

**TENANT REIMBURSEMENT AGREEMENT  
SEATTLE – TACOMA INTERNATIONAL AIRPORT**

**PROJECT NAME: B2 Expansion for Delta Club (C800690/U00200)**

THIS TENANT REIMBURSEMENT AGREEMENT (“Agreement”) is entered into this \_\_\_ day of August 2015 between the Port of Seattle, a municipal corporation of the State of Washington (“Port”) and Delta Air Lines, Inc., a Delaware corporation (“Tenant”).

Whereas, the Port and Tenant entered into a Signatory Lease and Operating Agreement dated January 1, 2013 (“SLOA”) covering Tenant’s operations at Seattle-Tacoma International Airport (“Airport”); and

Whereas, Tenant is currently undertaking a tenant improvement project at the premises it leases under SLOA (“Premises”); and

Whereas, RCW 14.08.120 provides that the Port may reimburse Airport tenants for tenant improvements to their leased premises, so long as the reimbursement is paid solely out of funds fully collected from Airport tenants; and

Whereas, Port Commission Resolution No. 3605 delegates to the Port’s Chief Executive Officer (“CEO”) the authority to develop procedures for reimbursing tenant improvement costs, and pay such reimbursements; and

Whereas, Resolution No. 3605 further authorizes the CEO to pay for such tenant improvements to a maximum of \$200,000 or such other amount authorized by the Port Commission, and consistent with policies and procedures developed by the CEO for such reimbursement; and

NOW THEREFORE, the parties agree as follows:

**1. DEFINITIONS**

The following terms shall have the meanings specified in this Section, unless otherwise specifically provided. Other terms may be defined in other parts of the Agreement.

1.1. Contractor. “Contractor” shall mean any individual, partnership, firm, corporation, joint venture, or other business entities employed by Tenant in connection with the Project. The term Contractor means and includes the Contractor and all of its representatives.

1.2. Eligible Tenant Improvement. “Eligible Tenant Improvement” shall mean those Tenant Improvements that the Port has determined are eligible for reimbursement, as further described in Section 2 of this Agreement.

1.3. Final Tenant Reimbursement Amount. “Final Tenant Reimbursement Amount” shall mean the Tenant Reimbursement Amount, as finally revised in accordance with Section 4 of this Agreement.

1.4. Guidelines. “Guidelines” shall mean the Port of Seattle’s Tenant Improvement Procedures and Guidelines, as may be amended by the Port.

1.5. Improvement Reimbursement Letter. “Improvement Reimbursement Letter” shall mean a letter issued by the Port identifying the Eligible Tenant Improvements and the Tenant Reimbursement Amount. The initial Improvement Reimbursement Letter is attached hereto as Exhibit A and incorporated herein by this reference.

1.6. Legal Requirements. “Legal Requirements” shall mean and refer to all laws, statutes and ordinances including building codes and zoning regulations and ordinances and the orders, rules, regulations and requirements of all federal, state, county, city or other local jurisdiction departments (including the Port), agencies, bureaus, offices and other subdivisions thereof, or any official thereof, or of any other governmental, public or quasi-public authority, which may be applicable to or have jurisdiction over the Premises, specifically including the rules and regulations promulgated by the Port for general application at the Airport and the Guidelines.

1.7. Port Project Manager. “Port Project Manager” shall mean Alan Olson, or such other Project Manager as the Port may designate from time-to-time.

1.8. Port Representative. “Port Representative” shall mean the Port’s Aviation Property Manager or his/her designee.

1.9. Port Standards. “Port Standards” shall mean the Sea-Tac Rules and Regulations, the Rules for Airport Construction, the Tenant Design and Construction Process Manual, Seattle-Tacoma International Airport Construction General Requirements, the Safety Manual, the CAD Standards Manual, the Port’s mechanical, electrical, water and waste, and industrial waste and storm drainage standards and any other, similar document establishing requirements and/or standards for design and construction at the Airport. These materials are all generally available at <http://www.portseattle.org/Business/Construction-Projects/Airport-Tenants/Pages/Reference-Documents.aspx>.

1.10. Project. “Project” shall mean the project described in Section 2 of this Agreement.

1.11. Project Contingency. “Project Contingency” shall mean the amount specifically identified by the Port for non-discretionary changes that may arise during the course of the Project. The Project Contingency may be authorized by the Port only in compliance with process for addressing changes to the Project set forth in Section 3. The Project Contingency is identified in Exhibit A.

1.12. Project Documents. “Project Documents” shall mean the drawings, which graphically represent the Project (or parts thereof) and indicate the size, form, location, and arrangement of its various elements, and specifications, which set forth the written requirements for administration, materials, equipment, systems, standards, and workmanship, for the Project. The initial index/table of contents for the Project Documents is attached as Exhibit B.

1.13. Substantial Completion. “Substantial Completion” shall mean the date certified jointly by the Tenant and the Port on which the Project (or specified portion thereof) is substantially complete for final Contractor payment and close out in accordance with Tenant’s contract with the Contractor and applicable Legal Requirements.

1.14. Tenant Improvement. “Tenant Improvement” shall mean those permanent physical tenant improvements that Tenant, subject to the Port’s prior written consent, makes to its current Premises in connection with the Project. Tenant Improvements do not include furniture, fixtures or equipment, except to the extent such furniture, fixtures or equipment have/will become so permanently affixed to and incorporated into the Premises that they have become part of the building of which the Premises is a part.

1.15. Tenant Reimbursement Amount. “Tenant Reimbursement Amount” shall mean the amount the Port determines (in accordance with the terms hereof) it will reimburse to Tenant for the Project as provided in Section 2.2 and Article 4 of this Agreement. The Tenant Reimbursement Amount does not include the Project Contingency until specifically authorized by the Port as set forth in Section 3 of this Agreement. The initial Tenant Reimbursement Amount is identified on Exhibit A.

**2. PROJECT**

2.1. Description. The B2 Expansion for Delta Sky Club Project (the “Project”) will create a new, approximately 23,000 sqft airline club, for Delta passengers at the knuckle of concourses A and B, built on top of the existing B-2 building.

2.2. Project Eligibility. The Port Representative has reviewed the Project Documents that were submitted by Tenant and has issued the initial Improvement Reimbursement Letter attached as Exhibit A. The initial Tenant Improvement Reimbursement Letter identifies the Eligible Tenant Improvements and establishes the initial Tenant Reimbursement Amount. The initial Tenant Reimbursement Amount is detailed on the attachment to Exhibit A and specifically includes the Project Contingency.

2.3. Approved Project. The Port’s approval of the Project, identification of the Eligible Tenant Improvements and establishment of the initial Tenant Reimbursement Amount are all predicated on its review of the Project Documents. These Project Documents are specifically incorporated into this Agreement by this reference. Tenant acknowledges that any changes to the Project from that reflected in the Project Documents may affect the Port’s approval, the

determination of the Eligible Tenant Improvements and/or the Tenant Reimbursement Amount. Therefore, Tenant shall keep the Port reasonably informed about the progress of the Project and any changes (specifically including clarifications and additional design details developed during construction) thereto as more specifically set forth in Section 3.

2.4. Prevailing Wages. In order for the Tenant to be eligible for and obtain the Tenant Reimbursement Amount, Tenant shall, in connection with the labor associated with the construction of the Eligible Tenant Improvements, comply with all prevailing wage laws in the State of Washington applicable to the Port, as set forth in RCW 39.12 and the regulations thereunder. The Port will provide such assistance as Tenant may reasonably request in complying with this requirement.

2.5. Project Management. Tenant shall utilize an experienced project manager to manage the Project. It is the Port's expectation that the Tenant's project manager will proactively manage the Project to meet all budget and schedule objectives.

### **3. CONSTRUCTION OF PROJECT**

3.1. Schedule. Tenant shall submit a baseline, critical-path-method construction schedule to the Port Project Manager prior to the commencement of construction. Tenant shall also provide the Port Project Manager monthly schedule updates with narratives to this baseline schedule (as described in 3.1.2) and three-week look-ahead schedules during the course of construction of the Project. These documents shall be in such form and number as the Port Project Manager reasonably requests, which may include submissions in native (Microsoft Project or Primavera) format.

3.1.1. The Baseline Schedule narrative shall explain the basis for the Contractor's schedule of construction and any constraints.

3.1.2. Tenant shall submit accepted updated monthly schedules completed by Contractor with the pay application and require Contractor to include a written narrative describing the overall progress of the Work. The narrative shall include the following key aspects:

- 3.1.2.1. Progress in the last period.
- 3.1.2.2. Critical Path progress and schedule concerns.
- 3.1.2.3. Changes to schedule logic or sequencing of the work.
- 3.1.2.4. Potential Delays and Time Impact Analyses.
- 3.1.2.5. Submittal Status (focus on critical submittals and concerns).
- 3.1.2.6. Equipment and Material Delivery Status.

### 3.2. Review of Submittals.

3.2.1. As part of its preconstruction process, Tenant shall develop, with its designer and Contractor, a log of all the submittals that are anticipated during the course of construction. These submittals generally include, but are not limited to, materials samples, product specifications, safety plans, working drawings, O&M manuals, commissioning plans and punch lists.

3.2.2. Prior to commencing construction, Tenant shall submit to the Port Project Manager the submittal log for review and, as the Port determines to be necessary or appropriate, assignment of Port reviewer(s) for identified submittals. While the Port Standards may impose additional/further review requirements, the Port will – within ten (10) business days following receipt of the submittal log – identify those submittals that potentially impact the Tenant Reimbursement Amount and designate the necessary Port reviewers.

3.2.3. Tenant shall thereafter submit to the Port all submittals that the Port has identified for review as each is received by Tenant (or its designer or construction manager). If paper/samples copies of submittals are submitted, the Tenant shall forward six (6) copies of each submittal for review, unless otherwise identified by the Port on the submittal log.

3.2.4. The Port Project Manager will coordinate all Port reviews of such submittals, ensure that appropriate parties within the Port review each submittal, and provide consolidated comments and/or approvals back to the Tenant within twelve (12) business days after receipt. If the Port has not provided comments or an approval within such time period, such submittal(s) shall be deemed approved.

3.2.5. No portion of the work requiring submission of a drawing or sample shall be commenced until the applicable submittal has been approved by the Tenant and the Port (if and when required hereunder), and all such portions of the work shall be in accordance with approved submittals.

3.3. Requests For Information (RFI). Without limiting any obligation that may be imposed under the Port Standards, throughout the course of construction of the Project, Tenant is responsible to identify and promptly provide the Port Project Manager with copies of any Requests for Information (RFIs) from its Contractor that affect or relate to any Eligible Tenant Improvement. Tenant shall also provide its proposed response to the RFI as it is developed. For simple requests, the Port will endeavor to respond within five (5) business days of receipt of the RFI and proposed response, but the Port shall have up to fourteen (14) business days within which to provide its response for larger and more complex requests.

