

SUBJECT: INFORMING THE ASSEMBLY OF THE PENDING U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) CD-451 DOCUMENT THAT REQUIRES THE BOROUGH MANAGER'S SIGNATURE PRIOR TO THE EDA APPROVAL FOR A CONSTRUCTION CONTRACT WITH WESTERN MARINE CONSTRUCTION FOR INSTALLATION OF PILE SLEEVE AND CATHODIC PROTECTION AT PORT MACKENZIE.

AGENDA OF: February 6, 2024

ASSEMBLY ACTION: Presented to the Assembly 02/06/24 - BJH

AGENDA ACTION REQUESTED: For information only.

Route To	Signatures
Originator	1 / 2 4 / 2 0 2 4 X D o n a l d J o u r d i a n <small>Signed by: Donald R. Jourdian</small>
Division Manager	1 / 2 4 / 2 0 2 4 X <i>Cole Branham</i> <small>Signed by: Cole Branham</small>
Department Director	1 / 2 4 / 2 0 2 4 X T o m A d a m s , P E <small>Signed by: Tom Adams</small>
Purchasing Director	1 / 2 5 / 2 0 2 4 X <i>[Signature]</i> <small>Signed by: Russ Krafft</small>
Finance Director	1 / 2 6 / 2 0 2 4 X C h e y e n n e H e i n d e l <small>Signed by: Cheyenne Heindel</small>
Borough Attorney	1 / 2 6 / 2 0 2 4 X N i c h o l a s S p i r o p o u l o s <small>Signed by: Nicholas Spiropoulos</small>
Borough Manager	1 / 2 6 / 2 0 2 4 X M i c h a e l B r o w n <small>Signed by: Michael Brown</small>
Borough Clerk	1 / 2 9 / 2 0 2 4 X B r e n d a J . H e n r y f o r <small>Signed by: Brenda Henry</small>

ATTACHMENT (S) :

- Previously signed CD-451 provided as a reference document for what the EDA will email by Feb 12, 2024.
- Moffat & Nichol scoping letter, which contains the anticipated scope of work amendment that the EDA's CD-451 will contain.

SUMMARY STATEMENT: The purpose of this legislation is to inform the Assembly that the Borough Manager will be asked to sign the CD-451 form for the U.S. Department of Commerce Economic Development Administration (EDA) Grant for the Port Mackenzie Pile Sleeve and Cathodic Protection project. The Borough Manager's signature on the CD-451 form is required prior to the EDA's approval to participate in the construction contract with Western Marine Construction (Bid 24-006B). The scope amendment is part of the sole bidder negotiation to modify the project to an acceptable scope and reduce the cost to award the contract per AM 23-123 approved under the consent agenda on November 21, 2023.

GRANT COOPERATIVE AGREEMENT

**AMENDMENT TO
FINANCIAL ASSISTANCE AWARD**

FEDERAL AWARD ID NUMBER

07-79-07638.01

CFDA NO. AND NAME

11.307 / Economic Adjustment Assistance Program

PROJECT TITLE

Port Mackenzie Pile Sleeves and Ro/Ro Cargo Ramp

RECIPIENT NAME

Matanuska-Susitna Borough

AMENDMENT NUMBER

1

STREET ADDRESS

350 E Dahlia Ave

EFFECTIVE DATE

Date of Grants Officer's Signature

CITY, STATE, ZIP CODE

Palmer, AK 99645

EXTEND PERIOD OF PERFORMANCE TO
(IF APPLICABLE)

COSTS ARE REVISED AS FOLLOWS:	PREVIOUS ESTIMATED COST	ADD	DEDUCT	TOTAL ESTIMATED COST
FEDERAL SHARE OF COST	\$ 7,590,192.00	\$ 1,000,000.00	\$	\$ 8,590,192.00
RECIPIENT SHARE OF COST	\$ 1,897,548.00	\$ 250,000.00	\$	\$ 2,147,548.00
TOTAL ESTIMATED COST	\$ 9,487,740.00	\$ 1,250,000.00	\$	\$ 10,737,740.00

REASON(S) FOR AMENDMENT.

Additional funds, revised authorized scope of work and time extension for start/completion of construction milestones.

This Amendment Document (Form CD-451) signed by the Grants Officer constitutes an Amendment of the above-referenced Award, which may include an obligation of Federal funding. By signing this Form CD-451, the Recipient agrees to comply with the Amendment provisions checked below and attached, as well as previous provisions incorporated into the Award. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Amendment offer and de-obligate any associated funds.

