

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	7D
Date of Meeting	August 4, 2020

DATE: July 22, 2020

TO: Managing Members

FROM: John Wolfe, CEO
Sponsor: Tong Zhu, Chief Commercial Officer
Project Manager: Stanley Ryter, Engineering Senior Project Manager

SUBJECT: Project Authorization Increase for Wapato Creek Bridge and Culvert Removal, MID No. 201070.01

A. ACTION REQUESTED

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.

Requesting project authorization increase in the amount of \$720,000 for a total authorized amount of \$3,070,000, for work associated with the Wapato Creek Bridge and Culvert Removal, Master Identification No. 201070.01.

B. SYNOPSIS

On June 2, 2020, the Managing Members authorized additional funds for this project to complete construction. Based on the estimated costs the total project authorization was \$2,350,000. The project was advertised for bid on June 24 and opened bids on July 21. The Port received a total of ten (10) bids for this project, and all bids were well above the engineers' estimates, a direct result of COVID-19, as well as a continued robust heavy civil construction market.

C. BACKGROUND

The Portac site on Parcel 15, is leased by Everport Terminal Services and used by Pierce County Terminal (PCT) as a truck queue staging area. On December 21, 2018, the culvert under the access road over Wapato Creek showed signs of failure. An emergency was declared on January 9, 2019 and a temporary repair was constructed that reduced loading on the culvert and provided a temporary bridge over Wapato Creek for access to the Portac site.

Construction Authorization was given by the Managing Members on June 2 and the project went out to bid. Ten bidders converged on a cost much higher than the engineer's estimate. The engineer's estimate is only an estimate, current market conditions set the price. COVID-19 has caused disruptions to the construction industry. As a result of the shutdown, most of construction projects were put on hold. With the recent authorization to continue construction projects, contractors and suppliers are very busy dealing with a backlog of work and supplies.

Two engineers' estimates were performed in advance of the bid, as is typical for larger projects, to ensure all costs are identified. Unfortunately, the financial impacts of the shutdown cannot be easily identified.

D. PROJECT DESCRIPTION AND DETAILS

Project Objectives

The objective of this project is to maintain access to the Portac site for truck traffic. Specifically, this project will further this goal by:

- Completing a temporary bridge over a failing culvert (Completed)
- Providing a two-lane freeway type bridge over Wapato Creek
- Providing for enhanced fish passage under the structure meeting state requirements
- Removing failing culvert, fish barrier and temporary bridge

Scope of Work

The scope of work will include:

- Construction of a new bridge and associated driveways
- Removal of old culvert and temporary crossing
- Stream restoration

Schedule

Advertise for Bid	June 24, 2020
Open Bids	July 21, 2020
Notice of Award	August 5, 2020
Substantial Completion	October 30, 2021
Final Completion	November 30, 2021

E. FINANCIAL IMPLICATIONS

Project Cost Details

	This Request	Total Previous Requests	Total Project Cost	Cost to Date	Remaining Costs
Pre-Design	\$ -	\$ 108,655	\$ 108,655	\$ 108,655	\$ -
Construction - Interim	\$ -	\$ 242,480	\$ 242,480	\$ 242,480	\$ -
Design	\$ -	\$ 379,820	\$ 379,820	\$ 378,700	\$ 1,120
Construction - Permanent	\$ 720,000	\$ 1,619,045	\$ 2,339,045		\$ 2,339,045
Total	\$ 720,000	\$ 2,350,000	\$ 3,070,000	\$ 729,835	\$ 2,340,165

Source of Funds

The current Capital Investment Plan (CIP) Budget allocates \$2,350,000 for this project. The budget will be adjusted during the 2021 budget cycle.

Financial Impact

Project costs associated with the new bridge (approximately \$2,739,000) will be capitalized and depreciated over an estimated useful life of 20 years. Annual depreciation expense will be \$137,000. Project costs of \$330,857 for the temporary bridge were recorded as operating expense in 2019.

Since this work is associated with a maintenance/repair and will not result in additional revenues, a net present value or internal rate of return has not been calculated.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS.

Alternative 1) Increase the authorization and continue with the project with only a slight schedule delay.

