

Post IAF Airline Realignment Construction Authorization (CIP# 801158)

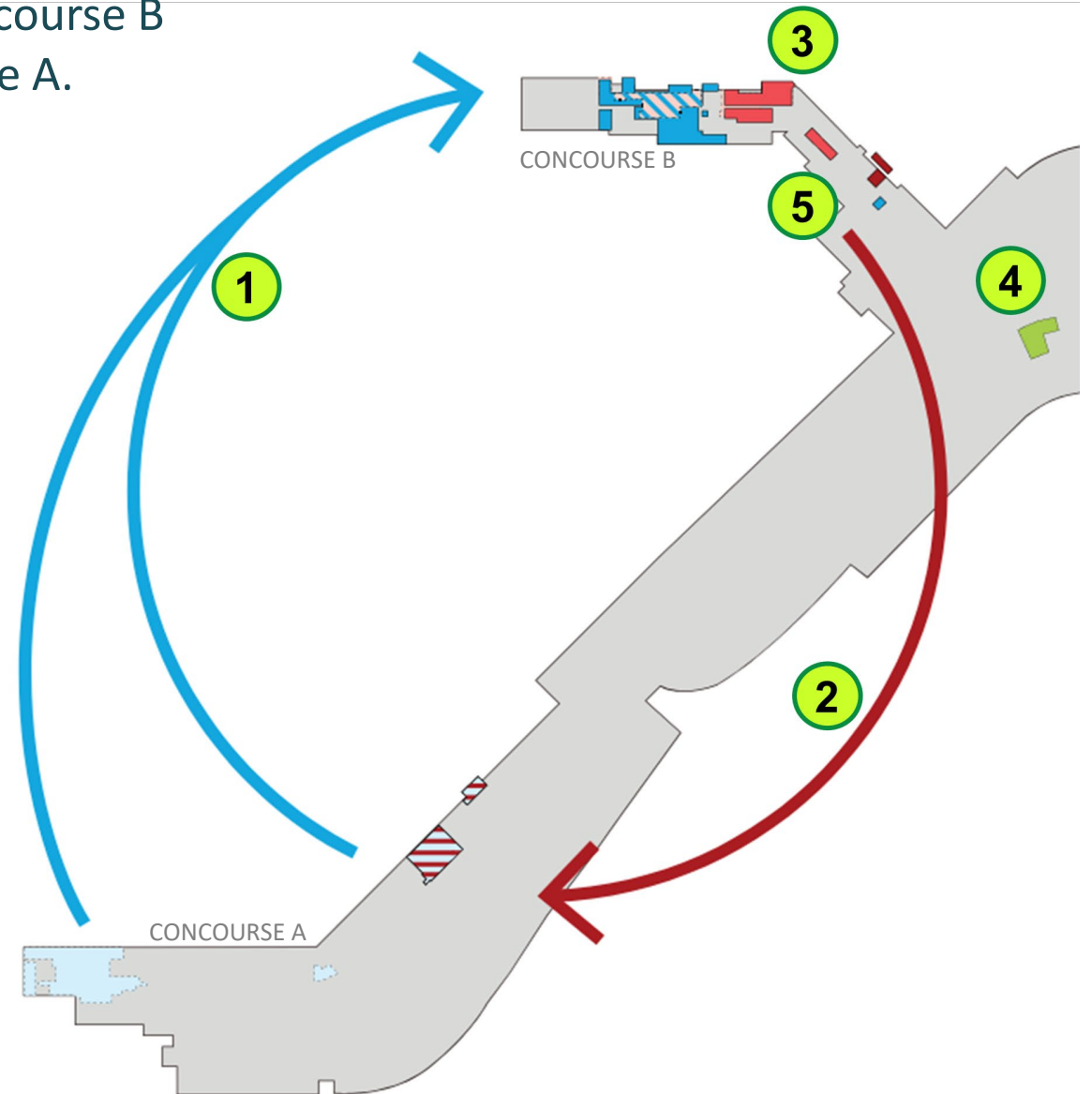
June 25, 2024

Project Purpose:

Relocate United Airlines' domestic only operations to Concourse B and thus increase international gate capacity on Concourse A.

