



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 6j

**ACTION ITEM**

**Date of Meeting** July 14, 2020

**DATE:** June 2, 2020

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Tina Soike – Director Engineering Services  
Janice Zahn – Assistant Director Engineering  
Chris Sherwood – Construction Manager

**SUBJECT:** Baggage Optimization Phase 2 – Special Testing and Inspection Services

**Amount of this request:** \$0  
**Total estimated project cost  
for Phase 2:** \$425,675,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute one project specific consulting agreement for services related to special testing and inspection on the Baggage Optimization Project Phase 2. The estimated amount is \$450,000 over a 4-year period or the life of the project.

**EXECUTIVE SUMMARY**

As a condition of construction permits, Building Officials require independent special inspections in addition to the inspections performed by the Port’s Construction Management inspectors or the contractors. Special inspection agencies evaluate components of construction that are critical to the safety of the structure and site stability. The project owner selects and pays the special inspection agencies; however, the special inspection agencies provide inspection information and final documentation of compliance with special inspection requirements to the Building Official. Special Inspection agencies are typically required to be independent, third party entities.

**JUSTIFICATION**

The Baggage Optimization Phase 2 project has been estimated to require approximately 5000 - special testing and inspection hours, over the 4-year duration of this construction contract. The current Construction Management Special Testing and Inspection Contracts do not have sufficient capacity to provide the services required for this contract and our other anticipated construction projects. A project specific agreement will give the project the budget capacity and

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provide flexibility should additional testing be required once work begins or the contract completes later than the original 4-year duration.

***Diversity in Contracting***

We are working with the Diversity in Contracting Department to determine if Women and Minority Business Enterprises (WMBE) goals are feasible for this project.

**DETAILS**

The purpose of this project is to optimize the Baggage Handling System (BHS) and achieve the maximum outbound baggage capacity within the current airport footprint.

When complete, this project will have achieved the following outcomes:

- Increased outbound system capacity up to 60 million annual passengers (MAP);
- Increased system reliability, redundancy, and security;
- Flexibility in airline ticket counter use and related gate assignments;
- Reduced minimum connect-times where possible; and
- Long term energy savings.

***Scope of Work***

Over the next 4 years the Baggage Optimization Phase 2 project will require special testing and inspection services for an estimated contract value of \$450,000. To support the special testing and inspection on this project, a request for proposal (RFP) would be issued to execute one (1) project specific contract to provide special testing and inspection services. Types of testing may include:

- Welding/Structural Steel
- Concrete Compression
- Masonry
- Asphalt
- Fireproofing

The RFP may include goals for WMBE participation. The contract duration will be four (4) years to cover the length of construction. The actual contract duration may extend beyond four years in order to complete the work identified in scope of work.

***Schedule***

*Activity*

Phase 2 contract award	2020 Quarter 3
Phase 2 substantial completion	2024 Quarter 2

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Utilize existing Special Testing and Inspection IDIQ's

Cost Implications: Depletion of funds in existing contracts prior to completion of project.

Pros:

- (1) NONE

Cons:

- (1) Depletion of current contracts prior to completion of project
- (2) Put strain on existing projects currently using these contracts

This is not the recommended alternative.

**Alternative 2** – Perform testing and inspection with internal port staff.

Cost Implications: This would require hiring additional staff, and training for testing certifications.

Pros: NONE

Cons:

- (1) This method is not approved by the Airport Building Department
- (2) This method does not match our project specifications.
- (3) Limited availability of properly trained and certified staff.

This is not the recommended alternative.

**Alternative 3** – Procure an outside Special Testing and Inspection agency to perform the Special Testing and Inspections required

Cost Implications: NONE. There is no additional funding being requested in this memo. The project has adequate funds to cover this request.

Pros:

- (1) Outside testing agency has the required certifications and experience to perform this level of work.
- (2) This is the current approved testing and reporting structure for Airport Building Department.
- (3) Allows Port to receive competitive bids for work.
- (4) Allows for potential WMBE participation goals.

Cons:

- (1) NONE

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*This is the recommended alternative.*

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- January 21, 2020 – Baggage Optimization Phase 2 Bid irregularity and Budget Increase (CIP #C800612, WP #U00424)
- April 23, 2019 – Commission Authorization to (1) advertise, award, and execute a construction contract for the Baggage Optimization Phase 2 project at Seattle-Tacoma International Airport; (2) employ a project labor agreement (PLA); and (3) utilize Port crews and small works contracts to perform construction work
- February 26, 2019 – Baggage Optimization Quarter 4 Project Briefing
- October 23, 2018 – Baggage Optimization Quarter 3 Project Briefing
- June 12, 2018 – Baggage Optimization Quarter 2 Project Briefing
- January 9, 2018 – Baggage Optimization Quarter 4 Project Briefing
- September 26, 2017 – Baggage Optimization Quarter 3 Project Briefing
- June 27, 2017 – Commission authorization to (1) authorize additional design and project management funds to expand the capacity to 60 million annual passengers (MAP); (2) use Port crews and small works contracts to perform additional construction work; and (3) amend Service Agreement P-00317641 to add \$10,160,000
- October 25, 2016 – Baggage Optimization Quarter 4 Project Briefing
- July 12, 2016 – Commission authorization to advertise and execute a contract for construction Phase 1
- June 28, 2016– Baggage Program Briefing
- May 17, 2016 – Checked Baggage Optimization Project Briefing
- March 8, 2016 – Commission authorization for the Chief Executive Officer to amend the Baggage Optimization Design Services contract
- June 23, 2015 – Checked Baggage Optimization Project Briefing
- September 10, 2013 – The Commission authorized the execution of an Other Transaction Agreement (OTA) with TSA for reimbursable costs for design; construction, and to authorize \$15 million to continue from 30% to 100% design; and execute a consultant service agreement for program management support services
- August 20, 2013 – Response to questions from Commissioners asked during August 6, 2013 Commission Meeting
- August 6, 2013 – The Commission was briefed on the near-term and long-term challenges related to handling checked baggage at the Airport
- January 22, 2013 – The Commission authorized \$5 million for staff to begin design through 30%, and to enter into an agreement to allow reimbursement from the federal government to the Port for eligible elements of the 30% design effort
- January 8, 2013 – Baggage Systems Briefing

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- August 14, 2012 – Baggage system recapitalization/optimization was noted in the 2013 business plan and capital briefing as a significant capital project not included in 2013-17 capital program
- August 7, 2012 – Baggage system recapitalization/optimization was referenced as one of the drivers for the need to develop an Airport Sustainability Master Plan
- June 26, 2012 – The Airport’s baggage systems were discussed during a briefing on terminal development challenges
- May 10, 2012 – TSA’s interest in a national recapitalization/optimization plan for all baggage-screening operations was referenced in a design authorization request for the C60-C61 Baggage Handling System Modifications Project