

Roger Hickel

Contracting, Inc.

February 19, 2019

City Of Valdez
P.O. Box 307
Valdez, Alaska 99686

RE: Kelsey Dock Phase II-CM/GC Services

Roger Hickel Contracting, Inc. (RHC) is pleased to present our proposal to serve as CM/GC for the Valdez Kelsey Dock Phase II Project. We urge you to contact our project references listed in this proposal as they can attest to RHC's abilities as a fair, experienced and quality CM/GC.

The following is an overview our team's qualifications:

- **Excellent Reputation** – RHC has earned a reputation in the community as a fair contractor with respect to Owners, Designers, Suppliers, and Subcontractors. We pride ourselves in providing quality workmanship, competitive pricing and sound, professional management practices. As a result, RHC has a large number of repeat customers, which we believe is the best testament to the quality of our firm. Our repeat clients include Alaska Pacific University, Anchorage School District, University of Alaska Anchorage, Food Services of America, NC Machinery, and Operating Engineers Local 302.
- **Extensive Project Experience** – For almost 20 years, RHC has been successfully providing construction management and construction services for numerous new construction and remodeling projects. These projects have included health, educational, industrial, retail, and public facilities. Many of these projects were performed on a CM/GC-Design Build Basis. The attached proposal illustrates several relevant projects.
- **Experienced Team** – The proposed RHC team for Pre-construction/Construction services is the same group that worked on the projects highlighted in this proposal, our proven team is immediately available to work on the Kelsey Dock project if RHC were to be selected.

Thank you for the opportunity to participate in this process. We are excited to work with the team to make this project a success. If you have any questions regarding our qualifications, please feel free to contact me at 907.279.1400 or by email at (sdunlap@rhcak.com). We are in receipt of two addendums for this project.

Sincerely,

Scott Dunlap
Vice-President



CITY OF VALDEZ, ALASKA KELSEY DOCK PHASE II

Warehouse Refurbishment and Replacement

Proposal Submitted By: Roger Hickel Contracting, Inc.
Vice President / Project Manager: Scott Dunlap

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A) SIMILAR PROJECT CONSTRUCTION EXPERIENCE

Roger Hickel Contracting would like to begin this proposal with a sincere thank you in allowing our firm to participate in the selection process for the construction of your improvements in and around the Kelsey Dock area. We are eager to assist the City of Valdez in their endeavor to construct this facility; a facility which will not only serve to expand the functionality and capability of the Kelsey Dock area, but a facility that serves as a first impression to many visitors to Valdez, a symbol of the vivacity of the overall community.

In this portion of the proposal we will provide general information regarding our relevant project experience. As a general contractor whom has been in business for more than 20 years, with annual revenues in excess of \$50 million, and over \$800 million in total projects completed; we will limit our response to the 3 most relevant projects to your new Kelsey Dock work, focusing on relevance rather than quantity in demonstrating our abilities. The criteria in our assessment of the projects' relevance was that they utilized similar GM/GC delivery methods, utilized the same project team as whom we are proposing on your project, and are of similar or larger size and complexity to that of your facility.

BRISTOL BAY AREA HEALTH CORPORATION (BBAHC) DENTAL CLINIC, DILLINGHAM, ALASKA



The first project that we would like to present is the BBAHC Dental Clinic that we recently completed in Dillingham, Alaska. The project began as a Design Assist/ GMP contract with Roger Hickel Contracting providing services to the Owner and Design team to bring the drawings from conceptual to 100%. RHC provided estimates for multiple stages of the design and worked with the Owner/Designers to identify cost savings while still meeting the needs of the end users. Your project will utilize a very similar methodology during the pre-construction phase. This 20,000 sf facility is larger than the scope associated with the Kelsey Dock, however it exemplifies our ability to perform

both during Pre-construction and Construction on a significant GM/GC project. Such as will be the case on your project, Rodney Mohr served as the Project Manager on this project. Rodney's experience in providing both Pre-Construction services and Construction services on this very similar project in size and scope will assure the success of your project. Of particular consequence, please note that Rodney delivered the BBAHC Dental Clinic (under a GM/GC arrangement) on schedule and below the GMP price negotiated; testament to his abilities in the GM/GC forum.

