

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.: 9B
Meeting Date: January 7, 2025

DATE: December 20, 2024
TO: Managing Members
FROM: John Wolfe, CEO

Sponsor: Tong Zhu, Chief Commercial & Strategy Officer
Project Manager: William Shelton, Project Manager

SUBJECT: T18 Pile Cap Repairs Project Authorization and Port of Seattle Approval of \$3 million of Fiscal Year (FY) 2024 Water Resource Development Act (WRDA) Section 2106 and Harbor Maintenance Tax (HMT) Donor Port Fund Use

A. ACTION REQUESTED

(1). Request the Managing Members of The Northwest Seaport Alliance (NWSA) grant project authorization in the amount of \$51,160,000, for a total authorized amount of \$56,100,000, for work associated with the T18 Pile Cap Repairs, Master Identification No. U00687.

(2). Request the Port of Seattle (Port) Commission dedicate \$3 million of FY 2024 WRDA Section 2106 / Harbor Maintenance Tax funds (Section 2106/HMT) to fund the estimated June to December 2024 and 2025 eligible costs for work associated with the T18 Pile Cap Repairs, Master Identification No. U00687.

B. SYNOPSIS

The T18 Pile Cap Repairs project will rehabilitate pile caps, deck drains, and four piles, at Terminal 18 Development Unit (DU) 7302 to preserve existing use while extending the service life of the rehabilitated components by 25 to 30 years. This project is eligible for the use of Section 2106/HMT funds. Construction of this project will take approximately two years and will cover three US Government Fiscal years from FY 2025 to FY 2027.

C. BACKGROUND

The Terminal 18 Dock Rehabilitation project was initiated in 2021, along with the Terminal 18 Bollard Repairs and Terminal 18 Shore Power project to address aging infrastructure repair, replacement, and modernization needs.

Since the T18 Shore Power, T18 Bollard Replacement, and T18 Dock Rehabilitation projects are within or adjacent to each other in location, rely on each other for infrastructure, and have similar timing for design, permitting, and construction, the consultant services were advertised as one consultant on-call contract to enhance the quality of the design and construction. The projects are each authorized separately due to different business priorities, grant funding opportunities, and project schedules.

In October of 2023, the decision was made to cancel the T18 Bollard Replacement project. With input from the terminal operator, it was decided that the operational impacts of replacing the identified bollards outweighed the benefit. An amount of \$300,000 was authorized for the pre-design effort for the T18 Bollard Replacement project of which \$50,000 was expensed. It was decided that the remaining \$250,000 would be used towards the T18 Dock Rehabilitation project.

In the summer of 2024, the name of the T18 Dock Rehabilitation project was then changed to T18 Pile Cap Repair to better align the scope of the project and facilitate discussions with regulatory agencies for permitting purposes.

Terminal 18 comprises of seven separate development units (DU). In April 2023, the design consultant provided the results from their completed comprehensive structural visual condition assessment of DU 7302 and a rapid structural visual assessment of DU 6303 and DU 6702. These development units were originally constructed in the following years:

DU 6303: 1963

DU 6701: 1967

DU 7302: 1973

The April 2023 comprehensive structural visual condition assessment looked at 100% of the piles, pile caps, sheet pile bulkhead wall, submerged sheet pile toe-wall, and the underside of the precast deck panels within DU 7302.

The rapid assessment included a 20% above water visual assessment of select piles, pile caps, sheet pile bulkhead wall, submerged sheet pile toe-wall, and the underside of the precast deck panels within DU 6303 and DU 6701.

Results from the study concluded that the structural concerns at T18 that needed to be addressed imminently were the pile caps at DU 7302. The study determined that

the average estimated pile cap service life at DU 7302 is 2024. This indicates that near term repairs to the pile caps at DU 7302 is warranted. It should be noted that the condition assessment did not identify any areas within Development Unit 7302 that warranted load restrictions. Future assessments and repairs to T18 will be made on a continuous as needed basis.

In October of 2023, the design for the Pile Cap Repairs project was authorized. The design consultant has completed the design of the pile cap repairs and the project is now ready for construction.

