

**PORT OF TACOMA COMMISSION**  
**BRIEFING ITEM MEMO**



Item No: 10B  
Meeting Date: 7/18/2023

**DATE:** 7/18/2023  
**TO:** Port of Tacoma Commission  
**FROM:** Eric Johnson – Executive Director  
Sponsor: Alisa Praskovich – Chief, Strategic Projects & Commission Relations  
**SUBJECT:** Port of Tacoma and Tacoma Public School District ILA #2

**A. BRIEFING**

Port staff will provide an update on key components of the Tacoma Public Schools and Port of Tacoma Maritime Center Interlocal Agreement #2.

**B. SYNOPSIS**

Since issuing a letter of support to partner with the Tacoma Public School District (“TPS” or “District”) in late 2022 to build a Maritime Skills Center, and after entering into an initial Interlocal Agreement (ILA) in March of 2023 to select a Design Build Team for the delivery of the Maritime Center Project (“Project”), a new ILA is necessary to advance the Project through Project design and cost estimation stages. To that end, the Port and TPS staff have begun drafting ILA #2 to carry the project through from selection of the Design Build Team through development of the Guaranteed Maximum Price (GMP) for the Project.

In continuation of formalizing both the partnership and organizational framework from which TPS and the Port will operate, this second ILA supports the Port’s 2021 – 2026 Strategic Plan’s Foundational Goals of:

Economic Vitality

- EV-3: Develop and support land use and infrastructure policies that protect the cargo supply chain and promote a robust employment base.
- EV-4: Partner with regional organizations to facilitate career development and business growth in Pierce County.

Organizational Success

- OS-4: Plan, design and construct a new Port business workspace that also provides spaces for community engagement and mixed-use opportunities.

Community Connections

- CC-1: Strengthen, build and maintain relationships with a wide variety of public, community and business stakeholders through direct engagement.

### **C. BACKGROUND**

TPS has partnered with the Port in the development and delivery of a world class Maritime Center focused on supporting the future employment needs of the maritime and logistics industry and the business needs of the Port. The District's Maritime Skills Center mission is to offer opportunities for students throughout the Pierce County and greater South Puget Sound region to receive skills and training that will prepare them for future maritime and logistics industry jobs. In response to their request, in November 2022, the Port's Executive Director sought and gained Port Commission approval to sign a Letter of Support to TPS to work as partners to make the Project a reality and memorialized this commitment in an initial ILA which was executed in March 2023 as approved by the Port Commission and the Tacoma Public School Board of Directors.

The need to prepare a future maritime workforce and sustain our state's competitive edge requires an integrated approach of high school and college-level curriculum that results in the attainment of industry-recognized credentials, certifications and training. The Maritime Skills Center's mission is to offer opportunities for students to receive skills and training that will prepare them for priority industry employment needs. A new Port Maritime Center for essential port business operations is a key strategic objective to ensure both organizational success as well as provide a more publicly accessible space for community engagement and other mixed-use opportunities.

Since the execution of the initial ILA in March of 2023, the Port and the District have completed or will undertake key actions to continue to advance the Project. This includes:

- April 26, 2023: Formal consultation with the Puyallup Tribe of Indians on the Maritime Center Project.
- May 4, 2023: Commission approval of \$1.5M in project authorization for Port Parcels 92/94 cultural and environmental site assessment surveys (Phase I).
- May 25, 2023: Tacoma Public Schools and Port of Tacoma were approved by the WA Capital Projects Advisory Review Board Project Review Committee for use of alternative project delivery methods - or Progressive Design Build for the Project.
- May 31, 2023: Phase I cultural and environmental surveys of Port Parcels 92/94 completed.
- June 8, 2023: Released the RFQ for Design Build Services for the Project.
- June 15, 2023: District and the Port led the Pre-submittal Project Information Meeting and Site Walk – with 160 attendees, 100 conducting actual site walk of Parcels 92/94.
- June 29, 2023: Deadline for RFQ responses. There were ten responses from Design Build Teams providing their statement of qualifications (SOQ).
- June 26 to July 13, 2023: The District and Port staff reviewed and scored the Design Build Team SOQs for the Project using the RFQ submittal evaluation criteria as provided for in Section 2.0 of the RFQ.
- July 10, 2023: Phase II of the environmental and cultural site assessments of Port Parcels 92/94 kicked off.
- July 13, 2023: Formal notification made to the shortlisted Design Build Team finalists.
- July 19 to July 20, 2023: Proprietary meetings conducted with shortlisted finalists.

To advance the Project through the next key phase, a second ILA to cover planning, design, development and cost estimation is necessary. This second ILA will provide a governance framework and clear delineations of roles and responsibilities for the District and the Port as the contracted Design Build Team moves towards Project planning, design, and cost estimation through GMP. The next section will highlight key components of the DRAFT ILA #2 for the Project. The team will seek ILA approval at the August 15<sup>th</sup> Port Commission meeting, and at the August 17<sup>th</sup> District Board of Directors meeting.

