

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>2C</u>
Date of Meeting	<u>June 4, 2019</u>

DATE: May 28, 2019

TO: John Wolfe, Chief Executive Officer

FROM: **Sponsor:** Dakota Chamberlain, Chief Facilities Development Officer
Project Manager: Hughes Wike, Project Manager II

SUBJECT: **Consent Agenda:** Emergency Track Repair on Tracks 4, 5, 6, and 8 at the Entry Curve to the North Intermodal Yard

A. ACTION REQUESTED

Request contract ratification in the amount of \$850,000.00 for work associated with the emergency track failure in the curve section of rail entering the North Intermodal Yard South Harbor, Master Identification Number (MID) 201076.01.

Resolution No. 2015-06, Delegation of Authority Master Policy, paragraph 8.j. authorizes the CEO to make a finding of the existence of emergency and commit Alliance resources, waive competition and execute contracts necessary to respond to the existing emergency in accordance with RCW 39.04.020 and 39.04.280, when an Emergency requires immediate response. The policy then requires staff to request the Managing Members ratify any such contracts executed during an emergency at the next scheduled public meeting following the award of the contract.

B. BACKGROUND

On Thursday March 21, 2019 during routine inspection the Port of Tacoma Maintenance Rail Inspection Team discovered defects in the curve section of rail entering the North Intermodal Yard (NIM) on tracks 4, 5, 6, and 8. On Friday March 22, 2019 additional inspections occurred, due to the severity of the cracks found in Tracks 4, 5, and 6 a speed restriction was put in place. On these three tracks trains are not to move faster than walking speed through the curve. Due to the severity of the cracks found in Track 8 it was taken out of service.

The NIM rail tracks are essential to the operations of the NIM. Failure to repair these critical tracks will result in severe reductions in the NIM's productivity, loss of revenue, potential damage to equipment, and potential injury to personnel. The NIM cannot function effectively without these tracks.

C. PROJECT DESCRIPTION AND DETAILS

The NWSA executed a contract with Coast Rail Incorporated on May 22, 2019, in the amount of \$850,000.00 for work associated with the emergency.

The project is to repair and replace the defective rail sections in Tracks 4, 5, 6, and 8 at the entry curve into the NIM.

Scope of Work

The scope of work included:

- Demolition of existing track
- Installation of new 115 lb track, ties and ballast
- Replacement and repair of concrete pavement

Schedule

The work is to be performed immediately and completed by July 31, 2019.

D. FINANCIAL IMPLICATIONS

Project costs will be capitalized and depreciated over an estimated 10-year life, resulting in annual depreciation of \$85,000. Depreciation expense for 2019 will be approximately \$42,000 based on a project completion date of July 2019.