



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting March 9, 2021

DATE: February 26, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Randy Krause, Fire Chief
Wayne Grotheer, Director, Aviation Project Management

SUBJECT: Interim Westside Fire Station – Budget Request (CIP #C800876)

Amount of this request: \$609,000

Total estimated project cost: \$9,788,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to increase funding for the Interim Westside Fire Station project, at Seattle-Tacoma International Airport, by \$609,000 for a new total project total authorization in the amount of \$9,788,000.

EXECUTIVE SUMMARY

This request is for additional budget for the Interim Westside Fire Station. The construction schedule of the Fire Station has slipped primarily due to the impacts of COVID-19 and differing site conditions found during excavation. As a result of this schedule slippage, additional costs are forecasting beyond the project budget. The project team has forecasted \$409,000, of the \$609,000 requested, will be required to complete the project. A further \$200,000 is requested as contingency for any unexpected future costs.

This facility, once thought to have a limited use due to pending development, has been sited where it can remain either as a fire station or other use.

JUSTIFICATION

Two factors have contributed to the project's cost growth: First, this project was placed on hold through a mutually agreed to, no cost partial suspension of all on-site construction work with the Contractor and the Port of Seattle in response to COVID 19. This moved the Substantial Completion date by 63 days.

The second factor was the impact of differing site conditions. Numerous obstacles were uncovered during site and utility excavations. The project was able to cover the direct costs related to the underground obstacles with existing contingency, but unable to cover the full cost

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of the delay it caused. The impact of the delay to the project schedule is now resulting in the need for additional budget to cover the increased Port staffing resources for this delay.

This suspension along with the impact of the differing site conditions has moved construction into an unfavorable weather window. The Port will continue to emphasize worker safety by requiring the contractor to continue to follow COVID 19 protocols. Substantial completion date is forecast to be May 31, 2021.

Most of the project's cost growth has been driven by the need to cover staff's additional time. In order to provide construction inspectors, resident engineers, construction managers, project managers, engineering specialty consultants, security personnel, operational personnel, to manage work around an active airfield, monitor and review contractor submittals, perform quality checks, and manage the program, it is necessary to increase the budget to cover these additional soft costs.

The project team is evaluating the project schedule to determine responsibility for each delay. Delays attributable to the contractor will remain the responsibility of the contractor to remedy.

Diversity in Contracting

The project team worked with the Diversity in Contracting Department to set goals for the Interim Westside Fire Station. To-date, the WMBE utilization for this design-build contract is achieving 39.22%, above the original WMBE aspirational goal of 11%.

DETAILS

This project will establish a stand-alone, fully functional fire station on the west side of the airfield to meet Federal Aviation Administration (FAA) mandated airfield firefighting requirements. This new fire station will provide necessary accommodations to house firefighters and Aircraft Rescue Fire Fighting (ARFF) vehicles for 24/7/365 operation. This new facility will replace temporary facilities that included a tent structure to cover one rescue vehicle and multiple leased rooms within a nearby hangar that house firefighter quarters in a 'makeshift' or 'make-do' manner. Planning for the future permanent fire station will not require the removal of this facility.

Scope of Work

The project scope of work has not changed. This project designs and constructs a building to accommodate the necessary living quarters for five (5) firefighters and vehicle bays for the storage of two (2) ARFF vehicles. The building is located directly east of the PACCAR hangar.

The living quarters will consist of five (5) bunkrooms, a dayroom, kitchen, restrooms with showers, laundry facilities and an exercise room. Secured entry doors, video conferencing equipment and an emergency response alerting system will be installed. The ARFF vehicle bays include features currently used at the existing fire station such as vehicle exhaust extraction.

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Schedule

Construction is anticipated to complete in May 2021.

Activity

Commission construction authorization	Q4 2019
Construction start	Q2 2020
In-use date	Q3 2021

Cost Breakdown

	This Request	Total Project
Design Phase	\$0	\$980,000
Construction Phase	\$609,000	\$8,808,000
Total	\$609,000	\$9,788,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

The project team has evaluated alternatives such as reducing the project scope and determined that they are not viable solutions.

Alternative 1 – Increase the project budget by the forecasted \$409,000 only, excluding the \$200,000 contingency.

Cost Implications: \$409,000

Pros:

- (1) This will provide funding to cover known and anticipated costs.

Cons:

- (1) This budget amount would not provide contingency to cover unforeseen conditions.

This is not the recommended alternative.

Alternative 2 – Include the \$200,000 additional contingency to the project budget for a total budget addition of \$609,000.

Cost Implications: \$609,000. Note: Unspent contingency will be returned after project completion for use in funding other Aviation projects.

Pros:

- (1) This will provide additional contingency of \$200,000 in the event unforeseen conditions arise.

Cons:

- (1) This is the highest cost alternative.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$2,400,000	\$0	\$2,400,000
Previous changes – net	\$6,744,000	\$35,000	\$6,779,000
Current change	\$574,000	\$35,000	\$609,000
Revised estimate	\$9,718,000	\$70,000	\$9,788,000
AUTHORIZATION			
Previous authorizations	\$9,144,000	\$35,000	\$9,179,000
Current request for authorization	\$574,000	\$35,000	\$609,000
Total authorizations, including this request	\$9,718,000	\$70,000	\$9,788,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project was included in the 2021 - 2025 capital budget and plan of finance with a budget of \$9,144,000. The budget increase of \$574,000 has been transferred from the Aeronautical Reserve CIP (C800753) resulting in no net change to the Aviation capital budget. The funding source will be existing revenue bonds.

Financial Analysis and Summary

Project cost for analysis	\$9,788,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	Range depending on economic life (CPE increase in 2022 of \$0.15 if 3 years; \$0.08 if 6 years; \$0.07 if 10 years)

Future Revenues and Expenses (Total cost of ownership)

Maintenance, utilities and janitorial costs will be incurred, but this amount is not established at this time.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 8, 2019 – The Commission authorized a funding increase for this project

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May 28, 2019 – The Commission authorized use of a design-build contract for this project. No additional funding was requested.

February 27, 2018 – The Commission authorized design and construction of this project.