

**THE NORTHWEST SEAPORT ALLIANCE**  
**MEMORANDUM**

**MANAGING MEMBERS**  
**ACTION ITEM**

**Item No.** 5A-2  
**Date of Meeting** February 2, 2021

**DATE:** January 22, 2021

**TO:** Managing Members

**FROM:** John Wolfe, CEO

**Sponsor:** Kurt Beckett, Deputy CEO

**Project Manager:** Emma Del Vento, Capital Program Leader, Port of Seattle

**SUBJECT:** Request Authorization to Construct Elements of the T-5 Uplands Improvement Project

**A. ACTION REQUESTED**

Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to authorize construction of three elements of the T-5 Uplands Improvement Project: South Reefers Repair, Clean Truck Program (CTP) and Radiation Portal Monitors (RPM)/ U.S. Customs and Border Protection (CBP) Booth Power Infrastructure.

**B. SYNOPSIS**

RPM/CBP and CTP Projects are within the previously authorized Terminal 5 Modernization Program (T-5 Program) and are fully funded from the previously authorized T-5 Modernization Program Management Reserve, CIP No. C8000988. South Reefers Repair was added to the T-5 Program in Q3 2020 to meet requirements for Phase 1 operations. No new monies are requested for the T-5 Program. Other elements currently part of the T-5 Uplands Improvement Project include but not brought forward for authorization at this point include: North Reefer Infrastructure, South Marine Building, Permit Conditions and Stormwater Infrastructure.

Additional Managing Members' authorization for all or some of the T-5 Uplands Improvement Projects may not be required given that the Managing Members authorized the overall T-5 Program and these three elements do not change scope, schedule, or budget of the T-5 Program. However, staff have approached this large, complex construction program with a strong commitment to sharing T-5 Program

information with Managing Members as early as possible and in a consistent, transparent manner. Staff also believe most, or all commissioners would prefer to be on record through authorization on the remaining elements of the T-5 Uplands Improvement Projects. As such, elements of the T-5 Uplands Improvement Project, such as the three elements before the Managing Members at this meeting, will be brought forward for construction authorization.

### **C. BACKGROUND**

On February 26, 2019, Managing Members authorized staff to advertise the work associated with the T-5 Program, CIP No. C800132 and C800726. This authorization included seeking bids for the Berth Modernization Project, but not funding of the T-5 Program or authorization for construction, and this authorization memo was not entirely clear on next steps relating to the T-5 Uplands Improvement Project work, though staff indicated that additional authorization would be sought.

Per an April 2, 2019 presentation and a May 20, 2019, a dual vote of the NWSA and each homeport, overall funding authorization was granted for the T-5 Program in the amount of \$340,000,000 for Capital Improvement Project (CIP) No. C800132 and C800726. The \$340,000,000 that was authorized for the T-5 Program included the funds for the T-5 Uplands Improvement Project. Perhaps inconsistently with the broad authorization request, the action memo only sought authorization for the T-5 Uplands Improvement Project's design and permitting. As such, it is not clear that the Managing Members authorized both the funding for the overall T-5 Program *and* the construction of the Uplands Project.

In most cases, once a program or project has been authorized, additional authorization to advertise and construct is not required. See NWSA Master Policy on Delegation of Authority ("Master Policy"), Section 8.c.iii.5 and 8.c.iv. Under Section 8.c.iii.5 and 8.c.vi of the Master Policy, a project or program authorization would be sufficient to cover all elements of the program, if the work remains within the overall previously authorized program scope, schedule, and cost. The Master Policy contemplates that the CEO may seek authorization at certain stages of the work, but this is optional, not required. Section 8.c.vi states plainly that additional authorization is only required when there are program changes in scope, schedule and cost. If there are no such changes, Section 8.c.iii.5 allows the project (or here, the program) to proceed under the initial authorization.

Given the T-5 Program's scale and complexity, the emergent nature of the T-5 Uplands Improvement Project as detailed, additional tenant input, actual site conditions experience, and the original commitment to seek further Managing Member input and authorization, staff is taking a conservative authorization approach by bringing upland projects within the overall T-5 Program to the Managing Members for input and authorization. Under the Master Policy, though this is technically not required, the prudent and most transparent approach is to seek

construction authorization from the Managing Members for the remaining parts of the T-5 Uplands Improvement Project. The following elements of the T-5 Uplands Improvement Project are now ready for authorization to begin construction.

