

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

**COMMISSION AGENDA**  
**ACTION ITEM**

**Item No.** 4f  
**Date of Meeting** February 23, 2016

**DATE:** February 16, 2016  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Ralph Graves, Managing Director, Capital Development Division  
Wayne Grotheer, Director, Aviation Project Management Group  
**SUBJECT:** Low Voltage Indefinite Delivery Indefinite Quantity (IDIQ) Service Agreement

**Amount of This Request:** \$0 (\$500,000 contract amendment only)  
**Est. Total Contract Cost:** \$3,500,000

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to amend the Low Voltage IDIQ contract, P-00316324, by \$500,000 to accommodate design changes to phase 2 for a new contract total of \$3,500,000. No new funding is associated with this request.

**SYNOPSIS**

Contract P-00316324 was used to complete design services for the Electric Ground Service Equipment (eGSE) project for Phase 1 and Phase 2. The maximum value of the Service Agreement must be increased to cover design changes to Phase 2.

Design for Phase 2 of the eGSE project was put on hold in December 2013 to allow for changes that were a result of airline realignment. Since the project was put on hold there have been several changes due to airline realignment, electrical code changes, etc. The design documents must be updated to reflect the changes; as a result, the design costs must be increased. To accommodate the increased cost of design the Port will need to amend the contract referenced Service Agreement by \$500,000 for a new contract value of \$3.5 million. Competition Waiver 2015-011 was approved on October 30, 2015 to accommodate the increase. The current (eGSE) project budget is sufficient to cover the increase to the Service Agreement.

**BACKGROUND**

The Port of Seattle executed an indefinite delivery, indefinite quantity (IDIQ) contract with Harris Group Inc. (HGI) on March 3, 2010, for Low Voltage Electrical Design services for a not-to-exceed contract value of \$3,000,000. To date \$1,405,585 has been spent on Phase 1 and \$1,205,415 on Phase 2 for a total of \$2,611,000. The remaining balance is \$389,000.

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Phase 1 included installing Electric Ground Service Equipment (eGSE) at Concourse D and the North Satellite. Phase 1 included installing and testing for “Automatic Transfer Controls” for the existing Concourse D double ended power center. Construction of Phase 1 was completed in November of 2015. Service Directives (SD) 1-1 through 1-5 authorized design and design support during construction for Phase 1 for a total of \$1,405,585.

On October 4, 2012, the Port executed SD 1-6 for design services related to Phase 2 eGSE. Design work began in October 2012 and HGI delivered design review documents to the Port on September 20, 2013. The Port reviewed the design documents and identified comments or changes. Before HGI moved forward with finalizing the design documents, the project was placed on hold in December 2013 to accommodate airline realignment projects. A total of \$1,205,415 was spent on Phase 2 to that point.

The Port decided to move forward with Phase 2 in February of 2016. The following steps are required to complete Phase 2:

1. Phase 2 will be separated into Phase 2a and Phase 2b in order to complete the work in Concourse A first. Concourse A will take less of an effort to update the design.
2. To accommodate the increased cost of design, staff estimates the Port will need to amend the contract by \$500,000 for a new contract value of \$3.5 million. The remaining balance on the contract of \$389,000 plus the \$500,000 increase totals \$889,000 to complete the project.

IDIQ contracts are limited by dollar value and the Port cannot add money to the contract without a competition waiver. The Port executed a competition waiver allowing money to be added to the contract to complete design services, including design support during construction, of Phase 2a and 2b of the Electric Ground Service Equipment project. The Competition Waiver has been approved for \$500,000.

Increasing the value of this contract will ensure continuous service with the Engineer of Record to complete the design for Phase 2 of the eGSE project at the Airport.

The following steps will be required to restart Phase 2:

1. Secure approval of the Sole Source Competition Waiver and increase the maximum value of P-00316324 (see the attached Competition Waiver).
2. Execute a new Service Directive (SD) for the design team to evaluate and document the changes created by airline realignment. There have been several changes since this project was put on hold. At this point all of the changes have not been identified by the project team. Several airlines have moved over the last two years. The layout at each gate may be different from the layout depicted in the design drawings. The team will compare the current conditions with those shown on the design document. The team must review existing site conditions and compare the current documents against existing conditions, current codes, etc. that have changed over the last two years. The Phase 1 lessons learned will also be incorporated in the document. The team will use the

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evaluation to determine the magnitude of the effort required to bring the design back up to 100%. Estimated value: \$46,000. This service directive has been executed and is in progress.

