

May 9, 2017

Good Afternoon Ladies and Gentlemen.

My name is Jim Mortensen and I am the Area Manager for Macro-Z-Technology and am here on behalf of our Construction Team. We entered into a contract with Clark Construction on September 7, 2016 to perform Construction on the SEATAC International Arrivals Facility Early Works Projects for \$4.6 million.

MZT is one of the Subcontractors presented to you on March 28, 2017, your agenda item 6a, under the Community Participation for the SEATAC IAF project. This agenda item was to extend the funding for contract amendments and change orders for \$130 million and was unanimously approved.

Unfortunately, the purpose of my being before you today is that as a small business we are being forced to perform work without compensation: requiring MZT, our subcontractors and suppliers to fund this construction project.

As mentioned we began with a project budget of \$4.6 million and have worked with Clark Construction to construct the GT Support Facility and GT Parking Lot to open on time for the Cruise season. Little did we know at the time of award that Clark Construction would be designing as they built the project. Clark Construction's business practice has been to authorize work by Notice to Proceed and then tell us after completion that the work hasn't been negotiated and/or funded by the Port of Seattle. Clark Construction demanded that we execute the changes, requiring our team to work double shifts, accelerate production, all the while telling us they were authorizing the work.

In a nut shell, this brings us to where we are today. We have submitted changes to Clark Construction in excess of \$6.8 million. We have billed for approximately \$4.3 million in March and \$2.2 million in April. Clark Construction has approved an invoice for \$608 thousand for March and has indicated they are going to pay \$221 thousand for April. As a small business and representing all of the businesses who have performed work on this project, we can't survive when we aren't being paid for the work completed to date.

We have had multiple subcontractors contact us stating they couldn't make



payroll. In desperation they are reaching out because they are in danger of not being able to pay their employees, their suppliers, union benefits, and payroll taxes. In some instances, we have extended payment to them, while in another instance, after the Subcontractor left the project; Clark Construction provided additional funding for this Subcontractor to get them back to work.

Did we make mistakes, yes. Did we do everything perfectly, no. However our construction team worked long hours and many weekends to ensure the project opened on time. We need to be compensated in a timely manner for our work.

We do not believe it is the intent of the Port of Seattle or Clark Construction to put any small business out of business or restrict their ability to make payroll. However, at this time, this is the trend on this project. Again as one of the 16.8% SBE contractors on this project we are reaching out to you to assist us in being paid in a timely manner on this project.

We thank you for your time and the opportunity we have had to serve the Port of Seattle.

MAIN OFFICE

841 East Washington Avenue
Santa Ana, CA 92701
License #561313
Ph. (714) 564-1130
Fx. (714) 564-1144

Visit our website at:
www.mztco.com

mztbz@earthlink.net

816 99th Street East
Tacoma, WA 98445
Ph. (253) 536-1100
Fx. (253) 536-1121