

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5a

Date of Meeting November 30, 2010

DATE: November 4, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development Division

SUBJECT: Change Order No. 001 for the STIA Central Mechanical Plant Ethernet Controls Upgrade - Contract SW-0316484

AMOUNT OF THIS REQUEST: \$0.00

SOURCE OF FUNDS: N/A

ACTION REQUESTED:

Request authorization for the Chief Executive Officer to execute Change Order No. 001 for the STIA Central Mechanical Plant Ethernet Controls Upgrade Contract, for a no cost time extension of 365 calendar days to complete the Ethernet Upgrade of the Central Mechanical Plant.

SYNOPSIS:

The STIA Central Mechanical Plant Ethernet Controls Upgrade Contract is a communications upgrade project to link the Central Plant Controls system with the Cooling Towers, Parking Garage, North and South Main Terminal mechanical penthouses, North and South Basement level mechanical rooms and the North utility tunnel. The Siemens Direct Digital Controls system modification was granted a "Sole Source" waiver, and notification was sent to Commission on January 4, 2010. The basis for the waiver was that "the only source for the service or product is proprietary in nature...." The programming changes and system modifications to the Siemens Direct Digital Controls proprietary system requires factory certified technical expertise, with access to the system source codes. Siemens Service Technicians are the only factory trained technicians certified to provide service and support to this Siemens equipment.

Due to unfamiliarity of the contractor with the Port's requirements for processing such items as a full job safety plan, the contractor did not complete and submit the safety plan in time to prosecute the physical site work. A change order is required to extend the completion date for the project so it can be completed next year when the communications traffic is at a relative lull. Work has not started on the physical portions of the project. There are no additional costs associated with this time extension. The contractor has agreed to postpone this work until next year at no additional cost.

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The Commission was not required to approve the original contract for this work because it was under \$300,000. However, in accordance with Resolution No. 3605, the Commission must approve this Change Order because the time extension exceeds sixty days.

BACKGROUND:

This contract called for completion within 90 days of award. The contractor has worked on many successful projects at the Airport as a subcontractor; however, this was their first contract as a prime contractor. Therefore, an entire new Safety Plan needed to be created and was not completed until September 2010 leaving an inadequate number of days to complete the physical work.

To remedy this situation, staff recommends a Change Order to extend the contract. It is necessary to increase the contract completion time by 365 days in order to allow the contractor to fit the work into their work backlog and to allow the work to occur at times when air traffic is at a relative low and the weather is moderate enough to allow outages of the air conditioning systems.

Should the Port not proceed with this change order, Port staff has concluded that the risk of system failure or faulty responses to the control system is high. Port staff feels the price negotiated for the work compares favorably on the Engineer's Estimate.

FINANCIAL ANALYSIS:

The change order is no-cost. No additional project funds are being requested as a result of this change order.

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

Contract award date:	June 10, 2010
Original period of performance:	June 10, 2010 – September 10, 2010
Previous contract extensions:	0 Days
Contract extension this change order:	365 Days
Current Contract Completion Date:	September 10, 2010
This request, Change Order No. 001 Completion Date:	September 10, 2011
Original contract amount:	\$133,950.00
Previous Change Orders Executed:	\$0.00
<u>Current contract amount</u>	<u>\$133,950.00</u>
<u>This request, Change Order No. 001</u>	<u>\$0.00</u>
Revised contract amount:	\$133,950.00

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ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternative 1: Do nothing. Re-issue a contract to the same sole source proprietary provider. This alternative would take added time. Re-issue would increase Port processing costs and risks more time to prevent failure or faulty responses of the controls system as well as those potential additional repair costs. In addition, it would require creation of a new safety plan when an acceptable plan has already been reviewed, negotiated and approved by Port staff. This is not the recommended alternative.

Alternative 2: Extend the contract completion date at no additional cost to the Port. This will ensure that the project proceeds to meet its intended goal. This is the recommended alternative.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Sole Source Contract Notification with Siemens Building Technologies for HVAC Automated Direct Digital Control System Technical Support Services (copy attached)