

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5d
Date of Meeting October 25, 2011

DATE: October 14, 2011
TO: Tay Yoshitani, Chief Executive Officer
FROM: Ralph Graves, Managing Director, Capital Development Division
SUBJECT: Change Order #6 for the C1-C88 Baggage Handling Connection Project, Contract MC-0316627

Amount of This Request: 147 calendar days and \$0.00 **Total Project Cost:** \$2,752,000
Source of Funds: Project Construction Contingency. No additional funds requested.
Est. State and Local Taxes: \$201,000 **Jobs Created:** 0

ACTION REQUESTED:

Request authorization for the Chief Executive Officer to issue Change Order #6 for a 147 day non-compensable time extension to August 15, 2011, for the C1-C88 Baggage Handling Connection project.

SYNOPSIS:

The C1-C88 Baggage Handling System (BHS) connection project started on July 12, 2010, and was scheduled to complete on March 21, 2011. The Port received beneficial occupancy on March 21, 2011. The designer of record rejected the contractor's final operations and maintenance manuals, submitted per the contract, because of incomplete documentation. The contractor requested clarifications on the submittal comments and asked that the Port reconsider many of the contractually required portions of the manuals that he felt were unnecessary and added an additional 7,000 pages to the document. After several iterations of discussion, the Port directed the contractor on August 11, 2011, to provide more streamlined and less voluminous manuals. The manuals were submitted and approved on August 15. This change order provides a non-compensable, excusable time extension for the Port-directed change and associated schedule delays.

BACKGROUND:

The C1-C88 BHS connection project created a connection between two baggage handling systems that allowed Alaska Airlines to send bags from its current passenger check-in locations in the main terminal to the north satellite, in addition to the current D-concourse location, without having to modify its passenger check-in facilities.

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As part of the project, the Port furnished the contractor with conveyor equipment the contractor could use at its discretion for the project along with new equipment required for the project. The contract specification required the contractor to provide operations and maintenance manual information on all components utilized on the project including information supporting the existing owner-furnished conveyor materials which had been incorporated into the installation. Through Change Order #2, the contract also came to include a substantially upgraded computer monitoring system with revised manual information requirements.

Following the contract requirements, the contractor submitted the final operations and maintenance manuals, which were rejected by key project stakeholders with comments to revise and resubmit. The contractor requested clarifications on the submittal comments and asked that the Port reconsider many of the contractually required portions of the manuals that he felt were unnecessary and would add approximately 7,000 pages yielding an unwieldy and unusable manual for staff. He believed the Port already had manuals for the owner-furnished equipment and advised that other requirements were outdated and would only complicate the use of the new manuals. The Port engaged in lengthy internal discussions between Construction Management, Project Management, Engineer of Record, and the Conveyor and Electrical Departments.

In order to ensure that the new manuals would be current and could be efficiently used, it was ultimately determined that the contract requirements should be changed, and the revised manuals were submitted and approved August 15, 2011. This change order is being issued to address the excusable 147 days of time it took for the Port and the contractor to resolve this issue and obtain more streamlined manuals for our stakeholders, for a new completion date of August 15, 2011.

FINANCIAL ANALYSIS:

The change order is at 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 competitive award:

Contract award date:	July 12, 2010
Original period of performance:	July 12, 2010, through January 8, 2011
Previous contract extensions:	72 Days
Contract extension this change order:	147 Days
Current Contract Completion Date:	August 15, 2011

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FINANCIAL INFORMATION:

Original contract amount:	\$1,209,000
Previous Change Orders Executed:	\$214,502
Current contract amount	\$1,423,502
This request, Change Order No. 6	\$0
Subtotal Construction Costs	\$1,423,502
Anticipated WSST @ 9.5%	\$135,233
Revised Contract Amount	\$1,558,735

PREVIOUS COMMISSION ACTION:

On March 5, 2010, the Commission authorized the Chief Executive Officer to advertise for construction bids, award the contract and construct the C1 to C88 Baggage Handling Connection project (CIP #C800170) and authorize Port Construction Services to self-perform work and issue small works contracts in support of the project at Seattle-Tacoma International Airport (Airport) for an additional amount of \$2,752,000, bringing the total authorization to \$3,032,000.

On August 11, 2009, the Commission authorized full design documents; prepare, execute, award, and amend service agreements; and execute service directives for C1 to C88 Baggage Handling Connection project (CIP # C800170) at the Seattle-Tacoma International Airport for a cost of \$280,000.

On October 23, 2007, the Commission authorized construction of Interim and Final Baggage Screening Systems at Seattle-Tacoma International Airport, for a total authorization of \$230,517,104.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None.