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COMMISSION

AGENDA MEMORANDUM Item No. 10c

ACTION ITEM Date of Meeting June 28, 2022

DATE: June 21, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Wendy Reiter, Director, Airport Security

Eileen Francisco, Director, Aviation Project Management

SUBJECT: Primary Fire Station Continuing Operations Preservation (C801256)

Amount of this request: \$7,000,000

Total estimated project cost: \$25,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) complete design, (2) use the General Contractor/Construction Manager (GC/CM) contracting method, (3) advertise & award a GC/CM construction contract, execute a pre-construction services contract, including enabling construction work and early work packages, (4) execute change orders over \$300,000 where cost is within authorized budget, (5) include and use a Project Labor Agreement as part of the GC/CM contract, and (6) use Port crews in support of the Primary Fire Station Continuing Operations Preservation project at Seattle Tacoma International Airport. This request is for \$7,000,000 out of a total project budget of \$25,000,000.

EXECUTIVE SUMMARY

Station 1, the Airport's primary fire station (also known as the Aircraft Rescue and Fire Fighting or ARFF facility), supports an essential life-safety function for the Airport: providing space for the Airport's first responder Firefighters to work and live while on duty. This project will ensure that these Firefighters are given a facility that supports their ability to perform at their best and deliver the facility now rather than extending deferment for a facility that will be built in the future.

This building, constructed in the 1970s, woefully underperforms today. Its air conditioning system cannot cope with ever hotter summers when temperatures reach the 80s and above. Its dormitories provide little privacy and do not segregate responding teams, such that alerts for one team wake them all. Its vintage data network limits connectivity requiring occupants to share a limited number of available computers, a more prevalent tool needed by greater numbers of staff. Because the building has long been located in a site identified for future Airport terminal expansion, the improvements to address these conditions have been deferred. Now with the passage of time, the urgency to act has grown as systems have aged past their functional lives.

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After consultation with the airlines, staff has elected to proceed with this project using the Discretionary Budget under SLOA IV (Article 6.4) and to use the GC/CM contract delivery method. Discretionary Budget items do not require a Majority-In-Interest vote by the airlines and GC/CM contracting allows the greatest flexibility to complete the project quickly.

JUSTIFICATION

This project would provide needed updates to improve working and living conditions at Station 1. The updates include improvements to the station's Heating Ventilating and Air Conditioning (HVAC) systems, improvements to working conditions including building data distribution, and improvements to living conditions including reconfiguring the station's dormitories. This project will provide necessary renewal, replacement, and updating of facilities and infrastructure that have been in operation in the existing fire station for decades. These systems are outdated or at the end of their useful life.

Examples of the systems addressed by this project include the local, pneumatically controlled air handling systems (modern systems are digitally controlled and programmable), the undersized boiler (the original boiler failed in 2008 and was replaced with an available model that fits in the mechanical room), and the 208V electrical system (modern building systems are 240/480v). In addition, the fire station was designed without consideration for mixed gender firefighters or best practice provisions to encourage optimal rest and recovery while in the dormitory.

Diversity in Contracting

This project has contracted design and engineering services using an existing Indefinite Delivery Indefinite Quantity (IDIQ) contract with a Small Business requirement of 5%. To date, this design

effort has achieved 18% participation.

Looking forward, working with the Port's Diversity in Contracting team, the GC/CM construction contract WMBE participation aspirational goal has been set at 10%.

#### DETAILS

Station 1 is located north of the airport directly west of the intersection of the airport expressway and South 170th Street. This building consists of a 30,150 square foot main floor and 4,840 square foot upper floor. The building has undergone some minor upgrades since its original construction in 1977, the most substantial of which was the build out of the west carport into a new apparatus bay in 2008. However, the greater part of the building and its core systems such as HVAC and electrical, are original to the building.

Station 1 was strategically located to provide best response to airfield and terminal incidents and to have immediate access to the airfield operations area (AOA) and the airport landside roadways. That prime location has also put the station perennially in conflict with airport development. Investment in the facility has always been measured against the anticipated short remaining life of the facility. This has led to past deferrals of projects intended to address renewal

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and replacement. The systems and infrastructure of the existing facility are, for the most part, original and well past their useful life and significantly behind current operational standards. The intent of this project is to replace the existing HVAC systems, including the existing kitchen range and dedicated exhaust, to provide needed utility and modern temperature controls that the existing systems are no longer capable of delivering. The project will also reconfigure the two existing dormitories to better meet current life safety code, reduce noise, increase privacy, and provide greater utility.

#### Scope of Work

The scope of work has been agreed as the following:

- (1) Maintain full building occupancy and operation during construction
- (2) Phase construction and utilize a temporary dormitory to accommodate Firefighters.
- (3) Replace HVAC systems, including two air handlers, that are past their useful life
- (4) Replace/upgrade electrical system including a new service transformer, in part, to support the HVAC system replacement
- (5) Replace existing kitchen range including exhaust required in order to coordinate with the HVAC system replacement
- (6) Renovate and remodel the two existing dormitories to better meet code, reduce noise, and increase privacy
- (7) Add/extend data infrastructure for individual internet and improve Wi-Fi access
- (8) Modify/upgrade the station's portion of the Airport's computer automated dispatch/alarm notification system for unit call-out to support the dormitory renovation objective
- (9) Implement two Environmental "SPARC" initiatives – installation of a bike rack and electric vehicle charging stations for Port fleet use

#### Schedule

##### Activity

Design start 2022 Q4

Commission construction authorization 2023 Q3

In-use date 2025 Q3

Cost Breakdown This Request Total Project

Design Phase \$5,000,000 \$5,000,000

Construction Phase \$2,000,000 \$20,000,000

Total \$7,000,000 \$25,000,000

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#### ALTERNATIVES AND IMPLICATIONS CONSIDERED

Among the alternatives considered, continuing the practice of minimal investment in piecemeal repairs or low-cost targeted improvements were found not viable to address the core issues facing first responders working and living in the primary fire station.

