

**SPECIAL ASSEMBLY MEETING  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

June 27, 2022 6:00 PM

Assembly Chambers/Zoom Webinar/YouTube Livestream

Meeting No. 2022-16; <https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691; Immediately followed by Assembly Committee of the Whole Worksession

**I. CALL TO ORDER**

**II. LAND ACKNOWLEDGEMENT**

**III. ROLL CALL**

**IV. APPROVAL OF AGENDA**

**V. SPECIAL ORDER OF BUSINESS**

**A. Instruction for Public Participation**

The public may participate in person or via Zoom webinar. Testimony time will be limited by the Mayor based on the number of participants. *Members of the public that want to provide oral testimony via remote participation must notify the Municipal Clerk prior to 4pm the day of the meeting by calling 907-586-5278. For in-person participation at the meeting, a sign-up sheet will be made available at the back of the Chambers and advance sign-up is not required.* Members of the public are encouraged to send their comments in advance of the meeting to [BoroughAssembly@juneau.org](mailto:BoroughAssembly@juneau.org).

**VI. PUBLIC PARTICIPATION**

**VII. AGENDA TOPICS**

**A. Resolution 2991 A Resolution Amending the Personnel Rules and Approving Economic Terms between the City and Borough of Juneau and Non-represented Employees.**

This Resolution would provide authority to increase pay for unrepresented employees by 3% in Fiscal Year 2023. The City and Borough is currently negotiating new Collective Bargaining Agreements (CBA) with three represented groups of employees. Represented employee pay is governed by the CBAs that expire on June 30, 2022; CBJ expects that negotiation of new CBAs will be completed this summer as all parties continue to negotiate in good faith. Current negotiations indicate that represented employees will receive not less than a 3% increase to the general salary schedule in FY23. Wage increases for represented employees will be implemented as soon as CBAs are ratified.

The CBJ has numerous unrepresented employees accounting for about 40% of the workforce (i.e. department directors, many supervisors, and many employees in planning/permitting, parks/rec, human resources, and law). CBJ has traditionally extended pay increases to unrepresented employees that are commensurate with negotiated CBAs. Although CBA negotiations remain incomplete, in order to stay competitive for recruitment and retention of unrepresented employees, CBJ must move forward with a pay increase for unrepresented employees. The effective date in this resolution corresponds with the first pay period in FY23. It is likely that an additional salary adjustment for unrepresented employees will be necessary once the negotiation of CBAs are complete.

**The City Manager recommends the Assembly adopt this resolution.**

**B. Ordinance for Introduction: Ordinance 2022-35 An Ordinance Authorizing an Alternative Procurement Method Related to the City and Borough's Mendenhall Waste Water Treatment Plant Infrastructure Upgrade.**

CBJ Charter 9.14 requires alternative procurement methods for public improvements to be approved by ordinance by the Assembly. This ordinance approves an alternative procurement for the Supervisory Control and Data Acquisition (SCADA) project at Mendenhall Wastewater Treatment Plant. The procurement method proposed is Construction Manager at Risk (CMAR), a methodology where a contractor is selected based on qualifications and is involved in design. CMAR is an industry standard for highly complex projects. SCADA is the complex brain of the treatment plant. Because we cannot turn the treatment plant off-line during this upgrade, a CMAR procurement method provides the greatest assurance that the treatment plant will stay fully operational during this upgrade.

The Public Works and Facilities Committee reviewed and approved this request at the June 6, 2022 meeting.

**The City Manager recommends the Assembly introduce this ordinance and set it for public hearing at the next regular Assembly meeting.**

## **VIII EXECUTIVE SESSION**

### **A. Update on Labor Negotiations**

## **IX. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: [city.clerk@juneau.org](mailto:city.clerk@juneau.org)

Presented by: The Manager  
Introduced: 06/27/2022  
Drafted by: R. Palmer III

**RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2991**

**A Resolution Amending the Personnel Rules and Approving Economic Terms between the City and Borough of Juneau and Non-represented Employees.**

WHEREAS, the City and Borough proposes implementation of certain economic terms for non-represented employees of the City and Borough of Juneau; and

WHEREAS, the economic terms include an increase of 3% to the pay schedule in fiscal year 2023; and

WHEREAS, the City and Borough is actively negotiating collective bargaining agreements for new terms and intends on updating the Personnel Rules, if necessary, when other collective bargaining agreements are ratified.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1.** The Assembly of the City and Borough of Juneau approves the following economic terms for non-represented employees, and hereby modifies the Personnel Rules to reflect the following:

- a. A wage increase of 3% in fiscal year 2023.

