



Memorandum

11/10/2021

To: Steve Giesbrecht, Borough Manager

CC: Mayor Jensen and Members of the Petersburg Borough Assembly

From: Chris Cotta, Public Works Director

Re: Motor Pool Shop Fire Damage Repairs – Change Order No. 2

Construction on the Motor Pool Shop Fire Damage Repairs project is progressing and should be nearing substantial completion in the next couple of weeks. During the course of construction there have been several changes to the project that were directly related to fire damage or the fire codes covering the rehabilitated structure. Rainforest Contracting has provided proposals for these changes and their proposals have been reviewed and discussed by the Borough and the Borough's insurance provider. These changes are itemized in the attached Change Order No. 2. All of these itemized costs have been approved as covered costs, with the exception of a small portion (approximately \$450) of the asbestos tile removal. We do not know the final disposition of the disputed amount yet, however if the \$450 turns out to be a cost not covered by insurance, we can pay for it out of the Public Works Building Maintenance account.

Following is a brief explanation of each change order item:

1. Additional asbestos tile removal: When flooring in the shop was demolished, some of the flooring that was taken up revealed underlying asbestos material that had not been identified in the asbestos survey performed during design. This additional asbestos had to be abated and the cost for this work was \$13,500. Insurance has approved \$13,050 of this cost to date.
2. Fire damaged x-bracing repair: Demolition of the building walls and insulation revealed some underlying fire damage to the x-bracing for the steel framing that supports the shop facility. This damaged bracing had to be replaced to restore structural integrity. Total cost was \$3,800 which will be fully covered by insurance.
3. The State Fire Marshal mandated some changes to design of the building that went beyond "like kind" replacement of the existing structure and fire protection equipment. These changes are as follows:

Public Works Department

PO Box 329, Petersburg, AK 99833 – Phone (907) 772-4430 Fax (907) 772-4102

www.petersburgak.gov

- Changes to north and south walls from 10' up: Changes to upper portions of the north and south walls of the building, to eliminate exposed foamboard insulation that was part of the original building configuration. Additional framing and wall coverings had to be installed. Cost for this change was \$21,285 which will be fully covered by insurance.
 - Add exit sign and emergency lighting. Cost for this change was \$2,310 which will be fully covered by insurance.
 - Provide 2 new fire extinguishers. Cost for this change was \$250 which will be fully covered by insurance.
4. Shim crane runway beams as needed: During measurements for the new overhead crane installation, it was discovered that the south side of the building had warped slightly from the fire, pulling the crane runway beam on that side of the building out of alignment. Shims were added to the runway beams to bring them into proper tolerances for installation of the new overhead crane. Cost for this work was \$5,095 which will be fully covered by insurance.

At present, the construction contract amount is \$1,183,100. If Change Order 2 is approved, an additional \$46,240 would be authorized, of which all but \$450 has been approved for reimbursement by the Borough's insurance carrier. Total contract amount would then be \$1,229,340.

If you are in agreement with Change Order No. 2 as described above, please forward it to the Borough Assembly for consideration at their next regular meeting on November 15, 2021. I'll be present at the meeting to answer any questions that may arise in regards to the need for this additional work. Thank you.

Attachment: Change Order 2 with companion documents (7 pages total)