

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6e

Date of Meeting December 15, 2009

DATE: November 23, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Mike McLaughlin, Director, Cruise and Industrial Properties
Rod Jackson, Capital Construction Project Manager, Seaport

SUBJECT: Terminal 91 Roadway Pavement Project. CIP #C800343.

Amount of this request: \$88,000

Total Project Cost: Estimated - \$570,000, with \$432,000 remaining to be authorized.

Source of Funds: General Operating Funds.

ACTION REQUESTED

Request commission authorization for the Chief Executive Officer to proceed with permitting, project management, in-house design and prepare construction documents for the Terminal 91 Roadway Pavement Project in the amount of \$88,000, for an estimated total project cost of \$570,000.

SYNOPSIS

Portions of roadway pavement at Terminal 91 adjacent to the east and west main terminal entrances and main traffic intersections are in very poor condition with a significant amount of surface breakage, settlement and cracks. This in turn has created some storm water surface-drainage issues such as depressions, areas of ponding and grading conditions. The pavement needs to be replaced before additional structural pavement failures occur.

Due to busy terminal operations and seasonal peaks in traffic volumes, the replacement work will be completed in phases to minimize impact on terminal operations. Because this work is weather dependent, staff is expected to begin work as soon as possible in

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order to complete this work prior to the 2010 cruise season. However, some work may have to be deferred during the first portion of the cruise season or shortly thereafter.

Staff requests approval for:

Phase-1: permitting, project management, in-house design, preparing contract documents, procuring and executing service agreements (if required) for the replacement of deteriorated asphalt and pavement at the two (2) major intersections at Terminal 91. The design, permitting and project management will be performed by Port staff. All design and permitting costs are included in the 2010 Draft Plan of Finance for this project under CIP Terminal 91 Roadway Pavement Project C800343.

Phase-2: commission authorization for construction funding for Port Construction Services to replace and install the asphalt will be sought upon completion of the engineering design and final construction estimate. Staff will return at a later date to request construction funding currently estimated at \$432,000, for a total project cost of an estimated \$570,000.

PROJECT DESCRIPTION/SCOPE OF WORK

Project Statement:

This project will replace the pavement at the two (2) Terminal 91 intersection areas and install utility stubs by May 2010 cruise season.

Project Objectives:

- Minimize disruptions to terminal operations during construction.
- Minimize future maintenance & repair work.
- Project will be on budget and at minimum cost.
- Project will be delivered on-time to meet schedule milestones.
- Project will be environmentally sound and will utilize sustainable environmental elements.

Scope of Work:

The overall project scope will include demolition of deteriorated pavement; prepare base materials, place new utility stubs, and place new asphalt or concrete pavement. The Phase-1 scope includes the design, permitting and preparation of contract documents.

Phase-2 scope will allow PCS to install full depth asphalt pavement at the two (2) key intersections including the installation of underground waterline piping and conduit utility stubs for future connections to ensure the new asphalt surfaces will not be disturbed for future utility work.

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The port has elected to utilize in-house engineering staff to design the project to accommodate the project schedule. Staff will return to commission for authorization(s) at a later date to request additional funding for construction (Phase-2).

PROJECT SCHEDULE

	<u>Start</u>	<u>Finish</u>
Pre -Design	September 2009	December 2009
Design	December 2009	February 2010
Permits	January 2010	March 2010
Construction	March 2010	April/May 2010

STRATEGIC OBJECTIVES

This project supports the Port's strategy to "Ensure Airport and Seaport Vitality" through renewing and replacing vital seaport infrastructure to Port of Seattle waterfront operations.

Best management practices will be deployed in the selection of materials, work practices and ongoing total cost of ownership.

BUSINESS PLAN OBJECTIVES

This project is aligned with the business plan objectives to maintain safe facilities and assets while providing customers with compelling value. This is a renewal and replacement project to rebuild the major asphalt intersection areas which are needed to provide access to the businesses at Terminal 91.

FINANCIAL ANALYSIS

Budget/Authorization Summary

Original Budget	\$0
Previous Authorizations (Planning CIP - authorized by Seaport Deputy Director)	\$50,000
Current request for authorization	\$88,000
Total Authorizations, including this request	\$138,000
Remaining budget to be authorized (estimated construction costs)	\$432,000
Total Estimated Project Cost (pending completion of design work)	\$570,000

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Project Cost Breakdown

Terminal 91 Asphalt Intersection Replacements	This Request
Design (In-house engineering)	\$96,000
Project Management	\$37,000
Permitting	\$5,000
Total	\$138,000

Source of Funds

The \$138,000 in funds being requested to complete design and permitting for Terminal 91 asphalt intersection replacements would be drawn from CIP# C800343 T91 RD Pave Entry & Guardshack. This CIP is included in the 2010 Draft Plan of Finance as a committed project in the amount of \$500,000. This project will be funded from the general fund.

Financial Analysis Summary

CIP Category	Renewal/Enhancement
Project Type	Renewal & Replacement
Risk adjusted Discount rate	N/A
Key risk factors	<ul style="list-style-type: none">• Timing delays in permitting may impact schedule• Asphalt and gravel placement is weather dependant• Traffic impacts during construction to existing tenants and customers will be minimized as much as feasible.
Project cost for analysis	To be determined in the preliminary design process
Business Unit (BU)	Seaport Industrial Properties
Effect on business performance	No incremental revenue is anticipated to be generated as a result of this project. Incremental increase to annual depreciation is expected to be \$57,000 per year, based on a preliminary project cost estimate of \$570,000.
IRR/NPV	N/A

ENVIRONMENTAL SUSTAINABILITY/COMMUNITY BENEFITS;

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

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SUSTAINABILITY AND LIFE CYCLE COSTS:

This request is for authorization to design, permit of the new asphalt pavement. Total and life cycle costs will be determined upon final completion of the final design. Sustainability issues will also be considered as part of this design process.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternative 1: Do nothing. Without replacement, the existing major asphalt intersections will continue to deteriorate and the pavement structural damage will continue to increase. For this reason, Alternative 1 is not recommended.

Alternative 2: Grind and patch the existing asphalt; overlay the area with new asphalt. This is not recommended because unless the pavement base problem is not corrected and the existing pavement replaced with full depth pavement, the problem will not be fully resolved and would reappear in a relatively short period of time. For this reason, Alternative 2 is not recommended.

Alternative 3: The recommended alternatives complete the full depth asphalt intersection replacements. Staff is recommending this alternative as it will alleviate the pavement structural/base problem and restore the major intersections to their full beneficial use. Alternative 3 is the recommended alternative.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

None