



**THE NORTHWEST
SEAPORT ALLIANCE**
Gateway to Solutions

Item No.: 51
Meeting: 06/06/17

PROJECT AUTHORIZATION FOR

US Customs and Border Protection
Booth Installations at PCT and WUT

Presenters: Mike Reilly, Director, Intermodal Business Development
Dave Myers, Engineering Project Manager II

Action Requested

Request approval for two related action steps that will allow the installation of Straddle Carrier Portals along with the new CBP booth at PCT and the installation of a relocated CBP booth at WUT.

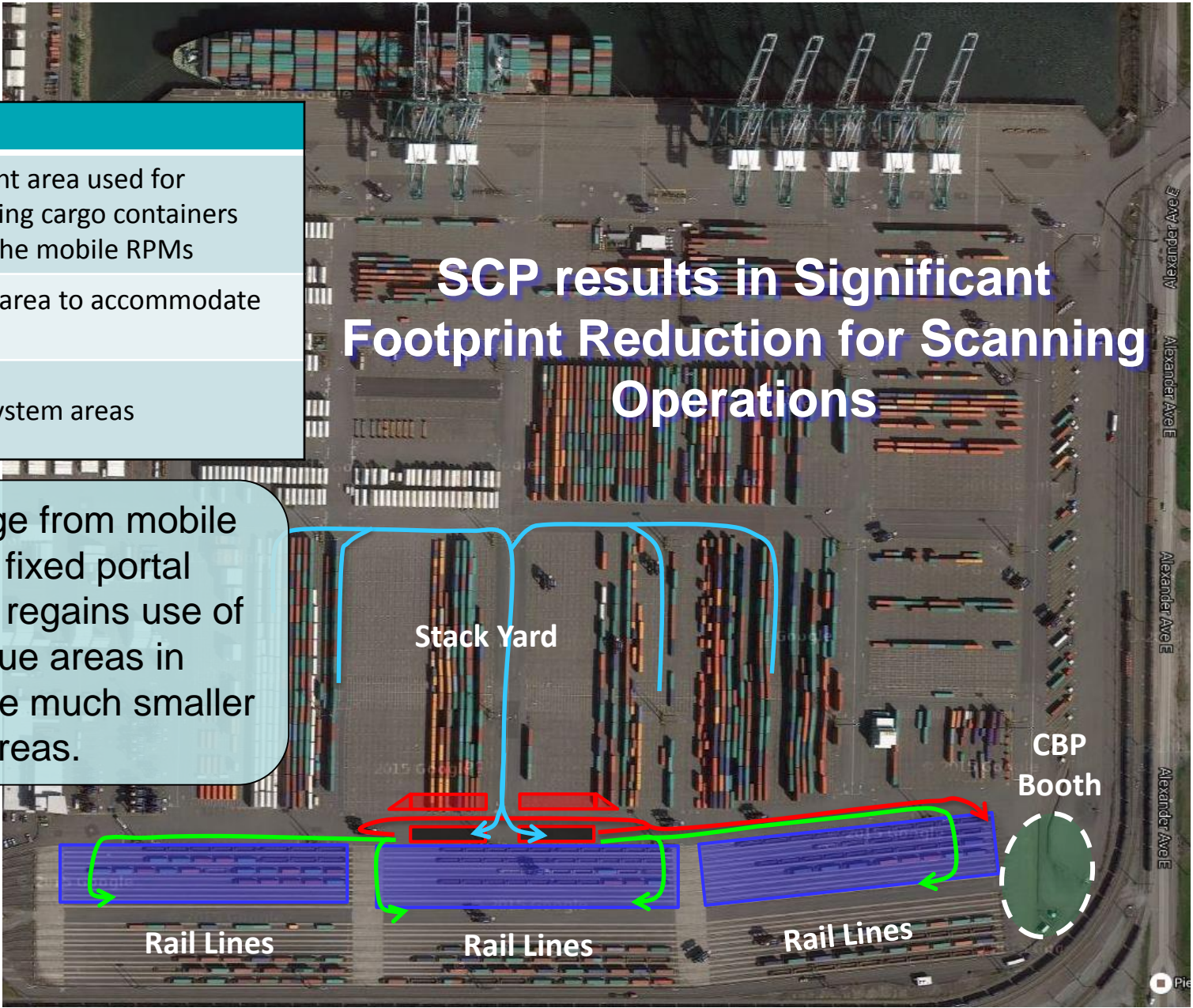
1. Request project authorization in the amount of \$533,000, for a total authorized amount of \$550,000, for the installation of a new CBP booth at PCT and installation of a relocated CBP booth at WUT. This supports the installation of Straddle Carrier Portals at PCT, Master identification Nos. 101056.01 and 101056.02, respectively.
2. Request approval of the Reimbursable Memorandum of Agreement (RMOA) supporting the CBP booth operation at PCT and authorize CEO or delegate to sign the agreement. Annual costs are estimated at \$24,213 over a 10-year period.