Construction Budget:	GMP: \$10,733,607 (Initial) \$10,717,504 (Final)	Owner:	BBAHC
Construction Period:	May 2015-October 2016		Bradford C Archer, 907.842.9221
Delivery Method:	GM/GC	A/E Firm:	Livingston Slone
Project Role:	Construction Manager/General Contractor		Tom Livingston, 907.562.2058

UAA MAT-SU COLLEGE VALLEY CENTER FOR ARTS AND LEARNING, PALMER, ALASKA



The second project that we would like to present is the Valley Center for Arts and Learning Facility that Roger Hickel Contracting completed in Palmer in 2015. We are highlighting this 26,000 square foot facility for a variety of reasons. The primary reason being that Rodney Mohr and Ronnie Shaw, whom we will introduce in section 2 of this proposal as the Project Manager and Project Superintendent for your project served in the same roles on this project. Although our corporate resume is impressive, in the end it is the people putting the work in place that make the difference. The proven team that we are proposing for your project will provide valuable input throughout the Pre-Construction

phase, and execute the work timely and safely during the Construction phase of the project as well.

It should be noted that the overall cost of this project increased by slightly over \$2 million during the execution of this contract, a 15% increase over the original amount. This is a substantial increase by any measure, however it should be noted that over half of this amount was a result of owner requested changes to increase the scope of the project to include Audio-Visual scope that was not part of the original bid. The owner's original intent was to let this as a separate contract as the building neared completion, but our relationship was such that the owner decided to issue it as a change order instead; proof that our customer first approach to project delivery creates value to the owner throughout the project life-cycle.

Construction Budget:	Lump Sum: \$14,990,000 (Initial) \$17,348,000 (Final)	Owner:	UAA Mat-Su College
Construction Period:	May 2013-May 2015		Howard Morse, 907.786.1275
Delivery Method:	Design-Bid-Build	A/E Firm:	Kumin and Associates
Project Role:	General Contractor		Mike Griffith, 907.272.8833

IUOE 302- OPERATORS OFFICE BUILDING AND OPERATORS TRAINING CAMPUS, ANCHORAGE & WASILLA, ALASKA

The final project which we would like to highlight are the new office building and training campuses constructed by Roger Hickel Contracting for the Local 302. The first such building is a 16,000 square foot facility is a single story building which houses the administrative and training office space for the Operators Union. It is important to note that it was constructed under a GM/GC arrangement similar to yours. We are proud to be able to say that there were no change orders to this project under the GMP arrangement. There were upgrades to telecom and PA system that were owner requested, which did raise



the final price by \$58,000. Roger Hickel Contracting looks forward to demonstrating similar budget restraint on your facility.

Project Highlights:

- Design-Build with a GMP, no change orders beyond owner requested upgrades.
- Repeat customer.

Following the construction of the Operator's office building in Anchorage in the IUOE engaged Roger Hickel Contracting in the construction of their new training campus in Wasilla. The fact that Roger Hickel Contracting was selected just 1 year later by the IUOE's is testament to their satisfaction on the original contract and our commitment to client satisfaction. This particular project was awarded as a Design-Build delivery method. This work included 3 buildings in total. The first building being a 16,000 square foot arena, to be used for training purposes; very similar in construction to the storage building

addition associated with alternate 1 of your project. A second, two-story, 10,000 sf shop and office space was also provided, again a pre-engineered building similar to yours. The final building included as part of this campus was a 14,000 sf office and classroom building, very similar in function to your facility. Insulated metal panels with structural steel was utilized throughout all buildings on this project, again, similar in construction to your facility.



On both of these project, Ronnie Shaw served as the project Superintendent, as is being proposed on your project. His familiarity with Pre-engineered metal buildings, metal sheathing systems, and concrete foundations will serve to provide timely and relevant feedback throughout the Pre-Construction phase of you project, as well as a solid execution of the work during the Construction Phase.

Construction Budget:	GMP: \$11,314,944 (initial); \$11,314,769 (final)	Owner:	IUOE- Local 302
Construction Period:	April 2008 – August 2011		Jim Ferguson, 907.348.0047
Delivery Method:	Design-Build	A/E Firm:	Don Dwiggins & Assoc./Bettisworth North
Project Role:	Design-Build Contractor		Dave March, 907-561-5780

Roger Hickel Contracting is exceedingly familiar with non-traditional project delivery methods. We believe that the strongest attribute of such methodology lies in GC input during the design that maximizes value and defines scope. This manifests itself when a project is delivered at or below the agreed upon GMP. As demonstrated in the above examples, Roger Hickel Contracting has a proven history of doing so, and will do so again for the City of Valdez.

