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**NORTHWEST ARCTIC BOROUGH  
Resolution 16-57**

**A RESOLUTION OF THE NORTHWEST ARCTIC BOROUGH ASSEMBLY APPROVAL OF 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 22, 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 modern construction delivery method used by both public and private organizations. In the CM/GC method, the 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 Department of Education and Early Development, Alaska Department of Transportation and the U.S. Army Corps of Engineers. It is a method that is most likely to benefit the Owner for projects that:

- Are high risk,
- are technically complex,
- have unusual site conditions,
- have schedule constraints,
- 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 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 potential 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 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 delivery and contracting methods; and

**WHEREAS**, NWAB recommends to the assembly that based on the compelling urgent need for advancement of 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**, On October 23<sup>rd</sup>, 2016 the Assembly approved the use of the CM/GC method of procurement for the Kivalina Evacuation and School Site Access Road Project; and

**WHEREAS**, a contract under the CM/GC method will likely result in substantial cost savings, expedited completion, and other substantial benefits to the NWAB and the Kivalina McQueen School Construction Project; and

**WHEREAS**, this resolution grants exemption from competitive bidding for pre-construction and construction of the Kivalina McQueen School Construction Project by means of a Construction Manager/General Contractor; and

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

**WHEREAS**, the Maximum Allowable Construction Cost will be phased and made available per the DEED payment schedule; and

**WHEREAS**, the agreed upon Cost Plus Fixed Fee percentage is determined by state requirements; and

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

**WHEREAS**, in anticipation of the executed Project Agreement between NWAB and DEED, Remote Solutions is authorized to release Kivalina McQueen School Construction Project RFPs; and

**WHEREAS**, the NWAB Mayor and staff have written and approved the required sole source justification per NWAB Code and 2 CFR 200; and

**WHEREAS**, Remote Solutions and the Joint Construction Committee will collaborate frequently as requested by the Committee Chairs.

**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 APPROVED THIS 22<sup>ND</sup> DAY OF NOVEMBER 2016.**

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**Carl Weisner, Assembly President**

**PASSED AND ADOPTED THIS 22<sup>ND</sup> DAY OF NOVEMBER 2016.**

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**Clement Richards, Sr., Mayor**

**SIGNED AND ATTESTED TO THIS 22<sup>ND</sup> DAY OF NOVEMBER 2016.**

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**Stella Atoruk, Borough Clerk**

**ATTEST:**