Alternative 2) Rebid the project. More than enough contractors showed interest and there were no significant problems with the contract documents. Rebidding would alienate the contracting community with the Port and would not necessarily result in a lower price.

Alternative 3) Delay the project and rebid in the future. Staff does not recommend this option. The heavy-civil and bridge contractors are heavily engaged with Sound Transit and WSDOT for the foreseeable future. The interim bridge to access Portac was only designed and permitted to be an interim solution over a failing culvert. Staff does not recommend chasing grant money as the project is essentially a fix of an existing facility.

Alternative 1 is the recommended course.

G. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.
- Wapato Creek Bridge and Culvert Removal, Managing Member Request for Authorization, from June 2, 2020

H. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
June 2, 2020	Commission Authorization – Port of Tacoma & Port of Seattle	\$2,050,000
January 16, 2019	Executive Authorization	\$200,000
January 9, 2019	Declaration of Emergency – Ratified by Managing Members on February 5, 2019	\$0
January 2, 2019	Executive Authorization	\$100,000
TOTAL		\$2,350,000

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>5C</u>
Date of Meeting	<u>June 2, 2020</u>

DATE: May 20, 2020

TO: Managing Members

FROM: John Wolfe, CEO
Sponsor: Tong Zhu, Chief Commercial Officer & Chief Strategy Officer
Project Manager: Stanley Ryter, Engineering Senior Project Manager

SUBJECT: Wapato Creek Bridge and Culvert Removal, MID No. 201070.01

A. ACTION REQUESTED

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.

Requesting project authorization in the amount \$2,050,000 for a total authorized amount of \$2,350,000, for work associated with the Wapato Creek Bridge and Culvert Removal, Master Identification No. 201070.01.

B. SYNOPSIS

The Portac site on Parcel 15, is leased by Everport Terminal Services and used by Pierce County Terminal as a truck queue staging area. On December 21, 2018, the culvert under the access road over Wapato Creek showed signs of failure. An emergency was declared on January 9, 2019 and a temporary repair was constructed that reduced loading on the culvert and provided a temporary bridge over Wapato Creek for access to the Portac site. This memo is to request funding to construct the permanent solution.

C. BACKGROUND

The Portac site on the south portion of Parcel 15 was developed in 2017 by the Port as a truck queuing area for the Pierce County Terminal. The site is leased to Everport Terminal Services. The purpose of the site is to provide storage for trucks waiting to enter the gate and eliminates truck backups on Alexander Avenue and on SR-509. Truck access into the 7.5-acre site is over a culvert. Auto Warehousing Company also uses the north part of the site for automobile storage. In December of 2018, the 96-inch diameter culvert over Wapato Creek from Alexander Avenue began to fail, causing a large depression in the roadway. The Port closed off access. A Port Emergency was declared in January 2019 and ratified by the Managing Members on February 5, 2019, which waived the procurement rules for design and

construction of an interim fix. The Port hired KPFF Consulting Engineers to provide engineering service, and Pivetta Bros Construction to construct an interim fix. A series of emergency permits were obtained from Federal, State and City agencies and a temporary bridge spanning the failing culvert was constructed and completed by March 2019. The conditions of the permits specified that a permanent solution would be designed, permitted and constructed as soon as practicable.

In the interest of public transparency, the project is being presented to the Managing Members and the construction of the final solution will be put out to public bid.

Following negotiations with the permitting agencies and a rigorous alternatives analysis, it was determined that the best solution is to construct a 70' bridge spanning the Wapato Creek channel. The new bridge will be approximately 180 feet upstream (south) of the existing culvert crossing. After the new bridge is in place, the existing culvert and temporary bridge will be removed. The project results in a significant fish passage improvement by removing a 50-year old corrugated metal pipe culvert and replacing the access with a clear span bridge over the entire channel. The design conforms to Washington State Department of Transportation's program to remove barriers to fish. By moving the access location to the south, access to the site will remain continuous during the entire construction process.

Due to the significant traffic safety hazard posed by the original closure of the access into the Portac site, the temporary repair was completed as an emergency repair. Upon completion of that repair, Port staff continued to see degradation of the culvert thus promoting the permanent solution to continue to move forward as an emergency. Unfortunately, the amount of time required to acquire the necessary permits has been extensive and time consuming. Recent inspection of the culvert indicates that the degradation has not accelerated, therefore, it is our recommendation to take this project out to bid to acquire competitive bids. As such, you will note the cost spent to date completing the design phase is beyond of the executive authorization amount as this was continued to be treated as an emergency project.