B) KEY PERSONNEL RESUMES

Roger Hickel Contracting firmly believes that one of the keys to a successful GM/GC project is to maintain continuity throughout both the Pre-construction and Construction phases of the project. With this in mind, relevant portions of the Pre-construction team will remain in place throughout the Construction phase so as to maintain this continuity and their personal vested interest in the success of the entire project. The following synopsis lists our proposed team for this project, chosen for their experience in CM/GC projects. Complete resumes for all listed personnel are provided proceeding this narrative.

PRE-CONSTRUCTION TEAM

PROJECT EXECUTIVE: MIKE SHAW

Mike Shaw is President of Roger Hickel Contracting. Due to the size of our organization, Mike Shaw serves in the Project Executive role on many of our projects, particularly ones that are as significant as yours. In his role as the Project Executive, particularly during the Pre-construction phase, Mike will serve to oversee the process from a Macro-level. He will review design as it progresses, establish and maintain the overall design/bid/procurement schedule, oversee preliminary estimates and budgets, and manage value engineering & constructability review. In addition to his own involvement in these tasks, as the Project Executive Mike is ultimately accountable to assure that sufficient resources are focused on the project and meet the necessary schedule to provide GMP pricing and have bidding 100% complete by late spring.

Relative to this specific project, Mike Shaw served as the Project Manager on all three of the projects which were elaborated on in section 1 this proposal.

PROJECT MANAGER: RODNEY MOHR

Rodney Mohr will serve as the Project Manager for the Pre-Construction phase of this project. Rodney served a similar role on the Bristol Bay Area Health Corporation Dental Clinic and Valley Center for the Performing Arts projects highlighted previously. As it was on those projects, Rodney's roll as the Pre-Construction Project Manager will be overall execution of the Pre-Construction effort. Rodney will develop the Pre-Construction schedule, lead constructability/budget development sessions, and exercise overall management of the entire Pre-Construction effort. Rodney's experience on CM/GC projects coupled with his experience in working on a multitude of other hard bid projects during his tenure at Roger Hickel Contracting will lend itself to the success of this project. Rodney will be the primary point of contact between Roger Hickel Contracting, the Designers, and the City of Valdez. During Pre-Construction his primary goal will be to work with the design team to facilitate discussion, and co-evolve the design and budget so as to provide the most value to City.

COST ESTIMATOR: RODNEY MOHR

As detailed above Rodney Mohr will have full accountability during the Pre-construction (and subsequent Construction Phase) of the contract. Due to the size of this project, and in an effort to be as economical as possible, Rodney will also serve in the role as the cost estimator. This role will be to provide detailed estimating and solicitation of subcontracting packages during design and eventual procurement. Rodney will be responsible for assembling and presentation of the parametric estimates during schematic design and creation and presentation of the detailed estimates and value engineering exercises as the design evolves.

GENERAL SUPERINTENDENT: RONNIE SHAW

Ronnie has been a Superintendent on many of Roger Hickel Contracting's CM/GC projects over the last 12 years. Most relevant to this project, Ronnie served as the Superintendent on the Operator's Training Facilities and the Performing Arts Center highlighted previously. This very recent and relevant project experiences will allow Ronnie to weigh-in with matters concerning constructability, scheduling, and risk assessment, which will be his primary responsibilities during this phase of the project. In addition to utilizing Ronnie's knowledge base during pre-construction services, the primary purpose of having Ronnie involved during the pre-construction phase will be to ensure continuity once actual construction begins and Ronnie's role is greatly expanded.

The proposed pre-construction team for the Kelsey Dock Phase II project has experience working together as a team on CM/GC projects. Their experience as a functioning team will add value to the Pre-Construction phase of this project. Our approach during this phase is to minimize company resources by using a dedicated and focused approach to staffing, minimizing costs and maximizing available funding for in-place work.

CONSTRUCTION TEAM

PROJECT EXECUTIVE: MIKE SHAW

In keeping with our theme of continuity throughout the life of this project, Mike Shaw will serve as the Project Executive for the Construction Phase of this project as well. Much like his role during the initial phases of the project, Mike will oversee the Construction from a Macro-level. Mike will be accountable in assuring the sufficient resources are available and utilized to maintain schedule and quality on the project. Mike will also function to assure that commitments made during the Pre-Construction phase are realized during the Construction phase.

During the Construction phase Mike will be Anchorage based at our home office. It is anticipated that he will visit the site monthly during the spring of 2019, bi-monthly during the middle of the project once flow is established, then resume monthly visits as we wrap up the project in the winter of 2019.

