



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8a

ACTION ITEM

Date of Meeting September 10, 2019

DATE: August 30, 2019

TO: Stephen P. Metruck, Executive Director

FROM: Nick Milos, Manager, Corporate Facilities
Amy Kiessling, Capital Project Manager I

SUBJECT: Pier 69 Lobby Improvements Project WP#: U00488 and CIP#: C800216

Amount of this request: \$175,000

Total estimated project cost: \$496,000

ACTION REQUESTED

Request commission authorization for the Executive Director to increase the budget for the Lobby Improvements Project by \$175,000 for a total project cost not to exceed \$496,000.

EXECUTIVE SUMMARY

On October 9, 2018, Commissioners authorized \$715,000 for two projects; the Commission Chambers Refresh Project (CIP# C800216) for \$394,000, and the Lobby Improvements Project (WP# U00488) for \$321,000. The commission chambers project was completed in April 2019, under budget for a total project cost of \$352,000. Commissioners also authorized the use of an existing Job Order Contract (JOC) and Port work crews to complete the work. This is still the proposed method.

The lobby project was still in the conceptual design phase when authorization was granted last October. Completion of the design phase allowed for more accurate cost estimates, thus we are requesting this additional authorization.

JUSTIFICATION

There has been no significant investment in the lobby since the building was renovated in 1993. The proposed improvements enhance safety and security for reception staff by improving sight-lines and eliminating the uncomfortable sense of vulnerability they currently experience when visitors and employees approach the desk from behind. The improvements will also modernize the look and feel of the lobby, improve accessibility, improve flow, and encourage public and staff engagement.

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Diversity in Contracting

Due to the elements within the scope of work, Port Construction Services would use a Job Order Contract for both phases which will help maximize WMBE opportunities for this project.

DETAILS

The project will be completed with an existing Job Order Contract and managed by Port Construction Services. Project support and select scope elements will be completed by Marine Maintenance. Design and Construction Documents have been completed. The Economic Development Division (EDD) has a favorable budget variance to cover the additional expense. The unplanned capital portion can be funded from the EDD CIP Reserve. The lobby will remain open and functional during construction. This requires off hour work, additional staff support, and special accommodations to minimize construction impacts. The existing desk will be salvaged for reuse; if no location can be found for its reuse, the desk will be disposed of at a verified material sorting refuse center.

Scope of Work

The project would replace the existing reception desk and relocate it to the south side of the lobby. Additional scope would include the installation of new LED light fixtures with photometric sensors, installing LED retrofit kits to the existing soffit lighting, data and communications cable upgrades to service the new desk location, painting and installation of graphics, modification and relocation of the ship models, and a new table mounted video display featuring a rotation of Port created content that will be managed by External Relations.

Schedule

The project would start in the 4th quarter of 2019 and is anticipated to be completed by the end of 2019.

Cost Breakdown

	This Request	Total Project
Design	\$0	\$100,000
Construction	175,000	290,000
Total	\$175,000	\$390,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Add a single table-mounted video display and update finishes (paint, graphics and modify models).

Cost Implications: \$225,000 – Scope can be completed for less than the original authorized amount of \$321,000.

Pros:

- (1) No additional financial authorization required.
- (2) Realized savings through unspent authorized budget.

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- (3) Minimal disruptions to the lobby.

Cons:

- (1) Safety and security improvements would not be realized, and reception staff would continue to experience the uncomfortable sense of vulnerability.
- (2) Limited improvement to the visitor and public receiving experience.

This is not the recommended alternative.

Alternative 2 – Complete the project as designed: new relocated reception desk, lighting and power upgrades, new table-mounted video display, and updated finishes (paint, graphics and modified model displays).

Cost Implications: \$496,000

Pros:

- (1) Safety and security improvements with relocated desk.
- (2) Improved visitor and public receiving area.
- (3) Realized energy and maintenance savings related to modernized lighting.

Cons:

- (1) Additional cost of \$175,000.
- (2) Disruption of lobby operations.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE for Lobby Improvements			
Original estimate	\$0	\$321,000	\$321,000
Current change	75,000	100,000	175,000
Revised estimate	75,000	421,000	496,000
AUTHORIZATION for Chamber and Lobby			
Previous authorizations	394,000	321,000	715,000
Current request for authorization	75,000	100,000	175,000
Total authorizations, including this request	469,000	421,000	890,000
Remaining amount to be authorized	\$75,000	\$100,000	\$175,000

Annual Budget Status and Source of Funds

The expense portion of this request will be funded under the P69 Facilities 2019 Operating Budget. The capital portion of this request will be funded from the EDD CIP Reserve account # C800216 which was included in the 2019 Plan of Finance. This project will be funded by the General Fund.

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Financial Analysis and Summary

Project cost for analysis	\$496,000
Business Unit (BU)	P69 Facilities
Effect on business performance (NOI after depreciation)	<ul style="list-style-type: none"> • No Incremental revenue or cost-savings associated with this project • Annual depreciation expense is estimated to increase by approximately \$3k per year
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

ATTACHMENTS TO THIS REQUEST

Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 9, 2018 – The Commission authorized the Executive Director to proceed with the construction of the Commission Chamber Refresh project and the Lobby Improvements project at Pier 69, and to use a Port Construction Service contract and Port work crews to complete the work. At the time, the total combined estimated project cost was \$715,000.

September 25, 2018 – The Commission received a presentation.