

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 / 2 0 2 6 X A u s t i n L a r s o n S i g n e d b y : A u s t i n L a r s o n
Project Management Division Manager	8 / 3 / 2 0 2 6 X C o l e B r a n h a m S i g n e d b y : C o l e B r a n h a m
Public Works Director	8 / 3 / 2 0 2 6 X T o m A d a m s , P E S i g n e d b y : T o m A d a m s
Purchasing Director	8 / 3 / 2 0 2 6 X D u s t i n S i l v a S i g n e d b y : D u s t i n S i l v a
Finance Director	8 / 3 / 2 0 2 6 X C h e y e n n e H e i n d e l S i g n e d b y : C h e y e n n e H e i n d e l
Borough Attorney	8 / 4 / 2 0 2 6 X N i c h o l a s S p i r o p o u l o s S i g n e d b y : N i c h o l a s S p i r o p o u l o s
Borough Manager	8 / 4 / 2 0 2 6 X M i c h a e l B r o w n S i g n e d b y : M i c h a e l B r o w n
Borough Clerk	8 / 3 / 2 0 2 6 X L . M c K e c h n i e S i g n e d b y : L o n n i e M c K e c h n i e

Fiscal Note (1 pp)

ATTACHMENT (S): 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 Department 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 / 2 0 2 6 ☒ <u>L i e s e l Z a n t o</u> S i g n e d b y : L i e s e l Z a n t o	

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 / 2 0 2 6
	☒ <u>C h e y e n n e H e i n d e l</u> S i g n e d b y : C h e y e n n e H e i n d e l

Reimbursable Project Cost Estimate

Project: Adele & August Circle Improvements
ENSTAR Proposal #: 9191 RC #: 42604

Date: 7/30/2026

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				F. \$486.00
	19.42% of Materials (section E)			
G. Transportation & Equipment				G. \$746.00
	17.28% of Construction Eng. & Labor (in sections B + C)			
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 <i>if contract construction costs over \$25,000</i>		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