

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5b

Date of Meeting June 9, 2009

DATE: May 22, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Michael Ehl, Director, Airport Operations
Robert F. Riley, Director, Aviation Capital Improvement Program

SUBJECT: Additional scope authorization to the Runway 16L/34R Reconstruction Project at Seattle-Tacoma International Airport to include an underground conduit connection at an estimated cost of \$60,000 to prepare for future Federal Aviation Administration (FAA) Runway Safety Status Lights (RWSL) on adjacent runway 16C/34C.

ACTION REQUESTED

Request Port Commission authorization for the Chief Executive Officer to increase scope to include construction of an underground infrastructure connection as part of the runway 16L/34R reconstruction project, for an estimated cost of \$60,000; and to use the active Icon Materials contract for the runway 16L/34R reconstruction to complete this work within the current authorized budget and reimbursable by the FAA.

SYNOPSIS

This memorandum requests authorization to increase project scope in order to include installation of underground conduits now while construction is still going on. It is preferable and least costly to install the conduits now rather than installing them later after the new pavement has been installed when demolition, repaving, and a runway closure would be required that would disrupt air traffic operations. This construction change order will install a conduit ductbank under Runway 16L/34R, while it is being reconstructed, to service the future runway 16C/34C RWSL system required by the FAA. Commission previously authorized the reconstruction of runway 16L/34R on October 28, 2008, for a total of \$85,000,000. This authorization would increase the scope of the project to include the infrastructure connection. The \$60,000 in additional scope will be covered with the current authorized budget, and will be reimbursed 100% by the FAA. The ductbank will be an FAA asset. No new additional authorized budget funds are required for this action. Future RWSLs would be funded by the FAA.

The magnitude of this request would not normally require Commission authorization for three reasons: The magnitude of this individual change is within prescribed limits, the total amount of unforeseen change on the project to date remains small and within prescribed limits, and adequate authorized contingency dollars remain within the project budget to accomplish this work. However, this set of underground conduits will serve the future 16C/34C runway reconstruction project which has not yet been authorized by the Commission, therefore authorization for this scope of work must receive Commission approval. The timing of the future 16C/34R project will be evaluated in this year's budget process, however it may not be brought forward for some time. Installing the conduit ductbank now will save money whenever the project does move forward. No new additional

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authorized budget funds are required for this \$60,000 action as there is available contingency available within the 16L/34R project. Again the \$60,000 will be reimbursed by the FAA.

BACKGROUND

The FAA's RWSL system is designed to warn pilots of potential runway incursions. On October 28, 2008, Commission authorized \$85,000,000 for the reconstruction of Runway 16L/34R. Included in the authorization was the installation of the FAA's RWSL system in RW16L/34R. The RWSL system is eventually planned to also be installed in Runway 16C/34C. The RW16C/34C RWSL system will be controlled from a lighting vault under the Central Terminal, and will need to be physically connected by underground infrastructure ductbank. This project will take advantage of the RW16L/34R reconstruction, to extend the ductbank under the runway, to service the future RW16C/34C RWSL system.

The \$60,000 project cost will be covered by the existing authorized budget and be reimbursed 100% by the FAA. The ductbank will be an FAA asset.

PROJECT DESCRIPTION/SCOPE OF WORK

Project Statement:

Install ductbank under Runway 16L/34R to service the future RWSL system in Runway 16C/34C.

Project Objectives:

Take advantage of existing construction and limit future airfield operational impacts.

Scope of Work:

Install approximately eight hundred linear feet of dedicated ductbank from existing lighting manhole M1025-L to a new RWSL handhole just west of the Runway 16L/34R runway safety area. This requested action authorizes a change order to the existing Runway 16L/34R reconstruction project with Icon Materials.

STRATEGIC OBJECTIVES

This project supports the Port strategy to "Ensure Airport and Seaport Vitality" by maximizing financial resources and through enhancing safety with the future RWSL system.

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FINANCIAL IMPLICATIONS

Budget/Authorization Summary

Original Budget	\$85,000,000
Pending Budget Transfer	\$0
Revised Budget	\$85,000,000
Previous Authorizations this CIP	\$85,000,000
Current request for authorization	\$0
Total Authorizations, including this request	\$85,000,000
Remaining budget to be authorized	\$0

Source of Funds

This project will use funds from the authorized budget for the RW16L/34R Reconstruction Project. The FAA will reimburse the funds up to a not-to-exceed amount of \$60,000.

Financial Analysis Summary

CIP Category	Renewal/Enhancement
Project Type	Customer Service
Risk adjusted Discount rate	N/A
Key risk factors	Unanticipated increased construction costs due to market conditions
Project cost for analysis	\$60,000
Business Unit (BU)	Aviation Operations
Effect on business performance	From an accounting perspective, if the Port constructs an FAA asset, the costs incurred by the Port will be treated as a non-operating expense (rather than a capital cost). Similarly, the reimbursements received by the Port from the FAA will be recognized as non-operating revenue (rather than as a funding source for the Port's capital cost). The bottom line impact to the income statement will be zero as long as the Port is fully reimbursed for the cost of the installation.
IRR/NPV	N/A
CPE Impact	None.

ECONOMIC IMPACTS

This project will eliminate potentially more expensive alternatives, such as tunneling, under Runway 16L/34R when the future Runway 16C/34C RWSL system is installed, at a later date.

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ENVIRONMENTAL SUSTAINABILITY/COMMUNITY BENEFITS

No impact to the environment is anticipated as a result of this project. The ductbank will be constructed with materials that have demonstrated long life and durability.

TRIPLE BOTTOM LINE SUMMARY

This project takes advantage of efficiencies from existing construction and FAA funding. This project has no impact on the environment, and provides for the future safety of the traveling public.

PROJECT SCHEDULE

- Contract Change Order June 2009
- Construction Start June 2009
- Construction Complete June 2009

PREVIOUS COMMISSION ACTION

On February 26, 2008, the Commission authorized the expenditure of \$2,000,000 to initiate design development for the reconstruction, and to design and construct Taxiway P modifications to support the reconstruction of runway 16L/34R by the end of 2009 (CIP C800167).

On October 28, 2008 Commission authorized an additional \$83,000,000 for the reconstruction of Runway 16L/34R (CIP 800167), for a total of \$85,000,000.