

Mayor

David Allison

Council Members

Tom Bailer

Cathy Sherman

Jeff Guard

Melina Meyer

Anne Schaefer

Kristin Carpenter

Ken Jones

City Manager

Helen Howarth

City Clerk

Susan Bourgeois

Deputy Clerk

Tina Hammer

Student Council

Mhikee Gasmen

**Special City Council Meeting
November 30, 2022 @ 12:00pm
Cordova Center Community Rooms
Agenda**

A. Call to order

B. Roll call

Mayor David Allison, Council members Tom Bailer, Cathy Sherman, Jeff Guard, Melina Meyer, Anne Schaefer, Kristin Carpenter, and Ken Jones

C. Approval of agenda..... (voice vote)

D. Disclosures of Conflicts of Interest and Ex Parte Communications

- conflicts as defined in 3.10.010 https://library.municode.com/ak/cordova/codes/code_of_ordinances should be declared, then Mayor rules on whether member should be recused, Council can overrule
- ex parte should be declared here, the content of the ex parte should be explained when the item comes before Council, ex parte does not recuse a member, it is required that ex parte is declared and explained

E. Communications by and petitions from visitors

1. Audience Comments regarding agenda items..... **(3 minutes per speaker)**

F. New Business

2. Resolution 11-22-31..... **(roll call vote)(page 1)**

A resolution of the Council of the City of Cordova, Alaska committing \$3,620,000 for the South Harbor Rebuild Project

3. Award of Contract to Turnagain Marine Construction..... **(voice vote)(page 5)**
for South Harbor Rebuild

G. Audience participation

H. Council comments

I. Executive Session

City Council is permitted to enter into an executive session if an explicit motion is made to do so calling out the subject to be discussed and if that subject falls into one of the 4 categories noted below. Therefore, even if specific agenda items are not listed under the Executive Session header on the agenda, any item on the agenda may trigger discussion on that item that is appropriate for or legally requires an executive session. In the event executive session is appropriate or required, Council may make a motion to enter executive session right during debate on that agenda item or could move to do so later in the meeting.

J. Adjournment

Executive Sessions per Cordova Municipal Code 3.14.030

- **subjects which may be considered are:** (1) matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government; (2) subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion; (3) matters which by law, municipal charter or code are required to be confidential; (4) matters involving consideration of governmental records that by law are not subject to public disclosure.
- **subjects may not be considered in the executive session except those mentioned in the motion calling for the executive session, unless they are auxiliary to the main question**
- **action may not be taken in an executive session except to give direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending labor negotiations**

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MEMO: November 29, 2022

TO: Mayor, City Council

FROM: Helen Howarth, City Manager

RE: City funds for South Harbor rebuild

City issued a Request for Proposal for rebuild of the South Harbor with a budget of \$35.7M and specific design criteria identified after input of the Harbor Commission. City received two responses neither of which demonstrated an ability to complete the project to the requested scope without more money than City has available. (\$49M and \$45M respectively).

Turnagain Marine has been identified as the most qualified responder through a robust review process utilizing criteria established by USDOT for Raise Grants. City issued a notice of intent to award and has negotiated a reduced scope of work keeping in mind the requirements of various funders to the project. For example, the \$5M Harbor Bond is tied directly to the drive-down dock, and the RAISE grant puts significant emphasis on the drive-down dock and parking. To meet the funder requirements, an additional \$3.62M is needed to complete that work.

Timing is critical. City must enter into a contract now to begin construction next fall or risk a cascade of undesirable consequences: loss of funding and increased costs among them. Staff continues to pursue funding for the project but needs more time to do so.

Fundraising has been City focus with \$35.7M raised or allocated to the project. City secured \$35.7M through a competitive \$20M federal Department of Transportation RAISE grant, secured a State of Alaska Tier 1 grant of \$5M, bonded for \$5M match, secured \$3M in unrestricted funds from the State of Alaska, allocated \$2M Clean Water Loan as well as \$700K Pink Salmon Fisheries Disaster money to the project. Requests will be made to USDOT and the Denali Commission.

A considerable amount of staff time, contractual work and Harbor resources have already been expended on the project. Contractual work needed to get the project ready for grant applications was completed with Harbor reserve funds. Pre-development work required to get the project ready for actual construction is underway. The following contractors have been engaged at a cost of \$1M.

