

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6c

Date of Meeting November 2, 2010

DATE: October 27, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Wayne Grotheer, Director, Aviation Project Management Group
Nick Harrison, Senior Manager, Airport Operations
Deanna Zachrisson, Manager, Concessions Business

SUBJECT: IDIQ Design Services at the Seattle-Tacoma International Airport for the South Satellite Concessions Project CIP # C800412 and Additional Gate Lobby CIP # C800466

This Request: \$0

Source of Funds: Future Individual Project Authorizations

ACTION REQUESTED:

Request Port Commission authorization for the Chief Executive Officer to execute an IDIQ professional services contract for design services in the amount of \$400,000 in support of anticipated capital improvement projects related to South Satellite Concessions and Gate Lobby Projects at Seattle-Tacoma International Airport (Airport). No funding is associated with this authorization.

SYNOPSIS:

This contract will provide design services for projects supporting the remodel of the west end of the South Satellite at the Airport. Each project will return with a request for design funds as part of a project authorization.

BACKGROUND:

International passenger traffic has grown by more than 50 percent since 1998 without any increase in capacity in the South Satellite. Much of this growth has taken place in the last two years. This growth has strained the limits of available waiting space and the capacity of available concessions. In addition, Delta Airlines will continue to operate from the South Satellite, which is anticipated to bring additional future growth. The two projects – initiated by Concessions Business and Operations respectively – are in scope development and are anticipated to be presented to the Commission for design authorization in early 2011. The overarching objective is to enhance the available gate lobby space for passengers, as well as

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provide additional food service and expanded duty free/retail shopping in west end of the South Satellite. In order to improve passenger flow and create additional hold room areas, gate podiums would be relocated, obsolete glass partitions would be removed and an underutilized restroom would be demolished. An existing duty free store would be modified to accommodate future installation of a new escalator in front of the store, as well as capture unused space (a former smoking lounge) behind the store. A new full-service restaurant would be added to the satellite.

PROJECT DESCRIPTION/SCOPE OF WORK:

Prepare one design agreement for two anticipated projects at the Airport, the South Satellite Concessions Project and Additional Gate Lobby Project. The scope of the both projects is related to the future configuration of the area used for international departures. The IDIQ contract will have an ordering period of three years. Service directives will be authorized during the ordering period and the contract duration will continue until the work is complete. The work will include changes such as demolition of glass partitions, restrooms, relocation of gate podiums, installation of new flooring, ceilings and infrastructure, modification of the existing duty free/retail store, installation of new electric power/communications at gate S-16 to support a temporary duty free location, and construction of a new food and beverage shell space.

The not-to-exceed contract will not exceed \$400,000. No work is guaranteed to the chosen consultant, and the Port is not obligated to expend any funds by execution of a contract.

The contract has a Request for Qualifications (RFQ) prepared and advertised. The RFQ includes goals for small business participation.

Project Statement and Objectives:

The consultant will provide all required professional services for the remodel of the west end of the South Satellite at the Airport throughout the term of the agreement. The specific scope of work to be accomplished for each project will be identified in a service directive. The service directives also will include the schedule and cost of services to be provided by the consultant for each project.

FINANCIAL IMPLICATIONS:

Charges to these contracts will be from projects to be properly authorized within established procedures. Consequently, there is no funding request associated with this authorization.

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION:

Alternative 1: Execute an IDIQ contract for the South Satellite Concessions Project and the Additional Gate Lobby Project. This alternative would provide integrity in design and minimize

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the number of procurement processes necessary for timely completion of projects. **This is the recommended alternative.**

Alternative 2: Prepare separate procurements for each project. This alternative would require more procurement processes, add more time to projects, increase administrative costs in order to hire consultant design teams for each project, and potentially lead to incompatible designs for projects in close proximity to each other. This is not the recommended alternative.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

- South Satellite Gate Lobby and Concession development phasing drawings.

PREVIOUS COMMISSION ACTION:

September 7, 2010 – The Commission authorized Port Construction Services to perform work in conjunction with small works contractors and issue small works contracts in support of the Concessions Unit Readiness Project for \$229,000 of a total estimated project cost of \$2,087,000.

July 13, 2010 – Briefing on Airport Concessions Status Report and Development Plans.