D. PROJECT DESCRIPTION AND DETAILS

Project Objectives

The objective of this project is to maintain access to the Portac site for truck traffic. Specifically, this project will further this goal by:

- Completing a temporary bridge over a failing culvert (Completed)
- Providing a two-lane freeway type bridge over Wapato Creek
- Providing for enhanced fish passage under the structure meeting state requirements
- Removing failing culvert, fish barrier and temporary bridge

Scope of Work

The project generally includes:

- Soil removal around existing culvert (Completed)
- Construction of a temporary 33' long bridge (Completed)
- Reconstruction of the temporary roadway (Completed)

- Complete necessary design and permitting for new bridge (Completed)
- Construction of a 70-foot long two-lane bridge
- Associated driveway and bridge approach improvements on city right of way
- Site improvements adjacent to the new bridge and old crossing, including utilities, paving, stormwater and striping
- Removal of the temporary bridge and culvert
- Stream restoration for enhanced fish passage

Schedule- New Bridge and Culvert Removal

Advertise for Bid	June 19, 2020
Open Bids	July 20, 2020
Notice of Award	August 3, 2020
Substantial Completion	February 15, 2021
Final Completion	March 15, 2021

E. FINANCIAL IMPLICATIONS

Project Cost Details

	This Request	Total Previous Requests	Total Project Cost	Cost to Date	Remaining Cost
Pre-Design	\$ 8,655	\$ 100,000	\$ 108,655	\$ 108,655	\$ -
Construction - Interim	\$ 42,480	\$ 200,000	\$ 242,480	\$ 242,480	\$ -
Design	\$ 379,820		\$ 379,820	\$ 310,234	\$ 69,586
Construction - Permanent	\$ 1,619,045		\$ 1,619,045		\$ 1,619,045
Total	\$ 2,050,000	\$ 300,000	\$ 2,350,000	\$ 661,369	\$ 1,688,631

Source of Funds

The current Capital Investment Plan (CIP) Budget allocates \$1,984,000 for this project. The budget will be adjusted during the 2021 budget cycle.

Financial Impact

Project costs associated with the new bridge (approximately \$2,019,000) will be capitalized and depreciated over an estimated useful life of 20 years. Annual depreciation expense will be \$101,000. Project costs of \$330,857 for the temporary bridge were recorded as an operating expense in 2019.

The budget included \$33,000 of depreciation for this project in 2020, with ongoing depreciation in outer years. This is a repair required to maintain existing assets without incremental revenue.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do Nothing. The interim bridge over the existing culvert was intended to be a temporary solution. The emergency permits, granted by the City of Tacoma and the environmental agencies, stipulated the condition that a permanent solution would be permitted and constructed. Failure to implement a permanent solution and allowing the existing culvert to fail would have significant penalties from the permitting agencies. In addition, the Portac site would be eliminated for truck queuing.

Alternative 2) Remove culvert and replace with a bridge in the current location. This option cuts off access to Portac for 5 months, leading to truck queuing out on SR-509 creating a significant safety hazard.

Alternative 3) Build a new bridge in a new location, then remove the existing culvert. This is an environmentally friendly solution that allows for continuous use of the property and allows for fish passage below.

Alternative 3 is the recommended course.

G. ENVIRONMENTAL IMPACTS/REVIEW

Permitting:

The interim culvert repair (temporary crossing) obtained the following permits.

- Washington Department of Fish and Wildlife Hydraulic Project Approval
- Emergency construction authorized by the City of Tacoma under Tacoma Municipal Codes 2.19.030.c and 13.10.2.3.3.4
- US Army Corps of Engineers NWS-2019-52-WRD

The new bridge and removal of the culvert and temporary bridge obtained the following permits

- State Environmental Protection Act (SEPA) Determination of Non-Significance (DNS)
- Shoreline Substantial Development Permit Exemption (City of Tacoma)
- Washington Department of Fish and Wildlife Hydraulic Project Approval
- US Army Corps of Engineers Nationwide Permits #3 and #15
- US Coast Guard Bridge Program Advance Approval
- City of Tacoma Building Permit
- City of Tacoma Site Development Permit
- City of Tacoma Demolition Permit
- City of Tacoma Work Order Right of Way Permit

Remediation:

Not applicable.