### 3.4. Change Orders.

3.4.1. Without limiting any obligation that may be imposed under the Port Standards, throughout the course of construction of the Project, Tenant shall also submit to the Port Project Manager copies of all change order requests and proposed change orders that potentially impact or relate to: (i) any Eligible Tenant Improvement, (ii) any new Project work that Tenant believes should be included by the Port as an Eligible Tenant Improvement, or (iii) extension or acceleration of the Project schedule.

3.4.2. Tenant shall provide notice of any proposed change orders as set forth in Appendix 1, Section 01200. For any change order that extends or accelerates the Project schedule, the notice shall include an approved schedule analysis supporting the extension or acceleration and quantifying all cost impacts, if any. Compensation for any change order shall adhere to the requirements of Appendix 1, Section 01200.

3.4.3. In the event that any change orders will increase or decrease the Tenant Reimbursement Amount, this shall be documented by the Port Project Manager. As set forth in more detail below in Section 4.1, non-discretionary changes will generally be accounted for through use of the Project Contingency. Non-discretionary changes that exceed the amount of the Project Contingency and discretionary changes may require additional review and authorization for any increase in the Tenant Reimbursement Amount.

3.4.4. It is the Port's expectation that Tenant will manage the Project to meet Project budget and schedule objectives. As a result, the Port would not generally expect to increase the Tenant Reimbursement Amount for unreasonable delays attributable either to Tenant or its Contractor. Without limitation, this includes unreasonable delays by Tenant's Contractor in providing notice of any event or condition that may entitle the Contractor to an increase in its contract schedule or value and unreasonable delays by Tenant in responding to, processing or otherwise addressing issues that arise during the course of the Project.

### 3.5. Port Comments and Approvals/Disapprovals.

3.5.1. The Port will respond to any information submitted for its review by approving the submission, approving the submission subject to certain comments, or disapproving the submission. In the event that the Port disapproves any submission, the Port will include a narrative explaining its reasoning for such disapproval. The Port shall be reasonable in its review of all submittals so long as they are consistent with the Port Standards and the Project Documents.

3.5.2. Tenant shall incorporate any comment or condition of the Port's approval prior to proceeding with the portion of the Project for which the Port provided such comment or condition. Tenant shall not proceed with any portion of the Project for which the Port has notified Tenant of its disapproval until such time as the Port has approved said portion.

3.5.3. In the event that Tenant fails to incorporate any such comment or condition or proceeds with any work disapproved by the Port, the Port shall specifically have the right to require the removal of the particular portion of the Project (and any other portion dependent thereon) to the extent that the portion violates a Legal Requirement, the Port Standards or, in the Port's reasonable opinion, negatively affects the building or structure of which the Project is a part; otherwise, the Port shall have the right to remove the particular portion from the Eligible Tenant Improvements and Tenant Reimbursement Amount. In that event, Tenant may proceed and assume responsibility for all costs associated with the affected portion of the Project.

3.6. Non-Conforming Construction. The Port has the right to inspect the Project as it progresses through completion and specifically reserves the right to issue notice to Tenant (an "NCR") of any non-conforming construction. Tenant shall resolve any issues identified in an NCR to the Port's reasonable satisfaction. In the event that Tenant fails to resolve such items to the Port's reasonable satisfaction, the Port shall specifically have the right to require the removal of the particular portion of the Project (and any other portion dependent thereon) that is noted in the NCR to the extent that the portion violates a Legal Requirement, the Port Standards or, in the Port's reasonable opinion, negatively affects the building or structure of which the Project is a part; otherwise, the Port shall have the right to remove the particular portion from the Eligible Tenant Improvements and Tenant Reimbursement Amount.

3.7. Errors & Omissions. In the event that any additional construction, changes in the construction or delays in the construction result from any error or omission by Tenant's designer, Tenant shall make reasonable effort to obtain compensation for such change and delay from Tenant's designer. To the extent such error or omission affects the Eligible Tenant Improvements, the Port specifically will not make any adjustment in the Tenant Reimbursement Amount until such time as Tenant demonstrates that it has made such effort and offsets any actual recovery.

3.8. Warranties. All contracts that are subject to reimbursement under this Agreement shall contain a provision: (i) that the Port of Seattle is a third-party beneficiary of the agreement, and (ii) that all representations, warranties and guaranties are fully assignable to, and may specifically be enforced by, the Port of Seattle.

3.9. Commissioning, O&M Manuals, Training, and Close Out.

3.9.1. Commissioning: Tenant shall be responsible for commissioning the Project, specifically including the Eligible Tenant Improvements. Tenant shall be responsible for hiring any necessary commissioning agent(s). Commissioning activities shall be performed in a manner consistent with the Port's processes, which are specifically set forth in Section 01810 in Appendix 1 of this Agreement.

3.9.2. O&M Documentation and Training: Tenant shall be responsible to provide detailed operating and maintenance documentation and training for the Project, specifically including the Eligible Tenant Improvements. All such documentation shall be consistent with Section 01780 in Appendix 1 of this Agreement. All training shall be consistent with Section 01820 in Appendix 1 of this Agreement.

3.9.3. Project Close Out: Tenant shall close out the project in a manner consistent with Section 01770 in Appendix 1 of the Agreement. The Port will not release final payment of the Tenant Reimbursement Amount until final operations and maintenance (O&M) manuals are received for all Eligible Tenant Improvements and the Port has received any necessary training as required under Section 3.9.2.

3.9.4. As-built Documents: Tenant shall provide as-built documentation related to the Project in a manner consistent with the Port's processes, which are specifically set forth in Section 01730 of the Seattle-Tacoma International Airport Construction General Requirements, which is part of the Port Standards. The Port will not release final payment of the Tenant Reimbursement Amount until final as-built drawings are received for the Project.

#### **4. REVISED AND FINAL TENANT REIMBURSEMENT AMOUNT**

4.1. Project Contingency. The Port agrees that the Project Contingency has been identified for non-discretionary changes that may arise during the course of construction of the Project and further agrees that it will not unreasonably withhold its authorization for the use of the Project Contingency for such purposes so long as Tenant substantially complies with the terms of this Agreement.

4.2. Changes in Tenant Reimbursement Amount. If the Port determines that any requested changes, as outlined in Section 3.4, are eligible for reimbursement and result in a change of the approved Tenant Reimbursement Amount, the Port Representative will issue revised Improvement Reimbursement Letter(s) formally identifying the new Tenant Reimbursement Amount. However, so long as the aforementioned change(s) (to include both increases and decreases) are within the Project Contingency as identified in the Improvement Reimbursement Letter, the Port may acknowledge the commitment of such Project Contingency funds as part of its approval, but shall not be required to issue a formal, revised Improvement Reimbursement Letter for Tenant to rely on such acknowledgement until the conclusion of the Project.

4.3. Revised Improvement Reimbursement Letter. The Port shall be required to issue a revised Improvement Reimbursement Letter in the event any change in the Eligible Tenant Improvements result in a cost that exceeds the Tenant Reimbursement Amount plus the Project Contingency. Tenant expressly acknowledges that if it proceeds with any change to Eligible Tenant Improvements that results in a cost for such Eligible Tenant Improvements in excess of the Tenant Reimbursement Amount plus the Project Contingency as stated in the most recent



revised Improvement Reimbursement Letter, Tenant does so at its own risk and expense unless the Port Commission, in its sole discretion, subsequently approves an increase in the Tenant Reimbursement Amount. The Port Representative and Port Project Manager only have authority to commit to expenditures of the Project Contingency. Neither the Port Representative nor the Port Project Manager has any authority to authorize reimbursement for any Eligible Tenant Improvement in excess of the Tenant Reimbursement Amount, including the Project Contingency, as stated in the most recent Improvement Reimbursement Letter.

4.4. Final Tenant Reimbursement Amount. The Port will formally identify the Final Tenant Reimbursement Amount through a final Improvement Reimbursement Letter at the conclusion of the Project. All revised Improvement Reimbursement Letters and the final Improvement Reimbursement Letter shall be attached to this Agreement as additional Exhibits A-1, A-2, etc. without the necessity of entering into a formal amendment thereto.

## **5. REIMBURSEMENT PROCESS**

5.1. Procedure for Reimbursement. Upon completion of Project construction, Tenant shall submit to the Port Representative reasonable documentation establishing that Tenant has incurred all costs for which reimbursement is sought. At a minimum, Tenant shall provide the Port the documents set forth on Exhibit C. If not previously provided, the invoice shall be accompanied by approved Affidavit(s) of Wages Paid for any Contractor(s) for which payment is requested. The Port Representative and Port Project Manager shall review the documentation and reasonably verify that the particular work for which reimbursement is sought has been performed and is in compliance with all of the requirements of the Guidelines. Following the Port's determination and authorization of the Final Tenant Reimbursement Amount and the Port Representative's acceptance of the Project and all close out requirements, the Port shall pay Tenant any remaining portions of the Final Tenant Reimbursement Amount within forty-five (45) days.

5.2. Partial Payments. As an accommodation to Tenant, the Port agrees to make partial payments of the Tenant Reimbursement Amount prior to the completion of the Project. In connection with any such partial payment, Tenant shall submit to the Port invoices that reflect, on a percentage of completion basis, the work performed on the Eligible Tenant Improvements and the amounts paid for such work. Such invoices may be submitted not more frequently than monthly. The invoices shall be accompanied by approved Statement(s) of Intent to Pay Prevailing Wage for any Contractor(s) for which payment is requested. The Port Representative and Port Project Manager will review the invoice and reasonably verify that the particular work for which reimbursement is sought has been performed and is in compliance with all of the requirements of this Agreement. The Port Representative and Port Project Manager shall make a good faith effort to perform their review and verification promptly to ensure timely reimbursement of the Tenant. The Port will reimburse Tenant within forty five (45) days of approval by the Port Representative and the Port Project Manager; provided, however, in no

event will the Port reimburse more than ninety percent (90%) of the Tenant Reimbursement Amount set forth on the most recent iteration of the Improvement Reimbursement Letter attached to this Agreement until the requirements of Section 5.1 have been satisfied.

5.3. Port Review. Nothing that the Port may do, or fail to do, as part of its review of any request for reimbursement sought by Tenant shall relieve Tenant of the full responsibility to comply with this Agreement, any other agreement between the parties or any Legal Requirements or Port Standards related to the Project. Tenant shall render such assistance in review and verification as the Port Representative or Port Project Manager may reasonably request.

