

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>4F</u>
Date of Meeting	<u>March 20, 2018</u>

DATE: March 7, 2018

TO: Managing Members, The Northwest Seaport Alliance

FROM: John Wolfe, Chief Executive Officer

Sponsor: Tom Bellerud, Director, Container Business Development (CTB)

Project Manager: Pedro Reyes, Engineering Project Manager II

SUBJECT: WUT Intermodal Yard Pavement Replacement Project

A. ACTION REQUESTED

As referenced in NWSA Resolution No. 2016-04, 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 in the amount \$1,676,000 for a total authorized amount of \$1,776,000, to complete work associated with the Washington United Terminals (WUT) Pavement Replacement Project, Master Identification No. 201049.01.

B. SYNOPSIS

The original pavement in this area was placed approximately 20 years ago and is at the end of its life expectancy. The intermodal yard at WUT has seen high volumes of cargo and has required yearly repairs to keep the yard operational.

C. BACKGROUND

The current lease with the tenant places the maintenance or replacement of asphalt pavement and damaged concrete collars in the intermodal yard on the NWSA

D. PROJECT DESCRIPTION AND DETAILS

Scope of Work for This Request:

- Preparation of contract documents
- Asphalt milling and paving of failing pavement
- Utility structure modifications
- Project administration

Schedule

Project Bidding	March 2018
Construction	May 2018
Contract Completion	August 2018

E. FINANCIAL IMPLICATIONS

Project Cost Details

	This Request	Total Project Cost	Cost To Date	Remaining Cost
Design	\$45,000	\$145,000	\$0	\$145,000
Construction	\$1,631,000	\$1,631,000	\$0	\$3,262,000
Total	\$1,676,000	\$1,776,000	\$0	\$1,776,000

Source of Funds

The 2018-2022 Capital Investment Plan (CIP) allocates \$1,776,000 for this project.

Financial Impact

Project costs will be capitalized and depreciated over an estimated 10-year period resulting in annual depreciation of \$178,000. Depreciation expense for 2018 will be approximately \$59,000 based on a completion date of August 2018.

The remaining net book value of the existing assets will be approximately \$9,600 at substantial completion. This value will be written off by the home port when the scope of work is completed. The WUT intermodal yard generated income of over \$3.5 million in 2016, over \$2.5 million in 2017, and is budgeted to provide over \$2 million in income in 2018.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do Nothing. Safety issues continue and the south portion of the intermodal yard becomes unusable.

Alternative 2) Make repairs to the intermodal yard to continue operations and correct safety concerns from labor.

Alternative 2 is recommended.

G. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: This action is SEPA exempt and falls within existing programmatic maintenance permits.

Remediation: The work is not likely to encounter contaminants at regulated levels. However, it is standard practice for the Port to test any materials prior to off-site disposal.

Water Quality: No water quality impacts are anticipated.

Air Quality: No air quality impacts are anticipated.

H. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.

I. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
February 13, 2018	Executive Authorization	\$100,000
TOTAL		\$100,000