



**COMMISSION
AGENDA MEMORANDUM**

Item No. 7a

BRIEFING ITEM

Date of Meeting January 24, 2017

DATE: January 6, 2017

TO: Ted Fick, Chief Executive Officer

FROM: George England, Program Leader, Aviation Project Management Group
Michael Ehl, Director, Aviation Operations
Jeffrey Brown, Director, Aviation Facilities and Capital Programs

SUBJECT: 2016 Q4 NorthSTAR Program and North Satellite Project Briefing

EXECUTIVE SUMMARY

The North Sea-Tac Airport Renovation (NorthSTAR) Program is a collaborative effort of the Port and Alaska Airlines (AS) to improve traveler experience and customer service. The North Satellite (NSAT) Renovation and Expansion project is the largest segment of the NorthSTAR Program. This component project addresses the expansion of the North Satellite from 12 to 20 contact gates, modernization of the existing North Satellite facility including North Satellite and Concourse C Satellite Transit Stations, and expansion of the baggage system to accommodate the satellite expansion.

This presentation details the progress made over the past quarter on these projects.

1. CIP C800544 NorthSTAR Program Management & Controls

This umbrella project is comprised of cost estimating, cost controls, scheduling and overall management support for the four capital renovation projects within the NorthSTAR program.

Accomplishments

- Decision made to transfer Main Terminal Improvements (MTI) project from the NorthSTAR program to Planning

Progress

- Updated overall program master schedule to remove MTI & update NSAT project schedule in design/construction

Issues

- Maintaining project scope and budget as directed by Commission on Sept 14th, 2016

Risks

- Communication and coordination between multiple teams, stakeholders and people

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- Maintain baseline scope and schedule as agreed to by all stakeholders
- Future design change requests could have budget and schedule implication
- AS may delay concurrence or Port/AS may choose to proceed without concurrence

Metrics

	Actual	Budget /Planned
Cumulative Spent Against Budget	\$4.1 M	\$19.5 M
Overall Schedule Progress	51%	51%
Cashflow for Reporting Period (Q3 2016)	\$150 k	\$160 k
Contingency Remaining (inclusive of Management Reserve)	\$9.4 M	\$0.94 M
Small Contractor Supplier (SCS)	26.8%	27.0%

M = million; k = thousand

2. CIP C800556 NorthSTAR NSAT Renovation & North Satellite Transit System Lobbies

This project includes the modernization of NSAT and the satellite transit system (STS) lobbies at Concourse C and North Satellite including infrastructure and seismic reinforcement, the expansion of the NSAT to 20 contact gates and expansion of the baggage handling system to improve customer service, provide a balance of holdrooms, concessions and circulation space to meet the overall program vision.

Accomplishments

Preliminary Work

- Installed time-elapsd cameras to record NSAT construction
- Successfully completed all preliminary work gate relocations, including N12 ground board gates
- Temporary wall construction, graphics & project monitors installed
- Emergency generator cabinet relocated
- Successfully completed 100 shut downs to date

Base Building

- Received 90% Base Building Design Documents
- Finalized schedule of major activities to complete & authorize final MACC (Maximum Allowable Construction Cost)
- Completed reviews of emergency generator and baggage expansions in preparation for 90% design
- Three FAA Construction Authorization Airspace applications submitted for review: 1) revised base building, 2) drill rig & crane, and 3) jet bridge relocations
- NEPA updated to include Taxiway A/B/L/Q scope

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- Decision to transfer NSAT Taxiway A scope, authorization and budget to 2018 Airfield Taxiway A/B/L/Q project
- Held second regular dispute resolution board meeting and agreed to standard operating procedures

Progress

Preliminary Work

- Delayed PWP #2 bid opening for Vertical Circulation package due to the limited response from interested bidders
- Conducting lessons learned on gate activations to apply during Phase I construction

Base Building

- Continuing refining of and monitoring progress on critical path schedule to complete and authorize final MACC
- Reviewing base building 90% design submittal and 30+ draft bid packages
- Refining construction schedule, bid package scope of work, final cost and Engineers estimates, and construction phasing in finalizing the MACC
- Final Contract MACC amendment language being drafted
- Met with procurement team on Procurement Excellence implications to project
- Begin transfer of Taxiway A Improvements scope to Airfield team