SPECIFIC AWARD CONDITION(S)

LINE ITEM BUDGET

OTHER(S): Exhibit A

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER

SHEBA PERSON-WHITLEY

Digitally signed by SHEBA PERSON-WHITLEY
Date: 2023.09.11 16:06:02 -07'00'

DATE

09/11/23

PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL

Michael Brown, Borough Manager



DATE

10/5/23

EXHIBIT A: AMENDMENT 1 TO SPECIAL AWARD CONDITIONS

Replace SAC 1 in its entirety with the following:

1. AUTHORIZED SCOPE OF WORK: This EDA Award supports the work described in the approved final scope of work, which is incorporated by reference into this Award, as the *Authorized Scope of Work*. All work on this project must be consistent with the *Authorized Scope of Work*, unless the Grants Officer has authorized a modification of the scope of work in writing through an amendment memorialized by a fully executed *Amendment to Financial Assistance Award* (Form CD-451).

The *Authorized Scope of Work* for this project includes:

Repair existing corrosion on piles supporting the Port Mackenzie Deep Draft Dock. Repair dock piles by repairing splice welds and installing pile sleeves on approximately 48 piles with moderate to severe corrosion damage, and if funds are available, place pile sleeves on the remaining 16 piles with low to moderate corrosion damage. The annulus between the sleeves will be filled with grout, and a limited number of piles will be installed with ice deflectors to protect the piles from ice flow. The piles and barge dock will also be installed with a sacrificial corrosion control system (cathodic protection).

Replace SAC 8 in its entirety with the following:

8. PROJECT DEVELOPMENT TIME SCHEDULE: The Recipient agrees to the following Project Development Time Schedule:

Return of Executed Financial Assistance AwardNo later than 30 calendar days after receipt of Form CD-450/CD-451

Start of Construction December 31, 2023

Construction Completed December 31, 2025

Authorized Award End Date 60 Months from the Date of Award

Submission of Final Financial Report (Form SF-425) ...No later than 120 calendar days from the Award End Date

Project Closeout – All project closeout documents, including final financial reports (Form SF 425 or any successor form) and any required program reports, shall be submitted to EDA not more than 120 calendar days after the date the Recipient accepts the completed project from the contractor(s).

The Recipient shall diligently pursue the development of the project so as to ensure completion within this time schedule and shall promptly notify EDA in writing of any event that could substantially delay meeting any of the prescribed time limits for the project as set forth above. The Recipient further acknowledges that failure to meet the development time schedule may result in EDA taking action to terminate the Award in accordance with the regulations set forth at 2 CFR §§ 200.338–200.342, as applicable.

**Special Award Conditions
Amendment No. 1 – Exhibit A**

**EDA Award No. 07-79-07638.01
Matanuska-Susitna Borough, AK**

Replace Specific Award Condition No. 10, Parts A. B. with the below:

A. Under the terms of the Award, the total approved/authorized budget is:

Federal Share (EDA Funds)	\$8,590,192
Non-Federal Matching Share	<u>\$2,147,548</u>
Total Project Cost	\$10,737,740

B. Under the terms of the Award, the total approved/authorized line-item budget is:

COST CLASSIFICATION	Previously Approved	Revised Approved
Administrative and legal expenses	\$82,000	\$0
Land, structures, rights-of-way, etc.	\$0	\$0
Relocation expenses and payments	\$0	\$0
Architectural and engineering fees	\$223,800	\$660,000
Other architectural and engineering fees	\$0	\$0
Project inspection fees	\$688,640	\$688,640
Site work	\$0	\$0
Demolition and removal	\$0	\$0
Construction	\$7,334,000	\$8,450,190
Equipment	\$0	\$0
Contingencies	\$1,159,300	\$938,910
Total Project Cost	\$9,487,740	\$10,737,740

All other terms and conditions of the Financial Assistance Award remain in full force and effect.



U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
915 Second Avenue, Room 1890
Seattle, Washington 98174
Fax: 206.220.7669
Voice: 206.220.7660

Mr. David Griffin
Port Operations Manager
Matanuska-Susitna Borough
350 E Dahlia Ave
Palmer, AK 99645

RE: EDA Award No. 07-79-07638
Port Mackenzie Pile Sleeves & Ro/Ro Cargo Ramp
Amendment 1

Dear Mr. Griffin:

EDA has reviewed the Matanuska-Susitna Borough's July 26, 2023, request for additional funds, a change in scope, and revision of specific award conditions (SACs). SACs 1 – *Authorized Scope of Work*, 8 – *Project Development Time Schedule*, and 10 – *Allowable Costs and Authorized Budget* have been revised per the attached CD-451.