In August of 2024, it was decided by the NWSA that work will not occur during the tribal fishing season which spans from the middle of August until the end of November to mitigate the impact on the tribal fishery. Because of this, the decision was made to delay project award until July of 2025 to allow contractors adequate time to prepare construction documents and materials before mobilizing in December. This was also to reduce the risk of the work spanning through two tribal fishing seasons thus mitigating impacts to the terminal operator and reducing construction costs.

After the 90% design submission, an independent cost estimate and risk analysis were performed. The results from the independent cost estimate and risk analysis validated the current project estimated cost.

D. PROJECT DESCRIPTION AND DETAILS

Project Objectives

- Repair pile caps, degraded deck drains, and four piles at DU 7302 to extend the service life of pier.

The scope of the T18 Pile Cap Repairs is as follows:

Repair degraded pile caps, repair degraded deck drains, and repair four piles at DU 7302. This request is for construction and designer construction services.

To execute this work, openings will need to be cut in the pier deck of DU 7302 to access the pile caps, deck drains, and piles. This will impact truck lane 1 in DU 7302. Scaffolding will be erected beneath the pier deck to serve as a work platform for the pile cap repair.

Contract documents will also detail that the contractor shall not work during the tribal fishing season which spans from the middle of August until the end of November. The contractor will not engage in activities which impact tribal fishing during this time.

Port of Seattle Environmental confirmed with the United States Army Corps (USACE) and other governing agencies that work can be performed outside of the in-water work

window of August to February if the work is performed “in the dry” when it is not inundated at low tide.

Schedule

Finalize Bid Documents	March 30, 2025
Advertise for Bid	April 18, 2025
Open Bids	June 24, 2025
Notice of Award	July 14, 2025
Substantial Completion	June 1, 2027
Final Completion	July 16, 2027

E. FINANCIAL IMPLICATIONS

Project Cost Details

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$0	\$0	\$0
Pre-Design	\$0	\$900,000	\$434,600	\$465,400
Design	\$0	\$4,040,000	\$560,000	\$3,480,000
Construction	\$51,160,000	\$51,160,000	\$0	\$51,160,000
Total	\$51,160,000	\$56,100,000	\$994,600	\$55,105,400

*Costs to date are estimated due to POS financial systems not fully operating

Source of Funds

The 2024 - 2029 Capital Investment Plan (CIP) Budget allocates \$53,674,000 for the design and construction of this project. The CIP will be updated during the 2026 budget process to reflect the increased amount.

Financial Impact

The design and construction costs will be capitalized and depreciated resulting in depreciation expense of approximately \$1,790,000 per year for thirty years. T18 was budgeted to provide approximately \$34.7 million in revenue and \$33.8 million in income in 2025.

The T18 Pile Cap Repairs Project design and construction project meets the requirements for the use of Harbor Maintenance Tax and WRDA Section 2106 funds. Through July 2024, the NWSA utilized \$676,516 of the FY 2022 and FY 2023 Section 2106 funds received by the Port of Seattle to fund this project. The Port of Seattle received \$25,017,000 of Fiscal Year 2024 Section 2106 and HMT funds.

The NWSA requests use of \$3 million FY 2024 2106/HMT funds received by the Port of Seattle to fund the estimated June through December 2024 and 2025 project spending. Staff will submit a recommendation for additional funding via separate action. If further funding action is not taken, funding in excess of this \$3 million will be provided via the normal 50%/50% project funding as specified by the NWSA Charter.

F. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: The scope of this project falls within the federal and state permit coverage of the Pile Systems Repair and Maintenance Programmatic permits and includes SEPA and Shoreline Management Act repair and maintenance exemptions.

Remediation: None.

Stormwater: Port of Seattle internal stormwater compliance review.


Air Quality: None.

G. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
October 5, 2021	POS Commission Authorization for T18 Improvements Design IDIQ Contract Procurement (\$15,000,000)	\$0
October 5, 2021	Project Authorization for Condition Assessment and Pre-design for Dock Rehab Project (\$600,000) and Bollard Replacement project (\$300,000).	\$900,000
October 3, 2023	T18 Dock Rehab (now called T18 Pile Cap Repairs) Project Authorization for Design. Just prior to funding authorization, it was decided to cancel the T18 Bollard Replacement project and allocate all funds to the T18 Dock Rehab Project.	\$4,040,000
TOTAL		\$4,890,000

Item No.: 9B
Meeting Date: Jan. 7, 2025

T18 Pile Cap Repairs Project Authorization and Request for use of WRDA 2016/HMT Funds



**THE NORTHWEST
SEAPORT ALLIANCE**
SEATTLE + TACOMA


William Shelton, Project Manager
David Morrison, NWSA CFO

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ACTION REQUESTED

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(2). Request the Port of Seattle Commission dedicate \$3 million of FY 2024 Water Resource Development Act Section 2106 / Harbor Maintenance Tax (Section 2016/HMT) funds to fund the estimated June to December 2024 and 2025 eligible costs for work associated with the T18 Pile Cap Repairs, Master Identification No. U00687.



**THE NORTHWEST
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SEATTLE + TACOMA

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Background

- A structural inspection of the following development units (DU) at Terminal 18 was performed in late 2022/early 2023.
 - DU 6303
 - DU6701
 - DU7302
- Findings from the study identified the following items that needed repair at Development Unit (DU) 7302
 - Pile caps
 - Deck drains
 - Four piles
- Repairs to these pier features are needed to maintain safe logistics operations at T18.

Background

- In August of 2024, the NWSA decided that work on this project will not occur during the tribal fishing season from the middle of August until the end of November to mitigate impacts on the tribal fishery.
- As a result of this decision, it was decided in September of 2024 to push the construction award date back to July of 2025 for the following reasons:
 - Reduce the risk of the construction spanning two tribal fishing windows
 - Reduce the risk to contractors to result in more bidders and more competitive pricing
 - Reduce the impact to terminal operations and the terminal operator
 - Allow the contractor adequate time to prepare construction documents and materials before starting work in December 2025

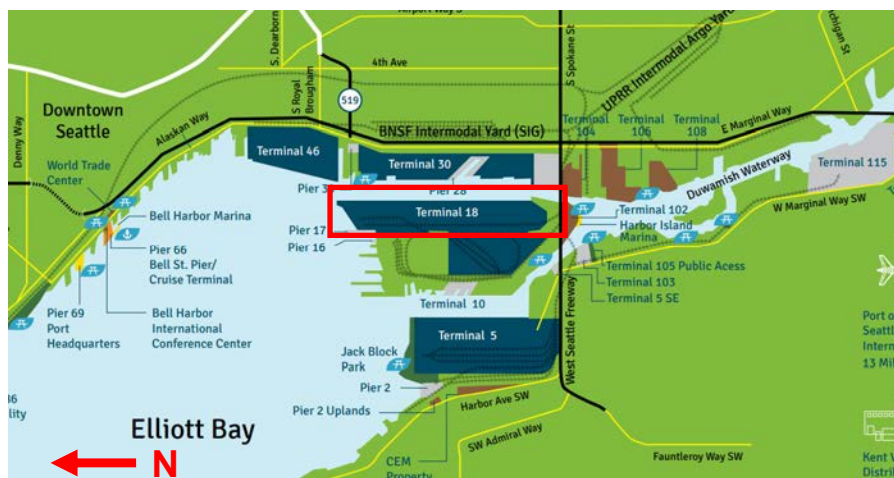
Background

Work Complete to Date:

- Condition Assessment:
 - Completed April 2023
- Design:
 - 100% Design for the T18 Pile Cap Repair project was received from the consultant on December 6th 2024.
 - Design accounted for phasing requirements developed with and agreed upon by the terminal operator
- Independent Cost Estimate
 - Completed October 2024
- Risk analysis
 - This is based on the 90% design. A second risk analysis will be performed after the start of construction.
 - Completed November 2024

