

MUNICIPALITY OF ANCHORAGE



Office of the Mayor

Phone: 907-343-7100

FAX: 907-343-7180

Mayor Dan Sullivan

April 10, 2014

Honorable Charlie Huggins
Senate President
Alaska State Legislature
State Capitol Room 111
Juneau, AK 99801

Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol Room 208
Juneau, AK 99801

To Senate President Huggins and House Speaker Chenault:

Included with this letter is the quarterly report for the third quarter of SFY 2014 from the Municipality of Anchorage regarding the Port of Anchorage Intermodal Expansion Project (PIEP) submitted in accordance with the reporting requirement pursuant to Section 1, Chapter 5 FSSLA 2011 (pg. 20, line 16-18), which expresses an intent that the Municipality of Anchorage to submit quarterly progress reports detailing cost overruns and significant project scope changes. During the current reporting period there have been no cost overruns or significant project scope changes. However, there have been new and important developments.

This report addresses both of those requirements while explaining some of the major changes underway with the project. Additional information is available on www.portofalaska.com or by request. Please do not hesitate to contact me if you require any further assistance.

Sincerely,

A handwritten signature in blue ink that reads "Dan Sullivan".

Dan Sullivan
Mayor

INTRODUCTION

The Port of Anchorage provides critical infrastructure for the citizens of Anchorage and a majority of the citizens of the State of Alaska because most of the goods shipped to and from the state pass through the Port of Anchorage. This includes fuel supplied to Joint Base Elmendorf-Richardson and Ted Stevens Anchorage International Airport.

The existing port was substantially built in the 1960s and is reaching the end of its useful life. The Port of Anchorage Intermodal Expansion Project (PIEP) is intended to provide new berthing facilities for the shipping companies calling at the Port of Anchorage (POA).

Effective June 1, 2013 the Municipality of Anchorage assumed responsibility for project oversight and management. This report describes the continued effort in the SFY 3rd quarter to advance a scaled back version of the Port Intermodal Expansion Project.

PROJECT MANAGEMENT CONSULTANT CONTRACT

On September 6, 2013 the Municipality released Request for Proposal RFP-2013- P028 seeking proposals to provide project and construction management services for the Port of Anchorage Port Intermodal Expansion Project. Proposals were evaluated by a seven member committee consisting of engineers, stakeholders, and others with extensive public procurement experience. The three companies rated best after review of the written proposals were invited to participate in interviews. Ultimately, the committee recommended the contract be awarded to CH2M Hill. Mayor Sullivan advanced that recommendation to the Anchorage Assembly in December 2013 and the Assembly approved the contract on February 25, 2014. CH2M Hill is now under contract and engaged to develop a Project Management Plan to inform and guide future work on the Project.

The Municipality now exercises complete control over the Project and determines how state and local funds are utilized.

Table 1: Funding Snapshot as of December 31, 2013

Total funds contributed to PIEP	\$439 million
Total funds transferred to MARAD	\$302 million
Total Misc. Expenditures	\$7 million
Total funds un-obligated	\$130 million

A complete summary of the Expansion Project's funding to date is in Appendix B.

CONCLUSION

The Municipality and Port have initiated management and scope changes for the project. These management and oversight initiatives will provide essential information for orderly and efficient port development, together with local control and accountability. With continued support from the State of Alaska we are steadily making progress toward a modern, efficient port facility in Anchorage that will serve the citizens of Alaska for decades to come.

APPENDIX B: FUNDING SUMMARY –

Of the \$439 million dedicated to PIEP, \$302 million have been transferred to MARAD. The balance remains in the possession and control of the Municipality of Anchorage.

Table 1: Funding Snapshot as of December 31, 2013

Total funds contributed to PIEP	\$439 million
Total funds transferred to MARAD	\$302 million
Total Misc. Expenditures	\$7 million
Total funds un-obligated	\$130 million

Table 2: State funds received and Port funds contributed to date

Year	Amount	Legislation	Port Amount
2002	\$ 5,853,658	SB 29	\$ 2,443,857
2004	\$ 436,505	SB 283	\$ 8,188,000
2005	\$ 10,000,000	SB 46	\$ 4,125,000
2006	\$ 10,000,000	SB 231	\$ 8,000,000
2008	\$ 25,000,000	SB 221	\$ 22,282,541
2009	\$ 20,000,000	SB 75	\$ 22,100,000
2010	\$ 20,000,000	SB 230	\$ 4,000,000
2011	\$ 30,000,000	SB 46	\$ 4,000,000
2012	\$ 48,500,000	SB160	\$ 5,158,000
2012	\$ 50,000,000	GO Bond	
Total	\$219,790,164		\$ 80,297,398
Grand Total			\$300,087,562

Table 3: Federal funds received to date

Year	DoD	FHWA	FTA	SDDC
2002	-	\$9,568,421	\$2,832,968	
2003	\$4,850,000	\$590,500	\$2,862,505	
2004	\$4,850,000	\$1,371,058	\$5,181,803	
2005	\$12,003,750	\$4,729,584	-	
2006	\$8,245,000	\$5,349,258	\$5,577,500	
2007	\$9,700,000	\$6,030,856	\$5,820,000	\$1,951
2008	\$10,804,618	\$6,052,337	\$6,305,000	
2009	\$10,000,000	\$8,929,635	\$6,547,500	
2010	-	-	\$472,390	
2011	-	-	-	
2012	-	-	-	
Total	\$60,453,368	\$42,621,649	\$35,599,666	\$1,951
Total Funds	\$138,676,634			