CBJ Docks and Harbors Board
SPECIAL BOARD MEETING MINUTES
For Wednesday, July 17th, 2019

I. Call to Order.

Mr. Etheridge called the Special Board Meeting to order at 5:00 pm in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: Don Etheridge, Christopher Dimond, Bob Janes, Budd Simpson, James Becker, Bob Wostmann, Mark Ridgway, and Weston Eiler.

Absent: David McCasland

Also present were the following: Carl Uchytil – Port Director, Gary Gillette – Port Engineer, Erich Schaal - Deputy Port Engineer, Dave Borg – Harbormaster, and Matthew Creswell – Deputy Harbormaster.

III. Approval of Agenda

Hearing no objection, the agenda is approved as presented.

IV. Public Participation on Non-Agenda Items – None

V. New Business

1. Bid Award for the Downtown Waterfront Improvements – Phase I (DH 19-014)

Mr. Gillette said the posting notice is in the packet from the bid opening on July 16th. Docks & Harbors received three bids and Trucano Construction is the low bidder at $12,376,699. The bid came in over $1M less than the Engineer's estimate was for the project. We do have the funds available and if you approve this tonight, it will go to the Assembly for approval on Monday night.

Board Questions -

Mr. Janes asked with the bid being $1M under, do we have the ability to transfer the money to another project?

Mr. Gillette said this is only phase I, we still need money for phase II and the construction administration inspection of the project as it moves forward.

Mr. Dimond said as a representative of one of the labor organization, he wants the Board members to know he will be signing on the PLA for this project. He wanted to make sure there is no conflict of interest if he votes on this topic.

Mr. Etheridge said he did not believe there was a conflict because Mr. Dimond will not benefit from this topic.

Mr. Simpson said he has represented the owners of the Archipelago project. He spoke with the CBJ attorney to see if he still has a conflict because the project is in the public portion. He was told to disclose the potential conflict and if no one objects than he is okay to participate on this item.

Mr. Etheridge asked if any of the Board members objected to Mr. Dimond and Mr. Simpson voting on this topic?
There was no objection from the Board members.

Public Comment - None

Board Discussion/Action

MOTION By MR. WOSTMANN: TO RECOMMEND THE BID FOR THE DOWNTOWN WATERFRONT IMPROVEMENTS – PHASE I BE AWARDED TO TRUCANO CONSTRUCTION FOR $12,376,699 AND FORWARD TO THE ASSEMBLY FOR APPROVAL AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

2. Bid Award for Statter harbor Improvements – Phase IIIA (DH 19-013)

Mr. Gillette said bids were opened today. The posting notice will be signed tomorrow and Pacific Pile and Marine (PPM) is the low bidder at $4,061,000, but it is much higher than the Engineer's estimate. Staff reviewed the bids to see where the differences are and one bid had a higher amount on the blasting than the other bidders. At this point, this is the number that stands. Even though it is higher than the estimate, we do currently have funds. We have more funds coming into the project, which will be for phase II. Options at this point would be cancel the bid, re-scope the project (maybe don't blast the rock, or dredge so deep), however, that will impact the project that we worked on for so long and feel it is necessary for a facility to last for 30 to 50 years. Staff recommendation is to move forward with the bid knowing we will have more money coming into the project. With the two bidders that were close, it does give indication that they were reading it correctly. We feel we have a decent bid and we can fund it.

Board Questions -

Mr. Ridgway asked if Mr. Gillette has had conversations with the contractor about their bid on the dredging and disposal?

Mr. Gillette said it is inappropriate at this time. After they are under contract, we can ask them how they interpreted the scope and negotiate at that time.

Mr. Ridgway asked if the scope included engineer's estimate on volume total, how many cubic yards?

Mr. Uchytil said the volume amount is the estimated dredging amount and we end up paying the actual contractor amounts of how much material that is removed. He asked Mr. Schaal to talk about the dredging line item.

Mr. Schaal said if you look at the blasting controls line item and the rock dredging and disposal line item, they are two halves of that process. If you look at what the three bidders have done, we see lopsided amount in PPM and an opposite amount in Kiewit. Talking with Dick Somerville at PND, it looks like the apparent low bidder placed the risk shown as a cost in the blasting controls which then means the actual cost for the dredging is much less. There are limits for over dredging

and there are requirements for under dredging. If they over dredge we do not bear the cost and if the under dredge they need to go fix it at their expense.

Mr. Uchytil said we award on a firm fixed price. Our options are to award to this contractor, re-scope it by making significant changes and re-advertise it. The risk is that we will lose another year and then we will need to go back and start the process all over for the National Marine Fisheries Service (NMFS) permit that took 19 months to receive. The bids came in 37% higher than what the engineer's estimate was and this is not the best situation. There is money in the project. The biggest risk to Docks & Harbor is the 75/25 match where 75% of head tax can be used but the other 25% has to be Harbor funds. That will be an additional $250,000 for phase I and $1M for phase II.

Public Comment -
Mr. Dennis Watson, Juneau, AK
Mr. Watson said he remembers when business was slow in the Northwest and jobs were hard to get because there was not any and bid prices were coming in at a good price. Now, when you are looking at work in the lower 48 you have companies begging for workers. He looks at it that the bids are high because they really do not need the business.

