

COMMISSION AGENDA

Item No: 4D

Meeting: 11/29/18

DATE: November 14, 2018

TO: Port Commission

FROM: John Wolfe, Chief Executive Officer

Sponsor: Scott Francis, Director, Real Estate

Project Manager: Norman Gilbert, Engineering Project Manager II

SUBJECT: Project Authorization for work associated with the EBC Building 326 HVAC and Roof Replacement, and Buildings 407 and 532 Bird Wire Installation

A. ACTION REQUESTED

As referenced in Resolution No. 2017-01-PT, Exhibit A, Delegation of Authority Master Policy, Paragraph IV.B.ii., states project costs exceeding \$300,000 require approval from Port Commission.

Request project authorization in the amount \$756,000 for a total authorized amount of \$921,000, for work associated with the Earley Business Center (EBC) Building 326 HVAC and Roof Replacement, and Buildings 407 and 532 Bird Wire Installation, Master Identification No. 101249.01.

B. SYNOPSIS

This project is necessary to maintain the roofs on buildings 326, 407 and 532 at the Earley Business Center (EBC) in good working order per lease obligations and to protect the Port's existing assets.

C. BACKGROUND

Building 326 is an approximately 9,900 square foot single story office space that supports the larger warehouse buildings (407 and 532). The roof and HVAC units have performed beyond their useful life and are in need of replacement. Port Maintenance staff have been performing more frequent and larger repairs to the roofing. Additionally, two HVAC units were replaced in 2017.

Buildings 407 and 532 have recently had their roofs replaced along with other structural work (2016 and 2013, respectively). To reduce maintenance costs and extend the life of the roofs, bird exclusion wire was installed during the previous roof replacement work. However, birds have been able to access the roof causing added maintenance to the roof and gutters. This effort will improve upon the existing bird deterrent system greatly reducing the potential of damage to the roof and gutters.

D. PROJECT DETAILS

Scope of Project:

The scope of the project is to design, permit and construct the reroofing of building 326 including replacement of three roof-mounted HVAC units and installation of bird deterrent systems on buildings 326, 407, and 532 at the Earley Business Center.

Scope of Work for This Request:

- Replacement of roof membrane, insulation, 3 roof-mounted HVAC units, and bird deterrent system on building 326.
- Removal and reinstallation of 2 roof-mounted HVAC units previously replaced on building 326.
- Installation of additional wire and perimeter spikes to the existing bird deterrent systems installed on buildings 407 and 532.
- Project and construction management.

Schedule

Advertise for Bids	December 2018
Bid Opening	January 2019
Substantial Completion	June 2019

E. FINANCIAL SUMMARY

Estimated Cost of Project

The total project cost including all stages is estimated at \$921,000.

Estimated Cost for This Request

The total estimated cost of the Construction for this project is \$756,000. If the cost of this estimate is anticipated to exceed the authorized amount, additional Commission authorization will be requested.

Estimated Sales Tax

The total estimated sales tax to be paid to local and state governments for this project is \$65,650.

Cost Details

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
DESIGN	\$0	\$165,000	\$165,000	\$165,000	\$54,951	\$110,049
CONSTRUCTION	\$756,000	\$0	\$756,000	\$756,000	\$0	\$756,000
PROJECT TOTAL	\$756,000	\$165,000	\$921,000	\$921,000	\$54,951	\$866,049

Source of Funds

The current Capital Investment Plan (CIP) allocates \$921,000 for this project.

Financial Impact

Project costs will be capitalized and depreciated over an estimated 10-year life resulting in annual depreciation of \$92,000. There will be no depreciation for 2018.

Annual rent revenue:	\$300,000
Payback:	3.1 years

F. ECONOMIC INVESTMENT/JOB CREATION

There are no economic investments being made by the tenants of these buildings in relation to this project.

This action will generate approximately 8-10 FTE jobs for the duration of construction. The project continues to maintain the three buildings that currently employ 120 people.

G. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do Nothing. Which will increase the need and complexity of repairs.

Alternative 2) Replace the roof, insulation and HVAC on building 326, and improve the bird deterrent system on buildings 407 and 532.

Alternative 2 is the recommended course.

H. ENVIRONMENTAL IMPACTS/REVIEW

Permitting:

The Port has received the necessary building permits from the City of Tacoma. This project is covered under the current Port SEPA Exemption and City of Tacoma Shoreline and Critical Area Exemption for maintenance on an existing facility.

Remediation:

N/A

Water Quality:

Best Management Practices (BMPs) will be implemented to protect water quality through the Port's Construction Stormwater Pollution Prevention Plan (SWPPP) during construction activities.

Air Quality:

No long-term impact as the building use will not change. Contractor will follow the Port's requirements for air pollution control during construction activities.

I. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
April 3, 2018	Executive Authorization POT-20180329.02	\$165,000
TOTAL		\$165,000

J. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.

K. NEXT STEPS

Bid advertisement, execution of Public Works Contract and construct the project.