

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

| | |
|------------------------|-------------------------|
| Item No. | <u>5B</u> |
| Date of Meeting | <u>February 4, 2020</u> |

DATE: January 22, 2020

TO: Managing Members

FROM: John Wolfe, CEO
Sponsor: Tom Bellerud, Director, Business Development
Project Manager: Elly Bulega, Engineering Project Manager I

SUBJECT: West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

A. ACTION REQUESTED

As referenced in NWSA Resolution No. 2018-01, Exhibit A, Delegation of Authority Master Policy, Paragraph 8.c.iii., states project costs exceeding \$300,000 require approval from Managing Members.

Requesting Managing Members of The Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate project authorization in the amount \$1,153,000 for a total authorized amount of \$1,379,000, for work associated with the West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements, Master Identification No. 201062.04.

B. SYNOPSIS

The objective of this project is asset preservation and to comply with The Northwest Seaport Alliance's (NWSA) lease obligation to provide non-leaking roofs at the West Sitcum Terminal.

This request encompasses a total of two buildings and three guard shacks. The Out-Gate Service Building 700 (5,060 SF), the Out-Gate Inspection Building 900 (6,800 SF), and three Guardhouses, 975 (225 SF), 575 (500 SF), and 75 (325 SF).

C. BACKGROUND

In October 2017, NWSA entered into a new lease agreement with Stevedoring Services of America (SSA) to operate the West Sitcum Terminal. As part of the lease agreement, the NWSA agreed to inspect a majority of the roofs and complete roof repairs and/or replacements as necessary. In 2018, roof assessments of ten buildings (Bldg. 100, 600, 950, 400, 925, 700, 900, 975, 575, and 75) were conducted. In January 2019, Managing Members authorized roof designs of these ten buildings. Staff prioritized roof design and construction of the three most populated buildings, 100, 600, and 950. Design and construction of these three buildings'

roofs were completed in 2019 along with buildings 400 and 925. The remaining five building roof designs (bldgs. 700, 900, 975, 575, and 75) are almost complete, and their construction is scheduled for summer 2020.

Building 900 is a vehicle inspection building consisting of a small single-story structure connected to a higher canopy roof. A single layer asphalt build-up roof membrane is adhered directly to the plywood deck. The original canopy roof was extended in the past and approximately doubled in length. Water is ponding on both the upper and the lower roofs in the vicinity of the roof drains and scuppers. The older roof drain strainers and scuppers on the canopy roof are rusted. The skylights on the older part of the canopy are worn, weathered and have moss and mold growing beneath them due to water leaking in these areas. The skylight plastic domes are fractured, and do not have guards or netting in them, which creates safety concerns if someone were to fall against them. Water is leaking in the work area creating safety hazards.

Building 700 is a concrete masonry unit (CMU) building that consists of a canopy roof with an office area above on one side, and stair towers on both ends. Both the lower and upper roofs have layers of asphalt built-up roofing membranes over fiberglass board insulation. The roofs have shallow slopes of the valley causing water to pond. The roof, particularly flashings, are in poor condition. The existing strainers and vent cap are rusted, and the vents have lead flashings which need to be replaced. The stair deck is corroded due to poor weather-proofing and needs to be repaired to prevent further damage.

Guard shacks 975, 575, and 75 are single-story guard shacks with overhanging roofs and parapet walls faced with metal siding panels on the outward side. The roofs assembly consists of asphalt build up roof membrane over rigid foam insulation. Roof cores indicated that the original roofs were recovered with thin fiberglass insulation boards and other built-up roof membranes with a mineral cap sheet. Attempts have been made to reseal seams, flashings and scuppers to stop roof from leaking. The pipe vents have lead flashing on them and need to be replaced with non-lead materials. The exhaust vent caps are rusted and need to be replaced.

All five buildings were constructed 35 years ago. Their roofs are past the end of their serviceable lives, are beyond repair and need replacement. The total estimated replacement cost is summarized in Section E of this memorandum. Port Staff is requesting funds to proceed with construction.

D. PROJECT DESCRIPTION AND DETAILS

Project Objectives

The objective of this project is asset preservation and to comply with the NWSA's lease obligation to provide non-leaking roofs. The roof replacements will come with a 20-year warranty.

Scope of Work

The overall scope of work will include removing roofs' covering down to the structural deck and replacing them with new single ply Thermoplastic Polyolefin (TPO) membrane roofs.

Other work will include:

- Installation of R-38, insulation
- Replacement of scuppers and installation of new roof drains
- Installation of a bird deterrent wire systems
- Sand blasting and recoating of the corroded areas of the existing stairs' steel floor deck
- Replacement of rotted beams and sheathing
- Installation of new lighting
- Installation of a new guardrail and access ladders

Schedule

The design for all five roofs is nearly complete. Construction is scheduled to commence summer 2020. The City of Tacoma building permits have been applied for and will be attained prior to project advertisement. Project schedule is as follows:

| | |
|----------------------------------|----------------|
| Complete Design | February 2020 |
| Attain Permits and Advertise Bid | February 2020 |
| Bid Opening | April 2020 |
| Contract Award | April 2020 |
| Substantial Completion | September 2020 |

E. FINANCIAL IMPLICATIONS

Completed Roofs Project Cost Details MID 201062.01, .02, .03 & .04

| Bldgs | Previous Design Request | Previous Construction Request | Previous Total Request | Cost to Date | Remaining Authorization |
|-------------------------------|-------------------------|-------------------------------|------------------------|---------------------|-------------------------|
| Roof Assessments | \$ 100,000 | \$ - | \$ 100,000 | \$ 93,190 | \$ 6,810 |
| Bldgs 100 and 950 | \$ 199,041 | \$ 1,211,700 | \$ 1,410,741 | \$ 972,026 | \$ 438,715 |
| Bldg 600 | \$ 138,226 | \$ 1,101,500 | \$ 1,239,726 | \$ 888,506 | \$ 351,220 |
| Bldgs 400 and 925 | \$ 60,592 | \$ - | \$ 60,592 | \$ 16,442 | \$ 44,150 |
| Bldgs 900, 700, 75, 575 & 975 | \$ 226,000 | \$ - | \$ 226,000 | \$ 140,963 | \$ 85,037 |
| Total | \$ 723,859 | \$ 2,313,200 | \$ 3,037,059 | \$ 2,111,127 | \$ 925,932 |

Note: A change order for buildings 400 and 925 roof repairs was issued during bldg. 600 roof construction repairs.

Remaining Roofs Project Cost Details MID 201062.04

| Bldgs | Previous Design Request | Previous Construction Request | Cost to Date | Remaining Authorization | Current Construction Request | Total Estimated Budget |
|--------------------------------|-------------------------|-------------------------------|-------------------|-------------------------|------------------------------|------------------------|
| Bldgs 400 & 925 | \$ 60,592 | \$ - | \$ 16,442 | \$ 44,150 | \$ - | \$ - |
| Bldgs 75, 575, 700, 900, & 975 | \$ 226,000 | \$ - | \$ 140,963 | \$ 85,037 | \$ 1,153,000 | \$ 1,379,000 |
| Total | \$ 286,592 | \$ - | \$ 157,405 | \$ 129,187 | \$ 1,153,000 | \$ 1,379,000 |

Source of Funds

The current Capital Investment Plan (CIP) allocates \$1,479,000 for this project.

Financial Impact

Project costs will be capitalized and depreciated over an estimated 15-year life, resulting in annual depreciation of \$92,000. Depreciation expense for 2020 will be approximately \$23,000 based on a project completion date of September 2020.

There is no remaining net book value on the existing roofs so there will be no write off value that would impact the NWSA or the Port of Tacoma (legacy assets remained on the homeports balance sheet) profit and loss statements.

NPV and IRR

The cost to repair the roofs at West Sitcum terminal was included in the financial model for the SSA lease agreement. The financial performance of this agreement including the cost of the roof repairs meets or exceeds the NWSA financial standards.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1: Maintenance will continue making repairs attempting to stop leaks. Roofs will continue leaking and creating safety hazards, damaging interior of buildings, and tenant equipment.

Alternative 2: Remove and replace existing roofs with new single ply membrane roof systems.

Recommended Action: Staff recommends alternative 2.

G. ENVIRONMENTAL IMPACTS/REVIEW

Permitting:

City of Tacoma Building permits have been attained.

Remediation:

A limited asbestos and hazardous building materials study was conducted and some of the samples collected were determined to be positive for asbestos.

Stormwater:

No water quality impacts are anticipated. The roof material being proposed is not a source of zinc. Best Management Practices (BMPs) will be implemented to protect water during construction activities.

Air Quality:

Due to the presence of asbestos, the Contractor will monitor the air during construction activities per the Port's requirements for air pollution control.

H. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.

I. PREVIOUS ACTIONS OR BRIEFINGS

| <u>Date</u> | <u>Action</u> | <u>Amount</u> |
|------------------|---|------------------------|
| April 2, 2019 | BLDG 600 Construction Managing Members Authorization | \$ 1,101,500.00 |
| April 2, 2019 | BLDG 100 and 950 Construction Managing Members Authorization | \$ 1,211,700.00 |
| January 15, 2019 | BLDGs 75, 400, 575, 600, 700, 900, 925 and 975 Design: Managing Members Authorization | \$ 424,818.00 |
| December 6, 2018 | BLDGs 100 and 950 Design: Executive Authorization | \$ 199,041.00 |
| August 23, 2018 | SSA Terminal Buildings Roof Assessment: Executive Authorization | \$ 100,000.00 |
| TOTAL | | \$ 3,037,059.00 |



Item No: 5B_supp
Date of Meeting: February 4, 2020

Project Authorization For West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

Presenter: Elly Bulega
Title: Engineering Project Manager

Action Requested

West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

Request construction authorization in the amount of \$1,153,000, for a total authorized amount of \$1,379,000, for the West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements, Master Identification No. 201062.04.



Background

West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

- In October 2017, the NWSA entered into a new lease agreement with Stevedoring Services of America (SSA).
- As part of the lease agreement, the NWSA agreed to inspect a majority of the roofs and complete roof repairs and/or replacements as necessary.
- Roof assessments were completed in 2018.
- In January 2019, Managing Members authorized design of 10 building roofs on the terminal.
- In April 2019, Managing Members authorized roof construction of buildings 100, 950 and 600.
- Roofs on bldgs 400 and 925 were repaired under bldg 600 Contract.
- Roof repairs for bldgs 100, 400, 600, 925, and 950 are complete.

