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COMMISSION

AGENDA MEMORANDUM Item No. 8g

ACTION ITEM Date of Meeting March 14, 2023

DATE : February 13, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Danny Good, WPM Facilities Project Manager IV

Delmas Whittaker, Director Marine Maintenance

SUBJECT: MMSO Electrical Service Upgrade – Budget Amendment (CIP #801088, Project N00053)

Amount of this request: \$150,000

Total estimated project cost: \$450,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) approve a budget increase of \$150,000 to the existing small capital project at the Marine Maintenance South Office to expand electrical service capacity, for a total revised project cost not to exceed \$450,000; and (2) to use Port Crews to complete construction.

EXECUTIVE SUMMARY

The Marine Maintenance South Office (MMSO) Electrical Service Upgrade is an existing small capital project intended to increase electrical service capacity in the MMSO south yard from 100A to 600A. This will allow for future installation of Electric Vehicle (EV) charging stations for Maintenance fleet vehicles and provide additional electrical capacity in the South Yard for necessary infrastructure upgrades. Completion of this project is a necessary predecessor to installation of EV charging stations which will contribute to the Port Century Agenda goal of being the greenest & most energy-efficient port in North America. Supply chain delays for delivery of electrical equipment and minor changes to design and construction have impacted project schedule and cost. This request for additional funding will ensure completion of the electrical switchgear buildout, energization from the upgraded Seattle City Light (SCL) service, and restoration of Seattle Department of Transportation (SDOT) roadway panels.

JUSTIFICATION

This project was originally conceived in 2020 upon realization that insufficient electrical capacity existed in the Marine Maintenance (MM) South Yard for future upgrades. Completion of this

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project will allow for future installation of EV charging stations, and provide additional capacity for lighting enhancements, security systems, or other specific items needing a dedicated power connection. Future installation of EV charging stations at this location will not only reduce carbon emissions and contribute to achieving Port Century Agenda Goal 4 but is critical to keep pace with the procurement and arrival of electric Maintenance Fleet vehicles. A separate capital project is currently in the planning phase to design and install a maximum quantity of EV charging stations allowable in the MM South Yard given the additional electrical service capacity provided by this Commission request.

Diversity in Contracting

The Diversity in Contracting Department has not been contacted regarding this project and no WMBE aspirational goals or inclusion plans were established, as it is intended to be completed using Port design staff and construction labor with no external workforce utilization. An Acquisition Planning meeting was conducted in November 2021 prior to requesting construction funding.

DETAILS

This project will increase electrical service in the MM South Yard from 100A to 600A capacity through installation of upgraded SCL pole mounted transformers, construction of new electrical switchgear in the MM South Yard, cutover of power connection by SCL, and demolition of existing switchgear followed by MM yard and SDOT roadway panel restoration.

Scope of Work

Work completed to date includes installation of SCL pole mounted transformers per the SCL service letter agreement, installation of the below grade main power feed from SCL transformers

to the MM South Yard equipment pad, and 90% construction completion of the new electrical switchgear. Remaining tasks include final buildout of the electrical switchgear and intercepting below grade conduit connections, installation of meters and final power cutover by SCL, demolition of existing switchgear and restoration of MM South Yard pavement, and restoration of two SDOT roadway panels at the base of the SCL utility pole on S. Hinds St. that were excavated during trenching for the main power feed connection.

Schedule

Activity

Design start 2020 Quarter 3

Construction start 2022 Quarter 3

In-use date 2023 Quarter 2

Cost Breakdown This Request Total Project

Project Mgmt. / Env. Permitting \$15,000 \$55,000

Design \$15,000 \$55,000

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Construction \$120,000 \$340,000

Total \$150,000 \$450,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Only two alternatives are listed, and one is not considered a viable alternative as it would result in an incomplete construction project consisting of newly built electrical switchgear with incomplete connections, areas of surrounding open excavation, as well as un-restored SDOT roadway panels which could result in penalties if not completed.

Alternative 1 – Stop construction prior to reaching current approved budget of \$300,000.

Cost Implications: NTE \$300,000

Pros:

(1) Less capital expenditure.

Cons:

(1) Would result in an incomplete upgraded electrical service connection that could not be used for future EV charging stations.

(2) Poses safety risks and operational hazards by leaving open areas of excavation near the switchgear pad in the MM South Yard.

(3) Risks penalties from SDOT if roadway panels are not restored and street use permit not properly closed.

This is not the recommended alternative.

Alternative 2 – Approve request for budget authorization increase of \$150,000.

Cost Implications: NTE \$450,000

Pros:

(1) Allows for completion of electrical service upgrade project, including closure of Seattle Department of Construction & Inspections (SDCI) electrical permit, SDOT street use permit, and terms of SCL service letter agreement.

(2) Results in complete restoration of MM South Yard pavement and SDOT roadway panels.

(3) Completes the necessary electrical infrastructure to allow for installation of future EV charging stations.

Cons:

(1) Additional capital expenditure.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary Capital Expense Total

COST ESTIMATE

Original estimate \$250,000 \$0 \$250,000

Previous changes – net \$50,000 \$0 \$50,000

Current change \$150,000 \$0 \$150,000

Revised estimate \$450,000 \$0 \$450,000

AUTHORIZATION

Previous authorizations \$300,000 \$0 \$300,000

Current request for authorization \$150,000 \$0 \$150,000

Total authorizations, including this request \$450,000 0 \$450,000

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

Annual Budget Status and Source of Funds

This project was included in the 2023 Capital Plan under the Maritime Small Capital Program.

Additional budget will be funded with Maritime Reserves.

This project is funded by the General Fund.

Financial Analysis and Summary

Project cost for analysis \$450,000

Business Unit (BU) Marine Maintenance

Effect on business performance This project will increase annual depreciation by (NOI after depreciation) approximately \$9,000. This upgrade supports future operating cost reductions from electrification of the Port's fleet.

IRR/NPV (if relevant) NA

CPE Impact NA

ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

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