

Item No.: 5B

Date of Meeting: August 6, 2019



**THE NORTHWEST
SEAPORT ALLIANCE**
Gateway to Solutions

Surplus Cranes and Associated Spare Parts

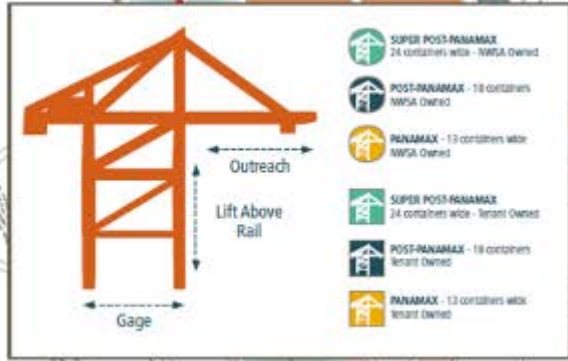
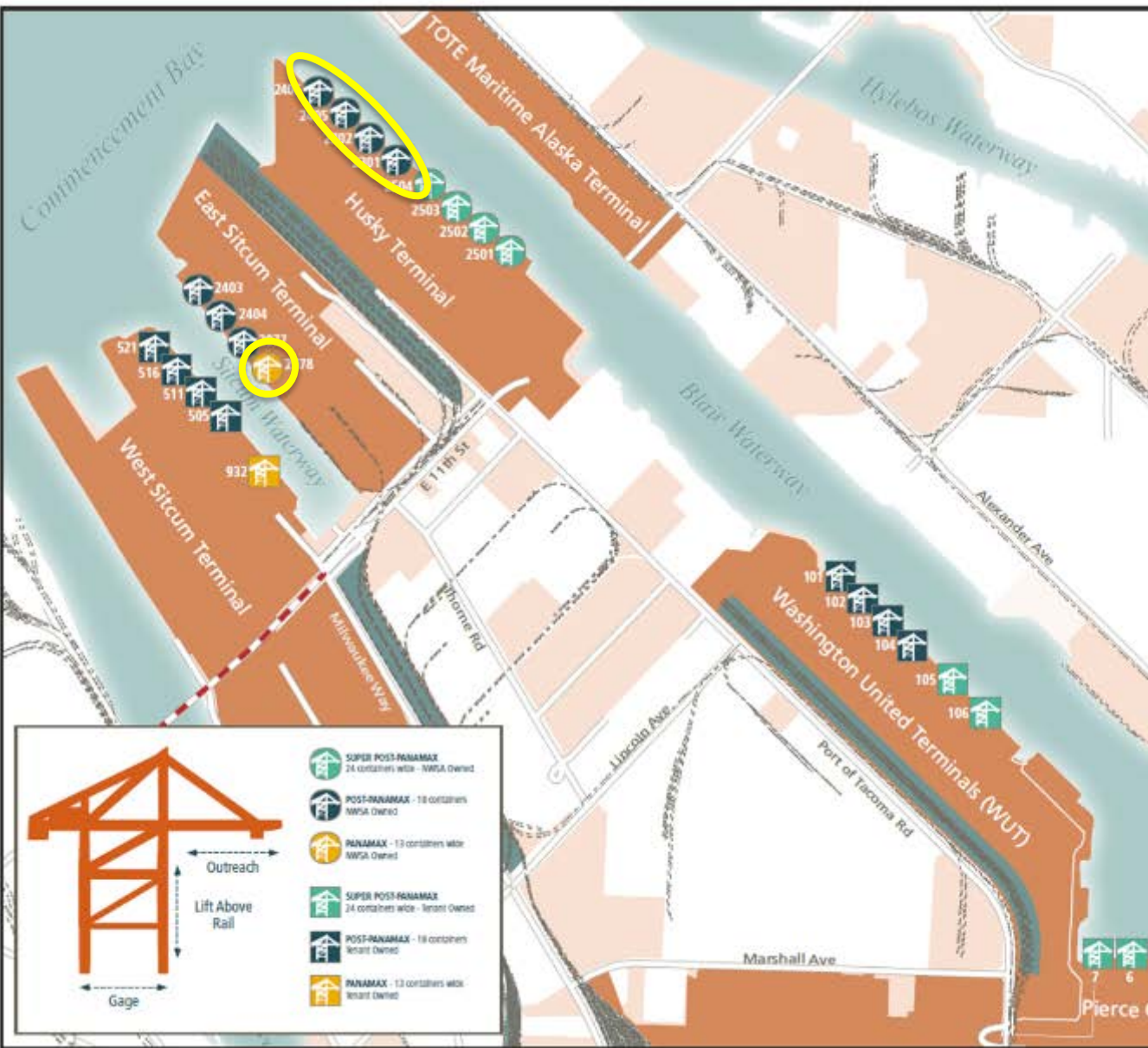
Presenter: Mark Little
Title: Director, Contracts and
Purchasing

Action Requested

Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or his delegate to relinquish the NWSA's use of five (5) Ship-to-Shore mobile gantry cranes located at Pier 3 and Terminal 7 in the South Harbor.