Background

- Since the introduction of radiation scanning of all import loads, marine terminals with a straddle carrier mode of operation have faced operational challenges when scanning their rail loads.
- As depicted by graphic #1, 15 acres of land and half the current rail tracks are dedicated to grounding single-high rail loads to allow CBP access for mobile scanning.
- This double handling of rail cargo adds significant operational cost, reducing the profitability of intermodal cargo at PCT.
- CBP, Domestic Nuclear Detection Office (DNDO), and Pacific Northwest National Laboratory (PNNL) have worked collaboratively to design new scanning technology that is compatible with a Straddle Carrier operation.





Legend

Outlined in Blue

Current area used for scanning cargo containers with the mobile RPMs

Outlined in Red

Stack area to accommodate SCPs

Black with Red Outline

SCP system areas

SCP results in Significant Footprint Reduction for Scanning Operations

With the change from mobile scanning to fixed portal scanning, PCT regains use of the three blue areas in exchange for the much smaller red areas.

Unscanned containers

Cleared Containers

Alarming Containers

Stack Yard

CBP Booth

Rail Lines

Rail Lines

Rail Lines

Alexander Ave E
Alexander Ave E
Alexander Ave E
Alexander Ave E
Pie

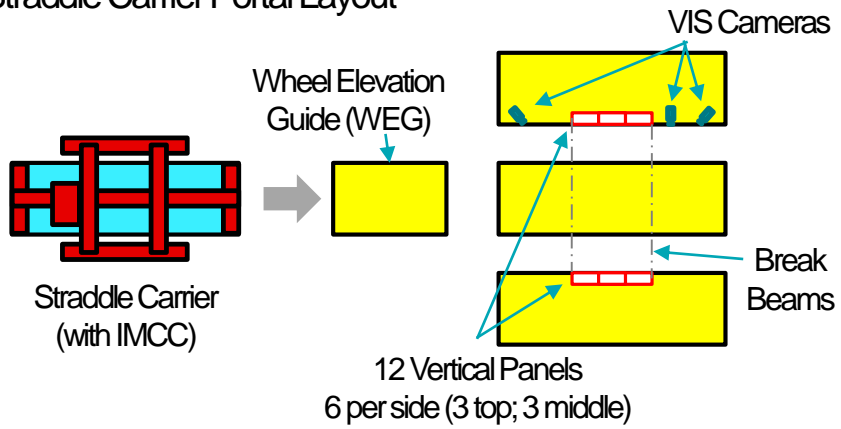


Background

- NWSA staff has worked closely with these governmental agencies to ensure that PCT is the recipient of this new technology, as there is only one available, yet there are two terminals in need of it.
- The new scanning technology, with a value of over \$20M, is being provided by DNDO and CBP.
- This new RPM system will reduce operating costs at PCT and create a more competitive intermodal rail product for PCT and the ocean carriers using that terminal.



Straddle Carrier Portal Layout



Background

- The RMOA identifies the responsibilities of the NWSA along with outlining CBP's responsibilities for the procurement and connection to the CBP National Data Center. Due to Homeland Security regulations, CBP must purchase their equipment, then be reimbursed for the expense.
- Everport has agreed to reimburse for the annual CBP expenses related to the booth on the PCT terminal.



