

Item No.: 8A_Supp
Date of Meeting: September 7, 2022

Project Authorization For T106 2W Building Roof Replacement Project



THE NORTHWEST
SEAPORT ALLIANCE
SEATTLE + TACOMA

Presenters: Stefan Wynn, Architect
Capital Project Manager, POS;
Erin DeBroux, Sr. Real Estate Manager, NWSA

Action Requested (Dual Vote) Managing Members Action Terminal 106 2W Roof Replacement Project

Request Managing Member vote authorization to:

As referenced in NWSA Resolution No. 2020-02, Exhibit A, Delegation of Authority Master Policy, Paragraph 8.c.iii., states project costs exceeding \$300,000 require approval from Managing Members.

- a. Approve project authorization in the amount \$935,000 which is to be allocated in full to the Port of Seattle following substantial completion of all work associated replacement of the building 2W roof, Master Identification No. 2022-75.
- b. Develop, advertise, and execute an alternative public works delivery contract using the Design-Build project delivery method.

Action Requested (Dual Vote)

Port of Seattle Action

Terminal 106 2W Roof Replacement Project

Jointly, request the Commissioners of the Port of Seattle authorization to:

- a. Approve project authorization in the amount \$1,700,000 to complete all work associated replacement of the building 2W roof, POS WP U00701.
- b. Develop, advertise, and execute an alternative public works delivery contract using the Design-Build project delivery method.

Action Requested (Dual Vote)

First Addendum to ILA

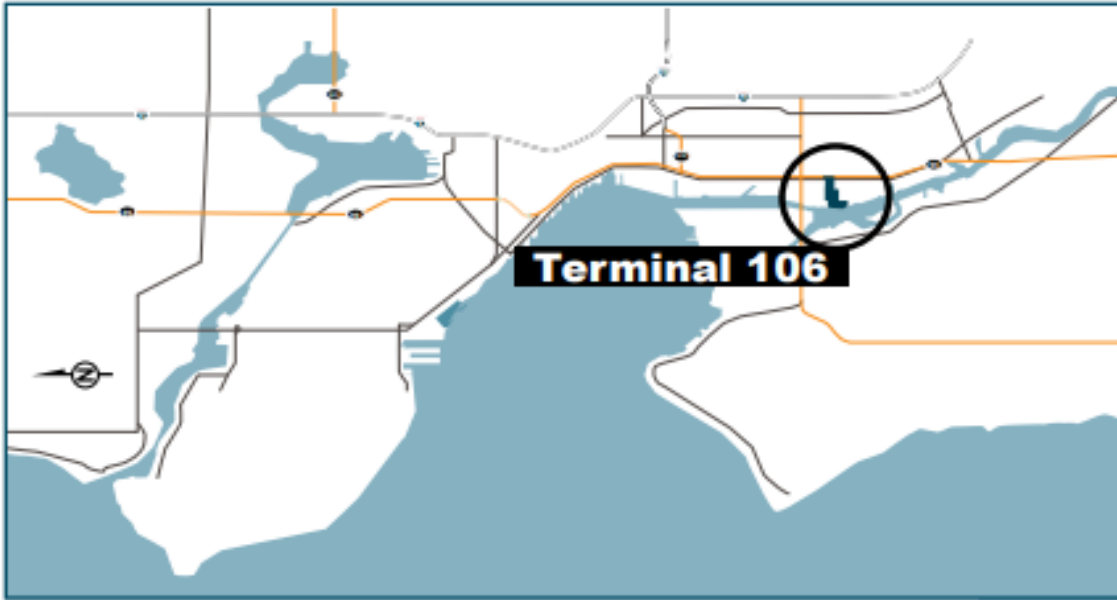
Terminal 106 2W Roof Replacement Project

1. Request Managing Members of The Northwest Seaport Alliance authorization for the Chief Executive Officer or their delegate to enter into a First Addendum to the Interlocal Agreement between the Port of Seattle and The Northwest Seaport Alliance Regarding the Port of Seattle's Use of a Portion of Building 2W Located on Terminal 106 to identify the roof renovation plan and timeline.
2. Jointly, request the Commissioners of the Port of Seattle authorization for the Executive Director or their delegate to enter into a First Addendum to the Interlocal Agreement between the Port of Seattle and The Northwest Seaport Alliance Regarding the Port of Seattle's Use of a Portion of Building 2W Located on Terminal 106 to identify the roof renovation plan and timeline.

