

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	4C
Date of Meeting	May 7, 2019

DATE: April 24, 2019

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Tom Bellerud, Director, Container Business Development (CTB)

Project Manager: Trevor Thornsley, Interim Director of Engineering

SUBJECT: West Sitcum Pavement Repairs

A. ACTION REQUESTED

As referenced in NWSA Resolution No. 2018-01, Exhibit A, Delegation of Authority Master Policy, Paragraph 8.c.iii., states project costs exceeding \$300,000 require approval from Managing Members.

Requesting Managing Members of The Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer of their delegate project authorization in the amount \$275,000 for a total authorized amount of \$575,000 for work associated with the West Sitcum Pavement Repairs, Master Identification No. 201059.01.

B. SYNOPSIS

In alignment with the NWSA's lease commitment with SSA, this request is for additional funds to complete necessary pavement repairs with the leased area. Work is being completed in stages and this request is for additional funding to complete all required pavement repairs this year.

C. BACKGROUND

In October 2017, the NWSA entered into a new lease agreement with Stevedoring Services of America (SSA) to operate the West Sitcum Terminal. As part of the lease agreement, the Port agreed to completing repairs to numerous pavement issues both in the backland and on the pier. These issues include significant rutting that has occurred due to placement of dolly pads, as well as significant pavement cracking and settlement behind a portion of the pier.

The NWSA and SSA agreed to complete the necessary repairs in phases due to operational constraints and completion of other improvements. In 2018, the Port of Tacoma, (Port), on behalf of the NWSA, initiated and completed a significant number of repairs in the backland

area. As we have now entered Spring, the Port has agreed to continue with the repairs in all remaining areas. Additional repair work has commenced within the past month on the pier within the limits of the Executive Authorization previously executed. This request is to authorize the necessary funds to complete all repairs within the leased area.

D. PROJECT DESCRIPTION AND DETAILS

Project Objectives

The objective of this project is asset preservation and to comply with the NWSA's lease obligation to repair damaged pavement in the backland and on the pier structure.

Scope of Work

The scope of this work involves removal and replacement of areas identified in the lease agreement survey. All work is coordinated with SSA to ensure impacts to terminal operations are minimized

The scope of work specifically includes:

- Identifying areas to be repaired.
- Grinding existing asphalt pavement in rutted and severely cracked areas
- Paving damaged areas and seal joints
- Applying crack sealant where necessary
- Restriping as necessary

Schedule

As noted above a significant amount of work was initiated in July 2018 and completed in September 2018. Anticipated completion of remaining work is noted below.

Initiate Additional Repairs	April 1, 2019
Complete Repairs	August 31, 2019

E. FINANCIAL IMPLICATIONS

Project Cost Details

	This Request	Total Previous Request	Total Project Cost	Cost to Date	Remaining Cost
Construction	\$275,000	\$300,000	\$575,000	\$196,283	\$378,717
Total	\$275,000	\$300,000	\$575,000	\$196,283	\$378,717

Source of Funds

The current Capital Investment Plan (CIP) allocates \$578,000 for this project. Of this amount \$185,000 was spent in 2018.

Financial Impact

Project costs will be expensed as incurred.

The financial analysis for the SSA lease of West Sitcum included \$463,000 of expense for paving repairs in 2018. The financial performance for the original SSA agreement exceeded the NWSA's targeted rate of return. The increase to \$578,000 of expense for the paving repairs does not significantly reduce the return and still exceeds target.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

- **Alternative No. 1:** No Action. As this is a lease commitment this is not a viable option.
- **Alternative No. 2:** Complete agreed repairs in alignment with the lease agreement.

Recommended Action: Alternative No. 2

G. ENVIRONMENTAL IMPACTS/REVIEW

Permitting:

No additional permitting is required.

Remediation:

West Sitcum Terminal is part of the Commencement Bay Nearshore/Tideflats Superfund Site and includes the Milwaukee nearshore confined disposal facility (NCDF). The surface of the NCDF is capped. Maintenance activities required to maintain the integrity of the pavement cap (i.e., asphalt resurfacing, sealing of cracks, repairing potholes, etc.) are reported in the annual report submitted to EPA in April.

Stormwater:

Appropriate BMPs will be provided during completion of construction activities.

Air Quality:

Not applicable.

H. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.
- Attachment C from Lease Agreement and Survey Report noted.

I. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
July 30, 2018	Executive Authorization	\$ 200,000
July 16, 2018	Executive Authorization	\$ 100,000
TOTAL		\$ 300,000