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Background



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Background

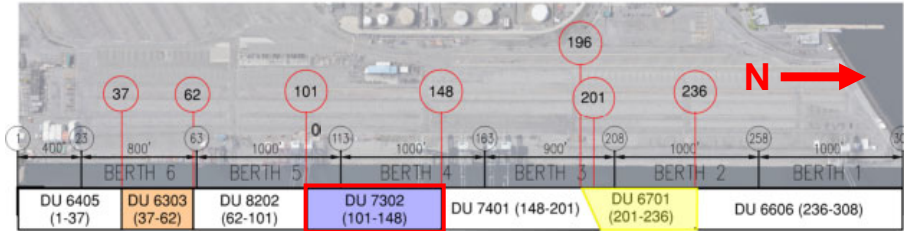


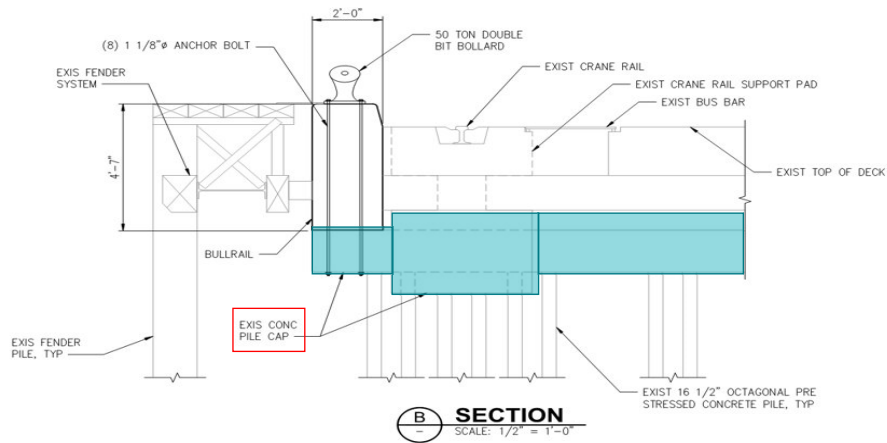
Table 4: Pile Cap (PC) Visual Rating

Development Unit (DU) [Bents]	DU 6303 [37-62]	DU 7302 [101-148]	DU 6701 [196/201-236]
PC Average Visual Rating (1-6)	4.7	3.6	4.6
PC Visual Rating (Max)	6	5	5
PC Visual Rating (Min)	2	2	2
Average PC Estimated Service Life	2041	2024	2040

*An estimated service life of 2024 does not indicate that the pier is at risk of imminent failure. It is an estimate for when conditions may begin to affect operational capacity and that near term repairs are warranted.



Background



B SECTION
SCALE: 1/2" = 1'-0"



Project Description and Details

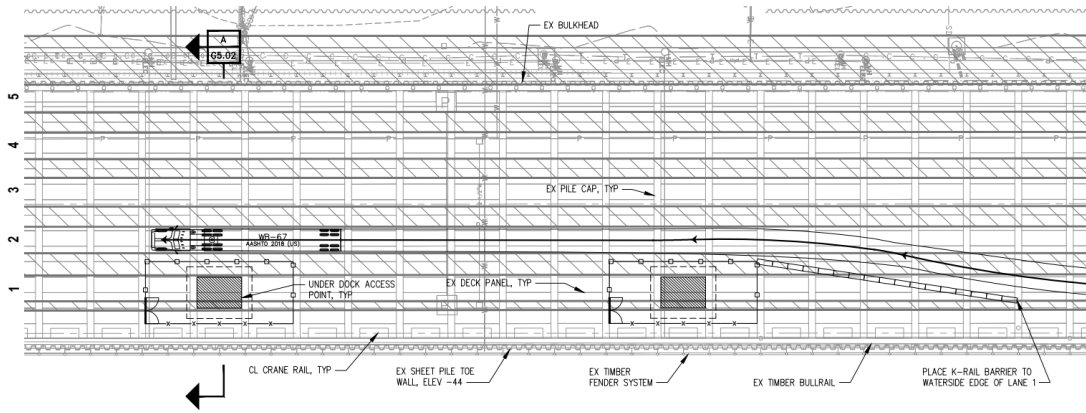
Scope of Work

- Repair degraded pile caps, deck drains, and four piles at Development Unit (DU) 7302
- Port of Seattle construction management services
- Third party special inspections
- Designer construction support services
- Port of Seattle contract administration
- Port of Seattle environmental support

Project Description and Details

- The work will require the contractor to cut openings in the pier deck at DU7302 to access the pile caps.
 - Hatches will be limited to the truck lane closest to the pier face (truck lane 1).
 - Scaffolding will be erected beneath the pier deck to serve as a work platform.
 - Work can be performed February to July, outside of the in-water work window, if work is performed during low tide.
 - Work will not be performed during the tribal fishing season which typically spans from the middle of August to the end of November.
 - Potential construction impacts to terminal operations have been coordinated with the terminal operator and mitigation measures have been included in the design documents.

