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COMMISSION

AGENDA MEMORANDUM Item No. 8k

ACTION ITEM Date of Meeting November 8, 2022

DATE: October 10, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones Stebbins, Managing Director, Maritime

Delmas Whittaker, Director Marine Maintenance

Shannon Zink, Marine Maintenance Sr. Manager, Fleet and Facilities

Levi Clark, Marine Maintenance, Manager, Fleet and Transportation

SUBJECT: Marine Maintenance Street Sweeper Replacement

Amount of this request: \$375,000

Total requested project cost: \$375,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to authorize the purchase of one industrial street sweeper truck, to replace an existing and obsolete street sweeper truck located at Marine Maintenance.

EXECUTIVE SUMMARY

This project will replace an existing asset that is thirteen years old and at the end of its useful mechanical life. This new asset will be used jointly by Marine Maintenance and the Storm Water Utility to clean around storm water drain infrastructure to minimize solids and sediment entering Port storm infrastructure, perform regular cleaning of Port owned properties, and clean up after MM or SWU led construction functions. The current equipment has become mechanically unreliable and is obsolete. The expected useful mechanical lifecycle of this new asset is 12 years. This project aligns with the Port Sustainable Fleet Plan by utilizing renewable and low carbon fuel (R99), it will have a fuel-saving single engine design (outgoing asset is dual engine), and the latest exhaust aftertreatment technology.

JUSTIFICATION

This project gives Marine Maintenance and the Storm Water Utility access to a reliable street sweeper truck granting the ability to quickly clean around stormwater and combined system drain infrastructure. This new asset will increase our regulatory compliance to perform regular property maintenance by cleaning up debris, sediment, and other materials before they reach

Template revised January 10, 2019.

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our waterways from our Maritime properties. Additionally, this equipment allows Marine Maintenance and SWU to clean up debris left over from construction functions.

This project will increase the capacity of Port staff to meet the Long-Range Plan Century Agenda Goal 4, Objective 10 - "to meet or exceed agency requirements for stormwater leaving portowned or operated facilities." Another key metric listed in the Stormwater Utility 5-year strategic plan, Category 1, Goal 2, Strategy #5, is to expand use of Best Management Practices (BMP) across all Maritime properties. Additionally, Marine Maintenance crafts will have access to a machine that will allow them to clean up construction sites quickly to reduce potential pollution generated from entering the Municipal Separate Stormwater System (MS4).

Diversity in Contracting

Diversity in Contracting has reviewed and found that a WMBE Goal is not feasible on an equipment purchase such as this.

DETAILS

Port staff has dedicated labor to clean, assess, and repair stormwater and combined sewer infrastructure including 2,875 catch basins. This equipment is the only means to recover the debris associated with this required regulatory maintenance, prior to it entering our stormwater system.

The Port currently owns two street sweeper trucks that support the Stormwater Pollution Prevention Plan (SWPPP), Marine Maintenance construction functions, and emergency work. One street sweeper truck is fully utilized by the Storm Water Utility and therefore not available for any other work in question. This project will replace the second truck at Marine Maintenance that is shared between Marine Maintenance led repair projects and the Storm Water Utility crew to supplement their peak seasonal work. This second unit is showing signs

of mechanical failure and is past its useful life cycle.

This equipment will run on renewable diesel (R99), utilize the latest exhaust aftertreatment technology, and will have a single engine design to comply with the Port's Sustainable Fleet Plan guidelines. This project also aligns the port to meet Century Agenda goals related to emissions standards while minimizing total cost of ownership.

#### Scope of Work

The scope of work for the project is to develop vehicle and equipment specifications that meet the project requirements and procure the equipment in a timely fashion. This type of equipment is currently available on Washington State Department of Enterprise Services Contracts, as well as Sourcwell National Cooperative Contracts, therefore there may be opportunity to reduce acquisition time.

