



**COMMISSIONERS**

**Personal Contract Amendment Briefing**

**DATE:** **January 29, 2024**

**TO:** **Port of Tacoma Commissioners**

**FROM:** **Rob Healy, Sr. Project Manager, Remediation**

**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 **\$564,447.00** which is greater than a 50% increase in the original contract.

In accordance with Resolution No. 2023-03-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 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 11<sup>th</sup> 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. PREVIOUS PERSONAL SERVICES CONTRACT AUTHORIZATIONS**

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

<b>CONTRACT</b>	<b>AMOUNT</b>	<b>SIGNED</b>	<b>END DATE</b>	<b>TOTAL</b>
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

### **D. 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. The proposed scope covers additional investigation of the property, consistent with the Port's purposeful phasing out of work, and includes collecting additional data to complete a remedial investigation at the property consistent with the Ecology approved RI WP, as well as performing initial data analysis, validation, and data summation/ tabulation to support a future Remedial Investigation report. The scope of data collection includes collecting sampling events for three quarters to assess seasonal variability and define nature and extent of contamination: groundwater samples will be collected from up to 30 wells that were installed in 2023 and porewater samples will be collected at six stations to assess fate and transport of metals at the shoreline.

### **E. FINANCIAL SUMMARY**

The current balance of the contract is \$430,999.76. Based on revised work scope, an additional \$564,447.00 is necessary to continue the service until its expiration 12/31/2024. 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. 01-05	\$730,295.00
This Amendment No. 06	\$564,447.00
<b>Total Revised Contract Amount</b>	<b>\$1,421,742.00</b>

**F. 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 **Monday, February 5, 2024**.