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Item No. 10b_supp
Meeting Date: June 25, 2024

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: CONCOURSE B

CONCOURSE A

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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.
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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
\$13,600,000
(United Airlines Lounge remaining budget)

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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

Activity

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

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Concourse B Cross Section

Concourse B Ramp

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Sustainability Framework

- Environmental Regulatory EQUITY STRATEGIES
- Compliance Tier 2 Project • Gender Neutral Restrooms (non-public facing)

- New safe & accessible interior corridor
- Improved employee access to daylight at ramp
- Met with Sustainability,

CARBON/ENERGY STRATEGIES

Environment, and Climate (SEAC) • Improved efficiency with updated controls

Committee on 05.08.24 • Gas water heating replaced with electric

- Exterior envelope thermal improvements
- Equity, Carbon/Energy and MATERIALS STRATEGIES
- Polyvinyl chloride (PVC) material removed from

Materials Strategies incorporated specifications into design and included in • Emphasis on recycled materials that meet high construction costs. standard of durability

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Project Risks

RISK DESCRIPTION PROBABILITY IMPACT MITIGATION PLAN

Unforeseen Existing Potential impacts to underground utilities and other Demolition activities for enabling scope have Conditions existing systems. commenced in advance of the airline realignment scope to allow more time for resolution of impacts

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identified. Additionally, 3D modeling coordination is ongoing to resolve conflicts in Mechanical and Electrical scope.

Impact to Construction activities take place in and adjacent to Detailed phasing and operations discussions with Airport Operations existing operations. Port Facilities and Infrastructure, airlines and other

L M stakeholders have informed the design and construction schedule to avoid impacts from project work.

Electrical Electrical and mechanical component lead times may be The project team has identified these components Component Lead long and need to be ordered at an appropriate time to L L and accelerated design and procurement to facilitate Times efficiently maintain schedule. delivery to meet current construction schedule.

Complex Phasing Project in coordination with multiple projects including Cross project coordination will be on-going Airfield Improvement Program, Baggage Optimization L M throughout construction. The GCCM has included Program, and CHIRRP float in the schedule to mitigate this risk.

QUESTIONS/DISCUSSION

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