

Capital Improvement Projects

Third Quarter Report 2012
Commission Briefing



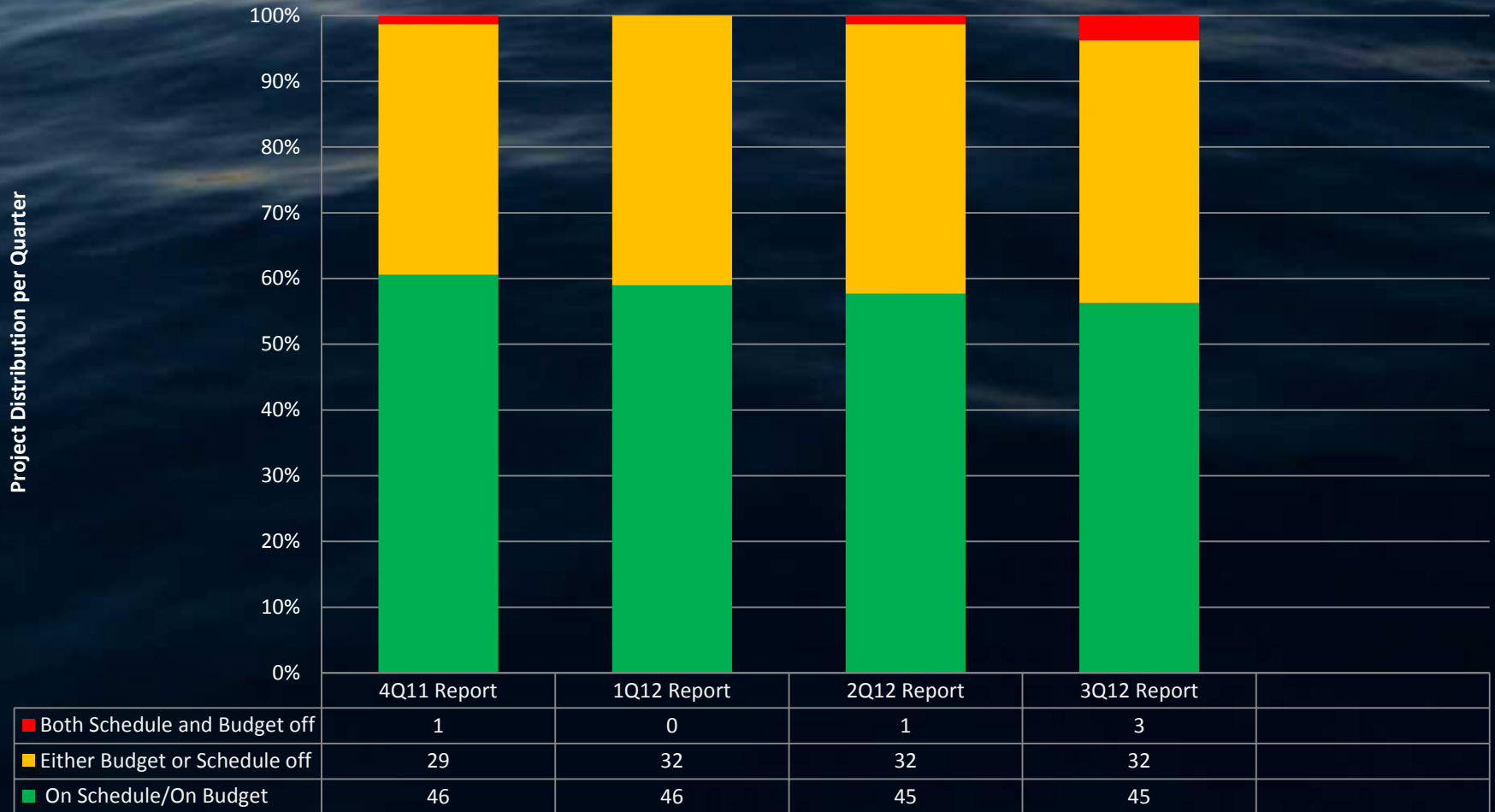
Port of Seattle

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Capital Improvement Projects Overall Status of Projects

- 91 Total Projects in report
- 50 Projects are within or ahead of target schedule and budget
- 38 Projects have either target schedule or budget off
- 3 Project has both target schedule and budget off