PROJECT MANAGER: RODNEY MOHR

Rodney's role as Project Manager in this phase will be similar to that of the Pre-Construction phase in that he will have overall accountability for execution of the physical project. Rodney will lead progress meetings (including cost reporting), schedule work, procurement, and generally organize and direct the management of the project such as submittals, DCVR's and other similar aspects. Rodney will be the primary point of contact between Designers and the City of Wasilla throughout the construction phase as well. Although we would be happy to discuss your preferences once we get a better feel for each other, due to the nature of his role we anticipate that Rodney will spend approximately 25% of his time physically on-site and 75% at the home office. We have found that this provides maximum value to the project while minimizing costs. Regardless of locale, he will be solely devoted to this project and this project alone.

SUPERINTENDENT: RONNIE SHAW

Ronnie's responsibilities as Superintendent will expand greatly upon completion of pre-construction and commencement of actual construction. Ronnie will be responsible for directing the actual installation of all physical work on this project. This includes both work installed by Roger Hickel Contracting and our subcontractors. Ronnie will oversee safety, quality, labor resources, and material resources for the entire project. This role is such that Ronnie will be on-site 100% of the time.

Similar to the pre-construction services methodology, Roger Hickel Contracting intends to use a focused approach to manage this project. By using high quality, experienced, and dedicated people we believe that less is more. We will keep management costs to a minimum, maximizing the amount of funding incorporated into in-place work.

**MICHAEL SHAW – PROJECT EXECUTIVE****PROFESSIONAL EXPERIENCE**

Roger Hickel Contracting, Inc.	President	2010-Present
Roger Hickel Contracting, Inc.	Vice-President	2007-2010

FUNCTIONS

Responsible for contract negotiations, designing, estimating, value engineering, material and subcontractor procurement, scheduling, cost and quality control for civil construction projects throughout Alaska.

PROJECT EXPERIENCE WITH ROGER HICKEL CONTRACTING, INC

↗ Lake Stevens Elementary School-Lake Steven, WA	\$38.4 Million
↗ Nicholas Joseph Begich Middle School	\$38.0 Million
↗ Kodiak Police Station & Jail	\$20.3 Million
↗ Anchorage Neighborhood Health Center	\$16.1 Million
↗ ANTHC- Critical Care Unit	\$ 6.3 Million
↗ BBAHC- Dental Clinic	\$10.7 Million
↗ Southcentral Foundation Office Expansion & Remodel	\$645,000.00
↗ Lowe's Home Improvement Warehouse & Expansion	\$194,000.00

CAREER PROJECT EXPERIENCE

↗ Providence Alaska Medical Center North Expansion	\$34.0 Million
↗ UAA Student Housing & Dining Hall	\$29.0 Million
↗ UAA/APU Consortium Library	\$24.0 Million
↗ Elmendorf Air Force Base Hangar Remodel	\$10.0 Million
↗ Meadow Lakes Elementary School	\$ 9.0 Million
↗ U.S. Coast Guard Guest House	\$ 4.0 Million
↗ Regal Foods Refrigerated Warehouse	\$ 2.0 Million

EDUCATION

- Construction Industry Continuing Education - 1999
University of Alaska Anchorage
Anchorage, AK
- North Thurston High School
Diploma 1974
Lacey, WA.

RODNEY MOHR – PROJECT MANAGER

PROFESSIONAL EXPERIENCE

Roger Hickel Contracting, Inc.	Project Manager	2013 – Present
PCL Construction Services, Inc.	Project Mgr. / Eng.	2011 – 2013
Swanson General	Quality Control Mgr.	2011 – 2011
Cornerstone Construction Co.	Project Mgr. / Eng.	2004 – 2010
South Dakota Dept. of Trans.	Testing & Field Eng.	2003 – 2004

FUNCTIONS

Supervising all aspects of on-site project, including; managing the quality control plan and procedure to ensure contract specifications and documents are met. Responsible for coordinating and implementing material testing and product acceptance. Supervising employee and subcontractor work. Document and maintain the SWPPP plan.



EDUCATION

- Bachelor of Science & Civil Engineering
South Dakota School of Mines
Technology 2003
- Project Mgmt. Coursework
UAA, Anchorage, AK 2004

PROJECT EXPERIENCE WITH ROGER HICKEL CONTRACTING, INC.

