

Presented by: The Manager
Introduced: 12/11/2023
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2023-05

An Ordinance Authorizing an Alternative Procurement Method Related to the Eaglecrest Pulse Gondola Construction Project.

WHEREAS, the City and Borough of Juneau (“CBJ”) owns the Eaglecrest Ski Area and desires to develop and improve the public ski area by installing, deploying, and operating a gondola system and other associated amenities, facilities, and visitor attractions; and

WHEREAS, the Assembly appropriated \$2,000,000 for the purpose of a used gondola (Ordinance 2021-08(b)(am)(Z), Feb. 29, 2022); and

WHEREAS, shortly after the \$2,000,000 was appropriated, Goldbelt, Inc., a local Alaska Native Corporation, reached out with a \$10,000,000 offer to fund installation of the gondola and associated infrastructure (Ordinance 2022-63, Jan. 9, 2023; and Ordinance 2023-08, May 8, 2023); and

WHEREAS, the CBJ acquired a used gondola and needs to complete construction of the gondola system, which will require procurement of construction services and additional goods; and

WHEREAS, the CBJ needs to purchase additional gondola towers and parts (~\$1.85M), refurbish the gear box, and purchase additional design work to maximize the benefits of an alternative procurement for construction services; and

WHEREAS, given the current design work plus the anticipated expenditures, the CBJ would have approximately \$6.5M remaining for construction services and other necessary purchases; and

WHEREAS, the City and Borough of Juneau’s conventional procurement method for construction projects is based on competitive bidding, with awards determined solely on the basis of price; and

WHEREAS, conventional construction projects typically reach 100% design before going out to bid and subsequent construction; and

WHEREAS, the Eaglecrest Pulse Gondola Construction Project, currently in design, is not suited to the traditional low-bid construction contract because of numerous elements of the project which contribute to its complexity; and

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2 WHEREAS, the various component pieces purchased from Austria will form the backbone of
3 the Eaglecrest Pulse Gondola with additional components including towers and the mid-
4 mountain station supplementing the existing components and requiring new components
significantly increasing the complexity of the design, installation, and construction work.

5 THEREFORE, BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU,
6 ALASKA:

7 **Section 1. Classification.** This ordinance is a non-code ordinance.

8 **Section 2. CBJ Code 53.50.** The provisions of CBJC 53.50 do not apply to this
9 transaction and to the extent the alternative procurement authorized pursuant to this
ordinance conflicts with provisions in CBJC 53.50, this ordinance controls.

10 **Section 3. Maximum Dollar Amount.** The alternative procurement authorized
11 pursuant to this ordinance shall not exceed six million and five hundred thousand dollars
(\$6,500,000). The source of funds is the investment made by Goldbelt, Inc., pursuant to the
12 Revenue Sharing Agreement entered into by the City and Borough of Juneau and approved by
the Assembly in Ordinances 2022-63 and 2023-08 and any funds appropriated from other
13 sources by the Assembly.

14 **Section 4. Construction Manager at Risk Methodology.** With a Construction
15 Manager at Risk (CMAR) design-build procurement process for the Eaglecrest Pulse Gondola
Construction Project, a construction management company will assume the risk for the
16 Eaglecrest Pulse Gondola Construction Project, within a Guaranteed Maximum Price as a
general contractor, and provide consultation to the City and Borough of Juneau regarding
17 construction during and after design of the Eaglecrest Pulse Gondola Construction Project.

18 **Section 5. Best Interest Finding.** The Assembly concurs with the City Manager's
19 best interest finding that a CMAR alternative procurement process is in the best interest of the
City and Borough of Juneau and the public based on cost, timing, the benefit to users, and the
20 potential to help Eaglecrest Ski Area become more economically successful and self-sufficient.
This finding is premised upon the following:

- 21 (a) Eaglecrest Ski Area is a vital CBJ asset that is beloved by the community, which
22 contributes greatly to the quality of life, and physical, mental, and emotional health of
the people of Juneau; and
- 23 (b) Eaglecrest Ski Area needs to expand its summer operations to generate resources to
24 support the winter-time activities to allow for maximal use and enjoyment by the
people of Juneau and also provide an alternative summer visitor activity; and
- 25 (c) The Eaglecrest Pulse Gondola Construction Project is complex and includes significant
challenges including environment, logistics, safety, timing, expense, and satisfactory
completion, all of which must be anticipated and managed; and

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2 (d) The CMAR alternative procurement process can help CBJ meet the numerous and
3 varied challenges by allowing Eaglecrest Ski Area and the design team to anticipate
4 and address issues that arise by close collaboration with the construction team to
5 minimize threats to infrastructure and the environment and to increase the likelihood
6 of a safe, timely, and successful Eaglecrest Pulse Gondola Construction Project.

7 **Section 6. Criteria for Selection of a Construction Manager at Risk**

8 **Procurement.** The procurement shall include qualifications-based selection criteria designed
9 to provide CBJ with the best value, including the following terms:

- 10 1. Firm qualifications
- 11 2. Experience with similar projects
- 12 3. Personnel proposed
- 13 4. Safety record
- 14 5. Project understanding and approach
- 15 6. Quality control program
- 16 7. Pre-construction service fees

17 **Section 7. Best and Final Offer Process.** The selected vendor shall enter into
18 negotiations with the City and Borough of Juneau to provide a final scope of contracted services
19 with a final guaranteed maximum price.

20 **Section 8. Approval Process.** The City Manager is authorized to competitively solicit
21 proposals, rate the proposals consistent with the criteria prescribed by this ordinance, and
22 present a recommended CMAR company proposal to the Assembly for approval.

23 **Section 9. Effective Date.** This ordinance shall be effective 30 days after its adoption.

24 Adopted this _____ day of _____ 2024.

25 _____
Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk