

**ALASKA STATE LEGISLATURE
LEGISLATIVE COUNCIL
NOVEMBER 12, 2014
10:05 AM**

MEMBERS PRESENT

Representative Mike Hawker, Chair
Representative Max Gruenberg
Representative Craig Johnson
Representative Peggy Wilson
Senator John Coghill
Senator Dennis Egan
Senator Kevin Meyer

MEMBERS ON TELECONFERENCE

Senator Peter Micciche, Vice Chair
Representative Mike Chenault
Senator Mike Dunleavy
Senator Gary Stevens

MEMBERS ABSENT

Representative Lance Pruitt
Representative Bill Stoltze
Senator Charlie Huggins

AGENDA

APPROVAL OF MINUTES
RATIFICATION OF CHARITY EVENTS
CONTRACT APPROVALS
OTHER COMMITTEE BUSINESS

SPEAKER REGISTER

Wayne Jensen, Jensen Yorba Lott, Inc. and Project Architect on
the Capitol Building Restoration
Pam Varni, Executive Director, Legislative Affairs Agency

[10:05:58 AM](#)

- I. **CHAIR MIKE HAWKER** called the Legislative Council meeting to order at 10:05 a.m. in room 105 of the Anchorage Legislative Office Building located at 733 W 4th Avenue. Present at the call were Representatives Hawker, Gruenberg, Johnson, and P. Wilson, and Senators Coghill, Egan, and Meyer; available via teleconference were Representatives Gruenberg and P. Wilson, and Senators Micciche, Coghill, Dunleavy, Egan and Stevens. Absent were Representatives Pruitt and Stoltze and Senator Huggins. Representative Chenault joined the meeting via teleconference for RFP 605.

- II. **APPROVAL OF MINUTES**
a. **July 9, 2014**
b. **August 7, 2014**

[10:07:49 AM](#)

SENATOR MEYER moved that the minutes from the Legislative Council meetings on July 9, 2014 and August 7, 2014 be approved as presented.

The motion was approved with no objections.

- III. **EXECUTIVE SESSION: RFP 605 - CHILDCARE PROVIDER / ADMINISTRATOR FOR THE CAPITOL ANNEX**

[10:08:20 AM](#)

SENATOR MEYER moved that Legislative Council go into executive session under Uniform Rule 22 (b) for the discussion of a matter that is, by law, required to be confidential.

[10:08:44 AM](#)

Legislative Council went into executive session

[10:48:15 AM](#)

Legislative Council came out of executive session

CHAIR HAWKER stated that, as required by law, Council had been discussing in executive session the award of an RFP for administration of a childcare facility at the Capitol Annex in Juneau. Chair Hawker re-established that there was a quorum to conduct business by noting that present in the room, in addition to the Chair, were Senators Egan, Coghill and Meyer; Representatives P. Wilson, Johnson and Gruenberg. On teleconference were Senators Micciche, Dunleavy and Stevens, as well as Speaker Chenault.

[10:49:54 AM](#)

SENATOR MEYER moved that Legislative Council award RFP 605: Child Care Provider/Administrator for the Capitol Annex to The Discovery Preschool, LLC, for a three-year contract with three optional one-year renewals.

A roll call vote was taken.

YEAS: Chenault, Gruenberg, Johnson, P. Wilson, Coghill, Egan, Meyer, Stevens, Micciche, Hawker

NAYS: Dunleavy

The motion passed 10-1.

IV. Alaska State Capitol Seismic Retrofit and Exterior Renovation

CHAIR HAWKER turned the floor over to Wayne Jensen of Jensen Yorba Lott who has been the project architect. He noted that also available were Pam Varni, Executive Director of the Legislative Affairs Agency, and Jeff Goodell, Capitol Building Manager.

WAYNE JENSEN used a PowerPoint presentation to provide Council members with an update on the progress of the project overall and a summary follows: demolition work on the west side (Main Street) as well as the infills facing the courtyard on the north side has been completed. Due to the progress of the work, limited demolition was added in the 2014 construction season for the portion of the north side which begins at the northwest corner and ends at the northeast corner of the west wing for a total cost of \$6,450,000 to date. Currently, the west side and the small portion of the north side wall are being protected by two layers of a waterproof covering that will remain until after the 2015 session, ensuring that the Capitol can be in use as usual for the legislative session. The project is due to be completed by the end of construction season 2016 with a total cost of \$33,600,000. For additional detail, please see Mr. Jensen's PowerPoint presentation, which was posted to BASIS for members and the public.

[11:14:46 AM](#)

REPRESENTATIVE GRUENBERG first thanked Mr. Jensen, Ms. Varni and Mr. Goodell for taking the time to answer some of his questions last week; he found it very helpful. Representative Gruenberg said his questions related to the construction cost breakdown distributed on November 10, 2014. He asked what was meant by "Contractor's Fee, Incentive and Warranty" for \$1.9 million.

MR. JENSEN said that part of Dawson Construction's response to the RFP for the original contract included a fee, which is essentially their profit, and some overhead as their proposed approach to the project; so that's included. There is also an incentive that was part of the original RFP, that if they were on schedule and came in on or below budget, they would be eligible for an incentive; whether that incentive is awarded is up to the State. There is also money included for warranty services so that if they have to return and fix anything, it is covered; it's like insurance for a specific period of time.

REPRESENTATIVE GRUENBERG followed up to ask about the incentive; specifically he asked how much was the incentive, what triggers it and who decides, and whether Legislative Council weighs in on that.

CHAIR HAWKER interrupted to inquire whether Mr. Jensen was the appropriate person to respond to that question. Mr. Jensen said he was able to answer the question.

MR. JENSEN responded to Representative Gruenberg that the incentive was included in the original RFP in the amount of \$250,000, which was for the entire contract. When the initial contract for 2014 was awarded, \$50,000 (of the \$250,000 total) was included. He said he would have to check the general conditions of the contract for the exact process of awarding the incentive but he does know there is a procedure to evaluate the progress for the year and then award all, a portion, or none of the incentive as appropriate. There was an incentive that was specifically addressed to the 2014 contract, and that amount would be available for the 2014 project. The rest of the project for the next two years would be eligible for the rest of the incentive, which totals \$200,000. In response to a follow-up question, Mr. Jensen said he's not sure of the exact language for who determines the award of the incentive, but believes it to be the Procurement Officer of the project, which is the Chair of Legislative Council.

11:19:38 AM

PAM VARNI, Executive Director of the Legislative Affairs Agency, further clarified that the process for awarding the incentive is the same as the process for all invoices related to this project - the review group consists of the Finance Manager [Jessica Geary], the Project Manager Jeff Goodell, the Project Architect Wayne Jensen, in addition to herself as well as the Chair of Legislative Council who serves as the Procurement Officer. There are weekly design meetings, in which Senator Egan participates as well as Representative Hawker's office, and it would be those

same participants making the decision on the award of the incentive.

CHAIR HAWKER interrupted to note that his office would be participating only while he was still Chair of Legislative Council.

MR. JENSEN, in response to a question from Representative Gruenberg, said that the original contract for the 2014 season was \$5.8 million which was primarily limited to the west side of the building and the structural work on the infills. Since that work was progressing ahead of schedule, Council was approached to approve \$650,000 of additional work on the north end of the west wing [see the PowerPoint presentation which shows the additional work in orange on the slide]. In a follow-up question, Mr. Jensen confirmed that the \$650,000 wasn't in addition to the total cost, but simply moved up to occur earlier than scheduled. The amendment that was approved for the additional work in the 2014 construction season did not result in an increase in the total cost of the project.

SENATOR MEYER said that his experience with big renovations like this, especially when one is dealing with asbestos, has shown the abatement tends to be more than anticipated. He asked if the elevators were included in the renovation as far as increasing the speed as he knows that has been a concern. He said the schedule looks pretty tight for the next two years. He asked if there were to be a special session, what that would do to the construction schedule.

MR. JENSEN said the answer to the asbestos question is that the original plan for dealing with the abatement was not what OSHA thought it should be, so it is costing more than originally anticipated. Money was saved in other areas, so the costs projected for years two and three anticipate that extra cost of asbestos abatement. It is difficult to get rid of it, there's no place in Juneau that deals with it, so it has to be shipped south in a container for disposal. He said that the proposed work schedule is an aggressive one and the way they will deal with it is to add more crews. There will be more people on staff, which means there will be more disruption to the Capitol as there will be work on the west side, the courtyard and the east side of the building at the same time. The sequencing will work well.

CHAIR HAWKER said it would be very difficult to conduct legislative activity during the construction phase. He asked for confirmation on the record of his understanding that in the event of a special session, it would be extremely difficult to hold it in the Capitol.

MS. VARNI agreed, especially in 2015 as both Chambers will be affected; Centennial Hall or another location might work if a special session is required. She said the offices in the front of the building (south side on 4th Street) will not be affected.

SENATOR MEYER asked when the renovation to the Anchorage LIO would be complete as it was his understanding that it was designed to accommodate a special session if necessary.

CHAIR HAWKER confirmed that was correct.

MR. JENSEN said the elevators will not be improved in terms of their operation. There is work scheduled on the elevator shaft as the shaft walls are composed of the heavy masonry and aren't well-reinforced; the plan is to reinforce those shaft walls as part of the seismic retrofit. That means the elevator will be down for a period of time but he was unsure if both would have to be shut down at the same time.

MS. VARNI, in response to a question by Chair Hawker, said the last time the elevator controls were refurbished was 2006.

SENATOR COGHILL asked if there was unanticipated damage to the roof during the 2014 construction phase.

MR. JENSEN said the roof was well-protected in the areas where the demolition was going on, so there wasn't any damage to the existing roof. There is no intent to replace the roof at this time, there will be patches needed where the parapets are being replaced. The new infill areas in the courtyard will need to be roofed; there is a temporary roof on the infills now until the demolition and other work immediately adjacent to those areas is complete. He reiterated that there were no roof leaks during the construction phase. One nice thing was that the scaffolding used provided an entire enclosure from the roof over to the outside wall so there really wasn't any new water getting on to the roof and the roof drains were maintained. The roof drain piping was part of the old 1929 plumbing and it will be replaced. The west side drains were replaced and that process will continue as the work progresses around the building.

CHAIR HAWKER noted that he may start losing members he needs for a quorum and asked that questions please be expedited as best possible.

SENATOR EGAN said he wanted to point out the Juneau does have space available for a special session and it has been done before. He went on to commend Ms. Varni, Mr. Goodell, Mr. Jensen

and especially the prime contractor Dawson and all the subcontractors. The building was being used all summer and tours for visitors were still conducted. Dawson and the subcontractors were very accommodating and were just a great group to work with. He said he was surprised at how well it went as he thought it was going to be a lot more disruptive.

MR. JENSEN said there will be even more subcontractors in 2015. The main contractor, Dawson Construction, is based out of Bellingham, Washington, with offices in Ketchikan and Juneau; there were subcontractors from all over. The masonry subcontractor is from Wasilla; the terracotta is coming from Boston; it's a large project and there will be a lot of people onsite. It's going to be a big workforce for the next two years as there is a significant amount of work to do.

There being no questions from members on teleconference, Chair Hawker asked for a motion.

[11:32:29 AM](#)

SENATOR MEYER moved that Legislative Council authorize the Chair to enter into a contract with Dawson Construction, Inc. in the amount of \$27,150,000 to complete the Alaska State Capitol, Seismic Retrofit & Exterior Renovation project.

A roll call vote was taken.

YEAS: Gruenberg, Johnson, P. Wilson, Coghill, Dunleavy, Egan, Meyer, Stevens, Micciche, Hawker

NAYS: None

The motion passed 10-0.

There being no further business before the committee, the Legislative Council meeting was adjourned at 11:34 a.m.

[11:34:25 AM](#)