

# Maritime Industrial Center Electrical Infrastructure Replacement

## Design-Build Construction Authorization

Kelly Purnell – Capital Project Manager

Jennifer Maietta– Director, Real Estate Asset Management (Sponsor)

Kenneth Lyles – Director, Fishing and Commercial Operations (Sponsor)

CIP # C801241



# Action Requested

Request Commission authorization for the Executive Director to:

1. Approve construction funding in the amount of \$7,948,000 for a Design-Build construction contract for the Maritime Industrial Center Electrical Infrastructure Replacement project.

Amount of this Request: \$7,948,000

Total Estimated Project Cost: \$12,408,000

# Project Overview

- Currently authorized for design for Design-Bid-Build project delivery
  - 60% design
  - Severe operational constraints and complex site conditions
  - High probability of high bids and risk for change orders during construction without early onboarding of contractor to determine construction methodology and logistics approach
- Design-Build project delivery
  - Design-Build will allow for cost certainty earlier and provide for more informed decisions before going to construction
  - Minimizes risks associated with site, operational constraints and other projects early through early contractor engagement.

# Current Tenant Mix

- Building A-1:
  - Mix of storage, warehouse, repair and maintenance shops, silk screen printing
- Building A-2, yard and moorage:
  - Boat yard and marine services (metal fabrication, woodwork, heating and cooling, electronics)
- Building A-3, A-4, A-5, yard and moorage:
  - Fishing vessel support operations

