



# Municipality of Anchorage

Office of the Mayor

Ethan Berkowitz, Mayor

August 7, 2015

Honorable Kevin Meyer  
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 Meyer and House Speaker Chenault:

This letter constitutes the report for the fourth quarter of SFY 2015 from the Municipality of Anchorage regarding the Anchorage Port Modernization Project (APMP.) Submitted pursuant to Section 1, Chapter 5 FSSLA 2011 (pg. 20, line 16-18), the Municipality of Anchorage reports quarterly progress detailing cost overruns and significant project scope changes.

There have been no cost overruns or significant project scope changes. However, during the current reporting period there have been new and important developments.

Additional information is available at [www.portofalaska.com](http://www.portofalaska.com), or by request.

I look forward to discussing this project with you. Please contact me if you require further assistance.

Sincerely,

Ethan Berkowitz, Mayor

cc: The Honorable Bill Walker, Governor  
Alaska State Senate  
Alaska State House of Representatives



Anchorage Port Modernization Project  
SFY 2015 Fourth Quarter Report  
July 20, 2015

## INTRODUCTION

The Port of Anchorage (POA) provides critical infrastructure to support shipment of goods and fuel to a majority of the citizens of the State of Alaska. This includes fuel supplied to Joint Base Elmendorf-Richardson and Ted Stevens Anchorage International Airport.

The existing terminals are reaching the end of their useful life due to severe corrosion on piling. The Anchorage Port Modernization Project (APMP) is intended to provide new terminals for shipping companies calling on Alaska via the state's busiest freight distribution hub: Anchorage.

With the concept design now selected and approved, work is under way to complete the design work on shoreside facilities, and the petroleum docks. An award was made to Kiewit Construction to perform a test pile program at the start of the 2016 construction season. The purpose of that program is to inform the final design of new dock facilities so that cost figures can be more confidently determined.

## TASK ORDER (TO) STATUS

The following project task orders (TOs) are under way:

### Project Management/Construction Management Services (CH2M):

- Work in Progress:
  - TO 2 – Project Management Office (PMO)
    - Procuring an electronic document management system
    - Maintaining budget and status reports
  - TO 4 – Test Pile Work Plan
    - Procured contractor (Kiewit)
    - Continuing permitting efforts
  - TO 5 – Precursor Activities for the Marine Terminals Designers of Record Procurement
    - Finalizing ship simulation study report

- TO 8 – Landside Site Investigation

-- Working environmental assessments for landside buildings and trestle landings

-- Continuing geotechnical investigations

-- Initiating all boundary and control surveys and topographical surveys for landside buildings, marine terminals, and trestle landings.

- TO 9 – APMP Permitting

-- Continuing agency consultations

Construction Services:

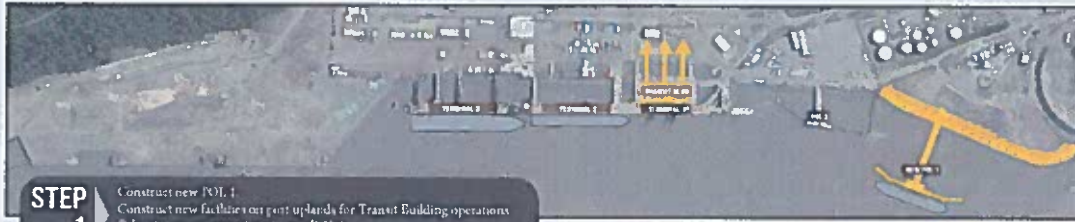
- Test Pile Program
- Contractor: Kiewit Infrastructure West Co.
- Contract Amount: \$5,653,900
- Period of Performance: June 29, 2015 – August 1, 2016
- Work in Progress: NTP issued, pre-construction conference held on 7/15/15. Geotechnical work planned to begin August 2015, pile driving planned to commence spring 2016.

Additionally, funding for the project is critical to move forward with the phasing.

See the phased project visual as attachment 1.



# ANCHORAGE PORT MODERNIZATION PROJECT



**STEP 1** Construct new POI 1.  
Construct new facilities on port uplands for Transit Building operations.  
Relocate cement operations to new POI 1.  
Relocate Transit Building operations to the port uplands.



**STEP 2** Cut back and stabilize North Extension.



**STEP 3** Reconstruct T1 and T2.  
Relocate Horizon operations to new T1.  
Relocate TOI1 operations to new T2.



**STEP 4** Reconstruct POI 2.  
Demolish T3.



CH2MHILL



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**FUNDING SUMMARY-As of June 26, 2015**

**ANCHORAGE PORT MODERNIZATION PROJECT  
MONTHLY BUDGET REPORT**

Data Through - 6/26/2015



Functional Area	Budget	Current Commitments	Uncommitted Funds (Budget - Current)	Estimate of Completion	Total Expended	% Spent
Program Management	\$34,000,000	\$1,302,706	\$32,697,294	\$34,000,000	\$4,676,121.88	9%
Misc. Program Support	\$990,325	\$230,913	\$767,412	\$990,325	\$95,817.34	10%
Test Pile	\$7,500,000	\$3,653,900	\$3,846,100	\$7,500,000	\$0	0%
Land-Side Buildings	\$10,462,142	\$0	\$10,462,142	\$10,462,142	\$0	0%
North Extension Stabilization	\$120,401,905	\$0	\$120,401,905	\$120,401,905	\$0	0%
POL 1 / POL 2	\$50,536,787	\$0	\$50,536,787	\$50,536,787	\$0	0%
Terminal 1 / Terminal 2 / Terminal 3	\$225,029,841	\$0	\$225,029,841	\$225,029,841	\$0	0%
<b>TOTAL</b>	<b>\$485,000,000</b>	<b>\$17,267,599</b>	<b>\$467,732,401</b>	<b>\$485,000,000</b>	<b>\$4,771,942</b>	<b>1%</b>
<b>TOTAL FUNDING</b>	<b>\$126,796,015</b>					
<b>TOTAL FUNDING REQUIRED</b>	<b>\$358,203,985</b>					

Funding	
2012 State Capital Grant	\$ 29,200,014.06
2013 SB160 State Grant	\$ 47,530,000.00
2013 State GO Bond	\$ 50,066,000.00
<b>TOTAL FUNDING</b>	<b>\$ 126,796,014.06</b>



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## CONCLUSION

The path forward continues to be clear. The MOA and POA are committed to orderly and efficient port development, with local control and accountability. The next phases of the project are to implement the test pile program and finalize the design, but the most important component remains securing funding.

Stakeholders representing Port users and vessel operators, technical and subject matter experts, and POA and MOA leadership support the selected concept design.

This Port infrastructure is critical to the state. There is no other facility in Alaska more capable, centrally located or affordable for shippers and consumers. Alaska needs to invest in securing and modernizing this port to ensure dependable cargo service for Southcentral Alaska for at least 75-years into the future.

With continued support from the State of Alaska we can complete design and construction of the modern, efficient port facility that is necessary to serve the citizens of Alaska for decades to come.