

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>3F</u>
Date of Meeting	<u>March 2, 2021</u>

DATE: February 17, 2021

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Thais Howard, Director of Engineering

SUBJECT: Surplus T-5 Timber Pinch Piles via Adoption of Resolution 2021-04

A. ACTION REQUESTED

Request Managing Members of the Northwest Seaport Alliance (NWSA) waive two readings and adopt at first reading Resolution 2021-04 which declares approximately 436 timber piles with a net book value of approximately \$390,473.50 surplus and no longer needed for the NWSA purposes.

B. SYNOPSIS

The requested action is for surplus only and will result in no additional cash costs at this time. In the event, the NWSA is unable to fully dispose of the surplus equipment without additional costs, the T5 Modernization Program will cover the cost of disposal. Over the next three (3) weeks, staff intends to advertise the timber piles for sale on the open market so as to avoid or mitigate the cost of disposal, if possible.

Timber piles that were purchased for the T5 project were unable to be used in the construction due to existing site conditions. Steel piles were purchased in lieu of the timber piles. Staff recommend that these piles be surplus and listed for sale.

C. BACKGROUND

The T5 Modernization Project has approximately 436 timber piles that were purchased for the project, but unfortunately, were not able to be used in the construction due to differing site conditions.

NWSA paid the contractor \$390,473.50 for these piles. Due to the age of the piles, they can no longer be used for structural purposes as pinch piles. Since the piles have been sitting for some time, the flexibility of the piles have been reduced. NWSA staff have not identified an alternate use for the piles at the T5 project or on any other NWSA project. NWSA no longer needs these piles and seeks Managing Member authorization to surplus and list the piles for sale on the open market. These piles have some value for other timber uses,

except pinch piles. This memo should serve as certification that the piles are no needed for NWSA purposes.

Disposal of the piles will cost the T5 project approximately \$60,000.

These piles need to be surplused, and given their collective value exceeds \$19,531, the Managing Members' authorization is required. NWSA's Master Policy on Delegation of Authority provides, in relevant part, as follows:

9. POLICIES GOVERNING FINANCIAL ACTIVITIES

f. Sale of Personal Property

i. The CEO is authorized, pursuant to the RCW 53.08.090, to sell and convey post Alliance formation surplus personal property of the Alliance subject to the following conditions:

1. When the net book value of such personal property does not exceed Nineteen thousand five hundred thirty-one dollars (\$19,531.00)., the CEO will itemize the property to be sold and will certify that such property is no longer needed for Alliance purposes.

2. Managing Members approval is required when the net book value of such personal property exceeds Nineteen thousand five hundred thirty-one dollars (\$19,531.00). The CEO will itemize the property to be sold and will certify that such property is no longer needed for Alliance purposes and seek Managing Members' authorization.

3. Personal property will be disposed of in accordance with RCW 53.08.090.

This provision of the Master Policy is in line with RCW 53.08.090 which also provides “[a] port district may sell and convey any of its real or personal property valued at more than ten thousand dollars when the port commission has, by resolution, declared the property to be no longer needed for district purposes, but no property which is a part of the comprehensive plan of improvement or modification thereof shall be disposed of until the comprehensive plan has been modified to find the property surplus to port needs.”

These piles are not part of the comprehensive plan of improvement; rather, they are part of the T5 Modernization Program which has already found them to be incompatible with the program and unnecessary.

D. FINANCIAL IMPLICATIONS

The cost of the piles is unfortunately a sunk cost in the T5 Modernization Program. The Terminal 5 Program would benefit from not having to pay for removal of the piles.

E. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do not surplus these piles and dispose of the piles and incur approximately \$60,000 in expense to move the piles.

Alternative 2) Surplus these piles and sell them on the open market removing the piles from Terminal 5 at no additional cost to the NWSA.

Alternative 2 is the recommended course.

F. ENVIRONMENTAL IMPACTS/REVIEW

N/A

G. ATTACHMENTS TO THIS REQUEST

- Resolution No. 2021-04

H. PREVIOUS ACTIONS OR BRIEFINGS

The purchase of these piles was included in the overall Terminal 5 Modernization Program authorization for construction of the north and south wharfs.