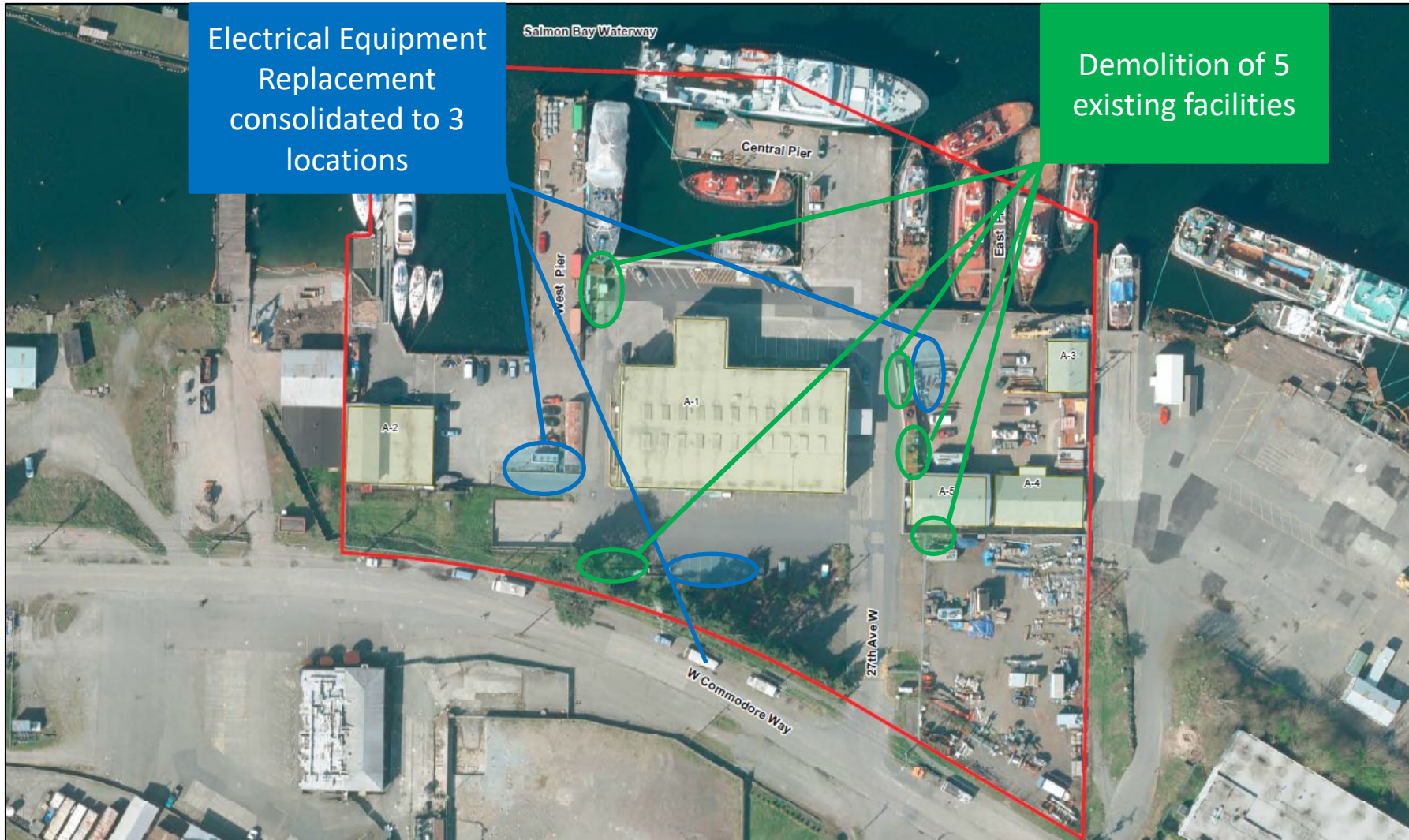
# Current Tenants

<b>MIC Tenant</b>	<b>Space Type</b>	<b>Industry/Use</b>
Bristol Wave Seafoods, LLC	Industrial	Boatyard, fishing industry
Alliant Marine Group, LLC	Industrial	Boatyard, recreational vessels
Biely & Shoaf Co.	Warehouse and office	Distribution logistics
Three By Three, Inc	Warehouse	Distribution logistics
Washington State Dept. of Fish & Wildlife	Offices and storage	Law enforcement and biology
Silver Bay Seafoods, LLC	Industrial	Fishing operations
DC Diesel, LLC	Industrial	Marine engine repair
Oxford Screen Printing	Industrial	Commercial printing
Shelford's Boat, Ltd	Storage	Fishing operations
International Pacific Halibut Commission	Storage	Maritime non-profit
Alaskan Leader Fisheries LLC	Storage	Fishing operations

# Cost Estimate Increase

- Direct costs updated based on design work completed since last authorization and transitioned to Design-Build.
- Continued market volatility
  - 4% increase in general contractor markups
  - 3% increase in construction escalation

