PORT OF SEATTLE MEMORANDUM

COMMISSION AGENDA	Item No.	6a
	Date of Meeting	May 5, 2009

DATE: May 6, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development Division

Michael Burke, Senior Manager, Container Leasing and Operations

SUBJECT: Cable Replacement and Installation for the Terminal 30 Upgrade Project

ACTION REQUESTED:

Port staff requests Commission authorization for the Chief Executive Officer to enter into an agreement with SSA Terminals (Seattle), LLC ("SSAT"), the Terminal 30 tenant, to reimburse certain costs associated with making its container cranes operational at the Terminal 30 site. The agreement amount will not exceed \$400,000, and it is expected the cost would be reimbursed to SSAT through rent credits.

SYNOPSIS:

As part of its lease of the Terminal 30 site, SSAT intended to relocate three cranes from its Terminal 18 site. These cranes are electrically powered by a cable that spools in and out of a trough in the apron deck as the crane moves from side-to-side. The crane power cable trough runs the length of the terminal and was constructed, per contract documents, at 2.50 inches wide. After the cranes were delivered to the site, the power cable was found to have an actual diameter of 2.52 inches. Further investigation revealed existing trough widths at other Port of Seattle container facilities have trough widths of 3" or 4". This is being investigated as an "Error and Omission." The Designer of Record is involved in fixing the problem and may be required to absorb costs associated with this change.

ALTERNATIVES/RECOMMENDED ACTION:

No Action: The terminal will not open on time as the cranes could only be operated with the cables laid on the surface; subject to damage and creating an unsafe condition in addition to premature wear of the power cable. The loss of rent is valued at approximately \$11,500 per day.

Alternative 1 - Change order the construction contract to modify the cable trough: The cable trough consists of a fabricated stainless steel trough cast in concrete. It is possible to saw cut one side of the stainless steel trough and adjacent concrete to widen the trough to 3.50 inches and make other necessary changes. This change order is for the estimated amount of \$600,000.

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Alternative 2 - Negotiate with SSAT for the reconfiguration of its cranes: The cranes owned by SSAT can be reconfigured by purchasing and installing new 2 inch diameter crane cables that will fit into the constructed 2.5 inch wide cable trough. The estimated cost for this alternative is \$400,000. This is the recommended option.