Project Status Total CIPs Managed by CDD



AVIATION PROJECT SUMMARY

- Eleven projects are behind schedule:
 - Cargo 2 West Hardstand (2 months) – A negative Majority-In-Interest (MII) vote resulted in a two month delay.
 - Cargo 6 Enhancements (1 month) – A negative MII vote resulted in a one month project delay.
 - Water System Isolation Valve Upgrade (4 months) – The schedule was extended further to minimize operational impacts, due to unexpected challenges in shutting off water to locations where the remaining valves will be replaced.
 - Loading Bridge Utilities (6 months) – The project is delayed by six months due to the need for a sole source justification; designer of record contract amendment; and schedule delay in presentation to the Commission.

AVIATION PROJECT SUMMARY, Cont.

- Eleven projects are behind schedule (cont.):
 - IWTP Fiber Installation (delay time TBD) – The Port is investigating alternative means to continue fiber installation to the IWTP.
 - Security Checkpoint Cameras (3 months) – The project was completed in September 2012, after a 3 month delay, due to TSA installation of the new equipment and ordering of parts.
 - Access Control Door Additions (2 months) – The project was divided into two parts, re-designed and will be re-bid in November, causing a delay.
 - Airport Owned Gate Infrastructure (6 months) – The project was delayed for six months due to the failure of bridge S8. The new bridge at D3 was diverted to S8, and the bridge at S10 needs to be refurbished and placed at D3.

AVIATION PROJECT SUMMARY, Cont.

- Eleven projects are behind schedule (cont.):
 - South Satellite Additional Gate Lobby (6 months) – A longer design period is required due to dependency on the South Satellite Concessions Project.
 - CUSE at Ticket Counters and Gates (5 months) – The schedule was delayed based on the overall Airline Realignment Program Schedule change.
 - Airport Signage (1 month) – The schedule was delayed based on the overall Airline Realignment Program Schedule change.

AVIATION PROJECT SUMMARY, Cont.

- Two projects are over budget:
 - IWTP Fiber Installation (~ \$500,000) – The Port is working up cost of alternative means and routes to continue connectivity from the new equipment cabinet to the IWTP.
 - Access Control Door Additions (~ \$480,000) – Additional cost due to re-design effort, and breaking the project into two parts with two separate bid and construction activities.
- One project is under budget:
 - Concessions Unit Readiness Project (~ \$1.5 million) – Construction was completed on August 31, 2012. Savings will be returned at closeout.

AVIATION PROJECT SUMMARY, Cont.

- Cost of Construction Growth:
 - Terminal Escalator Modernization (31.0%) – Significant cost growth due to:
 - Revisions to hoisting plan at Concourse B due to unforeseen utilities,
 - Additional staffing for contractor due to higher than anticipated night work and scope changes,
 - Addition of moisture sensors in escalator pits as required by state inspector,
 - Additional asbestos abatement due to unforeseen conditions,
 - State inspector requirement to construct hard barriers to protect the public when on escalators adjacent to units under construction.

AVIATION PROJECT SUMMARY, Cont.

- Cost of Construction Growth (cont.):
 - Central Plant Pre-conditioned Air (15.8%) – Significant cost growth due to:
 - Errors and/or omissions (owner or designer),
 - Site conditions,
 - Discretionary tenant requested or scope changes and regulatory requirements.

SEAPORT PROJECT SUMMARY

One Project had a third quarter schedule variance

- P-66 Pile Wrap schedule has been intentionally delayed to realize cost savings in coordinating construction with the P-69 N Apron Corrosion Control project.

CORPORATE PROJECT SUMMARY

Two projects with a new reportable schedule variance this quarter:

- Enterprise Project Delivery System – The first phase deployment has been completed and the software is in-use by the Project Management Groups. To ensure resources are available to focus on the current installation, deployment of the next phase interfaces will be deployed over the next 6 months .
- Police Records Management System – A change request has been approved to implement additional software that will better meet business process for field reporting. This will delay the implementation by 6 months.

Small Business Contracting

<u>SB by SBA Standard</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Goal</u>	<u>2012 To Date</u>	<u>2013 Proposed</u>	<u>2012 SCS</u>
Major Construction	16%	29%	8%	30%	20%	8%
SW Construction	83%	62%	60%	67%	60%	14%
Goods and Services	14%	18%	10%	16%	20%	6%
Service Agreements			5%		10%	