# Project Location



2700 W Commodore Way, Seattle, WA 98199



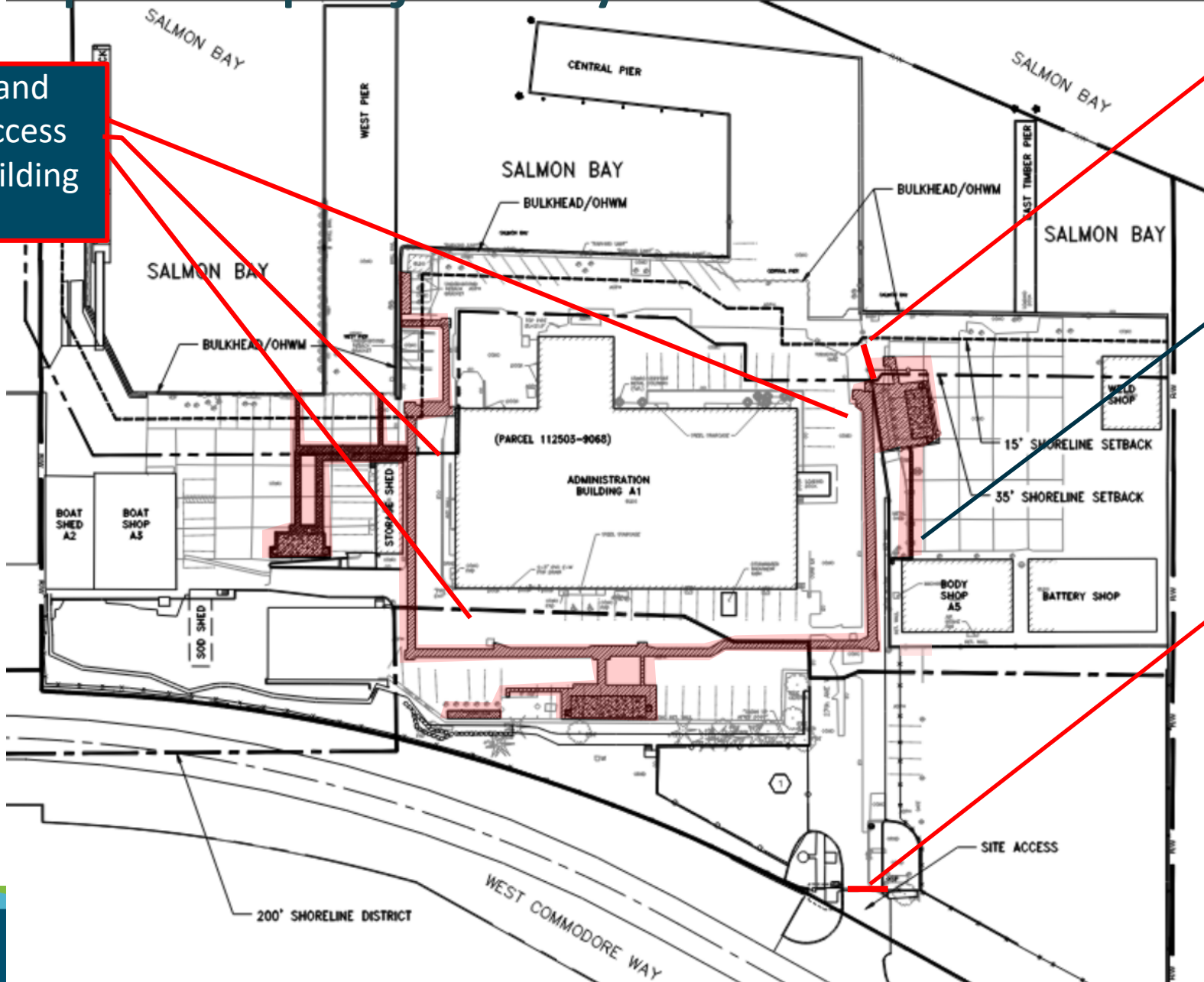
# Proposed project layout & Site Constraints

Limited and narrow access around building A-1

Single point of entry to tenant property

Areas of construction impact

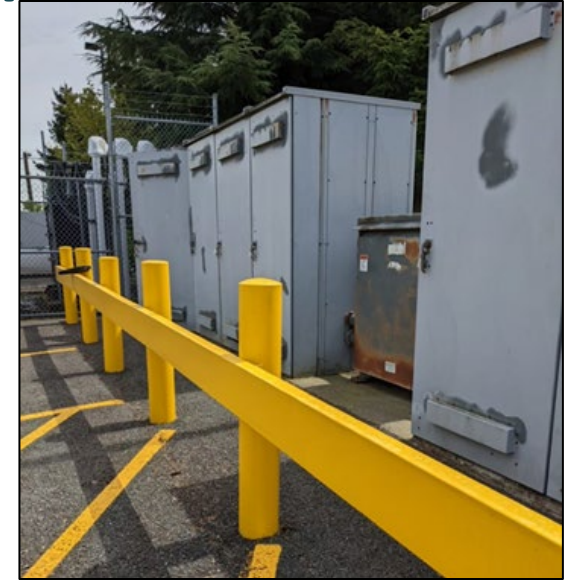
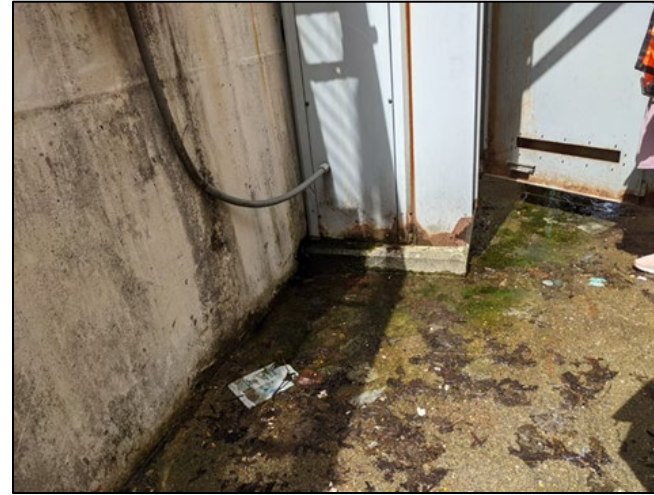
Single point of entry to MIC site off Commodore Way





