

This document is a text-only reovery of the original PDF file. Any graphics that were in the original PDF are not included here. If you need the original document, please contact the Commission Clerk at the Port of Seattle.

COMMISSION

AGENDA MEMORANDUM Item No. 8m

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: Parking Garage Elevator Modernization (CIP #C800789) Change Order Over \$300,000 and Time Extension Over 60 Days

Amount of this Request: \$0

Total estimated project cost: \$23, 276,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a Change Order to Contract MC-0320162 Parking Garage Elevator Modernization for modifications and delays associated with revisions to the interior cab elevator finishes at Seattle-Tacoma International Airport for an estimated amount not to exceed \$3,500,000.00 and time extension over 60 calendar days.

EXECUTIVE SUMMARY

This change order request requires no additional budget (zero dollars) because it can be accommodated within previously authorized budget. It requires additional time due to delays associated with the fabrication and acceptance of the interior cab mock-up due to a Port design error and omission. Commission action is required under the General Delegation of Authority because the value of the change order is over \$300,000 and the additional time is over 60 calendar days.

Description of Change

This change order restores the textured stainless-steel finishes inadvertently deleted during the bidding process; compensates the contractor's extended overhead costs associated with delays of the approval and acceptance of the interior cab mock-up; and extends the contract time for up to 270 calendar days associated with these revisions

Background

The Seattle-Tacoma International Airport parking garage elevators provide vertical circulation services for millions of airport parking and ground transportation customers every month. Continued and reliable operations of the elevators are vitally important to the traveling public as

Template revised September 22, 2016.

COMMISSION AGENDA – Action Item No. 8m Page 2 of 4

Meeting Date: September 13, 2022

well as Airport operations. There are 27 elevators in the parking garage which vary by age and condition. This project fully replaces 10 elevators and modernizes the other 17. In addition to improving reliability and refreshing the cab interiors, the completed project will also reduce energy usage in the Airport parking garage by an estimated 56,000 to 211,000 kilowatt hours (kWh) per year.

The parking garage elevators are the first and last areas of the airport that passengers see as they travel through the airport. As such, considerable time was spent during design to create a finished interior that provides a sense of the Pacific Northwest while also providing a durable and resilient finish. These resilient finishes were based upon products from three different manufacturers, Forms+Surfaces, Rigidized & McNichlos. These three specific manufacturers were included in the initial bid documents. During the Advertisement and Bidding period for this project, the stainless-steel finishes were unintentionally deleted from the Custom Elevator Cab Finishes specifications. This deletion resulted in the carefully selected stainless steel finishes being removed from the contract and replaced with a much less durable and bland stainless steel brushed #4 finish.

A. Outline how the specifications were changed during the bid process

a. Timeline for the project

i. Advertise

ii. Addendum dates

iii. Bid Date and Bid Results

The following summarizes the Advertisement and Bidding phase of the project:

Date Event Comments

December 11, 2020 Invitation for Bids Advertise
February 1, 2021 Addendum #1 Issued Added finish schedule in specification 14 27 00
Custom Elevator Cab Finishes
February 10, 2021 Addendum #2 Issued Bid Date revised to 3/11/2021
February 17, 2021 Addendum #3 Issued Administrative – Revised TOC
February 19, 2021 Addendum #4 Issued Revised finish schedule in specification 14 27 00
Custom Elevator Cab Finishes
March 5, 2021 Addendum #5 Issued Deleted finish schedule in specification 14 27 00
Custom Elevator Cab Finishes
March 11, 2021 Bid Opening Osborne Construction
apparent low bidder. Low bid

Template revised September 22, 2016; format updates October 19, 2016.

COMMISSION AGENDA – Action Item No. 8m Page 3 of 4
Meeting Date: September 13, 2022
was \$2,953,195 (25%) below
Engineer's Estimate.
April 22, 2021 Contract with Osborne Completion date January 17,
Construction is executed by 2024.
the Port

After the contract was executed, the Contractor began the shop drawing/submittal process for the custom elevator cab finishes. As part of this process, Requests for Information (RFIs) were submitted by the Contractor for clarification of the design documents. While preparing the response to the RFIs, it the Port realized the original stainless steel finishes had been deleted from the contract and needed to be restored.

The Port developed a revised design of the interior finishes to restore the original design intent and minimize the added costs. The Contractor is currently building the mockup for Port's review and acceptance. It's anticipated the mockup will be completed in October 2022. Completion of the mockup has been impacted by supply chain issues and the conflict in Ukraine (30% of the world's nickel used to make stainless steel comes from Russia). Currently the contract has been suspended until the mock-up is accepted. A new contract completion date will not be known until the full-scale mockup has been accepted by the Port of Seattle.

FINANCIAL IMPLICATIONS

There is no additional funding being requested in this memo.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Construct elevator cabs with specified Brushed #4 stainless finish.

Pros:

- (1) Additional Project cost is minimized.
- (2) Delays to project would be minimized

Cons:

- (1) Additional lifecycle costs due to less durable finish.
- (2) Reduced customer experience due to lower level finishes

This is not the recommended alternative.

Alternative 2 – Terminate the contract for convenience and re-bid.

Pro:

- (1) Project would be competitively bid with the original design intent

Template revised September 22, 2016; format updates October 19, 2016.

COMMISSION AGENDA – Action Item No. 8m Page 4 of 4

Meeting Date: September 13, 2022

(2) Would Port to construct mockup prior to resolicitation.

Cons:

- (1) Potential cost savings from bid vs negotiation would likely not be realized due to additional project costs associated with:

- o Cost of procurement process
- o Additional costs due to further price escalation of material

- o Higher labor costs due to annual wage increases
- o Additional Port costs for storage and handling of already procured material.
- (2) Project would likely be delayed an additional 9-12 months.

This is not the recommended alternative.

Alternative 3 Perform work as Change Order to Parking Garage Elevators Modernization

Pros:

- (1) Eliminates delay of 6-9-months for a new procurement.
- (2) Minimizes delays and risk of elevator failures.
- (3) Eliminates soft costs for procurement and settlement of termination costs to the Port.
- (4) Reduces risk of material and labor escalation by completing work sooner.

Cons:

- (1) Direct cost of the work could be greater than competitive bid.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 28, 2020 – The Commission authorized \$16,160,000 for construction of Phase 2 work.

October 22, 2019 – The Commission authorized \$2,155,000 for construction of the first phase of work.

January 22, 2019 – The Commission authorized \$4,251,500 for design the second phase of work.

May 8, 2018 – The Commission authorized \$595,00- for design of the first phase of work.

Template revised September 22, 2016; format updates October 19, 2016.