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## MEMORANDUM

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**To:** Mayor McConnell and Members of the Assembly  
Jim Dinley, Municipal Administrator

**From:** Michael Harmon, P.E., Public Works Director *MHT*  
Dan Tadic, P.E., Senior Engineer *DMT*

**Reviewed:** Jay Sweeney, Finance Director *JS*  
Melissa Cervera, Contract Coordinator *MC*  
Stan Eliason, Harbormaster *SE*

**Date:** April 17, 2013

**Subject:** ANB Harbor Replacement  
Approval to Advertise for Bids for Procurement Contract

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### Background

ANB Harbor (ANB) was originally constructed in 1956. Since that time, numerous repair and replacement projects have been undertaken at the facility. The facility is nearing the end of its useful life as confirmed by harbor condition assessments completed in 2008 and 2011. A budgetary cost estimate completed in May 2012 in conjunction with the Harbor Master Plan estimated the full replacement cost of ANB to be approximately \$8,250,000. ANB is currently the highest priority harbor infrastructure capital improvement project for the City and Borough of Sitka (CBS) Harbor Department.

On January 10, 2013, the Assembly awarded a Professional Services Contract to Moffatt & Nichol (M&N) for the ANB Harbor Replacement Project. M&N has developed a two-stage contracting process for this project. First, a Procurement Contract will be issued specifying "Owner-supplied" fabrications. CBS will procure these items directly from the fabricator(s) without paying marine contractor markup on the fabrications. The second of the two stage contracting process entails the installation of the "Owner-supplied" fabrications (floats, gangways, pedestals, lighting) and the construction of the approach trestle, harbor utilities (electrical, lighting, potable water/fire protection), and safety appurtenances. Interested marine contractors will respond with competitive bids to this unit price bid solicitation.

### Analysis

M&N is rapidly approaching the 95% design milestone for the Procurement portion of the project and the current schedule has advertising beginning on May 6, 2013. Work on the Installation package began in early April to track in parallel with the completion of the Procurement package. Fabrication of the floats is scheduled to begin in late June 2013 with delivery to a shipping yard in Seattle by early November. The Installation contract is scheduled to be awarded in mid-October with demolition of the existing floats and uplands utility work beginning shortly thereafter. Pile installation would then begin around Thanksgiving with the float system installed prior to the 2014 herring season in early March.

### **Fiscal Note**

CBS received a FY13 State of Alaska Municipal Harbor Facility Matching Grant for the ANB Harbor Replacement project. This grant will cover 50% of eligible construction costs not to exceed \$4,250,000 in match funding. Engineering, survey, geotechnical, permitting, and public involvement are not items eligible for compensation under this grant requiring CBS to cover 100% of these items. The Harbor Department has budgeted \$500,000 toward these costs in the FY2013 budget (CBS Project No. 90674).

CBS has submitted a bonding application to the Alaska Municipal Bond Bank to issue revenue bonds in the amount of \$4,500,000. CBS has also received bond proceeds from the Alaska Municipal Bond Bank in the amount of \$4,600,000 for this project. The current cost estimate for ANB Harbor is just under \$8,000,000 to include design, permitting, construction, and contingency.

### **Recommendation:**

**Approve advertising for bids for the ANB Harbor Replacement Procurement Contract.**