

SUBJECT: APPROVAL OF ADDITIONAL UTILITY RELOCATION COSTS OF \$98,749.57 TO ENSTAR NATURAL GAS CO. FOR THE BIRCH HARBOR DRIVE IMPROVEMENTS PROJECT IN RSA 17 (KNIK).

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 Signed by: Austin Larson
Project Management Division Manager	Recoverable Signature X C o l e B r a n h a m Signed by: Cole Branham
Public Works Director	8 / 3 / 2 0 2 6 X T o m A d a m s , P E Signed by: Tom Adams
Purchasing Director	8 / 3 / 2 0 2 6 X D u s t i n S i l v a Signed by: Dustin Silva
Finance Director	Recoverable Signature X C h e y e n n e H e i n d e l Signed by: Cheyenne Heindel
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 Signed by: Nicholas Spiropoulos
Borough Manager	8 / 4 / 2 0 2 6 X M i c h a e l B r o w n Signed by: Mike Brown
Borough Clerk	8 / 6 / 2 0 2 6 X L M c K e e c h n i e Signed by: Lonnie McKeechie

Fiscal Note (1 pp)

ATTACHMENT (S): ENSTAR Estimate (1 pp)

SUMMARY STATEMENT: The Birch Harbor Drive Improvements, Project No. 30040-6600-6720 in Road Service Area 17 Knik, will upgrade approximately 0.5 miles of Birch Harbor Drive to current MSB standards and pave the roadway, improving roadway durability, safety, and long-term serviceability.

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 project plans, ENSTAR identified unavoidable conflicts with existing natural gas utilities, and subsequently provided a reimbursable time-and-materials cost estimate of \$66,854.00 for relocating the affected utilities.

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 \$98,749.57, increasing the total estimated utility relocation cost to \$165,603.57.

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

The Administration is requesting approval of additional cost of \$98,749.57 for ENSTAR's revised utility relocation estimate, increasing the total amount to \$165,603.57. Additionally, the Administration requests an extension of the project completion date to December 31, 2027, and authorization to extend the contract by up to 90 days if unforeseen circumstances arise.

RECOMMENDATION OF ADMINISTRATION: Approve additional utility relocation cost of \$98,749.57 to ENSTAR Natural Gas co for the Birch Harbor Drive Improvements Project in RSA 17 (Knik); approve an extension of the completion date to December 31, 2027; and authorize the extension for up to 90 days should unforeseen circumstances arise.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: August 18, 2026

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FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED \$98,749.57	FUNDING SOURCE
FROM ACCOUNT #	PROJECT
TO ACCOUNT: 410.000.000 4xx.xxx	PROJECT # 30040-6600-6720
VERIFIED BY: 8 / 13 / 2 0 2 6  L i e s e l Z a n t o 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		98.7				
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REVENUE						
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		98.7				
TOTAL		98.7				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

APPROVED BY:	 Recoverable Signature
	 C h e y e n n e H e i n d e l Signed by: Cheyenne Heindel

Reimbursable Project Cost Estimate

Project: W Birch Harbor Drive Improvements Grading, I
ENSTAR Proposal #: 9210 RC #: 42617

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:	36 man hours @	\$60.00 /Hr	\$2,160.00	
Overtime:	0 man hours @	\$90.00 /Hr	\$0.00	
Payroll Tax =	25.00% of Labor Cost		\$540.00	
		B.		\$2,700.00
C. Construction Labor				
Regular Time:	78 man hours @	\$60.00 /Hr	\$4,680.00	
Overtime:	0 man hours @	\$90.00 /Hr	\$0.00	
Payroll Tax =	25.00% of Labor Cost		\$1,170.00	
	ENSTAR Davis Bacon Fringe Benefit Adjustment		\$1,872.00	
		C.		\$7,722.00
D. Construction Overhead				
	64.81% of Labor Costs (in sections B + C)	D.		\$4,433.00
E. Materials & Supplies				E. \$2,500.00
F. Materials Handling Charge				F. \$486.00
	19.42% of Materials (section E)			
G. Transportation & Equipment				G. \$1,182.00
	17.28% of Construction Eng. & Labor (in sections B + C)			
H. Contract Construction - 2026				
Laborer/Welder/Flagman (Davis Bacon) - ST	168 Hr @	\$155.87 /Hr	\$26,186.16	
Laborer/Welder/Flagman (Davis Bacon) - OT	42 Hr @	\$200.42 /Hr	\$8,417.64	
Kenworth Truck/Trailer (w/Operator) Davis Bacon - ST	7 Hr @	\$267.22 /Hr	\$1,870.54	
Kenworth Truck/Trailer (w/Operator) Davis Bacon - OT	7 Hr @	\$311.74 /Hr	\$2,182.18	
135 Hitachi Excavator (w/Operator) Davis Bacon - ST	0 Hr @	\$345.14 /Hr	\$0.00	
CS 323 C Cat Compactor (Roller) Day Rental (Dry)	7 Day @	\$806.14 /Day	\$5,642.98	
315 CAT Excavator (w/Operator) Davis Bacon - ST	56 Hr @	\$345.14 /Hr	\$19,327.84	
315 CAT Excavator (w/Operator) Davis Bacon - OT	14 Hr @	\$389.69 /Hr	\$5,455.66	
420 CAT Backhoe/Loader (w/Operator) Davis Bacon - ST	56 Hr @	\$252.73 /Hr	\$14,152.88	
420 CAT Backhoe/Loader (w/Operator) Davis Bacon - OT	14 Hr @	\$297.28 /Hr	\$4,161.92	
Service Truck w/Tools (Dry Hourly)	210 Hr @	\$100.29 /Hr	\$21,060.90	
D-3 CAT Dozer (w/Operator) Davis Bacon - ST	56 Hr @	\$252.73 /Hr	\$14,152.88	
D-3 CAT Dozer (w/Operator) Davis Bacon - OT	14 Hr @	\$297.28 /Hr	\$4,161.92	
375 CFM Compressor Rental (Dry)	7 Day @	\$305.49 /Day	\$2,138.43	
D-1 Davis Bacon Price/Cubic Yard	0 Cu. Yd. @	\$71.03 /Cu. Yd.	\$0.00	
		H.		\$128,911.93
I. Administrative & General Overhead				
	138.95% of Labor Cost (excluding payroll tax)	I.		\$9,504.00
	A&G Adjustment (2026 overhead rates not available)			\$1,520.64
	Project Sub-total:			\$165,603.57
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:				\$165,603.57
K. Betterments				K. \$0.00
Reimbursable Project Cost Estimate:				\$165,603.57
Original PO (incl. Preliminary Engineering):				\$66,854.00
Original Reimbursable Project Estimate:				\$66,854.00
248% Requested Change Order Amount:				\$98,749.57