

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5d

Date of Meeting February 9, 2010

DATE: February 3, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development Division

SUBJECT: Change Order #004 for the Terminal 115 Berth 1 Modifications Project Contract MC-0316208

AMOUNT OF THIS REQUEST: \$437,000

SOURCE OF FUNDS: Project Contingency

ACTION REQUESTED:

Requests authorization for the Chief Executive Officer to issue Change Order Number 004 for the Terminal 115 Berth 1 Modifications Project for the Not to Exceed Net amount of \$437,400.

SYNOPSIS:

This project is for the construction of a new berth at T-115 and the site has had various uses over its history. The project includes:

- The demolition of existing pier structures and infrastructure.
- The installation of approximately 473' of new sheet pile seawall.
- Dredging the new berth to accommodate barge loading in all tidal conditions.
- Install new mooring system including winches, dolphins and fender piles.
- Install a new cargo loading ramp and ramp lifting system.
- Upgrade new water and power/communication services.

During sheet pile installation for the construction of the new seawall, an extraordinary amount of underground obstructions were encountered due to previous dock remnants and debris (e.g. lengths of chain, logs, boulders, etc.). Many more hours were spent driving the sheet piles to the proper depth than anticipated. As a result, the contractor was asked to accelerate other activities due to the closing of the permitted in-water work period on February 15. The contractor proposed using a land crane in addition to the derrick barge in order to work on more activities concurrently. It was initially thought that the cost of the land crane versus the derrick would result in no additional costs; however, as more underground obstructions were encountered, those costs also increased over the bid item prices for this work. Since many of the sheet piles did not reach the proper depth, additional work was required by divers to trim the excess length of those sheets so that the fishnet guards could be installed.

A change order is required to compensate the contractor for these increased costs. Because the final magnitude of the change will not be known until all the in-water work is completed, the

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change order will be issued for a not to exceed additional cost of \$437,400. Since some of the work was performed in a different manner than bid, a credit was requested for the relevant bid items. Including those credits, this change order has an estimated absolute value of \$812,600.

The funds to pay for this change order are part of the project contingency funds that were included in previously approved authorizations of \$35,219,410. No additional project funds are being requested as a result of this change order.

CHANGE ORDER DESCRIPTION AND JUSTIFICATION:

The following information relates to the pending change order scope and cost:

Change Order No. 004

- **Scope of work:** (Incorporates work from Construction Bulletins (CB) 3, 5 & 7 and Field Directives (FD) 3, 5 & 6. Provide additional time and equipment to install sheet and pipe piles and acceleration of work necessary to complete all in-water work by February 15, 2010. Bid Items 24, 25 & 30 are related to CB's 5, 7, & 3 respectively and will be deleted since the work associated with these bid items will be incorporated into this change order. The contractor shall proceed for a total amount NOT TO EXCEED \$437,400.

CB #3: Underground Obstructions (est.)	\$215,000.00
CB #5: Use Land Crane to Drive A-Frame Piles (est.)	\$150,000.00
CB #7: Use Land Crane to Drive Fender Piles (est.)	\$85,000.00
FD #3: Accelerate work by working 4 Saturdays in January (est.)	\$85,000.00
FD #5: Cut off excess lengths of the sheet pile wall (est.)	\$70,000.00
FD #6: Mobilize a larger pile driving hammer (est.)	\$20,000.00
Delete Bid Item #24: Drive 16" D Fender Pipe Piles	(\$37,200.00)
Delete Bid Item #25: Drive 16" D A-Frame Support Pipe Piles	(\$50,400.00)
Delete Bid item #30: Pile Driving – Unanticipated Obstructions	(\$100,000.00)
Net CO Not To Exceed Amount	\$437,400.00

- **Justification:** The delays encountered due to the underground obstructions would keep the work from being completed prior to the end of the in-water work window.
- **Consequences of not proceeding:** Possibilities include Berth 1 not being completed this year rendering it unusable to the tenant, Northland Terminal Services, until the next in-water work period; or that the unfinished in-water work would violate Environmental Protection Agency or tribal agreements.

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FINANCIAL ANALYSIS:

The funds to pay for this change order are part of the project contingency funds that were included in previously approved authorizations of \$35,219,410. No additional project funds are being requested as a result of this change order.

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

Contract award date:	October 5, 2009
Original period of performance:	October 5, 2009 to April 15, 2010
Previous contract extensions:	47 Days
Contract extension this change order:	0 Days
Current Contract Completion Date:	June 1, 2010
Original contract amount:	\$2,776,900.00
Previous Change Order (1-3):	\$103,945.05
<u>Current contract amount</u>	<u>\$2,880,845.05</u>
<u>This request, Change Order No. 004</u>	<u>\$437,400.00</u>
Revised contract amount:	\$3,318,245.05