Metrics

	Actual	Budget /Planned
Cumulative Spent Against Budget	\$45.4 M	\$538.1 M*
Overall Schedule Progress	8%	10%
Cashflow for Reporting Period (Q4 2016)	\$11.9 M	\$11.5 M
Contingency Remaining	\$28.5 M	\$38.5 M
Small Contractor Supplier (SCS) Design	2.3%	3.3%
SBE Participation (Construction)	26.4% ¹	16.0%
SCS Participation (Construction)	4.6% ¹	5.5%
WMBE Participation (Construction)	4.1% ¹	3.6%
Apprenticeship Utilization	17.5% ¹	15.0%
Minority Utilization (% of apprenticeship)	38.73% ¹	15.0%
Women Utilization (% of apprenticeship)	19.0% ¹	10.0%
Preferred Entry Apprentices	No Data ²	1 in 5

¹ Represents participation for PWP #1 effort only

² No Information available yet – Too early to report

* Does not reflect pending scope/budget transfers

M = million

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Issues

Preliminary Work

- Signage updates and holdroom gate counter overhead task lighting replacement delayed by abatement work scope (PWP #1)
- Revising constructed ground board walkway to provide improved passenger experience, customer service, wayfinding and weather protection

Base Building

- Continue discussing with AS a letter revising final concurrence points for base building from original Letter of Understanding
- Continuing alternatives investigation on Phase II ground board operations to eliminate potential need for a temporary ramp level holdroom facility
- Continue interior project phasing transition investigations to ensure balanced gate capacity with reasonable customer level of service during construction
- Coordinating NSAT gate activation requirements with additional Taxiway A/B/L/Q improvements to mitigate FAA runway incursion concerns
- Final definition and agreement continues for AS cost sharing items
- Working with GCCM on schedule improvements to maintain agreed upon project substantial completion date (currently April 2021)

Risks

Preliminary Work

- Weatherproofing improvements to ground board walkway may require temporary closures
- Potential cost increases on remaining PWP #2 bid items (vertical conveyance) due to strong local construction market conditions

Base Building

- Budget growth due to bid results during the strong local construction market, limited resource availability and lack of interest
- Cost and schedule impacts of needed terminal/airside modifications to transition from Phase I to Phase II construction to minimize impacts to level of service and operations
- Accommodating further Port/AS scope changes or detailed analysis that potentially impacts design and construction schedule
- Impacts accommodating the number of operating gates (12 vs 14) in Phase II
- Resolution of open issues that impact final design and construction
- Complying with FAA Passenger Facility Charges submission requirements
- Schedule impacts due to delayed bidding, final MACC negotiations & Commission approval

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- FAA approvals for two NSAT Construction Authorization applications and taxilane intersection realignment that mitigates potential runway incursions and meets Aircraft Movement Area (AMA) wingtip separation requirements
- AS concurrence and continued collaboration with tenant

3. CIP 800547 NorthSTAR Concourse C Vertical Circulation – Complete

4. CIP C800555 NorthSTAR Refurbish Baggage System – Complete

5. CIP C800545 NorthSTAR Main Terminal Improvement – Removed

6. CIP C800554 NorthSTAR Concourse C&D Exterior Stairs - Deleted

ATTACHMENTS TO THIS BRIEFING

- (1) Attachment A: Quarterly Commission Update PowerPoint

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

North Sea-Tac Airport Renovations (NorthSTAR) (CIP #C800544)

September 13, 2016 – Request Commission authorization for the Chief Executive Officer to (1) increase the North Satellite Renovation & North Satellite Transit Station Lobbies (NSAT) project scope and budget; (2) increase authorization for project design; (3) amend design service agreement with URS that exceeds 50% of the value of the original contract; and (4) increase authorization for Preliminary Work Package #2 (PWP #2) construction.

August 9, 2016 – NorthSTAR Program Status Update

May 24, 2016 – Commission authorized Chief Executive Officer to 1) increase the North Satellite project scope and budget; 2) increase authorization for NSAT design and overall project support; 3) amend service agreements with Jacobs Project Management Company and AECOM; and 4) authorize the use of port crews and small works contactors to perform work for the project.

February 23, 2016 – NorthSTAR Program status update

November 24, 2015 – NorthSTAR Program status update

July 14, 2015 – NorthSTAR Program status update

April 28, 2015 – NorthSTAR Program status update

January 27, 2015 – NorthSTAR Program status update

October 28, 2014 - NorthSTAR Program status update.

August 19, 2014 - NorthSTAR Program status update.

May 27, 2014 – NorthSTAR Program status update.

January 14, 2014 – NorthSTAR Program status update.

September 24, 2013 – NorthSTAR Program status update.

June 25, 2013 –NorthSTAR Program status update.

April 9, 2013 – The Commission authorized the Chief Executive Officer to enter into a project labor agreement covering the NorthSTAR program’s five major construction projects.

