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COMMISSION

AGENDA MEMORANDUM Item No. 8d

ACTION ITEM Date of Meeting May 23, 2023

DATE: May 12, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Laurel Dunphy, Director, Airport Operations

Eileen Francisco, Director, Aviation Project Management Group

SUBJECT: 3rd Floor Ground Transportation Booth Enhancements (CIP #C801128)

Amount of this request: \$2,941,000

Total estimated project cost: \$3,181,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to take all steps necessary to complete the 3rd Floor Ground Transportation Booth Enhancements project at Seattle-Tacoma International Airport (SEA). This request is in the amount of \$2,941,000 for a total authorization amount of \$3,181,000.

EXECUTIVE SUMMARY

This project will renovate and expand the existing ground transportation booth (the GT booth) located on the 3rd Floor of the Main Garage at SEA. The GT booth functions as an administrative center for the orderly permitting and control of all commercial ground transportation activity at SEA. As a place of work, the GT booth accommodates sixteen Port of Seattle ground transportation controllers on a 3-shift schedule. The existing facility was constructed over twenty years ago when SEA activity levels were much lower and is now a confined and inefficient space. Currently, the booth does not include a break room or restroom for staff. The new GT booth will provide an inviting environment for customers and the existing customer restrooms will also be upgraded to meet accessibility requirements. These improvements support SEAs customer service goals.

JUSTIFICATION

This project reinvests in facilities essential to ground transportation operations at SEA supporting the Century Agenda Goal to advance this region as a leading tourism destination and business gateway by meeting the region's air transportation needs by delivering vital facilities and infrastructure in a sustainable and cost-effective manner.

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The design of this project will utilize an existing indefinite delivery indefinite quantity (IDIQ) contract that has a Women and Minority-Owned Business Enterprise (WMBE) commitment of fifteen percent. The project team will work with the Diversity in Contracting department to establish additional WMBE aspirational goals within the construction phase of this effort.

DETAILS

The existing GT booth was constructed in 2001 and is located on the 3rd Floor of the Main Garage as part of the Ground Transportation Center servicing courtesy vehicles, taxis, pre-arranged limos and transportation network companies like Uber and Lyft. Port staff (GT controllers) currently work within this facility supporting the administration and management of ground transportation permits and providing customer service to SEA passengers. The initial construction did not include a few basic amenities for staff (e.g., break area, lockers), and with the growth in SEA activity the facility is now very confined and has an inefficient layout for current operational needs. The existing HVAC system is inefficient impacting workspace conditions and needs to be upgraded. The existing facility is approximately 1,000 square feet in size, and the new expanded facility will be approximately 1,700 square feet. Once completed the new facility will maximize staff productivity, and provide a high level of service to SEA passengers and ground transportation providers.

The project costs have increased since the project was originally planned. The cost increases are associated with the HVAC system risk given the limited vertical clearance in the Main Garage.

Two potential solutions were identified that will be evaluated during design. Additional project contingency and design costs were included to manage this risk.

The project will be phased during construction to maintain SEA operations. A portion of the

facility will be constructed first, then Port staff will be relocated into the new facility, prior to the demolition of the existing facility. The two existing customer restrooms will also be maintained until the new restrooms are completed.

#### Scope of Work

The scope of this project includes:

- (1) Expansion of administration space to support up to eight staff per shift.
- (2) Addition of a staff breakroom and restroom.
- (3) Upgrade of customer restroom facilities meeting accessibility requirements.
- (4) Upgrade and expansion of existing infrastructure systems, including HVAC, to support functions.
- (5) Technology enhancements include improved cell phone coverage and Wi-Fi.

#### Schedule

##### Activity

Design start 2023 Quarter 2

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Construction start 2024 Quarter 4

In-use date 2025 Quarter 3

Cost Breakdown This Request Total Project

Design \$710,000 \$950,000

Construction \$2,231,000 \$2,231,000

Total \$2,941,000 \$3,181,000

#### ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not proceed with the improvements.

Cost Implications: \$156,300

##### Pros:

- (1) No further investment required by the Port.

##### Cons:

- (1) Staff support space would remain confined and inefficient.
- (2) Does not provide technology enhancements.
- (3) Does not upgrade customer restrooms to meet accessibility requirements.
- (4) Poor HVAC performance continues to negatively affect workplace conditions.
- (5) The project costs to date would need to be expensed.

This is not the recommended alternative.

Alternative 2 – Minor remodel of existing facility (no expansion), relocate some administration functions.

Cost Implications: \$1,500,000

##### Pros:

- (1) Reduced investment by the Port.

##### Cons:

- (1) Administration functions would not be co-located with operational functions.
- (2) Remaining support space would remain inefficient.
- (3) Does not provide equitable facilities for staff.
- (4) Does not provide technology enhancements.
- (5) Does not upgrade customer restrooms to meet accessibility requirements.

This is not the recommended alternative.

Alternative 3 – Expand existing facility.

Cost Implications: \$3,181,000.

##### Pros:

- (1) Administration space is expanded and equitable facilities provided for staff.

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(2) Administration functions remain co-located with operational functions.

(3) Provides technology enhancements.

(4) Upgrades customer restrooms to meet accessibility requirements.

##### Cons:

- (1) Requires greater investment by the Port.

This is the recommended alternative.

**FINANCIAL IMPLICATIONS**

Cost Estimate/Authorization Summary Capital Expense Total

**COST ESTIMATE**

Original estimate \$2,800,000 \$0 \$2,800,000

Current change \$231,000 \$150,000 \$381,000

Revised estimate \$3,031,000 \$150,000 \$3,181,000

**AUTHORIZATION**

Previous authorizations \$240,000 \$0 \$240,000

Current request for authorization \$2,791,000 \$150,000 \$2,941,000

Total authorizations, including this request \$3,031,000 \$150,000 \$3,181,000

Remaining amount to be authorized \$0 \$0 \$0

**Annual Budget Status and Source of Funds**

This project (CIP #C801128) was included in the 2023-2027 capital budget and plan of finance with a budget of \$2,800,000. A budget increase of \$231,000 was transferred from the Non-Aeronautical Allowance (CIP #C800754) for a total revised capital budget of \$3,031,000 resulting in a zero net change to the Aviation capital budget. The funding sources will be the Airport Development Fund (ADF) and revenue bonds.

**Financial Analysis and Summary**

Project cost for analysis \$3,181,000

Business Unit (BU) Ground Transportation

Effect on business performance NOI after depreciation will decrease.

(NOI after depreciation)

IRR/NPV (if relevant) Costs would be recovered through the Ground Transportation trip fees. Incremental \$0.04 per trip fee.

CPE Impact N/A

Future Revenues and Expenses (Total cost of ownership)

As a result of this project, Aviation Maintenance anticipates moderate impacts resulting in increased annual operating and maintenance costs for mechanical systems, custodial services, and electronic systems.

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**ATTACHMENTS TO THIS REQUEST**

(1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None.

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