PORT OF SEATTLE MEMORANDUM

COMMISSION AGENDA ACTION ITEM

Item No.6cDate of MeetingDecember 8, 2015

DATE: December 2, 2015

TO: Ted Fick, Chief Executive Officer

FROM: Ralph Graves, Managing Director Capital Development Division

David Brush, IAF Program Leader

George England, NSTAR Program Leader

SUBJECT: International Arrivals Facility (IAF) Guaranteed Maximum Price (GMP)

Development Period Authorization

(CIP #C800583)

North Satellite Renovation & North Satellite Transit Station Lobbies

Project (NSAT) (CIP #C800556)

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to take the following actions to advance two significant capital projects at Seattle-Tacoma International Airport (Sea-Tac), the details of which are described in Attachments A and B for:

- 1) Increasing project authorizations, and execute contract amendments and change orders to; Clark/SOM in the amount of \$275.5 million for the IAF and Hensel Phelps General Contractor/Construction Management (GC/CM) in the amount of \$98.1 million for the NSAT, for a total of \$373.6 million additional authorization for the two projects.
- 2) Execute a contract for project specific construction audit services for the term of each project.
- 3) Amend the previous Commission Authorization for the IAF validation contract not-to-exceed to include sales tax for the estimated amount of \$570,000.

INTRODUCTION

Sea-Tac is experiencing record growth driven both by one of the fastest growing regional economies, the draw of the Seattle Tacoma metropolitan area, and by domestic and international airline service successes. This has resulted in a shortage of aircraft gates and existing facilities that cannot accommodate the demands of customers and passengers. Additionally, both the North Satellite and the South Satellite, which houses the existing Federal Inspection Services (FIS) for processing arriving international passengers, were

COMMISSION AGENDA

Ted Fick, Chief Executive Officer December 2, 2015 Page 2 of 2

constructed in the early 1970's and have not had any significant renovations made since their opening. These facilities are in desperate need of modernization and expansion to respond to airport-wide growth, and to provide world class facilities for our customers and passengers. To sustain Sea-Tac's competitive advantage and succeed within the national market place for airports, as laid out in the Century Agenda, the airport must modernize and expand its aging facilities. The IAF and NSAT projects are critical to achieving this.

This request allows these two critical projects to continue proceeding forward and to respond to the fast changing dynamics of the airport, meet the needs of multiple airlines and make a deliberate and significant step to improving Sea-Tac's capacity, customer level of service and competitive ranking among peer airports. Specific details, requirements, and supporting information for the requested actions are presented in Attachment A for the IAF project and Attachment B for the NSAT project.