Board Discussion/Action

Mr. Janes said passenger fees are a bit of a touchy subject and he does not want to automatically assume it is a good thing for Juneau to defer to more passenger fee funding on a project that came in a lot higher than expected. Approving this will send a negative message to CLIA and to our passenger fee funding of this project and also place the 25% on the burden of the community. He would like more discussion and would like to put the award of the bid off to do more research. He does not want to go in this quickly with the thought that passenger fees are inexhaustible and we take them for granted.

Mr. Etheridge said the passenger fees are for the next phase of this project.

Mr. Uchytil said they are and we will be receiving $5M in this current Fiscal Year for phase II. This bid is 37% higher than the estimate and more than we are used to. The unique thing about this project is the blasting and the risk for the contractor because of the in-water blasting. He said he agrees we need to be frugal with everything we do, but there is nothing more to reduce in our bidding process. If we do go out again for bids, it needs to be re-scoped significantly to be fair to the next round of bidders.

Mr. Janes said another concern is the discrepancies in the blasting from two different bidders. Can the blasting be pulled out and be called a separate phase? He said $1M is worth talking about.

Mr. Schaal said the specification section for blasting controls was put together by a blasting specialist. They are very prescriptive and protective because this is a very unique situation. The specs are very descriptive on what they need to do to protect the community and Docks & Harbors interest. He said he is not concerned about the line item differences but if you add up the two items together, they are not that far off between all three bidders. It depends on the contractor where they put their money to come up with the overall bid because we pay based on a lump sum. They are higher than the engineer's estimate but not too different from each other's bids.

Mr. Dimond said any blasting is dangerous and adds a lot of cost. Engineers may not understand the OSHA regulation and compounded with working over the water, there are many added costs to any project. He said it is reasonable with the blasting to expect bids to come in higher than the engineer's estimate.

Mr. Wostmann asked what the consequence would be to not accept this bid and to guestimate the cost for a delay.

Mr. Uchytil said the reason the bids were open today and have approval from the Board today so the Assembly could act on it on Monday. Any delay will delay the Assembly approval until August 19th. The timeline would be the contractor would mobilize as early as October 1st, start the work, and the project has to be finished by mid-March because of the eagle permits and the Fish & Wildlife permits. Any delay will put the contractor in a bind to get all the work completed following the boundary conditions of the Corps of Engineer, Fish & Wildlife, and the National Marine Fisheries Service permits.

Mr. Ridgway asked if we had a Marine Mammal Protection Act permit LOA?

Mr. Uchytil said no, we have an IHA, Incidental Harassment Authorization Permit, which allows us to have "takes" of marine mammals. The blasting is very complicated and part of this permit is they will blast at the end of the day whether there are marine mammals or not. This is because the explosives place the workers at risk.

Mr. Ridgway asked who is liable for non-compliant of the IHA?

Mr. Uchytil said he is not sure.

Mr. Ridgway said he would prefer a contractor who puts more cash in the blasting rather than mobilization because that could provide additional protection for Docks & Harbors.

Mr. Wostmann asked if the permits are all date specific for use?

Mr. Uchytil said that is correct.

Mr. Dimond asked if there are portions of this project, if delayed, that could be removed to cut back on the cost to get a lower bid?

Mr. Uchytil said the only areas to change would be to not dredge as deep and not blast all the rock that tour operators said will be a problem if left in.

Mr. Janes said he questions dredging to negative eight but he is tending to support this bid. He wants to make sure the Assembly is clear why we made the decision we made.

Mr. Becker asked if sea lions come into the harbor during this project, would the contractor have to stop working until they leave?

Mr. Schaal said we have an in depth permit from the National Marine Fisheries that talks about protection for the marine mammals and we intend to cooperate with the local NOAA officer as we get closer to the blasting phase and all local resources to set ourselves up for success. We will watch for marine mammals several weeks in advance of the project and know the ebb and flow of

the mammals and meet with the contractor to discuss go or no go blasting in regards to the marine mammals.

Mr. Janes asked if there was a reason we could not come in years from now to do the blasting after the floats are in place?

Mr. Schaal said it would be very damaging to the existing floats.

Mr. Janes said unless they are pulled prior to the blasting.

Mr. Schaal said it becomes a different project once the new floats are installed. The projects best trajectory is to blast prior to installation of the floats.

Mr. Janes said personally being involved in Statter Harbor and the commercial boats that use that harbor, he was not sure where the facts or input came from for dredging to negative eight.

Mr. Creswell said he would hate to have this new facility built and not be able to use it with certain tides.

Mr. Janes said he wants to know where the line is with low tides where a certain portion of the floats would not be able to be used. He understands Docks & Harbors wants to do this right but this is $1M of passenger fees funds and 25% of local funds.

Mr. Uchytil said the meeting was with you and Doug Ward looking at dredge material and whether the rocks could be marked with a buoy and both you and Mr. Ward said the rocks need to go.

Mr. Janes said he did not know it was going to be $1M until today.

MOTION By MR. DIMOND: TO RECOMMEND THE BID FOR STATTER HARBOR IMPROVEMETNS PHASE IIIA BE AWARDED TO PACIFIC PILE & MARINE FOR $4,061,000 AND FORWARD TO THE ASSEMBLY FOR APPROVAL AND ASK UNANIMOUS CONSENT .

Motion passed with no objection

VI. Adjournment - The Special Board Meeting adjourned at 5:38p.m.