

ITEM NO.	<u>7a_Supp</u>
DATE OF MEETING	<u>June 23, 2009</u>

# Rental Car Facility Program Briefing

Policy and Staff Briefing for  
Port of Seattle Commissioners  
June 23, 2009



# Briefing Overview

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- Current Status of Rental Car Facility (RCF) Program
- Review of Upcoming Commission Request
  - Lift Suspension of RCF Program to Restart Full Program Scope/Activities & Remobilize Construction
  - RCF Program Budget Authorization
  - Commission Notification of Conforming Design Development Change Orders
  - Change Orders: Conforming & Suspension/Restart
  - One-Time Change Order Policy Adjustment
- Next Steps
- Future Commission Actions

# Current Status of RCF Program

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## Design

- Bus Maintenance Facility Project (BMF)
  - Currently 90% designed
  - Incorporating design of CNG Fueling Facility into 90% in 9 months
  - Construction estimated to start August 2010
- Off-Site Roadway Improvements Project (ORI)
  - Currently 90% design
  - Advance Utility relocations will be complete this Summer
  - Request Commission Authorization for the acquisition of property to support construction
  - Construction estimated to start April 2010

# Current Status of RCF Program

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- Main Terminal Improvements Project (MTI)
  - Project on hold
  - Define project after lifting of suspension
  - Design starts this fall
  - Construction estimated to start in 2011
- Bus Purchase Project
  - Staff currently preparing final procurement documents
  - Begin procurement solicitation this fall
  - Buses estimated for delivery in late 2011

# Current Status of RCF Program

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## Construction

- RCF Project
  - Commission suspended construction on December 15, 2008
  - Limited site stabilization construction activities were approved to prepare the site for up to a one year suspension
  - Staff & Contractor have been revising the construction schedule and compiling costs/data in preparation of a project restart
  - Contractor is developing a plan to remobilize and begin critical path construction by mid to late July based on a lifting of the suspension at the end of June.

# Upcoming Commission Request

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- Commission request scheduled for June 30, 2009:
  - Approval to lift the suspension & restart the entire RCF Program
  - Authorization of additional RCF Program Budget
  - Approval to execute Change Orders for Suspension/Restart
  - Commission notification of Conforming Design Development Allowance Change Orders
  - Approval for one-time Change Order Policy adjustment for the RCF GC/CM construction contract

# RCF Program Budget Authorization

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## Budget

- Cost and schedule impacts of the suspension dependent upon the specific lifting of suspension date
- Requires negotiation and execution of suspension/restart change orders
- Staff has estimated a total RCF program budget of \$419,306,000 assuming a lifting of suspension by June 30, 2009
  - The suspension and additional scope costs are estimated to be \$32 million
  - This amount exceeds the remaining unallocated contingency within the original program budget authorized in May 2008
  - It requires a program budget increase of \$6,973,300

## Schedule

- As a result of the suspension the opening date for the RCF has extended from May 2011 to second quarter 2012

# RCF Program Budget Authorization

Project	Approved 2009 Budget	Budget Change	Current Revised Budget	Current Authorization
Rental Car Facility (RCF)	\$322,958,700	\$27,813,300	\$350,772,000	\$322,946,000
Bus Maintenance Facility (BMF)	\$21,072,000	\$7,210,000	\$28,282,000	\$3,446,830
Off-Site Roadway Imp. (ORI)	\$18,083,000	\$1,459,000	\$19,542,000	\$2,977,100
Main Terminal Imp. (MTI)	\$3,023,000	\$360,000	\$3,383,000	\$583,746
Consolidated Busing Operation	<u>\$17,327,000</u>	<u>\$0</u>	<u>\$17,327,000</u>	<u>\$0</u>
Program Sub-Total	\$382,463,700	\$36,842,300	\$419,306,000	\$329,953,676
Unallocated Contingency	<u>\$29,869,000</u>	<u>(\$29,869,000)</u>	<u>\$0</u>	<u>\$0</u>
Program Total	\$412,332,700	\$6,973,300	\$419,306,000	\$329,953,676



# RCF Program Budget Authorization

## Estimated Suspension/Restart Costs:

Direct Costs	\$18,600,000
Soft Costs	<u>\$7,200,000</u>
<b>Total Suspension Costs</b>	<b>\$25,800,000</b>