3. After the evaluation is complete the team will use the information to execute a second service directive to authorize HGI to complete the design, bid documents, and provide design support during construction. Estimated value: \$843,000.

The Port will go back to Commission in June 2016 to request additional authorization for the eGSE project for construction and to reconcile any changes in costs due to airline realignment projects, price escalation, etc.

## **PROJECT DETAILS**

### ***Scope of Work***

Complete the design of Phase 2a and 2b.

### ***Schedule***

Commission Authorization to increase the Service Agreement	1 <sup>st</sup> Qtr 2016
Complete Design	2 <sup>nd</sup> Qtr 2016
Commission Authorization for Construction	2 <sup>nd</sup> Qtr 2016
Construction Complete	4 <sup>th</sup> Qtr 2016

## **FINANCIAL IMPLICATIONS**

The current Electric Ground Service Equipment (eGSE) project budget is sufficient to cover the increase to the Service Agreement.

## **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

***Alternative 1) – Status Quo – Shelve the Concourse B and South Satellite portion of the project and move forward with the redesign of Concourse A only***

Cost Estimate: \$0

Pros:

- We save money by not revising the design for Concourse B and the South Satellite.
- We can move forward with the re-design of eGSE for Phase 2a, Concourse A.

Cons:

- We run the risk of losing the opportunity to procure FAA funding for portions of Concourse B and the South Satellite.
- A large portion of the Airport will not receive the benefits of the eGSE system.
- The current design costs for Concourse B and the South Satellite, approximately \$1,000,000, must be expensed.

This is not the recommended alternative.

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### **Alternative 2) – Re-procure Design Contract.**

Cost Estimate: \$1,500,000 to \$2,000,000

Pros:

- A Competition Waiver is not needed.

Cons:

- Procurement time (up to eight additional months).
- Extended Schedule will complicate securing an FAA VALE grant.
- A new Engineer must review all of the existing work, complete field investigations, rerun all engineering calculations, and review all specifications in order to take responsibility for the design.

This is not the recommended alternative.

### **Alternative 3) – Increase the value of SA P-00316324 by \$500,000 (with a Competition Waiver). Complete the design with the HGI.**

Cost Estimate: \$889,000

Pros:

- The current design must be re-designed to accommodate changes resulting from the airport realignment project, incorporate lessons learned from Phase 1, and to update the documents to current electrical code requirements and Port standards. HGI has exclusive knowledge gained in the earlier phase of work.
- Continuity – We complete the project with the Engineer of Record.
- Design liability – Engineers will not accept liability for another engineer's design. Should we contract with another engineering firm they will limit their liability, add costs to evaluate and check design calculations and assumptions, resulting in additional risk and cost for the Port. Changing firms at this point is not in the best interest of the Port.
- Exclusive knowledge – We take advantage of the exclusive knowledge HGI compiled during the previous eGSE projects design.
- Lower total project costs

Cons:

- This alternative requires a Competition Waiver; however, the Waiver has already been approved.

**This is the recommended alternative.**

## **ATTACHMENTS TO THIS REQUEST**

- Competition Waiver [2015-011](#).

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

- October 26, 2012, the Commission authorized \$16,200,000 to: (1) advertise and execute a construction contract for Phase 1 of the Ground Support Equipment-Electrical Charging Stations Project-Installation of Chargers; and (2) pre-purchase electrified ground support equipment (EGSE) chargers for Phase 2 of the project.
- On April 3, 2012, the Commission authorized \$ 8,000,000 to: 1) prepare full design documents for the Electrified Ground Support Equipment charging station Project; 2) for PCS to install approximately 20 chargers as a demonstration project; 3) approve budget for the EGSE overall project; and 4) contract for long lead time electrical equipment for power center upgrades.
- On September 12, 2011, the Commission authorized signing no-cost contracts for EGSE vehicles and EGSE chargers.
- On May 10, 2011, the Commission was briefed regarding progress on the EGSE project prior to soliciting pricing for rolling stock.
- On October 26, 2010, the Commission authorized \$1,510,000 for preliminary design, necessary contracts, and work by Port forces to begin to implement the ultimate project; pre-purchase specialized equipment and materials through competitive bid processes; and to authorize Port Construction Services to perform Regulated Materials Management (RMM) investigations and self-perform necessary associated work.
- On September 28, 2010, the Commission was briefed on the 2011 capital budget that included the above-mentioned EGSE projects.
- On September 8, 2005, the Commission was briefed on the benefit of changing from fossil fuel based GSE vehicles to EGSE based vehicles at Seattle-Tacoma International Airport.