

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5e

Date of Meeting December 13, 2011

DATE: December 2, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development

SUBJECT: Change Order: Terminal Escalators Modernization Project MC-0316531/CIP
C800237

Amount of This Request: \$879,000

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

Jobs Created: None

ACTION REQUESTED:

Request Port Commission ratification of the issuance of 1) Change Order #3 in the amount of \$186,000 and authorization for the Chief Executive Officer to issue a second as yet unnumbered change order for up to \$239,000 to install four new stainless steel enclosures under four main terminal skybridges at the Seattle-Tacoma International Airport for up to a total amount of \$425,000; and 2) as yet unnumbered change order(s) for up to \$640,000 to complete the North and South Satellite Transit System (STS) Station escalators in two phases at each location instead of one phase. Funds to cover the cost of the 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 construction of stainless steel enclosures under the escalators at four Main Terminal Sky Bridges to improve the lighting, appearance, and functionality of the public passageways under the escalators. These areas are currently dark, poorly lit, and collect unwanted baggage carts and other materials.

The Port issued Change Order #3 for the not-to-exceed amount of \$186,000 for design and construction based on a conceptual estimate regarding the scope and complexity of the stainless steel enclosures. The design has now been completed, resulting in a revised cost proposal of \$425,000 from the contractor, or a net increase of \$239,000. The scope of the enclosures is now

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better defined, improving the functionality of the enclosures regarding secured storage and telephone niches as well as providing significant aesthetic improvements to the public passageways under the sky bridge escalators.

The D-B contractor was also requested to rephase the installation of escalators at the north and south Main Terminal (MT) STS stations from a single phase to two phases to provide improved passenger flow during construction.

The Port received a cost proposal from the contractor to rephase the North and South MT STS Station escalators from a single phase to two phases of construction in the amount of \$316,000 for each location. At both locations, the rerouting of passengers to alternative exits during the approximately four month construction durations as originally scoped by the Port was determined upon further review by the Port and airline stakeholders to present unacceptable inconveniences including increased risk of security breaches. The additional cost for each location represents multiple mobilizations, modified hoisting of trusses, and restricted work space.

BACKGROUND:

The Port directed the contractor to proceed with design and construction of four stainless steel enclosures below the escalators at four MT skybridges to upgrade the area's aesthetics for consistency with the more modern and contemporary appearance of the South Main Terminal and the Central Terminal. A \$186,000 not-to-exceed Change Order 3 was issued with \$26,000 estimated for design and \$160,000 for construction. The Port is now in receipt of the final design and cost proposal from the contractor for \$425,000. An independent estimate is underway. A final reconciliation change order will be issued after the final costs have been established. Staff does not expect the final amount to exceed the contractor estimate of \$425,000.

Escalators 221, 222 & 224 serve the south MT STS and escalators 521, 522 and 524 serve the north MT STS. The basis of design and schedule for each of these two locations was predicated on the initial request for proposal that identified two phasing options for this work to allow the contractor to complete the construction in one phase or two in an effort to shorten the overall project duration with manageable level of disruption. The D-B contract was executed with the north and south MT STS stations constructed in one phase at each location consistent with the D-B contractor's scope.

During the design of the Main Terminal escalator replacements, a more thorough review by the Port and airline stakeholders concluded the single phase routing would result in an undesired level of inconvenience to and potential confusion for passengers. Further, the alternate routing was determined to increase the potential for security issues while passengers transitioned from sterile to non-sterile areas in the terminal. By changing the phasing from one to two phases, the existing egress routings can be maintained with only minor congestion due to the reduction in available escalators during each construction phase. The Port is now in receipt of the final cost

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proposal from the contractor for \$316,000 for each location or a total of \$632,000. A final change order will be issued after the final costs have been established. Staff does not expect the final amount to exceed the contractor estimate of \$640,000.

FINANCIAL ANALYSIS:

Funds to pay for this change order are part of the project contingency funds that are included in the approved \$40,000,000 project budget. No additional project funds are being requested as a result of this change order. The initial project authorization in February 2011 was \$55,000,000. The project budget has been reduced to the current amount to reflect an initial competitive cost proposal and further detailed review of anticipated expenditures.

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	\$2,296,872
Current contract amount	\$19,241,872
This request, Change Orders No. XX - YY	\$897,000
Subtotal Construction Costs	\$20,138,872
Anticipated WSST @ 9.5%	\$1,798,319
Revised Contract Amount	\$21,937,191

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None.

PREVIOUS COMMISSION ACTION:

September 27, 2011, the Commission authorized the issuance of Change Order 20 and an unnumbered future change order (now identified as Change Order 32) to demolish and install electrical panels at the Seattle-Tacoma International Airport for up to a total amount of \$900,000.

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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.

April 13, 2010, the Commission authorized the advertisement of the request for qualifications under the design-build contracting procedure, and the application of a project labor agreement. 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.