



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 4b

**ACTION ITEM**

**Date of Meeting** December 5, 2017

**DATE:** November 17, 2017

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

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

**SUBJECT:** Vertical Conveyance Modernization Project Change Order #109 (CIP #C800251)

**Amount of this request:** NONE

**Total estimated project cost:** \$5,104,121

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute Change Order 109 to Contract MC-0317730, Vertical Conveyance Modernization Phase 1 at Seattle-Tacoma International Airport, to extend the contract duration by 168 calendar days and for the deductive amount of \$10,000. No additional funds are being requested.

**EXECUTIVE SUMMARY**

This project provided complete modernization of eight elevators, added hydraulic cooling units to twelve existing elevators in the Main Terminal and replaced four escalators at the north end of the Main Terminal.

The original construction contract was \$4.6 million. The execution of this change order reconciles all contract time and cost issues with the contractor, Absher Construction, and results in a cost credit back to the Port of \$10,000. No additional funds are needed.

**JUSTIFICATION**

The existing elevators included in this project were installed in the 1960's and 1970's and the existing escalators were installed in 1970 and upgraded in 1990. Due to their age and technology, the controls, drives and door actuators of these elevators and escalators became uneconomical to maintain.

Installation of hydraulic oil cooling packages improved the reliability of the existing hydraulic elevators by eliminating or decreasing outages due to overheating, thus improving the Airport's experience for passengers who are unable to use the stairs or escalators.

Below is a listing of the elevators and escalators completed in this contract.

| <b>Elevator #</b>          | <b>Location</b>  | <b>Action</b>                      |
|----------------------------|--|------------------------------------|
| SSAF                       | South Satellite – Freight  | Modernize                          |
| MT-2                       | Main Terminal – South/Center   | Modernize                          |
| MT-3                       | Public elevator to Police Department; stops at ramp, ticketing and floors 2, 3, and 4. | Modernize                          |
| MT-4                       | Police service elevator; stops at ramp, ticketing and floors 2, 3, and 4.              | Modernize                          |
| MT-5                       | Police service elevator; stops at ramp, ticketing and floors 2, 3, and 4.              | Modernize                          |
| MT-6                       | Main Terminal – North/Central  | Modernize                          |
| MT-7                       | Main Terminal – North  | Modernize                          |
| Twelve hydraulic elevators | B, J, K, L, Q, D1, MT-8, MT-9, MT-20, MT-30, MT-40, MT-50                              | Add hydraulic oil cooling packages |
|                            |  |                                    |
| <b>Escalator #</b>         |  |                                    |
| 601, 602, 611, 612         | North end of Main Terminal, serving Sky Bridge #6                                      | Replace                            |

**DETAILS**

On April 21, 2014, the Port executed a construction contract with Absher Construction for the amount of \$4,603,000 with a contract completion date of April 20, 2016 (duration of 730 calendar days). Through the Change Order process, 76 days of time were added to the contract for a Substantial Completion date of July 5, 2016 (41 plus 35 days on 2 Change Orders).

The Contractor experienced labor and production issues which delayed the project completion by 168 days until 12/21/2016, when Substantial Completion was accomplished. Post Substantial Completion, design errors were identified during a Labor & Industries permit inspection on elevator MT-3, which was required to be corrected. This Change Order settles the final cost and time due to delays caused by both the Port and the Contractor.

***Scope of Work***

Work included development of infrastructure to modernize seven existing elevators and four escalators, and retrofit twelve hydraulic elevators with hydraulic oil cooling systems. Infrastructure development included:

Meeting Date: 12/5/2017

1. Site preparation for installation of elevators and oil cooling systems.
2. Removal of regulated materials as required.
3. Installation of electrical power and control systems.
4. Installation of communication system.
5. Installation of elevator and oil cooling equipment.
6. Installation and revisions to fire sprinkler systems.
7. Structural, electrical and mechanical revisions to the base building.
8. Commissioning of elevator systems.
9. Testing of installed elevator systems.
10. Closeout of completed project.

**Schedule**

*Activity*

|                                       |                |
|---------------------------------------|----------------|
| Commission design authorization       | 2012 Quarter 4 |
| Commission construction authorization | 2013 Quarter 4 |
| Construction start                    | 2014 Quarter 2 |
| In-use date                           | Various        |
| Construction Substantial Completion   | 2016 Quarter 3 |

**Contract Cost Breakdown**

*Total*

|                                      |             |
|--------------------------------------|-------------|
| Original Contract Amount             | \$4,603,000 |
| Current Executed Change Order Amount | \$511,121   |
| Current Contract Amount              | \$5,114,121 |
| Change Order #109                    | (\$10,000)  |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Do not authorize issuance of the change order and continue the dispute resolution process.

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

Pros:

- (1) None.

Cons:

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

This is not the recommended alternative.

Meeting Date: 12/5/2017

**Alternative 2** – Authorize the issuance of the change order for the deductive amount of \$10,000 and add 168 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.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

November 19, 2013 – The Commission authorized CEO to advertise for bids and execute construction contracts.

August 6, 2013 – The Commission authorized execution of project labor agreements for seven projects, including the Vertical Conveyance Modernization Project, Aero Phase 1.

December 11, 2012 – the Commission authorized \$1,625,000 for design, Vertical Conveyance Modernization Project, Aero Phase 1.

December 11, 2012 – the Commission authorized \$2,796,000 for design, Vertical Conveyance Modernization Project, Aero Phase 2.

October 25, 2011 – The Commission authorized \$2,991,850 for design of capital portion and RMM design and abatement.