Stormwater:

City of Tacoma Site Development Permit obtained. The project contains less than 5,000 sq ft of additional impervious area.

Air Quality:

Not applicable.

H. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.

I. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
January 16, 2019	Executive Authorization	\$200,000
January 9, 2019	Declaration of Emergency – Ratified by Managing Members on February 5, 2019	\$0
January 2, 2019	Executive Authorization	\$100,000
TOTAL		\$300,000



Item No: 7D_supp
Date of Meeting: August 4, 2020

Project Authorization Increase For Wapato Creek Bridge and Culvert Removal

Presenter: Stanley Ryter, PE, PMP
Title: Engineering Senior Project Manager

Action Requested

Wapato Creek Bridge and Culvert Removal

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.

Request project authorization increase in the amount \$720,000, for a total authorized amount of \$3,070,000, for the Wapato Creek Bridge and Culvert Removal, Master Identification No. 201070.01.



Background

Wapato Creek Bridge and Culvert Removal

- Wapato Creek culvert failed on December 21, 2018
- Road over culvert serves as access to PCT Truck Queuing and leased by Everport
- NWSA Emergency declared on January 9, 2019
- Emergency procurement of design and construction of temporary bridge completed
- Permanent solution of a new bridge developed and sent out for public bid

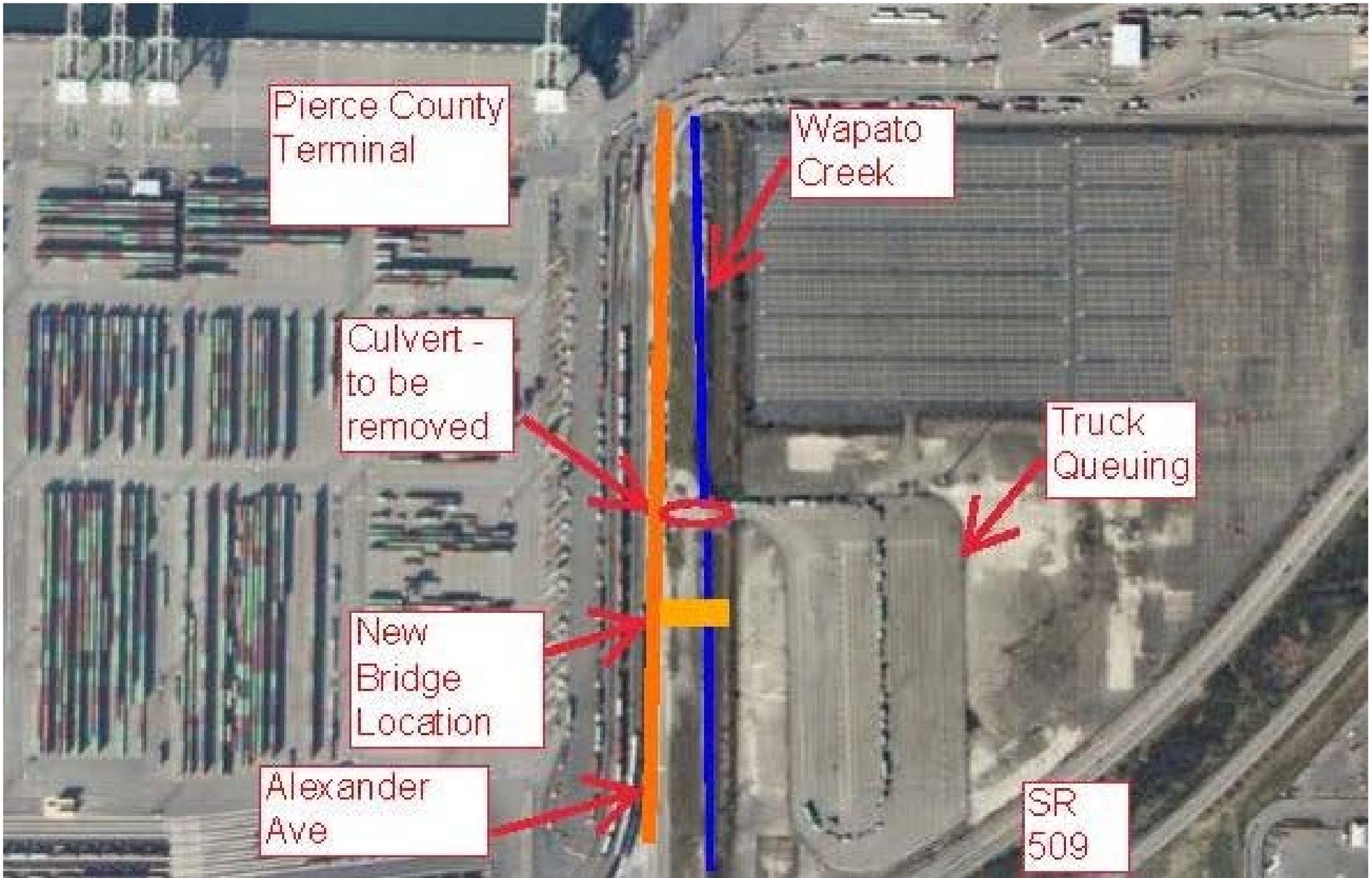


Background

Wapato Creek Bridge and Culvert Removal

- Ten contractors bid on the project
- All bids were significantly over two engineers' estimates
- Project had gone through independent constructability and cost review
- Low bid 39% over engineer's estimate
- The next lowest bid was 115K greater than the low bid





Project Description and Details

Wapato Creek Bridge and Culvert Removal

- **Scope of Project:**
 - Completing a temporary bridge over a failing culvert (Completed).
 - Providing a two-lane highway type bridge over Wapato Creek.
 - Removing failing culvert, fish barrier and temporary bridge.
- **Scope of Work for This Request:**
