

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5a

Date of Meeting May 18, 2010

DATE: May 4, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development Division

SUBJECT: Change Order No. 15 for SeaTac International Airport 2nd Floor HVAC Upgrade
MC-0316086

ACTION REQUESTED:

Requests authorization for the Chief Executive Officer to issue a no cost Change Order No. 15 for the 2nd floor HVAC Upgrade at the main terminal building at Seattle-Tacoma International Airport to add the additional time required (70 days) to complete the project.

SYNOPSIS:

The subject project provides a new air supply for the HVAC systems to the north side of the 2nd floor main Terminal Central Administration Building and the concessions located directly below on the ticketing level. The provision of new air supply for the HVAC system will allow HMS Host (Host) to proceed with the construction of its new offices on the 2nd floor. The original design of the roof pitch pockets was changed during construction to limit annual maintenance and impacts to the roofing membrane still under warranty. The contractor's schedule was impacted 55 days as a result of this change. During punchlist, the design engineer identified non-conforming work and a design deficiency at the HVAC duct structural supports. Another 15 days of time extension is required to address this concurrent delay. All direct costs were addressed in separate change orders.

BACKGROUND:

After the construction contract award and construction was underway, the contractor raised concern about impacts to the existing roof warranty if the design details in the contract documents were installed. The POS agreed to pursue the redesign and authorized the design team to move ahead with the work. The complexity of the roofing design and working through the specific details resulted in multiple shop drawing resubmissions and resulted in a 55-day delay to the construction schedule.

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During construction, the Structural Designer of Record (SDR) visited the project on two occasions, once in January 2010 and then for final inspection on March 16, 2010. On March 16, 2010, two non-conformance issues with the HVAC structural supports were observed that required corrective action as follows: 1) incorrectly installed duct collars in four places; and 2) one structural member fabricated differently from the design. In addition, a design deficiency was identified at an insufficiently supported branch duct. On March 19, 2010, the SDR issued sketches with the corrective action required. These fixes required fabrication, removal and replacing of the insulation to make the needed repairs and some miscellaneous painting. After reviewing the sketches, the contractor estimates that an additional 15 days would be required to complete the work in the field.

We are requesting Change Order No. 15 be issued for an additional 70 days needed to officially complete the project with the sign off of the building permit.

CHANGE ORDER DESCRIPTION AND JUSTIFICATION:

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

Change Order No. 15

- **Scope of work:** Add an additional 70 calendar days to the contract time.
- **Justification:** The original contract specified January 23, 2010, as both the beneficial occupancy and the substantial completion date. Under the contract, the contractor cannot achieve substantial completion without the punchlist completed and all permits signed off. The delays as identified above were not anticipated when the team decided to change the pitch pocket design. The Port, its consultants and the contractor worked diligently to mitigate the construction schedule impacts. When Port staff evaluated the delays, we found that both parties had delays, which resulted in late completion of the project. In the case of concurrent delays to a project, both parties are responsible for their own costs that are incurred as a result of delays. The contractor agreed not to request cost for extended overhead and the Port agreed not to assess Liquidated Damages. Therefore, we are requesting Change Order No. 2 be issued for 70 non-compensable calendar days.
- **Consequences of not proceeding:** The contract would remain open, and the General Contractor would not be able to get its retainage.

FINANCIAL ANALYSIS:

This is a no-cost change order.

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CONTRACT INFORMATION:

The following information relates to the construction contract and competitive award:

Contract award date:	May 28, 2009
Original period of performance:	May 28, 2009 to January 23, 2010
Previous contract extensions:	5 Days
Current Contract Completion Date:	January 28, 2010
Contract extension this change order:	70 Days
Revised Contract Completion Date:	April 9, 2010
Original contract amount:	\$790,000.00
Previous Change Orders:	\$114,331.02
<u>Current contract amount</u>	<u>\$904,331.02</u>
<u>This request, Change Order No. 15</u>	<u>\$0.00</u>
Revised contract amount:	<u>\$904,331.02</u>

PREVIOUS COMMISSION ACTION:

On March 23, 2010 – Commission authorization of \$203,000 to pay additional in-house and consultant costs to complete the project, for a total authorization to date of \$1,700,000.

February 24, 2009 – Commission authorization for construction and approval to advertise for construction bids for the 2nd floor Heating, Ventilation and Air-Conditioning (HVAC) Upgrades Project at Seattle-Tacoma International Airport in the amount of \$1,282,350, for a new estimated total project cost of \$1,497,000.

March 25, 2008 – Commission authorization for Second Floor HVAC Design at Seattle-Tacoma International Airport for estimated cost of \$214,650.