CBP Renovation Project & Prior Actions Summary

CBP, Terminal 106 2W

- CBP staff providing international cargo inspection services office out of both T106 & T102
- Neither location meets CBP standards for suitable workspace, and CBP required updates to its T106 office and workspace location, at which the T102 staff can consolidate
- At the August 3, 2021 Managing Members meeting, two actions were approved:
 1. Funding (\$6.4M) to complete an office and facility renovation project (“Renovation Project”) to update T106 to meet CBP standards
 2. ILA between the NWSA and Port which:
 - Transfers management of the CBP premises from the Port to the NWSA upon completion of the Renovation Project;
 - Identifies cost allocations between the Port and NWSA;
 - Identifies the roof of the building 2W as an asset in need of future repair
- At the August 3rd meeting Staff provided an estimated roof repair cost of \$2.5M and noted that a separate funding action request to repair the roof would be forthcoming



Terminal 106 2W Low Slope Area



Project Summary

Terminal 106 2W Roof Replacement Project

- **As part of the Custom and Border Protection (CBP) renovation project**
 - Install a new 20-year membrane roof of the existing low slope portion of the roof.
- **The roof of the building is a Port of Seattle Asset**
 - Per the ILA agreement, the total cost of the roof replacement will be shared 55% by the NWSA and 45% by the Port of Seattle.
 - The requested funding is only for the roof portion of the project and will not be available to apply to other elements of the renovation project.
- **Modification to ILA agreement (Presented after roof scope)**
 - Establishes a repair plan and timeline

Project Background

Terminal 106 2W Roof Replacement Project

- **Existing low slope roof area is past its useful life**
 - In 2006, a single base sheet (SBS) asphalt roll roofing with a 15-year manufacturer's warranty was installed on the low slope main roof area. There are currently persistent leaks in this area of the roof.
 - Asphalt shingles with a 40-year manufacturer's warranty were installed on the steep roof areas around the perimeter and have been assessed to have another 15-20 years of useful life.



Existing Condition



Project Objectives

Terminal 106 2W Roof Replacement Project

- **Project Objectives**

- Protect existing assets and new investment.
- Reduce unplanned maintenance and tenant disruptions.
- Cost effective use of public funds from cost savings due to a single procurement process.
- Reduce GHG emissions with additional insulation and a reflective light colored roofing material.

Project Details

Terminal 106 2W Roof Replacement Project

- **The proposed improvements include the following:**
 - Install a new 20-year fleeced backed single layer membrane roof over tapered insulation to improve drainage over the 34,000 SF of low slope roof area.
 - All required flashing and integration of membrane roofing with skylight openings, Mechanical curbs, and platforms.
- **Per the current building code, the new membrane roofing is allowed to be installed over the existing single layer Asphalt roofing.**
 - This approach will be taken to reduce cost.
 - Limit required energy code upgrades.

Project Schedule

Design Build Procurement for CBP renovation project with roof included

Activity	Timeframe
Addendum for Roof SOW	9/09/2022
Consensus Scoring Meeting	10/07/2022
Notice of Award	11/10/2022
Substantial Completion	3/05/2024



Source of Funds

Terminal 106 2W Roof Replacement Project

- The estimated cost of the Design-Build for this project is \$1,200,000
- The estimated budget for this project is \$1,700,000
- POS: The 2023 Capital Investment Plan (CIP) allocates \$1,700,000 for this project.
- NWSA: The current CIP allocates \$1,375 for this project based upon initial repair estimate of \$2.5M. Revised estimate: \$935,000
- Per the ILA agreement, the POS shall perform the work and pay for the Roof Renovation Project with NWSA reimbursing its pro rata share to POS upon completion of the project.
- The cost of the replacement will be split 55% to the NWSA and 45% to POS.

Financial Impact

Terminal 106 2W Roof Replacement Project

The cost allocation of the roof repair is:

- a. POS: \$765,000 (45%)
 - b. NWSA: \$935,000 (55%)
1. POS: Following completion of the work, POS will receive 55% of the total cost from NWSA as miscellaneous income. POS will own 100% of the asset which will be depreciated over the standard useful life.
 2. NWSA: Following completion of the work, NWSA will pay the POS 55% of the total cost and amortize the cost over the 10-year CBP lease term. POS will reimburse NWSA for any unamortized portion should the lease terminate before the end of the useful life of the roof.

Financial Summary

Terminal 106 2W Roof Replacement Project

Item	Budget Estimate	Cost to Date	Remaining Cost
Procurement & Management	\$500,000	\$0	\$500,000
Design & Construction	\$1,200,000	\$0	\$1,200,000
Project Total:	\$1,700,000	\$0	\$1,700,000



Project Background Addendum to the ILA

- **Via the ILA approved at the August 3, 2021 Managing Members Meeting, the POS and NWSA agreed:**
 - Roof will require renovation.
 - Following a formal assessment of the roof, NWSA and POS will establish a renovation plan and timeline.
 - POS shall perform the work and pay for the roof renovation.
 - POS and NWSA to each be responsible for its pro-rata share of the total cost of the roof renovation (NWSA 55% / POS 45%).
 - NWSA to reimburse POS its pro-rata share of costs upon substantial completion of the work.

Addendum to the ILA Base Terms

- The First Addendum to the ILA identifies the roof renovation plan and timeline.
- The base terms are as follows:
 - Removal of requirement to perform an additional formal roof assessment due to sufficient information already existing to identify a repair plan and timeline.
 - Roof repair to occur in conjunction with and not separate from the Renovation Project.
 - Construction for the collective roof replacement and Renovation Project to commence in 2023 with substantial completion to occur in 2024.

Action Requested (Dual Vote)

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