# Current Condition - Electrical

















- Significant corrosion
- Stormwater intrusion
- Degraded protective coatings
- Decaying structural pads



# Project Scope – Electrical Replacements

- Demolition of (5) existing switchboards and associated equipment
- Demolition of wharf shed
- Install (5) new switchboards and associated equipment
  - Replace primary switchboards 2SPN and 4SP
  - Replace wharf switchboards 4W and 2W
  - Replace switchboards 2P, 4P, EY4, SEY4
- Install new conduits and vaults
- Potential for contaminated soil remediation

# Project Risks

RISKS	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION
Operational Constraints	Impacts to tenants, fishing fleet, and Port operations at the site during construction are likely due to very constrained site access and operating space.	Med 	High 	Transition project to Design-Build to incorporate construction methodology early
Equipment at end of lifespan	Equipment at end of useable life due to exposure to maritime environment and length of use.	High 	High 	Replace electrical switchboards and switchgear.
Power interruptions to buildings/operations	Power will need to be interrupted at the site when installing and switching over to new equipment.	High 	Med 	Transition project to Design-Build to incorporate construction methodology and temporary power logistics early.
Long lead equipment procurement delays	Electrical equipment supply chain has been impacted for years due to high demand and lingering Covid disruptions. Procurement lead times are 65-80 weeks. Delays could impact construction.	Med 	High 	Port is acquiring equipment in advance to mitigate additional delays that would occur by waiting for contractor. Delivery and transfer of equipment to contractor will be included in RFP documents for Design-Build.
1940's and 1950's era sea wall	Two of the sea walls at the property are past typical lifespans for category of structures. Trenching must occur in proximity and risk of damage exists	Med 	High 	Avoidance of sea wall tie-backs in locating equipment, and minimize trenching as feasible. Transition project to Design-Build to incorporate construction methodology early.
Other projects on-site	Other projects (stormwater improvements, EV Charger) are scheduled on the property and could cause more complexity in constructing electrical, impacting schedule and cost.	Med 	High 	Transition project to Design-Build to incorporate construction methodology early. Close coordination with other project design and construction teams.
Unforeseen environmental costs	Site is an old Coast Guard Facility and is across the street from an old petroleum company. Unknown soil contamination may exist that was not captured in geotechnical analysis.	Low 	Med 	Contingency budget associated with unanticipated soil remediation.
Permitting	Delays in permitting due to design issues	Med 	Med 	Submit for shoreline and SEPA exemptions before project goes to a Design-Build contractor. Have contractor obtain grading/building permits.

# Opportunities

- Opportunities
  - Upgraded and safe equipment with higher load capacities for future site upgrades (EV chargers, shore power, tenant changes)
  - Design-Build allows for early collaboration with general contractor to finish design and determine best construction methodology and logistics
  - Design- Build mitigates risks earlier in the process rather than just in construction.

# Preliminary Schedule

<b>Commission design authorization</b>	2022 Quarter 4
<b>Design start</b>	2022 Quarter 4
<b>Commission authorization for major electrical equipment procurement</b>	2023 Quarter 1
<b>Commission Design-Build for remaining design and construction authorization</b>	2024 Quarter 1
<b>Construction start</b>	2025 Quarter 2
<b>In-use date</b>	2026 Quarter 1



# Funding

Cost Estimate/Authorization Summary	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$1,500,000	\$0	\$1,500,000
Previous changes - Net	\$7,090,000	\$0	\$7,090,000
Current change	\$3,818,000	\$0	\$3,818,000
Revised estimate	\$12,408,000	\$0	\$12,408,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$4,460,000	\$0	\$4,460,000
• Design	\$850,000		\$850,000
• Electrical Equipment Procurement	\$3,610,000		\$3,610,000
Current request for authorization	\$7,948,000	\$0	\$7,948,000
Total authorizations, including this request	\$12,408,000	\$0	\$12,408,000
Remaining amount to be authorized	\$0	\$0	\$0