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#### Schedule

Complete acquisition and receive operational system as soon as possible. The market for this type of equipment is volatile due to supply chain constraints, so delivery times vary.

#### Cost Breakdown This Request Total Project

Purchase \$375,000 \$375,000

Total \$375,000 \$375,000

#### ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Rent industrial street sweeper truck on an annual basis in lieu of replacement.

Cost Implications: Street Sweeper trucks can be rented through the Washington State Department of Enterprise services contract at a rate of \$127,200 per year, or \$1,526,400 over the 12-year life cycle of the proposed asset. That rate is expected to increase 3-5% per year over the 12-year period we would operate the truck. Additionally, it costs \$7,000 per year to fuel a sweeper. The total cost to operate a rent ed street sweeper over the 12-year period is estimated to be \$1,610,400 at net present value.

#### Pros:

- (1) Maintenance costs are included in the annual rental fees.
- (2) Costs can be allocated directly to maintenance or capital projects.

#### Cons:

- (1) Highest cost alternative.
- (2) Equipment offered for rent may not be most fuel-efficient option.
- (3) Street Sweeper trucks are in high demand in the rental market and there is no guarantee that the Port could secure a long-term rental.

This is not the recommended alternative.

Alternative 2 – Purchase a new industrial street sweeper as a replacement to the existing unit that is obsolete technology and has reached the end of its mechanical life.

Cost Implications: The estimated cost of purchasing a new industrial catch basin cleaner, prep work to get it ready for service, and licensing is just under \$375,000. The annual Fuel and Maintenance costs for a catch basin cleaner are \$26,700. Estimated total cost of ownrship is \$695,400 over the 12-year life cycle, at net present value.

#### Pros:

- (1) This asset would be built to Port specifications to meet Port specific projects and usecase.

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(2) This asset would be specified and designed to meet our Sustainable Fleet Plan and Century Agenda goals related to emissions reduction standards and minimizing cost of ownership.

(3) This asset would assist Port crews in upholding their Stormwater pollution prevention plan (SWPPP) requirements.

(4) This alternative provides an asset that is available and ready for use to address planned or emergent work.

(5) This alternative is the lowest cost alternative when valued over the 12-year lifecycle of the equipment.

#### Cons:

- (1) High initial capital cost.
  - (2) Maintenance and fuel costs expected to be approximately \$26,700 per year with NPV of \$320,400 (figured into the total cost of ownership).
  - (3) This alternative requires the Port to take responsibility for maintaining the asset, which is not required in the other alternatives
- This is the recommended alternative.

**FINANCIAL IMPLICATIONS**

Cost Estimate/Authorization Summary Capital Expense Total

**COST ESTIMATE**

Original estimate \$375,000 \$0 \$375,000

**AUTHORIZATION**

Previous authorizations 0 0 0

Current request for authorization \$375,000 0 \$375,000

Total authorizations, including this request \$375,000 0 \$375,000

Remaining amount to be authorized \$0 \$0 \$0

**Annual Budget Status and Source of Funds**

This purchase was included in the approved 2022 Capital Plan under C801251 Commercial Sweeper with a total cost of \$325,000. The updated cost estimate has been reflected in the draft 2023 Capital plan.

This purchase will be funded by the General Fund.

**Financial Analysis and Summary**

Project cost for analysis \$375,000

Business Unit (BU) Marine Maintenance

Effect on business performance This project will increase depreciation expense by (NOI after depreciation) \$37,500 per year with a 10-year depreciation schedule.

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IRR/NPV (if relevant) NA

CPE Impact NA

**ADDITIONAL BACKGROUND**

On November 24, 2014, the Port adopted Resolution No. 3696 allowing the Port to establish a Port Stormwater Utility and adopting a Stormwater Utility charter. Services and obligations in the Port of Seattle Stormwater Utility Charter reads “The Utility shall provide services, facilities, systems, and programs for surface water and Stormwater management and pollution control to customers within the service area as set forth in this Charter

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

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