South Reefer Repair: This project will restore power to 284 nonfunctioning reefer plugs, bringing the total number of functioning reefer plugs in the south area to 640. This supports the Tenant's cargo refrigeration needs at the start of Phase 1 operations. Financial responsibility for this repair is in dispute between NWSA and the tenant, and the NWSA has reserved rights to seek the tenant's contribution to this project.

Clean Truck Program: This project will install the necessary hardware and software at the street entrance and exit lanes allowing the Tenant to enforce the 2007 engine model year requirement for the Clean Truck Program. The equipment also collects truck visits and allows for the computation of truck turn times for reporting on the NWSA webpage to aid truck scheduling. This is the same system in use at all other NWSA international cargo terminals and is a component needed to fulfill the Gate Time Awareness Master Use Permit condition with (Seattle Department of Construction and Inspection) SDCI and Seattle Department of Transportation (SDOT).

RPM/CBP Booth Power Infrastructure Supply: This project will install electrical infrastructure to the RPM truck lanes and the CBP Booth meeting the lease agreement that NWSA is to supply the power to a designated point next to the RPM lanes and the CBP booth. Per Federal requirement all international cargo terminals must screen trucks for radiation. Trucks pass through exit lanes with screening panels that are monitored by an on-site CBP agent.

#### **D. PROJECT ELEMENTS: DESCRIPTION AND ESTIMATED COST**

##### South Reefer Repair

- Scope: Replace the electrical feeder to provide power to 284 of the 640 existing reefers plugs as part of Phase 1 leasehold area. This item was not included in the lease obligations but is required for the tenant to have a functional terminal at opening.
- Schedule: Final design complete in January; issue change order to the wharf construction contract in February; will be complete by July for Phase 1 operations.
- Budget: \$800,000 - \$900,000

##### Clean Truck Program

- Scope: Provide power to and install equipment and software at the street (2) entrance lanes from the street and (1) terminal exit lane.

- Schedule: On schedule to be installed before start of terminal operations.
- Budget: \$90,000 - \$100,000

#### RPM/CBP Power

- Scope: Install the electrical infrastructure to the CBP and Tenant agreed locations for the RPM truck lanes and one CPB booth. The NWSA will provide electrical capacity for up to four lanes; the future maximum need the Tenant has requested.
- Schedule: 90% design completed for original location; on hold pending information from tenant on new gate location. Survey and redesign required for the revised location that will better serve operations.
- Budget: \$450,000 - \$500,000

### **E. FINANCIAL IMPLICATIONS**

The current Capital Investment Plan Budget allocates the following amounts for these projects. Any additional budget needs will be provided by the T-5 Management Reserve.

South Reefers (U00656) \$800,000

Clean Truck Program (U00620) \$100,000

RPM/CBP Power (U00635) \$400,000

#### ***Financial Impact***

Project costs associated with the South Reefers will be expensed as incurred. Project costs associated with the Clean Truck Program will be capitalized and RPM/CBP Power will be capitalized and depreciated over an estimated useful life of 5 and 20 years, respectively. Annual depreciation expense for both projects will range between \$58,000-65,000 with depreciation beginning in May 2021.

### **F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS**

#### **No Action Alternative:**

- South Reefer Repair: Do not make the repair or make the repair as part of the North Reefer Infrastructure project. Either scenario will leave the Tenant with the use of 356 reefer plugs. This falls short of the 640-total needed at start of Phase 1 operations. The North Reefer project is in design and is estimated to be completed in Q4 2022.
- Clean Truck Program: Do not install necessary hardware and software to enforce and collect data for the Clean Truck Program and turn time reporting

at Terminal 5 as required by the Master Use Permit condition for a Gate Time Awareness system. This would not be in compliance with the permit and would not be in alignment with the NWSA's Clean Truck Program.

- RPM/CBP Power: Do not install infrastructure to power the RPM/CBP, which would not fulfil NWSA lease obligation. The terminal would not be able to handle international cargo.

