



# **Additional authorization for**

## **North Harbor Surplus Crane Dispositions**

# Additional Authorization

## North Harbor Surplus Crane Dispositions

Request additional project authorization in the amount of \$523,000 to remove four surplus ship to shore (STS) container cranes from the North Harbor terminals in an amount not to exceed \$4,523,000 for work associated with the North Harbor Surplus Crane Dispositions, Master Identification No. U00293

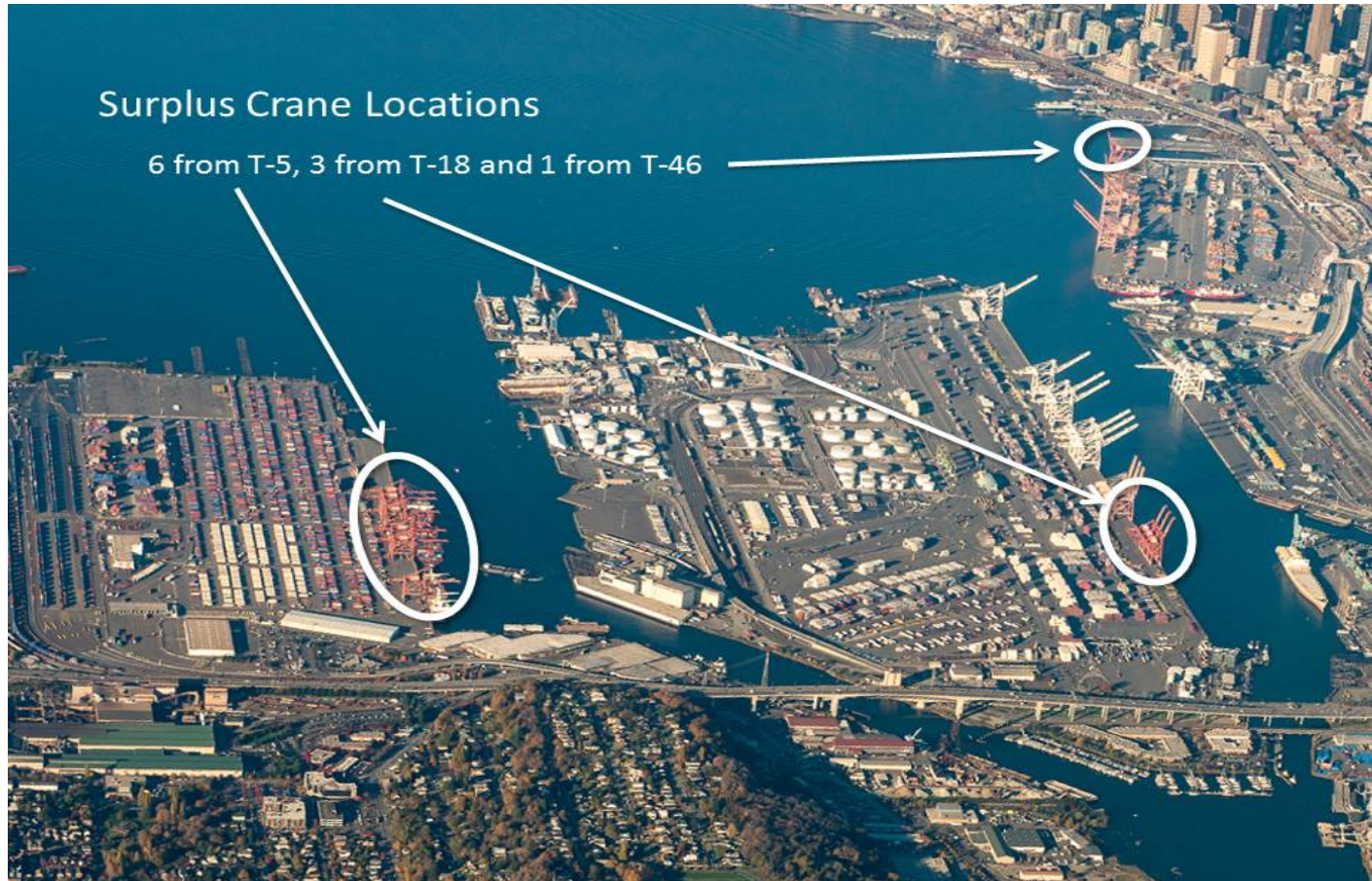


# Background

- **10 North Harbor Cranes have been Declared Surplus**
  - One (1) Crane on Terminal 46 in 2009
  - Three (3) Cranes on Terminal 18 in 2012
  - Six (6) Cranes on Terminal 5 in 2014
    - T-5 Crane disposition will occur in future action item and are not part of this request.



# Crane Locations



# Project Objectives and Schedule

- **Objectives**

- Remove four cranes from Terminals 18 & 46
  - Efficient and Cost-effective manner as possible
  - Adherence to existing and historical jurisdiction

- **Drivers**

- Meet lease obligation at Terminal 18
- Allows full commercial/operational use of Terminal 46 dock

- **Schedule**

- Goal is to have the four cranes removed by the end of 2018
  - The current bid protest has the potential to delay the completion of the removal into 2019



# Removal Alternatives

## Removal Alternatives Explored

- a. Disposal at local steel mill
  - requires considerable processing and thus is not financial viable
- b. New crane supplier remove after West Coast delivery
  - Supplier did attend pre-bid → choose not to submit a proposal
- c. Repurpose cranes to another port
  - Have forwarded crane specifications to multiple contacts with no interest.



# Recent Bid Process

- **Received three proposals on August 17, 2018**
- **Proposal evaluation process**
  - Evaluated proposals first on technical criteria
    - Two firms met the technical criteria
  - Costs were then evaluated between the two firms
    - Negotiations and requests for Best and Final Offers
    - The final best offer was negotiated → Current and projected future spending (including tax) exceeded the authorization from June 5<sup>th</sup>.
- The firm not meeting the technical criteria has filed a bid protest



# Source of Funds

- The current five year capital investment plan includes over \$10 million for the removal of a total of ten cranes in the North Harbor.
- The five year forecast anticipated that these costs would be expensed beginning in 2019.
- Based on the current 2018 financial forecast, it is recommended that the four (4) cranes be removed this year.
- If the crane removal is not completed in 2018, the 2019 operating budget will absorb the remaining expense in the operating budget.
- The estimated cost for the removal is not to exceed \$4,523,000.





# Conclusion

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