Date	Action	Amount
February 2, 2021	T5 Modernization - Upland Elements Construction Authorization	\$0
October 6, 2020	T5 Modernization - Program Update	\$0
September 1, 2020	T5 Modernization - Tribal Agreement Update	\$0
August 4, 2020	T5 Marine Building - Approval to advertise for North Building construction only	\$0
July 2, 2020	T5 Marine Building - Authorization to advertise for North and South Buildings construction request	\$0
July 2, 2020	T5 Modernization - Program Update	\$0
April 7, 2020	T5 Modernization - Program Update	\$0
January 14, 2020	T5 Modernization - Program Update	\$0
October 1, 2019	T5 Modernization - Program Update	\$0
August 6, 2019	T5 Modernization - Program Update	\$0
June 4, 2019	T5 Program Update	\$0
May 20, 2019	Program Authorization for Construction of Berth Modernization Program	\$0
April 2, 2019	Additional Program Funding and Authorization to Fund T5 Modernization Program	\$314,150,000
February 26, 2019	Authorization to advertise for construction	\$0
February 5, 2019	Pre-authorization Program Briefing	\$0
November 13, 2018	Motion to prepare construction documents for authorization to advertise	\$0
August 1, 2017	Railroad quiet zone funding, tribal payments, and Agreements	\$5,650,000
October 4, 2016	Additional Funding, Seattle City Light Agreement, and Project Labor Agreement	\$8,200,000
June 7, 2016	DEIS Briefing	\$0
November 4, 2015	Additional SEPA and Design Funding	\$2,000,000
October 13, 2015	Test Pile Bids Exceeded Engineer's Estimate	\$0

RESOLUTION NO. 2021-04

A RESOLUTION OF THE NORTHWEST SEAPORT ALLIANCE **SURPLUS OF PILES FROM TERMINAL 5 PROGRAM**

WHEREAS, The T5 Modernization Project has approximately 436 timber piles that were purchased for the project, but unfortunately, were not able to be used in the construction due to differing site conditions;

WHEREAS, NWSA paid the contractor \$390,473.50 for these piles;

WHEREAS, Due to the age of the piles, they can no longer be used for structural purposes since the piles have been sitting for some time, the flexibility of the piles has been reduced, though the piles have some use for other timber purposes;

WHEREAS, NWSA staff have not identified an alternate use for the piles at the T5 project or on any other NWSA project;

WHEREAS, NWSA no longer needs these piles and seeks Managing Member authorization to surplus and list the piles for sale on the open market;

WHEREAS, the NWSA CEO has certified that the piles are no longer needed for NWSA purposes;

WHEREAS, disposal of the piles will cost the T5 project approximately \$60,000;

WHEREAS, the piles are not part of the NWSA's comprehensive plan of improvement as contemplated by RCW 53.08.090;

WHEREAS, the collective value of the piles exceeds \$10,000;

WHEREAS, the NWSA Master Policy provides that if the CEO has itemized property to be sold and has certified that such property is no longer needed for Alliance purposes, the NWSA Managing Members may approve surplussing and sale of the property in accordance with RCW 53.08.090; and

WHEREAS, RCW 53.08.090 allows a port district to sell and convey any of its real or personal property valued at more than ten thousand dollars when the port commission has, by resolution, declared the property to be no longer needed for district purposes, provided the property is not part of the port's comprehensive plan of improvement.

NOW, THEREFORE, BE IT RESOLVED BY THE MANAGING MEMBERS OF THE NORTHWEST SEAPORT ALLIANCE that:

The approximately 436 timber piles that were purchased for the T5 Modernization Program are no longer needed for NWSA purposes and are therefore declared surplus;

AND FURTHER, the CEO or his designee may sell and convey the timber piles addressed herein after a competitive process is complete to the highest bidder.

ADOPTED by a majority of the members of The Northwest Seaport Alliance at a **regular** meeting held on the **2nd day of March 2021**, a majority of the members being present and voting on this resolution and signed by its Co-Chairs and attested by its Co-Secretaries under the official seal of said Managing Members in authentication of its passage this 2nd day of March 2021.

Fred Felleman, Co-Chair
The Northwest Seaport Alliance

Richard Marzano, Co-Chair
The Northwest Seaport Alliance

ATTEST:

Sam Cho, Co-Secretary
The Northwest Seaport Alliance

Deanna Keller, Co-Secretary
The Northwest Seaport Alliance

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