



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting June 22, 2021

DATE: June 3, 2021

TO: Stephen P. Metruck, Executive Director

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

SUBJECT: AOA Perimeter Fence Line Standards Compliance (CIP #C800842) Change Order Over 60 Days

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a change order to Contract MC-0319302 AOA Perimeter Fence Line Standards Compliance to add 103 Calendar days to the Contract Duration to reconcile the contractual completion date to the actual completion date. (CIP #C800842)

EXECUTIVE SUMMARY

This change order requires the addition of 103 calendar days to the Contract Duration. Commission action is required under the General Delegation of Authority because the Change Order includes a time extension of more than sixty days. No additional project funding is included with this request.

Description of Change Order

This change order revises the contract completion date and settles all claims due to Port and Contractor impacts to the project schedule.

Background

The Airport Operations Area (AOA) perimeter fence line is the primary physical barrier into the secured areas of commercial airports. Over the past years, other airports have experienced several nationally recognized breaches in security that included accessing the AOA by climbing over a perimeter fence. Seattle-Tacoma International Airport has also experienced this type of trespass. There is a recognized need to improve security by increasing the level of difficulty for unauthorized access through the AOA perimeter fence.

On February 26, 2019, the Port executed a construction contract with Massana, Inc. in the amount of \$4,042,694.55. The Contract has experienced cost and schedule growth, due to multiple Change Orders for design changes to accommodate differing site conditions, and operations and maintenance requirements, which have extended the current Contract completion date to July 19, 2020. Additionally, the Contractor requested and was granted a 41-

Meeting Date: June 22, 2021

day contract extension due to a work stoppage related to COVID-19, which further extended the Contract End date to August 29, 2020. The actual date the Contractor achieved Substantial Completion was December 10, 2020, 103 days beyond the contract specified date. This Change Order includes a credit back to the Port of \$131,879.22 for impacts to the Port due to late completion. The current value of the Contract is \$4,453,834.57.

FINANCIAL IMPLICATIONS

There is no additional funding being requested with this action.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not authorize the issuance of the Change Order, continue further Dispute Resolution Processes.

Pros:

- (1) Further negotiations may result in a larger credit back to the Port.

Cons:

- (1) Delays project closeout and increase Port costs to continue negotiations.
- (2) Creates a risk potential for litigation.
- (3) Additional staff soft costs, potential legal expenses.

This is not the recommended alternative.

Alternative 2 – Authorize the issuance of the Change Order to extend the Contract duration by 103 days. If executed, this will be the final Change Order on this project and will settle all outstanding claims between the Contractor and Port.

Pro:

- (1) Settles all claims between the Port and Contractor and allows contract close-out to commence.

Cons:

- (1) Eliminates potential additional credit to the Port.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

None

Meeting Date: June 22, 2021

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

June 6, 2017 – The Commission authorized \$5,660,000 to design and prepare construction documents for the enhancement of Airport Operations Area (AOA) perimeter fence and access gate E-105 at the Seattle-Tacoma International Airport; and advertise and execute a construction contract for the AOA Perimeter Fence Line Standards Compliance project at Seattle-Tacoma International Airport.

July 10, 2018 - The Commission authorized an increase in the Airfield Operations Area Perimeter Fence Line Standards Compliance project scope and budget by \$1,255,000 for a revised total project cost of \$6,935,000. The revised scope and budget brought the project into alignment with updated Transportation Security Administration (TSA) standards, as well as adding upgrades to perimeter security gates.