## Estimated Additional Scope Costs:

Direct Costs	\$1,400,000
Soft Costs	<u>\$6,700,000</u>
<b>Total Other Costs</b>	<b>\$8,100,000</b>

Suspension Costs	\$25,800,000
Other Costs	\$8,100,000
Program Contingency	<u>(\$1,900,000)</u>
<b>Total Program Cost Increase</b>	<b>\$32,000,000</b>

# RCF Program Budget Authorization

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- With a successful bond sale, staff will be requesting the following in order to complete the RCF program:
  - \$591,670 in additional design funds to complete the design of the BMF and ORI projects
  - \$27,826,000 in additional construction funds to restart and complete the RCF project

# RCF GC/CM Construction Contract

- The GC/CM contract with Turner was negotiated based upon the 90% Construction Documents with several allowances

Maximum Allowable Construction Cost (MACC)	\$161,717,850
Risk Reserve	\$5,775,121
MACC Contingency (2%)	<u>\$3,334,160</u>
<b>Total MACC</b>	<b>\$170,829,131</b>
Negotiated Support Services (Reimbursables)	\$15,145,816
GC/CM Fee (7.4%)	\$13,724,446
100% Conforming Design Development Allowance	\$8,371,329
Anticipated Scope Allowance	\$5,944,063
General Conditions/Additional Insurance	<u>\$11,484,914</u>
<b>Total Construction Contract (TCC)</b>	<b>\$224,837,739</b>

# Change Orders – Conforming Design Development

- 100% Conforming Design Development Allowance within TCC
  - All sub-packages have been bid except for ornamental metals
  - Zero cost change orders to contractually conform the changes between 90% design documents and final bid document are required

Allowance established within TCC	8.37 mil
Approved usage	\$186 k
Cost proposals under review	\$2.18 mil
Uncommitted amount	\$6 mil

- Usage from anticipated scope allowance will be similarly approved with zero cost change orders

# Change Orders - Suspension/Restart

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- Turner and staff have estimated the suspension/restart costs based on preliminary information from subcontractors
- Staff will be requesting the authority to execute a number of suspension/restart change orders for a not to exceed value of \$16,800,000 and a time extension of up to 260 calendar days
- Turner is working on a revised construction schedule that will be submitted to the Port by end of July showing new completion dates
- All suspension/restart contractor cost proposals to be submitted to the Port by end of July based on revised schedule
- Negotiated and final costs will be executed into change orders over the next several months
- Staff and Turner will be looking for selected acceleration as appropriate to reduce time extension and associated cost impact
- The anticipated schedule and cost impacts are included in the Total Program Cost Increase.

# One - Time Change Order Policy Adjustment

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- Resolution 3605 requires Commission approval for change orders that exceed \$200,000 in value or when the cumulative total of all change orders exceed 10% of the original contract price
- The suspension/restart change orders for the Turner contract represent approximately 8% of the original contract price
- Given the magnitude of this change, staff is requesting that for only the Turner contract the limit of 10% be increased to 18% in order to avoid an inordinate amount of Commission and staff procedural processing time

# Next Steps - Construction

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- A significant amount of work must be completed to restart the RCF
- Staff and Turner will work closely to immediately remobilize and restart construction
  - Turner re-staffs their project team
  - Staff to finalize the negotiation and execute suspension/restart change orders
  - Prioritize critical subcontractors to expedite re-mobilization and begin construction
  - An auditing firm will be used to support the change order effort
  - The Disputes Resolution Board is providing support in the change order effort
  - Staff may issue unilateral change orders when costs cannot be resolved in a timely way



# Next Steps - Construction



With a June 30, 2009 lifting of suspension we expect up to 190 construction workers working on-site by the end of July 2009

Consolidated Rental Car Facility  
April 28, 2009



# Future Commission Actions

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- Assuming lifting of the suspension of the RCF Program on June 30, 2009, future Commission actions are:
  - July 2009: Approval to purchase property to support the construction of the RCF & ORI projects
  - September 2009: Approval to procure the bus fleet for the Bus Purchase project
  - October 2009: Approval to advertise for bid the ORI project, execute utility agreements, and authorize construction funds
  - January 2010: Approval to execute the Concession Agreement with the Rental Car Industry
  - February 2010: Approval to advertise for bid the BMF project, execute utility agreements, and authorize construction funds
  - September 2010: Approval to advertise for bid the MTI project and authorize construction funds