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March 26, 2013 –NorthSTAR Program status update.

June 26, 2012 – The Commission received a briefing on the status of the Airline Realignment Program and budget restructuring in association with the NorthSTAR Program.

April 10 2012 – Authorizations for the North Sea-Tac Airport Renovations program for: 1) preliminary project funding; 2) execution of consulting contracts for design/construction support services and project management services; and 3) use of Port crews and consultants to conduct regulated materials management surveys and field support services for preliminary project planning tasks.

North Satellite Renovation & North Satellite Transit Station Lobbies (CIP #C800556)

September 13, 2016 – The Commission authorized four NSAT related items:

the increase of project scope and budget (capital) by \$7,000,000 for the revised third floor layout to better accommodate the signature restaurant, provide 3,000 additional square feet of future airport related leasable space, and increase AS premium traveler lounge as requested by 4,850 square feet

Increase authorization by \$1,000,000 for project design.

Amend design service agreements with AECOM that exceed 50% value of the original contract.

Increase authorization by \$30,000,000 to accommodate Preliminary Work Package #2 construction.

May 24, 2016 - The Commission authorized four NSAT related items:

Increase of project scope and budget (capital and expense) by \$121,219,098 for 30% & 60% design scope additions and risk contingencies

Increased authorization of \$11,000,000 for continued NorthSTAR Program/Project Management services and NSAT design and overall project support.

Amend service agreements with Jacobs Project Management Co. and AECOM.

Authorize the use of port crews and small works contractors.

December 8, 2015 – The Commission authorized \$98,100,000 for the following:

Additional Pre-Construction services (\$1,200,000)

Construction auditing services

Preliminary Construction work

March 24, 2015 – The Commission authorized three NSAT related items:

Expand the baggage handling system increasing the project scope for \$14,400,000 and \$1,954,000 to complete the design.

Entering into a developer agreement with Puget Sound Energy and \$200,000 in reimbursement for the design and construction of underground gas infrastructure.

\$5,300,000 to Prepare four locations to accommodate temporary passenger loading bridges, to construct temporary construction offices; To complete construction of a Satellite Transit System (STS) North loop Dynamic Display system; \$600,000 in expense funds for regulated materials management for AS's tenant improvement project; and Approval to use Port crew labor and small works contractors to complete early project work.

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August 5, 2014 – The Commission authorized expansion of the NSAT, \$191,323,143 budget increase, \$15,717,800 to complete the design, execute amendments to existing consulting contracts; execute future consulting contracts and use of and to advertise for General Contractor/Construction Manager (GC/CM) alternative public works contractor.

July 22, 2014 - NSAT Expansion Briefing

April 22, 2014 – Seattle-Tacoma International Airport Capital Program - Briefing

January 14, 2014 –NSAT expansion briefing.

May 28, 2013, Commission authorized the execution of separate service agreements for Construction Management Services and Commissioning Services, of approximate values of \$10 million and \$1.5 million.

December 11, 2012 – The Commission was briefed on the Vertical Conveyance Modernization Project Aero Phases 1 and 2 and the possibility of adding the specified elevators and escalators to the NorthSTAR program.

July 24, 2012 - Commission authorized \$32,000,000 for the design of the NorthSTAR NSAT Renovation and NSTS Lobbies project.

April 10, 2012 - The Commission authorized the execution of consultant contracts for design and construction support services; program management services; and the completion of site surveys for regulated materials management, for \$1,200,000.

NorthSTAR Concourse C Vertical Circulation Project (CIP #C800547)

October 22, 2013 – Commission authorized \$16,145,000 for advertising for bids, executing a major construction contract, executing a tenant reimbursement agreement with AS, using Port crews to provide construction services for the Concourse C Vertical Circulation.

November 6, 2012 – Commission authorized the design for the 1:20 sloped walkways and elevator(s) at Gates C2, C10-12, and C14 on Concourse C.

NorthSTAR North Main Terminal Improvements Project (CIP #C800545)

December 3, 2013 – Commission authorized \$1,500,000 for preliminary engineering up to 30% design.

North Satellite Refurbish Baggage System Project (CIP#C800555)

September 24, 2013 – The Commission authorized staff to: (1) advertise, award, and execute a major public works contract for the construction of the North Satellite Refurbish Baggage System Project; and (2) authorize the use of Port crews.

July 12, 2013 – The Commission was notified of 1 added scope item and 2 scope items moved into the scope previously identified as suggested scope.

November 6, 2012 – The Commission authorized staff to prepare design documents and use Port crews to support site investigation needed to develop the contract documents, for \$3,760,000.