Alternative 1 – Fix the building HVAC system only (i.e., replace air handling units, replace boiler, replace kitchen range exhaust, and associated controls); do not improve the dormitories (i.e., do not extend air distribution into dormitories).

Cost Implications: approximately \$17,000,000 - \$22,000,000

Pros:

- (1) Will provide adequate heating and cooling for the building
- (2) Will increase the reliability of the infrastructure systems
- (3) Will cost less than the preferred alternative

Cons:

- (1) Does not improve living conditions for Firefighters during their shifts (no change to air distribution or temperature control in the dormitories, does not address noise, privacy, or station alerting system deficiencies)
- (2) Would not save any time compared to preferred alternative as the dormitory work was planned to be completed concurrent with the HVAC work

Project Duration: approx. 3 ½ years

Useful Life of Project: 5-10 years

Annual Operating and Maintenance Costs: ~\$190k based on 2019 data; approximately the same as the preferred alternative.

Describe any environmental requirements that must be addressed through this alternative:

Washington State Electrical codes will prescribe minimum energy and efficiency requirements.

How the HVAC system solution is designed may trigger minimum energy and efficiency requirements applicable to the facility as a whole (e.g., building envelope) in addition to the equipment at a component level.

Describe how sustainability elements above will be incorporated into this alternative:

HVAC equipment selection and procurement will be focused to meet specific code compliance.

This is not the recommended alternative.

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Alternative 2 – Proceed with planned improvements to the dormitories only; do not improve the building HVAC.

Cost Implications: approximately \$3,000,000 - \$8,000,000

Pros:

- (1) Would provide improved noise control, privacy and station alerting functionality (not air quality, air circulation or temperature control)
- (2) Would cost less than the other alternatives

Cons:

- (3) Does not improve living conditions for Firefighters during their shifts
- (4) Would not save time compared to the preferred alternative as the dormitory work was planned to be completed concurrently with the HVAC work

Project Duration: approx. 3 years

Useful Life of Project: 5-10 years

Annual Operating and Maintenance Costs: minimal, less than the preferred alternative

Describe any environmental requirements that must be addressed through this alternative: NA

Describe how sustainability elements above will be incorporated into this alternative: NA

This is not the recommended alternative.

Alternative 3 – Replace existing mechanical units and associated controls, kitchen range and associated exhaust, existing boiler, and provide dormitory improvements

Cost Implications: \$25,000,000

Pros:

- (1) Provides solution to address the whole problem – delivering a facility that supports Firefighters in their role as first responders
- (2) Supports taking action to address an immediate (overdue) need instead of extending deferment

Cons:

- (1) Makes improvements to a building with a limited lifespan
- (2) Would cost more than the other alternatives

Project Duration: approx. 3 ½ years

Useful Life of Project: 5-10 years  
Annual Operating and Maintenance Costs: ~\$190k based on 2019 data

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Describe any environmental requirements that must be addressed through this alternative:  
Washington State Electrical codes will prescribe minimum energy and efficiency requirements.  
How the HVAC system solution is designed may trigger minimum energy and efficiency requirements applicable to the facility as a whole (e.g., building envelope) in addition to the equipment at a component level.

Describe how sustainability elements above will be incorporated into this alternative:  
In addition to targeted compliance with current code requirements for energy efficiency, this alternative will implement two “SPARC” initiatives – installation of a bike rack and electric vehicle (EV) charging stations for Port fleet use.  
This is the recommended alternative.

#### FINANCIAL IMPLICATIONS

Capital Expense Total  
Cost Estimate/Authorization Summary  
COST ESTIMATE

Original estimate \$20,000,000 \$0 \$20,000,000  
Current change \$5,000,000 \$0 \$5,000,000  
Revised estimate \$25,000,000 \$0 \$25,000,000

#### AUTHORIZATION

Previous authorizations \$300,000 \$0 \$300,000  
Current request for authorization \$7,000,000 \$0 \$7,000,000  
Total authorizations, including this request \$7,300,000 \$0 \$7,300,000  
Remaining amount to be authorized \$17,700,000 \$0 \$17,700,000  
Annual Budget Status and Source of Funds

This project, CIP C801256, was included in the 2022-2026 capital budget and plan of finance with a budget of \$20,000,000. A budget increase of \$5,000,000 was transferred from the Aeronautical Allowance CIP (C800753) resulting in zero net change to the Aviation capital budget. The funding source will include the Airport Development Fund and revenue bonds. This project was presented to the airlines as a required Majority-in-Interest (MII) on May 19, 2022. After consultation with the airlines, airport management elected to utilize the Signatory Lease and Operating Agreement (SLOA) IV Discretionary new project provision which exempts this project from MII approval. This provision provides the airport with up to \$30 million of aeronautical rate base project costs that may be exempt from the MII review during the term of the agreement.

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#### Financial Analysis and Summary

Project cost for analysis \$25,000,000  
Business Unit (BU) Fire, project allocates 95.36% rate base cost to airlines  
Effect on business performance NOI after depreciation will increase due to inclusion of (NOI after depreciation) capital (and operating) costs in airline rate base.  
IRR/NPV (if relevant) N/A  
CPE Impact \$0.13 in 2025

Future Revenues and Expenses (Total cost of ownership)  
Operating & Maintenance (O&M) costs associated with this project will be further determined during the design phase of the project.

#### ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

#### PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.

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