

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

**COMMISSION AGENDA**

**Item No.** 5g

**ACTION ITEM**

**Date of Meeting** October 2, 2012

**DATE:** September 21, 2012

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

**FROM:** Ralph Graves, Director, Capital Development Division  
Janice Zahn, Assistant Engineering Director

**SUBJECT:** Consolidated Rental Car Facility - Small Operator Area, Contract MC-0317022  
Change Order No. 008 for Time Extension

**Amount of This Request:** 136 calendar days and \$0.00    **Total Project Cost:** \$533,138.00

**Source of Funds:** No additional funds required.

**Est. State and Local Taxes:** \$50,648.11 based on Total Project Cost    **Jobs Created:** None

**ACTION REQUESTED:**

Request Commission authorization for the Chief Executive Officer to issue Change Order No. 008 for the Consolidated Rental Car Facility - Small Operator Area (SOA) project to grant a no-cost time extension of 136 calendar days to the contract completion date. Upon approval of this change order, the new contract completion date will be June 18, 2012. No additional funds are requested as this is a no-cost change order.

**SYNOPSIS:**

The SOA project provides entry and exit booths, gates, and miscellaneous improvements on the first floor of the Consolidated Rental Car Facility for the small rental car operators. The contractor for the SOA project has submitted a request for a time extension based upon concurrent delays on the project. The first delay was caused by the Port's contract lacking specific details and specification requirements for the unit heaters that are installed in the SOA booths. The contractor incurred delays in submittal review and approval, fabrication, and delivery time to obtain heaters that met the Port's specifications. The exact specifications were not given to the contractor until after the contract was awarded.

The second delay was for completion of the testing and balancing work for the heating, ventilation and air conditioning (HVAC) system. The SOA project is built in a small footprint within the larger Consolidated Rental Car Facility (RCF) project. The SOA contractor was required to interface and coordinate his work with the work performed by the General Contractor/Construction Manager (GCCM) for the overall RCF construction. The SOA

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contractor incurred delay at the end of his contract work because he could not complete his testing and balancing work until the GCCM contractor completed his HVAC work. This delay was outside of the SOA contractor's control.

During the construction of the SOA, the contractor had other issues that delayed the completion of the contract. The Port finds that these delays occurred concurrently with the Port-caused delays. Since the delays are concurrent, the contractor cannot seek additional delay costs from the Port, and conversely the Port cannot seek liquidated damages from the contractor. This change order therefore extends time only and no additional project costs are requested. Based on the review of schedule impacts, the staff recommends that the Commission authorize approval to issue a change order extending the required contract completion date by 136 calendar days.

### **BACKGROUND:**

The general contractor has submitted a time impact analysis (TIA) related to all schedule delays and impacts on the SOA project. Port staff has reviewed the contractor's TIA and have performed independent analysis of the delays. The Port finds two main drivers for delay that were caused by the Port or other contractors and therefore were out of the control of the SOA contractor.

The first issue involves the procurement of the heaters for the SOA booths. The Port design failed to provide specifications for the booth heaters. This was discovered during the submittal review of the booths on the project. This resulted in a protracted submittal process that was not fully resolved until the fifth review of the submittal. The heaters were ordered, but it was later discovered that the heater model approved was no longer being actively supported or sold by the manufacturer. The contractor was eventually able to work with the manufacturer to get them to agree to specially build two more heaters for the SOA project, but this took much longer than originally anticipated. During this time period, the contractor was having his own issues getting the factory-build booths assembled, inspected, and shipped to the jobsite in a timely manner, and other base contract work completed. The Port finds that there was a concurrent delay and that a time extension of 124 days should be granted for the heater issue.

The second issue was the completion of the HVAC testing and balancing work by the SOA contractor. The SOA booths were tied into the HVAC system provided by the RCF contractor. The rental car tenant improvement contractors were also tying into the same HVAC system provided by the RCF contractor. All three projects had to have their HVAC work complete to do final testing and balancing of the common system. The SOA contractor was ready first but was delayed from completing final testing and balancing, and had to wait for the other two contractors to finish their work. The SOA contractor had his own delays during this time period in which he was completing the last of his own base bid work and his punchlist. The Port finds that there was a concurrent delay and that a time extension of 12 days should be granted for the testing and balancing issue.

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The 136 calendar-day contract extension extends the contract completion date past the RCF opening date of May 17, 2012. The SOA contractor received a temporary occupancy permit from the building department so the Port was able to take Beneficial Occupancy of the work on May 8, 2012. This allowed the RCF Small Operators sufficient time to set up their operations in their new space to allow the Rental Car Facility to open on schedule and without any impacts.

### **FINANCIAL ANALYSIS:**

This change order extends time only. 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:	October 11, 2010
Original period of performance:	October 11, 2010, to February 3, 2012
Previous contract extensions:	0 Days
<u>Current Contract Completion Date:</u>	<u>February 3, 2012</u>

<u>Contract extension this change order:</u>	<u>136 Days</u>
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Revised Contract Completion Date:	June 18, 2012
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Original contract amount:	\$512,780.00
Previous Change Order Nos. 001 – 007:	\$20,358.00
<u>Current contract amount</u>	<u>\$533,138.00</u>

<u>This Request, Change Order No. 008</u>	<u>\$0.00</u>
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Revised contract amount:	\$533,138.00
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### **OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

None.

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### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:**

The following is a list of the previous Commission actions in support of the Small Operator Area Ready Return Area Build-Out Project and does not include the dates of all of the monthly Rental Car Facility program briefings to the Commission:

- October 4, 2011, Commission authorized for the Chief Executive Officer to execute a contract with the low responsive and responsible bidder for the Small Operator Area (SOA) Ready Return Area Build-Out Project in the amount of \$512,780.
- May 10, 2011, Commission authorization for the Chief Executive Officer to advertise for bids, execute, and award major construction contracts and perform contract administration for the SOA project as part of the RCF program at Airport.
- May 13, 2008, Commission authorized to proceed with construction of the RCF. The scope and budget for the SOA was within this authorization.