- PND Engineering: conceptual drawings, condition estimate – grant prep
- Northern Economics: Grant prep- Cost-Benefit analysis, environmental justice interviews, and report, rate study
- R&M Engineering: prep RFP, drawings, proposal selection, submittal reviews and inspections, geotechnical study, and grant funds administration support
- Solstice- Environmental documents: environmental assessment Biological assessment. Incidental harassment permits, Section 106, Agency Coordination
- Mark Keller: owner representative /project manager

- Alaska Marine Response: piling

City resources are needed to bridge the gap between what Turnagain Marine needs to complete the project and what has been raised to date. The \$3.62M gap can be funded with \$4M of General Fund reserves that have been identified through CashVest analysis as being available without risk to cash flow. Those funds are currently invested at 3.5% (variable) with Alaska Municipal League Investment Pool (AMLIP) and would not be drawn until necessary with the balance continuing to earn interest.

It is staff's hope that those funds will not be needed but Council should be aware that taking action obligates City to the use of those funds if additional resources are not raised.

These funds could be a City commitment to the project (all other funds are grants or loans to be repaid by Harbor Enterprise Fund). If Harbor Enterprise Fund is to repay City resources needed for the project, staff will need additional time to determine repayment terms that Harbor Enterprise Fund can absorb.

**CITY OF CORDOVA, ALASKA
RESOLUTION 11-22-31**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA
COMMITTING \$3,620,000 FOR THE SOUTH HARBOR REBUILD PROJECT**

WHEREAS, the South Harbor Rebuild has been the number one priority for Cordova for over a decade; and

WHEREAS, Cordovans supported the project with a voter-approved ½% local raw-fish tax; and

WHEREAS, the conceptual design for the South Harbor Rebuild was completed in 2020 for grant application purposes and came in at a cost of \$32M; and

WHEREAS, City secured \$35.7M towards the projects as follows: a \$20M Federal Department of Transportation RAISE grant, a State of Alaska Tier 1 Grant of \$5M and voter-approved bond for the \$5M match, \$3M in unrestricted funds from the State of Alaska, a \$2M Clean Water Loan, and \$700K in Pink Salmon Fisheries Disaster money; and

WHEREAS, Harbor has committed to expend \$1,000,000 on contracts for design, engineering and environmental documents required to complete necessary pre-development work; and

WHEREAS, COVID-related price inflation has resulted in a dramatic increase in the project cost; and

WHEREAS, City of Cordova issued a Request for Proposals for which two responses were received; and

WHEREAS, neither proposal completes the project as presented in the RFP with the funding available; and

WHEREAS, certain critical elements of the project are directly tied to the MARAD/RAISE grant (\$20M) and State Tier 1 Grant (\$5M) and matching Harbor Bond (\$5M), and any changes to the project puts those funds in jeopardy; and

WHEREAS, City must sign a contract and commit to funding that contract to keep the project on schedule for construction in fall 2023 or risk loss of some funding; and

WHEREAS, after proposals were reviewed and scored, City determined the submission of Turnagain Marine Construction to be the best value proposal and issued a notice of intent to award; and

WHEREAS, City has negotiated a reduced scope of work with Turnagain Marine Construction at a price of \$39,320,000 which will complete the project *with* required critical elements that ensure compliance with grant agreements; and

WHEREAS, the negotiated reduced scope of work exceeds the available funds by \$3,620,000; and

WHEREAS, City has identified \$4M in unrestricted general funds that are not needed within the next 12 months for City operation and those funds, if pledged to the project, would give staff time to pursue other funding; and

WHEREAS, those funds are currently invested in an interest-bearing account and would not be tapped until the funds were needed; and

WHEREAS, if additional funds are not raised, City would be contractually liable to provide those funds to the project; and

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Cordova, Alaska, commits \$3,620,000 to the South Harbor Rebuild Project.

PASSED AND APPROVED THIS 30th DAY OF NOVEMBER 2022

David Allison, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk

DRAFT



AGENDA ITEM 3
City Council Meeting Date: 11/30/22
CITY COUNCIL COMMUNICATION FORM

FROM: Samantha Greenwood, Public Works Director Tony Schinella Harbormaster, Collin Bronson, Special Projects

DATE: 11/28/22

ITEM: Award of Contract South Harbor Rebuild

NEXT STEP: Council authorizes the City Manager to negotiate this contract

ORDINANCE
 MOTION

RESOLUTION
 INFORMATION

I. REQUEST OR ISSUE: This form constitutes the memorandum required per Code 5.12.040 setting forth the following:

- A. Identity of Contractor: *Turnagain Marine Construction*
- B. Contract Price: *Option A \$40,645,000 or Option B \$39,320,000*
- C. Nature & quantity of the work that the City shall receive under the contract:

Option A \$40,645,000

The drive down float will be 80' x 110', with 3 electrical connections, a sewer pump station, 2 pedestal cranes, and an all-season potable water tap. The float and access span will be designed to accommodate an H2O Truck. A soldier pile wall above the MHHW line, and pile supported panels spanning the width and providing additional parking. Wood docks include details such as pre-drilling and countersinking holes prior to sealing the wood and easily replaceable wear surfaces with minimal labor. The proposed concept will provide 446 slips, electrical and water connections dedicated to each slip, and fire hose risers at NFPA-required intervals along the dock.

