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COMMISSION

AGENDA MEMORANDUM Item No. 8h

ACTION ITEM Date of Meeting July 23, 2024

DATE : July 15, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Laurel Dunphy, Director, Airport Operations

Eileen Francisco, Director, Aviation Project Management Group

SUBJECT: 3rd Floor Ground Transportation Booth Enhancements (CIP #C801128)

Amount of this request: \$619,000

Total estimated project cost: \$3,800,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to take all steps necessary to complete the 3rd Floor Ground Transportation Booth Enhancements project at Seattle-Tacoma International Airport (SEA). This request is in the amount of \$619,000 for a total authorization amount of \$3,800,000.

EXECUTIVE SUMMARY

This project will renovate and expand the existing ground transportation booth (the GT booth) located on the 3rd Floor of the Main Garage at SEA. The GT booth functions as an administrative center for the orderly permitting and control of all commercial ground transportation activity at SEA. The existing facility was constructed over twenty years ago when SEA activity levels were much lower and is now a confined and inefficient space. The cost increase is due to greater than anticipated design costs. Measures were taken during the design phase to reduce costs, however, additional authorization is required to complete the project.

JUSTIFICATION

This project reinvests in facilities essential to ground transportation operations at SEA supporting the Century Agenda Goal to advance this region as a leading tourism destination and business gateway by meeting the region's air transportation needs by delivering vital facilities and infrastructure in a sustainable and cost-effective manner.

Diversity in Contracting

The design of this project utilized an existing indefinite delivery indefinite quantity (IDIQ) contract that has a Women and Minority-Owned Business Enterprise (WMBE) commitment of

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fifteen percent. The project team in coordination with the Diversity in Contracting department established an additional WMBE aspirational goal of 14 percent for the construction phase of this effort.

DETAILS

The project costs have increased since the project was originally authorized. The cost increases are associated with greater than anticipated design costs. Historically, for projects in the \$2M to \$4M range, Aviation Division project design costs are 12%-18% of construction costs.

Recognizing that while this is a relatively small project, it has a wide range of design disciplines needed, the Project Management team estimated the design costs at 45% of construction costs. However, due to the complexity of phasing required to keep the facility operating while the new facility was built, the design fee proved to be beyond the estimate. The design fee was determined to be fair and reasonable and based upon the work performed it is in-line with other design costs. For this type of project design costs typically range from \$15,000 to \$20,000 per plan sheet. For this project the design costs are estimated at \$15,395 per plan sheet. Several measures were taken during design to reduce overall project costs, including the elimination of a design milestone, and with the HVAC system and exterior finish selections. Ultimately the effort could not offset the increases and additional authorization is still required to complete the project.

Scope of Work

The scope of this project includes:

- (1) Expansion of administration space to support up to eight staff per shift.
- (2) Addition of a staff breakroom and restroom.
- (3) Upgrade of customer restroom facilities meeting accessibility requirements.

(4) Upgrade and expansion of existing infrastructure systems, including HVAC, to support functions.

(5) Technology enhancements include improved cell phone coverage and Wi-Fi.

Schedule

Activity

Construction start 2024 Quarter 3

In-use date 2025 Quarter 3

Cost Breakdown This Request Total Project

Design \$619,000 \$1,663,000

Construction \$0 \$2,137,000

Total \$619,000 \$3,800,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not proceed with the improvements.

Cost Implications: \$920,000 (current cost of design that would be expensed if the project does not proceed.)

Pros:

(1) No further investment required by the Port.

Cons:

(1) Staff support space would remain confined and inefficient.

(2) Does not provide technology enhancements.

(3) Does not upgrade customer restrooms to meet accessibility requirements.

(4) Poor HVAC performance continues to negatively affect workplace conditions.

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

This is not the recommended alternative.

Alternative 2 – Minor remodel of existing facility (no expansion), relocate some administration functions.

Cost Implications: \$1,500,000

Pros:

(1) Reduced investment by the Port.

Cons:

(1) Administration functions would not be co-located with operational functions.

(2) Remaining support space would remain inefficient.

(3) Does not provide equitable facilities for staff.

(4) Does not provide technology enhancements.

(5) Does not upgrade customer restrooms to meet accessibility requirements.

This is not the recommended alternative.

Alternative 3 – Expand existing facility.

Cost Implications: \$3,800,000

Pros:

(1) Administration space is expanded, and equitable facilities provided for staff.

(2) Administration functions remain co-located with operational functions.

(3) Provides technology enhancements.

(4) Upgrades customer restrooms to meet accessibility requirements.

Cons:

(1) Requires greater investment by the Port.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary Capital Expense Total

COST ESTIMATE

Original estimate \$2,800,000 \$0 \$2,800,000

Previous changes \$231,000 \$150,000 \$381,000

Current change \$619,000 \$0 \$619,000

Revised estimate \$3,650,000 \$150,000 \$3,800,000

AUTHORIZATION

Previous authorizations \$3,031,000 \$150,000 \$3,181,000

Current request for authorization \$619,000 \$0 \$619,000

Total authorizations, including this request \$3,650,000 \$150,000 \$3,800,000

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

Annual Budget Status and Source of Funds

This project (CIP #C801128) was included in the 2024-2028 capital budget and plan of finance with a budget of \$3,031,000. A budget increase of \$619,000 was transferred from the Non-Aeronautical Allowance (CIP #C800754) for a total revised capital budget of \$3,650,000 resulting in a zero net change to the Aviation capital budget. The funding sources will be the Airport Development Fund (ADF) and revenue bonds.

Financial Analysis and Summary

Project cost for analysis \$3,650,000

Business Unit (BU) Ground Transportation

Effect on business performance NOI after depreciation will decrease.

(NOI after depreciation)

IRR/NPV (if relevant) Costs would be recovered through the Ground

Transportation trip fees. Incremental \$0.04 per trip fee.

CPE Impact N/A

Future Revenues and Expenses (Total cost of ownership)

As a result of this project, Aviation Maintenance anticipates moderate impacts resulting in increased annual operating and maintenance costs for mechanical systems, custodial services, and electronic systems.

ADDITIONAL BACKGROUND

The existing GT booth was constructed in 2001 and is located on the 3rd Floor of the Main Garage as part of the Ground Transportation Center servicing courtesy vehicles, taxis, prearranged limos and transportation network companies like Uber and Lyft. Port staff (GT

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controllers) currently work within this facility supporting the administration and management of ground transportation permits and providing customer service to SEA passengers. The initial construction did not include a few basic amenities for staff (e.g., break area, lockers), and with the growth in SEA activity the facility is now very confined and has an inefficient layout for current operational needs. The existing HVAC system is inefficient, impacting workspace conditions and needs to be upgraded. The existing facility is approximately 1,000 square feet in size, and the new expanded facility will be approximately 1,800 square feet. Once completed the new facility will maximize staff productivity and provide a high level of service to SEA passengers and ground transportation providers.

The project will be phased during construction to maintain SEA operations. A portion of the facility will be constructed first, then Port staff will be relocated into the new facility, prior to the demolition of the existing facility. The two existing customer restrooms will also be maintained until the new restrooms are completed.

ATTACHMENTS TO THIS REQUEST

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 23, 2023 – The Commission authorized design and construction of the project.

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