

PORT OF PORT TOWNSEND

MEETING OF: March 8, 2017

AGENDA ITEM: VII. Regular Business
F. 75-Ton Travelift Update

BACKGROUND:

On January 30, 2017, an incident occurred whereby a 56' fishing vessel dropped into the water when a cable on the 75-Ton Marine Travelift broke. The Marine Travelift was also damaged during the incident causing an estimated \$300,000-\$375,000 in damage to the hoist.

In response to the repair estimate, The Port's insurer recommended replacement of the 75-Ton Marine Travelift with a new 75-Ton Marine Travelift. **The replacement cost for a new 75-Ton Marine Travelift is \$438,561 and availability is 90 days following order or sooner if possible.** The original 75-Ton Marine Travelift was approved for purchase on October 27, 2004 at an overall estimated cost of \$285,778.

Additionally, Port staff is reviewing the availability and viability of an 85-Ton Marine Travelift to upgrade our current capability. Two versions of an 85-Ton Marine Travelift are available.

The first, less expensive **85T Travelift version that has a "90-day lead time or sooner if possible," at a cost of \$482,117.**

The second version of the **85-Ton Travelift is \$502,661 and is currently available and has a delivery of 7-10 days.**

The primary differentiating variables are **cost, time for delivery, and operational capacity.**

The 85-Ton Travelift has a distinct advantage over the 75-Ton because many vessels that are a viable market for the yard (not ballasted for the 300-Ton Marine Travelift) can be handled by the 85-Ton hoist where the 75-Ton cannot currently lift them and they must be lifted by the much larger 300-Ton hoist. The 300-Ton hoist has much more limited area in which to operate and cannot reposition vessels to the largest portion of the yard that is currently underserved. Therefore, from a commercial standpoint, the 85-Ton hoist is preferable to the 75-Ton Travelift.

Secondly, the second version of the 85-Ton Travelift is currently available and in stock and can be delivered up to 90 days sooner than the 75-Ton version.

Lastly, the 85-Ton Travelift is considered safer to operate because many vessels currently served push the 75-Ton to its maximum capacity. The 85-Ton provides greater, easier lifting capability for these same vessels.

The cost differential to the Port however needs to be considered. The 75-Ton Travelift would be revenue neutral from a cost standpoint only.

The 85-Ton Travelift would require the Port to an additional \$64,100 for the hoist in stock.

The 85-Ton Travelift that is less expensive and up to 90 days for delivery would cost the Port an additional \$43,556.

Executive Director's Recommendation:

ACTION REQUESTED: Request Commission authorization for the Executive Director to execute a contract to purchase the 85-Ton Marine Travelift for replacement of the damaged 75-Ton Marine Travelift in the amount of \$502,661 contingent on engineer's analysis stating that the load rating on the pier is approved for handling the dead load of the 85-Ton Marine Travelift.