
MEMORANDUM

To: Mayor McConnell and Members of the Assembly
Mark Gorman, Municipal Administrator

From: Michael Harmon, P.E., Public Works Director *For J*
Stephen Weatherman, P.E., Municipal Engineer *S*
David Longtin, P.E., Senior Engineer *DL*

Reviewed: Tori Fleming, Contract Coordinator *T*

CC: Mike Middleton, Deputy Finance Director *M*

Date: May 21, 2014

Subject: Recommendation to award design-build contract for Edgecumbe Drive Reconstruction Project to S&S General Contractors

Background:

Edgecumbe Drive is the longest road owned and operated by the City and Borough of Sitka (CBS), as well as a major collector and the backbone of a tsunami evacuation route. Eighty-seven residences have driveway access to Edgecumbe Drive, which also provides access to several major residential subdivisions and Keet Gooshi Heen Elementary School. The road – constructed between 1971 and 1978 – has not been resurfaced in 25 years, and is in need of reconstruction, as evidenced by numerous potholes, cracks and rusting drainage culverts.

After several years of State and Federal grant requests, CBS General Fund proposals and project funding transfers, the Public Works Department has assembled a budget of \$5.4 million to rebuild Edgecumbe. An in-house cost estimate to properly reconstruct the road for \$5.9 million indicated we could only execute a partial version of the project. We prioritized our goals in a February 19, 2014, Request for Proposals (RFP) and challenged proposers to complete as many priorities as possible within a target budget. We received three proposals on March 27, 2014, and evaluated them as described below.

Analysis:

Our chosen project delivery method – design-build – gives the builder more control of project execution in exchange for them accepting more cost risk. CBS mitigated the risk of handing over a mile-long residential street to a contractor by evaluating their proposals on factors beyond cost alone. Cost was by far the highest-value criterion for this project, weighted at 50 percent of the scoring. Four other evaluation criteria were weighted at 50 percent combined.

We received proposals from design-build teams headed by ASRC-McGraw (ASRC), Aggregate Construction Inc. (ACI) and S&S General Contractors (S&S). Our evaluation process identified S&S's proposal as the one that offers the best overall value to CBS. The following paragraphs describe the strengths of S&S's proposal for each evaluation criterion:

1. Cost: S&S committed to complete more project priorities than the other proposers, and as a result their proposed cost is the highest. See table below.
2. Work plan and schedule: The S&S work plan calls for a geotechnical evaluation and design work in 2014, followed by construction in 2015. The geotechnical information will be incorporated into a "value engineering" report that could result in cost savings to CBS, due to different construction methods proposed by the contractor. With construction slated for 2015, DOWL HKM, S&S's design partner, will have ample time to incorporate the value engineering recommendations into the final project design.
3. Qualifications: S&S came out on top in this criterion, due in large part to DOWL. The Juneau-based firm has designed several successful road reconstruction projects in Sitka, including Seward, Oja, Monastery and Baranof Streets. S&S has worked well with DOWL's plans in the recent past, rebuilding Seward and Baranof Streets. Additionally, S&S had the highest level of road rebuilding experience among the proposers.
4. Creativity: S&S made a convincing case that complete replacement of the sidewalk, curb and gutter is the prudent course of action, which agrees with Public Works' stance on the issue. S&S's thoughtful, creative approach to this task impressed the evaluation team.
5. "Good neighbor approach": With 104 residential lots and 87 driveways adjacent to Edgcumbe Drive, we wanted a project team that would minimize construction-related disruption to residents and Keet Gooshi Heen students. S&S's work plan respected the need for travelers to use Edgcumbe during construction, for residents to have access to their homes, and for emergency vehicles to use the road when needed.

The following table depicts the scope of work and costs proposed by each team.

Project Priorities identified in the RFP	ASRC	ACI	S&S
(1) reconstruct road	yes	yes	yes
ADA curb ramps (#)	14	19	27
cross-culvert replacement (linear feet)	1,850	1,721	2,090
(2) provide water stub-out at Kashevaroff Street	yes	yes	yes
(3) replace Charteris stormwater system	yes	yes	yes
(4) replace storm water manholes / catch basins (#)	7	7	8
replace catch basin frames and grates (#)	11	8	28
(5) sidewalk replacement (square yards)	790	500	4,500
curb & gutter replacement (linear feet)	1,500	1,000	10,600
(6) replace sewer manhole frames and lids (#)	0	0	0
Proposal cost	\$3,039,861	\$3,951,090	\$4,592,500

While the other proposals had strong points as well, S&S's stood out for its commitment to completely rebuild the sidewalks, curb and gutter within our project budget. Addressing these issues along with the reconstruction of the road bed and pavement is the most cost-effective approach in the long term, because the sidewalks, curb and gutter will fail during the design life of the roadway. Completing the entire project now will allow CBS to focus on other failing roads in the years ahead without addressing residual problems on Edgcumbe.

CBS has negotiated the final project scope and cost with S&S. They decreased their proposal to \$4,536,500, and agreed to take on some Quality Assurance tasks that CBS had budgeted to do ourselves. Per the RFP, we have added \$100,000 to the negotiated contract amount for minor change items. This contract line item may or may not be used, at CBS's discretion, to address changes required beyond the contractor's scope of work. The final negotiated contract amount totals \$4,636,500.

Fiscal Note:

The project has funding from various sources, all of it secured:

Project Funding

FY2013 Legislative Grant: Jeff Davis and Edgcumbe Drive	\$2,900,000
FY2014 Budget	\$723,000
Transfer from FY2013 Public Infrastructure Sinking Fund	\$653,219
Transfer from FY2014 Public Infrastructure Sinking Fund	\$822,776
Reallocation of closed capital projects (approved at 10/22/13 Assembly meeting)	<u>\$360,000</u>
Total project funding available	\$5,458,995

Project Budget

Administration costs	\$88,906
Construction management	\$150,000
Survey	\$60,000
This contract	<u>\$4,636,500</u>
Remaining in budget for contingency	\$523,589

This is a healthy contingency to address unforeseen conditions. Any remaining funds would be rolled back into the Public Infrastructure Sinking Fund.

Recommendation:

Approve award of a design-build contract for the Edgcumbe Drive Reconstruction Project to S&S General Contractors for \$4,636,500.