



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8d

ACTION ITEM

Date of Meeting February 9, 2021

DATE: January 4, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Tina Soike, Director Engineering Services
Janice Zahn, Assistant Engineering Director, Construction Services

SUBJECT: Rental Car Facility (RCF) Pavement Remediation (CIP #C800977) Change Order Over 60 Days

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a change order to Contract MC-0319802 Rental Car Facility (RCF) Pavement Remediation for the cost of deferment of work at Seattle-Tacoma International Airport RCF for an amount of \$143,109.02 and a time extension of 327 calendar days.

EXECUTIVE SUMMARY

This change order requires the addition of 327 calendar days to the contract due to the deferment of non-essential construction in compliance with Governor Inslee’s “Stay Home, Stay Healthy” proclamation. Commission action is required under the General Delegation of Authority because the change order includes a time extension of more than sixty days. The change order also includes a negotiated resolution of increased costs for which the Port is responsible resulting from the deferral of the work to 2021. No additional project funding is included with this request.

Description of Change Order

This change order revises the contract completion date and settles all costs due to the change in scheduling of the non-essential portions of the project that were a result of the Governor of the State of Washington’s “Stay Home, Stay Healthy” order to combat the spread of the COVID-19 virus.

Background

The RCF Pavement Remediation project includes several major maintenance improvements and one security improvement for the facility that the Port has the responsibility to complete under the terms of the RCF Lease Agreement. The major elements of work include replacement of the fifth floor expansion joints, replacement of portions of the fifth floor topping slab, pavement remediation for the S 160th St bus access, structural crack sealing for both helices, replacement of weather proofing membranes at the car wash areas located on the second and fourth floors, replacement of weather proofing membranes in employee and visitor parking, and replacement of the existing perimeter fence with a no-climb fence. The major works construction contract

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was executed with Swinerton Builders on August 6, 2019 and work began in October. The RCF Pavement Remediation project is funded by Customer Facility Charge (CFC) revenues.

On March 23, 2020, Governor Inslee issued the “Stay Home, Stay Healthy” proclamation that required all people in Washington State to stay at home except to conduct or participate in essential activities, and/or for employment in essential business services. In April 2020 the Port of Seattle Commission was briefed on the impact of the COVID-19 pandemic on Aviation revenues and the 2020-2024 Capital Improvement Plan. The RCF Pavement Remediation project was identified as being partially deferred where safety related work was considered to be essential work that would be completed, but the remaining major maintenance work would be deferred. The Port of Seattle Commission adopted Motion 2020-9 on April 28, 2020, that authorized short-term changes to the 2020-2024 Capital Improvement Plan in response to the COVID-19 pandemic that included the deferment of the non-essential portions of RCF Pavement Remediation project. Motion 2020-9 stated that additional changes to the CIP were to be presented as part of the 2021 budget process. The cost to complete the RCF Pavement Remediation project have been approved by Commission as part of the 2021 budget.

In April 2020 the Port notified Swinerton Builders that all work associated with pavement remediation for the S 160th St bus access, structural crack sealing for both helices, replacement of weather proofing membranes at the car wash areas located on the second and fourth floors, and replacement of weather proofing membranes in employee and visitor parking would be suspended. During change order negotiations Swinerton Builders informed the Port that the water proofing membrane materials for the car wash areas had already been purchased prior to our direction to defer work. The shelf life of the materials required that they be installed in 2020 or new materials would need to be repurchased for 2021. The cost of repurchasing the water proofing materials was approximately \$85,000.

In May 2020 Governor Inslee issued an update to the “Stay Home, Stay Healthy” proclamation, which was called the Phase 2 New Construction restart. This allowed non-essential construction projects to restart work following specific guidelines. Phase 2 construction restart took effect in King County on June 5, 2020. On July 1, 2020, in order to avoid the large additional waterproofing material repurchase and disposal costs, the Port directed that the replacement of the water proofing membranes in the car wash areas located on the second and fourth floors be completed in July and August 2020. The reduced customer demand at the RCF facility also was a factor in deciding to perform the work in 2020 when the impacts to RCF operations will be much less than in 2021.

All work associated with the replacement of the fifth floor expansion joints, replacement of portions of the fifth floor topping slab, replacement of weather proofing membranes at the car wash areas located on the second and fourth floors, and replacement of the existing perimeter fence with a no-climb fence has now been completed. With the execution of this Change Order, all remaining work on the project will be complete in the late spring/early summer 2021 as soon

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as the weather allows the proper conditions to complete the work. The amount requested herein includes a negotiated resolution of additional costs for which the Port is responsible resulting from the deferral of the work to 2021.

FINANCIAL IMPLICATIONS

There is no additional funding being requested with this action.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Negotiate a reduction of scope for the major construction contract to eliminate and not complete the remaining work.

Pros:

- (1) The Port would not pay out any more funds in 2021 on the major works construction contract.

Cons:

- (1) The major maintenance work needed on the RCF would not be completed. This may result in more deterioration of the facility, shortening the life of some parts of the facility and the Port incurring even larger costs in the future to perform the repairs at a later time.

This is not the recommended alternative.

Alternative 2 – Negotiate a reduction of scope for the major construction contract to eliminate the remaining work and add the uncompleted work to a future project planned for 2021 to increase security at the RCF.

Pro:

- (1) The major maintenance work will still get done.

Con:

- (1) Repackaging the work into another contract will increase the Port's soft costs and add complexities in managing the work as we would have more than one designer of record on a project.
- (2) Repackage will take time and may delay the bidding of the work planned for 2021 that the Rental Car Agencies desire to be performed as early as possible.

This is not the recommended alternative.

Alternative 3 – Approve the additional costs and contract time extension to complete the remaining work in 2021

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Pros:

- (1) Completes the work as early in 2021 as weather condition allow.
- (2) The RCF is properly maintained for years of future use and revenue generation.

Cons:

- (1) Additional costs will be expended and paid from the existing approved project budget.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 17, 2020 – The Commission approves the Port of Seattle’s 2021 Budget in Resolution No. 3779. The resolution includes the updated CIP plan which includes the completion of the RCF Pavement Remediation project (CIP #C800977).

April 28, 2020 – The Commission adopted Motion 2020-9 that authorized short-term changes to the 2020-2024 9 Capital Improvement Plan in response to the COVID-19 pandemic; to provide direction for interim actions related to ongoing construction and deferred capital projects and readiness to aid recovery; and to delegate authority to the Executive Director to execute change orders for costs that exceed \$300,000 related to construction and enhanced worker safety on Port construction sites due to the COVID-19 pandemic.

April 23, 2019 – The Commission authorized advertisement and execution of a major works construction contract for the RCF Pavement Remediation project.

July 10, 2018 – The Commission authorized execution of a professional services contract for design services, proceeding with the design and preparation of contract bid documents, and use Port Construction Service (PCS) crews to perform the early construction work for the RCF Pavement Remediation project.