➤ UAA Valley Center for the Arts & Learning	\$16.8 Million
➤ BBAHC- Dental Clinic	\$10.7 Million
➤ MOA – Ship Creek WWTF Rehab Phase II	\$ 8.9 Million
➤ ANTHC- Critical Care Unit	\$ 6.3 Million
➤ ANMC – Orthopedic Clinic	\$ 1.1 Million
➤ UAA MAC Housing Renovation Bldg. #2 & #4	\$ 1.0 Million

LICENSE / CERTIFICATION

- State of Alaska Professional Engineering License – 2010
License #12466
- Certified Erosion & Sediment Control Lead (CESCL)
- First Aid / CPR Certification



STEVEN "RONNIE" SHAW – SUPERINTENDENT

PROFESSIONAL EXPERIENCE

Roger Hickel Contracting, Inc.	Superintendent	2009 – Present
Roger Hickel Contracting, Inc.	Project Engineer/ Assistant Superintendent	2005 – 2009
BEK of Alaska	Jour. Carpenter	2003 – 2005
Cornerstone Construction	Jour Carpenter	2002 – 2003

FUNCTIONS

Supervising all aspects of on-site project activities and maintain daily job reports, employee hours and job diaries. Supervising employee and subcontract work

EDUCATION

- Wasilla High School
Wasilla, Alaska
- Superintendent Career Training
Carpenters Int'l Training Fund

CERTIFICATION

- Journeyman Carpenter
- Certified Erosion & Sediment
Control Lead (CESCL)
- Wal-Mart Certified SWPP
Professional
- Corps of Engineers – 2012
Construction Quality Management
- OSHA 30 Hour Training

PROJECT EXPERIENCE WITH ROGER HICKEL CONTRACTING, INC.

✚ Nicolas Joseph Begich Middle School	\$38.0 Million
✚ Wal-Mart Supercenter #4474 – Kenai, AK	\$28.8 Million
✚ UAA – Valley Center for Arts & Learning	\$16.1 Million
✚ ASD – Mt. View Elementary School Renewal	\$11.1 Million
✚ Three Cedars Office Building	\$ 7.5 Million
✚ Alaska Operating Engineers, Local 302 Training Facility	\$ 6.8 Million
✚ ANTHC- Critical Care Unit	\$ 6.3 Million
✚ UPS Maintenance Facility	\$ 4.1 Million
✚ Anchorage Int'l Airport – N4 & N6 Gates	\$ 2.8 Million
✚ UAA Dental Clinic Remodel	\$ 1.6 Million

C) PROJECT APPROACH

PROJECT STAFFING

Within section C above we touched upon our intended staffing of the project and the fact that in order to maximize value our intention will be to have a home office based Project Manager whom visits the site regularly. Our superintendent will be on-site 100% of the time once construction commences in the Spring of 2019, through completion in the winter of 2019. Local labor is intended to be utilized for any self-performed work completed.

LEVEL OF EFFORT AND APPROACH TO PRE-CONSTRUCTION SERVICES

We have previously touched upon the fact that Roger Hickel Contracting routinely performs CM/GC type contracts for similar facilities throughout Alaska. As they are on your project, this delivery method allows parameters concerning budget and schedule to be known during the pre-construction process, so our focus is not on merely identifying costs but rather on maximizing the benefit of the funds available. To do this we prefer to engage potential Mechanical and Electrical Subcontractors for their expertise in their respective disciplines. We then, as a team review the 35% design for constructability and value engineering savings. The designers, the City of Valdez, and our construction team then have multiple partnering sessions to expound upon these ideas and constructability concerns. We believe it is important that City of Valdez and end users play a very active role in decision making during this process, so that you are up to speed on both the cost implications, risks, and end use impacts as the design evolves. The goal is to create a “conversation” between the Designers, the City, and the Construction team to maximize value and effectiveness.

After the initial 35% review and comment period the “conversation” atmosphere continues via weekly meetings for the subsequent 1-2 months to achieve final design. As Roger Hickel Contracting and our Mechanical/Electrical sub consultants are actively part of the evolution of the design, the reconciliation process prior to agreeing to a GMP is very simple. As the City of Valdez also played an active role in the design process they also will have a very clear understanding of the final facility designed and what they were purchasing. Overall, this approach to pre-construction works quite well in ensuring that given the limited funding available the very best facility was created.

