



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 7a

**BRIEFING ITEM**

**Date of Meeting** April 25, 2017

**DATE:** April 17, 2017  
**TO:** Dave Soike, Interim Chief Executive Officer  
**FROM:** George England, Program Leader, Aviation Project Management Group  
Michael Ehl, Director, Aviation Operations  
Jeffrey Brown, Director, Aviation Facilities and Capital Programs  
**SUBJECT:** 2017 Q1 NorthSTAR Program and North Satellite Project Briefing

**EXECUTIVE SUMMARY**

The North Sea-Tac Airport Renovation (NorthSTAR) Program is a collaborative effort of the Port and Alaska Airlines (AS) to improve traveler experience and customer service. The North Satellite (NSAT) Renovation and Expansion project is the largest segment of the NorthSTAR Program. This component project addresses the expansion of the North Satellite from 12 to 20 contact gates, modernization of the existing North Satellite facility including North Satellite and Concourse C Satellite Transit Stations, and expansion of the baggage system to accommodate the satellite expansion.

This presentation details the progress made over the past quarter on these projects.

**1. CIP C800544 NorthSTAR Program Management & Controls**

This umbrella project is comprised of cost estimating, cost controls, scheduling and overall management support for the four capital renovation projects within the NorthSTAR program. This will be the last report for this CIP as it is being consolidated into CIP C800556.

***Accomplishments***

- Executed a contract extension for Jacobs Project Management and Project Controls services through the end of the project

***Progress***

- Initiated processes to consolidate the NSTAR Program Management to the North Satellite CIP

***Issues***

- Maintaining the project scope and budget as directed by Commission on Sept 14, 2016

Meeting Date: April 25, 2017

**Risks**

- Communication and coordination between multiple teams, stakeholders and people
- Maintain baseline scope and schedule as agreed to by all stakeholders
- Future design change requests could have budget and schedule implication
- AS may delay concurrence or Port/AS may choose to proceed without concurrence

**Metrics**

	Actual	Budget /Planned
Cumulative Spent Against Budget	\$4.2 M	\$19.5 M
Overall Schedule Progress	55%	55%
Cashflow for Reporting Period (Q1 2017)	\$130 k	\$150 k
Contingency Remaining (inclusive of Management Reserve)	\$9.4 M	\$0.94 M
Small Contractor Supplier (SCS)	28.4%	27.0%

M = million; k = thousand

**2. CIP C800556 NorthSTAR NSAT Renovation & North Satellite Transit System Lobbies**

This project includes the modernization of NSAT and the satellite transit system (STS) lobbies at Concourse C and North Satellite including infrastructure and seismic reinforcement, the expansion of the NSAT to 20 contact gates and expansion of the baggage handling system to improve customer service, provide a balance of holdrooms, concessions and circulation space to meet the overall program vision.

**Accomplishments**

Preliminary Work

- Achieved Substantial Completion of Preliminary Work Package #1 with the completion of N12 Ground Board Walkway improvements
- Building permit issued and construction has commenced on Preliminary Work Package #2
- Aircraft electrical power generator repair/replacement decision made and implemented
- Executed elevator & escalator bid award
- Customer counter task lighting spot abatement completed and ceiling being reinstalled

Base Building

- Completed review of Base Building 90% Bid package and issued for bid
- Completed transfer of scope/budget associated with Surface Movement Guidance Control System (SMGCS)/Taxiway A to Airfield Program

Meeting Date: April 25, 2017

- Team recommending to consolidate C800544 NorthSTAR Program Management into C800556 NSAT Renovation & NSTS Lobbies
- Scheduled Decision Analysis for the temporary facility option to mitigate customer service level concerns during Phase II construction
- Executed contract amendment with AECOM (designer) to extend contract providing design services during construction
- Executive Summit scheduled to obtain Alaska’s concurrence on phasing, budget and schedule prior to Commission Authorization of final Maximum Allowable Construction Costs (MACC) and to execute Base Building Contract Amendment

**Progress**

Preliminary Work

- Finalizing execution of subcontracts on PWP #2 bids received

Base Building

- Continuing to refine and monitor critical path schedule progress to complete & authorize final MACC
- Refining construction schedule, bid package scopes of work, final cost and Engineers estimates, and construction phasing in finalizing the MACC
- Final contract MACC amendment language nearing completion
- Continue negotiating additional General Conditions compensation with Hensel Phelps for schedule delays from what they bid on the project
- Continuing to refine and finalize Engineer’s Estimate

