



ATTACHMENT #1

MEMORANDUM

TO: Patricia deLaBruere
JNU Airport Manager

DATE: March 5, 2015

FROM: Catherine Fritz, AIA
JNU Airport Architect

RE: Concessions Expansion Project

At the January 2015 Airport Board meeting, I presented a concept for expanding the food and beverage concession in the Departure Lounge that was estimated to cost a total of \$328,000. It was a 3-part project that would first relocate Alaska Airlines' administrative offices to the Juneau meeting room, then renovate their former office space into a new Bar and Prep Kitchen, and finally, construct a new meeting room. The first component, Alaska Airlines' administrative offices is nearly complete. Although final costs are not yet in, I anticipate that the total cost is very close to the \$40,000 Conceptual Estimate.

For the second component, Renovate for Bar and Prep Kitchen, I estimated \$150,000 for the construction of this component. This was based on a preliminary concept only (design work had not started). The design and construction documents were completed on February 27, 2015, under an accelerated schedule. I prepared an updated construction cost estimate based on the actual bid documents and now believe that the construction cost will be approximately \$266,000. The table below illustrates the differences in cost estimates at early concept stage and at current construction documents stage.

WORK ITEM	CONCEPT ESTIMATE	CONSTRUCTION DOCS ESTIMATE
GENERAL DEMOLITION	\$ 3,000	\$3,740
WALLS	\$ 8,000	\$ 8,690
DOORS	\$ 5,000	\$ 8,360
CASEWORK	\$ 10,000	\$ 19,800
CEILING	\$ 8,000	\$ 8,800
FLOORS	\$ 8,000	\$ 10,560
WALL FINISHES	\$ 10,000	\$ 13,970
LIGHTING	\$ 15,000	\$ 24,530
ELECT POWER	\$ 15,000	\$ 32,450
FIRE SYSTEMS	\$ 5,000	\$ 7,700
PLUMBING	\$ 22,000	\$ 32,890
HVAC	\$ 10,000	\$ 33,550
MISCELLANEOUS MECH	\$ 1,000	\$ 1,320
GENERAL REQUIREMENTS	\$ 15,000	\$ 31,400
PROJECT SUBTOTAL	\$135,000	\$237,760
Contractor Mark-ups, O&P	\$ 15,000	\$ 28,531
TOTAL ESTIMATED COST:	\$ 150,000	\$ 266,291

The largest cost items that were not foreseen during conceptual project scoping were the need for an additional heat pump and an additional electrical panel. The kitchen is for food preparation only (not grilling, frying, or baking), so the original hope was that the existing heat pump would sufficiently serve the area. Similarly, it was hoped that sufficient space in existing electrical panels would provide for new lighting

ATTACHMENT #1

and power needs. Costs were also higher for interior wall and floor finishes, and the cost of casework for the bar. Construction of the additional mechanical and electrical infrastructure will not only serve the current concession needs, but will also provide flexibility for future uses in this area of the terminal.

Other project costs such as design, inspection, staff time, permits, and equipment are also expected to be slightly higher in cost than early estimates. The table below summarizes estimated total Concessions Expansion Project costs, based on the scope we now know, including specific equipment that is needed for the concession operation.

	Jan 2015 estimate	Mar 2015 estimate
1. Renovate Juneau Rm for AK Airlines' Offices		
Design & CA	\$ 15,000	
Permits, Misc	\$ 2,000	
Construction	\$ 23,000	
	\$ 40,000	\$ 40,000
2. Renovate Dep Lounge SW Corner for Food/Bev		
Design & CA	\$ 63,000	\$ 65,000
JNU Staff	\$ 22,000	\$ 22,000
Equipment	\$ 22,000	\$ 25,000
Permits, Misc	\$ 5,000	\$ 8,000
Construction	\$ 150,000	\$ 266,000
	\$ 262,000	\$ 386,000
3. Renovate Former Dining Area for Mtg Rm		
Design & CA	\$ 9,000	
Permits, Misc.	\$ 1,000	
Construction	\$ 16,000	
	\$ 26,000	\$ 26,000
PROJECT TOTAL	\$ 328,000	\$ 452,000

The project has two primary concessions operation components: the Bar and the Prep Kitchen. The concessionaire needs both of these to expand their menu and increase profit opportunities (from which the Airport would financially benefit). The expansion also allows the Airport to gain valuable data about traveler preferences for food and beverage services before moving forward with the more extensive, long-term food and beverage development plan. Funds are currently in place in the Terminal Renovation Project that can be used for this work, but anything that is spent now increases the need for future funding to address the North Wing Replacement. There are three options to consider at this time:

1. Proceed with the project as currently scoped. This option is expected to allow the new Bar and Prep Kitchen to be operational by mid-June 2015. If this is the desired direction, Airport Board action to increase the funding in the amount of \$124,000 for the Concessions Expansion project should be made.
2. Reduce the scope of the project by eliminating the Prep Kitchen. The concessionaire would continue to purchase all food items from wholesale distributors, and would not increase the hot items menu. This would substantively reduce the scope of the project, leaving the area currently designed for the Prep Kitchen as unfinished space for future build-out. This option will require time and cost from the design team to eliminate work associated with the Prep Kitchen and modify the bid documents accordingly. This, in turn, affects the bidding schedule, so construction work would not likely begin until late June 2015 (construction completion by late August 2015).

The project cost for this option would be within the current budget of \$328,000, so no additional action on the funding would be necessary from the Airport Board.

ATTACHMENT #1

3. Identify scope that could be incorporated into Additive Alternates. This would lower the Base Bid amount within the \$150,000 construction budget and allow the Owner to select additional work based on actual Contractor bid amounts, rather than estimates. This option will require time and cost from the design team to identify alternates and modify the bid documents accordingly. This, in turn, affects the bidding schedule, so construction work would not likely begin until July 2015 (postponing use of the new spaces until approximately September 2015).

This option could require additional funding action (TBD) from the Airport Board prior to awarding any of the Additive Alternates in the contract if the actual bid amounts exceed the current project budget.

I want to emphasize that all of the cost estimate information provided in this memo is an estimate – not a firm, fixed price. The actual bid price of the Concessions Expansion could vary from the estimate, creating an actual cost that is either greater than or less than the figures herein. The Projects staff has worked very creatively throughout the renovations to date to find efficient, cost-effective ways to address the terminal's needs. We are committed to continuing to do so.