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**COMMISSION**

AGENDA MEMORANDUM Item No. 8j

ACTION ITEM Date of Meeting March 14, 2023

DATE: March 6, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Keri Stephens, Director Aviation Facilities and Capital Programs

Eileen Francisco, Director Aviation Project Management Group

SUBJECT: Landside Pavement Program (LPP) (C801042)

Amount of this request: \$5,220,000

Total estimated project cost: \$10,000,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) authorize \$1,360,000 to proceed with the design and preparation of contract bid documents for the Landside Pavement Program project located at Seattle-Tacoma International Airport, (2) authorize \$3,860,000 for the construction of pavement rehabilitation scope as part of the Widen Arrivals Roadway major work construction contract. The total amount requested for authorization is \$5,220,000 and the total estimated project cost is \$10,000,000 for the Landside Pavement Program.

**EXECUTIVE SUMMARY**

The Landside Pavement Program will implement a series of pavement rehabilitation projects that supports the Port's Century Agenda strategy to position the Puget Sound region as a premier international logistics hub, by maintaining one of the most basic of the facilities infrastructure assets, pavement. This authorization request supports the initiation of the program and the implementation of the first phase that will address pavement prioritized by condition. The project will also take advantage of a pavement preservation grant from the Puget Sound Regional Council (PSRC).

**JUSTIFICATION**

This project supports the following Century Agenda strategic goals and objectives:

- 1) Advance this region as a leading tourism destination and business gateway by meeting the region's air transportation needs at the Airport for the next 25 years.
- 2) Use the Port's influence as an institution to promote women and minority business enterprise (WMBE) growth through Resolution 3737 – Diversity in Contracting WMBE aspirational goals, small business growth, and workforce development by increasing the

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proportion of funds spent by the Port with qualified firms on construction, consulting, goods, and services.

Replacing distressed pavement and supporting infrastructure on the landside supports the longterm strategy of the Port's Century Agenda objective to "advance this region as a leading tourism destination and business gateway by meeting the region's air transportation needs at the Airport for the next 25 years." The Landside Pavement Program maintains the integrity of SEA landside pavements and enables efficient airport operations.

**Diversity in Contracting**

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

**DETAILS**

The SEA Landside pavement and roadway system consists of 2.5 million square feet of pavement. The Landside Pavement Program will rehabilitate portions of these SEA landside pavements over time. The goal of the Landside Pavement Program is to assess pavement conditions (such as cracks, potholes, rutting and other distresses) by periodically performing a pavement condition index (PCI) survey, assign a remaining service life, provide a 10-year pavement maintenance and rehabilitation project plan to maintain a minimum pavement condition at the lowest total cost of ownership, and to deliver the improvements in the most economical way, as either a standalone project or combined with other projects in the Aviation capital program. Work will include pavement rehabilitation (overlay or replacement depending upon condition), removal of

abandoned utilities within the work areas, enhancements to related surface water drainage facilities, and improvements to meet required code or standards for other ancillary facilities (e.g., signage, lighting, sidewalks, bicycle lanes).

Aviation Facilities and Infrastructure developed a formal Landside Pavement Program in collaboration with the Aviation Project Management Group. In 2021, staff completed an initial inspection of the landside pavements to establish a PCI rating. These PCI ratings are used to identify and prioritize pavement renewal and replacement to maximize their service life at the lowest total cost of ownership. The goal is to maintain all pavements at a PCI of 70 or higher. In 2022 the Port of Seattle was awarded a PSRC pavement preservation grant to address the rehabilitation of a portion of the northbound Northern Airport Expressway.

