



MUNICIPALITY OF ANCHORAGE

Assembly Memorandum

No. AM 496-2022

Meeting Date: September 13, 2022

1 **FROM: MAYOR**

2
3 **SUBJECT: AMENDMENT 2 TO CONTRACT (2022001049) WITH ROGER**
4 **HICKEL CONTRACTING (RHC) FOR CONSTRUCTION**
5 **MANAGER/GENERAL CONTRACTOR (CM/GC) SERVICES FOR**
6 **THE NAVIGATION CENTER BUILDING FOR THE**
7 **MUNICIPALITY OF ANCHORAGE (MOA), MAINTENANCE AND**
8 **OPERATIONS DEPARTMENT (M&O) (\$4,900,000.00).**
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10 On March 21, 2022, MOA Purchasing approved a Contract with RHC for Pre-
11 Construction Management (CM) services for the MOA Navigation Center as the
12 result of Request for Proposal 2022P007. Of the two proposals received,
13 reviewed, and evaluated, RHC received the highest score. The contract amount
14 was \$50,000.00 and the period of performance was through December 31, 2022.
15 M&O is now requesting approval of the addition of General Contractor (GC)
16 construction services at a Not to Exceed (NTE) cost of \$4,900,000.00 and a
17 contract extension through June 30, 2023. This will increase the contract amount
18 from \$50,000.00 to \$4,950,000.00.
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20 Amendment No. 1, approved May 31, 2022, added certain construction documents
21 to the Contract with no increase to the NTE or extension of the expiration date.
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23 Proposed Amendment 2 adds GC services for an additional amount of
24 \$4,900,000.00. Due to complexities associated with design, construction, and
25 current market conditions, it was decided early on that the CM/GC (aka Contractor
26 Manager at Risk or CMAR) approach would best deliver the project in the least
27 amount of time and cost, versus the traditional design, bid, build, or design- build
28 process.
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30 The CM/GC approach is a common contracting method commonly used on large
31 and complex construction projects. It has been used on several large MOA
32 projects, so it is not a new concept. In the first phase, the Contract is approved as
33 a CM contract only, where the Contractor assists others in the design of the project
34 by providing input on constructability, risk, safety, scheduling, and cost
35 reconciliation. The result of this effort is that one or multiple Work Packages are
36 in progress. The CM may construct the Work Packages (GC) based on a
37 negotiated Guaranteed Maximum Price (GMP) validated by a third-party estimator.
38 If the MOA and the CM cannot agree on the GMP, then the Scope of Work
39 identified in the Work Package(s) is bid through the standard Invitation to Bid
40 process.

1 Based upon the above information and attached Memorandum, it is recommended
2 that the Assembly approve the contract increase from \$50,000 to \$4,950,000.00
3 and a contract extension through June 3, 2023.

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7 Recommended by: Lance Wilber, Public Works Director
8 Approved by: Rachelle A. Alger, Purchasing Director
9 Fund certification: Ross Risvold, Acting CFO
10 401800-PF22001-540640 – NRB - \$4,900,000.00
11 (Areawide General CIP Contributions)
12 Concur: Amy Demboski, Municipal Manager
13 Respectfully submitted: Dave Bronson, Mayor