Option B \$39,320,000

The drive down float will be 80' x 80', with 3 electrical connections, a sewer pump station, 2 pedestal cranes, and an all-season potable water tap. The float and access span will be designed to accommodate an H2O Truck. A soldier pile wall above the

MHHW line, and pile supported panels spanning the width and providing additional parking. Wood docks include details such as pre-drilling and countersinking holes prior to sealing wood and easily replaceable wear surfaces with minimal labor. The proposed concept will remove 13 finger floats on the back of the N floats (hardware will be in, reducing the total slips to 433 slips. In the future, the finger floats will be installed to gain the remaining 13 slips, bringing the total slips back 446 slips, with electrical and water connections dedicated to each slip, and fire extinguisher every 150 feet along all main docks, and 6 - 50lb wheeled extinguisher.

D. The time for performance under the contract.

It is anticipated that this contract will be completed by July1, 2024

II. RECOMMENDED ACTION / NEXT STEP: Council suggested a motion “to direct the City Manager to negotiate a contract with Turnagain Marine Construction to provide design and construction of the South Harbor Rebuild for a sum not to exceed

Option A \$40,645,000 Forty Million Six Hundred Forty-five Thousand

OR

Option B \$39,320,000 Thirty-Nine Million Three Hundred Twenty Thousand

III. FISCAL IMPACTS: The funding to close the gap from the \$35.7 million secured funds will be identified in the Resolution 11-22-31.

IV. BACKGROUND INFORMATION: The team has identified the proposal that encompasses the grant parameters, reduces the risk of MARAD objecting to scope changes (mentioned above) and provides the best price.

V. LEGAL ISSUES: The RFP adheres to the City Code 5.12.130 - Competitive sealed proposals and this memo reflects requirements of 5.12.040.

VI. SUMMARY AND ALTERNATIVES: Council could choose not to approve the contract. By doing so, the team would have to negotiate to further reduce the scope of work, substantially increasing the risk with MARAD reducing funding and the potential loss of other grants.

5.12.040 - Council approval of contracts.

No contract for supplies, services or construction which obligates the city to pay more than twenty-five thousand dollars may be executed unless the council has approved a memorandum setting forth the following essential terms of the contract:

- A. The identity of the contractor;
- B. The contract price;
- C. The nature and quantity of the performance that the city shall receive under the contract; and
- D. The time for performance under the contract.

(Ord. 1019 § 1, 2008: Ord. 874, 2000: Ord. 809 (part), 1998).

(Ord. No. 1093, § 1, 1-4-2012)

5.12.130 Competitive sealed proposals.

- A. If the city manager determines in writing that use of competitive sealed bidding is not practicable, the city may procure supplies, services or construction by competitive sealed proposals under this section.
- B. The city manager shall solicit competitive sealed proposals by issuing a request for proposals. The request for proposals shall state, or incorporate by reference, all specifications and contractual terms and conditions to which a proposal must respond, and shall state the factors to be considered in evaluating proposals and the relative importance of those factors. Public notice of a request for proposals shall be given in accordance with Section 5.12.110(B). A request for proposals may be modified or interpreted only in the manner provided in Section 5.12.110(C).
- C. Sealed proposals shall be submitted by mail, delivery service or in person at the place and no later than the time specified in the request for proposals. Proposals not submitted at the place or within the time so specified shall not be opened or considered.
- D. Proposals shall be opened so as to avoid disclosing their contents to competing proposers before notice of intent to award a contract is issued. Proposals, tabulations and evaluations thereof shall be open to public inspection only after notice of intent to award a contract is issued. To the extent the proposer designates in writing and other provisions of law permit, trade secrets and other proprietary data contained in a proposal document shall be withheld from public inspection.
- E. In the manner provided in the request for proposals, the city manager may negotiate with those responsible proposers whose proposals are determined by the city manager to be reasonably responsive to the request for proposals. Negotiations shall be used to clarify and ensure full understanding of the requirements of the request for proposals. The city manager may permit proposers to revise their proposals after submission and prior to award to obtain best and final offers. Proposers deemed eligible for negotiations shall be treated equally regarding any opportunity to discuss and revise proposals. In conducting negotiations or requesting revisions, the city shall not disclose any information derived from proposals of competing proposers.
- F. Award shall be made by written notice to the proposer whose final proposal is determined to be the most advantageous to the city. No criteria other than those set forth in the request for proposals, including all specifications and addenda, may be used in proposal evaluation.

(Ord. 809 (part), 1998).