RECURRING COST ESTIMATES FOR CBP BOOTH AT PIERCE COUNTY TERMINAL (PCT)

ITEMS	Estimated cost through 20 years
HVAC Replacement	\$5,000
Windows (bullet proof)	\$6,000
Roof Seal (for CBP Booth)	\$1,000
Chairs	\$2,400
Tables	\$1,500
Water/Sewer/Electric/Data	\$122,400
Grinder Pump	\$5,000
Cameras (9)	\$180,000
Computers	\$6,000
Switch	\$54,000
Circuit	\$197,800
TOTAL ESTIMATED EXPENSES FOR EVERPORT	\$581,100
LOWEST YEAR EXPENSE	\$5,100
HIGHEST YEAR EXPENSE	\$61,700
AVERAGE ESTIMATED EXPENSES over 10-year period	\$ 24,213

Project Descriptions and Details

Scope of Work at PCT

- Remove existing CBP booth and related items for reuse at WUT
- Extend existing concrete foundation to accept new CBP booth
- Install new CBP booth (provided by PNNL) on new foundation
- Install necessary water and sanitary sewer components including lift station
- Provide all necessary power and communications connections



Project Descriptions and Details

To gain full utility and value from the CBP booth being removed from PCT, CBP has requested the relocation of the existing booth to WUT to provide support for CBP operations at this location.

Scope of Work at WUT

- Remove existing booth and related items
- Extend existing concrete foundation to accept salvaged booth from PCT
- Install booth on new foundation
- Provide all necessary power and communications connections



Project Descriptions and Details

Schedule

- The work at PCT is scheduled to go to bid in June of 2017 with an anticipated award date in July of 2017. All construction work is planned to be completed by December 2017.
- Anticipated arrival time of the new RPM scanning equipment is Q2 or Q3 of 2017.
- The work at WUT is currently in design development stage. It is anticipated that this project will be completed in 2018.
- These projects will be bid and completed as two separate projects.



Financial Implications

- Through agreements with DNDO and CBP, the NWSA's financial commitment to this project is capped at \$ 550,000.
- This cost is further broken down as follows:
 - PCT \$350,000
 - WUT \$200,000
 - To date, the NWSA has spent \$13,880 in support of the design associated with the PCT Installation

Source of Funds

- The 2016 -2021 Capital Improvement Plan allocates \$550,000 for these projects.

Financial Impact

- Project costs will be capitalized and depreciated over a 20-year life, resulting in annual depreciation expense of \$27,500.



Alternatives and Implications

- **Alternative 1:** Continue to scan containers using current process resulting in continued double handling of containers and added operational costs and inefficiencies.
- **Alternative 2:** Install the Straddle Carrier Portals and related booth to reduce double handling expense while improving container yard and rail operational efficiencies.

Alternative 2 is the recommended course



Environmental Impacts

- Permitting: None
- Remediation: None
- Water Quality: None
- Air Quality: Result in a reduction of diesel exhaust emissions due to the reduction of double handling of containers and the use of wheeled scanning equipment.



Economic Impacts

The PCT terminal was originally designed with a primary purpose of being a high volume intermodal cargo facility. The current RPM scanning process and the double handling it creates has been a handicap for Everport, causing them to re-evaluate and change their cargo mix moving through PCT. The installation of this new RPM scanning equipment will allow rail loads to be efficiently scanned while moving on a straddle carrier, eliminating the need for double handling. This also frees up several acres of terminal land for more productive use. These advantages will allow PCT tenants to be more competitive and should create an opportunity to see a return of more on-dock IPI volumes moving through the PCT facility.

This project will provide construction jobs at PCT, and has the potential to increase hours or jobs by the ILWU, Ports America, BNSF, NWCS, Tacoma Rail, and the Union Pacific, along with other businesses that would benefit from increased business levels at a marine terminal.



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