



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6c

ACTION ITEM

Date of Meeting February 25, 2020

DATE: February 14, 2020

TO: Stephen P. Metruck, Executive Director

FROM: Dwight Rives, Director Port Construction Services
Wayne Grotheer, Director Aviation Project Management Group

SUBJECT: Air Cargo 5 (AC-5) Ground Boarding Facility, Additional Funding Ratification to Close-out the project (CIP #C801089)

Amount of this request: \$25,000

Total estimated project cost: \$575,000

ACTION REQUESTED

Request Commission ratification and authorization of the additional expenditure of \$25,000 needed to close out the Air Cargo 5 Ground Boarding Facility project at Seattle-Tacoma International Airport for a total revised authorization of \$575,000.

EXECUTIVE SUMMARY

This action requests additional funds to complete closeout for a pre-fabricated building with a restroom and breakroom for 15-20 employees. This project serves two purposes; first to support mitigation of North Satellite (NSAT) construction impacts to Alaska operations and second to accommodate increased use of Air Cargo area five (AC-5) hardstand for multiple airline ground board operations.

JUSTIFICATION

The project is complete and operating. An added \$25,000 expenditure was necessary for changes near the end of the project and to close-out the project. The modest increase was necessary because of varying site conditions and code compliance discovered during construction.

DETAILS

The project was executed as a separate CIP under the umbrella of the NorthSTAR program managed by the NSAT project management team. The pre-fabricated trailer was procured using a Port accessible, existing state contract, placed and with utilities tie-in work completed by Port Construction Services (PCS) with design support from an existing consulting design contract. In April 2019, the Port initiated a project to install a pre-fabricated trailer at the AC-5 Ground Boarding Facility. Roles and responsibilities for the project were established as follows:

Meeting Date: February 25, 2020

Aviation Project Management Group

- (1) Manage the project.
- (2) Procure the trailer using a Port accessible, existing state contract.
- (3) Prepare design documents using an existing contract.
- (4) Provide an approved building permit.
- (5) Coordinate and schedule the work.

Port Construction Services

- (1) Excavate and connection to existing underground site utilities (i.e., domestic water, sanitary sewer, fire sprinkler).
- (2) Provide escort services during trailer delivery and placement.
- (3) Install electrical power and telecommunications utilities.

Project design was completed on July 12, the building permit was approved on August 15, and construction started on September 12, 2019. During construction, several additional scope items were identified whose total cost exceeded the contingencies included in the budget PCS established.

Completing the project resulted in a project cost overrun of \$25,000.

Diversity in Contracting

Not applicable to this request; all work is complete.

Scope of Work

Increase the authorization by \$25,000 (\$25,000 capital and \$0 expense) to close out the project for a total authorization of \$575,000.

Schedule

The construction has been completed and the project is in close out.

Activity

Commission design authorization	N/A
Design start	N/A
Commission construction authorization	2019 Quarter 2
Construction start	2019 Quarter 3
In-use date	2019 Quarter 4

Cost Breakdown

	This Request	Total Project
Design	\$0	\$50,000
Construction	\$25,000	\$525,000
Total	\$25,000	\$575,000

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$550,000	\$0	\$550,000
Current change	\$25,000	0	\$25,000
Revised estimate	\$575,000	0	\$575,000
AUTHORIZATION			
Previous authorizations	\$550,000	0	\$550,000
Current request for authorization	\$25,000	0	\$25,000
Total authorizations, including this request	\$575,000	\$0	\$575,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

The Air Cargo 5 Ground Board Facility (CIP #C801089) was included in the 2020-2024 capital budget and plan of finance with a budget of \$550,000 (expected completion in 2019). The budget increase was transferred from the Aeronautical Reserve CIP (#C800753) resulting in no net change to the Aviation capital budget. The funding source will be Airport Development Fund.

Financial Analysis and Summary

Project cost for analysis	\$575,000
Business Unit (BU)	Airfield Apron Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	Less than \$0.01 in 2020

Future Revenues and Expenses (Total cost of ownership)

This facility completes the ground boarding operational set-up that was first considered and committed to with the construction of the Concourse D Annex last year. The Port will incur ongoing costs for regular janitorial, maintenance, and utility service of the trailer.

ATTACHMENTS TO THIS REQUEST

N/A

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 23, 2019 – The Commission authorized \$500,000 for design and construction