



**COMMISSION
AGENDA MEMORANDUM**

Item No.

8c

ACTION ITEM

Date of Meeting

September 24, 2024

DATE: September 17, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Wendy Reiter, Director, Aviation Security
Eileen Francisco, Director, Aviation Project Management

SUBJECT: Primary Fire Station Full Construction Authorization (CIP #C801256)

Amount of this request: \$15,922,000

Total estimated project cost: \$29,922,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to enable the remaining budget of \$15,922,000 for the Primary Fire Station Project at Seattle-Tacoma International Airport, and to execute the Maximum Allowable Construction Cost (MACC) Contract Amendment, any related project change orders, amendments, work authorizations, purchases, contracts, and to take any action necessary to support and deliver the project within the approved total project budget of \$29,922,000. (CIP#C801256).

EXECUTIVE SUMMARY

This project will provide necessary renewal, replacement, and updating of facilities and infrastructure that have been in operation in the existing fire station for decades. These systems are outdated or at the end of their useful life.

The intent of this project is to provide much needed improvements to the living conditions at the primary fire station. This request is to authorize funding for the full scope of construction activities within the building. Scope of work will involve the following: (1) New mechanical equipment (heating, ventilating and air conditioning) and associated utility upgrades including new electrical panels; (2) Construction of new dormitories with individual sleeping rooms; (3) New roof structure in the dining area with an extended overhang to improve the outdoor space for the firefighters; (4) Upgraded wireless access and station alerting system; and (5) Installation of three electric vehicle (EV) charging stations to accommodate new EVs as part of a sustainable design initiative. Early work construction authorization was approved on May, 28 2024 and the mini-MACC contract has been executed.

The amount of this request is \$15,922,000 for full construction work.

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JUSTIFICATION

This fire station, also known as Station 1, is strategically located to provide the best response to airfield and terminal incidents with immediate access to the airfield operations area (AOA) and the airport landside roadways.

Construction authorization for the full work is required to provide the necessary improvements to the living conditions for the firefighters. One of the main components of this project is to install new Air Handling Units (AHUs) which are original to the building and in much need of replacement. This will improve the air quality in the station and provide better temperature control.

Another major component of this project is the re-construction of the East and West dorms. The new dorms will provide individual sleeping rooms with its own temperature control and alerting system notifications. The current dorms do not provide the privacy that is needed for each of the firefighters.

The existing facility needs these upgrades as the mechanical equipment is original to the building circa 1977 and delaying this work could lead to full equipment failure and continued discomfort for the firefighters. Also, the living quarters are not up to the standards of other fire stations and the communal dorms do not provide the individualized needs for each firefighter. The current alerting system wakes up everyone in the dorm and the new system will be able to notify just the response unit that is needed for the call.

Diversity in Contracting

This project has contracted design and engineering services using an existing 2018 Indefinite Delivery Indefinite Quantity (IDIQ) contract with a Small Business requirement of 5%. To date, this design effort has achieved 18% participation.

The project is using the General Contractor/Construction Manager (GC/CM) construction contract delivery method with a Women and Minority Business Enterprise (WMBE) participation goal of 10 percent.

DETAILS

The intent of this project is to replace the existing mechanical systems, including the existing kitchen range and dedicated exhaust, to provide needed utility and modern temperature controls that the existing systems are no longer capable of delivering. During the summer months, spaces such as the dining area with the solarium roof become very hot and the mechanical system is not capable of cooling the space.

In conjunction with the mechanical system and utility upgrades, the solarium roof will be modified to a solid roof with skylights to meet current energy code requirements. This will reduce the heat gain in this area and provide better temperature control in the dining and kitchen areas.

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The project will also reconfigure the two existing dormitories to better meet current life safety code, reduce noise, increase privacy, and provide greater utility. Currently, each sleeping unit is separated by lockers and privacy curtains. The renovated dorms will provide individual sleeping rooms separated by full height walls and doors.

Scope of Work

The primary fire station construction work entails two parts. First, the enabling work which involves the installation of temporary dorm trailers, a temporary AHU and procurement of long lead equipment which is set to start construction in Q4 2024. Second, the full construction work (this request) which includes the following:

- (1) Maintain full building occupancy and operation during construction.
- (2) Replace mechanical systems, including two air handling units, that are past their useful life.
- (3) Replace/upgrade electrical system including a new service transformer, in part, to support the mechanical system replacement.
- (4) Modify solarium roof in dining area to alleviate hot temperatures in the warmer months that make the dining area uncomfortable. This is in direct relation to the mechanical system upgrade and improving living conditions for the fire fighters.
- (5) Replace existing kitchen range including exhaust hood required to coordinate with the mechanical system replacement.
- (6) Renovate and remodel the two existing dormitories to better meet code, reduce noise, and increase privacy.
- (7) Modify/upgrade the station's portion of the Airport's computer automated dispatch/alarm notification system for unit call-out to support the dormitory renovation objective.
- (8) Install EV charging stations as part of Environmental "SPARC" initiatives. The fire station is scheduled to receive EV fleet vehicles in Q4 2024.

