

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No. 7c.
Date of Meeting September 27, 2016

DATE: August 31, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Ralph Graves, Senior Director, Capital Development
David Brush, IAF Program Leader
SUBJECT: International Arrivals Facility (IAF) - Phasing Revision & Progress Update Briefing (CIP #C800583)

SYNOPSIS

This staff briefing provides a two-part update on the IAF Program, which is being delivered as a Progressive Design Build (PDB) project:

1. On July 12, 2016, Commission approved accelerating the execution of an extension to the Concourse A sterile corridor, a portion of the Phase 2 work planned for the IAF. During that meeting, Commission asked staff to evaluate the benefits of revising the project's phasing to include in Phase 1 parts (or all) of the balance of the Phase 2 work. That review has been completed and the IAF team plans to return to Commission in October to request authorization to execute the entirety of the Phase 2 scope of the IAF under the current Phase 1 contract with Clark/SOM, the IAF Design/Build team.

The scope of work currently programmed as IAF Phase 2 includes:

- Two baggage claim devices (Carousels 6 and 7) and the associated controls and baggage feed belts.
- All work associated with peripheral systems and equipment required to support the two claim devices, e.g., the Baggage Information Display System (BIDS), signage, striping, protection, security and access control.
- Forty additional automated passport control (APC) kiosks and eleven additional CBP verification podiums to support the increase from 1,900 to 2,600 passengers per peak hour processing.
- All associated indirect and soft costs, e.g., design, general conditions, overhead and profit, Washington State sales tax, and Port staff costs.

Approval of this request will provide the balance of the building infrastructure required for the facility to accommodate a peak hour passenger processing capacity of 2,600.

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Approving this change prior to the commencement of the negotiation of the Guaranteed Maximum Price (GMP) in November, will allow the IAF team to incorporate the work within the GMP. The cost to add this scope of work prior to negotiating GMP is estimated to be \$11,000,000.

2. To update the Commission on the current IAF design, an animated virtual walkthrough will be previewed to Commission as part of this briefing.

BACKGROUND

In July 2013, the Commission approved preliminary funds to program a replacement of the existing under-sized and aging Federal Inspection Service (FIS) facility in the South Satellite (SSAT) with a new IAF that will serve the Airport well into the future and facilitate the Port's Century Agenda objective to make the Airport the West Coast "Gateway of Choice" for international travel. The Commission also authorized use of an alternative project delivery method called Progressive Design Build for the IAF program. This method is newly available for use by public agencies in Washington State and allows the Port to select a design-build team based mainly on their qualifications with competitive pricing on certain commercial terms (e.g., fee, insurance, bond) as an additional selection factor.

The Port contracted with Clark/SOM as the Design-Builder to deliver this project. The contract with Clark/SOM is a phased contract covering three distinct periods: the Validation Period, the GMP Development Period (including some preliminary base building construction e.g., site utilities and footings and the purchase of long lead items e.g., steel), and the GMP Execution Period (full build).

On November 17, 2015, Clark/SOM delivered the Target Budget and Target Schedule, the two critical Validation Period deliverables, along with the many other reports and plans required under the terms of the contract. On December 8, 2015, the Commission approved \$275.5M to amend the Design-Builder's contract, via a Post-Validation Amendment and to initiate the second phase - the GMP Development Period. That Amendment was executed in January, 2016 launching the GMP Development Period and start of design. During this period, the Design-Builder will continue to work to improve on the Target Budget and Target Schedule in order to establish the GMP.

Owing to the continued and dramatic growth in airline operations at the Airport, the Commission has authorized a significant change to the IAF program; \$41M to extend the sterile corridor in order to add two additional international wide body gates (previously programmed as IAF Phase 2 scope to be executed as a separate, future project) and two changes to the IAF design/build contract, adding two separate capital projects for execution by the IAF design/build team; \$5.5M to optimize the layout of narrow body aircraft at the SSAT and \$18.5M to seize the opportunity to provide additional space for outbound baggage not associated with the IAF in the IAF footprint.

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ATTACHMENTS TO THIS BRIEFING

- Computer slide presentation.
- Computer graphics animation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- September 13, 2016 – IAF FAA Reimbursement Agreement Authorization
- July 12, 2016 - Two Additional International Aircraft Gates at (IAF) to Meet Continuing Rapid Growth Authorization.
- June 28, 2016 - Two Additional International Aircraft Gates at International Arrivals Facility (IAF) to Meet Continuing Rapid Growth briefing.
- May 17, 2016 – Plan of Finance Update briefing.
- April 26, 2016 – IAF 1Q2016 Briefing.
- February 9, 2016 - IAF 4Q2015 Briefing
- December 8, 2015 - IAF Guaranteed Maximum Price (GMP) Development Period Authorization (presented in combination with NSAT authorization request).
- November 10, 2015 – IAF Update.
- August 11, 2015 – Special Meeting, Roundtable with Airline Representatives.
- July 28, 2015 – IAF Forum.
- July 14, 2015 - IAF Forum.
- June 23, 2015 – Authorization to Execute a Design-Build Contract.
- May 26, 2015 – IAF Preliminary Funding Plan Motion.
- April 28, 2015 - Service Agreement for Commissioning Services.
- April 28, 2015 – Request Authorization to Execute Lease Agreement with SEATAC VENTURES 2010 LLC for International Arrivals Facility (IAF) Program Management Office Space near Sea-Tac International Airport.
- February 24, 2015 – Service Agreement for IAF Consultant Program Leader.
- January 27, 2015 – IAF Funding Plan.
- January 27, 2015 – IAF RFP Advertisement.
- January 13, 2015 – IAF Update.
- December 2, 2014 – IAF Scope and Budget Update.
- 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.
- February 25, 2014 – IAF Program Briefing.

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- 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.