



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8g

ACTION ITEM

Date of Meeting September 14, 2021

DATE: August 27, 2021

TO: Stephen P. Metruck, Executive Director

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

SUBJECT: Elevator Shafts & Vestibules (MC-0319902/WP#U00434/CIP#C800789) Change Order Over 60 Days

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a change order to Contract MC-0319902 Elevator Shafts & Vestibules to add 233 Calendar days to the Contract duration to reconcile the contractual completion date to the actual completion date.

EXECUTIVE SUMMARY

This change order requires the addition of 233 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 required with this request.

Description of Change Order

This change order revises the contract completion date and establishes the amount of liquidated damages to be collected from the Contractor.

Background

The intent of the Elevator Shafts & Vestibules project was to fully weatherize the parking garage elevator towers above the 8th floor deck in the B and C sections of the garage prior to the installation of new elevators in the B and C shaft towers under a subsequent project. Prior to this project, during periods of heavy or prolonged rain, water penetrating the towers could be seen 4 to 5 floors below. The project also installed fall protection rails on the roof of the B and C towers, eliminated slip/trip hazards, and improved the customer experience in the elevator lobbies.

On June 9, 2020, the Port executed a construction contract with Swinerton Builders in the amount of \$1,838,838.92. The Contract has experienced both cost growth and schedule delays due to design changes and varying site conditions. The contractor also had issues scheduling critical work by subcontractors to meet the required completion date. With the schedule challenges, the Port and the Contractor mutually agreed to suspend the project for 95 days to

avoid poor installation outcomes when installing traffic coating in the winter months and allows the required time to procure materials that had longer than anticipated lead times.

These issues have extended the current Contract completion 233 days beyond the contract specified date of January 5, 2021 to the new contract completion date of August 26, 2021. The Port will issue a change order to include the 95 days of mutually agreed to suspension time. The change order will also include 66 Non-Excusable and Non-Compensable Days and 72 Excusable and Non-Compensable Days. The Change Order also includes Liquidated Damages in the amount of \$85,800.00 for the 66 days of Non-Excusable and Non-Compensable Days. The contractor has not agreed to accept the Liquidated Damages being assessed and they have not yet submitted information which the Port finds compelling justification to support any relief from the assessment of liquidated damages. The current value of the Contract is \$1,967,040.05.

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 negotiations.

Pros:

- (1) Further negotiations may result in a bi-lateral agreement with the Contractor.

Cons:

- (1) Does not start the timelines in the contract to begin the contractually established tiered dispute resolution process. Delays project closeout and increase Port costs to continue negotiations.
- (2) Will require the project to return to Commission for approval of a future change order to resolve the contract days in excess of 60 days.

This is not the recommended alternative.

Alternative 2 – Authorize the issuance of the Change Order to extend the Contract duration by 233 days.

Pros:

- (1) The Port staff has analyzed the schedule delays and established the change order amount and time extension that is fair and reasonable.
- (2) Puts the Contractor on a contractual timeline for providing any additional information which might support relief from Liquidated Damages from being assessed.

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Cons:

- (1) Contractor may dispute this change order and it will proceed through the contractual Dispute Resolution process which may result in additional staff time on the project and potential legal expenses.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 8, 2018 – The Commission authorized \$595,000 to design and prepare construction documents for the initial phase of the Parking Garage Elevators Modernization project at the Seattle-Tacoma International Airport.

January 14, 2019 – The Commission authorized \$4,251,500 to prepare design and construction bid documents for Phase 2 of the Parking Garage Elevator Modernization project at Seattle-Tacoma International Airport and use Port of Seattle crews and small works contracts for preliminary work if required.

October 14, 2019 – The Commission authorized \$2,155,000 to advertise and execute a construction contract for the first phase of the Parking Garage Elevator Modernization project at the Seattle-Tacoma International Airport.