#### Scope of Work

This initial phase of the Landside Pavement Program includes the reconstruction of the south parking entrance between the ticket dispensers and the helix entrances, and the rehabilitation of landside pavements in the worst condition. These include the following:

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- (1) Southbound Northern Airport Expressway (from S 170th St to the Departures/Arrivals decision point)
- (2) Air Cargo Rd (from the North Entrance of the Service Tunnel to S 170th St)
- (3) S 190th St (from 28th Ave S to the parking lot entrance, and by the fuel farm within the parking lot)
- (4) Starling Dr (from S 188th St to airfield access gates)
- (5) S 160th St (from Air Cargo Rd to City right-of-way limits)
- (6) Northbound Northern Airport Expressway (Arrivals curbside/S 182nd St entrance to northbound lanes)

Staff reviewed projects in the Aviation capital program to identify opportunities for more economical scope delivery, reducing multiple operational impacts and avoiding costly rework. Two projects were identified that would support the delivery of this initial phase of the Landside Pavement Program. The Widen Arrivals Roadways project will complete the pavement rehabilitation scope on Air Cargo Rd and southbound Northern Airport Expressway and is included in this authorization request. The 1947 Watermain Improvements project is planned to deliver the pavement rehabilitation scope for northbound Northern Airport Expressway and will be included in a future authorization request.

#### Schedule

The following schedule is for the work to be completed as part of the Landside Pavement Program and does not reflect the work to be performed as part of the Widen Arrivals Roadways or 1947 Watermain Improvements projects.

Design start 2023 Quarter 1

Commission construction authorization 2024 Quarter 1

Construction starts 2024 Quarter 2

In-use date 2024 Quarter 4

Cost Breakdown This Request Total Project

Design \$1,360,000 \$0

Construction \$3,860,000 \$4,630,000

Total \$5,220,000 \$10,000,000

#### ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do nothing.

Cost Implications: \$55,000

Pros:

- (1) Capital investment not required.

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Cons:

- (1) Does not address failing pavements and would likely lead to more costly “total reconstruction” projects in the future or major disruptions to airport operations.
- (2) Fails to take advantage of a PSRC grant for the rehabilitation of a portion of the northbound Northern Airport Expressway.

(3) The project costs to date would need to be expensed.

This is not the recommended alternative.

Alternative 2 – Address all distressed pavement outlined in the Landside Pavement Program.

Cost Implications: \$20,000,000

Pros:

(1) Addresses all pavements with PCI rating of less than 70 and the south parking entrance.

(2) Takes advantage of PSRC grant funding for the rehabilitation of a portion of the northbound Northern Airport Expressway.

(3) Leverages other on-going construction projects to implement pavement rehabilitation scope reducing overall program costs.

Cons:

(1) Greater overall capital investment in the short-term. The project budget was originally reduced due to the financial impacts from COVID-19.

This is not the recommended alternative.

Alternative 3 – Address distressed pavements within current budget.

Cost Implications: \$10,000,000

Pros:

(1) Lower overall capital investment in the short-term.

(2) Addresses pavements in the worst condition and the south parking entrance.

(3) Leverages other on-going construction projects to implement pavement rehabilitation scope reducing overall program costs.

Cons:

(1) Does not address all pavements requiring rehabilitation. This alternative would require a future request for the next programmed phase of the Landside Pavement Program in the near term.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary Capital Expense Total

COST ESTIMATE

Original estimate \$20,000,000 \$0 \$20,000,000

Previous changes – net (\$10,000,000) \$0 (\$10,000,000)

Revised estimate \$10,000,000 \$0 \$10,000,000

AUTHORIZATION

Previous authorizations \$150,000 \$0 \$150,000

Current request for authorization \$5,220,000 \$0 \$5,220,000

Total authorizations, including this request \$5,370,000 \$0 \$5,370,000

Remaining amount to be authorized \$4,630,000 \$0 \$4,630,000

Annual Budget Status and Source of Funds

This project (CIP #C801042) was included in the 2023-2027 capital budget and plan of finance with a budget of \$10,000,000. The funding sources will be grants, Airport Development Fund (ADF) and revenue bonds. The PSRC pavement preservation grant will reimburse up to \$638,000 of the project costs.

Financial Analysis and Summary

Project cost for analysis \$10,000,000

Business Unit (BU) Roadways

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 \$0.02 in 2025

Future Revenues and Expenses (Total cost of ownership)

This project will benefit the Total Cost of Ownership (TCO) by reducing Aviation Maintenance's annual operating and maintenance (O&M) costs.

ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

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