

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.	<u>5b</u>
Date of Meeting	<u>2/22/11</u>

DATE: February 4, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development Division

SUBJECT: Change Order No. 10 for the Consolidated Rental Car Facility (CRCF) Offsite Roadway Improvements (ORI) and SR 99 Bridge Seismic Upgrade Project Contract MC-0316568

AMOUNT OF THIS REQUEST: \$970,000.00

SOURCE OF FUNDS: Unallocated Program Contingency. No additional funds required.

ACTION REQUESTED:

Requesting authorization for the Chief Executive Officer to issue Change Order Number 10 for the CRCF ORI and SR-99 Bridge Seismic Upgrade for the Not-to-Exceed amount of \$970,000.00 and for staff to transfer this amount from Unallocated Program Contingency to the Project Construction Contingency. No additional funds are required to implement this change order.

SYNOPSIS:

This project is renovating and improving municipal, Port and Washington State Department of Transportation (WSDOT) roadways in the vicinity of the new CRCF including SR-518, International Boulevard (SR-99), S. 160th Street, Host Road and the Northern Airport Expressway (NAE). During performance of the work, the Contractor has identified additional contaminated and geotechnically unsuitable soil, the excavation and removal of which is estimated in the amount of \$970,000.00.

This change order requires the transfer of up to this amount from Unallocated Program Contingency to the ORI project construction contingency. No additional funds are required or being requested. After transferring the \$970,000.00 out of Unallocated Program Contingency, the balance in the contingency will reduce from \$10,040,269.00 to \$9,070,269.00.

Port staff continues to interface with WSDOT personnel to determine if there is any potential to utilize this soil or portions of it on the project and to investigate other alternatives to off-site soil

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

February 4, 2011

Page 2 of 4

disposal in an effort to mitigate further costs and in keeping with the Port's commitment to sustainability of resources.

BACKGROUND:

This project is renovating and improving roadways in the vicinity of the new CRCF including SR-518, International Boulevard (SR-99), S. 160th Street, Host Road and the NAE as traffic mitigation for the CRCF. The WSDOT areas of work include:

- Installation of a new ramp at the NAE including retaining walls, ramp access, traffic signals and metering near the intersections of Host Road and S. 160th Street
- SR-99 bridge seismic improvements and roadway widening including asphalt, curbs, gutters including some underground utility work
- Realignment of the SR-518 Exit to SR-99/International Boulevard (B-Line Work)

The installation of the new NAE ramp is nearly complete. The SR-99 bridge seismic upgrade work is currently underway for widening the roadway along International Boulevard (SR-99) at the exit off of SR-518. To date, footing excavations associated with seismic work uncovered 533 tons of unsuitable soils. Another 1,230 tons is anticipated for the remaining bridge seismic/expansion work currently underway. In addition, preliminary clearing activities at the south side of the SR-518 Exit Realignment (B-Line) work indicate that the 9,000 tons of soil to be removed and disposed of are contaminated. Further, indications are that the 5,250 tons of removal and disposal at the north side of the B-line work may be contaminated. At this time, winter weather conditions prevent fully testing the area to determine the extent of contamination. Since a gas station once operated in the area, the project team is moving ahead with an assumption of 100% contamination.

The project was bid with an allowance of \$150,000.00 under Unit Bid item #44 - Unsuitable Soils- Washington State Department of Transportation (WSDOT) property for removing and disposing of contaminated soils anticipated at the SR-518 exit realignment (B-line). To date, excavation work associated with the other WSDOT property has expended 73% of Unit Bid Item #44. A change order is required to allow the contractor to properly dispose of the additional contaminated soils discovered by the Contractor in performing preliminary site work on the project. Because the final magnitude of the change will not be known until all of the excavation is completed, this change order will be issued for a Not-to-Exceed amount of \$970,000.00 which covers work associated with SR-99 Bridge Seismic Upgrade and road widening and the SR-518 exit realignment (B-Line) work.

This change order will allow the project schedule to proceed with excavation activities underway now and the next large operation (SR-518 realignment) to begin in April 2011. Given the magnitude of the estimated cost to properly dispose of the additional contaminated or unsuitable soils, funding will exceed the current project contingency. This requires the transfer of sufficient

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

February 4, 2011

Page 3 of 4

funds not to exceed \$970,000.00 from Unallocated Program Contingency into the ORI project budget. These funds are included in previously approved authorizations of \$419,306,000.00 for the CRCF Program requiring no additional funds authorized 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. 10

- **Scope of work:** Provides contractual mechanism to compensate the contractor for contaminated soil removal and disposal in excess of the \$150,000 allowance in the contract under Bid Item #44. Amount is based on estimates established on confirmed and anticipated contaminated soil conditions encountered at WSDOT excavation work areas plus a 10% contingency. The contractor shall proceed for a total amount NOT TO EXCEED \$970,000.00. The estimate is as follows:

CO 10: SR 518 Realignment – Contaminated	\$ 495,000.00
CO 10: SR 518 Realignment – Anticipated	\$ 288,800.00
CO 10: Bridge Seismic Upgrade/Realignment – Anticipated	\$ 96,900.00
<u>Contingency</u>	<u>\$ 89,300.00</u>
Total Not-To-Exceed	\$ 970,000.00

- **Justification:** The contract provided a lump sum allowance of \$150,000 in the Bid for WSDOT contaminated soil removal force account work (BI #44). Initially, the \$150,000 was anticipated for unsuitable soil excavations at the B-line area that once contained a gas station. The removal of unsuitable soils encountered at other WSDOT locations as described above expended 73% of this bid item to date. This change addresses the payment for removal and disposal of contaminated or geotechnically unsuitable soil.
- **Consequences of not proceeding:** The Port has attempted to work with various groups within the organization to reincorporate as much of the soil as possible on Port property; however to date, no space has been identified to stockpile these additional contaminated soils. Without space to stockpile these soils, excavations would have to be stopped and the project would be delayed until other stockpile areas could be found resulting in time and cost escalation to the project.

FINANCIAL ANALYSIS:

The funds to pay for this change order are part of the \$419,306,000.00 authorization previously approved for the CRCF Program. No additional project funds are being requested as a result of this change order. The Program's unallocated contingency will be transferred to the ORIs' construction contingency.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

February 4, 2011

Page 4 of 4

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

Contract award date:	May 28, 2010
Original period of performance:	May 28, 2010 through March 28, 2012
Previous contract extensions:	0 Days
Contract extension this change order:	0 Days
Current Contract Completion Date:	March 28, 2012
Original contract amount:	\$7,627,485.00
Previous Change Orders Executed:	\$14,318.00
<u>Current contract amount</u>	<u>\$7,641,803.00</u>
This request, Change Order No. 10	\$970,000.00
Revised contract amount:	\$8,611,803.00