

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5b

Date of Meeting March 10, 2009

DATE: March 9, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development Division

SUBJECT: Change Order #062 for the Terminal 91 Cruise Ship Terminal Project Contract MC-0314783

ACTION REQUESTED: This memorandum requests Commission approval to issue Change Order #062 for the Terminal 91 Cruise Ship Terminal Project in the estimated amount of \$250,000.

SYNOPSIS: 2nd Level floor finish did not turn out as expected. In addition, the specified floor finish will also be difficult to maintain. The Contractor may be involved in mitigating the final cost of the carpet installation due to some workmanship issues in the concrete slab and finish sealer, however that amount is currently being negotiated and is unknown at this time. This change order is for the estimated amount of \$250,000, to be paid from project contingency. Neither additional project funds nor access to the restricted T91 Cruise Building foundation contingency is required for this change order

CHANGE ORDER DESCRIPTION AND JUSTIFICATION: The following information relates to the pending change order scope and cost:

- **Scope of work:** Install carpet as specified on the 2nd Level of the Cruise Terminal Building (Approximately 38,000 square feet). Contractor shall proceed for a total amount NOT TO EXCEED \$250,000.
- **Justification:** The current installed flooring system will be difficult to maintain and will show excessive wear much quicker than anticipated. Carpet was value-engineered out of the contract documents, but is still desired as the finish floor. The current finish is deemed less desirable in light of visible cracks and other flaws in the concrete slab due to the nature of the clear sealant specified in the Contract documents.
- **Consequences of not proceeding:** The long-term viability of the floor finish is questionable. In addition to general appearance issues during cruise season, it may affect off-season rental revenue.

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T. Yoshitani, Chief Executive Officer

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FINANCIAL ANALYSIS:

Funds to pay for these change orders are part of the project contingency funds that were included in previously approved project wide authorizations of \$121,525,000.00. No additional project funds are being requested as a result of this change order. Use of the additional restricted T91 cruise building foundation contingency authorized on 7/22/08 in the amount of \$3,186,000 is not needed to execute this change.

CONTRACT INFORMATION: The following information relates to the contract and competitive award:

- Contract award date: August 28, 2007
- Original period of performance: August 28, 2007 to December 20, 2008
- Previous contract extensions: 78 Days
- Contract extension this change order: 0 Days
- Current Contract Completion Date: March 9, 2009

- Original contract amount: \$38,850,500.00
- Previous Change Order Nos. 001 – 061: \$4,743,802.00
- Current contract amount \$43,594,302.00

- This request, Change Order No. 062 \$250,000.00

- Revised contract amount: \$43,844,302.00