

Should this item be pulled from the Consent Agenda the following motion is suggested:

**POSSIBLE MOTION**

**I MOVE TO** approve the award of the base bid construction contract for the Harrigan Centennial Hall renewal project to MCG Constructors, Inc./Dawson Construction, Inc. – Joint Venture in the amount of \$12,717,000.

## MEMORANDUM

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

**From:** Michael Harmon, Public Works Director *MA*  
Dan Tadic, Municipal Engineer  
Kelli Cropper, Project Manager *KE*

**Reviewed:** Jay Sweeney, Chief Finance & Administrative Officer *CS*  
Tori Fleming, Contract Coordinator *TF*

**Date:** June 3, 2015

**Subject:** Assembly Approval of Award of the Construction Contract for the Harrigan Centennial Hall (HCH) Renewal Project

### Background

With Assembly approval, the Harrigan Centennial Hall (HCH) Renewal Project went out for bids to construct, Wednesday April 22, 2015. The project was bid with a Lump Sum Base Bid item and fourteen (14) Additive Alternates. Bids were opened Thursday May 21, 2015. Two (2) responsive and responsible bids were received as indicated in the following table.

<b>Harrigan Centennial Hall (HCH) Renewal- Bid Comparison</b>			
Name	McG Constructors, Inc / Dawson Construction, Inc-JV	Eklutna Services LLC	95% Cost estimate
<b>HCH Base Bid:</b>	<b>\$12,717,000.00</b>	<b>\$14,273,460.00</b>	<b>\$11,827,450.00</b>
<b>Additive Alternates:</b>			
A1- Interior Glass Display Cases	\$170,000.00	\$158,266.00	\$37,635.00
A2- Museum Expansion	\$66,000.00	\$95,693.00	\$117,635.00
A3- Outdoor Storage Building	\$54,000.00	\$51,400.00	\$30,395.00
A4- Museum Finishes	\$15,000.00	\$33,255.00	\$29,805.00
A4A- Museum Finishes for Expansion	\$6,000.00	\$53,208.00	\$29,799.00
A5- South Site work	\$175,000.00	\$694,176.00	\$501,734.00
A6- Outdoor Seating Areas	\$63,000.00	\$166,793.00	\$63,725.00
A7- Ocean Side Overlook w/ Fire pit	\$12,000.00	\$198,549.00	\$13,993.00
A8- Additional Site Furniture	\$24,000.00	\$12,770.00	\$29,096.00
A9- Exterior Display Cases	\$30,000.00	\$19,072.00	\$20,930.00
A10- Unit Price for Freestanding Mast Column	\$10,000.00	\$25,521.40	\$4,894.00
A11- Condensed Storage Room 126	\$27,000.00	\$33,136.00	\$28,038.00
A12- Condensed Storage Museum Storage 148	\$72,000.00	\$118,030.00	\$85,000.00
A13- Acoustic Wall Panels in Lobby Room 138	\$4,000.00	\$9,810.00	\$0.00
A14- Mobile Reception/Information desk	\$57,000.00	\$53,478.00	\$0.00
<b>TOTAL Additive Alternates</b>	<b>\$785,000</b>	<b>\$1,723,157</b>	<b>\$992,679.00</b>
<b>Grand Total:</b>	<b>\$13,502,000.00</b>	<b>\$15,996,617.40</b>	<b>\$12,820,129.00</b>

The low responsive and responsible bid was received from **McG Constructors, Inc. / Dawson Construction, Inc.-Joint Venture (McGC/DCI-JV)**. The contractors forming the Joint Venture have approximately eighty four (84) years combined experience as General Contractors in our region. Either McGC or DCI has been the Prime General Contractor for nearly all of the major building projects in Sitka over the last decade or more, including;

- Sitka Fire Hall, McGC (formerly MCC)
- Rocky Gutierrez Airport Terminal Expansion, McGC (formerly MCC)
- Sitka High School Auditorium (PAC) Construction, DCI
- Sitka High School Auditorium (PAC) Theater Equipment Project, McGC (formerly MCC)
- Blatchley Middle School Remodel, McGC (formerly MCC)
- UV Disinfection Facility, DCI, currently under construction
- Kettleson Memorial Library, DCI, currently under construction

**Analysis**

The Low **Construction Base Bid** price of \$12,717,000.00 received from McGC/DCI-JV, is higher than the **95% Base Bid Cost Estimate**, but it fits within the overall project funding. *Budgets* for other project costs, including, Design, CM/Admin, and Furniture Fixtures & Equipment (FF&E), and AV Equipment, were reduced. These reduced budgets are still reasonable and staff will explore possible cost saving suggestions from the contractor during construction in order to restore the budgets and/or award additive alternates.

If cost reductions are realized, the complete AV Equipment package and the Museum Expansion (Additive Alternate 2) will be funded as the top priorities. The bid price of \$66,000.00 for Additive Alternate #2, Museum Expansion, is significantly less than the cost estimate and represents good value that will benefit the Museum and Community well into the future.

For a project like this, typically the construction contingency budget is set between 5% and 10% of the construction price. The HCH construction contingency budget was not reduced to award the base bid and is still healthy at 8.4% of the Base Bid Construction price.

Time is of the essence to allow completion of the project so the HCH can reopen for the large conventions and celebrations set in March of 2017. The Construction Base Bid price fits within the existing funding for the project.

**Fiscal Note:**

The project funding is comprised of the following Grant & CPET Funds:

Funding		
Name	Grant #	Budget / Funding 11.13.14
Commercial Passenger Vessel Facilities & Visitor Imp.	11-DC-644	\$2,000,000
Commercial Passenger Vessel Facilities & Visitor Imp.	12-DC-616	\$2,500,000
Commercial Passenger Vessel Facilities & Visitor Imp.	13-DC-581	\$3,700,000
Commercial Passenger Vessel Facilities & Visitor Imp.	14-DC-000	\$3,300,000
O'Connell Lightering Grant	10-DC-025	\$1,991,271
AEA-Heat Pump Grant	7071011	\$232,620
O'Connell Sea walk Grant	11-DC-644	\$1,180,957
Marine Passenger Funds	CPET-194	\$1,400,000
<b>Total Budget (grant funds)</b>		<b>\$16,304,848</b>

Funds for the HCH Renewal Project are 100% State of Alaska Grant and CPET funds. These funds are collected mainly from the Visitor Industry. The use of these funds is restricted and must benefit the Visitor and enhance the Visitor Experience. The HCH Renewal Project meets this requirement and offers the added benefit to the Community of Renewing one of the most used facilities in Sitka as it approaches its 50 year anniversary.

**Recommendation:**

Approve Award of Base Bid Construction Contract for the Harrigan Centennial Hall (HCH) Renewal Project to **McG Constructors, Inc. / Dawson Construction, Inc. – Joint Venture (McGC/DCI-JV)** in the amount of **\$12,717,000.00**.