

Item Number: 4f_supp

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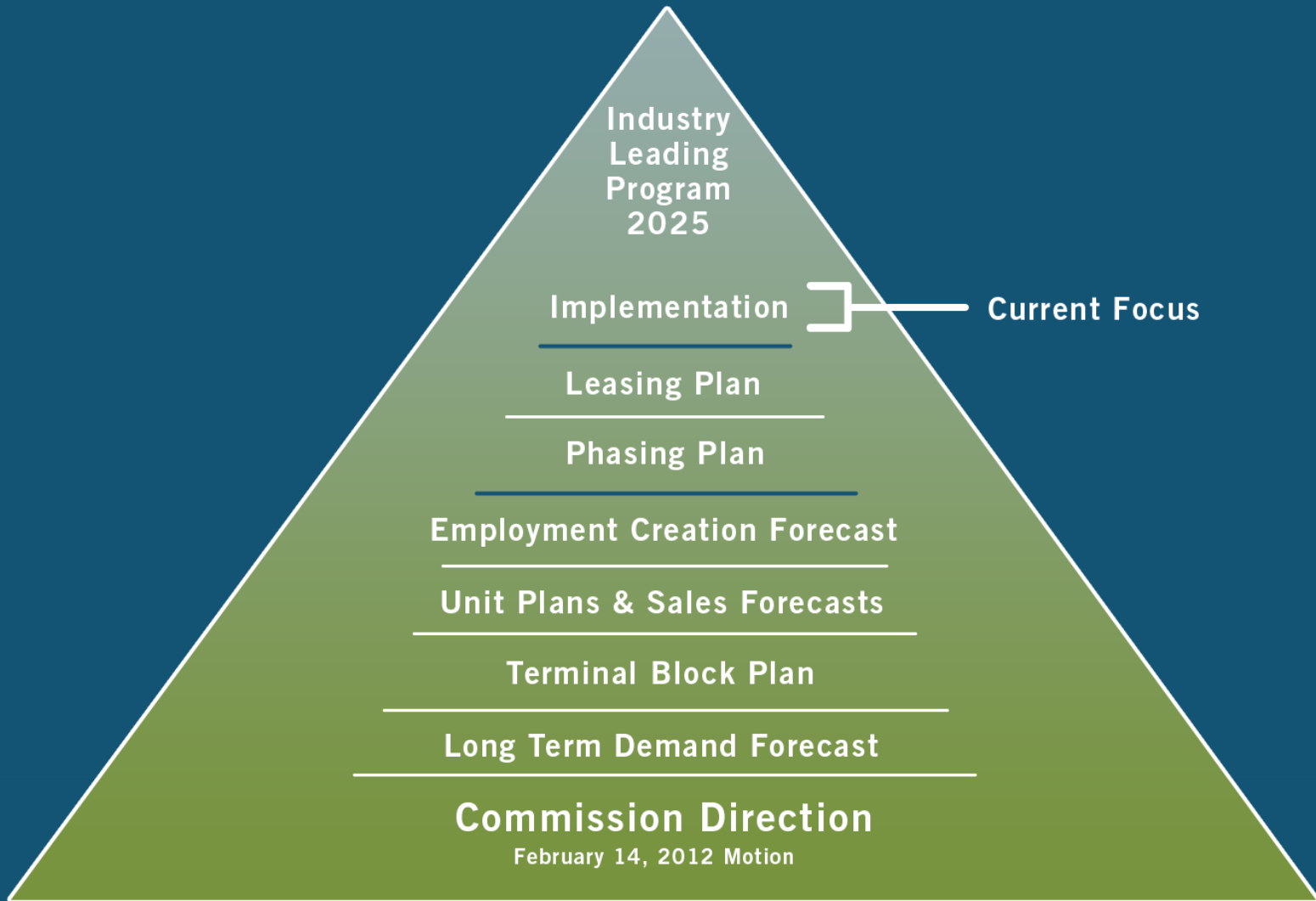
Airport Dining and Retail Infrastructure Changes

ACTION ITEM

April 14, 2015

Port 
of Seattle®

Airport Dining & Retail Master Plan



Redevelopment Milestones

- Reaffirmed Guidance and Quality Jobs Motion
- Phasing Plan and Lease Changes
- Leasing and Packaging Plan
- New Competitive Solicitation Processes
- Local Outreach Plan

Much work accomplished, much more to come

Anticipated Leasing Activity

Three types of locations for lease in 2015:

1. Early lease units to replace capacity in transition
2. Large investment, long development lead time units
3. Small business opportunity units

Leasing work in 2015 for new businesses opening in 2016 and 2017

Infrastructure Modifications

Three types of infrastructure work:

1. Public access to undeveloped space
2. Reconfiguration of existing space
3. Modification and/or addition of utilities

Very complex orchestration between leasing, infrastructure modifications and new tenant occupancy

Design authorized by Commission, October 2014

Work will prepare locations for future tenancy

Three Project Phases

Phase I: Utilities and space reconfigurations for first 13 spaces based on lease expirations

Phase II: Central Terminal including new mezzanine elevators and restaurants, utilities and revisions to existing units

Phase III+: Remaining utilities and space reconfigurations based on later lease expirations

Phases reflect similar types of work and track with lease expirations

Project Status

- Phase I: (Multiple locations) Design underway, anticipate first building permits in July
- Request for construction authorization for Phase 1 and Phases 3+
- Phase II: (Central Terminal) Design underway, anticipated design completion is pending Service Directive execution; in for signature
- Anticipate request for Central Terminal construction authorization in 4th Quarter 2015

Modification work is on-schedule to meet transition timelines

Two Methods to Accomplish Work

Traditional Major Works Contract

- Projects with advance access and set schedule, known to contractors at time of bid
- Projects with costs beyond statutory limits for the the use of other forms of contracting

Job Order Contract (JOC)

- Projects with multiple small and similar scopes of work, performed in “just-in-time” fashion
- Projects that require schedule flexibility

A JOC is a unique type of contract for unique conditions

Why a JOC for Airport Dining & Retail?

- Most suitable for 'piecemeal' work required
- Can accommodate quick schedule changes due to leasing
- Secures an *on-call* General Contractor (GC)
- GC performs only 10% of the work, utilizes subcontractors
- Work orders are no larger than \$350,000
- Uses industry standard metrics to build estimates
- Potential cost savings during construction pricing on-site
- Better ability assess needed demolition after tenant vacancy

Proposed contracting method for Phase I and III

Promoting Small Business

- Potential for a significant amount of work to be awarded to small business
- Advantageous for General Contractor to use large pool of subcontractors
- Small scopes of work can be created to easily train new subcontractors
- Multiple subcontractors can work simultaneously on multiple locations
- Subcontractors gain knowledge of tenant spaces to position for future work for tenants

Small scale work creates new opportunities for small and DBE contractors

Job Order Contracting (JOC)

- Benefits
 - Robust small business participation
 - Ability to respond to leasing activity, change
 - Just-in-time delivery for future tenants
- Risks
 - Costs may vary from estimates once design complete, could increase
 - Only allowed two job order contracts at one time, both will be utilized (ADR and Noise Remedy)

JOC provides means to meet challenges of the ADR program redevelopment

Project Cost Update

Original Budget \$17.3 M

Transfer of Funds for Elevator Project
(Baggage Optimization) \$3.7 M

Current Budget \$13.6 mil

\$2.85M Authorized for Design

\$6.2 M Request for Job Order Contract Construction
includes additional project risk contingency