

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5b

Date of Meeting September 27, 2011

DATE: September 16, 2011
TO: Tay Yoshitani, Chief Executive Officer
FROM: Ralph Graves, Managing Director, Capital Development
SUBJECT: Terminal Escalators Modernization Project MC-0316531
Aviation Terminal Electrical Panel Upgrades, CIP C800237

Amount of This Request: \$900,000

Total Project Cost: \$40,000,000

Source of Funds: Design Build Contract Contingency. No additional funds required

Est. State and Local Taxes: \$1,798,319 of Total Project Cost

Jobs Created: None

ACTION REQUESTED:

Request Port Commission ratification of the issuance of change order #20 in the amount of \$75,000 and authorization for the Chief Executive Officer to issue a second as yet unnumbered change order for up to \$825,000, to demolish existing and install new replacement electrical panels at the Seattle-Tacoma International Airport for up to a total amount of \$900,000. Funds to cover the cost of the two change orders are part of the project contingency funds that were included in the previously approved Terminal Escalators Modernization authorizations.

SYNOPSIS:

The Design-Build (D-B) Contractor was requested to incorporate design, procurement and installation of fifteen (15) electrical panel replacements throughout the airport terminal because the existing panels did not have sufficient capacity to support the new escalator units. If the panels are not replaced, there would be a lack of electrical capacity for the new escalator components as well as future terminal electrical needs.

Design and panel procurement was performed under Port-issued Change Order #5 for the not-to-exceed amount of \$97,000 to provide design of the panel replacement and procure the electrical panels. The Port received a cost proposal from the Contractor in the amount of \$900,000 to demolish the existing panels and install the new panel replacements. To avoid schedule delays, the Port issued Change Order #20 for \$75,000 to direct the start of demolition and replacement of the panels in Concourse B, and selected areas of the Main Terminal.

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The total amount of the panel replacement change for design, procurement and installation of the new electrical panels combined is currently estimated at \$1,000,000.

BACKGROUND:

The potential for replacement of the electrical panels was identified by the Port in the original Request for Proposals for this D-B contract. The existing power distribution system (panels, conduits, and wiring) is over 20 years old. The electrical demands required to support the 44 new escalators are determined based on the D-B bidder design. The Port determined through results of a thorough design process and review by the Port's Proactive Electrical Systems Team (PEST) committee that the existing electrical panels are insufficient and must be replaced.

Change Order #5 was issued for the not-to-exceed amount of \$97,000 to initiate the design of the panel replacement and allow for early procurement of the panels to avoid schedule impacts to the project. At that time, it was anticipated the final design and subsequent pricing for the installation of the new panels would be complete and the final cost negotiated before the work was scheduled to begin in mid-to-late September 2011. The project was designed in four phases and the added scope of work has been incorporated in the 90% design development. Three phases have now been permitted, and the permitting of the fourth phase is nearing completion. On August 26, 2011, the Contractor provided their final estimate of the costs for installation of the panels in the amount of \$900,000 and notified the Port that the new panel replacement work is scheduled to begin mid-September. There is not enough time to generate an independent cost estimate and negotiate the final cost before work is slated to begin in mid-September.

After discussion with the Assistant Director of Engineering – Construction Services and the Director of Capital Development Division, the decision was made to issue an interim not-to-exceed change order to allow the contractor to start work while the Port conducted its independent estimate and negotiated the final costs for this work to avoid schedule delays. This Change Order (#20) was issued on September 9, 2011.

A final reconciliation change order will be issued after the final cost have been established. Staff does not expect the final amount to exceed the Contractor estimate of \$900,000.

FINANCIAL ANALYSIS:

Funds to pay for this change order are part of the project contingency funds that were included in the previously approved authorization of \$45,000,000. No additional project funds are being requested as a result of this change order.

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CONTRACT INFORMATION:

The following information relates to the contract and competitive award:

Contract award date:	February 9, 2011
Original period of performance:	February 9, 2011, through May 15, 2013
Previous contract extensions:	0 Days
Contract extension this change order:	0 Days
Current Contract Completion Date:	May 15, 2013

FINANCIAL INFORMATION :

Original contract amount:	\$16,945,000
Previous Change Orders Executed:	\$1,159,674
Current contract amount	\$18,104,674
This request, Change Order No. XX	\$825,000
Subtotal Construction Costs	\$18,929,674
Anticipated WSST @ 9.5%	\$1,798,319
Revised Contract Amount	\$20,727,933

PREVIOUS COMMISSION ACTION:

May 10, 2011, the Commission authorized the issuance of Change Order #2 to change certain escalator balustrades from high-deck stainless steel to low-deck glass; to change the escalator cladding from the existing dark bronze to stainless steel on certain escalator balustrades; to install deceleration "sleep mode" sensors in escalator newel ends; and to change the step lighting from balustrade to skirt panel for 34 replacement escalators.

February 1, 2011, the Commission authorized execution of a contract with the selected Design-Build team and to construct the Terminal Escalators Modernization Project at a total estimated cost of \$55,000,000.

June 22, 2010, the Commission authorized the issuance of a Request for Proposals (RFP) under the Design-Build contracting procedure.

May 4, 2010, the Commission tabled a request to issue a RFP pending further information concerning the need for revenue bond financing for this project.

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April 13, 2010, the Commission authorized the advertisement of the RFQ under the Design-Build contracting procedure, and the application of a PLA. The project scope was changed to include a second new escalator in the South Satellite.

July 22, 2008, the Commission authorized \$3,183,000 to prepare the performance specifications and preliminary design for the Renew/Replace 42 Escalators and 1 New Escalator project at Seattle-Tacoma International Airport.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None.