

*Filed SA
Tabled
11/18/16*

**NORTHWEST ARCTIC BOROUGH ASSEMBLY
RESOLUTION 16-56**

**A RESOLUTION OF THE NORTHWEST ARCTIC
BOROUGH ASSEMBLY AUTHORIZING A PHASED
CONSTRUCTION MANAGER/GENERAL CONTRACTOR
(CM/GC) CONTRACT WITH REMOTE SOLUTIONS LLC FOR
THE PRE-CONSTRUCTION, DESIGN, AND CONSTRUCTION
ACTIVITIES FOR THE KIVALINA MCQUEEN SCHOOL.**

This Resolution dated as of November 18 , 2016, shall confirm an understanding and approve a contract between the Northwest Arctic Borough (“NWAB”), and Remote Solutions (“RS”) concerning the pre-construction, design, and construction activities for the Kivalina McQueen School Construction project in Kivalina, Alaska.

Construction Manager/General Contractor (CM/GC) Method

The Construction Manager/General Contractor (CM/GC) method is a State of Alaska Department of Education and Early Development (DEEDS) approved and modern construction delivery method used by both public and private organizations. In the CM/GC method, the project owner (Owner) hires a Design and Engineering firm to perform Building design of a project, and also hires a CM/GC contractor during the design phase to provide construction expertise to the Owner and the design firm. The Project Team is made up of Owner, Designer, and CM/GC. This Team continues throughout the duration of the project.

The CM/GC contractor negotiates a Guaranteed Maximum Price (GMP) with the Owner for an agreed-upon scope of work, generally near the completion of design. During construction, the CM/GC contractor is responsible for self-performing an agreed percentage of the work and subcontracts out the remaining work elements. In general, the expected benefits of this delivery method are:

- Cost savings
- Higher quality plans and construction
- Faster completion of the project
- Greater flexibility for adapting to change
- Enhanced community mitigation

The CM/GC process, as an alternative to the competitive bid process, is becoming a more common approach for certain types of projects by public agencies including the Alaska DEEDS, Alaska Department of Transportation and the U.S. Army Corps of Engineers.

It is a method that benefits an Owner on a project that include one or more of the following:

- are generally high risk
- are technically complex
- have unusual site conditions, including a project performed in the Arctic
- have schedule constraints, including the geography and logistics of supporting work in Kivalina
- require complex phasing schemes
- have budget limitations
- and are greater than \$2 million in cost

WITNESSETH

WHEREAS, the Kivalina McQueen School Construction needs to start and complete construction within a 2-year timeframe to meet obligations associated with school construction startup or risk losing the allotted \$43,000,000 in school construction funding mandated through the Kasayulie lawsuit settlement. During the design phase, Northwest Arctic Borough (NWAB) and partners will seek additional construction funding; and

WHEREAS, the State of Alaska Department of Education and Early Development recommends \$63,094,777 to build the school based on their calculations with the NWAB share at \$12,618,955 and the state share at \$50,475,822. The \$43,000,000 was already committed in the Kasayulie Case; and

WHEREAS, the specific tasks to be performed by each party regarding the Kivalina McQueen School Construction are discussed and agreed upon by all parties on a weekly basis; and

WHEREAS, RS is a locally owned and operated consulting company, operating out of Kotzebue, with an existing contract to support the NWAB in project management, grant support, comprehensive planning, and construction management; and

WHEREAS, in planning for the Kivalina McQueen School Construction Project the NWAB personnel have analyzed several construction planning, contracting and execution methods; and

WHEREAS, NWAB recommends to the assembly that there is a compelling and urgent need for advancing the project, it is in the best interest of the NWAB to utilize the CM/GC procurement method for the Kivalina McQueen School Construction Project; and

WHEREAS, a contract under the CM/GC method will likely result in project execution risk reduction, substantial cost savings, expedited completion schedule, and other substantial benefits to the NWAB government, the local community and the Kivalina McQueen School Construction Project; and

WHEREAS, this resolution grants a documented exemption, under NWAB Code, from competitive bidding and to sole-source award for pre-construction and construction of the Kivalina McQueen School Construction Project using a Construction Manager/General Contractor (CM/GC) method; and

WHEREAS, the Construction Manager/General Contractor (CM/GC) contract being used is accepted by the Alaska Department of Education and Early Development and will be in compliance with both state and federal regulatory guidelines; and

WHEREAS, the Maximum Allowable Construction Cost currently is available per the DEED payment schedule; and

WHEREAS, the agreed upon Cost Plus Fixed Fee percentage is 12%; and

WHEREAS, the Guaranteed Maximum Price for the complete Project, on a not to exceed limit basis, will be determined for each phase; and

WHEREAS, On October 23rd, 2016 the Assembly approved the use of the CM/GC method of procurement for the Kivalina Evacuation and School Access Road Project.

NOW THEREFORE BE IT RESOLVED that the Assembly approves the use of the CM/GC method of procurement for the Kivalina McQueen School Construction Project.

BE IT FURTHER RESOLVED that the Assembly approves an exemption from the competitive bidding requirements to allow use of a Construction Manager/General Contractor contracting method for the Kivalina McQueen School Construction Project.

BE IT FURTHER RESOLVED, that the Northwest Arctic Borough and Remote Solutions will enter into a CM/GC contract naming Remote Solutions as the Prime Contractor and Program Manager for the Kivalina McQueen School Construction Project.

PASSED AND ADOPTED THIS 18th DAY OF NOVEMBER 2016.

Carl Weisner, President

PASSED AND APPROVED THIS 18th DAY OF NOVEMBER 2016.

Clement Richards, Sr., Mayor

SIGNED AND ATTESTED TO THIS 18th DAY OF NOVEMBER 2016.

Stella Atoruk, Borough Clerk

ATTEST: