

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>5C</u>
Date of Meeting	<u>June 6, 2017</u>

DATE: May 23, 2017

TO: Managing Members, The Northwest Seaport Alliance

FROM: John Wolfe, Chief Executive Officer
Sponsor: Bari Bookout, Chief Commercial Officer
Project Manager: Pedro Reyes, Engineering Project Manager II

SUBJECT: Approve Repairs to West Hylebos Log Dock

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 \$600,000 for a total authorized amount of \$740,000, to for work associated with the West Hylebos Log Dock Repairs, Master Identification No. 201016.01.

B. SYNOPSIS

This project will allow for the design and construction of repairs to the timber fenders and structural piles at the West Hylebos Log dock. The work will maintain a viable working dock by replacing fenders needed for Merrill & Ring to safely berth vessels without damage to vessels and maintain a structurally sound dock.

C. BACKGROUND

An inspection and condition report of the West Hylebos Log Dock was performed in 2016 by Moffatt & Nichol. The result of that inspection informed the Port what repairs would need to be made to extend the life of the dock at least through lease commitment from the current tenant.

D. PROJECT DESCRIPTION AND DETAILS

The purpose of the work is to maintain a viable working dock by replacing fender piles and making repairs to structural piles so that Merrill & Ring can continue to safely use the dock without damage to vessels and maintain a structurally sound dock.

Project Objectives

- Restore the timber fender system
- Maintain the structural capacity of the structure

Scope of Work

The scope of work will include:

- Replacement of fender piles
- Miscellaneous repairs to fenders
- Replace structural pile
- Restore pile bearing for multiple piles
- Reconnect fender pile hook connections

Schedule

Develop Bid Documents	May 2017
Advertise Bids	June 2017
Construction Contract Award	July 2017
Procurement of Materials	September 2017
Substantial Completion	November 2017

E. FINANCIAL IMPLICATIONS

Project Cost Details

	This Request	Total Project Cost	Cost To Date	Remaining Cost
Procurement	\$105,000	\$105,000	\$0	\$105,000
Design	\$0	\$99,510	\$3,006	\$ 96,504
Construction	\$535,490	\$535,490	\$0	\$ 535,490
Total	\$ 640,490	\$740,000	\$ 3,006	\$736,994

Source of Funds

The 2017-2021 Capital Improvement Plan Budget allocates \$740,000 for this project.

Financial Impact

The project costs will be capitalized and depreciated over a five-year period, which is the standard depreciable life for fenders. This will result in annual depreciation expense of \$148,000. Depreciation expense for 2017 will be approximately \$12,000 based on a substantial completion date of October 2017.

The proposed two-year agreement will produce approximately \$400,000 more income over the two years than the original 2017-2018 log dock operating budget, and lower capital spending of \$376,000 compared to the 2017-2018 capital budget. This project has a payback period of less than one year.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do Nothing. If allowed to deteriorate further, layberth barges and vessels will begin to damage the supporting dock structure.

Alternative 2) (Recommended Option) Repair the fenders and structural piles which will maintain a revenue producing asset and maintain jobs.

Alternative 2 is the recommended course.

G. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: This work is permitted under the Port of Tacoma's existing Programmatic Pile Repair and Replacement Program permit package, which includes approval from Army Corps of Engineers (Corps), Washington Department of Ecology (Ecology), Washington Department of Fish and Wildlife (WDFW) and the City of Tacoma (City). In-water work associated with this project will occur during the approved in-water work window (July 16 – February 14). All provisions and requirements set forth by the permits will be implemented, including water quality, as discussed below.

Remediation: Not applicable.

Water Quality: Appropriate Best Management Practices (BMPs) will be identified and implemented as part of the project. Impacts to water quality originating from upland sources are not anticipated. Ecology's Water Quality Certification (WQC) requires turbidity monitoring to occur during in-water work activities. Specific water quality monitoring requirements will be strictly followed to ensure permit compliance.

Air Quality: No adverse impacts to air quality are anticipated as a result of project activities.

H. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.

I. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
March 31, 2017	Executive Authorization	\$140,000
TOTAL		\$140,000