

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**ACTION ITEM**

**Item No.** 4f  
**Date of Meeting** May 12, 2015

**DATE:** May 5, 2015  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Ticson Mach, Capital Project Manager  
Michael Burke, Director Seaport Leasing & Asset Management  
**SUBJECT:** Amendment to Service Agreement (P-00317562), with KPFF Consulting Engineers – Terminal 46 Lease Improvements Project (CIP #C102554)

**Amount of This Request:** \$0  
**Total Value of this Agreement:** \$4,000,000

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to execute an amendment to agreement (P-00317562) with KPFF Consulting Engineers for professional design services on the Terminal 46 Lease Improvements Project to increase the agreement by \$2,000,000 to a total amount not to exceed \$4,000,000. No funding is requested to amend this agreement as funds have been previously authorized in the Terminal 46 Lease Amendment program budget.

**SYNOPSIS**

On April 9, 2013, Commission authorized the Chief Executive Officer to develop design documents, execute consultant contracts, apply for permits, and prepare construction documents as part of the Terminal 46 (T-46) Lease Improvements Project which consists of Stormwater Improvements, Container Dock Apron Upgrade, Crane Pin Down, Wash Rack, Remote Lighting Control, and other miscellaneous operation items for an estimated cost of \$6,000,000. KPFF Consulting Engineers entered into a professional services agreement with the Port of Seattle for professional design services at T-46 on April 12, 2013 for \$2,000,000. The focus of this initial phase of the agreement was the implementation of stormwater improvements needed to comply with WA Department of Ecology requirements. The requested amendment would increase the professional service agreement with KPFF by a value of \$2,000,000 bringing the total agreement to a value not to exceed \$4,000,000 in order to continue to support the design needs of the T-46 program as it progresses. In accordance with RCW 53.19.060, this memorandum is formal notification to the Commission about an amendment exceeding 50% value of the original contract and will be open for public inspection at the port's bid desk.

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### **BACKGROUND**

In order to comply with the Washington Department of Ecology industrial stormwater permit, installation of a treatment system for the container operation became first priority. Stormwater treatment work is currently near completion with three of the four necessary treatment vaults installed. The fourth treatment vault located in basin 2, which is within the footprint of the Washington Department of Transportation (WSDOT), leased area. The lease with WSDOT is in support of the Alaskan Way Viaduct Replacement Program and is scheduled to expire in September 2016. The terminal operator at T46, TTI, has requested that the Port accelerate the completion of the 200-foot dock apron upgrade in the north end in order to allow the servicing of two post panamax vessels.

The scope of the agreement with KPFF for this phase includes design work to upgrade 200 lineal feet of existing dock apron, container yard pavement, the fourth stormwater treatment vault, central lighting control, crane pin-down, fender system improvements, design support during construction, and project controls for those projects.

### **PROJECT JUSTIFICATION AND DETAILS**

The proposed capital improvements will maintain the economic and job benefits from the cargo business at T-46.

#### ***Project Objectives***

The objective is to fulfill the terms of the lease amendment executed in December 2012 with the tenant and maintain T-46 as a vital asset to the trade corridor:

#### ***Scope of Work***

The following major scope elements to be continued for completion of the T-46 Lease Improvements Project include, but are not limited to:

- Initial design exploration with geotechnical engineering investigations
- Preparation of plans, specifications and estimates
- Responding to requests for information during project bidding phase
- Providing engineering support during construction
- Providing project controls support throughout design and construction phases

#### ***Schedule***

	<b><u>Start Date</u></b>	<b><u>End Date</u></b>
Design and Permitting	March 2015	March 2016
Commission Authorization to procure pre-purchase, advertise for bids		February 2016
Construction advertisement and contract execution	March 2016	May 2016
Planned Construction Dates	May 2016	June 2017

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## **FINANCIAL IMPLICATIONS**

Charges to this contract will be from the funds previously authorized in the Terminal 46 Lease Amendment program budget. There is no funding request associated with this authorization.

## **BUDGET STATUS and SOURCE of FUNDS**

There is no funding request associated with this authorization. The funds are already authorized in the T46 Lease Amendments Capital program.

## **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

### **Alternative 1) – Defer implementing lease obligations**

#### **Pros:**

- Preserve near term capital capacity.

#### **Cons:**

- Delay or cancellation of the project work would not be in accordance with the terms of the lease amendment and would negatively impact the ability of T-46 to service two larger vessels concurrently as is expected to occur in the near future.

This is not the recommended alternative.

### **Alternative 2) – Take on the Dock Apron Upgrade design responsibilities by in-house Port of Seattle engineers.**

#### **Pros:**

- Potentially save time in procurement of consultant Design Engineers.
- Gain in-house design knowledge and provide learning opportunities.

#### **Cons:**

- Current in-house engineering staff does not have the capacity to take on the design of the North Container Dock Apron Upgrade due to obligations already committed to the T-5 improvements project.
- Hiring additional staff would be necessary in order to complete the Container dock Apron Upgrade design on schedule.

This is not the recommended alternative.

### **Alternative 3) – Proceed with the action requested – amendment to the Service Agreement.**

#### **Pros:**

- Complies with the terms of the lease amendment, and provides Port's tenant ability to meet current customer's demand of servicing two large vessels simultaneously.

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### **Cons:**

- Capital investment required sooner.

**This is the recommended alternative.**

## **ATTACHMENTS TO THIS REQUEST**

None

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- February 4, 2014 – Commission approved authorization for the Chief Executive Officer to direct staff to purchase materials, advertise for construction bids, execute construction contracts, and fund the construction phase of the stormwater improvements portion of the Terminal 46 Development Program in the amount of \$6,500,000, bringing the total amount currently authorized for the program to \$12,500,000.
- April 9, 2013 – Commission approved authorization for the Chief Executive Officer to direct staff to develop design documents, execute consultant contracts, apply for permits, and prepare construction documents as part of the T-46 Lease improvements project for an estimated cost of \$6,000,000.
- December 11, 2012 – Commission approved execution of the 13th amendment to the lease for Terminal 46 with Total Terminals, Inc.