Scope of Work:

- 1 Relocates United Airlines (UA) to renovated and expanded space on Concourse B.
- 2 Relocates Delta Air Lines into UA vacated gates on Concourse A.
- 3 Replaces two Air Handling Units in 2 new penthouses and upgrades mechanical system infrastructure on Concourse B.
- 4 Reconfigures Zone 4 leasable space to accommodate common use, flow-through ticket counters.
- 5 Relocates United Airlines to renovated lounge on Concourse B.

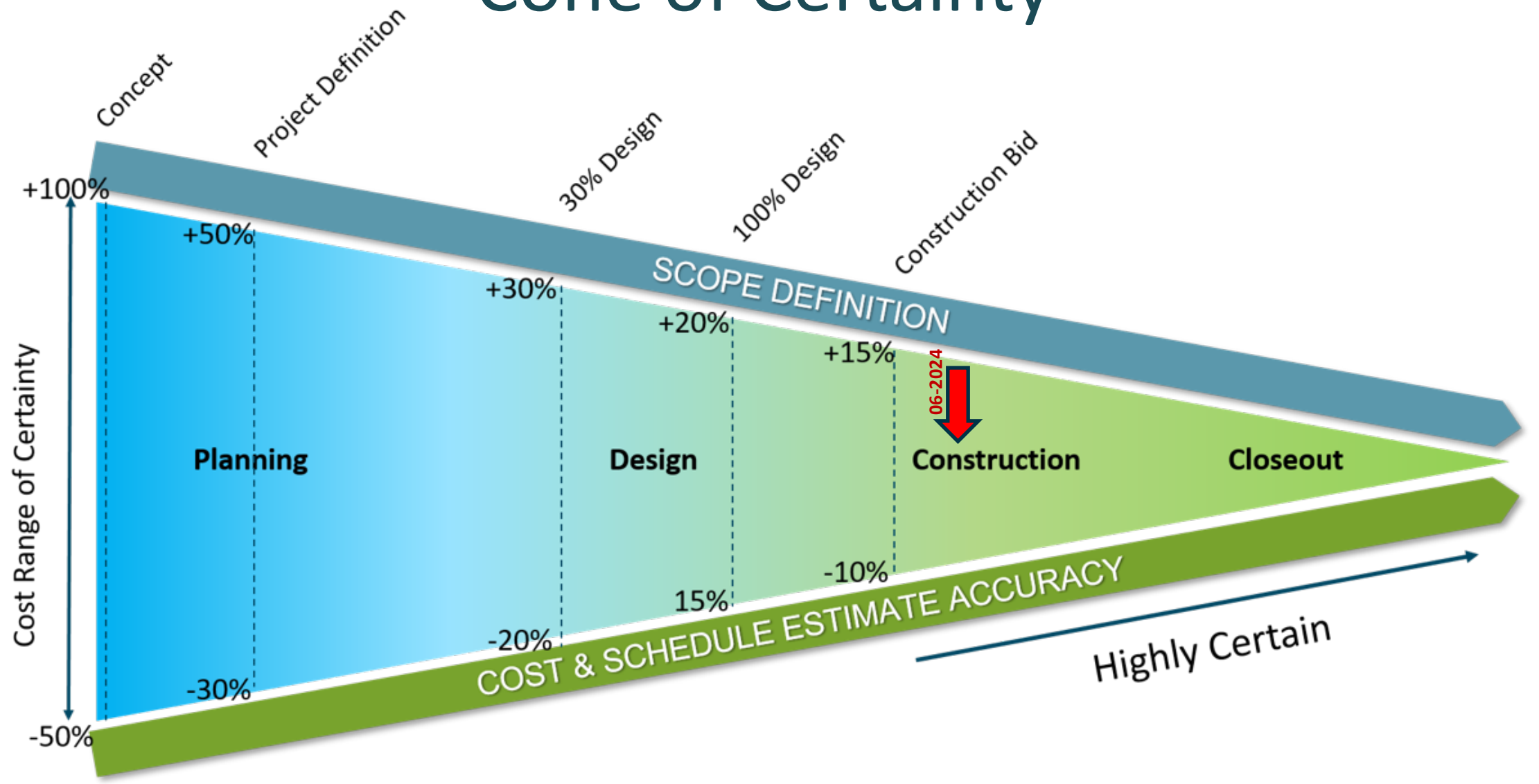


Requested Action

Request Commission authorization for the Executive Director to approve

- (1) a total project budget of \$154,500,000 and to allocate \$85,800,000 of that budget for the Post IAF Airline Realignment Project at Seattle-Tacoma International Airport and
- (2) to execute the Maximum Allowable Construction Cost Contract Amendment, any related project change orders, amendments, work authorizations, purchases, contracts, and to take any actions necessary to support and deliver the project within the approved budget.

Cone of Certainty



Cost Breakdown

Cost Estimate/Authorization Summary	
Current Budget	\$102,000,000
Budget Range per January 2024 Action	\$102M - \$140M
Revised Budget	\$154,500,000
Budget Increase	\$52,500,000
Previous authorizations	\$55,100,000
Current request for authorization	\$85,800,000
Total authorizations, including this request	\$140,900,000
Remaining amount to be authorized <i>(United Airlines Lounge remaining budget)</i>	\$13,600,000

Reasons for Budget Increase

Greater than anticipated Design budget

- Additional design packages to accelerate enabling work, incorporate building and accessibility code deficiencies, and decouple Concourse B mechanical upgrades from delivery of airline realignment scope.
- A/E Negotiated Level of Effort includes weekly on-site coordination during the RFI and Submittal process to mitigate schedule delays.

Greater than anticipated Construction budget

- Temporary provisions to maintain existing operations, uncovered since Project Notebook, have been identified through site investigation and design development.
- Market conditions with bids received reflected higher costs than estimated at 60% design development and can be attributed to increases in material and shipping costs, shortages in the labor market and the complexity of the phased work.

Reasons for Budget Increase

Greater than anticipated Construction costs (\$36M)

- Additional construction to address building and accessibility code deficiencies, aging infrastructure and current Port Standards.
- More temporary provisions to maintain existing operations
- Bids received indicate changed market conditions with higher costs due to increases in material and shipping, shortages in the labor market and the complexity of the phased work. Undesirable size of bid packages created less bidder interest.