5.4. Tenant Project Records. With respect to any Eligible Tenant Improvement for which reimbursement is sought by Tenant, Tenant shall keep true and accurate records which shall clearly show all invoices, reimbursement requests, reimbursement payments and relevant supporting documentation. Tenant further agrees to keep or make available electronically or at Tenant's corporate offices such records as the Port may reasonably request, relating to the Eligible Tenant Improvements. Such Project records of Tenant shall be open for inspection by authorized representatives of the Port and available at all reasonable appointment times during business hours. Tenant shall retain all of its records related to any Project costs or expense for which reimbursement is sought until the date set forth in Section 5.5 for the commencement by the Port of an audit or such later time as any audit commenced by the Port within such time is completed.

5.5. Audit. The Port shall have the right for up to two (2) years following the date of final reimbursement to Tenant under this Agreement, to authorize one or more audits of Tenant's Project records pertaining to any request for reimbursement under this Agreement. Such audits shall be undertaken by the Port's auditor or a reputable firm of certified public accountants satisfactory to the Port. The cost of such audits shall be borne by the Port, unless the results of such audits reveal an overpayment by the Port of more than five percent (5%) of the total amounts determined by audit to be due under this Agreement for the period of audit. In case of such overpayment, the cost of the audit shall be borne by Tenant. In any event, Tenant shall immediately repay all amounts overpaid together with interest at a rate equal to the prime rate published by Bank of America plus three percent (3%) per annum from the date of overpayment until repaid by Tenant. If circumstances arise whereby Tenant causes the auditor to incur excess costs, due to lack of timely preparation for the audit or lack of appropriate attention during the course of the audit, the excess costs will be passed on to Tenant. Tenant at its own expense shall supply all record forms in a type, style and form reasonably satisfactory to the Port.

## **6. TITLE TO IMPROVEMENTS**

Consistent with Section 12.3 of SLOA, the Port shall own all Tenant Improvements for which reimbursement is made pursuant to this Agreement, and Tenant shall have no interest therein.

## 7. MISCELLANEOUS

7.1. No Other Agreement. This Agreement sets forth all covenants, promises, agreements, conditions or understandings between the parties concerning the reimbursement of Tenant Improvements for the Project. There are no covenants, promises, agreements, conditions or understandings, either oral or written, between the parties other than as are set forth in this Agreement.

7.2. Modification. No subsequent alteration, amendment, change or addition to this Agreement shall be binding unless reduced to writing and signed by both parties hereto.

7.3. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington without regard to choice of law principles. In the event that any term, covenant, condition or other provision of this Agreement is held to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement shall remain in full force and effect.

7.4. Fair Construction. The parties acknowledge and agree that the language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any of the parties. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections nor in any way affect this Agreement.

7.5. Attorneys' Fees. In the event any party requires the services of an attorney in connection with enforcing the terms of this Agreement or in the event that suit is brought for the breach of any representation, covenant or condition of this Agreement, the prevailing party shall be entitled to a reasonable sum for attorneys' fees, consultants' or experts' fees, witness fees and other costs and expenses, including any arbitration fees and fees of any arbitrator.

7.6. Successors and Assigns. This Agreement and each of its covenants and conditions shall be binding upon, and shall inure to the benefit of, the parties hereto and the respective successors and assigns.

7.7. Relationship of the Parties. Nothing contained in this Agreement shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Agreement, nor shall any acts of the Port and Tenant be deemed to create any relationship other than that of landlord and tenant.

7.8. Exhibits. The Exhibits outlined below are attached to this Agreement after the signatures and by this reference are incorporated herein:

Exhibit A: Improvement Reimbursement Letter, including Eligible Tenant Improvements.

Exhibit A-1: Revised and Final Improvement Reimbursement Letter(s) and Schedule(s). These shall be prepared by the Port, provided to Tenant and attached to this Agreement by the Port as they are generated.

Exhibit B: Index to approved Project Documents

Exhibit C: Required Reimbursement Records

Appendix 1 Section 01200 – Measurement & Payment  
Section 01770 – Project Closeout  
Section 01780 – Operations & Maintenance Documentation  
Section 01810 – Commissioning  
Section 01820 – Training

Executed for and on behalf of;

**PORT OF SEATTLE**

**DELTA AIR LINES, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

July 24, 2015

Mr. Donnell Harvey  
Regional Director Corporate Real Estate  
Delta Air Lines  
Department 877  
PO Box 20706  
Atlanta, GA 30320-6001

Dear Mr. Harvey:

Re: Initial Improvement Reimbursement Letter for B2 Sky Club Project (Exhibit A of TRA)

This letter confirms that the Port has received and reviewed the plans and specifications related to Delta's B2 Sky Club tenant improvement project. Consistent with the terms of the finalized, draft Tenant Reimbursement Agreement, the Port has identified the Eligible Tenant Improvements. They are specifically identified on Exhibit B to this letter.

For purposes of identifying the initial Tenant Reimbursement Amount, the Port and Delta agreed to use the engineer's estimate (attached) of the direct construction costs of Tenant's project together with the initial guaranteed maximum price (IGMP) provided by the Construction Manager at Risk. Based on the Port's review of those documents, the initial Tenant Reimbursement Amount is \$11,791,755.00. This Tenant Reimbursement Amount includes a Design Development Allowance of \$760,000 and a Project Contingency equal to \$912,000.

As you are aware, the project is currently only at a 60% design. The Port normally will not establish the Tenant Reimbursement Amount until construction documents are completed. Nonetheless, the Port has done so here at Delta's request with the express understanding that the Design Development Allowance of \$760,000 exists to protect Delta for changes to the Eligible Tenant Improvements that may be required as the design progresses from 60% to 100%. The Port will not otherwise adjust the Tenant Reimbursement Amount in the event that the cost of the Eligible Tenant Improvements further increase as a result of the design development. The Project Contingency, as provided in the Tenant Reimbursement Agreement, shall only be used for owner approved, non-discretionary construction related change orders. In no case will the Project Contingency be used to supplement the established Design Development Allowance. As a consequence, the Tenant Reimbursement Amount is subject to further increase *only* if the non-discretionary construction change order exceed the amount of the Project Contingency.



A Tenant Reimbursement Agreement (TRA) memorializing the project scope is enclosed for signature by both parties. Once Delta signs the TRA and returns it to the Port, we will sign it and return a fully executed copy to you, provided the Port Commission has approved the project at the August 11, 2015 commission meeting.

If you have any questions concerning any of these matters, please contact your Property Manager, Jolene Culler at (206) 787-6624.

Sincerely,

Mark Reis  
Managing Director, Aviation

Encl.

EXBT B to TRA Letter

AV/PMG Estimate of Project Cost							Port of Seattle	
Seattle-Tacoma International Airport								
Delta B2 Sky Club - Shell & Mech Tower								
C800690	WPU00200						Estimate Type: 60%	
CIP Program: Terminal & Tenant			Dated: Wednesday, July 01, 2015					
Estimated Direct Costs	QTY	UM	UP	CAPITAL	TRA	TOTAL PORT RESPONSIBILITY		
Direct Construction Cost	24,540	SF	\$ 340.55	\$ 8,357,000	\$ 8,357,000	\$ 8,357,000		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
<b>Subtotal Major Construction Direct Costs</b>				\$ 8,357,000	\$ 8,357,000	\$ 8,357,000		
Design Development Allowance			9.1%	\$ 760,000	\$ 760,000	\$ 760,000		
Construction Phasing			0.0%	\$ -	\$ -	\$ -		
Escalation @ 5% to mid-point of construction			0.0%	\$ -	\$ -	\$ -		
<b>Subtotal Construction Direct Costs</b>				\$ 9,117,000	\$ 9,117,000	\$ 9,117,000		
Contractor Fee - incl'd in direct			0.00%	\$ -	\$ -	\$ -		
<b>Estimate of Probable Construction Cost (Est Bid Amt)</b>			371.52	\$ 9,117,000	\$ 9,117,000	\$ 9,117,000		
<b>Other POS Direct Costs (Includes Construction Contingency)</b>								
Utility Costs (Design, Construction, Permit Fees)				\$ -	\$ -	\$ -		
<b>Contingencies</b>								
Construction Contingency			10.0%	\$ 912,000	\$ 912,000	\$ 912,000		
<b>Other POS Direct Costs (Excludes Construction Contingency)</b>								
Owner Furnished Material & Equipment				\$ -	\$ -	\$ -		
<b>Subtotal</b>				\$ 10,029,000	\$ 10,029,000	\$ 10,029,000		
<b>PCS Costs</b>								
PCS ENV / HAZMAT / RMM				\$ -	\$ -	\$ -		
PCS Bid Amount ( <i>extending utilities to lease line</i> )				\$ 300,000	\$ -	\$ 300,000		
PCS Materials				\$ -	\$ -	\$ -		
PCS Equipment				\$ -	\$ -	\$ -		
<b>Subtotal PCS Construction Costs</b>				\$ 300,000	\$ -	\$ 300,000		
PCS Construction Management				\$ -	\$ -	\$ -		
<b>Subtotal Construction Costs w/ ODC's &amp; Contingency</b>				\$ 10,329,000	\$ 10,029,000	\$ 10,329,000		
Washington State Sales Tax (WSST)			9.5%	\$ 981,000	\$ 952,755	\$ 981,000		
<b>Other POS Direct Costs (Excludes Sales Tax and Const. Contingency)</b>								
Owner Furnished Equipment (Tax-Exempt)				\$ -	\$ -	\$ -		
Maintenance Support				\$ 3,000	\$ -	\$ 3,000		
Utility Bills (During Construction Only)				\$ -	\$ -	\$ -		
<b>Subtotal Final Construction Cost</b>				\$ 11,313,000	\$ 10,981,755	\$ 11,313,000		
<b>PMG &amp; Other Soft Costs</b>								
<b>Design (DS)</b>								
A / E Design and Construction Support - Consultant			3.2%	\$ 327,000	\$ 327,000	\$ 327,000		
Design and Construction Support - In House			0.5%	\$ 52,000	\$ -	\$ 52,000		
<b>Project Management (PM)</b>								
Project Mgmt (Des & Constr)			5.0%	\$ 516,000	\$ -	\$ 516,000		
Commissioning			0.0%	\$ -	\$ -	\$ -		
<b>Construction Management (CM)</b>								
Construction Management			6.7%	\$ 692,000	\$ -	\$ 692,000		
Testing & Inspection			0.0%	\$ -	\$ -	\$ -		
Safety			0.3%	\$ 26,000	\$ -	\$ 26,000		
Survey			0.3%	\$ 31,000	\$ -	\$ 31,000		
<b>Central Procurement Office (CPO)</b>								
Central Procurement Office			0.0%	\$ -	\$ -	\$ -		
<b>Administration (AD)</b>								
Airport Directs			2.0%	\$ 207,000	\$ -	\$ 207,000		
Delta Soft Costs - 50% Share - TRA			4.7%	\$ 483,000	\$ 483,000	\$ 483,000		
<b>Environmental &amp; Permitting (EP)</b>								
Environmental Support & Reviews			0.3%	\$ 26,000	\$ -	\$ 26,000		
Legal			0.0%	\$ -	\$ -	\$ -		
Building Dept / Permitting			0.5%	\$ 52,000	\$ -	\$ 52,000		
<b>Subtotal PMG &amp; Other Soft Costs</b>			23.3%	\$ 2,412,000	\$ 810,000	\$ 2,412,000		
<b>Other Project Costs</b>								
Art Program ( <i>tenant project doesn't qualify</i> )			0.0%	N/A	N/A	\$ -		
ICT Systems Components (Estimate by ICT)				\$ -	\$ -	\$ -		
Project Contingency				\$ -	\$ -	\$ -		
<b>TOTAL ESTIMATED PROJECT COST</b>				\$ 13,725,000	\$ 11,791,755	\$ 13,725,000		





