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COMMISSION

AGENDA MEMORANDUM Item No. 8g

ACTION ITEM Date of Meeting September 13, 2022

DATE: August 22, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Janice Zahn, Interim Director of Engineering

SUBJECT: Electric Ground Support Equipment (EGSE) Charging Stations (CIP #C800335)

Amount of this request: \$0

Total estimated project cost: \$38,100,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a change order to Contract MC-0319135 Ground Support Equipment Electric (eGSE) Charging Stations Phase 2A to extend the duration up to 150 calendar days to the Contract. (CIP #C800335)

EXECUTIVE SUMMARY

This change order requires the addition of up to 150 calendar days to the Contract Duration. Commission action is required under the General Delegation of Authority because the additional time being added to the contract is over 60 calendar days. No additional project funding is included with this request.

Description of Change

This change order will revise the contract completion date and settles all claims due to Port and Contractor impacts to the project schedule due to delays caused by supply chain issues and design changes.

Background

When this contract is completed in December 2022, this project will have installed 100% of this programs new electric charging infrastructure to support the EV charging needs of airline electric ground support equipment (baggage tugs, belt loaders, pushbacks, etc.). Our airlines currently use approximately 600 Ground Support Equipment (GSE) and about half of those have been converted to electric to-date.

When completed, the full project will reduce approximately 9,000 tons of carbon per year and almost 400 tons per year of criteria pollutant emissions from ground support equipment. It will also reduce airline maintenance costs, save fuel costs, and contribute to the Century Agenda goal to "Be the greenest and most energy efficient Port in North America."

Template revised January 10, 2019.

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On October 20, 2021, the Port executed a construction contract with Valley Electric Company Inc. in the amount of \$2,339,410.00 with a contract completion date of July 29, 2022. The Contract has experienced schedule growth due to significant design changes and to accommodate procurement of proper equipment. Discussions with the Contractor are ongoing, but upon agreement, this Change Order will encompass any additional time and cost due the Contractor.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not authorize the issuance of the Change Order, continue further negotiations until negotiations are complete.

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.

(2) Delays project closeout and increase Port costs to continue negotiations.

(3) Creates a risk potential for litigation.

(4) Will still 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 – Grant the Contractor additional Contract Time to accommodate the Port caused delay related to the design changes and supply chain issues.

Pros:

- (1) This is a Port caused, excusable and compensable delay. The Contractor is entitled to the additional Contract Time.
- (2) This is a fair resolution.
- (3) The Contractor will not protest.

Cons:

- (1) The Port will pay extended overhead costs.
- This is the recommended alternative.

ATTACHMENTS

None.

Template revised June 27, 2019 (Diversity in Contracting).

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 28, 2020 – The Commission authorized an (1) increase to the project budget for the Electric Ground Support Equipment (EGSE) Charging Stations Project in the amount of \$7,400,000 for a revised total estimated project cost of \$38,100,000; and (2) advertise and execute a major works construction contract for the Electric Ground Support Equipment (EGSE) Charging Stations Phase 2B Project at Seattle-Tacoma International Airport.

September 13, 2016 – The Commission authorized \$4,600,000 to (1) advertise and award a major works construction contract for Phase 2A (Concourse A) of the Electric Ground Support Equipment (EGSE) Charging Stations project (the anticipated cost of \$4.6 million is within the amount already authorized by the Commission); (2) utilize Port crews to perform construction work.

October 23, 2012 - The Commission authorized \$16,200,000 to: (1) advertise and execute a construction contract for Phase 1 of the Ground Support Equipment-Electrical Charging Stations Project-Installation of Chargers; and (2) pre-purchase electrified ground support equipment (EGSE) chargers for Phase 2 of the project.

April 3, 2012 - The Commission authorized \$ 8,000,000 to: (1) prepare full design documents for the Electrified Ground Support Equipment charging station Project; (2) for PCS to install approximately 20 chargers as a demonstration project; (3) approve budget for the EGSE overall project; and (4) contract for long lead time electrical equipment for power center upgrades.

September 12, 2011 - The Commission authorized signing no-cost contracts for EGSE vehicles and EGSE chargers.

May 10, 2011 - The Commission was briefed regarding progress on the EGSE project prior to soliciting pricing for rolling stock.

October 26, 2010 - The Commission authorized \$1,510,000 for preliminary design, necessary contracts, and work by Port forces to begin to implement the ultimate project; pre-purchase specialized equipment and materials through competitive bid processes; and to authorize Port Construction Services to perform Regulated Materials Management (RMM) investigations and self-perform necessary associated work.

September 28, 2010 - The Commission was briefed on the 2011 capital budget that included the EGSE projects.

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September 8, 2005 - The Commission was briefed on the benefit of changing from fossil fuel based GSE vehicles to EGSE based vehicles at Seattle-Tacoma International Airport.

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