





Should this item be pulled from the consent agenda, the following motion is suggested:


POSSIBLE MOTION

I MOVE to approve a budget increase for the Pacific High School project for \$31,000 to cover the contractor's claim for equitable adjustment

MEMORANDUM

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

From: Michael Harmon, P.E. Public Works Director 
Dan Tadic, P.E. Municipal Engineer 
Stephen Weatherman, P.E. Senior Engineer 
Jay Sweeney, Chief Finance and Administration Officer 

Reviewed: Tori Fleming, Contract Coordinator 

Date: October 8, 2014

Subject: Budget Adjustment for Pacific High School

Background:

Sitka Voters passed Proposition No. 5 in the October 2010 Election approving the City to use proceeds from the seasonal sales tax revenue to fund the 35% match required by the State of Alaska for the renovation of Pacific High School. The State of Alaska has provided 65% of the project budget funded through a grant. The project agreement between the State of Alaska and CBS was signed in March 2011.

A construction contract with Sunland Development was awarded by the Assembly on October 9, 2012 for \$1,943,963.00. The Notice to Proceed was issued October 26, 2012 and construction began immediately. Substantial Completion was attained September 11, 2013. As the project was being completed the Contractor submitted claims for additional compensation for work completed and delays due the unplanned foundation replacement.

Analysis:

During early construction activities it became apparent that the existing four foot tall concrete pony walls did not contain rebar where the as-builts indicated rebar was present. The consultant had tested one area which had rebar present however the majority of the walls did not have rebar as it turned out. This unforeseen condition required a redesign of the foundation and new pony walls.

In addition, the project design had a conflict between the plans and specifications on the size of the sill plate. This required additional reinforcement of the sill plate which delayed the completion of the building walls. We have worked with the Contractor to develop an equitable cost for the uncompensated work and delays. The CBS and Contractor are in agreement that there will be no additional claims on the project beyond the current claim. The quality of the project is good and the school principal is very happy with the school renovation.

Fiscal Note:

A claim for equitable adjustment on the Pacific High School contract is appropriate and has been recommended for approval by the Municipal Engineer. The amount of additional project funding required is approximately \$31,000. The Municipal Attorney has agreed that seasonal sales tax proceeds may be used as the source of funds for the additional claim; the intent of the ballot proposition approved by voters was that seasonal sales tax proceeds would be used to cover any required matching costs.

Recommendations:

Approve a budget increase for the Pacific High School project to account for the Contractor claim for equitable adjustment.