 - Covers cost of low bid that exceeds the engineer's estimate.
 - Includes additional construction cost, sales tax and contingency.

Project Schedule

Wapato Creek Bridge and Culvert Removal

Activity	Timeframe
Advertise Bids	June 24, 2020
Bid Opening	July 21, 2020
Notice of Award	August 5, 2020
Contract Completion	November 30, 2021



Alternatives Analysis

Wapato Creek Bridge and Culvert Removal

- Alternative 1: Increase the authorization and continue with a slight schedule delay
- Alternative 2: Rebid the project.
- Alternative 3: Delay the project and rebid in the future.

Recommend Alternative 1: Staff recommends the project moves forward. The interim road was designed to be temporary. The Port's agreement with the permitting agencies was to replace as soon as possible. Rebidding will not necessarily result in a lower cost due to a busy construction community and disruptions caused by COVID-19.



Financial Implications

Wapato Creek Bridge and Culvert Removal

- The estimated cost of the Construction for this project is \$2,340,00.
- The estimated total budget for this project is \$3,070,000.
- The current Capital Investment Plan (CIP) allocates \$2,350,000 for this project. The budget will be adjusted during the 2021 budget cycle.
- This work and associated budget is consistent with the NWSA valuation.

Financial Summary

Wapato Creek Bridge and Culvert Removal

	This Request	Total Previous Requests	Total Project Cost	Cost to Date	Remaining Costs
Pre-Design	\$ -	\$ 108,655	\$ 108,655	\$ 108,655	\$ -
Construction- Interim	\$ -	\$ 242,480.00	\$ 242,480	\$ 242,480.00	\$ -
Design	\$ -	\$ 379,820.00	\$ 379,820	\$ 378,700.00	\$ 1,120
Construction - Permanent	\$ 720,000	\$ 1,619,045.00	\$ 2,339,045	\$ -	\$ 2,339,045
Total	\$ 720,000	\$ 2,350,000	\$ 3,070,000	\$ 729,835	\$ 2,340,165



Conclusion

Wapato Creek Bridge and Culvert Removal

Request project authorization increase in the amount \$720,000, for a total authorized amount of \$3,070,000, for the Wapato Creek Bridge and Culvert Removal, Master Identification No. 201070.01.