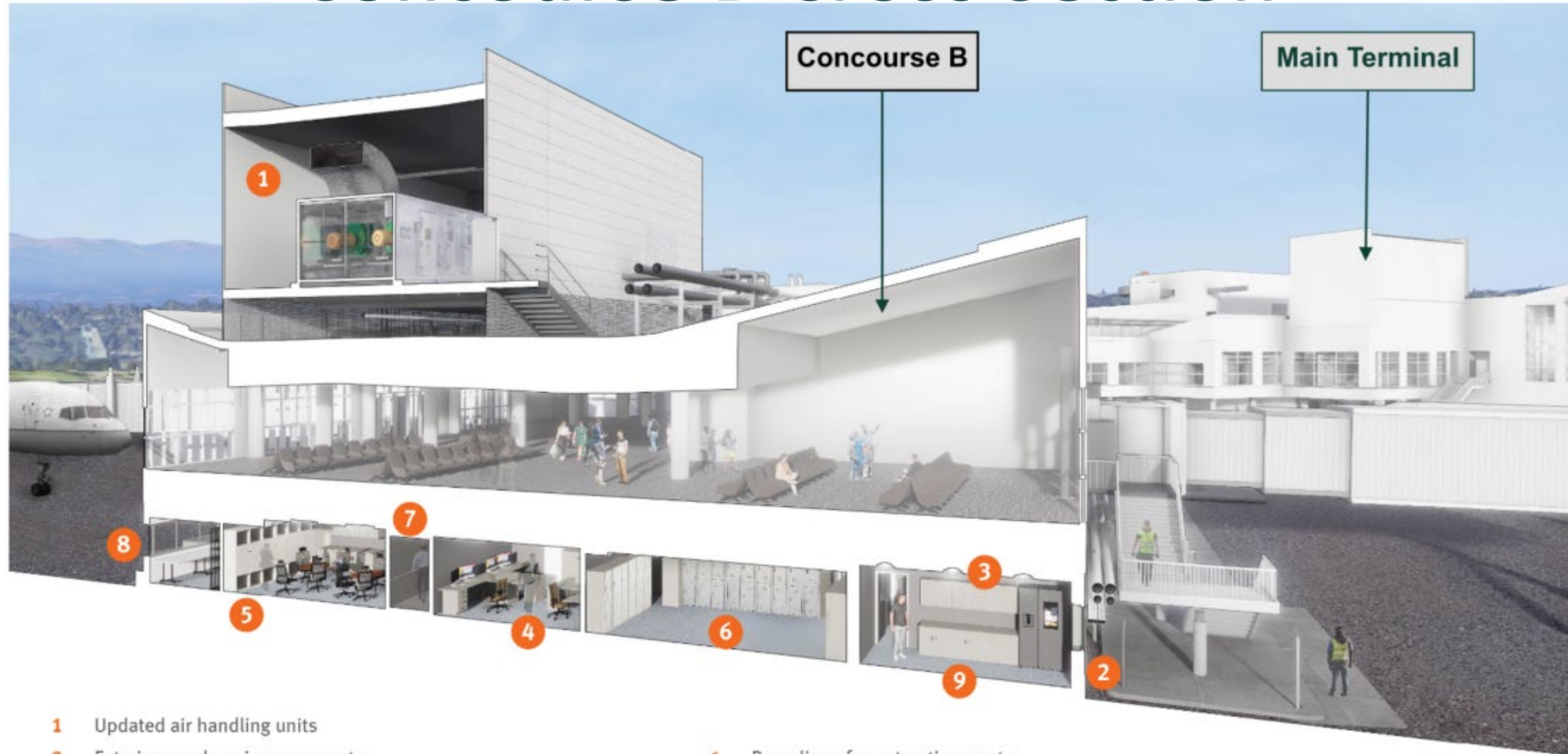
Greater than anticipated Design and other Soft costs (\$16M)

- Additional design packages to start enabling work sooner, address code deficiencies, and occupy Concourse B offices sooner using temporary air handlers.
- Additional on-site design staff to address early construction submittals and questions to mitigate schedule delay risk.
- Complexity of construction requiring additional resources