BLDGS 925 & 400





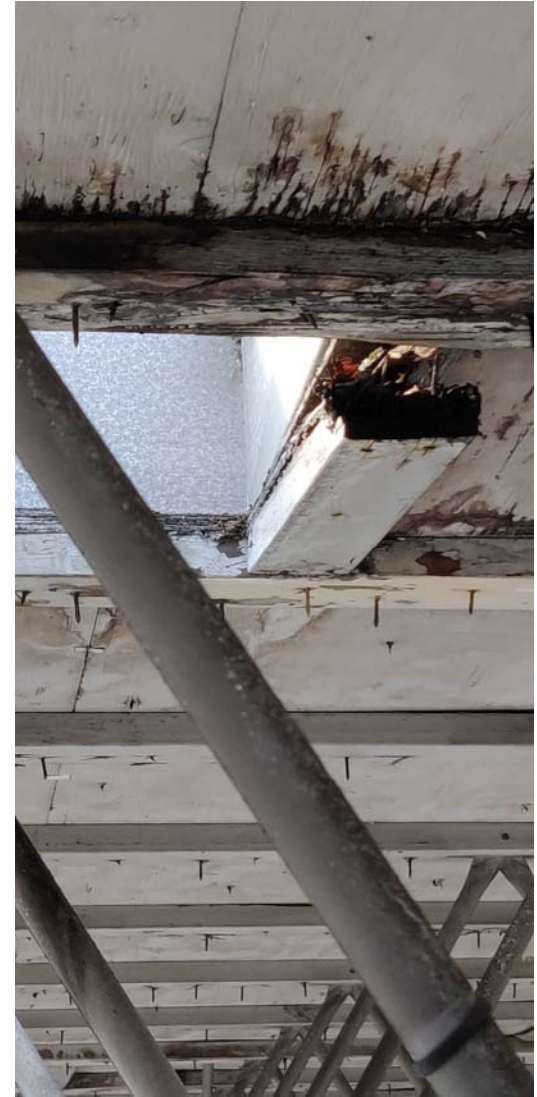
BLDG 900



BLDG 900



BLDG 900



BLDG 700

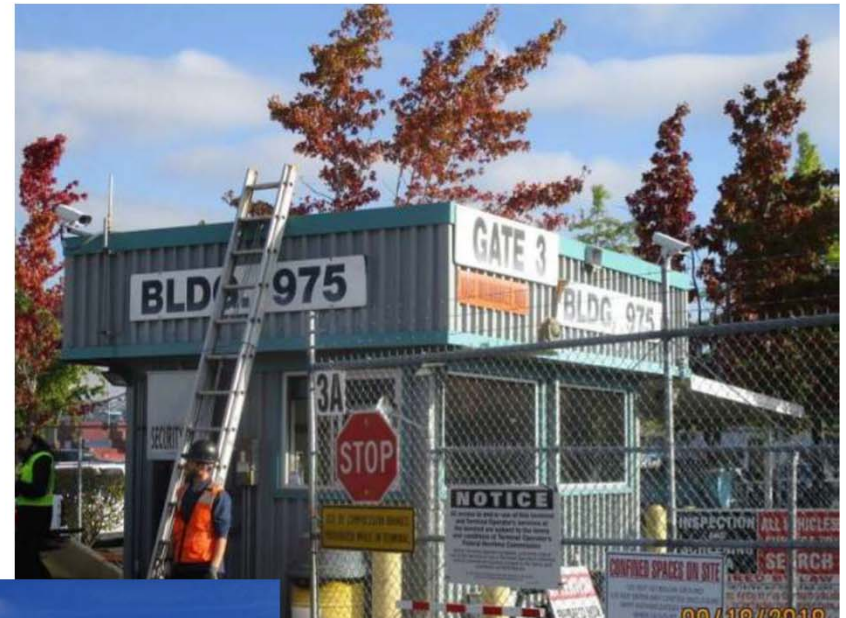


THE NORTHWEST
SEAPORT ALLIANCE

BLDG 700



GUARD SHACKS 75, 575 & 975



Project Description and Details

West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

The overall scope of work will include:

- Removal of the existing skylights on bldg 900
- Removal and replacement of existing roofs with new Thermoplastic Polyolefin (TPO) roof systems
- Installation of R-38 insulation to meet current energy code
- Installation of bird deterrent systems
- Weatherproofing of stairs on bldg 700
- All roofs come with a 20-year warranty



Project Schedule

West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

| Activity | Timeframe |
|----------------------------------|----------------|
| Complete Design | February 2020 |
| Attain Permits and Advertise Bid | February 2020 |
| Bid Opening | April 2020 |
| Contract Award | April 2020 |
| Substantial Completion | September 2020 |



Financial Implications

West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

- The estimated budget for this project is \$1,379,000.
- The current Capital Investment Plan (CIP) allocates \$1,479,000 for this project.
- Project costs will be capitalized and depreciated over an estimated 15-year life, resulting in annual depreciation of \$92,000.
- Depreciation expense for 2020 will be approximately \$23,000 based on a project completion date of September 2020.
- There is no remaining net book value on the existing roofs.

Financial Summary

West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

| Item | Budget Estimate | Cost to Date | Remaining Estimated Cost |
|---------------|-----------------|--------------|-----------------------------|
| DESIGN | \$226,000 | \$140,963 | \$85,037 |
| CONSTRUCTION | \$1,153,000 | \$0 | \$1,153,000 |
| PROJECT TOTAL | \$1,379,000 | \$140,963 | \$1,238,037 |

Environmental Impacts/Review

West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

Permitting:

- City of Tacoma Building permits have been attained.
- No additional permitting is anticipated.

Remediation:

- A limited asbestos and hazardous building materials study was conducted.
- Some of the samples collected were determined to be positive for asbestos.

Environmental Impacts/Review

West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

Water Quality:

- No water quality impacts are anticipated. The roof material being proposed is not a source of zinc.
- Best Management Practices will be implemented to protect water during construction activities.

Air Quality:

- Due to the presence of asbestos, the Contractor will monitor the air per the Port's requirements.

Conclusion

West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements

Request construction authorization in the amount of \$1,153,000, for a total authorized amount of \$1,379,000, for the West Sitcum Bldgs 700, 900, and Guard Shacks Roof Replacements, Master Identification No. 201062.04.