Request the Port of Tacoma Commission adopt Resolution 2019-11 which declares five (5) Ship-to-Shore mobile gantry cranes located at Pier 3 and Terminal 7 and the associated spare parts with a net book value of approximately \$1.7 million surplus and no longer needed for Port purposes. Because the value of the spare parts associated with the cranes exceeds \$18,853, Commission approval of the surplus action is required by the Port's Master Policy Resolution § V.F(1) and RCW 53.08.090.





CRANE FACTS

SOUTH HARBOR TACOMA

THE NORTHWEST SEAPORT ALLIANCE

Crane #	Manufacturer	Year	Outreach	Lift Above Rail	Gage
521	Hitachi-HHI	1985	161'	110'	100'
516	Hitachi-HHI	1985	161'	110'	100'
511	Hitachi-HHI	1985	161'	110'	100'
505	Hitachi-HHI	1985	161'	110'	100'
932	MHI	1987	104'	90'	100'
2403	Sumitomo	1986	122'	100'	64'
2404	Sumitomo	1986	122'	100'	64'
2077	Sumitomo	1986	122'	100'	64'
2078	IHI	1978	104'	100'	64'
2406	ZPMC	2001	156'	112'	64'
2405	ZPMC	1996	142'	112'	64'
2302	KONE	1989	131'	112'	64'
2301	KONE	1989	131'	114'	64'
2504	ZPMC	2018	206'	165'	100'
2503	ZPMC	2018	206'	165'	100'
2502	ZPMC	2018	206'	165'	100'
2501	ZPMC	2018	206'	165'	100'
101	PACECO-HHI	1998	148'	114'	100'
102	PACECO-HHI	1998	148'	114'	100'
103	PACECO-HHI	1998	148'	114'	100'
104	PACECO-HHI	1998	148'	114'	100'
105	ZPMC	2008	202'	140'	100'
106	ZPMC	2008	202'	140'	100'
7	ZPMC	2005	187'	131'	100'
6	ZPMC	2005	187'	131'	100'
5	ZPMC	2005	187'	131'	100'
4	ZPMC	2005	187'	131'	100'
3	ZPMC	2005	187'	131'	100'
2	ZPMC	2005	187'	131'	100'
1	ZPMC	2005	187'	131'	100'



Background

Four (4) Cranes at Pier 3 (Husky Terminal)

- Modernization of Piers 3 and 4 and the purchase of eight (8) new cranes from ZPMC
- Third Amendment to the Crane Rental Agreement with Husky Terminal And Stevedoring committed the NWSA to remove the cranes within one (1) year following the date all eight (8) SPPM STS Cranes were made available for use

One (1) crane at Terminal 7 (East Sitcum)

- Crane 2078 is obsolete and has not been used since 2015.

Notes

- All cranes are past their useful life and cannot service modern container vessels due to their size
- The cranes occupy valuable space on the piers that can be reclaimed for container handling purposes.
- The net book value of the cranes is zero (0) dollars
- Associated spare parts net book value of \$1.7 million is in excess of \$18,853 stipulated in the NWSA Master Policy and requires Managing Member Approval.



