



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6d

ACTION ITEM

Date of Meeting October 9, 2018

DATE: September 7, 2018

TO: Stephen P. Metruck, Executive Director

FROM: Michael Ehl, Director Airport Operations
Wayne Grotheer, Director Aviation Project Management Group

SUBJECT: North Employee Parking Lot (NEPL) Improvement Project (CIP #C800957) - Phase 1 Design and Construction

Amount of this request: \$570,000

Total estimated project cost: \$615,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) prepare design and construction bid documents; and (2) advertise and award a major public works contract for Phase 1 of the North Employee Parking Lot (NEPL) Improvements project at Seattle-Tacoma International Airport. This request is for both design and construction and is for an amount of \$570,000 for a total Phase 1 estimated project cost of \$615,000.

EXECUTIVE SUMMARY

This project will improve basic lot operations and address pavement and infrastructure rehabilitation. The project will be delivered in two phases. Phase 1 will upgrade existing facilities and systems to meet standards and support existing operations and customer service objectives. This includes upgrades to the existing bus driver and supervisor facilities, a minor rehabilitation of the bus shelter restrooms, replacing an inoperable entry gate, updating the facility monument sign, upgrading the customer service intercom, and adding additional electric vehicle charging stations. Design and construction funding are being requested concurrently to accelerate delivery of these needed Phase 1 improvements. Phase 2 will be pursued as a separate effort to rehabilitate or replace failing areas of pavement, seal coat and restripe the entire lot, and replace the sub-grade water and sanitary sewer piping within NEPL. Phase 2 is not included with this request.

This project was included in the 2018 - 2022 capital budget and plan of finance with a budget of \$6.635 million.

JUSTIFICATION

This project supports the following Century Agenda strategic goals and objectives:

Meeting Date: October 9, 2018

- 1) Advance this region as a leading tourism destination and business gateway by meeting the region’s air transportation needs at the Airport for the next 25 years.
- 2) Be the greenest and most energy efficient port in North America by reducing air pollutants and carbon emissions.
- 3) Supports the Port’s Diversity in Contracting (DC) program efforts and will include WMBE aspirational goals associated with this project.

The NEPL supports the employee parking needs for Airport employees and is in need of targeted renovation and updates since it is 20 years old. The lot is effectively operating at 96% capacity on a daily basis. Updating this facility and expanding electric vehicle parking will support the Century agenda strategies and objectives.

DETAILS

Phase 1 of the NEPL Improvements project will address several operational requirements that have arisen as lot use has reached capacity. Additional bus runs to address the heightened use have led to more Port bus drivers operating through the lot, requiring an operations supervisor to be on site to oversee busing activities. Restroom facilities have been well maintained, but fixtures and counters are showing signs of heavy use and wear. Emergency vehicle and bus access is reduced because one of the three access gates is no longer operational and is currently wired closed. The current intercom system only runs to the guard shack, which is not always manned, and needs to be extended to the bus supervisor’s work station so that customer service can be improved. NEPL currently operates eight electric vehicle charging stations, and this project would add two more to locations that were pre-wired for them. The facility monument sign at the front gate does not have the facility address on it, as required by fire code, and needs to be updated.

This request includes both design and construction for Phase 1. Phase 2 is not included with this request but staff expects to return to Commission for Phase 2 authorization in Q2 2019. The scope and budget for the Phase 2 portion of the project are currently undergoing a detailed review.

Scope of Work

The first phase of the NEPL Improvements project would:

- (1) Remodel bus shelter restrooms to maintain public health and improve the customer experience
- (2) Update entry monument sign would meet fire code requirements; a life safety issue
- (3) Construct permanent driver and supervisor break, office, and meeting rooms for better employee relations and efficiency
- (4) Install two electric vehicle chargers to meet increased charging station demand

Meeting Date: October 9, 2018

- (5) Replace the existing intercom connection to improve customer service and safety by allowing both employee bus supervisors and guard shack personnel to respond to queries

Schedule

Design start	2018 Quarter 4
Construction start	2019 Quarter 3
In-use date	2020 Quarter 2

Cost Breakdown	This Request	Total Project
Design	\$142,000	\$456,000
Construction	\$428,000	\$6,179,000
Total	\$570,000	\$6,635,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Status Quo – No upgrades or improvements will be made

Cost Implications: \$0

Pros:

- (1) No additional cost to the Port with no upgrades or improvements being completed

Cons:

- (1) Employee parking will continue to operate with failing and outdated facilities and systems that do not meet standards or support customer service objectives.
- (2) Electric vehicle charging capacity at NEPL is not meeting demand and additional chargers are needed

This is not the recommended alternative.

Alternative 2 – Construct the entire project in one phase

Cost Implications: Up to \$9,109,000

Pros:

- (1) Employee parking will utilize upgraded facilities and systems that meet standards and support their operations and customer service objectives
- (2) Completes both phases of work as one construction effort likely resulting in a lower overall project cost
- (3) Installs two electric vehicle chargers to meet increased charging station demand

Meeting Date: October 9, 2018

Cons:

- (1) Delays completion of the Phase 1 improvements impacting employee productivity and customer service in a highly utilized facility
- (2) Could limit the opportunity for smaller designers and construction firms to bid on the project
- (3) Project scope for the Phase 2 improvements are still in flux, which could lead to further delays for the Phase 1 improvements

This is not the recommended alternative.

Alternative 3 – Reduced facility upgrades and improvements

Cost Implications: \$615,000 for Phase 1, up to \$8,494,000 for Phase 2

Pros:

- (1) Phase 1 improvements are completed quicker improving employee productivity and customer service at a highly utilized facility.
- (2) Employee parking will utilize upgraded facilities and systems that meet standards and support their operations and customer service objectives.
- (3) Installs two electric vehicle chargers to meet increased charging station demand

Cons:

- (1) Project is completed in phases which will likely increase the overall project cost

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate – Phase 1	\$615,000	\$0	\$615,000
Original estimate – Phase 2	\$6,020,000	\$0	\$6,020,000
AUTHORIZATION			
Previous authorizations	\$45,000	\$0	\$45,000
Current request for authorization	\$570,000	\$0	\$570,000
Total authorizations, including this request	\$615,000	\$0	\$615,000
Remaining amount to be authorized for Phase 2	\$6,020,000	\$0	\$6,020,000

Annual Budget Status and Source of Funds

This project (CIP #C800957) was included in the 2018 – 2022 capital budget and plan of finance as a business plan prospective project with a total budget of \$6,635,000 that includes both Phase 1 and Phase 2 as originally scoped. The capital costs will be recovered through the

Meeting Date: October 9, 2018

Employee Parking rate setting. The funding source for this project will be the Airport Development Fund and future revenue bonds.

Financial Analysis and Summary

Project cost for analysis	\$615,000
Business Unit (BU)	Employee Parking
Effect on business performance (NOI after depreciation)	Assuming the capital costs are fully recovered from parking fees, NOI after depreciation will increase.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

Employee parking operates on a cost recovery basis. Costs for these improvements will be borne by users of this facility through the monthly parking fee. The operational and maintenance costs for the NEPL facility are not anticipated to change as a result of this project.

ATTACHMENTS TO THIS REQUEST

Attachment A – Site Map

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None