#### **D. ILA #2 KEY COMPONENTS**

Summary: The initial ILA provided a framework for the District and Port to initiate the planning and development of the Project, to include approval of Progressive Design Build for the Project, issuance of RFQ, and terminating at selection of the Design Build Team. With selection of the Design Build Team expected by August 21, 2023, as well as having been approved for alternative project delivery methods, the Parties intend to enter into a Second Agreement to govern the development of the Project through completion of design development, cost estimate, and approval of the Guaranteed Maximum Price (GMP) Amendment(s) for the Project. The Parties intend to use a Progressive Design Build (PDB) contracting method with a two-phase Agreement process. Phase 1 includes Project Pre-design, Programming, Design Development and early permitting [ILA #2]. Phase 2 includes final design, permitting and construction [ILA #3]. The District and Port anticipate that the Parties will ultimately execute one or more Amendments/Agreements to complete various Project elements of Phase 2. The Parties will work cooperatively through these Phases to develop contracts, amendments, and agreements necessary to develop the Project.

#### Project Coordination:

- The District will continue to fund all project management consultant fees (Parametrix) through selection of and contract signed for the Design Build Team.
- The District will commit to:
  - Providing a dedicated Design Advisory Committee (DAC) to lead its portions, in cooperation with the Design Build Team, of a robust public engagement process for feedback and input on the Maritime Skills Center portion of the Project.
  - Coordinate the preconstruction and design development process and management of the Design Build Team for the Maritime Skills Center portion of the project.
- The Port will commit to:
  - Providing a dedicated Design Advisory Committee (DAC) to lead its portions, in cooperation with the Design Build Team, of a robust public engagement process for feedback and input on the Maritime Skills Center portion of the Project.
  - Coordinate the preconstruction and design development process and management of the Design Build Team for the Maritime Center portion of the project.
  - Complete and pay for all costs associated with the continued cultural and environmental site survey assessments and identification and removal of encumbrances on Port Parcels 92/94.

- Provide the District with a development site for the Maritime Skills Center on Port-owned property on Parcel 94 (exact site to be identified during the future site selection process and through consultation with the Puyallup Tribe of Indians).
- Concurrently with site selection and planning for the Project, conduct site Master Planning for the Project, including oversight and bearing all costs associated with the Master Planning process which shall incorporate Parcels 92 and 94, with a focus on extensive public engagement and outreach.

Project Design Development & Cost Estimate – Phase 1:

- The Parties intend to use a PDB contracting method with a two-phase Agreement process. Phase I includes Project pre-design, programming and design development. Phase II includes the final design, permitting and construction.
- The District, Port and the Design Build Team may be parties to the Agreement and General Conditions with anticipation the Parties will execute one or more future Amendments/Agreements to complete various Project elements of Phase 2.
- The Parties will ensure that the design documents and costs estimates developed in Phase I shall be adequate for use to negotiate a GMP.
  - For the Maritime Skills Center, the District will be solely responsible for the evaluation and approval of the Design Build Team's proposal.
  - For the Maritime Center, the Port will be solely responsible for the evaluation and approval of the Design Build Team's proposal.
  - The District and Port will review all Phase I deliverables and project cost estimates to determine if they are adequate to negotiate a GMP. Under the Dispute Resolution terms, either Party may, at its sole discretion, terminate the Design Build Agreement and not proceed with the remaining Project scope.

Project Contracting, Coordination and Management:

- The District will fully fund project management fees for the Project through execution of the Design Build Team contract using the District's contracted consultant Parametrix.
- Upon execution of the Design Build Team contract, Parametrix's project management consultant fees and costs for the Project will be split between the District and the Port.
- Fees and costs specific to Port-only (Port Maritime Center) or District-only (Maritime Skills Center) items will be allocated to each party individually.
- The District will review and pay Parametrix invoices for project management services, and then invoice the Port for reimbursement.
- Copies of underlying Parametrix invoices and proof of District payment will be provided to the Port. The Port reserves the right to request additional supporting documentation from the District at any time.

Project Timetable: The following Project schedule is anticipated for the Second ILA Agreement:

<b>Task</b>	<b>Timeline</b>
Selection of Design Build Team finalist	August 2023
Project Site Selection & Contract Negotiation with selected Design Build Team	September 2023
PDB Contract Approval and Execution	October 2023
Preconstruction & Schematic design (30% design)	February 2024
Design Development (60% design)	June 2024
Negotiate/Approve GMP Amendment(s)	September 2024

#### **E. NEXT STEPS**

The following next steps to advance the Project will be taken:

- Finalize DRAFT ILA #2 for Commission and School Board Action in mid-August.
- Issue RFP to shortlisted finalists.
- Schedule and complete formal Tribal consultation with the Puyallup Tribe of Indians to discuss the Project and site survey assessment results. This includes focus on the scope of Phase III cultural and environmental site assessment of Port Parcels 92/94.
- Finish Phase II cultural and environmental site assessments at Port Parcels 92/94.
- Begin work on the Progressive Design Build Contract for Phase I services for Commission and School Board approval [October 2023].