Schedule

Activity

Enabling Work Construction Start	2024 Q4
Full Program Construction Start	2025 Q1
In-use date (Enabling)	2025 Q1
In-use date (Full Program)	2026 Q2

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Cost Breakdown

This Request

Total Project

Design	\$0	\$5,000,000
Construction	\$15,922,000	\$24,922,000
Total	\$29,922,000	\$29,922,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Among the alternatives considered, continuing the practice of minimal investment in piecemeal repairs or low-cost targeted improvements were found not viable to address the core issues facing first responders working and living in the primary fire station. The enabling work (previous authorization) has commenced.

Alternative 1 – Authorize funding for the construction of the full program scope.

Cost Implications: \$15,922,000

Pros:

- (1) Allows for the improvements to take place and provide necessary upgrades to the outdated living conditions for the firefighters.
- (2) Eliminates the risk of equipment failure due to the age of the existing air handling units, there is a possibility that these units will break down prior to the future development.
- (3) Improves building performance of mechanical and electrical systems.
- (4) Provides upgrades to antiquated alerting system that could fail at any moment.

Cons:

- (1) Capital expense for improvements to the station will only be utilized for a number of years rather than a long-term investment.

This is the recommended alternative.

FINANCIAL IMPLICATIONS**Cost Estimate/Authorization Summary**

Capital

Expense

Total

COST ESTIMATE			
Original estimate	\$20,000,000	\$0	\$20,000,000
Previous changes – net	\$5,000,000	\$0	\$5,000,000
Current change	\$4,922,000	\$0	\$4,922,000
Revised estimate	\$29,922,000	\$0	\$29,922,000
AUTHORIZATION			
Previous authorizations	\$14,000,000	\$0	\$14,000,000
Current request for authorization	\$15,922,000	\$0	\$15,922,000
Total authorizations, including this request	\$29,922,000	\$0	\$29,922,000
Remaining amount to be authorized	\$0	\$0	\$0

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Annual Budget Status and Source of Funds

This project, CIP C801256, was included in the 2024-2028 capital budget and plan of finance with a budget of \$25,000,000. A budget increase of \$4,922,000 was transferred from the Aeronautical Allowance CIP (C800753) resulting in zero net change to the Aviation capital budget. The funding source will include the Airport Development Fund and revenue bonds. This project was presented to the airlines as a required Majority-in-Interest (MII) on May 19, 2022. After consultation with the airlines, airport management elected to utilize the Signatory Lease and Operating Agreement (SLOA) IV Discretionary new project provision which exempts this project from MII approval. This provision provides the airport with up to \$42 million of aeronautical rate base project costs that may be exempt from the MII review during the term of the agreement.

Financial Analysis and Summary

Project cost for analysis	\$29,922,000
Business Unit (BU)	Fire, project allocates 95.39% rate base cost to airlines
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.09 in 2027

Future Revenues and Expenses (Total cost of ownership)

Operating & Maintenance (O&M) costs associated with this project will be further determined during the design phase of the project.

ADDITIONAL BACKGROUND

Station 1 is located north of the airport directly west of the intersection of the airport expressway and South 170th Street. This building consists of a 30,150 square foot main floor and 4,840 square foot upper floor. The building has undergone some minor upgrades since its original construction in 1977, the most substantial of which was the build out of the west carport into a new apparatus bay in 2008. However, the greater part of the building and its core mechanical and electrical systems, are original to the building.

Investment in the facility has always been measured against the anticipated short remaining life of the facility. This has led to past deferrals of projects intended to address renewal and replacement. The systems and infrastructure of the existing facility are, for the most part, original and well past their useful life and significantly behind current operational standards.

Furthermore, the project recently completed public bidding for several subcontract packages and received multiple bids on nearly all of them. The favorable response to the bid packages resulted in the actual construction cost being slightly under our estimated budget cost. This is a positive step forward to ensure the improvements for the fire station will be completed as planned.

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ATTACHMENTS TO THIS REQUEST

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 28, 2024 – The Commission authorized \$6,700,000 for the Enabling Construction Work and to procure long lead items for a Total Authorized Budget of \$14,000,000.

June 28, 2022 – The Commission authorized \$7,000,000 to facilitate the following actions: (1) complete design, (2) use the General Contractor/Construction Manager (GC/CM) Contracting Method, (3) advertise and award a GC/CM Construction contract, (4) execute a pre-construction services contract, including enabling construction work and early work packages, (5) execute change orders over \$300,000 where cost is within Authorized Budget, (6) include and use a project labor agreement as part of the GC/CM contract, and (7) use Port crews in support of the Primary Fire Station Continuing Operations Preservation Project