

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4c
Date of Meeting April 22, 2014

DATE: April 4, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Dave Soike, Director, Aviation Facilities and Capital Programs
Wayne Grotheer, Director, Aviation Project Management
SUBJECT: Terminal Utility Upgrades Design Services Contract for Seattle-Tacoma International Airport (CIP #C800638)

Amount of This Request: \$0 **Source of Funds:** N/A
Value of Contract: \$3,000,000

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute a project-specific professional services contract to provide design services in support of future dining and retail terminal utility upgrades at Seattle-Tacoma International Airport (Airport). No funding is associated with this request.

SYNOPSIS

There are multiple locations in the Airport terminal where the existing utility infrastructure is inadequate for current and projected passenger volume and anticipated space needs of future dining and retail uses. Additionally the configurations of several tenant locations within the terminal have posed both operational and utilities challenges. The goal of this design services contract is to address existing utility and space configuration limitations to better position the Airport to meet projected increases in passenger traffic in the terminal. The work expected to be done under this contract is not connected with future operator selection. Funding for the contract is included in the 2014 capital budget and plan of finance.

BACKGROUND

To meet customer service, revenue, and facility planning objectives for the Airport, a number of utility upgrade and space reconfiguration projects are being planned to accommodate future growth in passenger traffic in the terminal for dining and retail locations. Since these projects will be similar in scope, their planning needs may be met by a single design services contract.

Combining similar types of design projects into one program-specific contract will provide long term continuity of systems and space planning throughout the terminal and allow for a more timely and efficient delivery of design services.

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This authorization would enable only the execution of the design services contract. Staff will return to Commission to request authorization for project funding prior to the start of design work and once future space plans for the Airport are better understood.

The design work is expected to last five years and the scope of work is expected to evolve along with the Airport's Sustainability Master Plan as well as future dining and retail opportunities. The design work will be accomplished in multiple phases over this time frame, with each phase targeting a specific system or location in the terminal. Committing to design work for a particular system or location does not necessarily obligate the Port to complete later design of additional phases. In cases where design phases are interdependent, authorizations for design and construction will clearly state the extent to which future work will be obligatory. The anticipated cost of this design effort currently ranges from \$1.5 million to \$3 million.

PROJECT JUSTIFICATION AND DETAILS

The Port will issue a request for qualifications (RFQ) advertisement for design firms that will also include a goal for small contractor and supplier (SCS) participation. The consultant team selected shall provide all required professional design services for the program.

Once a contract has been awarded, individual service directives will be issued to the design services consultant team based on the anticipated scope of work for each project. Each service directive will include the scope, schedule, and estimated cost of services to be provided by the design consultants for each project.

Project Objectives

The main objective of this contract is to provide ongoing utility upgrade and space reconfiguration design services throughout the terminal.

Port staff recommends selecting only one consultant team for this design services contract in order to:

- Maintain continuity of systems and space planning design throughout the terminal.
- Eliminate duplication of effort between multiple design contracts.
- Maximize efficient project design delivery while minimizing project design costs.
- Decrease Port overhead costs to manage multiple design services contracts.

Scope of Work

The scope includes providing design services for modifying, upgrading and/or expanding existing Heating Ventilation and Air Conditioning (HVAC), plumbing (water, sewer, and grease), natural gas, electrical, communications, conveyance, and other facility infrastructure as well as reconfiguring existing Port or tenant space as necessary to support projected future demand and increased operational efficiency.

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The project elements would include:

- Augment insufficient HVAC capacity in Central Terminal.
- Remove and replace poorly designed grease venting system in Central Terminal.
- Add vertical conveyance to Central Terminal mezzanine level for future expansion.
- Redesign and improve unit spaces for Central Terminal.
- Add additional electrical capacity to Concourse C to support passenger growth and increased passenger volumes.
- Add utility infrastructure under Concourses A, B, C, and D (supply/waste water, electrical, natural gas, communications) to support anticipated future growth and increased passenger volumes (C&D).
- Upgrade communications infrastructure to all current and potential units to connect them to the Port's communications backbone.
- Relocate existing electrical and mechanical interferences in Concourse C.

These upgrades have no connection to future operator selection or tenant space build-out.

Schedule

The design work associated with this request is expected to begin during the third quarter of 2014 and continue for the next five years. The contract duration may be extended beyond this period to allow additional work to be accomplished.

FINANCIAL IMPLICATIONS

The budget for CIP C800638, Terminal Utility Upgrades, is \$10.9 million with cash flows spread from 2014 to 2019. The design costs incurred under this contract will be included in this budget. Each service directive issued under this contract will be for a not-to-exceed dollar amount agreed to by both the consultant and the Port prior to execution. No work is guaranteed to the consultant team, and the Port is not obligated to pay the consultant team until a service directive is executed.

STRATEGIES AND OBJECTIVES

This contract supports the Port's Century Agenda objective of making Seattle-Tacoma International Airport the West Coast 'Gateway of Choice' and of meeting the region's air transportation needs at the Airport for the next 25 years by providing critically needed infrastructure upgrades.

The project manager will coordinate with the Office of Social Responsibility to identify small business opportunities

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Do nothing. Continue to operate and maintain the current terminal infrastructure and space layout without any upgrades, expansion, or reconfiguration to accommodate growth in passenger demand for dining and retail services. This will result in the

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inability of existing terminal systems to keep pace with projected increases in passenger demand. This will increase the risk that current mechanical, electrical, HVAC, plumbing and communications systems will be strained beyond capacity, likely resulting in breakdown or failure. Such outages will greatly diminish the traveler's experience in addition to the potential for having a negative impact on public safety. This is not the recommended alternative.

Alternative 2) – Require future dining and retail tenants to upgrade infrastructure on a project-by-project basis. This alternative would require tenants to make improvements to systems that in most cases are base building infrastructure for which the Port has responsibility. System improvements such as upgraded or extended waste lines, natural gas service, water, and HVAC would be outside of the tenant lease area and therefore would also not be appropriate to consider as a tenant improvement. This is not the recommended alternative.

Alternative 3) – Establish a project-specific design services contract for utility upgrades and space reconfiguration in the terminal in support of the future dining and retail program. This will maintain continuity of systems and space planning design throughout the terminal, eliminate duplication of effort between multiple design contracts or projects, maximize efficient project design delivery, minimize project design costs and decrease Port overhead costs to manage multiple design services contracts. **This is the recommended alternative.**

ATTACHMENTS TO THIS REQUEST

- None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None.