



COMMISSIONERS

Personal Contract Amendment Briefing

DATE: February 21, 2025
TO: Port of Tacoma Commissioners
FROM: Rob Healy, Sr. Project Manager, Remediation
Melisa Bod, Project Manager I, Remediation
Sharon Rothwell, Director, Contracts and Purchasing
SUBJECT: Notification of Funding Increase for Contract No. 071510, Anchor QEA, LLC (Parcel 103 [Steam Plant] Site Investigation)

A. ACTION REQUESTED

Staff is notifying the Commissioners of its intent to increase the value for the subject contract, by adding **\$110,558.00** which is greater than a 50% increase in the original contract.

In accordance with Resolution No. 2024-03-PT, Section IV.E-Personal Services Contract:

"(3) When an amendment to a contract, individually or cumulatively, which was approved by the Executive Director pursuant to Section IV.E.(1) hereinabove will exceed 50% of the original contract amount for the agreement and that amended cumulative amount remains less than \$350,000.00, the amendment must be filed with the Commission and made available for public inspection on the Port's website seven (7) days prior to the proposed starting date of services under the amendments. Substantial changes in contract scope or substantial additions to the scope specified in the formal solicitation documents shall be authorized by the Commission unless authorization has been provided for otherwise pursuant to this Master Policy Directive."

B. BACKGROUND

In 2007, the Port purchased from the City of Tacoma (**City**) an approximately 18-acre property located at 1171 Taylor Way and 3536 East 11th Street on the Blair-Hylebos Peninsula. This property was historically the site of the City's Steam Plant #2 that was operated by Tacoma Power. The Purchase and Sale Agreement (PSA) between the Port and the City included a broad indemnity of the Port for releases of hazardous substances that occurred prior to purchase if a claim was provided within five years of the closing date.

In 2011 and 2012, the Port conducted initial investigations to evaluate the nature and extent of contaminants associated with historical operations. In 2013, an initial evaluation of remedial alternatives was completed.

In March 2015, Port staff returned to Commission to request additional project authorization. The approved scope included completion of the RI and entry into VCP. Following acceptance into the VCP, the Port planned to complete a FS and DCAP. In 2018, the authorization was subsequently changed in project scope from cleanup investigation to cost recovery.

In April 2018, the Port submitted an updated claim to Tacoma Power for past costs totaling \$938,121 and 100% of future investigation and cleanup costs. Between April and January 2020, Tacoma Power and the Port met on multiple occasions to discuss technical and legal issues and

shared multiple offers and counteroffers. Tacoma Power submitted a counteroffer on January 29, 2020, that was acceptable to the Port.

In October 2020, Commission authorized a settlement and cost-sharing agreement with Tacoma Power. Tacoma Power paid the Port \$661,263 for reimbursement of past costs and will fund 84% of future project costs through implementation of the cleanup. Commission also authorized an additional \$30,000 to fund procurement of an environmental consultant to support the next phase of the project – completion of the cleanup investigation (remedial investigation, feasibility study, and draft cleanup action plan). The Port and Tacoma Power co-selected a consultant to restart the investigation.

The Port and Tacoma Power are intentionally phasing out the work, as is appropriate and prudent with remediation planning projects. In August 2021, Commission approved a project authorization in the amount of \$200,000 for work associated with the Parcel 103 Steam Plant environmental cleanup. The scope of work covered pre-remedial investigation tasks, including database management, data gaps analysis, and preparation of a remedial investigation (RI) work plan. In July 2023, Commission approved a project authorization in the amount of \$1,700,000 to perform a remedial investigation at the property. The subject personal contract authorization was executed to perform RI activities covered under this authorization.

C. PROJECT AUTHORIZATION

5/20/2010 – Prior Project Authorization \$427,000

3/10/2015 – Commission Authorization \$298,000

10/15/2020 – Commission Authorization \$30,000

8/19/2021 – Commission Authorization \$200,000

7/18/2023 – Commission Authorization \$1,700,000

The current authorization is \$2,655,000.

D. PREVIOUS PERSONAL SERVICES CONTRACT AUTHORIZATIONS

The table below summarizes the previous authorizations associated with this personal services contract.

CONTRACT	AMOUNT	SIGNED	END DATE	TOTAL
Original	\$127,000.00	09/08/21	12/31/22	\$127,000.00
Amend 01	\$39,229.00	07/27/22	12/31/23	\$166,229.00
Amend 02	\$9,736.00	07/21/23	12/31/23	\$175,965.00
Amend 03	\$12,864.00	08/24/23	12/31/23	\$188,829.00
Amend 04	\$29,767.00	08/24/23	12/31/24	\$218,596.00
Amend 05	\$638,699.00	09/18/23	12/31/24	\$857,295.00
Amend 06	\$564,447.00	02/07/24	12/31/24	\$1,421,742.00

E. ADDITIONAL SCOPE OF WORK

The proposed scope of work is necessary to define nature and extent of contamination at the Property and is based on the scope of work described in the RI Work Plan reviewed by Ecology in

October 2023. This scope of work reconciles outstanding 2024 Remedial Investigation (RI) activities in accordance with Tasks 1 and 6 of the 2024 Remedial Investigation and Reporting Activities scope approved on February 7, 2024, and additional work to finalize the RI database and create draft figures/tables for Port/City review. This information will be used to verify the next phase of work that has been proposed.

F. FINANCIAL SUMMARY

The current balance of the contract is \$6,518. Based on revised work scope, an additional \$110,558.00 is necessary to continue the service until its expiration 12/31/2026. The budget is funded under the 2024-2028 CIP for MID 101243.01.

Port staff intend to increase the original Contract No. 071510 amount as follows:

COST SUMMARY

Original Contract Amount	\$127,000.00
Previous Amendments No. 01-06	\$1,294,742.00
This Amendment No. 07	\$110,558.00
Total Revised Contract Amount	\$1,532,300.00

G. NEXT STEPS

At the request of the Executive Director, the amendment will be issued in seven (7) business days from the date of this memo on **Friday, February 28, 2025**.

Project Next Steps:

1. The Port's consultant will prepare draft figures and tables the remedial investigation results. Port and City staff will review the results and determine whether the additional work, as proposed, is needed.
2. Once the Remedial Investigation phase is complete (anticipated for 2025), the Environmental PM will return to Commission to request authorization for the next phase of work, the Feasibility Study.
3. The type of contract used for this project is a Personal Services contract. This requires the Environmental PM to submit a contract amendment memo to Commission whenever funding must be released for a new scope of work; this is atypical for a remediation project. During the next contract amendment, the Environmental PM may request that Commission approve changing the contract type from "Personal Services" to "Professional Services" and waive the solicitation requirement as it would be impractical to change consultants during this phase of the project. This change in contract type is an administrative exercise that would streamline project management processes and reduce the number of memos to the Commission.