Phased Schedule Delivery

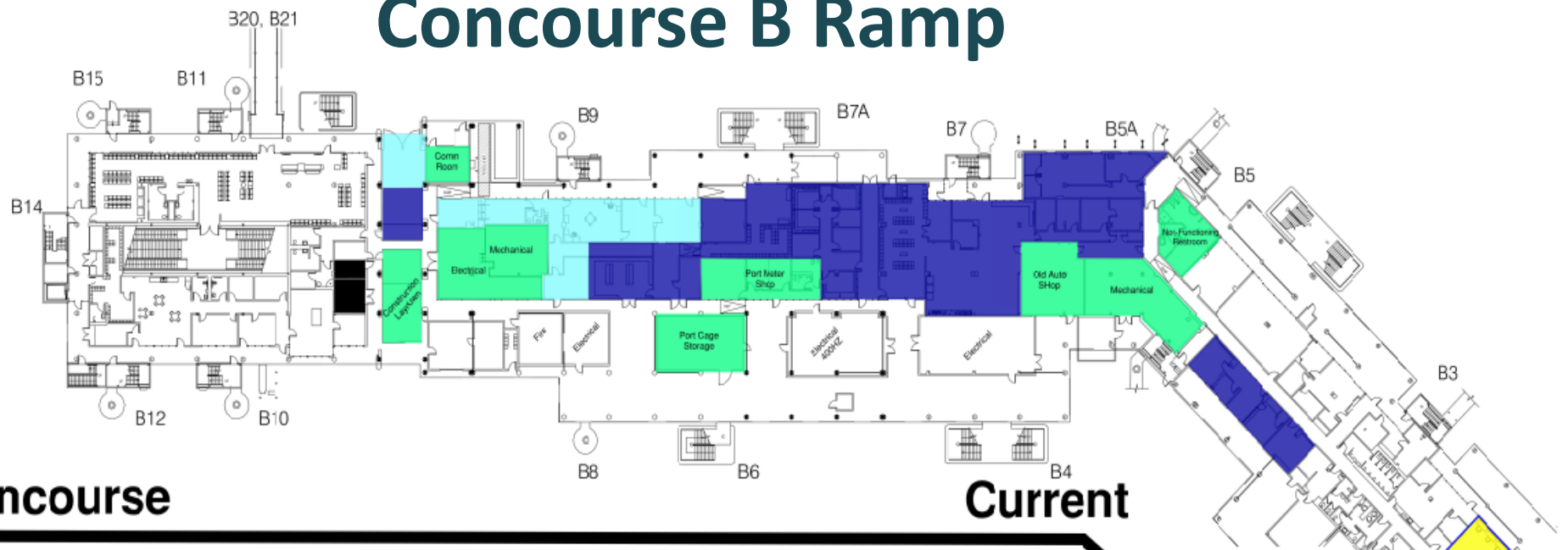
<i>Activity</i>	
Enabling Work Construction Start	2024 – April 18
Airline Realignment Construction Authorization	2024 – June 25
Airline Realignment Construction Start	2024 – September
In-use Date Concourse B offices and Concourses A&B gates	2025 – Quarter 3
In-use Date Concourse A offices	2026 – Quarter 1