**Section 2. Effective Date.** This resolution shall be effective on July 4, 2022.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Beth A. Weldon, Mayor

Attest:

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager  
Introduced: 06/27/2022  
Drafted by: R. Palmer III

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2022-35**

**An Ordinance Authorizing an Alternative Procurement Method Related to the City and Borough's Mendenhall Waste Water Treatment Plant Infrastructure Upgrade.**

WHEREAS, the Mendenhall Waste Water Treatment Plant (MWWTP) is a critical utility for the City and Borough's (CBJ's) treatment of waste water from the hospital area, Lemon Creek, and much of the Mendenhall Valley; and

WHEREAS, the MWWTP is currently controlled by a 1980s Single Board Computer and an Allen Bradley PLC 540E Programmable Logic Controller, which are now obsolete systems and unsupported by their original manufacturer; and

WHEREAS, in order to modernize the MWWTP, the CBJ approved the Waste Water Controls and Supervisory Control and Data Acquisition (SCADA) upgrade project; and

WHEREAS, the Waste Water SCADA project is intended to replace the current computer and controller with a SCADA system for MWWTP operators to better monitor and control the treatment plant's processes; and

WHEREAS, in 2021, the CBJ signed a compliance order by consent with the State of Alaska Department of Environmental Conservation that recognized the critical nature of the SCADA upgrades to plant performance and includes a requirement to complete the SCADA project by November 2024; and

WHEREAS, modernizing the MWWTP will require a fully collaborative process between the CBJ, the design team, and the SCADA contractors; and

WHEREAS, the consequences of failure of a critical utility are significant, including the possibility of flooding homes with sewage or releasing inadequately treated wastewater to the Mendenhall River; and

WHEREAS, reaching 100% design before any construction has commenced is not practical because some form of deconstruction needs to occur in the old control sections to fully as-built that infrastructure and develop a controls switch-over plan; and

WHEREAS, attempting to complete the project using design-bid-build would create plant outages early on and draw the construction phase of the project out, resulting in higher design and construction costs, extra work for plant staff, the likelihood of expensive change orders, and an unreasonable risk of plant failures; and

WHEREAS, the project design plans are at a point in which a construction company joining the project would add substantial value to help guide the completion of the design, plan for the cut over from the old system to the new, and begin some preliminary construction tasks; and

WHEREAS, an alternative procurement approach, such as Construction Manager at Risk (CMAR) can address many of these risks because it allows the design team to anticipate and address issues that arise by close collaboration with the construction team and is ideally suited for projects with high complexity and many unknowns; and

WHEREAS, a purpose of the CBJ's purchasing process is to provide for a fair and equitable method of procuring services and improvements while maximizing the value of public funds and benefit to the community; and

WHEREAS, CBJ Charter Section 9.14(b)(6) requires public improvements be procured by competitive bid except that the Assembly—by ordinance—may adopt an alternative procurement method upon the City Manager finding it would be in the best interest of the City and Borough to do so based on cost, timing, and other relevant criteria.

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

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

**Section 2. Conflicts with Chapter CBJC 53.50.** To the extent the alternative procurement authorized pursuant to this ordinance conflicts with provisions in CBJC 53.50, this ordinance controls.

**Section 3. Maximum Dollar Amount.** The alternative procurement authorized pursuant to this ordinance shall not exceed \$3,900,000. The source of funds is the Waste Water SCADA Improvement Capital Improvement Project.

**Section 4. Methodology: Construction Manager at Risk (CMAR).** With a CMAR procurement method, a construction management company assumes the risk for construction of the Waste Water SCADA project, within a Guaranteed Maximum Price as a general contractor, and provides consultation to the CBJ regarding construction during and after design of the Waste Water SCADA project.

**Section 5. Best Interest Finding.** The Assembly concurs with the City Manager's best interest finding. A CMAR alternative procurement is in the best interest of the City and Borough of Juneau and the public for the infrastructure upgrades to the Mendenhall Waste Water Treatment Plant. This finding is premised upon the following:

- (a) The Mendenhall Waste Water Treatment Plant is a critical CBJ utility that operates constantly and a high degree of coordination is required because the waste water system is unable to be shut down during the project; and
- (b) The infrastructure upgrades are complex and include high risk of environmental, customer, and regulatory harm, including: failure of the treatment plant operations, incapacitation of one or more treatment processes, poorly treated effluent discharges, pollution, environmental damage, customer harm, and fines from the regulating agencies; and
- (c) The CMAR approach can mitigate many of the risks because it allows the design team to anticipate and address issues that arise by close collaboration with the construction team to minimize the threat to infrastructure and the environment.