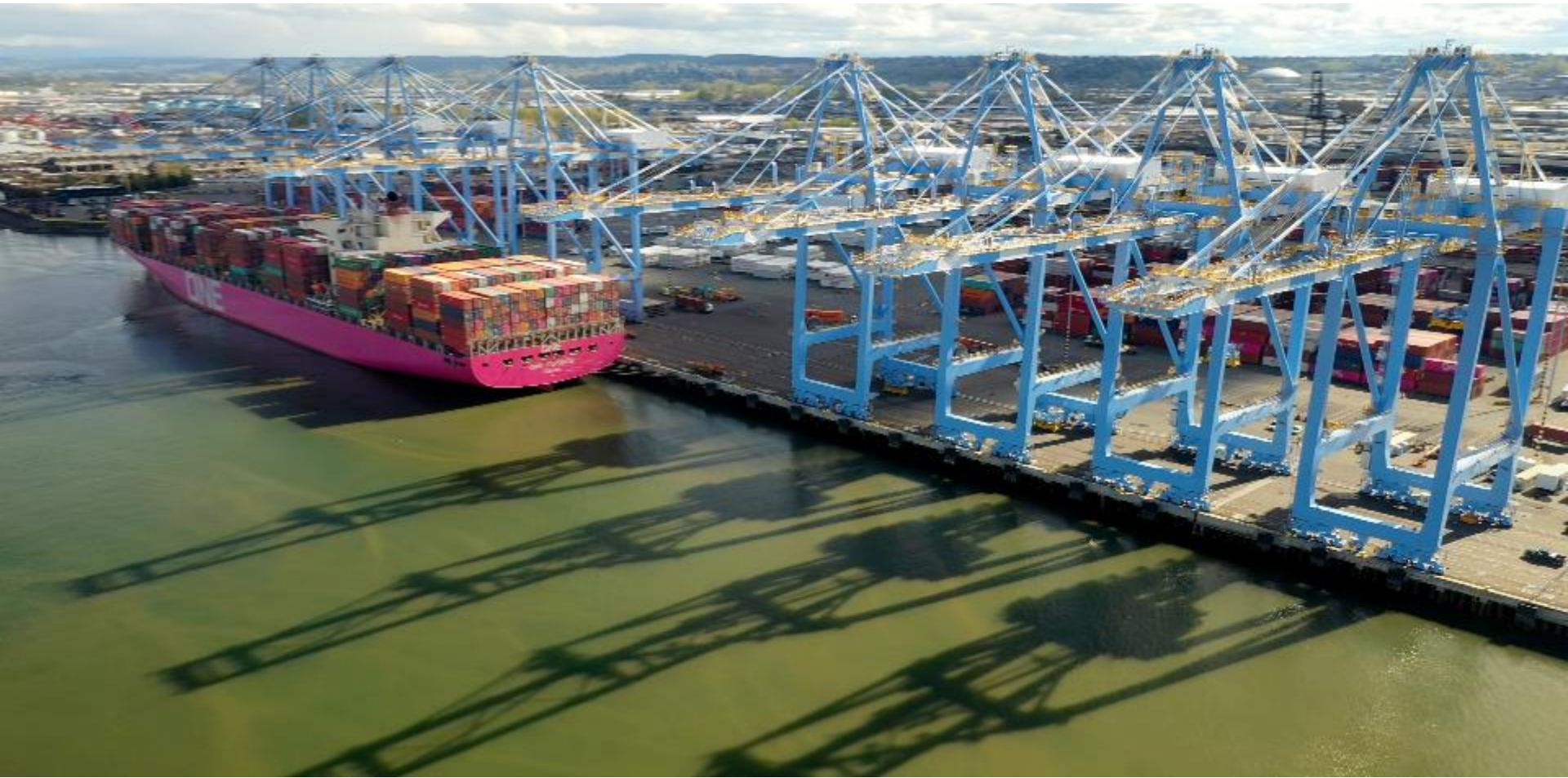
Terminal 7 (East Sitcum) – IHI Crane



Husky Terminal (Pier 3/4) - 2018



Husky Terminal (Pier 3/4) - 2019



Crane Information

Crane	Make	Year	Gauge	Location
2078	IHI	1978	64	E. Sitcum
2301	Kone	1989	64	Husky
2302	Kone	1989	64	Husky
2405	ZPMC	1999	64	Husky
2406	ZPMC	2001	64	Husky



Financial Implications

- The 2019-2023 Capital Investment Plan allocates \$5,200,000 for the removal of the cranes.
- The cost to remove the cranes will be expensed if incurred
- The cost to remove the four (4) cranes from Husky Terminal was included in the financial analysis of the wharf expansion and the purchase of the new cranes.
- The cost to remove one (1) crane on Terminal 7 was not included in any financial analysis.
- These costs were included in 2019 and 2020 in the 2019-2023 NWSA forecast and Plan of Finance.
- The write off of the spare parts will be an expense of the homeport of Tacoma
- This is consistent with the NWSA charter and all previous surplus or asset write-offs for assets that were licensed to the NWSA in both the North and South Harbors



Alternatives Considered and Their Implications

- **No Action Alternative:** If no action is taken, the cranes will remain in place and take up valuable pier space for container operations.
 - Cranes are taking up 10% of the wharf
 - Impacts Husky's ability to berth two vessels simultaneously
 - Third Amendment to Crane Rental Agreement obligates the NWSA to remove the four (4) existing cranes
- **Recommended Action:** Declare the cranes and associated spare parts surplus.



Environmental Impacts / Review

Staff is conducting a HAZMAT review to assess the cranes for the following materials:

- Asbestos-containing materials and assumed asbestos-containing material (e.g., mechanical/wire insulation, surface materials);
- Lead-containing coatings (e.g., paints);
- Suspected PCB-containing materials (i.e., caulking, electrical transformers, fluorescent light ballasts, and fluids)
- Mercury-containing light tubes, switches, and thermostats; and suspected high-intensity discharge (HID) lamps



Tentative Schedule

DATES	STEPS	NOTES
August 2019	Relinquish use of Cranes and Surplus Action	Managing Member Relinquish use and POT Commission adopts Surplus Resolution
Aug – Nov 2019	Advertise cranes/spare parts for sale/auction	
Dec 2019	Request project authorization to remove crane(s)	IHI crane would be bid as an option
Dec 2019	Bid Process	
Jan 2020	Contract Execution	
Feb 2020 – June 2020	Crane Removal	



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