

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

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

**Item No.** 7b  
**Date of Meeting** December 2, 2014

**DATE:** December 2, 2014  
**TO:** Ted 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:** Scope and Budget 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 "Make Sea-Tac Airport the west coast "Gateway of Choice" for international travel."

This briefing updates the Commission on recently completed efforts to confirm the program scope and budget necessary to achieve the goals of the IAF program. Having accomplished this reconciliation, staff intends now to resume the Request for Qualifications process in order to develop a short list of potential design-build teams. Staff will return for a future briefing on capital budget funding and future rate implications. The next action item for the Commission is currently scheduled for January, 2015. At that time the Commission will be asked to authorize advertisement of a Request for Proposals to shortlisted design-build teams.

**BACKGROUND**

The IAF program designs and constructs 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.

The Commission has been previously briefed on the anticipated need to increase the program budget for IAF due to new scope elements identified early in the planning phase of the program. An increase in the overall programmed size of the facility and inclusion

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of enabling projects in the program scope are examples of known drivers that signaled the need for a larger program budget.

More recently, the Commission was advised that cost estimates received after completion of the cost estimate by multiple independent cost estimating teams of the final planning effort in June 2014 were higher than previously anticipated. Port staff responded immediately by delaying its design-builder procurement schedule and taking an aggressive approach to analyzing and settling the program definition and budget. That approach included breaking the program down into the component parts of its scope of work, confirming the needs and assumptions driving each component, developing and reviewing alternatives to each component with stakeholder and airline input, reviewing program soft costs and then reassembling the final program scope and budget.

During this period, estimating assumptions were tested and refined, non-essential program elements were identified and cut, alternative approaches for additional program cuts were examined but rejected, soft costs were reduced, and a detailed cost estimate developed which is the culmination of this scope refinement and cost estimation work. International airline partners and Port stakeholders confirmed through this additional program analysis that even though certain program elements increased the cost of the program, each of them are critical to the shared primary goal of improved customer service and faster processing for arriving international travelers.

The 2015 capital budget includes a total project cost of \$344 million. The Port and airline stakeholders have now identified a scope of work and updated program budget of \$596,000,000 that includes all critical functional elements of the IAF program. Port staff will return for a future briefing on funding and forecasted rate implications.

The attached computer slide presentation outlines the scope of work and resulting cost estimate now thoroughly examined with internal and airline project stakeholders.

### **ATTACHMENTS TO THIS BRIEFING**

- Computer slide presentation.

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

- October 28, 2014 – IAF Q3 Quarterly Briefing.
- 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.

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- 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.