Upon initiation of the pre-construction phase of the project in mid-March, it will be our teams approach to review the schematic design drawings presumably being generated at this time. Because of our multidisciplinary experiences we will provide real-time feedback, suggestions, and costing data on the current design. Based upon the results of that initial iteration the team will develop a path forward (establishing clear milestone dates, expectations, and protocol) to develop a design which meets end-users needs, maintains a target budget, and maximizes economies for the project. The work forward is predicated on concurrent design and contractor review; we would hope to develop a “conversation” atmosphere in which we build off of the experience of all parties. We have found that designers find this approach to be more beneficial than just reviewing, commenting, and pricing designs that have already been established, minimizing re-drafting and design costs. Owners also reap the benefit of immediately knowing cost implications, and maximizing benefits, while the design evolves.

Two specific examples of where we have provided similar pre-construction services include the Bristol Bay Area Health Clinic and the Operators Training Facilities, as described in section A of this proposal. It is important to note that our proposed team on this project is the same as was utilized on that project. As such you know you are getting the actual teams, not just the company’s resume, who routinely provide Pre-Construction services for similar projects.

Pre-construction services are a period within the project cycle with the greatest potential to generate value for our client. Through the use of our “Conversation” atmosphere coupled with a systematic and controlled approach we maximize this value. By partnering with trusted subcontractors we will provide Pre-construction services relevant through all divisions, particularly Mechanical and Electrical, where historically we have seen some of the greatest benefits.

ESTIMATING PROCESS

As an experienced contractor, Roger Hickel Contracting is able to provide analogous (historical \$/SF) and parametric (unit pricing based upon quantities) estimating. As the City of Valdez is aware however, all projects are unique which results in both of these techniques having inherent pitfalls. As we develop the design through the Pre-Construction Stage of the project our intent is to provide detailed estimating services to assure that we are as accurate as possible. As described above, we will engage trusted subcontractors and suppliers to assure that we leverage their expertise to obtain accurate and competitive pricing. For work that we routinely self-perform, the process of estimating is done primarily via historical production rates and actual cost data.

To ensure that merely carving out scope at the time of reconciliation does not occur, Roger Hickel Contracting will routinely provide estimating of projected construction costs through the design process. An initial baseline estimate will be established. This estimate will serve as a tool for beginning the “conversation” regarding design evolution and value engineering considerations. As major design milestones are met, or as major value engineering decisions are made, updated estimates are to be provided by RHC to the team.

Key to our estimates being valuable to the design development process is communication of assumptions and risks to all stake holders. There will be elements of the project, particularly in the initial stages of design development, which have risks of increased costs associated with them. By providing pricing which identified these risks and our pricing assumptions associated with those risks we can modify the design to mitigate and lower those risks and subsequently the projected cost. When the design simply cannot be modified, assumptions and relevant pricing will be clearly articulated and agreed upon so that both the City and RHC have a clear understanding of the path forward during construction and where those risks (and potential savings) lay.

QUALITY CONTROL PROCEDURE

Roger Hickel Contracting believes that the most efficient approach to quality control is to make the on-site staff accountable for the overall quality of the work. By making the “front line” people accountable we have found that quality takes a higher precedence than it would if a lesser involved third party QC person is responsible for quality. At our Anchorage office we do have a company-wide QC Manager, Brandi Squires; her role is to implement the initial QC Plan/Process and then to audit the process to assure compliance. With this approach to QC, the following roles and responsibilities regarding such will be implemented on this project;

Project Manager (Rodney Mohr) – The Project Manager will create a submittal schedule and will generate and submit in accordance with that schedule. It is his responsibility to insure that submittals are coordinated so that material procurement is accomplished in a manner which does not hamper the flow of the work. The mechanical & electrical subcontractors, who will have the major emphasis of work outside of RHC’s normal self-performance, will provide a designated project manager for their disciplines who will report direct to the Roger Hickel PM.

Project Superintendent (Ronnie Shaw) – The Superintendent will compare and verify that products and workmanship are in conformance with the approved submittals provided to him by the Project Manager. Inevitably there will be field circumstances which arise that will necessitate discussion between the design team and Roger Hickel Contracting regarding a previously approved element of work, it is the Superintendent’s responsibility to bring these concerns to the attention of the Project Manager at an early stage so that he may address it and resolve the concern.

QC Manager (Brandi Squires) – Brandi will create and establish a QC plan for the overall project. This QC plan will be custom tailored to the specifics of working on your project and will incorporate our selected mechanical/electrical subcontractors into the scheme. Upon construction Brandi will audit the project to assure that the system is working, she will be responsible for implementing changes to the system if necessary. Brandi will report directly to the Project Executive (Mike Shaw) while performing her audit role.

