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SEAPORT ALLIANCE**  
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# **Additional Construction Authorization For T30 Central Substation Replacement Project**

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# Project Authorization

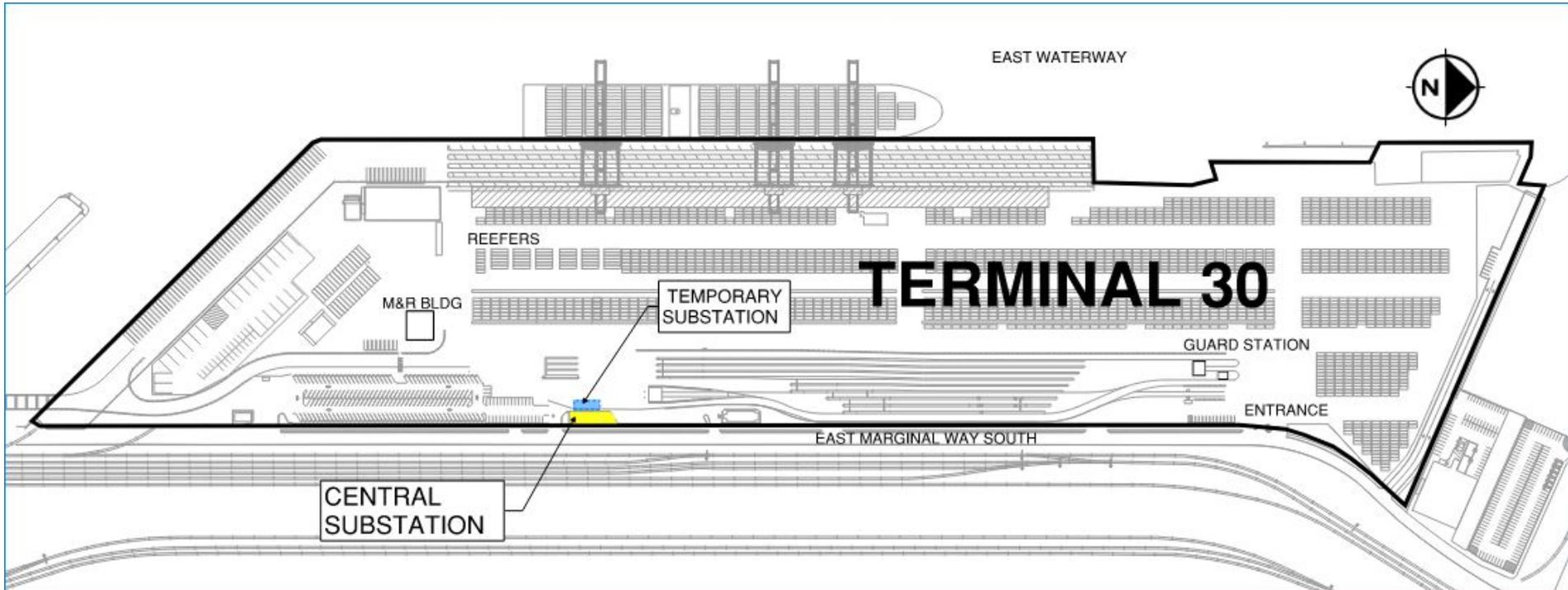
## T30 Central Substation Replacement Project

**Request additional construction authorization in the amount \$1,250,000, for a total authorized amount of \$7,450,000, for the T30 Central Substation Replacement projects, MID Nos. U00660 (Capital) and U00661 (Expense).**



# Background

## T30 Central Substation Replacement Project



# Terminal 30 Central Substation Replacement



**Original Central Substation Failure - November 2020**



**Temporary substation in operation since September 2021**



# Construction Bid Summary

- Bids advertised December 2021 & opened February 2022
- Engineer's construction bid estimate: \$2,517,000
- 6 construction bids received ranging from \$3,088,000 to \$4,632,317
- Lowest verified bid: \$3,460,000
- Increased cost primarily due to market volatility – longer equipment procurement & higher costs
- Estimated T30 substation construction = \$5,600,000 (\$4,350,000 at December 2021 construction request)



# Financial Summary

## T30 Central Substation Replacement Project

	This Request	Estimated Total Project Cost	Cost to Date	Estimated Remaining Cost
<b>U00661 Expense Project</b>				
Temporary Generators Rental & Coordination	\$0	\$910,000	\$910,000	\$0
Temporary Substation Design & Construction	\$0	\$550,000	\$490,000	\$60,000
Temporary Substation Equipment Rental	\$0	\$390,000	\$100,000	\$290,000
<b>Subtotal:</b>	<b>\$0</b>	<b>\$1,850,000</b>	<b>\$1,500,000</b>	<b>\$350,000</b>
<b>U00660 Capital Project</b>				
Substation Failure Analysis	\$0	\$15,000	\$15,000	\$0
Permanent Substation Design & SEPA Permit	\$0	\$350,000	\$335,000	\$15,000
Permanent Substation Permitting & Construction	\$1,250,000	\$5,235,000	\$20,000	\$5,215,000
<b>Subtotal:</b>	<b>\$1,250,000</b>	<b>\$5,600,000</b>	<b>\$370,000</b>	<b>\$5,230,000</b>
<b>Total:</b>	<b>\$1,250,000</b>	<b>\$7,450,000</b>	<b>\$1,870,000</b>	<b>\$5,580,000</b>



# Source of Funds

## T30 Central Substation Replacement Project

- The current Capital Investment Plan (CIP) allocates \$4,350,000 for U00660 substation replacement (capital), and \$1,850,000 for U00661 temporary power (expense).
- T30 provides over \$9.3 million in revenue to the NWSA annually. Replacement is required to maintain this level of revenue. The cost to replace the substation was not included in the 2021 budget as the failure occurred after the budget was completed.
- The costs associated with the temporary power will reduce Distributable Income and Distributable Cash. The homeports will have to contribute additional Capital Construction funds to build the permanent substation. The completed failure investigation may result in cost recovery from the tenant for both the temporary and permanent solution.



# T30 Central Substation Permanent Replacement Milestones

Milestone	Timeframe
Permanent substation design completed	Nov 2021
Permanent substation construction funding	Dec 2021
Permanent substation additional construction funding	March 2022
Permanent substation Notice to Proceed issuance	May 2022
Permanent substation substantial completion	June 2023



## Conclusion

### T30 Central Substation Replacement Project

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