $4,950,000.00 and a contract extension through June 3, 2023.

Recommended by: Lance Wilber, Public Works Director
Approved by: Rachelle A. Alger, Purchasing Director
Fund certification: Ross Risvold, Acting CFO
401800-PF22001-540640 – NRB - $4,900,000.00
(Areawide General CIP Contributions)
Concur: Amy Demboski, Municipal Manager
Respectfully submitted: Dave Bronson, Mayor
Date: August 31st, 2022

To: Rachelle Alger, Purchasing Director

To: Lance Wilber, Public Works Director

From: Saxton Shearer, Director, Maintenance & Ops

Subject: Navigation Center Roger Hickel General Contractor Award

Maintenance and Operations is currently under contract with Roger Hickel Contracting for pre-construction services previously awarded March 21, 2022, this is for the Navigation Center. Award the GC part of the CM/GC contract to Hickel. To date, $50,000 has been granted to Roger Hickel Contracting through the competitive process for construction management. In accordance with Title 7 section 7.15.040, Assembly approval was not required.

The project is transitioning from Pre-Construction services into guaranteed maximum price negotiations. Maintenance & Operations is requesting (General Contract award) to Roger Hickel Construction in the amount of $4,900,000 reappropriated from previously appropriated funds on AO 18 2020-99, As Amended for property acquisition, within the Areawide General Capital 19 Improvement Projects Fund (401800).

401800 – PF22001 – 540640 – NRB - $4,900,000
Single Audit Navigation Center w/Shelter

References:

AO 18 2020-99
AR No. 2022-111 (S)