Except as amended herein, all other terms and conditions of the Financial Assistance Award remain in full force and effect.

Your agreement to Amendment 1, should be indicated by the signature of the grantee principal official on the attached CD-451 "Amendment to Financial Assistance Award". The attached CD-451 can be electronically signed in either of the following ways: (i) using a certified signature through Adobe or some other software, (ii) signing in ink and scanning the documents. The fully executed document should be returned electronically to Tobey Clarkin at TClarkin@eda.gov, with a copy to SPerson@eda.gov. If not signed and returned within 30 days of receipt, EDA may declare the award amendment null and void. Please retain a copy of the executed award amendment for your records.

Sincerely,

SHEBA PERSON-
WHITLEY

Digitally signed by SHEBA
PERSON-WHITLEY
Date: 2023.09.11 16:17:20
-07'00'

Sheba Person-Whitley
Regional Director

Attachment: CD-451 Amendment to Financial Assistance Award

Copy to: Shirley Kelly, Economic Development Representative



880 H Street, Suite 208
Anchorage, AK 99501

(907) 677-7500 ❖ Fax: (907) 677-7577
www.moffattnichol.com

January 17, 2024

Matanuska-Susitna Borough
350 East Dahlia Ave
Palmer, Ak 99645

Attn: Donald Jourdian

Subject: Port Mackenzie Pile Sleeve Installation Project, Award No. 07-79-07638

At the request of the Borough, the project scope has been revisited to address concerns raised by the EDA regarding the elimination of the cathodic protection system from the bid documents. Due to high bid pricing for construction, the project was rescope in the fall of 2023 to eliminate the cathodic protection system and revise the sleeve design.

The decision was made to prioritize installation of pile sleeves under this project with the intent that the existing impressed current cathodic protection system would be repaired or rehabilitated under a separate contract. The existing impressed current system is protecting some portions of the structure while other portions remain unprotected.

28-piles have been selected for sleeving based on priority and need for repair. These piles are in the worst condition and/or are piles that require barge and crane access to sleeve. All of the piles denoted as priority 1 are included.

The dock improvements made as a part of this project have an anticipated design life of up to 15-years. This design service life assumes that installed components will be maintained throughout their service life and not subjected to extreme conditions or damaging events.

- The sleeves are anticipated to require little maintenance, however repair of damaged coating and replacement of loose, missing, or corroded hardware will extend their useful life. The new sleeves, themselves are expected to have a design service life of 15-years even if the sacrificial anodes are not replaced periodically.
- It is our understanding that the EDA requires cathodic protection to be installed on the dock piling and sheetpile bulkhead as a part of this project, as a stop-gap measure until the impressed current system could be repaired or replaced. This portion of the scope was removed as a cost-savings measure; but at this time it has been requested that it be returned to the current scope. The sacrificial anode system will be installed to protect each of the dock piling and the bulkhead sheetpiling; retaining the characteristics shown in the previously approved design documents. Additionally, alternative mounting details will be provided, to facilitate the contractor's installation methodology and reduce costs.

- The passive cathodic protection system will require periodic replacement of the anodes or replacement of the impressed current system, consistent with the original design reviewed and approved by the EDA. The anodes are designed to provide full cathodic protection for a period of 5 years. The current demands in Cook Inlet are extreme making it impractical for anodes to be sized for a longer life.
- The existing impressed current system will continue to provide a level of cathodic protection, however it is not being relied upon due to its age and apparent need for repairs. The impressed current system's performance may improve with the installation of the sleeves as the painted sleeves will reduce the area of submerged steel requiring protection, which in turn should reduce demands on the impressed current system.

The following revisions to the drawing set are anticipated:

- G-101 – Will be updated to show location of 28-sleeves.
- S-505 – Added preliminary anode bracket details for review.
- S-600 – Updated schedule to identify 28- sleeves.
- CP-102 – Will be updated to reflect mounting bracket details.
- CP-103 – Will be updated to reflect mounting bracket details and elevations.
- General – page numbers and sheet references will be updated throughout.

The installation of pile sleeves, repair of damaged weld splices, and a cathodic protection system are critical to the longevity of the Port Mackenzie Deep Draft Dock Facilities. This project as currently scoped, repairs priority piling and extends the overall useful life of the structure.

Sincerely,
MOFFATT & NICHOL



Charles Balzarini, PE
Engineer