

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6a

Date of Meeting May 18, 2010

DATE: May 11, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Michael Ehl, Director, Airport Operations
George England, Program Leader, Aviation Capital Improvement Program

SUBJECT: Construction Agreements with Washington State Department of Transportation (WSDOT) for Road and Bridge Work Surrounding the Rental Car Facility (RCF).

Amount of This Request: \$0

Source of Funds: N/A

ACTION REQUESTED:

Request authorization for the Chief Executive Officer to execute the Construction Oversight Agreement and the SR99/500 Bridge Seismic Upgrade Agreement with the WSDOT; and allow Port Construction Services to self perform work, advertise for bids, execute and award small works construction contracts in support of the Off-Site Roadway Improvements (ORI) project, a component of the RCF program. No new funding is requested.

SYNOPSIS:

The Port must complete the ORI project to support the operation of the RCF. WSDOT is planning to complete bridge seismic improvements in the same construction work area. Authorization of both construction agreements allows the Port to proceed with the ORI project, and allows the Port and WSDOT to accomplish the work efficiently as a single project under Port control while providing for the appropriate cost sharing between the two agencies. The Commission previously authorized the budget for this agreement on December 15, 2009 and the project is funded by Customer Facility Charge (CFC) revenues or bonds.

BACKGROUND:

The RCF program includes three main projects: the Consolidated Rental Car Facility (including the facilities at the Airport's Main Terminal to support the consolidated busing operation), the Bus Maintenance Facility, and the Off-Site Roadway Improvements. The ORI project surrounds the Consolidated Rental Car Facility site and includes improvements to WSDOT, City of SeaTac, and Port owned transportation facilities. The ORI project also meets the commitments identified in the SEPA and NEPA environmental review documents for the RCF program.

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WSDOT has budgeted funds to complete a seismic upgrade to the International Blvd. bridge that crosses over State Route 518 and will be widened by the ORI project. Port and WSDOT staff have agreed to include the seismic upgrade project into the ORI project so that there is one construction effort in order to provide a cohesive single bid package, reduce the overall impact to the community, and reduce the costs of administering both construction efforts for both agencies. The costs of the seismic upgrade project will be fully borne by WSDOT.

In order to complete the construction of the ORI project, the Port needs to enter into two separate agreements with WSDOT: a construction oversight agreement and a SR99/500 Bridge Seismic agreement. Since the work completed within WSDOT's right-of-way will be owned by WSDOT at the completion of the ORI project, the construction oversight agreement provides the mechanisms to make sure these improvements meet WSDOT's requirements. The SR99/500 Bridge Seismic agreement addresses how the Port will complete the seismic improvements for WSDOT as part of the ORI project, and how the Port will be reimbursed by WSDOT for this work. The attached map (Attachment A) depicts the scope of the improvements for the ORI project and the areas that are included with each agreement.

On December 15, 2009, the Commission authorized the construction funds and granted approval to advertise for construction the ORI project. This previous authorization did not grant Port Construction Services the authority to self perform work, advertise for bids, or execute and award small works construction contracts. It is now anticipated that Port Construction Services may be needed to support the ORI project, specifically the removal and disposal of contaminated soils and utility work. This authority is now being requested.

CONSTRUCTION OVERSIGHT AGREEMENT:

The Construction Oversight Agreement (see Attachment B) meets the requirements of the ORI project and has been reviewed by Port staff and the legal department. The agreement includes the following key factors:

- The Port has coordinated with WSDOT to develop the plans, specifications, and cost estimates for the project in accordance with WSDOT standards for the portion of work that is within WSDOT right-of-way or where WSDOT has jurisdiction.
- The Port will administer the construction contract and will obtain WSDOT's written approval prior to any changes to the plans or specifications.
- The Port will reimburse WSDOT for the actual costs of construction oversight for the portion of work that is within WSDOT right-of-way or where WSDOT has jurisdiction. The costs for construction oversight are estimated at \$405,000 and these funds are included within the current authorized budget.