TENANT REIMBURSEMENT PROGRESS PAYMENT  
 Project Name: Delta Sky Club  
 Project WP #:  
 Pay Request: 0X

Item	Schedule of Value Item	Contract Amount	Percent of Budget	Previous Cost to Date	Cost this Estimate	Remaining Amount	Cost to Date	POS %	Port	Tenant
<b>Division 00 Procurement &amp; Contracting</b>										
<b>ORIGINAL CONTRACT</b>										
<b>Division 01 GENERAL REQUIREMENTS</b>										
01	General Conditions	\$ 1,436,490	\$ 0 \$	-	\$ 1,436,490	\$ -	\$ -	\$ -	\$ 718,245	\$ 718,245
01	Fee	\$ 605,156	\$ 0 \$	-	\$ 605,156	\$ -	\$ -	\$ -	\$ 302,578	\$ 302,578
01	Contractor's Contingency - 5%	\$ 742,206	\$ 0 \$	-	\$ 742,206	\$ -	\$ -	\$ -	\$ 371,103	\$ 371,103
01	Building & Mechanical Permits	\$ 96,381	\$ 0 \$	-	\$ 96,381	\$ -	\$ -	\$ -	\$ 48,191	\$ 48,191
<b>Division 02 EXISTING CONDITIONS</b>										
02	Construction Barricades	\$ 5,810	\$ 0 \$	-	\$ 5,810	\$ -	\$ -	\$ -	\$ 5,810	\$ -
02	Jersey Barriers	\$ 4,936	\$ 0 \$	-	\$ 4,936	\$ -	\$ -	\$ -	\$ 4,936	\$ -
02	Selective Demolition	\$ 298,485	\$ 0 \$	-	\$ 298,485	\$ -	\$ -	\$ -	\$ 298,485	\$ -
02	Temporary Shoring (bag well)	\$ 10,275	\$ 0 \$	-	\$ 10,275	\$ -	\$ -	\$ -	\$ 10,275	\$ -
<b>Division 03 CONCRETE</b>										
03	CONCRETE WORK (WILL BE BROKEN OUT IN 60% SUBMISSION).	\$ 237,497	\$ 0 \$	-	\$ 237,497	\$ -	\$ -	\$ -	\$ 237,497	\$ -
03	Loose Formwork	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
03	Concrete Reinforcing	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
03	Concrete Material Supply	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
03	Concrete Pumping	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
03	Concrete Placing	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
03	Concrete Finishing	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
03	Misc. Concrete	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Division 04 MASONRY</b>										
04	CMU Walls	\$ 21,850	\$ 0 \$	-	\$ 21,850	\$ -	\$ -	\$ -	\$ 21,850	\$ -
04	Prep & Wash Existing CMU	\$ 5,211	\$ 0 \$	-	\$ 5,211	\$ -	\$ -	\$ -	\$ -	\$ 5,211
<b>Division 05 METALS</b>										
05	STEEL (WILL BE BROKEN OUT IN 60% SUBMISSION).	\$ 1,625,934	\$ 0 \$	-	\$ 1,625,934	\$ -	\$ -	\$ -	\$ 1,625,934	\$ -
05	Steel Fabrication	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
05	Steel Erection	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Division 06 WOODS, PLASTICS, COMPOSITES</b>										
06	Rough Carpentry	\$ 30,472	\$ 0 \$	-	\$ 30,472	\$ -	\$ -	\$ -	\$ -	\$ 30,472
06	Blocking/Backing/Sheathing	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
06	Finish Carpentry	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
06	FINISH CARPENTRY (WILL BE BROKEN OUT IN 60% SUBMISSION).	\$ 362,563	\$ 0 \$	-	\$ 362,563	\$ -	\$ -	\$ -	\$ -	\$ 362,563
06	Standing & Running Trim	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
06	Casework & Millwork	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
06	Solid Surface Countertops	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Division 07 THERMAL &amp; MOISTURE PROTECTION</b>										
07	Thermal & Moisture Protection	\$ 7,130	\$ 0 \$	-	\$ 7,130	\$ -	\$ -	\$ -	\$ 7,130	\$ -
07	Foundation Waterproofing	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
07	Roofing & Metal Panels	\$ 423,561	\$ 0 \$	-	\$ 423,561	\$ -	\$ -	\$ -	\$ 423,561	\$ -
07	Metal Panels	\$ 446,210	\$ 0 \$	-	\$ 446,210	\$ -	\$ -	\$ -	\$ 446,210	\$ -
07	Membrane Roofing	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
07	Fireproofing Steelwork	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
07	Spray-Applied Fireproofing	\$ 122,529	\$ 0 \$	-	\$ 122,529	\$ -	\$ -	\$ -	\$ 122,529	\$ -
07	Expansion Control	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TENANT REIMBURSEMENT PROGRESS PAYMENT

Project Name: Delta Sky Club

Project WP #:

Pay Request: 0X

CAPITAL DEVELOPMENT DIVISION  
CONSTRUCTION MANAGEMENT

Item	Schedule of Value Item	Contract Amount	Percent of Budget	Previous Cost to Date	Cost this Estimate	Remaining Amount	Cost to Date	POS %	Port	Tenant
07	Seismic Expansion Joints	\$ 39,061	\$ 0	\$ -		\$ 39,061	\$ -	\$ -	\$ 39,061	\$ -
08	<b>Doors, Frames and Hardware</b>									
08	Hollow Metal Doors & Frames Supply	\$ 31,410	\$ 0	\$ -		\$ 31,410	\$ -	\$ -	\$ -	\$ 31,410
08	Wood Doors Supply	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
08	Door Hardware Supply	\$ 13,800	\$ 0	\$ -		\$ 13,800	\$ -	\$ -	\$ -	\$ 13,800
08	Door Package Install	\$ 15,566	\$ 0	\$ -		\$ 15,566	\$ -	\$ -	\$ -	\$ 15,566
08	Mechanical Tower Lease Space Door Allowance	\$ 7,500	\$ 0	\$ -		\$ 7,500	\$ -	\$ -	\$ 7,500	\$ -
08	Access Door/Panel Supply	\$ 5,250	\$ 0	\$ -		\$ 5,250	\$ -	\$ -	\$ -	\$ 5,250
08	Glazing									
08	Interior Storefront Glazing	\$ 135,407	\$ 0	\$ -		\$ 135,407	\$ -	\$ -	\$ -	\$ 135,407
08	Exterior Window Wall Glazing	\$ 1,172,371	\$ 0	\$ -		\$ 1,172,371	\$ -	\$ -	\$ 1,172,371	\$ -

CAPITAL DEVELOPMENT DIVISION  
CONSTRUCTION MANAGEMENT

TENANT REIMBURSEMENT PROGRESS PAYMENT  
 Project Name: Delta Sky Club  
 Project WP #:  
 Pay Request: 0X

Item	Schedule of Value Item	Contract Amount	Percent of Budget	Previous Cost to Date	Cost this Estimate	Remaining Amount	Cost to Date	POS %	Port.	Tenant
<b>Division 09 FINISHES</b>										
09	Plaster and Gypsum Board									
09	Metal Framing & GWB Walls and Ceilings	\$ 733,791	\$ 0	\$ -		\$ 733,791	\$ -	\$ -	\$ 146,758	\$ 587,033
09	Insulation (WILL BE BROKEN OUT IN 60% SUBMISSION).	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
09	Ceilings									
09	Acoustical Ceilings	\$ 22,706	\$ 0	\$ -		\$ 22,706	\$ -	\$ -	\$ -	\$ 22,706
09	Curved Metal Ceilings	\$ 365,700	\$ 0	\$ -		\$ 365,700	\$ -	\$ -	\$ -	\$ 365,700
09	Wood Ceilings	\$ 451,228	\$ 0	\$ -		\$ 451,228	\$ -	\$ -	\$ -	\$ 451,228
09	FRP Ceilings	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
09	Raised Access Flooring									
09	Raised Access Flooring	\$ 76,817	\$ 0	\$ -		\$ 76,817	\$ -	\$ -	\$ -	\$ 76,817
09	Flooring & Tile									
09	FLOORING & TILE (WILL BE BROKEN OUT IN 60% SUBMISSION).	\$ 426,850	\$ 0	\$ -		\$ 426,850	\$ -	\$ -	\$ -	\$ 426,850
09	Ceramic Tile Floors & Walls	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
09	Carpet & Vinyl Flooring	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
09	Terrazzo	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
09	Floor Prep	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
09	Mechanical Tower Flooring Allowance	\$ 8,358	\$ 0	\$ -		\$ 8,358	\$ -	\$ -	\$ 8,358	\$ -

CAPITAL DEVELOPMENT DIVISION  
CONSTRUCTION MANAGEMENT

TENANT REIMBURSEMENT PROGRESS PAYMENT  
Project Name: Delta Sky Club  
Project WP #:  
Pay Request: 0X