***Recommended Action:***

- South Reefer Repair: Repair electrical feeder to restore functionality to the 284 reefers as a change order to the wharf construction contract.
- Clean Truck Program: Provide power to and install hardware and software at all entrances and exits for the enforcement of the Clean Truck Program and meet Master Use Permit condition for the Gate Time Awareness System.
- RPM/CBP Power Infrastructure: Install infrastructure to power the RPM truck lanes and CBP Booth allowing tenant to handle international cargo.

**G. ENVIRONMENTAL IMPACTS / REVIEW**

Permitting: All three projects will comply with electrical permitting.

Remediation: Any soil that is to be removed from the site will require Subtitle D disposal and will comply with any additional disposal method based on the project location within the T-5 remediation zones.

Stormwater: Completed projects are under the required threshold for treatment. Evaluation completed by Port of Seattle stormwater and grading review with the exception of the RPM/CBP Power project. This project requires a grading permit that will be reviewed and completed by the Port of Seattle per the authority granted by City of Seattle Memorandum of Understanding Temporary Erosion and Sediment Control Planning and Execution will be required during construction of the RPM/CPB Power Infrastructure project.

**H. ATTACHMENTS TO THIS REQUEST**

- Computer slide presentation.

**I. PREVIOUS ACTIONS OR BRIEFINGS**

<b>Date</b>	<b>Action</b>	<b>Amount</b>
October 6, 2020	T-5 Modernization - Program Update	\$0
September 1, 2020	T-5 Modernization - Tribal Agreement Update	\$0
August 4, 2020	T-5 Marine Building - Approval to advertise for North Building construction only	\$0
July 2, 2020	T-5 Marine Building - Authorization to advertise for North and South Buildings construction request	\$0
July 2, 2020	T-5 Modernization - Program Update	\$0
April 7, 2020	T-5 Modernization - Program Update	\$0
January 14, 2020	T-5 Modernization - Program Update	\$0
October 1, 2019	T-5 Modernization - Program Update	\$0
August 6, 2019	T-5 Modernization - Program Update	\$0
June 4, 2019	T-5 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 T-5 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
July 14, 2015	Additional Design Authorization	\$5,000,000
June 3, 2014	Initial Design Authorization	\$4,700,000
May 13, 2014	T-5 Berth Modernization Briefing	\$0
March 12, 2014	Additional Pre-Design Authorization	\$150,000
October 27, 2013	Initial Pre-Design Authorization	\$150,000
<b>TOTAL</b>		<b>\$340,000,000</b>



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# **Project Authorization To Construct Elements of T-5 Uplands Improvement Project**

Presenters:

Thais Howard, Director of Engineering (Project Sponsor)  
and Amy Kiessling, Project Manager

# Action Requested

Request Managing Members of the NWSA authorization for the Chief Executive Officer or their delegate to authorize construction of three elements of the T-5 Uplands Improvement Project:

- South Reefer Repairs, Master Id No. U00656
- Clean Truck Program (CTP), Master Id No. U00620
- Radiation Portal Monitors (RPM)/U.S. Customs and Border Protection (CBP) Booth Power Infrastructure, Master Id No. U00635

