



City and Borough of Juneau
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TO: Michelle Hale, Chair, Committee of the Whole
FROM: Katie Koester, City Manager *Katie Koester*
DATE: December 14, 2023
RE: Gondola Best Interest Finding

Executive Summary

Key characteristics of the Gondola Installation at Eaglecrest Ski Area support an alternative procurement method such as GC/CM (General Contractor/Construction Manager), also known as CMAR (Construction Manager at Risk). The complexity of the project, direct involvement of Eaglecrest staff, timing issues, working in an unpredictable environment, and long lead time needed for specialty contractors, all underscore the need for an alternative approach to the traditional design-bid-build method for construction. At their December 7, 2023, meeting, the Eaglecrest Board of Directors approved the use of GC/CM for this project. In accordance with Municipal Code [9.14 \(b\) \(6\)](#), use of an alternative procurement method requires Assembly approval via an ordinance and a best interest finding by the Manager. This memo requests the Assembly to support alternative procurement for the Gondola installation.

Background

Benefits of GC/CM

- Allows for qualifications-based selection of GC
- Allows contractor input on construction phasing and cost estimating during the design process
- Provides the ability to proceed with portions of work prior to 100% completion of project documents
- Provides cost certainty with a negotiated, guaranteed maximum price

Project Characteristics Relevant to GC/CM Approach

Complexity of Project – CBJ purchased a used gondola from a ski area in Austria with the intention of using a combination of used and new pieces to reinstall the gondola at the Eaglecrest Ski Area. Although the components purchased in Austria will be the backbone of the gondola, it will be reassembled in a configuration different from how it was installed in Austria and as such requires new towers, components, and a new control system. The use of mixed, modified, and/or fabricated components adds a degree of complexity to the design and installation that will benefit from bringing a contractor in early in the process.

Eaglecrest Direct Involvement – The installation of the gondola will require significant involvement of Eaglecrest staff and leadership – to what extent, we do not yet know. Eaglecrest has specialty equipment – such as snow cats, that will be necessary during installation. Eaglecrest staff, with experience in mountain construction, trail building, and local knowledge will be able to add value to the

project, reduce costs, and increase efficiency. However, it is very difficult at this phase of the project to predict how much staff involvement will be needed. A GC/CM approach will allow for flexibility for Eaglecrest's contributions to the project.

Timing – Snow roads will be constructed to access some of the tower sites on steep and otherwise inaccessible terrain. This is the most affordable and environmentally friendly option. However, these roads will need to be constructed, and foundations for the towers installed, early in the project timeline. CBJ needs to engage a contractor soon in order to allow time to obtain construction materials and be ready to go once the snow road is open. A hostile weather environment will also mean inherent and unexpected delays. GC/CM procurement will allow the contractor and CBJ to share that risk.

Schedule – Delays in finalizing funding (with Goldbelt, Inc.) held up the gondola design process. Full design is now anticipated by mid-summer, 2024, leaving less than one and a half summer construction seasons to get the gondola in operation before the 2026 cruise ship season. Engagement of a GC/CM while still in design will allow maximum use of the 2024 summer season for construction, which is needed to meet the spring 2026 opening date.

The successful installation of the gondola, and the new control system, will require contractors and workers with a unique and specialized skill set. These specialized contractors (Ropeway, Controls, etc.) are in high demand and are usually booked a year in advance. CBJ needs to get a contractor on board early in the design process to get on their schedules.

In conclusion, establishing an early collaborative relationship with the general contractor, subcontractors, specialists, and Eaglecrest staff will ensure that the completion of the design work and consequent construction efforts will maximize the value of construction work in the limited seasonal construction windows, optimize the value that Eaglecrest staff and equipment can contribute to the project, and minimize contractors' inherent risk in a project of this nature.

Links to Additional Information:

- National Institute of Governmental Purchasing (NIGP): [Public Procurement Practice: Selecting the Appropriate Construction Project Delivery Method.](#)
- Design-Build Institute of America (DBIA): [Choosing a Project Delivery Method: A Design-Build Done Right Primer.](#)
- CBJ Charter Section [9.14](#) – Competitive Bidding

Action Requested

Staff requests that the Assembly affirm the Eaglecrest Board of Directors recommendation to use the GC/CM alternative procurement method as proposed in Ordinance 2023-05.