Item	Schedule of Value Item	Contract Amount	Percent of Budget	Previous Cost to Date	Cost this Estimate	Remaining Amount	Cost to Date	POS %	Port	Tenant
09	Wall Finishes	\$ 85,965	\$ 0	\$ -	\$ -	\$ 85,965	\$ -	\$ -	\$ -	\$ 85,965
09	Paints & Coatings	\$ 25,380	\$ 0	\$ -	\$ -	\$ 25,380	\$ -	\$ -	\$ -	\$ 25,380
09	FRP	\$ 7,512	\$ 0	\$ -	\$ -	\$ 7,512	\$ -	\$ -	\$ -	\$ 7,512
<b>Division 10 SPECIALTIES</b>										
10	Miscellaneous Specialties									
10	Restroom Accessories & Partitions	\$ 26,284	\$ 0	\$ -	\$ -	\$ 26,284	\$ -	\$ -	\$ -	\$ 26,284
10	Signage Allowance	\$ 23,500	\$ 0	\$ -	\$ -	\$ 23,500	\$ -	\$ -	\$ -	\$ 23,500
10	Corner Guards	\$ 2,710	\$ 0	\$ -	\$ -	\$ 2,710	\$ -	\$ -	\$ -	\$ 2,710
10	Fire Extinguisher & Cabinets	\$ 1,939	\$ 0	\$ -	\$ -	\$ 1,939	\$ -	\$ -	\$ -	\$ 1,939
10	Metal Lockers	\$ 17,200	\$ 0	\$ -	\$ -	\$ 17,200	\$ -	\$ -	\$ -	\$ 17,200
<b>Division 11 EQUIPMENT</b>										
11	Food Service Equipment	\$ 248,870	\$ 0	\$ -	\$ -	\$ 248,870	\$ -	\$ -	\$ -	\$ 248,870
11	Supplementary Support for Food Service Equipment	\$ 1,331	\$ 0	\$ -	\$ -	\$ 1,331	\$ -	\$ -	\$ -	\$ 1,331
11	Fail Arrest System	\$ 50,000	\$ 0	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ -
<b>Division 12 FURNISHINGS</b>										
12	FF&E Support/Coordination	\$ 1,761	\$ 0	\$ -	\$ -	\$ 1,761	\$ -	\$ -	\$ -	\$ 1,761
<b>Division 14 CONVEYING EQUIPMENT</b>										
14	Design-Build Baggage Handling Modifications	\$ 533,500	\$ 0	\$ -	\$ -	\$ 533,500	\$ -	\$ -	\$ 533,500	\$ -
<b>Division 21 Fire Protection</b>										
21	Fire Protection - Interior	\$ 198,493	\$ 0	\$ -	\$ -	\$ 198,493	\$ -	\$ -	\$ -	\$ 198,493
21	Fire Protection - Deluge	\$ 85,000	\$ 0	\$ -	\$ -	\$ 85,000	\$ -	\$ -	\$ 85,000	\$ -
<b>Division 22 PLUMBING</b>										
22	Plumbing									
22	PLUMBING & MECHANICAL (TO BE BROKEN OUT IN 60% SUBMISSION).	\$ 2,075,003	\$ 0	\$ -	\$ -	\$ 2,075,003	\$ -	\$ -	\$ 1,141,252	\$ 933,751
22	Plumbing Rough-In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Fixtures & Trim	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Gas Piping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Division 23 HVAC</b>										
23	Piping & Duct Rough-In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Connection to Existing System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Air Handling Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	HVAC Trim	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	HVAC Controls	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	CXA Support/Coordination	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	BIM Modeling Support/Coordination	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Testing & Balancing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Division 26 ELECTRICAL</b>										
26	Main Service and Distribution	\$ 1,299,041	\$ 0	\$ -	\$ -	\$ 1,299,041	\$ -	\$ -	\$ 356,722	\$ 942,319
26	Emergency or Uninterrupted Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL DEVELOPMENT DIVISION  
CONSTRUCTION MANAGEMENT

TENANT REIMBURSEMENT PROGRESS PAYMENT  
 Project Name: Delta Sky Club  
 Project WP #:  
 Pay Request: 0X

Item	Schedule of Value Item	Contract Amount	Percent of Budget	Previous Cost to Date	Cost this Estimate	Remaining Amount	Cost to Date	POS %	Port	Tenant
26	Machine and Equipment Power	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	-	\$ -
26	User Convenience Power	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	-	\$ -
26	Lighting & Controls	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	-	\$ -
26	Design-Build Fire Alarm	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	-	\$ -
<b>DIVISION 27 COMMUNICATIONS</b>										
27	Telephone and Communication Systems	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	-	\$ -
<b>DIVISION 28 ELECTRONIC SAFETY AND SECURITY</b>										
28	Alarm and Security Systems	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	-	\$ -

CAPITAL DEVELOPMENT DIVISION  
CONSTRUCTION MANAGEMENT

TENANT REIMBURSEMENT PROGRESS PAYMENT

Project Name: Delta Sky Club

Project WP #:

Pay Request: 0X

Item	Schedule of Value Item	Contract Amount	Percent of Budget	Previous Cost to Date	Cost this Estimate	Remaining Amount	Cost to Date	POS %	Port	Tenant
<b>Division 32/33 EXTERIOR IMPROVEMENTS/UTILITIES</b>										
33	Site Preparation & Improvements	\$ 101,043	\$ 0	\$ -	\$ -	\$ 101,043	\$ -	\$ -	\$ 101,043	\$ -
33	Sitework	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Asphalt Paving	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Concrete Paving	\$ 71,084	\$ 0	\$ -	\$ -	\$ 71,084	\$ -	\$ -	\$ 71,084	\$ -
	Subtotal Original Contract	\$ 14,844,127	\$ -	\$ -	\$ -	\$ 14,844,127	\$ -	\$ -	\$ 8,356,982	\$ 6,487,145
<b>CHANGE ORDERS</b>										
1			#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2			#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3			#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4			#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5			#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6			#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7			#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal Change Orders	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PROJECT TOTALS (PRE TAX)</b>										
		\$ 14,844,127	\$ -	\$ -	\$ -	\$ 14,844,127	\$ -	\$ -	\$ 8,356,982	\$ 6,487,145
error										
<b>Totals for Delta Flow Thru</b>										
	Contract Total (Original + Change Orders)	\$ 14,844,127		\$ -	\$ -	\$ 14,844,127	\$ -		\$ 8,356,982	\$ 6,487,145
	Taxable Amount	\$ 14,844,127		\$ -	\$ -	\$ 14,844,127	\$ -		\$ 8,356,982	\$ 6,487,145
	Current Sales Tax @ 5%	\$ 1,410,192		\$ -	\$ -	\$ 1,410,192	\$ -		\$ 793,913	\$ 616,279
	Total with Tax	\$ 16,254,319		\$ -	\$ -	\$ 16,254,319	\$ -		\$ 9,150,896	\$ 7,103,423
	Retainage 5%	\$ 812,716		\$ -	\$ -	\$ 812,716	\$ -		\$ 457,545	\$ 355,171
	Pay Contractor	\$ 15,441,603		\$ -	\$ -	\$ 15,441,603	\$ -		\$ 8,693,351	\$ 6,748,252
	Contract Total	\$ 14,844,127		\$ -	\$ -	\$ 14,844,127	\$ -		\$ 8,356,982	\$ 6,487,145
	Change Order Total	\$ -		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
	Total Contract:	\$ 14,844,127		\$ -	\$ -	\$ 14,844,127	\$ -		\$ 8,356,982	\$ 6,487,145
	Percent of Total:	\$ -		#DIV/0!	\$ -	\$ -	#DIV/0!		\$ -	\$ -
	Construction Contingency	\$ -								
	Construction Contingency Use	\$ -								
	Construction Contingency Remaining	\$ -								



EXHIBIT C  
TENANT REIMBURSEMENT  
APPLICATION FOR PAYMENT CHECKLIST

Progress Payment No.  
Date Received

1. Tenant submits Application for Payment to Port Project Manager, who forwards to Resident Engineer including:
  - Contractor's "Application and Certificate for Payment" (Pay Request) including backup documentation.
  - Monthly Progress Schedule and Narrative as required per contract.
  - Statement of Intent to Pay Prevailing Wage documentation.
  
2. Resident Engineer/Inspector(s) review Application for Payment
  - Inspector and Contractor Superintendent review and agree to percentage of work completed.
  - Resident Engineer and Tenant's Project Manager agree on final quantities and payment due (Schedule of Values quantities and Change Orders) and ensures no payments are made for non-compliant work.
  - Resident Engineer ensures Change Order(s) are agreed by the Port before reimbursement can be paid.
  - Resident Engineer/Inspector verify as-built drawings are current.
  - Statement of Intent to Pay Prevailing Wages on file for all Subcontractors at all levels. Payment cannot be made to the contractor or subcontractor until the Port has received this.
  - Affidavit of Wages Paid (only required upon completion of work by the Prime or Subcontractors)
  
3. Check Processing:
  - Pay Estimate Form with final approved amount is signed by Resident Engineer and Tenant.
  - Resident Engineer forwards signed Pay Estimate Form to Port Project Manager.
  - Check Request Form is generated and forwarded to Accounting for check.
  - Accounting generates check or electronic deposit.

Notes:

- Contractor to provide Tenant Project Manager with a Schedule of Values for the work and submit to the Port as part of preconstruction submittal (include cost sharing between tenant and Port) for review and approval.
- No payment for materials stored off-site.
- Port will review and provide feedback on percent complete of work within two weeks of receipt of Application for Payment.
- Port will process check or electronic deposit within 30 days after agreement of final quantities and payment due.



PART 1 GENERAL

1.01 DESCRIPTION

- A. Construction Project Closeout requires completing physical and administrative portions of the Work.
- B. The Tenant shall ensure that all procedures and actions identified in this section and elsewhere in the Tenant Project Design and Construction Process Manual necessary to fully complete the Work are accomplished in a timely and effective manner. The Contractor is expected to take the lead role in assembly of documents, execution of the Work and coordinating the startup and closeout process.
- C. Refer to the attached closeout checklist, which identifies major closeout actions and milestones to be accomplished.

1.02 PUNCHLIST PROCESS

- A. The Punchlist process is split into three distinct steps: (1) Contractor Punchlist, (2) Punchlist Inspection, (3) Punchlist Backcheck.
  - 1. Contractor Punchlist Development: Upon Substantial Completion of the Work, the Contractor shall prepare a Punchlist of all incomplete or corrective items related to the Work. The Contractor shall complete and correct open items. When the Contractor believes that all of the incomplete or corrective items on the Punchlist are complete, with only minor requirements of the Contract remaining (e.g. final As-Built Drawings, and minor deficiencies in the Work requiring correction), it shall submit a copy of its Punchlist along with a Request for Punchlist Inspection to the Project Manager or Engineer at least seven calendar (7) days in advance of the date requested for Punchlist Inspection.
  - 2. Punchlist Inspection: The Project Manager or Engineer will review the Contractor's Punchlist and the Work to determine the readiness to begin the Punchlist Inspection. If the Contractor Punchlist appears complete, and the Project Manager or Engineer believes that no more than 10% by number of additional items will need to be added to the Punchlist by the Project Manager or Engineer, the Project Manager or Engineer will perform a Punchlist Inspection of the Work, and develop and deliver a consolidated Punchlist to the Contractor for corrections. If the Project Manager or Engineer believes that there is a significant number of incomplete Work items, the Project Manager or Engineer will notify the Contractor in writing that the Contractor is not ready for the Punchlist inspection and provide the reasons. The Contractor shall proceed to complete the items as needed prior to a subsequent request to the Project Manager or Engineer for a Punchlist Inspection. A completed Punchlist Inspection is specifically required for Substantial Completion.
  - 3. Punchlist Backcheck: When the Contractor considers work on the Punchlist to be complete, the Contractor shall request that the Project Management or Engineer schedule and conduct Punchlist Backcheck to complete the Punchlist process. The Contractor shall request the Punchlist Backcheck at least seven calendar (7) days in advance of the date requested for the Punchlist Backcheck. A completed Punchlist Backcheck is specifically required for Physical Completion.