# Background

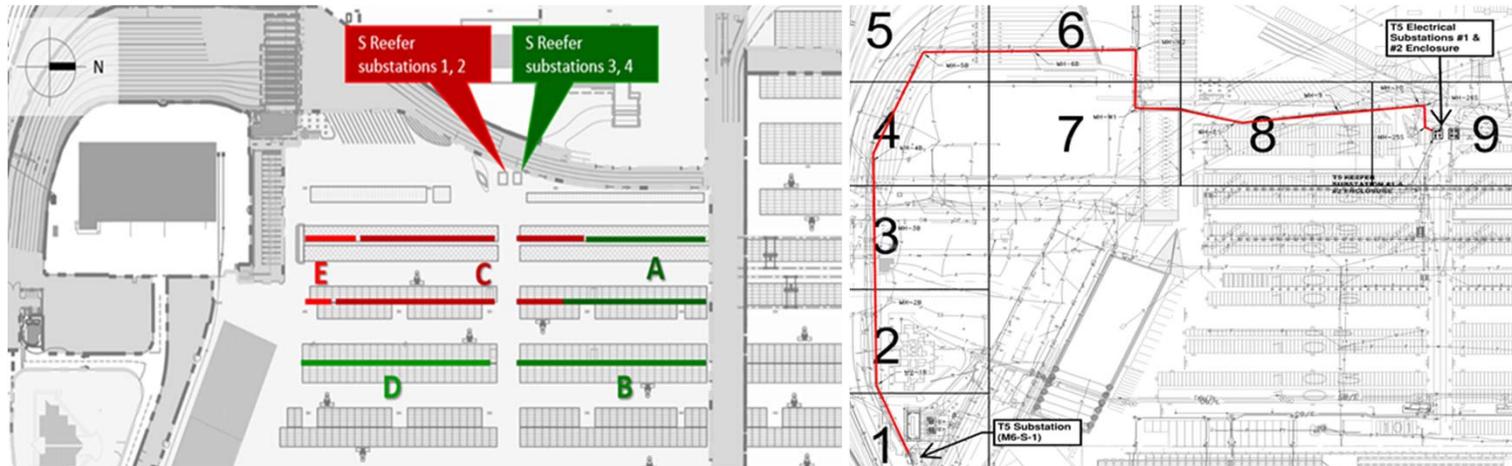
## T-5 Uplands Elements: S. Reefer Repair, Clean Truck Program & RPM/CBP Booth Power Supply

- South Reefer Repair
  - Restores power to 284 non-functioning reefer plugs bringing the total number of functioning reefer plugs in the south wharf to 640 plugs.
    - Meets tenant need for container refrigeration at start of Phase 1 Operations.
- Clean Truck Program
  - Install Clean Truck Hardware and Software per lease agreement.
    - Allows Tenant to enforce NWSA's Clean Truck Program truck engine model year requirement.
    - Allows for collection of number of truck entries and computes turn times that are made available on the NWSA website to aid truck scheduling and is required as part of the Gate Time Awareness System fulfilling one of the Master Use Permit conditions with SCDI and SDOT.
- RPM/CBP Booth Power Supply
  - Install infrastructure to supply power to the Radiation Portal Monitor(RPM) Truck Lanes and the Custom Border Protection (CBP) Booth per lease agreement.
    - Radiation screening required to operate terminal as an international facility.

# Project Description and Details

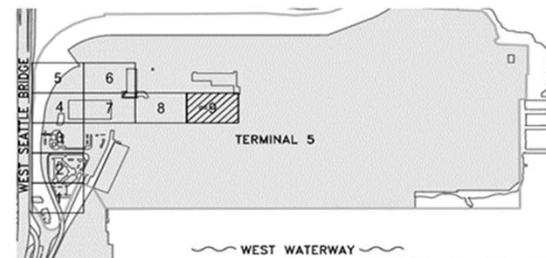
## T-5 Uplands Element: South Reefer Repair

- **The proposed improvements include the following:**
  - Demo and replace existing failed cable from substation 1 to T5 substation close to terminal entrance. Remove and replace one 15kV Load Interrupter switch at risk of failure due to condition and nearing end of service life. Project restores power to the 284 nonfunctioning plugs in existing pathway



Count of functioning and non-functioning reefer plugs by area.

A: 41x4	164	Ok
B: 28x4	112	Ok
C: 61x4	244	Not functioning
D: 20x4	80	Ok
E: 10x4	40	Not functioning
<b>Total</b>	<b>640</b>	<b>(Total not functioning = 284)</b>

