MATANUSKA-SUSITNA BOROUGH ACTION MEMORANDUM **AM No. 26-110**

SUBJECT: APPROVAL OF ADDITIONAL UTILITY RELOCATION COSTS OF $65,716.44 TO ENSTAR NATURAL GAS CO. FOR THE ADELE CIRCLE AND AUGUST CIRCLE IMPROVEMENTS PROJECT IN RSA 9 MIDWAY.

AGENDA OF: August 18, 2026

ASSEMBLY ACTION:

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To:	Signature
Originator	8/3/2026 X Austin Larson Signed by: Austin Larson
Project Management Division Manager	Recoverable Signature X Cole Branham Signed by: Cole Branham
Public Works Director	8/3/2026 X Tom Adams, PE Signed by: Tom Adams
Purchasing Director	8/3/2026 X Dustin Silva Signed by: Dustin Silva
Finance Director	Recoverable Signature X Cheyenne Heindel Signed by: Cheyenne Heindel
Borough Attorney	8/4/2026 X Nicholas Spiropoulos Signed by: Nicholas Spiropoulos
Borough Manager	8/4/2026 X Michael Brown Signed by: Mike Brown
Borough Clerk	8/3/2026 X L. McKechnie Signed by: Lonnie McKechnie

ATTACHMENT(S): Fiscal Note (1 pp)
Enstar Estimate (1 pp)

SUMMARY STATEMENT: The Adele Circle and August Circle Improvements in Road Service Area (RSA) 9 Midway. The project will improve drainage, reconstruct the roadway structural sections, and pavement. These improvements will enhance roadway durability, improve safety, and reduce long-term maintenance costs. The project is located in proximity to the planned Alaska State Departement of Transportation and Public Facilities (DOT&PF) Hermon Road Extension project.

As part of the project design process, ENSTAR Natural Gas Company (ENSTAR) was issued a $5,000 reimbursable purchase order (PO) for preliminary engineering services. During its review of the plans, ENSTAR identified unavoidable conflicts with existing natural gas utilities, and provided a reimbursable time and materials cost estimate of $34,639.00 for relocation services.

ENSTAR has since identified an internal engineering estimating error that resulted in the original relocation cost estimate being understated. As a result, ENSTAR submitted a proposed change order in the amount of $65,716.44, increasing the total estimated utility relocation cost to $100,355.44.

Pursuant to MSB 3.08.161, Assembly approval is required for contracts exceeding $100,000.

The Administration is requesting approval for additional utility relocation cost in the amount of $65,716.44 for ENSTAR's revised estimate, bringing the total amount to $100,355.44.

RECOMMENDATION OF ADMINISTRATION: Approve additional utility relocation cost of $65,716.44 to Enstar Natural Gas Company for the Adele Circle and August Circle Improvements, Project number 30036-6600-6695 in RSA 36 Midway.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: August 18, 2026

SUBJECT: APPROVAL OF ADDITIONAL UTILITY RELOCATION COSTS OF $65,716.44 TO ENSTAR NATURAL GAS CO FOR THE ADELE CIRCLE AND AUGUST CIRCLE IMPROVEMENTS PROJECT IN RSA 9 MIDWAY.

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT **YES** NO
AMOUNT REQUESTED $65,716.44	FUNDING SOURCE RSA Capital Projects
FROM ACCOUNT # 410.000.000 4xx.xxx	PROJECT# 30036-6600-6695
TO ACCOUNT:	PROJECT #
VERIFIED BY: 8/4/2026 X Liesel Zanto Signed by: Liesel Zanto	

EXPENDITURES/REVENUES: **(Thousands of Dollars)**

OPERATING	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL		65.7				

REVENUE						

FUNDING: **(Thousands of Dollars)**

General Fund						
State/Federal Funds						
Other		65.7				
TOTAL		65.7				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

APPROVED BY:	8/4/2026 X Cheyenne Heindel

Signed by: Cheyenne Heindel

Reimbursable Project Cost Estimate

Project: Adele & August Circle Improvements **Date: 7/30/2026**
ENSTAR Proposal #: 9191 **RC #: 42604**