End of Section

**APPENDIX A: CONSTRUCTION PROJECT CLOSEOUT CHECKLIST**

ITEM:	Specification Reference(s): (As Applicable)	Completion Date
1. Completed Punchlist Inspection	Section 01770 Construction Project Closeout	
2. Completed Training of Port personnel	Section 01820 – Training, Technical Sections	
3. Completed commissioning activities	Section 01810 – Commissioning, Technical Sections	
4. Certificate of Occupancy issued by permit agency		
5. Punchlist Backcheck Accepted	Section 01770 Construction Project Closeout	
6. Perform final cleaning of project site	Section 01740 – Cleaning	
7. Demobilization complete		
8. Project As-built (redlines) documents Accepted	Section 01730 – As-Built Redline Documents	
9. O&M Documentation Accepted	Section 01780 – Operations and Maintenance Data	
10. Submitted Construction Waste Management Final Report	Section 01524 – Construction Waste Management	
11. Submitted final warranties and special warranties and bonds (if required)	Section 01787 – Warranties and Bonds	
12. All temporary locks, keys or other items loaned/signed out by the Contractor, subcontractors, suppliers and vendors have been returned (if applicable)	Section 01567 – Airport ID Access Control; or	
13. All I.D. badges, including subcontractors, suppliers and vendors have been returned (if applicable)	Section 01567 – Airport ID Access Control; or	
14. All open cost items resolved		
15. Final progress payment requested 100%	Section 01200 – Measurement and Payment Procedures	

PART 1 GENERAL

1.01 SUMMARY

- A. For Shell and Core project components, as defined through design with the Port, submit a complete and concise description of the product, system, or piece of equipment, stressing and enhancing the importance of system interactions, troubleshooting, and long-term preventive maintenance and operation.
- B. This section identifies the requirements for the formatting and compilation of all operation and maintenance (O&M) documentation for this project and equipment labeling by posting condensed operating instructions as identified in the technical specifications. Unless otherwise directed by the Project Manager or Engineer, the Contractor shall prepare and compile O&M documentation as defined in this section.
- C. This section also includes requirements for the Contractor's input to the Port Computerized Maintenance Management System (CMMS) form listing equipment installed as part of the Work.
  - 1. Attachment A contains the project's CMMS form

1.02 SUBMITTALS/APPROVALS

- A. O&M Documentation and the CMMS form shall be submitted in accordance with the Tenant Improvement Design and Construction Process Manual.
  - 1. CMMS forms shall be submitted as a PDF within the O&M submittals along with the Excel source file.
  - 2. Port acceptance of draft O&M is required prior to training of Port personnel. Submit draft documentation 60 days prior to the anticipated scheduled Punchlist Inspection date.
  - 3. Port acceptance of the final O&M is required for Final Payment. If changes are required to Final Document, the Contractor shall incorporate revisions and resubmit a full electronic copy of the manual. All changes shall be submitted with a transmittal identifying all changes.

1.03 OPERATING AND MAINTENANCE DOCUMENTATION

- A. The O&M documentation shall be electronic utilizing Microsoft Word or searchable Adobe PDF format. The electronic data shall have software search features and interactive capabilities in the format prescribed within this section.
  - 1. PDF versions originating from scanned documentation shall be generated from legible documents, indexed, formatted and fully text searchable.
  - 2. Contractor is responsible for obtaining written releases dealing with copyright restrictions.
- B. The electronic documentation shall be titled as follows :
  - 1. Draft O&M Manual WPU00200 Delta B2 Expansion for Delta Club
  - 2. Final O&M Manual WPU00200 Delta B2 Expansion for Delta Club

1.04 CMMS FORMS

- A. An electronic (Excel) file will be provided to the Contractor by the Project Manager or Engineer after Contract Execution. The Contractor is responsible to ensure the form is accurately and fully completed.

1. The file name shall be titled: *WPU00200 CMMS FORM [FINAL or DRAFT]*

1.05 OPERATIONS AND MAINTENANCE (O&M) DOCUMENTATION FORMAT

- A. The O&M documentation shall be organized to include four sections:

1. Title page
  - a. The title page shall identify Port information including the Port project number and formal Port project name, Contractor information and the anticipated substantial completion date and warranty start date(s). See Appendix A.
2. Table of Contents
  - a. The table of contents shall identify product, system or piece of equipment by the CSI section within the technical specifications and shall be hyperlinked to the manual content.
3. Computerized Maintenance Management System (CMMS): provide a PDF of the Excel file within the O&M Documentation.
4. Technical Content of all the product, system(s) or equipment organized by technical specification Construction Specifications Institute (CSI) section number and title. It is comprised of two sections:
  - a. Summary Information on products, systems and equipment
  - b. Data Package information (see Parts 1.06B and 1.07).

1.06 TECHNICAL CONTENT

- A. Summary Information on Products, Systems and Equipment.

1. Contractor, distributor and manufacturer support information:
  - a. Provide the name, address, and telephone number of each Subcontractor who installed the product, system or equipment.
  - b. For each item, also provide the name address and telephone number of the manufacturer's representative and service organization that can provide replacements most convenient to the project site.
  - c. Provide the name, address, and telephone number of the product, equipment, and system manufacturers.
  - d. Include the 24-hour emergency support numbers.
2. Equipment information: All equipment information identified in the CMMS form shall be included in the O&M documentation on the first applicable product page and include the CMMS equipment identification number and description as provided in the CMMS form. All equipment identification numbers shall be in bold-type face in a contrasting color from the balance of the font on the page. Red is a typical contrasting color. Include the following:
  - a. Equipment or system photo as installed within the project with description and design intent.
  - b. Special outside agency permits including Washington State Labor & Industries.
  - c. Copies of condensed operating instructions posted on equipment.

3. Submittal and Product Data: Include accepted submittal data, cut sheets and appropriate shop drawings. If submittal was not required for acceptance, descriptive product data shall be included.
    - a. Include all building material and finishes. Provide specific information, lot numbers, local distributors and suppliers with their company names, addresses, and phone numbers. List all information needed to identify, maintain, and replace/duplicate any finish materials, equipment or features installed in this project. Examples include:
      - (1) Material or finish designation.
      - (2) Manufacturer's name, model number, make, size, local vendor and supplier.
      - (3) Proportions of mixes. (Example: terrazzo)
      - (4) Color formula list for each project specific paint color used.
    - b. Highlight the submittal/product data pertinent to the Contract within manufacturer's boiler plate information documentation.
    - c. Clearly mark the work product, system or piece of equipment and eliminate or strikeout advertisement and other data that does not specifically relate to the Work.
  4. Warranty Information: List and explain the various warranties and clearly identify the servicing and technical precautions prescribed by the manufacturers or Contract in order to keep warranties in force.
  5. Start Up and Testing/Balancing Information:
    - a. Testing and Performance Data: Include completed pre-functional checklists, functional performance test forms, and monitoring reports. Include recommended schedule for retesting and blank test forms.
    - b. Copy of the start-up report.
    - c. Completed pre-commissioning and pre-functional checklists with all data and documentation.
    - d. Completed functional test and calibration results.
- B. Data Packages. The type of data depends upon the complexity of the product, system, or equipment. Data Package data is categorized into three (3) kinds of information: Operating Instructions, Preventive Maintenance, and Corrective Maintenance. See as identified in Table 1 and described below in Part 1.07 for the kinds of information included in the data packages.
1. Data Package 1: typically used for architectural items requiring simple but specific maintenance and replacement; for example, acoustical ceiling, floor tile or carpeting system.
  2. Data Package 2: used for an item that has motors or adjustable electronics; for example, an item having a motor and some sequence of operation such as a refrigerated drinking fountain or adjustable photosensor.
  3. Data Package 3: used for an complex piece of equipment, having an extensive sequence of operation, a complex troubleshooting sequence and one requiring frequent operator attention; at least for start-up and shut-down.

TENANT REIMBURSEMENT AGREEMENT

Appendix 1: Section 01780 - Operations and Maintenance Documentation

<b>TABLE 1</b>		<b>Data Packages</b>		
<b>Technical Data Content</b>		<b>1</b>	<b>2</b>	<b>3</b>
<b>Operating Instruction</b>				
	Safety Precautions	X	X	X
	Operator prestart			X
	Startup, shutdown, and post-shutdown procedures			X
	Normal operations		X	X
	Emergency operations			X
	Operator service requirements			X
	Environmental conditions		X	X
	Parts identification		X	X
	Testing equipment and special tool information			X
<b>Preventive Maintenance (PM) Plan &amp; Schedule</b>				
	Manufacturer's PM recommendation		X	X
	Calibration recommendations		X	X
	Cleaning recommendations	X	X	X
	Lubrication data		X	X
<b>Corrective Maintenance (Repair)</b>				
	Troubleshooting guides and diagnostic techniques			X
	Wiring diagrams and control diagrams			X
	Maintenance and repair procedures	X	X	X
	Removal and replacement instructions		X	X
	Spare parts and supply lists	X	X	X
	Corrective Maintenance Work Hours			X
<b>Video O&amp;M Documentation</b>				
	<b>O&amp;M Videos</b>		<b>X</b>	<b>X</b>

1.07 DATA PACKAGE TECHNICAL INFORMATION

- A. Operating Instructions: Include specific instructions, procedures, and illustrations for the following as required by installed products, systems and equipment:
  1. Safety Precautions: List personnel hazards and equipment or product safety precautions for all operating conditions. Include Safety Data Sheets.
  2. Operator Prestart: Include procedures required to install, set up, and prepare each system for use.
  3. Startup, Shutdown, and Post-Shutdown Procedures: Provide narrative description for Startup, Shutdown and Post-shutdown operating procedures including the control sequence for each procedure.
  4. Normal Operations: Provide narrative description of Normal Operating Procedures. Include Control Diagrams with data to explain operation and control of systems and specific equipment.
  5. Emergency Operations: Include Emergency Procedures for equipment malfunctions to permit a short period of continued operation or to shut down the