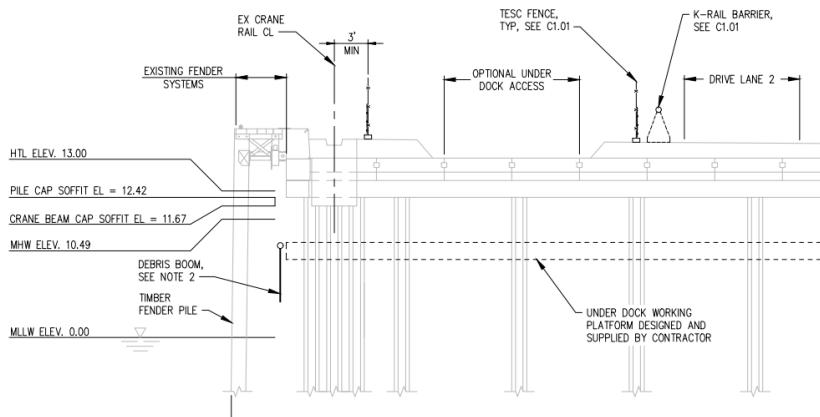
Project Description and Details



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Project Description and Details



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Project Description and Details

- Independent Cost Estimate developed based on 90% design by one of the Port of Seattle's on call consultants.
 - The before tax independent construction cost estimate was \$43,873,747 and was within .2% of the engineer's estimate.
- A risk analysis was performed for this project and had a resulting P85 value of \$56,100,000 for the total project cost.
- The P85 value is being used for total estimated project cost to account for project and market risks in the budget.

Project Schedule

Activity	Timeframe
Finalize Bid Documents	March 30, 2025
Advertise Bids	April 18, 2025
Bid Opening	June 24, 2025
Contract Award	July 14, 2025
Contract Completion	June 11, 2027

Financial Summary

Item	This Request	Total Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$0	\$0	\$0
Pre-Design	\$0	\$900,000	\$434,600	\$415,400
Design	\$0	\$4,040,000	\$560,000	\$3,480,000
Construction	\$51,160,000	\$51,160,000	\$0	\$51,160,000
Project Total:	\$51,160,000	\$56,100,000	\$994,600	\$55,105,400

- T18 was budgeted to provide approximately \$34.7 million in revenue and \$33.8 million in income in 2025
- costs will be capitalized and depreciated resulting in depreciation expense of approximately \$1,790,000 per year for thirty years



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Source of Funds

- The estimated cost of the Construction for this project is \$51,160,000. The estimated budget for this project is \$56,100,000.
- The 2024-2029 Capital Investment Plan (CIP) allocates \$53,674,000 for this project. The CIP will be updated to reflect the increased amount during the 2026 budget
- Work completed since 2023 was previously authorized and is on schedule to be complete on time and under budget.
 - As of July 2024, \$676,516 of FY 2022 and FY 2023 Section 2016 funds have been used to fund this project



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Source of Funds

- The T18 Pile Cap Repair project meets the requirements for the use of Section 2106/HMT funds.
- The Port of Seattle received \$25,017,000 of Fiscal Year 2024 Section 2106/HMT funds.



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Source of Funds

- The NWSA requests the use of \$3 million of FY 2024 Section 2106/HMT funds received by the Port of Seattle, to fund the estimated June through December 2024 and 2025 HMT eligible portions of this request.
- Staff will submit a recommendation for additional funding via separate action.
- If further funding action is not taken, funding in excess of this \$3 million will be provided via the normal 50%/50% project funding as specified by the NWSA Charter.



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Environmental Impacts / Review

- **Permitting:** The scope of this project falls within the federal and state permit coverage of the Pile Systems Repair and Maintenance Programmatic permits and includes SEPA and Shoreline Management Act repair and maintenance exemptions. Permitting on track to be finalized before construction contract award.
- **Remediation:** None.
- **Stormwater:** Port of Seattle internal stormwater compliance review.
- **Air Quality:** None.



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