

**THE NORTHWEST SEAPORT ALLIANCE**  
**MEMORANDUM**

**MANAGING MEMBERS**  
**ACTION ITEM**

<b>Item No.</b>	<u>9E</u>
<b>Date of Meeting</b>	<u>March 7, 2023</u>

**DATE:** February 3, 2023

**TO:** Managing Members

**FROM:** John Wolfe, CEO

**Sponsor:** Tong Zhu, Chief Commercial & Strategy Officer

**Project Manager:** David Myers, Engineering Project Manager

**SUBJECT:** Pierce County Terminal Fender Replacement Project

**A. ACTION REQUESTED**

As referenced in NWSA Resolution No. 2020-02, 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 \$4,658,000, for a total authorized amount of \$4,945,000, for work associated with the Pierce County Terminal (PCT) Fender Replacement Project, Master Identification No. 201145.01.

**B. SYNOPSIS**

The existing fender system is insufficient to support the berthing of 10,000 TEU and larger vessels.

**C. BACKGROUND**

The fender system at PCT was designed and installed in 2004 ahead of the opening of the facility to support Evergreen America's operations. At that time, the vessels calling at the Port of Tacoma (Port) were typically between 6,000 and 6,500 TEU. In comparison the vessels calling at PCT today range from 6,000 to 12,000 TEU.

The existing fender system at PCT represents the typical design from this period which includes two large rectangular rubber sections that hold the fender plate to the face of the pier. These rubber sections flex in the longitudinal direction easily but do not bend easily in the transverse direction.

This results in tearing of the rubber and ultimately failure of the fender unit. Many of the existing units have been repaired or replaced due to this damage over the past 20 years.

Replacement of the fender system is a lessor responsibility. Failure of the fender system will likely cause operational disruption and stoppage.

The new fender units that are proposed to be installed are designed to support the larger vessels that are routinely calling at the NWSA and are like those that have been installed at both Husky Terminal and Washington United Terminal in recent years. The conical design allows for movement in all directions without tearing, and they can structurally support the larger vessels.

## **D. PROJECT DESCRIPTION AND DETAILS**

### ***Scope of Work***

This project will remove the existing 34 fenders and install 39 new modern units. Two additional units will be procured to have on hand for emergency replacement. The scope of work will include:

- Remove 34 existing fender units
- Install 39 new fender units
- Procure 41 fender units for installation and spares
- Repair areas of spalling concrete on pile caps

Work will be sequenced to avoid disruptions in both vessel and yard operations.

### ***Schedule***

Due to time constraints surrounding fabrication and delivery of the fender units the Port intends to directly pre-procure the fenders prior to issuing the package for bid.

Commission Authorization	March 7, 2023
Issue Request for Proposal for Fenders	March 9, 2023
Fender Bids Due	March 30, 2023
Issue Purchase Order for Fenders	April 4, 2023
Anticipated Fender Delivery Date	October 16, 2023
Advertise for Construction Bid	August 15, 2023
Award Construction Contract	September 25, 2023
Substantial Completion	March 1, 2024
Final Completion	April 15, 2024

## E. FINANCIAL IMPLICATIONS

### *Project Cost Details*

	<b>This Request</b>	<b>Total Project Cost</b>	<b>Cost to Date</b>	<b>Remaining Cost</b>
Procurement	\$ 2,210,000	\$ 2,210,000	\$0	\$ 2,210,000
Design	\$0	\$ 287,000	\$ 130,000.00	\$ 157,000
Construction	\$ 2,448,000	\$ 2,448,000	\$0	\$ 2,448,000
<b>Total</b>	<b>\$ 4,658,000</b>	<b>\$ 4,945,000</b>	<b>\$ 130,000</b>	<b>\$ 4,815,000</b>

### *Source of Funds*

The current Capital Improvement Plan (CIP) Budget allocates \$4,945,000 for this project. This project meets the requirements for use of Harbor Maintenance Tax funds. The NWSA has approximately \$1.2M of Federal Government Fiscal Year (FY) 2022 HMT funds received last Summer that the Managing Members authorized to be used for the fenders and other projects. Additionally, Staff expects to recommend to the Managing Members a strategy for 2023 HMT funds that includes funding the remaining amounts of this project with Federal Government FY 2023 HMT funds which will be received this summer.

### *Financial Impact*

Project costs will be capitalized and depreciated over an estimated useful life of 15 years, resulting in annual depreciation of \$410,000 starting in 2024. There will be no depreciation expense in 2023.

The current fender system is a Port of Tacoma asset. The estimated net book value of the current fender system of approximately \$1,700,000 will be written off resulting in a non-operating non-cash expense. This expense was included in the Port of Tacoma's 2023 budget.

## F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do Nothing. Keep replacing fender units when they are damaged. This could result in a restriction of vessel size at PCT and could result in berthing delays while repairs are being completed.

Alternative 2) Replace the existing fenders with new upgraded system. This will minimize ongoing repair needs and allow larger vessels to berth without restriction at PCT.

**Alternative 2 is the recommended course.**

**G. ENVIRONMENTAL IMPACTS/REVIEW**

Permitting: No permits are necessary as these are fixtures on the existing pier and no structural modifications are necessary.

Remediation: No impacts

Stormwater: No impacts

Air Quality: No impacts

**H. ATTACHMENTS TO THIS REQUEST**

- Computer slide presentation.

**I. PREVIOUS ACTIONS OR BRIEFINGS**

<u>Date</u>	<u>Action</u>	<u>Amount</u>
April 12, 2022	Executive Authorization	\$122,000
May 19, 2022	Executive Authorization	\$65,000
January 30, 2023	Executive Authorization	\$100,000
<b>TOTAL</b>		<b><u>\$287,000</u></b>