

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.: 8C
Meeting Date: Aug. 4, 2026

DATE: July 22, 2026
TO: Managing Members
FROM: John Wolfe, CEO

Sponsor: Jeff Bellerud, Chief Operations Officer
Project Manager: Joe Caldwell, Project Manager, Maintenance
Rick Atkinson, Director Equipment Maintenance

SUBJECT: Terminal 7 Cranes Removal and Disposal Sales Tax and Acceleration Settlement – Increase Project Authorization

A. ACTION REQUESTED

Project authorization increase in the amount of \$264,294.98 for a total authorized amount of \$2,264,294.98 for Terminal 7 (T7) Cranes Removal and Disposal Project.

B. SYNOPSIS

The Northwest Seaport Alliance (NWSA) contracted with Nordholm Companies, Inc. (Contractor) for the T7 Cranes Removal and Disposal Project (Project) in October 2025. Equipment and labor that the Contractor requested and used for the Project resulted in an increase in contract value. The request to increase project authorization accounts for NWSA's payment of sales tax to the Contractor that was not calculated until the completion of the project and NWSA's receipt of final invoices. Additionally, requested increase also settles and disposes Contractor's acceleration claim in lieu of litigation. This request is to increase the project authorization by \$264,294.98.

C. BACKGROUND

NWSA received project authorization at the Managing Members meeting on May 6, 2025 in the amount of \$2,000,000 for work associated with the removal and disposal of Cranes IHI 2078 and Sumitomo 2403 (collectively, "cranes" or "legacy cranes") located on Terminal 7. Instead of the more typical public works contract, NWSA and

Contractor entered into a purchased services agreement No. PA0000000130 for the “furnishing of the Crane Removal and Offsite Disposal Project” on October 22, 2025.

The Project required removal of the two legacy cranes from T7, barging of the cranes to the Port of Bellingham, and dismantling and disposal of the crane parts in Bellingham, Washington. The cranes were successfully removed at T7 in December 2025 without interference nor disruptions to NWSA operations, and the Project was completed in Bellingham in May 2026.

The Contractor submitted seven change order requests to the NWSA Project Manager after substantial completion of the work. The Contractor requested costs from additional equipment and labor needed for unanticipated events and circumstances during the removal of the cranes from T7. NWSA negotiated these increased costs with the Contractor, which resulted in nearly exhausting the total authorized project amount with only \$744.65 left in the authorized budget. From January 2026 to June 2026, the Contractor insisted on payment for Contractor-claimed acceleration and for the payment of unpaid sales taxes. The total amount of sales taxes was unknown until finalization of all the change orders and invoices on the Project. NWSA continued to disagree with Contractor’s acceleration claim and negotiated the proposed settlement of \$265,039.65 to account for the unpaid sales tax and the negotiated acceleration claim in exchange for the Contractor’s full release of claims and the ability of NWSA to close out this contract.

The authorized budget had \$744.65 remaining as of date of this memo. Therefore, an additional \$264,294.98 would be needed to pay the Contractor for the sales tax and the proposed settlement in lieu of litigation.

D. FINANCIAL IMPLICATIONS

Project Cost Details

	<i>This Request</i>	<i>Total Project Cost</i>	<i>Cost to Date</i>	<i>Remaining Cost</i>
<i>Construction/Contract</i>	\$264,294.98	\$2,264,294.98	\$1,999,255.35	\$264,294.98

Source of Funds

This expense will be funded by NWSA operating income. The 2026-2030 Capital Investment Plan Budget allocated \$2 million in 2026 for this project, but the project

was completed and the expense was recognized in 2025. This is an incremental amount that was not anticipated to be funded by the \$2 million.

Financial Impact

This unplanned expense will not have a material impact to the NWA's profit and loss in 2026.

E. ATTACHMENT TO THIS REQUEST

- Attachment 1: Contractor's Signed Full Release dated June 12, 2026

F. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>
2025-05-06	NWSA Managing Member project authorization in the amount of \$2 million for a total authorized amount of \$2 million for work associated with the disposal of cranes IHI 2078 and Sumitomo 2403.
2025-05-06	Port of Tacoma Surplus Action of Sumitomo 2403 crane and NWSA authorization to dispose of cranes IHI 2078 and Sumitomo 2403
2019-08-06	Port of Tacoma Commission adopts Resolution 2019-II-PT to surplus Crane IHI 2078. NWSA Managing Members authorize CEO to relinquish NWSA's use of crane IHI 2078 located at T7.

CONTRACTOR'S FINAL RELEASE FINAL SETTLEMENT OF INVOICES

Project/ Owner

Contractor

Project: CRANE REMOVAL AND
OFFSITE DISPOSAL

Name: Nordholm Companies, Inc.

Purchase Agreement: PA000000130

Attn: Marcus Ourada

Address: 1 Sitcum Way, Tacoma, WA

Address: 4116 34th Ave NW, BLDG B,
Everett, WA 98201

Owner: Northwest Seaport Alliance

Contract Date: 10 / 22 /2025

TO ALL WHOM IT MAY CONCERN:

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned Contractor hereby waives, discharges, and releases any and all liens, claims, and rights to liens against the above-mentioned project, and any and all other property owned by or the title to which is in the name of the above-referenced Owner and against any and all funds of the Owner appropriated or available for the construction of said project, and any and all warrants drawn upon or issued against any such funds or monies, which the undersigned Contractor may have or may hereafter acquire or possess as a result of the furnishing of labor, materials, and/or equipment, and the performance of services by the Contractor on or in connection with said project, whether under and pursuant to the above-mentioned contract between the Contractor and the Owner pertaining to said project or otherwise, and which said liens, claims or rights of lien may arise and exist.

The undersigned further hereby acknowledges that the sum of
Two-hundred and sixty-five thousand and thirty-nine dollars and fifty-nine cents dollars (inclusive of all taxes)

(\$ 265,039.63) constitutes the entire **unpaid** balance due the undersigned in connection with settlement of Change Order Request 1 – Acceleration and project sales tax for said project whether under said contract or otherwise and that the payment of said sum to the Contractor will constitute payment in full and will fully satisfy any and all liens, claims, and demands which the Contractor, subcontractor, or any of Contractor's agent(s) may have or assert against the Owner in connection with said contract or project. The total project amount including the unpaid balance will be **\$2,224,582.59**. The settlement of the Change Order Request 1 – Acceleration is a compromise of the disputed change order and nothing contained in this final settlement of invoices shall be construed to be an admission or fault, or liability on the part of the Owner or Undersigned hereto, all such fault or liability being expressly denied by the Owner or Undersigned. The Contractor further acknowledges and confirms that it paid prevailing wages to all workers for this contract consistent with RCW 39.12 and that all appropriate affidavits including the Affidavit of Wages Paid have been properly filed and submitted.

SIGNATURE ON THE FOLLOWING PAGE

Dated this 12 day of June 2026



Contractor NORDHOLM COMPANIES INC.

By: Marcus K Ourada

Title Vice President

Witness to Signature:

By: Greg Nordholm

Title President