Concourse B Cross Section



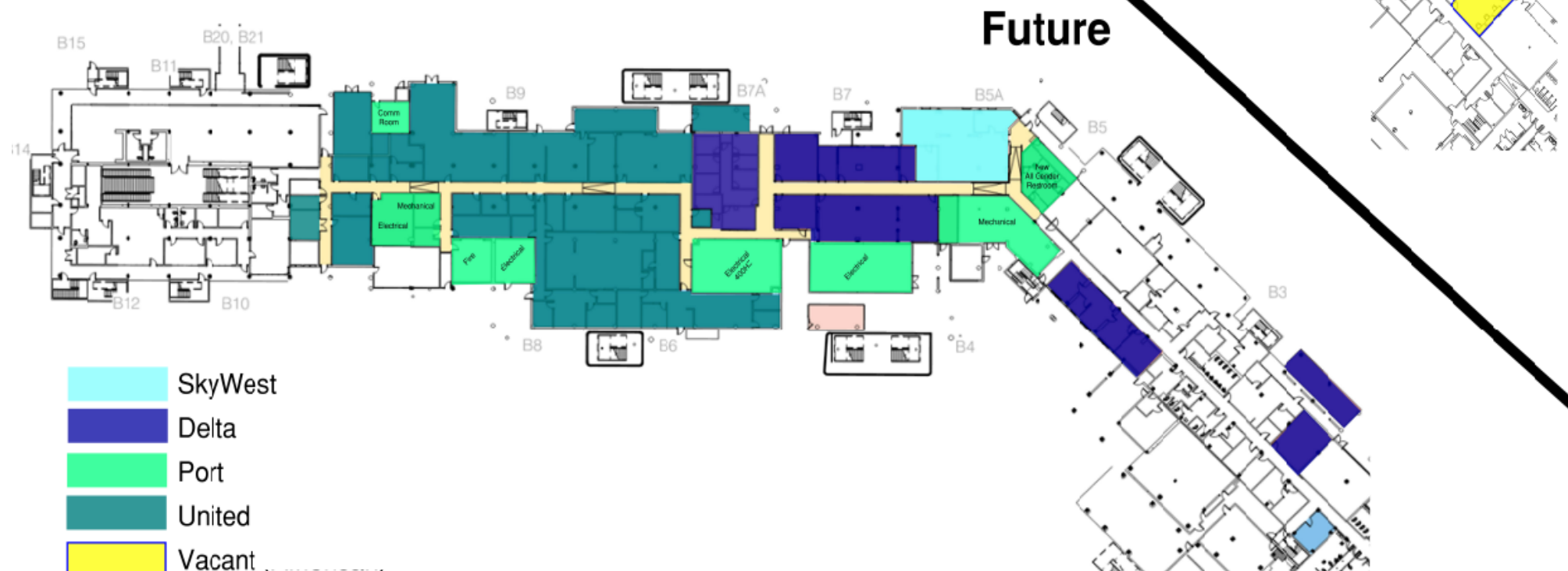
- 1 Updated air handling units
- 2 Exterior envelope improvements
- 3 Reduced lighting power density
- 4 Reduction (near elimination) of vinyl building materials
- 5 Designed for future flexibility (reduced future reconfiguration waste)
- 6 Recycling of construction waste
- 7 Interior circulation throughout ramp level (air quality and accessibility)
- 8 Employee access to daylight and views
- 9 Conditioned employee spaces (formally not conditioned)

Concourse B Ramp



B Concourse

Current



Future

- SkyWest
- Delta
- Port
- United
- Vacant

Sustainability Framework

- Environmental Regulatory Compliance **Tier 2 Project**
- Met with Sustainability, Environment, and Climate (SEAC) Committee on 05.08.24
- **Equity, Carbon/Energy** and **Materials** Strategies incorporated into design and included in construction costs.

EQUITY STRATEGIES

- Gender Neutral Restrooms (non-public facing)
- New safe & accessible interior corridor
- Improved employee access to daylight at ramp

CARBON/ENERGY STRATEGIES









- Improved efficiency with updated controls
- Gas water heating replaced with electric
- Exterior envelope thermal improvements

MATERIALS STRATEGIES

- Polyvinyl chloride (PVC) material removed from specifications
- Emphasis on recycled materials that meet high standard of durability

Project Risks



RISK	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION PLAN
Unforeseen Existing Conditions	Potential impacts to underground utilities and other existing systems.	M 	H 	Demolition activities for enabling scope have commenced in advance of the airline realignment scope to allow more time for resolution of impacts identified. Additionally, 3D modeling coordination is ongoing to resolve conflicts in Mechanical and Electrical scope.
Impact to Airport Operations	Construction activities take place in and adjacent to existing operations.	L 	M 	Detailed phasing and operations discussions with Port Facilities and Infrastructure, airlines and other stakeholders have informed the design and construction schedule to avoid impacts from project work.
Electrical Component Lead Times	Electrical and mechanical component lead times may be long and need to be ordered at an appropriate time to efficiently maintain schedule.	L 	L 	The project team has identified these components and accelerated design and procurement to facilitate delivery to meet current construction schedule.
Complex Phasing	Project in coordination with multiple projects including Airfield Improvement Program, Baggage Optimization Program, and CHIRRP	L 	M 	Cross project coordination will be on-going throughout construction. The GCCM has included float in the schedule to mitigate this risk.

QUESTIONS/DISCUSSION