

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5f

ACTION ITEM

Date of Meeting October 2, 2012

DATE: September 24, 2012

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capitol Development
Janice Zahn, Assistant Engineering Director

SUBJECT: Exterior Gates and Airfield Improvement Projects at Seattle-Tacoma International Airport MC-0317155

Amount of This Request: \$470,000.00

Source of Funds: Construction or Project Contingency

Est. State and Local Taxes: \$669,856.97

Total Project Cost: \$4,064,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to issue Change Order No. 4 for Contract MC-0317155, Exterior Gates and Airfield Improvement Projects at Seattle-Tacoma International Airport for an amount not to exceed \$470,000.00 and to revise the project scope to add two additional fuel hydrants at Concourse A.

SYNOPSIS:

The ongoing airline negotiations over the 2012 Exterior Gates and Airfield Improvements Projects resulted in a request for two additional fuel hydrant pits and the relocation of three previously planned fuel hydrant pits located at Concourse A. These changes will allow greater flexibility for tenants being relocated to Concourse A and helps the Airport serve a growing number of passengers and airlines.

A change order is required to compensate the contractor for the scope change that adds the two additional fuel hydrants.

The construction contingency and previous budget increase will be used to pay for this change order. No additional funds are requested.

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BACKGROUND:

The Airline Realignment program will require a number of modifications associated with the airlines that will relocate their gates, to effectively operate in their new locations. The airline realignment is driven by airline mergers and the growth of Alaska Airlines, which necessitates the repositioning of airlines to different concourses and gates, hold rooms, and ticketing positions throughout the Airport.

With numerous airlines relocating to other gate and ticket counter locations, there are modifications that must be addressed for the airlines to effectively operate in their new locations. The relocations will yield a more balanced facility, increasing throughput rates in a terminal of limited size. The Exterior Gates Project provides infrastructure improvements (such as adding fuel hydrants) to allow airline tenants to more efficiently operate at these locations.

CHANGE ORDER DESCRIPTION:

The following information relates to the pending change order scope and cost:

Change Order No. 4

Scope of work: The contractor shall install two additional fuel hydrants at Concourse A for an amount not to exceed \$470,000.00.

The change order is being issued as a not-to-exceed change order because many of the costs will be paid via unit prices. The unit prices match the unit prices submitted at the time of bid.

JUSTIFICATION:

At the time of bid, the contract documents did not include these two additional fuel hydrants. As the planning of the Airline Realignment program stabilized, it was determined that additional fuel hydrants would be necessary. A change order is necessary to add these two fuel hydrants to the contract. Preliminary negotiations with the contractor regarding this change order have placed the maximum cost of this work at \$470,000. Due to the time constraints resulting from weather, airline gate availability, and reasons stated above, this will be issued as a not-to-exceed change order. Port staff will continue to negotiate the final value as the work progresses to minimize the schedule impact.

CONTRACT INFORMATION:

The following information relates to the contract and competitive award:

Contract award date:	April 11, 2012
Original period of performance:	April 11, 2012 – January 11, 2013
Previous contract extensions:	0 Working Days

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Contract extension this change order:	0 Days
Current Contract Completion Date:	January 11, 2013

FINANCIAL INFORMATION:

Original contract amount:	\$6,553,964.00
Previous Change Orders Executed:	\$72,162.00
<u>Current contract amount</u>	<u>\$6,626,126.00</u>
This request, Change Order No. 4	\$470,000.00
Subtotal Construction Costs	\$7,096,126.00
<u>Anticipated sales tax @ 9.5%</u>	<u>\$674,131.97</u>
Revised Contract Amount	\$7,770,257.97

The Exterior Gates and Airfield Improvement Project is a combined construction contract representing four separate projects. This change is related to the Exterior Gate Improvements – Airline Realignment (C800472), which currently has a total project authorization of \$4,064,000. The portion of the construction contract related to this project before execution of this change order is \$2,132,944. All four projects are within authorized budgets. No further funding is requested at this time.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

On June 26, 2012, the Port Commission authorized a budget increase in the amount of \$400,000, and approved the project scope change to add two additional fuel hydrant pits as part of the airline realignment program.

On April 24, 2012, the Port Commission authorized Airline Realignment Tenant Improvements in the amount of \$225,000 for regulated materials management.

On April 10, 2012, the Port Commission authorized additional budget to enter into a construction contract for airfield improvements including Exterior Gate Improvements – Airline Realignment (C800472).

On March 27, 2012, the Port Commission authorized design and construction of gate B1 and B11 jet bridges as elements of Passenger Loading Bridge Replacement Project- Airline Realignment (C800467) in the amount of \$1,570,000.

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On January 24, 2012, the Port Commission received a briefing on the Airport Realignment Program.

On January 24, 2012, the Port Commission authorized construction of Exterior Gate Improvements – Airline Realignment (C800472) in the amount of \$2,613,000.

On January 24, 2012, the Port Commission authorized design for CUSE at Ticket Counter/Gates & Seating (C800473) in the amount of \$484,000.

On December 6, 2011, the Port Commission authorized construction of Baggage Handling System (BHS) Improvements – C22 BHS Connection to C1/C1-MK1 Replacement (C800382) at the Airport in the amount of \$3,604,000.

On December 6, 2011, the Port Commission authorized design of the Miscellaneous Building Improvements – Airline Realignment (C800475) at the Airport in the amount of \$1,721,000.

On December 6, 2011, the Port Commission authorized design of the Airline Tenant Improvements – Airline Realignment (expense) at the Airport in the amount of \$3,776,000.

On November 22, 2011, the Port Commission was provided with a verbal preliminary briefing of December 6, 2011, items with a diagram.

On September 27, 2011, the Port Commission authorized execution of an IDIQ contract for Airline Realignment Tenant Improvements and Ticket Counter Design services totaling \$10,000,000.

On September 12, 2011, the Port Commission received a summary briefing on the Airport Realignment Program at the Airport.

On June 14, 2011, the Port Commission authorized design of the Exterior Gate Improvements – Airline Realignment project (C800472) at the Airport in the amount of \$499,000.

On June 14, 2011, the Port Commission authorized design of the Airport Signage – Airline Realignment project (C800474) at the Airport in the amount of \$238,000.

On March 1, 2011, the Port Commission authorized design and some construction of the Baggage Handling System (BHS) Improvements - C22 BHS connection to C1/C1-MK1 Replacement /TC3 Replacement (C800382) in the amount of \$1,731,000.

On February 22, 2011, the Port Commission authorized the first phase of the Passenger Loading Bridge Replacement – Airline Realignment Project (C800467) including design, purchase, and execution to replace, refurbish and relocate PLBs at Concourse D.

On February 22, 2011, the Port Commission was shown a summary listing of realignment projects and authorized Planning for Terminal Realignment in the amount of \$713,000.

On January 25, 2011, the Port Commission was briefed on several projects that are part of the overall airline realignment program and which required a single Commission authorization in order to meet the realignment schedule. The first part of the realignment program was authorized by the Commission on this date under the Concourse D Common Use Expansion Project (C800455).

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On September 28, 2010, the Port Commission was given a summary briefing of the upcoming 2011 capital improvement plan that included the airline realignment program elements.

On June 8, 2010, the Port Commission authorized execution of an IDIQ contract for the Terminal Development Strategy Campus Planning Services IDIQ in the amount of \$1,300,000.