The job-specific Contractor Quality Control Plan (CQC) that is created for this project will accurately compare the work in progress against the approved submittals, plans, and specifications. During construction, if the Superintendent finds that the two are conflicting or that the test results are inconsistent, the Superintendent will notify the Project Manager who will make the adjustment(s) necessary to bring the work up to the standards established in the plans and specifications. The following QC functions are to be performed by the Superintendent in order to control quality on the project;

PREPARATORY PHASE – Prior to each major feature of work beginning the Superintendent shall review plans, specifications, and submittals with either the RHC staff or subcontractor performing the task. Questions concerning work process, field conditions, and inspections/testing will be addressed and determined.

INITIAL INSPECTION PHASE – Upon the start of the activity the Superintendent and his staff will examine the actual work in progress to determine that the agreed upon work practices during the preparatory phase are being adhered to and that the assumptions made during that phase are still relevant to the actual task being performed. The purpose of this phase is to assure that work actively being installed is of the quality and nature of the intended final product so as to eliminate re-work.

FOLLOW-UP INSPECTION PHASE - As the preparatory inspection phase sets the tone and expectation level for quality on a feature of work, and the initial inspection phases confirms early understanding of this expectation, the Follow-Up Inspection phase verifies consistency throughout the duration of the task. The Superintendent will daily perform this inspection to confirm consistency.

The above mentioned Quality Control Program is modeled after the USCE program, less a designated onsite QC staff position. This systems works well for this type of project as it minimizes costs and re-work, while maximizing quality.

MINIMIZING DISRUPTION TO MUSEUM ANNEX IN THE YELLOW BUILDING

The work at the Museum Annex entail demolition of the existing building on both sides of the operating Museum. Given the recent earthquake in Anchorage making national news, it is understandable that the exhibits (particularly the Old Town exhibit) in this annex will be of particular interest during the tourist season of 2019. We understand that the Annex will be open 7 days a week between May and September, with particularly heavy traffic while cruise ships are at port. The current schedule for cruise ships lends itself to a total shut down for the last week in June and a week in mid-July. Outside of the time when cruise ships are in port we will maintain a safety fence around all work areas, and partially screen the work area with banners welcoming visitors to the museum and informing them that it is open during construction. Roger Hickel Contracting routinely constructs schools, medical, and other facility expansions in an active campus environment. As part of our Pre-Construction services we will work with museum staff in order facilitate a phasing and access plan to minimize disruptions to their operations.

SUBCONTRACT SELECTION

The City of Valdez has elected to utilize the CM/GC approach for a variety of reasons. One of those reasons is to partner with an experienced contractor and leverage their expertise in order to minimize risks and create efficiencies for the project. With this paradigm in mind, the subcontractor selection is a partnership in which Roger Hickel Contracting's role is to solicit, evaluate, and recommend to the rest of the team subcontracting arrangements. We have found that the key to success in this regard is transparency and trust. Transparency on our behalf means analyzing and organizing the quotes in such a manner that we are able to openly discuss, illustrate, and defend our recommendations with the rest of the team. Trust amongst our team translates into the fact that the City Of Valdez, ECI, and RHC are partners whom together will build this facility. We must understand and consider as a team the ramifications of selecting subcontractors not only on price but on ability, stability, and competency as well.

For the benefit of the project, the wider net that we are able to cast in regards to bid solicitation the better. Roger Hickel Contracting intends to use the Alaska AGC plans room as well as *The Plans Room* to solicit bids for this project. Ad's in local publications and on the City of Valdez website can also be utilized if deemed effective. In conjunction with these solicitations, Roger Hickel Contracting will schedule and host an onsite pre-construction conference in partnership with ECI to further help to define the project and mitigate risks (which translates into decreased costs) for interested subcontractors.

SELF-PERFORMANCE OF WORK

The self-performance of work on a given project is always an interesting subject when considering the CM/GC delivery methods. Owners obviously like contractors who know the work and can provide real-time feedback and input, however there is always the lingering concerns as to if there could have been value in competitively bidding the project as well. A fortunate circumstance in this regard for your project is that it is in Valdez and of some additional costs for anyone (general or subcontractor) to mobilize too, so there really is no logical argument from a financial perspective not to bid all facets of the work. It is very likely that local subcontractors could be substantially more cost efficient than we could be on the same work.