**Metrics**

	Actual	Budget /Planned
Cumulative Spent Against Budget	\$53.0 M	\$536.0 M*
Overall Schedule Progress	10%	11%
Cashflow for Reporting Period (Q1 2017)	\$7.7 M	\$11.6 M
Contingency Remaining	\$28.9 M	\$38.5 M
Small Contractor Supplier (SCS) Design	5.9%	6.4%
SBE Participation (Construction)	26.4% <sup>1</sup>	16.0%
SCS Participation (Construction)	4.6% <sup>1</sup>	5.5%
WMBE Participation (Construction)	4.1% <sup>1</sup>	3.6%
Apprenticeship Utilization	18.0% <sup>1</sup>	15.0%
Minority Utilization (% of apprenticeship)	37.0% <sup>1</sup>	15.0%
Women Utilization (% of apprenticeship)	18.0% <sup>1</sup>	10.0%
Preferred Entry Apprentices	No Data <sup>2</sup>	1 in 5

<sup>1</sup> Represents participation for PWP #1 effort only

<sup>2</sup> No Information available yet – Too early to report

\* Does not reflect pending scope/budget transfers

M = million

Meeting Date: April 25, 2017

**Issues**

Preliminary Work

- None

Base Building

- Scheduled an Executive Summit between Aviation staff and Alaska to discuss concurrence points of phasing, budget, and schedule in preparation of Commission MACC Authorization
- Continuing alternative evaluation of Phase II ground board operations to eliminate potential need for a temporary apron level holdroom facility
- Continuing interior project micro-phasing to ensure balanced gate capacity with reasonable customer level of service during construction
- Coordinating NSAT gate activation requirements with additional Taxiway A/B/L/Q improvements to mitigate FAA runway incursion concerns
- Final definition and agreement for AS cost sharing items
- Various changes anticipated to impact Project Budget including 0.5% sales tax increase, increased security requirements, GC/CM equitable adjustment request, market conditions, etc. The overall impact will be identified and conveyed with receipt of Base Building bids
- Working with Hensel Phelps on schedule improvements to maintain agreed upon project substantial completion date (currently July 2021)

**Risks**

Preliminary Work

- Potential cost increases on remaining PWP #2 bid items (elevators and escalators) due to strong local construction market conditions

Base Building

- Budget growth due to bid results during the strong local construction market, limited resource availability and lack of interest
- Cost and schedule impacts of needed terminal/airside modifications of transition from Phase I to Phase II construction to minimize impacts to level of service and operations
- Cost impacts associated with non-discretionary issues, i.e. Sales Tax increase and added security requirements.
- Accommodating further Port/AS scope changes or detailed analysis of proposed changes that potentially impact the design and construction schedule and budget
- Impacts accommodating the number of operating gates (12 vs 14) in Phase II
- Resolution of open issues that impact final design and construction
- Complying with FAA Passenger Facility Charges submission requirements

Meeting Date: April 25, 2017

- Schedule impacts due to bidding, final MACC negotiations & Commission approval
- FAA approvals for taxiway intersection realignment that mitigates potential runway incursions and meets Aircraft Movement Area wingtip separation requirements
- AS concurrence and continued collaboration with tenants

**3. CIP 800547 NorthSTAR Concourse C Vertical Circulation – Complete**

**4. CIP C800555 NorthSTAR Refurbish Baggage System – Complete**

**5. CIP C800545 NorthSTAR Main Terminal Improvement – Removed**

**6. CIP C800554 NorthSTAR Concourse C&D Exterior Stairs - Deleted**

**ATTACHMENTS TO THIS BRIEFING**

- (1) Attachment A: Quarterly Commission Update PowerPoint

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

**North Sea-Tac Airport Renovations (NorthSTAR) (CIP #C800544)**

January 24, 2017 – NorthSTAR Program status update

September 13, 2016 – Request Commission authorization for the Chief Executive Officer to (1) increase the North Satellite Renovation & North Satellite Transit Station Lobbies (NSAT) project scope and budget; (2) increase authorization for project design; (3) amend design service agreement with URS that exceeds 50% of the value of the original contract; and (4) increase authorization for Preliminary Work Package #2 (PWP #2) construction.

August 9, 2016 – NorthSTAR Program Status Update

May 24, 2016 – Commission authorized Chief Executive Officer to 1) increase the North Satellite project scope and budget; 2) increase authorization for NSAT design and overall project support; 3) amend service agreements with Jacobs Project Management Company and AECOM; and 4) authorize the use of port crews and small works contactors to perform work for the project.

February 23, 2016 – NorthSTAR Program status update

November 24, 2015 – NorthSTAR Program status update

July 14, 2015 – NorthSTAR Program status update

April 28, 2015 – NorthSTAR Program status update

January 27, 2015 – NorthSTAR Program status update

October 28, 2014 - NorthSTAR Program status update.

August 19, 2014 - NorthSTAR Program status update.

May 27, 2014 – NorthSTAR Program status update.

January 14, 2014 – NorthSTAR Program status update.

September 24, 2013 – NorthSTAR Program status update.

Meeting Date: April 25, 2017

June 25, 2013 –NorthSTAR Program status update.

