

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**STAFF BRIEFING**

<b>Item No.</b>	<u>7b</u>
<b>Date of Meeting</b>	<u>October 28, 2014</u>

**DATE:** October 21, 2014

**TO:** Theodore J. Fick, Chief Executive Officer

**FROM:** Frederick Robinson, Program Leader, Aviation Project Management Group  
Michael Ehl, Director, Aviation Operations  
Dave Soike, Director, Aviation Facilities and Capital Programs

**SUBJECT:** 2014 Third Quarter Update on the Airport's International Arrivals Facility (IAF) Program

**SYNOPSIS**

Replacing Seattle-Tacoma International Airport's existing over-burdened Federal Inspection Services (FIS) facility with a modern and efficient International Arrivals Facility is a critical part of realizing the Port Commission's Century Agenda objective to improve the level of service for airport users and increase competitiveness with peer airports.

This briefing updates the Commission on third quarter 2014 progress made on the IAF program and outlines the next steps to move towards award of a contract to a progressive-design-build team. The next briefing before the Commission is anticipated in January, 2015.

**BACKGROUND**

The IAF program consists of a single capital improvement program (CIP) for design and construction of a new International Arrivals Facility landside of Concourse A to replace the existing facility at the South Satellite. This project will also construct a secure International Corridor at Concourse A for arriving international flights and a bridge for passengers to travel from the existing International Corridor at the South Satellite to the new facility.

**Accomplishments:**

- Completed review and initial validation of the Programming and Planning Analysis Report
- Held pre-proposal meeting in support of RFQ Issuance
- Completed initial draft of Project Notebook

**Progress:**

- Began reconciliation of assumptions and alternatives to confirm Program

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- Continued development of RFP, contract and terms
- Continued to advance drafting performance specifications

### **Issues:**

- Cost estimates for captured Program were higher than anticipated. Reconciliation of scope and assumptions used to develop programming documents has delayed presentation of a final scope, schedule, and budget.
- MII vote on budget increase will be required.
- CBP engagement - CBP's project design and participation standards are based on traditional design-bid-build project delivery.

### **Metrics:**

- Financial performance is reflected in the program budget summary and includes:
  - Cash flow for this reporting period – Actual \$2.50M; Planned \$3.24M
  - Budget – Current \$344M; Forecast \$344M
  - Contingency will be established during the Design Builder Validation Phase (inclusive of Management Reserve)
  - SCS Participation (Program Management) Actual 34%; Planned 21%

### **Risks:**

- Re-validated and confirmed scope may remain higher than anticipated cost
- Continued program delay may impact established PDB proposer partnerships resulting in fewer PDB proposers competing for this program
- New CBP space requests may impact currently captured program

### **Estimated Budget:**

\$344M

Note: Program validation has proven certain assumptions and selected alternatives have greater cost than previously anticipated. As a consequence, the Port has undertaken a validation and reconciliation effort to test the scope and operational assumptions that led to the identification of the features and sizing of the currently captured program. The program budget will be updated at the conclusion of this reconciliation.

### **Scheduled Project Completion:**

December 2018

Note: The project schedule and completion date will be updated at the conclusion of program reconciliation.

## **ATTACHMENTS TO THIS BRIEFING**

- Attachment A – IAF Quarterly Commission Update PowerPoint

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### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- August 19, 2014 – IAF Q2 Quarterly Briefing.
- August 5, 2014 – IAF RFQ Advertisement.
- July 22, 2014 – IAF Progress Briefing.
- June 10, 2014 – IAF Update and Quarterly Briefing.
- May 6, 2014 – IAF Project Delivery Briefing.
- April 22, 2014 – Capital Program Briefing.
- March 11, 2014 – IAF Master Planning authorization.
- February 25, 2014 – IAF Program Briefing.
- November 19, 2013 – International Arrivals Facility Construction Management, testing and inspection; surveying and locating and safety service agreements.
- July 23, 2013 – International Arrivals Facility Project & Program Support; and Price Factor Design Build Methodology authorization.
- July 9, 2013 – Sea-Tac Airport International Arrivals Facility Briefing.
- July 9, 2013 – Alternative Public Works Contracting Briefing.
- April 9, 2013 – Sea-Tac Airport International Arrivals Facility Briefing.
- June 26, 2012 – Briefing on Airport Terminal Development Challenges at Seattle-Tacoma International Airport.
- June 14, 2011 – International Air Service Growth and Future Facility briefing.
- February 2, 2010 – Briefing on South Satellite Passenger Growth and Facility Considerations, Delta's Proposed Airline Lounge and Other Possible Future Aviation Projects.