

Item No: 8B_Supp
Date of Meeting: June 7, 2022



**THE NORTHWEST
SEAPORT ALLIANCE**
Gateway to Solutions

Project Authorization Increase for Terminal 3 & Terminal 4 Shore Power Project

Presenter:
Hughes Wike, PE, PMP
Engineering Project Manager II

Action Requested

Terminal 3 & Terminal 4 Shore Power Project

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 increase in the amount \$3,900,000 for a total authorized amount of \$15,500,000, for work associated with the Terminal 3 & Terminal 4 Shore Power Project, Master Identification No. 201100.01.





Project Summary

Terminal 3 & Terminal 4 Shore Power Project

PROJECT OBJECTIVE

- Install safe and functional shore power systems at Terminals 3 and 4 that will power international container ships and contribute to an improvement in air quality by reducing marine shipping emissions.

SCOPE OF WORK

- Installation of major electrical equipment such as transformers, switchgear, power factor correction components, conduit and wiring.
- Addition of one new shore power vault on Pier 3 bullrail.
- Wharf modification and trenching work.
- Tacoma Public Utilities metering upgrades.



Status Update

Terminal 3 & Terminal 4 Shore Power Project

- Project advertised in February 2022 and bids opened in April 2022.
- Engineer's construction estimate: \$7,855,650
- Four bids received ranging from \$10,732,805 to \$15,655,122
- Primary factors leading to elevated bid values include:
 - continued material cost increases due to US inflation;
 - wage increases due to labor shortages;
 - uncertainty due to global supply chain issues; and
 - commodity price increases due to war in Ukraine. Russia is a key global supplier of steel, aluminum, copper, and oil.



Alternatives Considered

Terminal 3 & Terminal 4 Shore Power Project

Alternative 1: Cancel the project. If the work is not completed, a loss of \$3.1 million in grant funding could result and the environmental benefits of shore power implementation would remain unrealized.

Alternative 2: Proceed with award of the construction contract to the lowest bidder, as planned.

Alternative 2 is the recommended course.



Project Schedule

Terminal 3 & Terminal 4 Shore Power Project

Activity	Timeframe
Bid Opening (Completed)	April 2022
Contract Award	June 2022
Substantial Completion	January 2024



Financial Implications

Terminal 3 & Terminal 4 Shore Power Project

- The estimated cost of construction for this project is \$14,714,000.
- The estimated budget for this project is \$15,500,000.
- The current Capital Investment Plan (CIP) allocates \$11,600,000 for this project.
- Husky terminal, and the associated equipment and intermodal yard, are budgeted to provide \$22.8 million in cash in 2022.



Financial Summary

Terminal 3 & Terminal 4 Shore Power Project

Phase	This Request	Total Previous Requests	Total Project Cost	Cost to Date	Remaining Cost
Design	\$0	\$786,485	\$786,485	\$675,925	\$110,560
Construction	\$3,900,000	\$10,813,515	\$14,713,515	\$0	\$14,713,515
Total	\$3,900,000	\$11,600,000	\$15,500,000	\$675,925	\$14,824,075



Conclusion

Terminal 3 & Terminal 4 Shore Power Project

Request project authorization increase in the amount \$3,900,000, for a total authorized amount of \$15,500,000, for the Terminal 3 & Terminal 4 Shore Power Project, Master Identification No. 201100.01.

