

If this item is pulled from the Consent Agenda the following motion would be in order.

POSSIBLE MOTION

I move to approve the transfer of \$10,000 from the Airport Enterprise Fund to the Airport Restroom Project 90634 to finalize the project.

MEMO

To: Jim Dinley, Administrator, Mayor Westover and Assembly members
Through: Michael Harmon, Public Works Director *for*
Jay Sweeney; Interim Finance Director *JP*
Gary Baugher, M&O Superintendent *GB*
From: Chris Wilbur, Facilities Manager
Date: June 8, 2011
Subject: Airport Hold Room Restrooms Project Budget overrun

Background

The project was awarded to CBC Construction on March 8, 2011. Bids were advertised in Sitka and Juneau according to the CBS Procurement Policies and Procedures.

There have been two change orders involved in this project since it started. Both were due to unforeseen conditions in the Airport Terminal Building and surrounding environment.

Change Order #1:

An addition to the Airport terminal building was constructed by McGraw Custom Construction in 1988. At the time there were 4 shear walls designed and built. One of those shear walls is between the hold room and the new restrooms we are constructing. CBS Building Official Preston O'Connell noted "we discovered that the existing wall was not constructed as called out in the original (1988) plans and that there are many deficiencies in the existing shear wall, as detailed by Ryan Wilson, a licensed structural engineer, which make its effectiveness as a necessary structural component of the airport questionable. Therefore, the door openings in the existing shear wall to serve the new restrooms cannot be allowed without an engineered plan that states or shows that the new arrangement is at least the equivalent of the existing arrangement and, preferably, superior to the existing arrangement. The new design must be submitted by a properly-licensed Alaska structural engineer". This change order was \$36,400.

Change Order #2:

On Wednesday April 20, 2011 while excavating for the sanitary sewer for the Airport Hold room Rest Rooms the Contractor, CBC found large rocks in the way. We stopped the work and I came to PW and sought the help of CBS Engineer Stephen Weatherman who made a site visit and determined that the rocks were a change of conditions to what was bid and that CBC should be paid extra for the extra work.

CBS and the Contractor agreed on Time and Materials for Change Order two since we did not know the extent of the rock work. Many large rocks were encountered during the trenching process. These large rocks also enlarged the trench for the sanitary sewer and resulted in extra loads hauled away and more loads of D-1 for bedding and compaction. The large trench enlarged the concrete finish surface from 4.5' wide (which was bid) to over 9' wide so the amount of

concrete needed for finish surface doubled. There were also some direct bury electrical wires. There were no as built of the area so more time delay was added figuring out where the cables came from, whether they were live and digging carefully around them. The extra charges in this change order were for materials, machine rental and extra hours involved in the changed scope of work. This change order was \$13,048.94

Analysis

With both the shearwall and excavation events there have been some un-anticipated costs in this project. With the shearwall not being constructed correctly in 1988 some additional costs had to be made for the engineering and construction of the shear wall. Some additional costs were realized for the extra excavation work that had to be completed on the sewer line. With these additional costs it has driven the cost of the project to exceed the original budgeted amount.

Fiscal Note

The total budget for the Airport Restroom Project is \$208,000. At this point we do not have enough money in the project budget to cover all expenses to finalize the project. An additional \$10,000 will need to be transferred from the Airport Enterprise Fund to finish this project. The fund balance for the Airport is projected to be \$298,627.00 by end of June 2011. All unused funds will be returned to the Airport Enterprise Fund.

Recommendation

We recommend the Assembly:

- **Approve the transfer of \$10,000 from the Airport Enterprise Fund to the Airport Restroom Project # 90634.**