

**MANAGING MEMBERS**  
**STAFF BRIEFING**

**DATE:** August 17, 2018

**TO:** Managing Members

**FROM:** John Wolfe, CEO

**Sponsor:** Dustin Stoker, Chief Operations Officer

**Project Manager:** Curt Stahlecker, Capital Project Manager

**SUBJECT:** North Harbor Surplus Crane Dispositions

**A. BRIEFING REQUESTED**

As requested by the Managing Members, this staff briefing is to provide an update on the status of the North Harbor surplus crane disposition solicitation process. No action is requested of the Managing Members at this time.

**B. SYNOPSIS**

During the North Harbor Surplus Crane Dispositions Project Authorization Presentation on June 5, 2018 staff was requested by the Managing Members to report back on alternative disposal options, exploration of re-purposing options and to outline the solicitation process.

**C. BACKGROUND**

The North Harbor Surplus Crane Dispositions Project Authorization was presented to the Managing Members on June 5, 2018 under Item Number 5C. This authorization action was for the removal of four (4) North Harbor STS container cranes at Terminals 18 and 46. The cranes are undersized and cannot efficiently handle cargo from current and future vessel sizes calling at the NWSA. These cranes were manufactured by Ishikawajima-Harima Heavy Industries, Ltd. (IHI) in 1984 and are numbered 51 through 54. They are the last remaining 50-foot gage cranes in the gateway.

Concurrent with the Funding Authorization, the Managing Members requested staff to explore disposal options with a neighboring steel mill, inquire with crane suppliers for options to back haul the surplus cranes, provide the crane specifications to a developing Port in Africa, and report on the solicitation process and the path forward.

**D. CURRENT STATUS**

***Disposal options with neighboring steel mill***

Staff contacted a representative from the neighboring steel mill, Nucor and discussed the possibility of directly transporting the crane components to their Seattle facility adjacent to Terminal 5. The Nucor facility can only accept “processed” scrap steel, i.e., having a maximum dimension of five (5) feet per piece of steel that are free of any debris, internal ballast concrete, etc. Even though the four cranes weigh approximately 3,600 tons, the

additional processing time and cost to size and clean the steel to Nucor's acceptance criteria would exceed any revenues gained. This option is not financially viable.

***Discuss with crane suppliers for options to back haul surplus cranes***

Staff has contacted ZPMC, the crane supplier for the new cranes at the General Central Peninsula (Pier 3/4) in the South Harbor. ZPMC expressed an interest and attended the pre-bid meeting. They are on the plan holder list for the current solicitation.

***Re-purposing Options***

A summary of specification information was compiled on the North Harbor surplus crane fleet and provided to Commissioner Petrich on June 11, 2018 to be forwarded to the Port of Monrovia. The summary provided all relevant data for the Port to determine if the surplus cranes meet their requirements. To date we have not received any feedback or further interest.

In addition, staff also connected with another party interested in cranes for a West African port. Unfortunately, their requirement called for self-powered, 100-foot gage cranes. Only the cranes on Terminal 5 meet the 100-foot gage requirement however, they do not meet the specification of being self-powered.

***Crane removal solicitation process***

The solicitation proposals are due on August 17, 2018. The solicitation requires technically acceptable bid proposal defined as per below:

- a. complies with terms and conditions of the solicitation
- b. remove the cranes in an appropriate manner (non-demolition removal)
- c. bidder has experience with similar types of work
- d. submits a reasonable schedule to complete work by December 31, 2018
- e. reasonable plan to comply with the Memorandum of Agreement between the NWSA and the International Longshore and Warehouse Union (ILWU)

The ownership of the cranes will transfer to the successful contractor at the time the cranes are removed from the terminals and loaded on to a vessel or other mode of transportation. The contractor will determine the final disposition of the cranes.

The anticipated execution date for the contract is September 28, 2018 with completion by December 31, 2018.

**E. ATTACHMENTS TO THIS REQUEST**

- North Harbor Crane Location Slide

**F. PREVIOUS ACTIONS OR BRIEFINGS**

<u>Date</u>	<u>Action</u>	<u>Amount</u>
June 5, 2018	Project Authorization – North Harbor Crane Dispositions	\$3,900,000

October 7, 2016	Executive Authorization – North Harbor Crane Dispositions	\$100,000
September 11, 2012	Port of Seattle Commission - Second Reading of Resolution No. 3666, Surplus Port of Seattle cranes 51, 52, and 53 at Terminal 18	\$0
February 24, 2009	Port of Seattle Commission - Second Reading of Resolution 3610, Surplus Port of Seattle crane 54 at Terminal 46	
<b>TOTAL</b>		<b>\$4,000,000</b>