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COMMISSION

AGENDA MEMORANDUM Item No. 8e

ACTION ITEM Date of Meeting May 23, 2023

DATE: May 11, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Keri Stephens, Director, Aviation Facilities and Capital Programs

Eileen Francisco, Director, Aviation Project Management

SUBJECT: Potable Water Box Replacement (C801187) Project Authorization

Amount of this request: \$2,497,000

Total estimated project cost: \$2,547,000

ACTION REQUESTED

Request a single Commission Authorization for the Executive Director to proceed with design and construction for the Potable Water Box Replacement project and advertise and execute a major works construction contract. This is a single request for \$2,497,000 of a total estimated project cost not to exceed \$2,547,000.

EXECUTIVE SUMMARY

Potable water boxes are located next to passenger loading bridges and supply aircraft with potable water required for restrooms, ice, and other uses while in flight. This project will replace 9 potable water boxes that are currently beyond their useful life on Concourses C and D. Replacement boxes are larger and require two electrical connections. Design will ensure the boxes have the proper anchors, stands, and connections. In addition, the project will ensure proper heat trace on piping to prevent freezing during cold weather. The new boxes include increased safety features, such as chain guards, to improve worker safety when using the equipment. This request is for design and construction authorization in the amount of \$2,497,000 of an estimated project cost not to exceed \$2,547,000.

JUSTIFICATION

This project will increase reliability by replacing potable water boxes that are beyond their useful life. If a water box fails airlines will need to either use an adjacent box or use a water truck. In addition, the new water boxes have chain guards on the large chain that pulls the hose back into the box, which improves worker safety.

Template revised January 10, 2019.

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Diversity in Contracting

This project will be using an existing IDIQ contract for design that was established in 2022. The contract includes a 16% women-and-minority-owned business enterprise (WMBE) participation utilization requirement. The project team will work with Diversity in Contracting Department to determine participation opportunities and appropriate aspirational goals for WMBE for the construction phase of the project.

DETAILS

This project will replace 9 potable water boxes that are beyond their useful life to reduce the risk of failure. This project includes ensuring there is heat trace on the supply piping to reduce the risk of freezing; replacing stands; foundation work as necessary; and any other work required to ensure proper functioning of the water boxes and compliance with current building code.

Scope of Work

Work will include a replacement of the potable water boxes and includes:

- (1) The potable water box;
- (2) The water box stand;
- (3) Electrical connections;
- (4) Heat trace on supply pipes;
- (5) Foundation and backflow preventors as needed; and
- (6) Any other work required to ensure the potable water boxes operate safely and meet current building code.

Schedule

Activity

Commission design and construction authorization 2023 Quarter 2

Design start 2023 Quarter 2
Construction start 2024 Quarter 4
In-use date 2025 Quarter 3
Cost Breakdown This Request Total Project
Design \$575,000 \$625,000
Construction \$1,922,000 \$1,922,000
Total \$2,497,000 \$2,547,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

This is a renewal and replacement project. This project is not adding any new potable water boxes.

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

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Alternative 1 – Status quo. Replace water boxes as they fail.

Cost Implications: Expense notebook funds

Pros:

(1) Reducing capital expenditure in the short term.

Cons:

(1) Does not provide reliable infrastructure for airline use.

(2) Does not increase worker safety.

(3) Will have long outages of water boxes.

This is not the recommended alternative.

Alternative 2 – Replace 9 potable water boxes that are at the end of their useful life.

Cost Implications: \$2,547,000 in capital costs.

Pros:

(1) Provides reliable infrastructure for airline use.

(2) Increases worker safety by providing chain guards.

(3) Reduces the risk of equipment failure and need for emergency repairs.

Cons:

(1) Requires capital spending.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary Capital Expense Total

COST ESTIMATE

Original estimate \$2,203,000 \$0 \$2,203,000

Current change \$344,000 0 \$344,000

Revised estimate \$2,547,000 0 \$2,547,000

AUTHORIZATION

Previous authorizations \$50,000 0 \$50,000

Current request for authorization \$2,497,000 0 \$2,497,000

Total authorizations, including this request \$2,547,000 0 \$2,547,000

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

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Annual Budget Status and Source of Funds

The Potable Water Box Replacement (C801187) is included in the 2023-2027 capital budget and plan of finance with a budget of 2,203,000. The capital budget increase of \$344,000 was transferred from the Aeronautical Allowance CIP C800753 resulting in no net change to the Airport capital budget. The funding sources will be the Airport Development Fund and existing revenue bonds.

Financial Analysis and Summary

Project cost for analysis \$2,547,000

Business Unit (BU) Airfield Apron Area

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 \$0.01 in 2026

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

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