

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.** 6c

**Date of Meeting** August 23, 2011

**DATE:** August 12, 2011

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Ralph Graves, Managing Director, Capital Development

**SUBJECT:** Consolidated Rental Car Facility Project Contract MC-0315405  
Escalator Truss Heaters

**Amount of This Request:** \$420,646.00                      **Total Project Cost:** \$232,558,511.00

**Source of Funds:** RCF Project Contingency. No additional funds required.

**Est. State and Local Taxes:** \$22,093,058.00 of Total Project Cost    **Jobs Created:** None

**ACTION REQUESTED:**

Request Port Commission ratification of the issuance of an expedited change order in the amount of \$297,136 and authorization for the Chief Executive Officer to issue a second change order in the amount of \$123,510 to install truss heaters in the escalators of the Consolidated Rental Car Facility (RCF) in the not-to-exceed total amount of \$420,646. Funds to cover the cost of the two change orders are part of the project contingency funds that were included in the previously approved RCF authorizations.

**SYNOPSIS:**

As briefed at the July 26, 2011, Commission meeting, the project team has determined that a heating system for the 16 escalators at the Customer Support Building (CSB) should be installed to prevent ice (or snow) from forming on the escalator landings and treads which creates a safety hazard. This modification was suggested by the Department of Labor and Industry Inspector (L&I) and is supported by the escalator manufacturer.

The project's sixteen (16) one- and two-story escalators in the CSB are situated within the building under a large canopy roof structure and although open to exterior elements were designed as an interior installation through the designer of record's interpretation of design and building codes. The escalator subcontractor, Kone, designed and built the escalators in accordance with the project specifications.

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The inspector for the Department of Labor and Industry (L&I), the permitting agency having jurisdiction (AHJ) on the escalators, verbally raised a concern about the lack of a heater system for the escalators indicating a strong possibility he would not sign-off on them as part of the permit requirements on the project. The Inspector's basis for requiring truss heaters is an interpretation of code further substantiated by observations of these escalators during inclement weather conditions during the winter of 2010 during which snow, rain and fog formed ice on the escalator landings and treads.

After careful consideration of the matter, the project team agreed a heating system is needed to ensure the escalator landings and treads remain dry and safe for public use.

### **BACKGROUND:**

Initially, the Port, the project design team and the escalator supplier, Kone, held the position that truss heaters were not required by code, especially given their continuous operation 365 days a year, 24-hours a day. During discussions on the matter last winter and spring, opinions started to change because: (1) Kone performed a survey of similarly installed escalators and found those installed within unconditioned spaces had truss heaters, including the Sound Transit Station across the street; (2) there were observations of blowing snow and rain occasionally reaching the CSB escalators during last winter's severe weather; and, (3) the strong likelihood L&I was going to require heaters for final permit and a certificate of occupancy for the facility.

The project team agreed a heater design would ensure the escalators treads remain dry and safe for public use. The escalator subcontractor was requested to and provided the design. The design includes two different types of heaters, truss and comb plate heaters. The number of truss heaters, located within each structural support truss for the escalator is dependent upon the length of the escalators. The comb plate heaters are located within equipment pits on the top and the bottom of each escalator run. A total of 80 heaters are required to properly heat the 16 escalators on the project.

A cost proposal for Kone's supply and installation of the heaters was received July 11, 2011, but did not include the associated electrical scope of work. Since this change is a specialty item designed and warranted by the contractor, the Port will pay the actual costs incurred and verified by backup documentation after the work is complete. It was known at that time that the likely cost of the change in total would be greater than \$300,000 and require Commission approval.

Port staff was notified by the Contractor that the Kone work was time critical and direction to proceed with material procurement is required immediately. After discussion with the Assistant Director of Engineering - Construction Services and the Director of Capital Development Division, the decision was made to issue an expedited change order (ECO #825 executed on July 15, 2011) in the Not-to-Exceed amount of Kone's cost proposal of \$297,136 to direct the Kone

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work. This allowed material to be ordered that had a six to eight week lead time for delivery and avoided schedule delays.

On July 18, 2011, the Contractor provided their final estimate of the costs of the full scope of escalator heaters (including the associated electrical work) in the amount of \$420,646.00 and requested an additional change order of \$123,510 for the costs not covered by ECO #825. A final reconciliation change order will be issued after the work is complete and backup documentation verified by the Port. Staff does not expect the final amount to exceed the Contractor estimate of \$420,646.00.

### **FINANCIAL ANALYSIS:**

Funds to pay for this change order are part of the project contingency funds that were included in previously approved authorizations of \$419,306,000.00. No additional project funds are being requested as a result of this change order.

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

|  |                               |
|--|-------------------------------|
| Contract award date:                     | May 30, 2008                  |
| Original period of performance:          | May 30, 2008 to April 1, 2011 |
| Previous contract extensions:            | 228 Days                      |
| <u>Current Contract Completion Date:</u> | <u>November 11, 2011</u>      |

|  |                         |
|--|-------------------------|
| Original contract amount:                                | \$224,837,739.00        |
| Previous Change Order Nos. 001-0843 (excluding CO 0825): | \$7,300,126.00          |
| <u>Current contract amount</u>                           | <u>\$232,137,865.00</u> |

|                                 |                     |
|---------------------------------|---------------------|
| This Request:                   |                     |
| Change Order 0825               | \$297,136.00        |
| <u>Change Order 0844</u>        | <u>\$123,510.00</u> |
| <u>Total Change for Heating</u> | <u>\$420,646.00</u> |

|                          |                  |
|--------------------------|------------------|
| Revised contract amount: | \$232,558,511.00 |
|--------------------------|------------------|