

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5d

ACTION ITEM

Date of Meeting March 27, 2012

DATE: March 16, 2012

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development

SUBJECT: Bus Maintenance Facility Project Contract MC-0316730
Change Order for time extension for the RCF Bus Maintenance Facility

Amount of This Request: \$0 **Total Project Cost:** \$13,228,256.00

Source of Funds: Bus Maintenance Facility Construction Contingency (Customer Facility Charge and Airport Development Fund). No additional funds required.

Est. State and Local Taxes: \$1,256,684.32 of Total Project Cost **Jobs Created:** None

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to issue a change order for the Bus Maintenance Facility (BMF) project to extend the completion date by a duration not to exceed 94 calendar days to complete commissioning of the BMF project. No additional funds are requested.

SYNOPSIS:

The 94-day contract extension is required to fully stress test and commission the new compressed natural gas (CNG) fueling station, and to complete the commissioning of the direct digital controls (DDC) system for the BMF building. Port staff anticipates the completion of the commissioning for the new CNG fueling station and the DDC system by March 29, 2012, resulting in a 94-calendar-day delay to the substantial completion of the BMF project extending the contract out to May 2012. This contract extension will not affect the opening of the RCF. Since the change order extends time only, no additional project funds are requested as a result.

The general contractor has submitted a preliminary claim for additional costs related to schedule delay and impacts. The Port has not received sufficient documentation at this time to justify payment for any delay costs, but has acknowledged concurrent delays being caused by both the Port and contractor. Staff believes there is clearly some excusable delay to the BMF contract end date caused by the Port's inability to provide buses for testing and commissioning of the

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CNG station, and the Port's error in specifying the requirements for the DDC system. To keep the project moving, avoid impacting the opening of the RCF, and avoid additional contractor claims for constructive acceleration, staff requests authorization to issue a change order extending the required contract completion date by up to 94 calendar days.

BACKGROUND:

When the BMF project was advertised for construction bids, the Port and the Rental Car Industry had established a tentative opening date for the RCF of March 2012. The BMF project includes a new CNG station and, per the construction contract, the Port is responsible to provide the buses for the contractor to complete the testing and commissioning of the new CNG station. In order to complete the testing and commissioning for the new CNG station, the station needs to be fully loaded, which requires the use of any combination of both existing employee parking and new rental car buses. At that time the BMF project was advertised for construction bids, it was anticipated that the new rental car busing operation would potentially have started and support the completion and activation of the new CNG station by January 2012. Since that time, the Port has made a number of decisions that have delayed the startup of the rental car busing operation until April 20, 2012, and the opening date of the RCF to May 17, 2012. Given these delays, Port staff has pursued an option to utilize Pierce Transit buses to support the completion of the CNG station testing and commissioning effort. That work is currently scheduled for the week of March 11, 2012, and supports a beneficial occupancy date for the new CNG station of March 30, 2012.

When the BMF project was advertised for construction bids, the Port included in the contract documents the requirements for the DDC system. The DDC system is intended to provide a direct communication link between the BMF systems and the Airport's central operating systems so that the systems in the BMF can be remotely monitored and managed. Typical systems that are included with the DDC system include the heating and ventilation systems, fire suppression, and water and natural gas utilities. Unfortunately at the time the project was bid the requirements for the DDC system were incorrect and this error was not caught until work began on the interface of the DDC system with the other systems. Port staff anticipates that the DDC system can be corrected in March 2012, which would support a beneficial occupancy date for the BMF building of April 12, 2012.

This time extension will allow work to proceed without forcing the contractor to either accelerate to meet the current contractual completion date, or risk a potential claim for liquidated damages. The 94 calendar days is based on an estimate that we will be substantially complete with the BMF project on May 17, 2012. The Port is requesting authorization on a "Not to Exceed" basis as the parties continue to work towards being able to complete the work as early as possible. The 94-day extension will not affect the currently scheduled opening of the RCF.

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FINANCIAL ANALYSIS:

This change order extends time only. No additional project funds are being requested as a result of this change order.

CONTRACT INFORMATION: The following information relates to the contract and competitive award:

Contract award date:	October 11, 2010
Original period of performance:	October 11, 2010, to February 13, 2012
Previous contract extensions:	0 Days
<u>Current Contract Completion Date:</u>	<u>February 13, 2012</u>

<u>Contract extension this change order:</u>	<u>94 Days</u>
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Revised Contract Completion Date:	May 17, 2012
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Original contract amount:	\$13,086,443.50
Previous Change Order Nos. 001 – 022:	\$141,813.00
<u>Current contract amount</u>	<u>\$13,228,256.50</u>

<u>This Request, Change Order No. 23</u>	<u>\$0.00</u>
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Revised contract amount:	\$13,228,256.50
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OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

The following is a list of the previous Commission actions in support of the BMF project and does not include the dates of all of the monthly Rental Car Facility program briefings to the Commission:

- On February 27, 2007, the Commission authorized an additional \$6,460,183 for design for the RCF program. This included \$1,462,500 for the BMF project.
- On May 13, 2008, the Commission authorized an additional \$3,574,300 for design for the RCF program. This included \$1,377,330 for the BMF project.
- On June 2, 2009, the Commission authorized an additional \$607,000 for the design of the CNG Fueling Facility as part of the BMF project.

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- On June 30, 2009, the Commission lifted the suspension on the RCF program and authorized an additional \$591,670 for the design of the RCF program. This included \$361,170 for the BMF project.
- On February 2, 2010, the Commission authorized the advertisement of construction bid, and an additional \$24,474,000 for the construction of the BMF project.
- On May 18, 2010, the Commission authorized the Chief Executive Officer to execute a Developer Extension Contract, and supporting Bill of Sale, Right of Entry and Easement documents, with the Highline Water District in support of the BMF project.
- On May 3, 2011, the Commission authorized the Chief Executive Officer to amend the Arai Jackson Ellison Murakami (AJEM) Professional Service Agreement for up to \$450,000 for design support during construction of the Bus Maintenance Facility (BMF) and to provide notification to the Port of Seattle Commission in accordance with RCW 53.19.060 that the total amended amount exceeds 50% of the original contract not to exceed value of \$1,900,000.
- On January 10, 2012, the Commission conducted the First and Second Reading and passed Resolution No. 3656 declaring certain real property, the water mains and appurtenances located at: 2585 S 194th St, SeaTac, WA and 2645 S 194th St, SeaTac, WA, the water mains and appurtenances located within the public right of way on S 160th St, SeaTac, WA, and on Port property on Host Road, SeaTac, WA, to be surplus and no longer needed for Port District purposes and authorizing the Chief Executive Officer to execute all documents necessary for transfer of the title of these water mains and appurtenances to the Highline Water District.
- February 28, 2012, commission briefing.