April 9, 2013 – The Commission authorized the Chief Executive Officer to enter into a project labor agreement covering the NorthSTAR program’s five major construction projects.

March 26, 2013 –NorthSTAR Program status update.

June 26, 2012 – The Commission received a briefing on the status of the Airline Realignment Program and budget restructuring in association with the NorthSTAR Program.

April 10 2012 – Authorizations for the North Sea-Tac Airport Renovations program for: 1) preliminary project funding; 2) execution of consulting contracts for design/construction support services and project management services; and 3) use of Port crews and consultants to conduct regulated materials management surveys and field support services for preliminary project planning tasks.

**North Satellite Renovation & North Satellite Transit Station Lobbies (CIP #C800556)**

September 13, 2016 – The Commission authorized four NSAT related items:

the increase of project scope and budget (capital) by \$7,000,000 for the revised third floor layout to better accommodate the signature restaurant, provide 3,000 additional square feet of future airport related leasable space, and increase AS premium traveler lounge as requested by 4,850 square feet.

Increase authorization by \$1,000,000 for project design.

Amend design service agreements with AECOM that exceed 50% value of the original contract.

Increase authorization by \$30,000,000 to accommodate Preliminary Work Package #2 construction.

May 24, 2016 - The Commission authorized four NSAT related items:

Increase of project scope and budget (capital and expense) by \$121,219,098 for 30% & 60% design scope additions and risk contingencies

Increased authorization of \$11,000,000 for continued NorthSTAR Program/Project Management services and NSAT design and overall project support.

Amend service agreements with Jacobs Project Management Co. and AECOM.

Authorize the use of port crews and small works contractors.

December 8, 2015 – The Commission authorized \$98,100,000 for the following:

Additional Pre-Construction services (\$1,200,000)

Construction auditing services

Preliminary Construction work

March 24, 2015 – The Commission authorized three NSAT related items:

Expand the baggage handling system increasing the project scope for \$14,400,000 and \$1,954,000 to complete the design.

Entering into a developer agreement with Puget Sound Energy and \$200,000 in reimbursement for the design and construction of underground gas infrastructure.

Meeting Date: April 25, 2017

\$5,300,000 to Prepare four locations to accommodate temporary passenger loading bridges, to construct temporary construction offices; To complete construction of a Satellite Transit System (STS) North loop Dynamic Display system; \$600,000 in expense funds for regulated materials management for AS's tenant improvement project; and Approval to use Port crew labor and small works contractors to complete early project work.

August 5, 2014 – The Commission authorized expansion of the NSAT, \$191,323,143 budget increase, \$15,717,800 to complete the design, execute amendments to existing consulting contracts; execute future consulting contracts and use of and to advertise for General Contractor/Construction Manager (GC/CM) alternative public works contractor.

July 22, 2014 - NSAT Expansion Briefing

April 22, 2014 – Seattle-Tacoma International Airport Capital Program - Briefing

January 14, 2014 –NSAT expansion briefing.

May 28, 2013, Commission authorized the execution of separate service agreements for Construction Management Services and Commissioning Services, of approximate values of \$10 million and \$1.5 million.

December 11, 2012 – The Commission was briefed on the Vertical Conveyance Modernization Project Aero Phases 1 and 2 and the possibility of adding the specified elevators and escalators to the NorthSTAR program.

July 24, 2012 - Commission authorized \$32,000,000 for the design of the NorthSTAR NSAT Renovation and NSTS Lobbies project.

April 10, 2012 - The Commission authorized the execution of consultant contracts for design and construction support services; program management services; and the completion of site surveys for regulated materials management, for \$1,200,000.

**NorthSTAR Concourse C Vertical Circulation Project (CIP #C800547)**

October 22, 2013 – Commission authorized \$16,145,000 for advertising for bids, executing a major construction contract, executing a tenant reimbursement agreement with AS, using Port crews to provide construction services for the Concourse C Vertical Circulation.

November 6, 2012 – Commission authorized the design for the 1:20 sloped walkways and elevator(s) at Gates C2, C10-12, and C14 on Concourse C.

**NorthSTAR North Main Terminal Improvements Project (CIP #C800545)**

December 3, 2013 – Commission authorized \$1,500,000 for preliminary engineering up to 30% design.

**North Satellite Refurbish Baggage System Project (CIP#C800555)**

September 24, 2013 – The Commission authorized staff to: (1) advertise, award, and execute a major public works contract for the construction of the North Satellite Refurbish Baggage System Project; and (2) authorize the use of Port crews.

July 12, 2013 – The Commission was notified of 1 added scope item and 2 scope items moved into the scope previously identified as suggested scope.

Meeting Date: April 25, 2017

November 6, 2012 – The Commission authorized staff to prepare design documents and use Port crews to support site investigation needed to develop the contract documents, for \$3,760,000.