- equipment to prevent further damage to systems and equipment or harm personnel. Include Emergency Shutdown Instructions for fire, explosion, spills, or other foreseeable contingencies. Provide guidance and procedures for emergency operation of all utility systems including required valve positions, valve locations and zones or portions of systems controlled.
6. Operator Service Requirement: Include instructions for services to be performed by the operator such as lubrication, adjustment, inspection, and recording gage readings.
  7. Environmental Conditions: Include a list of Environmental Conditions (temperature, humidity, and other relevant data) that are best suited for the operation of each product, component or system. Describe conditions under which the item equipment should not be allowed to operate.
  8. Parts Identification: Provide identification and coverage for all parts of each component, assembly, subassembly, and accessory of the end items subject to replacement. Include special hardware requirements, such as requirement to use high-strength bolts and nuts. Identify parts by make, model, serial number, and source of supply to allow reordering without further identification. Provide clear and legible illustrations, drawings, and exploded views to enable easy identification of the items. When illustrations omit the part numbers and description, both the illustrations and separate listing shall show the index, reference, or key number that will cross-reference the illustrated part to the listed part. Parts shown in the listings shall be grouped by components, assemblies, and subassemblies in accordance with the manufacturer's standard practice. Parts data may cover more than one model or series of equipment, components, assemblies, subassemblies, attachments, or accessories, such as typically shown in a master parts catalog.
  9. Testing Equipment and Special Tool Information: Include information on test equipment required to perform specified tests and on special tools needed for the operation, maintenance, and repair of components.
- B. Preventive Maintenance Plan and Schedule: Include the following information for preventive and scheduled maintenance to minimize corrective maintenance and repair for installed products, and the model and features of each system and piece of equipment.
1. Include manufacturer's schedule for routine preventive maintenance, inspections, tests and adjustments required to ensure proper and economical operation and to minimize corrective maintenance.
  2. For periodic calibrations, provide manufacturer's specified frequency and procedures for each separate operation.
  3. Cleaning Recommendations: Provide environmentally preferable cleaning recommendations.
  4. Lubrication Data: Include preventive maintenance lubrication data, in addition to instructions for lubrication provided under paragraph titled "Operator Service Requirements":
    - a. A table showing recommended lubricants for specific temperature ranges and applications.
    - b. Charts with a schematic diagram of the equipment showing lubrication points, recommended types and grades of lubricants, and capacities.
    - c. A Lubrication Schedule showing service interval frequency.

- C. Corrective Maintenance (Repair): Include manufacturer's recommended procedures and instructions for correcting problems and making repairs as required for installed products, and model and features of each system and pieces of equipment. Include potential environmental and indoor air quality impacts of recommended maintenance procedures and materials.
1. Troubleshooting Guides and Diagnostic Techniques: Include step-by-step procedures to promptly isolate the cause of typical malfunctions. Describe clearly why the checkout is performed and what conditions are to be sought. Identify tests or inspections and test equipment required to determine whether parts and equipment may be reused or require replacement.
  2. Wiring Diagrams and Control Diagrams: Wiring diagrams and control diagrams shall be point-to-point drawings of wiring and control circuits including factory-field interfaces. Provide a complete and accurate depiction of the actual job specific wiring and control work. On diagrams, number electrical and electronic wiring and pneumatic control tubing and the terminals for each type, identically to actual installation configuration and numbering.
    - a. Maintenance and Repair Procedures: Include instructions and a list of tools required to repair or restore the product or equipment to proper condition or operating standards.
  3. Maintenance and Repair Procedures: Include instructions and a list of tools required to repair or restore the product or equipment to proper condition or operating standards.
  4. Removal and Replacement Instructions: Include step-by-step procedures and a list of required tools and supplies for removal, replacement, disassembly, and assembly of components, assemblies, subassemblies, accessories, and attachments. Provide tolerances, dimensions, settings and adjustments required. Instructions shall include a combination of text and illustrations.
  5. Spare Parts and Supply Lists: Include lists of spare parts and supplies required for maintenance and repair to ensure continued service or operation without unreasonable delays. List spare parts and supplies that have a long lead-time to obtain. Corrective Maintenance Work-Hours: Include manufacturer's projection of corrective maintenance work-hours including requirements by type of craft.
  6. Corrective maintenance that requires completion or participation of the equipment manufacturer shall be identified and tabulated separately.
  7. Video O&M Documentation: Include reference to training videos as identified by the technical specifications. See Section 01820 – Training for video and audio technical requirements. Video titles shall be coordinated with the table of contents for the respective section
    - a. Example: *Section [XXXXX] Training Video for [specific equipment] provided separately.*

#### 1.08 EQUIPMENT OPERATING INSTRUCTIONS: POSTING CONDENSED INSTRUCTIONS

- A. Condensed operating instructions shall be clearly laminated and secured adjacent to or inside the equipment where it can be easily read by operating personnel performing the steps listed. The writing shall not fade in sunlight and shall be secured to prevent easy removal, peeling and degradation if exposed to the weather.



**APPENDIX A: Title Page for Operations and Maintenance Documentation**

POS Project Number	
Project Name	
Port Project Manager	
Port Resident Engineer	
Prime Contractor Name	
Prime Contractor Project Number	
Primary Contact Name	
Primary Contact Number	
Emergency Contact Number	
Anticipated Substantial Completion Date	
Phased Warranty Yes/No	If yes, list all anticipated dates:
Anticipated Warranty Date(s)	

End of Section



## PART 1 GENERAL

### 1.01 SUMMARY

- A. The intent of Commissioning is to verify systems and equipment are being delivered to the Port fully functioning in accordance with project documents and for which the Port's personnel are fully trained and equipped to operate, maintain and troubleshoot. Additionally, the Port shall have supporting documentation to enable Port staff to maintain systems and equipment in accordance with manufacturer's recommendations and the Port's intent to sustain operations over the life of the system or equipment.

### 1.02 TERMS AND DEFINITIONS

- A. Commissioning: The process certifying that mechanical, electrical, communications, control, and life safety systems equipment, subsystems or systems, function together properly to meet performance requirements and design intent as shown in a composite manner in the Contract Documents.
- B. Commissioning Authority: The person or persons contracted by the Tenant to direct the commissioning process through appropriate contract channels and recommend project completion from the commissioning perspective.
- C. Systems: Group of components and equipment functioning as a unit or performing a common function. (IE: Chilled Water System: consisting of piping, valves, fittings, controls, chillers, expansion tanks, air relief, chemical treatment, pumps, etc.)
- D. Functional Testing: That full range of checks and tests carried out to determine if all components, sub-systems, systems, and interfaces between systems function in accordance with the contract documents. In this context, "function" includes all modes and sequences of control operation, all interlocks and conditional control responses, and all specified responses to abnormal emergency conditions.
- E. Acceptable Performance: A component or system shall meet specified design parameters and criteria under actual load conditions for duration of time as indicated within the functional test criteria as determined by technical specifications and manufacturer's literature.

### 1.03 COMMISSIONING TEAM

- A. The commissioning team shall consist of the Tenant's Contractor, Commissioning Agent, Adjusting and Balancing Engineer, and/or other Subcontractors, Manufacturers, and the Project Designers in accordance with their contractual arrangements with the Tenant. The Port's operating staff will be included during specific elements of the commissioning process. It is the intent that all members work together as a team to fulfill their contractual responsibilities and meet the objectives of the project design and make the project turnover and commissioning process seamless.

### 1.04 CONTRACTOR

- A. The Commissioning Plan will be prepared by the Tenant's Commissioning Agent with support from the Contractor and Project Manager, and will detail the implementation of the commissioning process. It shall include the requirements that each party involved in the commissioning process will have to accomplish, including sequence, acceptance criteria, scheduling, documentation requirements, and verification procedures.
- B. The Commissioning Plan shall include the following:
  - 1. Design & Contractor project team data and information

2. Detailed responsibilities, accountabilities and deliverables by each party within the commissioning process.
  3. System and equipment commissioning scope of work list.
  4. Detailed procedures for the test(s) to be performed by each party in the commissioning process as developed by the Commissioning Team for each listed piece of equipment and system.
  5. Sequence and schedule of procedures.
  6. Acceptance criteria.
  7. Other items as may be specified in Divisions 2 through 17.
- C. The Commissioning Plan procedures for performance tests and verification include, but are not limited to, the following:
1. Testing, adjusting, and balancing performance.
  2. Verification of all equipment and system performance.
  3. Verification of the performance of subsystems consisting of combinations of equipment (e.g. Terminal boxes, Controls and interconnecting piping).
  4. Verification of the performance of the automatic controls in all seasonal modes.
  5. Verification of the performance of the HVAC systems as a whole.
  6. Verification of the performance of all life safety devices (smoke control, fire alarm, etc.) and systems that interface with the HVAC systems.
  7. Operational testing shall also be a function of time or duration for each system or equipment as defined by the Engineer within the Commissioning Plan.
  8. Corrective action plan for all noted deficiencies identified by the Engineer, Design Engineer, TAB or others during their respective work within the commissioning process.
- D. The Contractor shall execute the testing procedures in accordance with the commissioning plan.
- E. A Contractor's representative shall be present during all commissioning activities performed by itself or one of its Subcontractors.
- F. The Contractor will schedule and execute the commissioning plan to the satisfaction of the Commissioning Authority.

#### 1.05 DUTIES OF THE CONTRACTOR

- A. Execute the commissioning plan through the operation of equipment and systems by their subcontractors.
- B. Shall be solely responsible for the operations, testing, and results during the commissioning process for systems and equipment to perform in accordance with the contract documents.
- C. Notify the Engineer in writing that equipment and systems are ready for commissioning.
- D. Include within the master schedule, commissioning activities and durations.
- E. Professionally maintain shop drawings, as-built drawings and system single-line schematics and diagrams for all systems that are installed and are to be included in the

O&M manuals and used during the commissioning process and training per Section 01730 - As Built Record Documents.

1.06 TESTING, ADJUSTING, AND BALANCING ENGINEER (TAB)

- A. The accepted TAB Engineer/Firm shall be qualified and perform Work in accordance with the mechanical specifications. .
- B. TAB Firm shall communicate through the Contractor to the Project Manager.

1.07 COMMISSIONING PHASING AND SEQUENCING

- A. The Contractor shall coordinate all phasing and/or sequencing requirements to integrate the commissioning plan activities and durations within the master schedule.

1.08 ACCEPTANCE PROCEDURES

- A. The Contractor shall execute the commissioning plan and verify that all commissioning activities have been completed and all activities have successfully met or exceeded the established acceptance criteria.
- B. The Contractor shall provide all acceptance test results and documentation to the Engineer for review and acceptance.

PART 2 PRODUCTS - Not Used

PART 3 PART 3 - EXECUTION

3.01 GENERAL

- A. Contractor shall operate equipment and systems, and conduct all tests in presence of the Engineer and/or a designated Port Representative(s) to demonstrate compliance with technical specifications.
  - 1. Testing shall be conducted under design operating conditions as defined within the specifications and in the commissioning plan and approved by the Engineer.
- B. All elements of systems shall be tested to demonstrate that total systems satisfy all requirements of the technical specifications. Testing shall be accomplished on hierarchical basis. Each piece of equipment will be tested for proper operation, followed by each subsystem, followed by entire system, followed by interfaces to other major systems.
- C. Contractor or their subcontractor shall provide all special testing materials and test equipment.