A.	**Preliminary Engineering**					
	24 man hours @	$80.00 /Hr			$1,920.00	
	Construction Overhead =	64.81% of Labor Cost			$1,244.00	
	Transportation & Equipment =	17.28% of Labor Cost			$332.00	
	Payroll Tax =	25.00% of Labor Cost			$480.00	
	Admin & General Overhead =	138.95% of Labor Cost			$2,668.00	
					A.	**$6,644.00**
B.	**Construction Engineering**					
	Regular Time:	24 man hours @	$60.00 /Hr		$1,440.00	
	Overtime:	0 man hours @	$90.00 /Hr		$0.00	
	Payroll Tax =	25.00% of Labor Cost			$360.00	
					B.	**$1,800.00**
C.	**Construction Labor**					
	Regular Time:	48 man hours @	$60.00 /Hr		$2,880.00	
	Overtime:	0 man hours @	$90.00 /Hr		$0.00	
	Payroll Tax =	25.00% of Labor Cost			$720.00	
		ENSTAR Davis Bacon Fringe Benefit Adjustment			$1,152.00	
					C.	**$4,752.00**
D.	**Construction Overhead**					
		64.81% of Labor Costs (in sections B + C)			**D.**	**$2,800.00**
E.	**Materials & Supplies**				**E.**	**$2,500.00**
F.	**Materials Handling Charge**	19.42% of Materials (section E)			**F.**	**$486.00**
G.	**Transportation & Equipment**	17.28% of Construction Eng. & Labor (in sections B + C)			**G.**	**$746.00**
H.	**Contract Construction - 2026**					
	Laborer/Welder/Flagman (Davis Bacon) - ST	96 Hr @	$155.87 /Hr		$14,963.52	
	Laborer/Welder/Flagman (Davis Bacon) - OT	24 Hr @	$200.42 /Hr		$4,810.08	
	Kenworth Truck/Trailer (w/Operator) Davis Bacon - ST	4 Hr @	$267.22 /Hr		$1,068.88	
	Kenworth Truck/Trailer (w/Operator) Davis Bacon - OT	4 Hr @	$311.74 /Hr		$1,246.96	
	135 Hitachi Excavator (w/Operator) Davis Bacon - ST	0 Hr @	$345.14 /Hr		$0.00	
	CS 323 C Cat Compactor (Roller) Day Rental (Dry)	4 Day @	$806.14 /Day		$3,224.56	
	315 CAT Excavator (w/Operator) Davis Bacon - ST	32 Hr @	$345.14 /Hr		$11,044.48	
	315 CAT Excavator (w/Operator) Davis Bacon - OT	8 Hr @	$389.69 /Hr		$3,117.52	
	420 CAT Backhoe/Loader (w/Operator) Davis Bacon - ST	32 Hr @	$252.73 /Hr		$8,087.36	
	420 CAT Backhoe/Loader (w/Operator) Davis Bacon - OT	8 Hr @	$297.28 /Hr		$2,378.24	
	Service Truck w/Tools (Dry Hourly	120 Hr @	$100.29 /Hr		$12,034.80	
	D-3 CAT Dozer (w/Operator) Davis Bacon - ST	32 Hr @	$252.73 /Hr		$8,087.36	
	D-3 CAT Dozer (w/Operator) Davis Bacon - OT	8 Hr @	$297.28 /Hr		$2,378.24	
	375 CFM Compressor Rental (Dry)	4 Day @	$305.49 /Day		$1,221.96	
	D-1 Davis Bacon Price/Cubic Yard	0 Cu. Yd. @	$71.03 /Cu. Yd.		$0.00	
					H.	**$73,663.96**
I.	**Administrative & General Overhead**					
		138.95% of Labor Cost (excluding payroll tax)			**I.**	**$6,003.00**
		A&G Adjustment (2026 overhead rates not available)				**$960.48**
					Project Sub-total:	**$100,355.44**
J.	**Department of Labor Notice of Work Fee**					
		1.0% of contract construction costs ***if contract construction costs over $25,000***			**J.**	
					Total before any betterments:	**$100,355.44**
K.	**Betterments**				**K.**	**$0.00**
					Reimbursable Project Cost Estimate:	**$100,355.44**
					Original PO (incl. Preliminary Engineering):	**$34,639.00**
					Original Reimbursable Project Estimate:	**$34,639.00**
		290%			**Requested Change Order Amount:**	**$65,716.44**