**Section 6. Criteria for Selection of a Construction Manager at Risk Procurement.** The procurement shall include qualifications-based selection criteria designed to provide the CBJ with the best value, including the following terms:

1. Firm history and qualifications
2. Experience with similar projects
3. Personnel proposed
4. Safety Record
5. Project understanding and approach
6. Quality Control program
7. Pre-construction Service Fees

**Section 7. Approval Process.** The City Manager is authorized to competitively solicit proposals, rate the proposals consistent with the criteria prescribed by this ordinance, and present a recommended CMAR company proposal to the Assembly for approval. The City Manager would then be authorized to negotiate and contract with the CMAR company approved by the Assembly.

**Section 8. Effective Date.** This ordinance shall be effective 30 days after its adoption.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Beth A. Weldon, Mayor

Attest:

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk



TO: Mayor Weldon and CBJ Assembly

DATE: June 23, 2022

FROM: Rorie Watt, City Manger

SUBJECT: Best Interest Finding for Alternative Procurement for MTP SCADA Project

Per the Charter, provided that the Manager submits a best interest finding, the Assembly may authorize alternative procurement methods by Ordinance. This memorandum is a Best Interest Finding that concludes that an alternative procurement for the Mendenhall Treatment Plant (MTP) Supervisory Control and Data Acquisition (SCADA) project is in the best interests of the City & Borough.

**Best interest Finding**

CBJ's conventional procurement method for construction projects is based on competitive bidding, with award determined solely on the basis of price. A project typically reaches 100% design before going out to bid and subsequently construction. In the case of the SCADA project, a low bid process would expose the CBJ to unnecessarily high design costs, cost the Utility expensive additive change orders and expose the facility (and compliance with our State permits) to inadequately experienced contractors.

The SCADA project is focused on updating plant technology in an effort to increase monitoring, measuring and efficiency of the plant treatment performance. The existing 1990's era SCADA system will be replaced with new technology to give better information and operator control, allowing staff to respond to the changing influent conditions commonly seen at wastewater treatment plants.

Given the state of our current records of the plant, reaching 100% design before any construction has commenced isn't practical. In order to do so, some form of deconstruction would need to occur to fully as-built existing systems so that a switch-over plan could be developed. Among other issues, this would create plant outages, cost additional funds and lengthen the construction of the project.

A Construction Manager at Risk contract will lend flexibility in these areas and allow the design and construction team to resolve issues as they arise. Additionally, this procurement method offers better project cost certainty. Overall, this approach will result in less time on site interrupting treatment operations, and lower overall project costs.

Simply put, low bid procurement would result in higher costs, more disruption to the plant, and more exposure to permitting non-compliance.

**Selection Methodology**

In traditional competitive bidding, construction contracts are awarded solely on price. CBJ procurement code typically requires a low bid process, with several exceptions, including for the purchase of used equipment, computerized hardware and software, professional services and medical supplies. Not all procurements are good fits for the low bid process.

For this project, a combination of cost and quality will be used as the selection criteria. For example, the review committee will consider contractor experience, contractor personnel expertise, demonstrated ability to mitigate and share risk, project price and the ability provide continuous operations for the plant during construction.

**Recommended Action:** This topic has been discussed several times at the PWFC, most recently at the regularly scheduled meeting on 6/6/22. I recommend that the Assembly approve this Ordinance.

**Section 9.14. - Competitive bidding.**

- (a) The assembly by ordinance shall provide for competitive bidding and procedures for competitive bidding.
- (b) Contracts for public improvements and, whenever practicable, other purchases of supplies, materials, equipment, and services, shall be by competitive bid and awarded to the lowest qualified bidder. This subsection (b) shall not apply to purchases of:
  - (1) Professional services,
  - (2) Services of officers and employees of the municipality acting within the scope of their office or employment,
  - (3) Services of officers and employees of the State of Alaska or the federal government if such services are provided pursuant to a written agreement with the employer,
  - (4) Services of students and members of the faculty of an accredited high school, college, or university if such services are provided pursuant to a written agreement with the school, or
  - (5) Services of members and employees of a nonprofit corporation registered as such with the State of Alaska, if:
    - (A) The services are provided pursuant to a written agreement with the corporation, and
    - (B) The total amount paid by the municipality divided by the number of hours of service provided by the members and employees of the corporation does not exceed double the minimum hourly wage established by the Alaska Wage and Hour Act.
- (6) Public improvements which, upon a written finding by the Manager that it would be in the best interests of the City and Borough based on cost, timing, and other relevant criteria, may be procured by supplemental agreements amending existing capital improvement contracts, competitive sealed proposals, or by other alternative procurement methods adopted by the assembly by ordinance. The maximum dollar amount, the criteria utilized, and the methodology shall be set by ordinance.**
- (c) All contracts and purchases exceeding an amount to be established by ordinance shall require prior assembly approval.