3.02 PRE-COMMISSIONING WORK

- A. Attend a commissioning scoping meeting and other meetings necessary to facilitate the commissioning process. One representative of the Contractor cognizant of respective aspects of their work shall attend commissioning meetings. Other trades shall attend the commissioning meetings when their portions of the work are being tested. The Owner's personnel will administer the meetings. Meeting location will be determined.
- B. Normal start-up services required to bring system into a fully operational state. This includes cleaning, filling, purging, leak testing, motor rotation check, control sequences of operation, full and part load performance, and similar conditions.
- C. Completion of controls installation, calibration, programming, and testing is critical for efficient and successful commissioning process.

3.03 PARTICIPATION IN COMMISSIONING

A. DESCRIPTION

1. Start up and test of systems shall be by skilled technicians. Make these same technicians available to assist the Owner's personnel in completing the commissioning process as it relates to each system and their technical specialty.
2. Coordinate work schedules, time required for commissioning, and similar conditions with the Owner's personnel. Ensure that qualified technicians are available and present during agreed upon schedules and for sufficient duration to complete necessary tests, adjustments, and problem resolutions.

B. System Issues and Discrepancies: Additional technician time and Owner's personnel time may be required to resolve issues and discrepancies. Make additional technician time available for subsequent commissioning periods until required system performance is obtained.

1. Complete corrective work to permit completion of commissioning process.
2. If deadlines pass without resolution of the problems, the Owner reserves right to obtain supplementary services and equipment to resolve problems. Costs incurred to solve problems in an expeditious manner will be the Contractor's responsibility.

End of Section
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PART 1 GENERAL

1.01 DESCRIPTION

- A. This section identifies the requirements for identifying and measuring work, change orders and applying for reimbursement payments.

1.02 REQUIRED SUBMITTALS

A. Preconstruction Submittals:

- 1. As a Preconstruction Submittal, Tenant shall submit the labor and equipment rates:
  - a. Submit for the Contractor and each subcontractor, a list of labor rates for each trade applicable to the scope of work to be performed. These submitted rates shall be broken down to include the base wage, fringes, FICA, SUCA, FUTA, industrial insurance and medical aid premiums. The rates shall not contain any travel time, safety, loss efficiency factors, overhead or profit. Rates shall be submitted for straight time, overtime and double time. Once the rates have been reviewed and accepted, they will become the basis for pricing labor in Change Order Work. Contractor shall provide proof of all labor rate costs as required by the Project Manager or Engineer including the submission of a copy of the most current Workers Compensation Rate Notice from Labor & Industries and a copy of the Unemployment Insurance Tax Rate notice from the Employment Security Department. If labor rates change during the course of the project the Contractor may submit new rates for acceptance.
  - b. Submit for the Contractor and each subcontractor, a list of equipment and rates applicable to the scope of work to be performed. The equipment rates shall conform to the rates shown in the current Rental Rate Blue Book as modified by AGCWSDOT Equipment Rental Agreement as stated in the General Conditions. In the event a specific piece of equipment does not appear or is applicable to the Rental Rate Blue Book as modified by the AGCWSDOT Rental Rate Agreement specified rate, a rate shall be developed based on the terms of the Rental Rate Blue Book criteria. Once these rates are reviewed and accepted, they shall be used as the basis for pricing Change Order work.
  - c. No change orders will be processed for the Contractor or subcontractor until the respective labor and equipment rates have been submitted and accepted.

B. Applications for Reimbursement:

- 1. For each application for payment, the Tenant shall submit the following:
  - a. Completed "Application for Reimbursement" on form as required by the Tenant Reimbursement Agreement or as established by the Project Manager or Engineer.
  - b. Schedule and narrative update as required by the Tenant Reimbursement Agreement.
  - c. Certification that as-built drawings are current per Section 01770 - Project Closeout.

C. Final Reimbursement Payment:

1. For reimbursement, the Tenant shall submit the following:
  - a. Completed "Application for Payment" on form as required by the Tenant Reimbursement Agreement or as established by the Project Manager or Engineer showing the Work 100% complete.

### 1.03 NOTICE OF EVENTS AND CHANGE ORDERS

- A. The Tenant must ensure that the Contractor provides, as set forth in this paragraph, a timely Notice of Event if the Contractor encounters, experiences, or suffers any Event during the course of Project. If the Contractor fails to satisfy these requirements, the Tenant shall be deemed to have waived all right to submit any Request for Change Order to the Port arising from or related to the Event, to make any Claim against the Port arising from or related to the Event or to pursue any other recovery of any kind arising from or related to the Event.
- B. Notice of Event. The Contractor shall provide the Engineer with a written Notice of Event no later than three calendar (3) days after the occurrence of the Event giving rise to a potential Request for Change Order. The Contractor shall include the following information in the Notice of Event:
  1. A description of the Event and when it occurred;
  2. Reasonable order of magnitude estimate of the change to the Contract Sum whether to execute the changed work itself or due to the cost of any Impact to Unchanged Work;
  3. Grounds demonstrating why the Event is the wholly or partially Port's responsibility, including any applicable Agreement provisions.
- C. In the event that Contractor is submitting a Notice of Event claimed by any Subcontractor, Sub-subcontractor, or Supplier, Contractor shall specifically review the Notice of Event provided by the Subcontractor, Sub-subcontractor, or Supplier to ensure that it fully complies with the requirements of this Paragraph.
- D. Request for Change Order. Within twenty calendar (20) days after the Event giving rise to the Notice of Event, unless the Project Manager or Engineer issues written notice authorizing the Contractor additional time to submit the Request for Change Order, the Contractor shall provide, in writing, a detailed Request for Change Order. The Request for a Change Order shall include:
  1. A full discussion of the circumstances which caused the Event, including names of persons involved, time, duration and nature of the Work involved, and review of the Contract Documents to support the Request for Change Order;
  2. Specific dollar amount covering all costs, direct and indirect (including costs due to any Impact to Unchanged Work) associated with the Request for Change Order and
  3. All documentation supporting the Request for a Change Order, including but not limited to all cost records.
- E. In the event that Contractor is submitting a Request for Change claimed by any Subcontractor, Sub-subcontractor, or Supplier, Contractor shall specifically review the Request for Change provided by the Subcontractor, Sub-Subcontractor, or Supplier to ensure that it fully complies with the requirements of this Paragraph. This review shall specifically include, but not be limited to, the appropriate calculation of markups.



- F. Port's Response to Contractor's Request for Change Order. The Port will make a written determination with respect to the Contractor's Request for Change Order within fourteen calendar (14) days of receipt of said Request, unless one of the following activities occurs:
1. The Port may request additional information and specify a time period for receipt of the information. The Contractor shall comply with the Port's request for additional information.
  2. The Port may inform the Contractor that additional time is needed to review the Contractor's Request for Change Order and identify a date certain when a decision will be rendered.
  3. If the Port requests additional information, the Port will make a written determination within fourteen calendar (14) days receipt of Contractor's additional information.
- G. Change Order markups on labor, materials, or equipment shall be determined as follows in reference to the attached Table of Cost Categories and Markups :
1. The entity that performs the work shall be reimbursed a markup in an amount equal to twenty percent (20%) of the sum of the Direct Cost.
  2. The Contractor shall also be reimbursed an amount equal to seven percent (7%) of the total Subcontractor amount for all costs associated with the subcontracted work; provided, however, in the event the subcontracted Work requires the Contractor, by virtue of where (e.g. separate, distant Project site) or when (e.g. at night when otherwise only day-shift work is being performed or after Substantial Completion) it is performed, requires the Contractor to mobilize significant, additional supervision or equipment not otherwise regularly present on the Project, the Port may consider requests for additional Contractor compensation.
  3. Subcontractor on Subcontractor markup of five percent (5%) on the respective subcontracted work will be allowed up to two tiers of subcontractor work only. If more than two tiers of subcontractors are involved, the Contractor will allocate the available markup (two tiers at five percent (5%) each) but the Port will not pay more than the two tiers.

#### 1.04 PREPARATION OF APPLICATIONS FOR REIMBURSEMENT

- A. All required information on the forms shall be legible.
- B. Execute certification of signature of authorized officer.
- C. Identify percentage complete for each item on the accepted Schedule of Values.
- D. List each authorized Change Order, listing Change Order number and dollar amount as for an original item of Work.
- E. A letter certifying payment to subcontractors as required by the Tenant Reimbursement Agreement.

#### 1.05 SUBSTANTIATING DATA

- A. When the Port requires substantiating information, submit data within seven (7) days of request justifying line item amounts in question.

End of Section
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**TENANT REIMBURSEMENT AGREEMENT**  
**Appendix 1: Section 01200 - Measurement and Payment Procedures**

Labor	Direct Costs			20% Entity that performs Work	7% Contractor on Sub	5% Sub on Sub two tiers max
	Material	Equipment	Other			
All Craft	Scope Changes	Large Equipment and Large Tools	Added Shop Drawings	As-Built Drawings Project Staff	GC Management of Sub	Management of Sub
Working Foremen (Not in OH)	Special Warranties	Rental Equipment	Reproduction	Foreman (Non-Working) Supervisor/Superintendent	Supervision	Supervision
Working General Foremen (not in OH)	Freight	Temporary Fence	Dump Fees	Administration	Home Office Overhead	Home Office Overhead
Labor Burden	Special Clothing	Barricades	Design	Project Manager	Field Office Overhead	Field Office Overhead
Field Engineering Layout / Surveying	Testing	Walkways		Project Engineer (unless Design)	Profit	Profit
Clean Up (not in rates /Hrs or OH)	Signs	Dumpsters		Estimating	Administration Cost	Administration Cost
Traffic Control (not in OH)	Access Roads	Safety Equipment (not PPE)		Contract Administration	B&O Tax	B&O Tax
Escalation		Temporary Heat		Office Engineering	Insurance	Insurance
Overtime Premium		Temporary Light		General Foreman (portion not in directs)	Bond	Bond
		Temporary Power			Incidentals	Incidentals
		Pumping			General Conditions	General Conditions
		Hoisting			Fee	Fee
				Small Tools and Equipment	General & administrative	General & administrative
				Insurance	Vehicles	Vehicles
				Home Office Overhead	Safety	Safety
				Field Office Overhead	Coordination drawings	Coordination drawings
				Bond		
				Profit		
				Permit		
				B&O Tax		
				Warranty (unless special)		
				Schedule Updates		
				Personal Safety Gear (PPE)		
				Transportation		
				Badging and keys		
				Consumables		
				Incidentals		
				General Conditions		
				Fee		
				General & administrative		
				Red lines		
				Vehicles for Project Staff		
				Safety		
				PLA		
				Coordination drawings		
<b>OH = Overhead</b>						

NOTE: The above is the total markups allowed. It shall be the responsibility of the Contractor for determining with its Subcontractors, the allocation of the overall markup amounts.