



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 4b

**ACTION ITEM**

**Date of Meeting** November 14, 2017

**DATE:** October 20, 2017

**TO:** Dave Soike, Interim Executive Director

**FROM:** Ralph Graves, Senior Director, Capital Development  
Janice Zahn, Assistant Engineering Director, Construction Services

**SUBJECT:** Central Terminal Stairs Project Change Order # 10 (CIP #C800716)

**Amount of this request:** \$0

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute Change Order 10 to Contract MC-0318654, Central Terminal Stairs Project at Seattle-Tacoma International Airport, to extend the contract duration by 76 calendar days and for the deductive amount of \$64,508.00. No additional funds are being requested.

**EXECUTIVE SUMMARY**

This project built two stairways near the central checkpoint to provide egress capacity from the mezzanine level of the Airport to remedy fire life-safety concerns and allow use of unoccupied portions of the building. Gaining additional usable assembly and office space within the limited footprint of the terminal is valuable to both airlines and traveler services. The stairways and fire sprinklers increase safety and accessibility for airport users.

The original construction contract was \$1.55 million, with a total project budget of \$2.9 million. The execution of this change order reconciles all contract time issues with the contractor, PCL Construction. All 76 days are inexcusable and result in a cost credit back to the Port of \$64,508.00. No additional funds are needed.

**JUSTIFICATION**

Airport staff is managing an increasingly scarce resource of available office space in the main terminal largely due to continued growth in demand from airlines operating at the Airport. This project is now in use and has made 10,000 square feet of previously un-leasable space usable with proper code compliant egress.

It should be noted that in addition to providing sprinklers that benefit the two stairs and their associated egress pathways, the fire sprinklers benefits the Baggage Optimization project which will be able to use an egress pathway nearby once the fire sprinklers are installed.

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**DETAILS**

On September 29, 2016, the Port executed a construction contract with PCL Construction for the amount of \$1,546,759.00 with a contract completion date of May 30, 2017. Early in the project the completion date was revised to April 28, 2017 as a result of a value engineering change. The actual Substantial Completion was not achieved for the project until July 13, 2017, a project delay of 76 calendar days.

The contractor experienced production issues with the installation of the stainless steel paneling. This was the single issue that caused the time impact and ultimately caused the delay to the contract. The contractor eventually completed the panel installation allowing the Port to issue Substantial Completion. Since this panel work is base contract work, the contractor is solely responsible for the 76 days of schedule delay.

***Scope of Work***

Work elements included installation of two new stairways from the mezzanine to the concourse level and installation of a fire sprinkler system.

***Schedule***

*Activity*

Commission design authorization	2015 Quarter 4
Commission construction authorization	2015 Quarter 4
Construction start	2016 Quarter 3
In-use date	2017 Quarter 3

<i>Contract Cost Breakdown</i>	<i>Total</i>
<i>Original Contract Amount</i>	<i>\$1,546,759.00</i>
<i>Current Executed Change Order Amount</i>	<i>\$ 26,825.00</i>
<i>Current Contract Amount</i>	<i>\$1,573,584.00</i>
<i>Change Order #10</i>	<i>(\$64,508.00)</i>

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Do not authorize the issuance of the change order, and start the dispute resolution processes.

Cost Implications: Additional staff soft costs, potential legal expenses.

Pros:

- (1) None.

Cons:

- (1) Delays project closeout and increase staff soft costs.
- (2) Creates a risk potential for litigation and potentially higher settlement amount.

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This is not the recommended alternative.

**Alternative 2** – Authorize the issuance of the change order for the deductive amount of \$64,508.00 and add 76 calendar days.

Cost Implications: None.

Pros:

- (1) Settles time impacts with the contractor.

Cons:

- (1) None.

***This is the recommended alternative.***

### **FINANCIAL IMPLICATIONS**

There is no additional funding being requested in this memo. The project has adequate funds to cover this request.

### **ATTACHMENTS TO THIS REQUEST**

None

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

- (1) September 6, 2016 – Authorization to: 1) award and execute major public works construction contract in excess of 10 percent of the engineers estimate, and 2) increase project budget by \$350,000.
- (2) July 12, 2016 – Authorization to advertise for bids and execute a major construction contract.
- (3) October 27, 2015 – Authorization to prepare design and construction bid documents.