Historically, Roger Hickel Contracting self-performs civil, concrete, steel erection, metal/wood framing, siding, and fenestration scopes of work. On this particular project we would anticipate bidding the demolition, civil, siding, and if the alternate is chosen the steel erection scopes of supply in house. However, as we routinely subcontract these services as well; we wouldn't approach the bid process any different than we would on any other Design-Bid Build Project in that we will also solicit quotes for the work. In reading your proposal it indicates that you anticipate no more than 20% of the work be self-performed. We can accommodate this request, but one alternative, to assure that you receive the best value possible by receiving as many quotes as possible; would be that RHC provide a quote to the team prior to the deadline mandated for subcontractor quotes. Once we receive the sub-contractor quotes we could then evaluate our original proposal against all subcontractor proposal and as partners determine the best direction forward, whether it be self-performance or subcontracting. We look forward to discussing this option with you if desirable.

D) SAFETY AND FINANCE

SAFETY

The objective of our safety program is to make the safety of everyone involved in this project, the highest priority by promoting safe work habits, thereby, maximizing the opportunity to maintain an accident-free construction effort. This will be accomplished by providing information, training and supervision to enable everyone to perform their jobs safely. The ultimate goals of the Safety Program are:

- Achieve zero accidents and/or incidents for the entire project.
- Ensure that everyone works under the safest conditions possible.
- Provide all employees and facility users- with sanitary and non-hazardous conditions.
- Provide information, training, and supervision to all employees enabling them to recognize hazards and to assist in performing their jobs safely.

It is our policy to provide a safe and healthy work environment for everyone. A safe environment does not occur by chance. It requires everyone's close attention and commitment to open communication and willingness to work together for mutual cooperation. Safe work habits are every employee's responsibility. Part of Ronnie's daily role is to communicate safety awareness to employees. Holding regular safety meetings is one positive method to instill employee safety awareness. RHC provides instruction and training for all employees based on RHC's Safety Program.

EMR RATINGS

2017- EMR- 1.03

2018- EMR- 1.17

2019- EMR- 1.19

It is important to note that our EMR is above 1 due to a single incident which occurred in 2016 which happened off site, which is impacting this EMR. We are particularly proud of our 2017 and 2018 safety programs in that company-wide we had zero lost time incidents, proof of Roger Hickel Contracting's safety programs' effectiveness.

FINANCIAL HEALTH

Roger Hickel Contracting's financial capabilities are extremely healthy, our project sizes range between very small task order contracts for clients such as the Anchorage School District and Alaska Regional Medical Center to \$40+ million dollar projects such as Matanuska Electric Association and the Lake Steven School District. A project of your magnitude, with or without the alternate, is well within our capabilities and traditional capacity. This fact means that Roger Hickel Contracting has the stability and cash flow afforded in having multiple other projects concurrent to yours, while also realizing that it would be a significant part of our annual revenue; again getting the attention and staffing that is deserves.

BOND RATING

Our bonding rate on a \$3 million dollar project such as yours would be .785%, or roughly \$23,000.

ORGANIZATIONAL STAFFING

As detailed above, our staffing plan would be such that a single Project Manager, Rodney Mohr, will be assigned to your project. Rodney will spend roughly 25% on site. Ronnie Shaw will serve as the Project Superintendent, and as

such will be on site 100% of the time. Organizationally, Roger Hickel Contracting employs 8 Project Managers whom also serve in estimating capacities. We retain 9 Superintendents and employ 7-10 regular, non-job specific craftspeople year round. Seasonally our work force increases to roughly 60 employees at its peak.

BILLINGS AND BACKLOG

Roger Hickel Contracting's total billings for 2017 was \$69 million.

Total billings for 2018 was \$54 million.

Current contracts are provided in the below table;

Project Name	Remaining Contract Value Beyond 2018
AWWU Process Improvements- Asplund	\$3 million
AWWU – 92 Ave PRV Station	\$1 million
AWWU Eagle River Waste Water Treatment Facility	\$1 million
Willowcrest Elementary School	\$4 million
Carpenters Training Facility	\$13 million
ANTHC- Pharmacy Expansion	\$750,000
Miscellaneous ASD, AK Airlines, and ANTHC Task Orders	\$2 million

Roger Hickel Contracting's bonding capacity is in excess of \$100 million aggregate with up to \$50 million for a single project. Bonding will not be an issue on your project. Current projected workload for the 2019-2020 seasons is approximately \$10 million in residual work remaining from 2018, as well as a \$13 million GM/GC contract for a new training facility for the Alaska Carpenters Training Facility. None of the proposed personnel for your project are involved in that facility besides Mike Shaw, the Project Executive for all of Roger Hickel Contracting's projects. In reviewing the intended schedule for your project we have no concerns as it relates to our capacity to perform.