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- WSDOT grants the Port right of entry upon WSDOT land for the purpose of constructing the project, and the Port grants WSDOT right of entry upon Port land for the purpose of constructing the project.
- The Port will be responsible for all communications with the public during the construction of the project.
- WSDOT will own, operate and maintain the portion of the project construction within WSDOT right-of-way.
- Specific requirements for the review of construction submittals, project inspections, and acceptance of work by WSDOT.

SR 99/500 BRIDGE SEISMIC UPGRADE AGREEMENT:

The SR 99/500 Bridge Seismic Agreement (see Attachment C) meets the requirements of the ORI project and has been reviewed by Port staff and the legal department. The agreement includes the following key factors:

- WSDOT developed plans, specifications, and cost estimates for the bridge seismic improvements.
- The Port has incorporated the plans and specifications into the ORI project, will administer the overall construction contract, and will also obtain WSDOT's written approval prior to any changes to the plans or specifications
- WSDOT will reimburse the Port for the actual costs of construction and construction administration for the bridge seismic improvements. These costs are estimated at \$761,800 (including construction contingency) and are included within the additional contract authorization provided by the Commission.
- WSDOT and the Port agree to jointly review and comment on any settlement of claims associated with the bridge seismic improvements, and to jointly determine the level of financial participation for both agencies in the negotiated claim settlement.
- The Port will be responsible for all communications with the public during the construction of the project and will follow WSDOT's "no surprises" philosophy by notifying WSDOT immediately of any issues associated with the bridge seismic improvements.
- WSDOT will own, operate and maintain the bridge seismic improvements.
- Specific requirements for the review of construction submittals, project inspections, and acceptance of work by WSDOT.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Attachment A – Off-Site Roadway Improvements Map

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Attachment B – Construction Oversight Agreement

Attachment C – SR 99/500 Bridge Seismic Upgrade Agreement

PREVIOUS COMMISSION ACTION:

The following list of previous Commission actions include only those related to the ORI project and include property acquisition, design and advance construction authorizations.

- November 9, 2004, the Commission authorized \$18,675,000 for the completion of facility design for the Consolidated Rental Car Facility, and for procurement of a General Contractor/Construction Manager for the delivery of the project.
- February 27, 2007, the Commission authorized \$9,210,183, including \$6,460,183 in additional design funding for the RCF program and \$2,750,000 for preconstruction services and for demolition of buildings on the Consolidated Rental Car Facility site.
- May 13, 2008, the Commission authorized 1) \$3,574,300 in additional design funds for the RCF program, 2) the award of the General Contractor/Construction Manager contract to Turner Construction Company and \$286,500,000 for the construction of the Consolidated Rental Car Facility, and 3) the execution of a change order in the amount of \$1,606,710 for additional construction staff and logistics facilities.
- November 11, 2008, the Commission authorized \$552,000 for the ORI project for design and advance utility relocations.
- June 9, 2009, the Commission passed Resolution 3617 which 1) exchanged Port surplus property for WSDOT property, and 2) authorized a long-term ground lease in the vicinity of the Tyee Valley Golf Course.
- June 30, 2009, the Commission 1) lifted the suspension and restarted the entire RCF program, 2) authorized \$591,670 in additional design funds for the Bus Maintenance Facility and ORI projects, 3) authorized \$27,826,000 in additional construction funds for the Consolidated Rental Car Facility, 4) authorized multiple change orders for a not to exceed value of \$16,800,000 and up to 260 calendar days for the construction of the Consolidated Rental Car Facility, and 5) revised the Commission notification requirements for change orders for the Consolidated Rental Car Facility.
- July 28, 2009, the Commission authorized the purchase of a portion of private roadway owned by Washington Memorial Park for \$300,000.
- December 15, 2009, the Commission authorized \$16,344,400 of construction funds, the authority to enter into contracts estimated at \$17,534,000, and granted approval to advertise for construction the ORI project.