



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8d

ACTION ITEM

Date of Meeting October 8, 2019

DATE: October 1, 2019

TO: Stephen P. Metruck, Executive Director

FROM: Randy Krause, Fire Chief
Wayne Grotheer, Director, Aviation Project Management

SUBJECT: Interim Westside Fire Station – Budget Request (CIP #C800876)

Amount of this request: \$3,679,000

Total estimated project cost: \$9,179,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to increase funding for the Interim Westside Fire Station Design-Build Contract by \$3,679,000 for a new total project cost of \$9,179,000.

EXECUTIVE SUMMARY

This project will establish a stand-alone, fully functional fire station on the west side of the airfield to meet Federal Aviation Administration (FAA) mandated airfield firefighting requirements. This new fire station will provide necessary accommodations to house 5 firefighters and 2 Aircraft Rescue Fire Fighting (ARFF) vehicles for 24/7/365 operation. This new facility will replace temporary facilities that include a tent structure to cover 1 rescue vehicle and multiple leased rooms within a nearby hangar that house firefighter quarters in a ‘makeshift’ or ‘make-do’ manner.

This request is for a greater budget amount than originally foreseen because delivery access and installation challenges arose that would close the immediately adjacent high-speed taxiway and nearby runways. As a result, elements of the original design for a basic contracting model (design-bid-build) utilizing modular units for crew quarters became obsolete and time was needed to devise a better plan. To overcome a very constrained and difficult site adjacent to the airfield caused staff to reach out to other airfield team members and to informational contractor sessions to identify how best to construct on the difficult site. Contractor sessions identified that anticipated costs were too low, and that the fastest possible delivery would include working directly and in partnership with contractors to develop a custom design and then be able to move quickly to construction.

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With this information, staff sought and received authority from the Commission to move forward with a different contracting model (design-build) to utilize contractor expertise while minimizing schedule and cost risks. While 7 plan-holding contractors examined the project, 2 contractors stayed with the project to compete to design and build the project. The competitive designs, costs, and schedules were evaluated by 5 port staff over a period of 2 months. The evaluation team reviewed airfield, terminal, facilities, and firefighter requirements to ensure that delivery of this project is achievable while meeting airport-wide needs. Today's request seeks additional funding to complete the project by the end of 2020.

JUSTIFICATION

Since 1979, the Airport Fire Department has operated out of a single fire station, located adjacent to the main terminal building on the east side of the airport runways. As part of the FAA Federal Aviation Regulation Part 139 airport certification process, the Fire Department is required to demonstrate its ability to respond to the midpoint of the furthest runway within three (3) minutes. The completion of the airport's third runway and subsequent reconfiguration of taxiways impacted this response time such that additional location has been arranged in order to correct the situation.

To meet the FAA's mandated response time, the Fire Department has been operating from a small converted conference room within a hangar, located on the west side of the airfield. As stated in previous requests, the current temporary housing at the PACCAR hangar is extremely small and does not meet the Fire Department's personnel accommodation standards. In this small space, the Fire Department can only operate a skeleton crew of two (firefighters and one (1) ARFF vehicle). To properly staff the station, the Fire Department requires a total of five (5) firefighters and two (2) ARFF vehicles at the location.

As planning efforts proceed, it is becoming apparent that this interim station may remain functional for many years to come. Its siting allows the proposed permanent Westside Fire Station, as depicted in Sustainable Airport Master Plan Near Term Projects to be constructed and activated without impacting the ongoing firefighting operations. This westside facility also allows for flexibility in planning and timing of the permanent station on the west side which provides timing flexibility for master plan environmental review work. The flexibility provided by the interim station and its position on the site provides the Port with options for how the later permanent station is planned and designed in its final state and provides for the possibility of future uses past its intended use as an interim westside fire station.

Diversity in Contracting

As part of the RFP, the Port established MWBE aspirational goal for this project of 2 percent for design and 9 percent for construction.

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DETAILS

Scope of Work

This project designs and constructs a building to accommodate the necessary living quarters for five (5) firefighters and vehicle bays for the storage of two (2) ARFF vehicles. The building will be located directly east of the PACCAR hangar within their current lease boundary. Additional asphalt placement, security fence relocation and utility work are required to facilitate placement of the new building and may be completed as enabling work prior to the design-build contract.

The living quarters will consist of five (5) bunkrooms, a day room, kitchen, restrooms with showers, laundry facilities and an exercise room. Secured entry doors, video conferencing equipment and an emergency response alerting system will be installed. The ARFF vehicle bays include features currently used at the existing fire station such as vehicle exhaust extraction.

Schedule

Activity

Construction start	Q1 2020
In-use date	Q4 2020

Cost Breakdown

	This Request	Total Project
Design Phase	\$0	\$980,000
Construction Phase	\$3,679,000	\$8,199,000
Total	\$3,679,000	\$9,179,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

All alternatives contemplate the eventual construction of a larger permanent fire station on the west side of the Airport. This facility contemplates this later construction project. It is now anticipated that construction of the permanent fire station may not require demolition of this facility.

For the purposes of this request, an alternative of canceling the project was considered but deemed unacceptable (see Justification above) and is not included below.

Alternative 1 – Reduce scope and negotiate with the selected design-build team to remain within the existing project budget.

Cost Implications: \$0

Pros:

- (1) No budget increase required

Cons:

- (1) Reduction of scope will compromise Fire Department operations.

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- (2) Reduction of scope will require additional time to negotiate and complete and thus will extend the project duration.

This is not the recommended alternative.

Alternative 2 – Increase the budget by \$3,679,000 and issue the intent to award to the selected design-build team.

Cost Implications: \$3,679,000

Pros:

- (1) The project would construct a fully functional fire station with crew quarters.
- (2) The project would construct a fire station that meets the requirements of the Fire Department and the Airport.

Cons:

- (1) The project would require additional funds of \$3,679,000.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$2,400,000	\$0	\$2,400,000
Previous changes – net	\$3,100,000	\$0	\$3,100,000
Current change	\$3,644,000	\$35,000	\$3,679,000
Revised estimate	\$9,144,000	\$35,000	\$9,179,000
AUTHORIZATION			
Previous authorizations	\$5,500,000	\$0	\$5,500,000
Current request for authorization	\$3,644,000	\$35,000	\$3,679,000
Total authorizations, including this request	\$9,144,000	\$35,000	\$9,179,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project was included in the 2019 - 2023 capital budget and plan of finance with a budget of \$5,500,000 million. Sunk costs related to a prior design with a different contracting model combined with the difficult project site and the realities of higher construction costs today now require this request for additional funding to complete the project. The budget increase has been transferred from the Aeronautical Reserve CIP (C800753) resulting in no net change to the Aviation capital budget. The funding source will be the Airport Development Fund.

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Financial Analysis and Summary

Project cost for analysis	\$9,179,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	Range depending on economic life (CPE increase in 2022 of \$0.13 if 3 years; \$0.07 if 6 years; \$0.04 if 10 years)

Future Revenues and Expenses (Total cost of ownership)

Maintenance, utilities and janitorial costs will be incurred, but this amount is not established at this time.

ADDITIONAL BACKGROUND

The Port is planning the future construction of a permanent fire station on the west side of the Airport. The site of this project has been accounted for in the planning efforts to ensure that it will not be impacted by future construction.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 28, 2019 – The Commission authorized use of a design-build contract for this project. No additional funding was requested.

February 27, 2018 – The Commission authorized design and construction of this project.