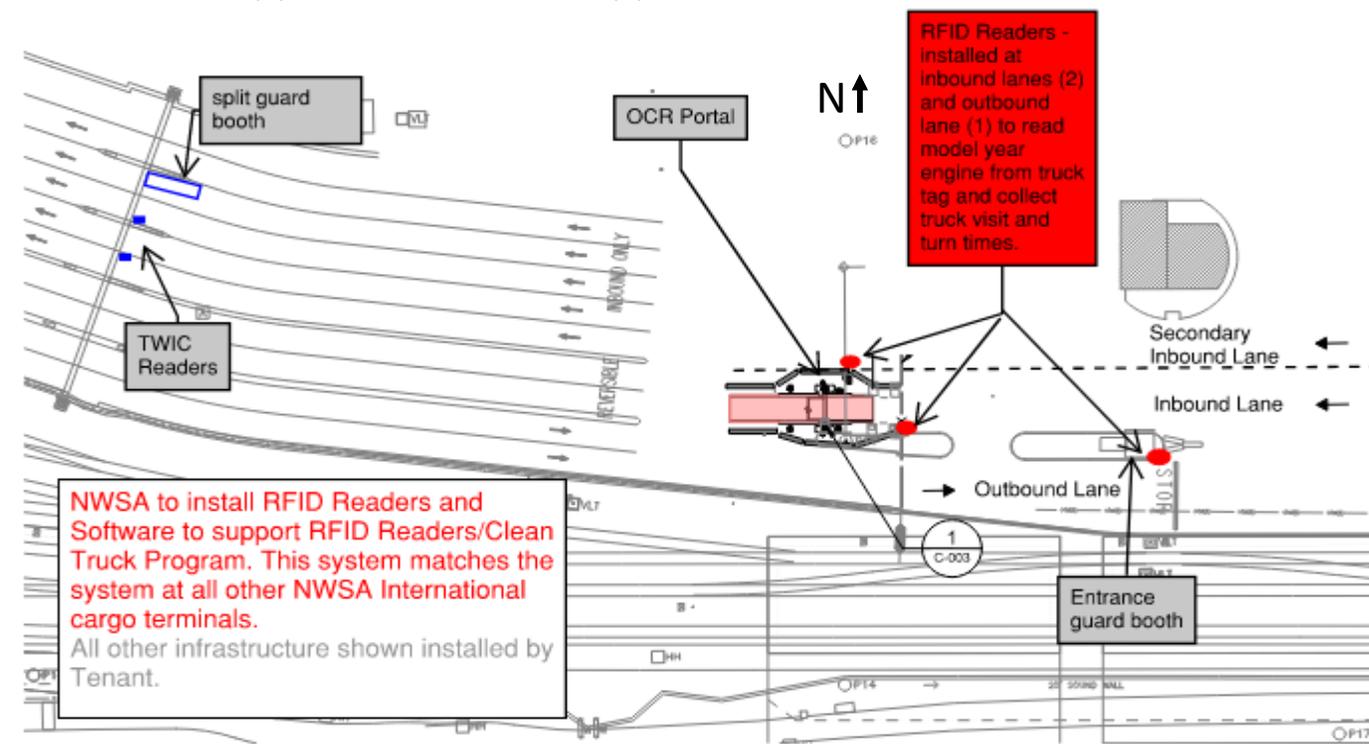


# Project Description and Details

## T-5 Uplands Element: Clean Truck Program

### The proposed improvements include the following:

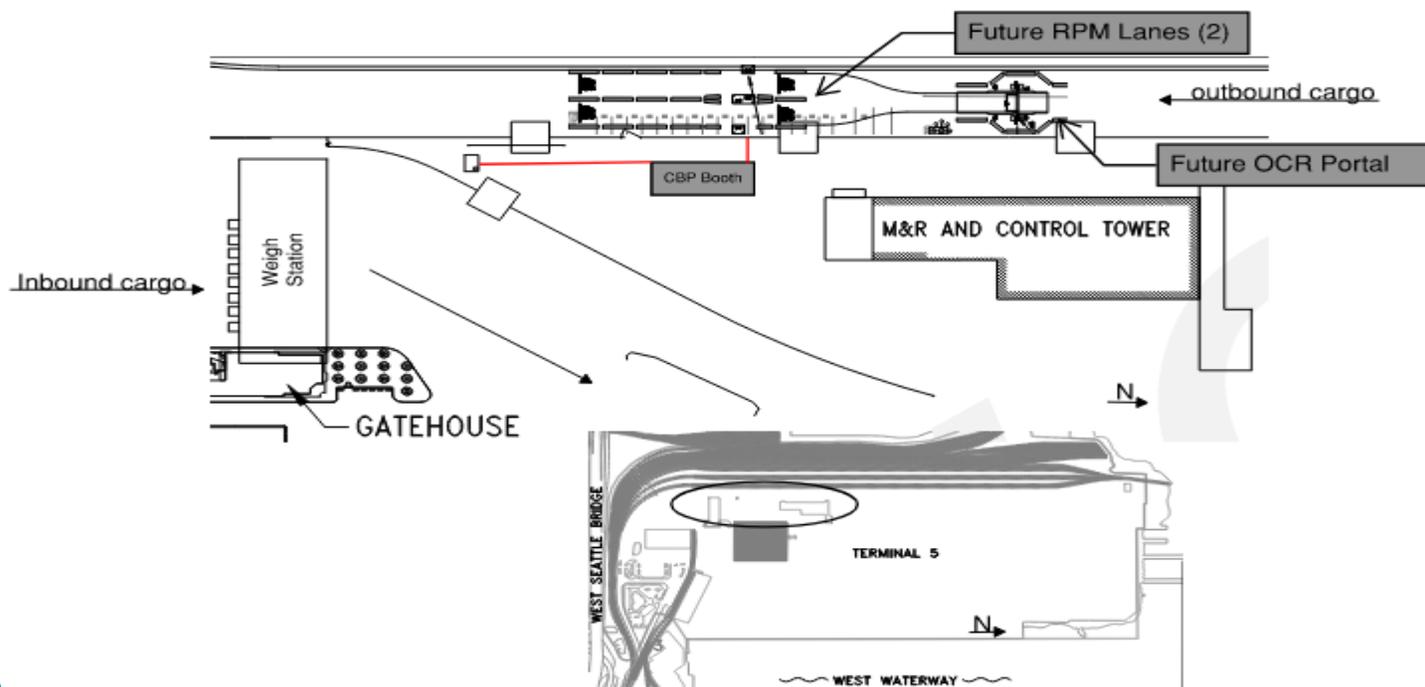
- Provide power to and install hardware (RFID Readers/location sensors) and software at the street entrances lanes (2) and terminal exit lane (1).



# Project Description and Details

## T-5 Uplands Element: RPM/CBP Booth Power Supply

- **The proposed improvements include the following:**
  - Install the electrical infrastructure to the designated point of the RPM truck lanes and the CBP booth to meet capacity needed for RPM operations. OCR and RPM Panels/equipment and CBP Booth installed by Tenant.



# Financial Implications

## Source of Funds

- The current Capital Improvement Plan Budget allocates the following for these projects:
  - South Reefers \$800,000
  - Clean Truck Program \$100,000
  - RPM/CBP Power \$400,000

## Financial Impact

- Project costs associated with the South Reefers will be expensed as incurred.
- Project costs associated with the Clean Truck Program and RPM/CBP Power will be capitalized and depreciated over the estimated useful of 5 to 20 years respectively. Annual depreciation expense will range between \$58,000-\$65,000 with depreciation beginning in May 2021.

# Alternatives Considered and Their Implications

## No Action Alternative:

- South Reefer Repair: Do not make the repair or make the repair as part of the North Reefer Infrastructure project. Either scenario will leave the Tenant with the use of 356 reefer plugs. This falls short of the 640-total needed at start of Phase 1 operations in July 2021. The North Reefer project is in design and is estimated to be completed in Q4 2022.
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- RPM/CBP Power: Do not install infrastructure to power the RPM/CBP, which would not fulfil NWSA lease obligation. The terminal would not be able to handle international cargo.

# Alternatives Considered and Their Implications

## Recommended Action:

- South Reefer Repair: Repair electrical feeder to restore functionality to the 284 reefers as a change order to the wharf construction contract.
- Clean Truck Program: Provide power to and install hardware and software at all entrances and exits for the enforcement of the Clean Truck Program and meet Master Use Permit condition for the Gate Time Awareness System.
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# Environmental Impacts / Review

- **Permitting:** All three projects will comply with electrical permitting.
- **Remediation:** Any soil that is to be removed from the site will require Subtitle D disposal and will comply with any additional disposal method based on the project location within the T5 remediation zones
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