



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Education
& Early Development

FINANCE & SUPPORT SERVICES

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June 18, 2018

Charlie Pierce, Borough Mayor
Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, Alaska 99669



Re: Kachemak Selo New K-12 School Construction, DEED # GR-17-001

Mayor Pierce:

Enclosed please find two original project agreements for the capital improvement project funded by SB 138 passed during the 2016 Legislative Session. This agreement has been amended from the prior draft to set the project budget at \$15,400,000 and increase the allowable square footage, reflecting department acceptance of the population projection analysis provided by Mr. Kevin Lyon. Please initial each page of the agreements, sign the agreements, and return all originals to the department for final execution. A fully executed original of each project agreement will be returned for borough records.

For more information on the administration of capital improvement projects, please download the department's *Capital Project Administration Handbook* at:

<https://education.alaska.gov/Facilities/publications.html>

As the projects progress, please note the following:

- Recipients must provide a participating share of the project cost within three years (July 1, 2019). Reference: AS 14.11.008.
- The department must receive notice and give approval of in-kind participating share and district use of force account for construction effort. Notice of intention to use in-kind services for the project's participating share must be received within 30 days of signing of the grant agreement. Reference: 4 AAC 31.023.
- Designers must be selected using a qualifications based open solicitation for services estimated to \$50,000. Reference: 4 AAC 31.065.

- The Projected Energy Consumption and Cost report is to be provided either at the Schematic Design or Design Development submittal review for the project. This requirement applies to projects that include new construction, replacement, or major renovation of building systems that will impact the consumption and cost of energy usage for the facility. Reference: AS 14.07.020(a)(11).
- Construction shall be performed by contracts awarded by competitive bid unless otherwise approved for an alternative project delivery method. Reference: 4 AAC 31.080.
- Annual reports on project progress are required by July 31st of each year for as long as the department's project file remains active.

Upon execution of the agreement and DEED approval of a financial structure for the project, an authorization will be given to release Payment #1 funds. Subsequent deliverables are required as established in Appendix B to release additional project funds.

Should questions arise as the project proceeds, please contact me at (907) 465-6906 or Tim.Mearig@alaska.gov.

Sincerely,



Tim Mearig
Facilities Architect

Enclosures

cc: Kevin Lyon, KPB Capital Projects Manager <e-mail>
Sean Dusek, KPBSD Superintendent <e-mail>