

*The Port*  
**OF PORT TOWNSEND**  
SERVING ALL OF JEFFERSON COUNTY

**Port of Port Townsend**  
**Special Meeting Agenda, \*\*VERSION 3\*\***  
**Tuesday, March 20, 2018, 1:00 pm**  
**PORT TOWNSEND YACHT CLUB**  
**2503 Washington Street**  
**Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comment
- IV. Point Hudson South Jetty Alternative Bid Schedules and Marina Access Provisions...1-30
- V. Process and Timeline for Northwest Maritime Center Proposal.....31-32
- VI. Staff Comments
- VII. Commissioner Comments
- VIII. Next Public Workshop & Regular Meeting  
Wednesday, March 28, 2018, workshop at 1:00 pm, meeting at 5:30 pm in the Port  
Commission Building, 333 Benedict Street, Port Townsend, WA
- IX. Executive Session
  - A. To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public, pursuant to RCW 42.30.110 (c)
- X. Adjournment

# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 3/19/2018  
**TO:** Port Townsend Port Commission  
**FROM:** Port Executive Staff  
**SUBJECT:** Commission Action on Point Hudson Jetty Alternative Bid Schedules & Marina Access Provisions

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**ISSUE:** Staff seeks action from the Commission to retain or modify the language contained within the proposed alternative bid schedules for the Point Hudson Jetty (South – Phase I) project. Finalization of the desired bid schedule language is crucial to allow publication of an invitation to bid by the end of the week.

**BACKGROUND:** In the autumn of 2017 staff apprised the Commission of its intent to include alternative bid schedules for the Point Hudson South Jetty project invitation to bid. The concept was to solicit bids for alternative project start dates, one in mid-July, and another in mid-September following the annual Wooden Boat Festival (“the Festival”).<sup>1</sup> If bids received for both the early and late start dates were found to be within the resources available for the project, the Commission could opt for the late start and avoid high-season impacts to facility users and the community (i.e., including the Festival). However, if the late start date bids exceeded the Port’s capacity, an early start date would likely remain within the Port’s financial capacity. The approach to bidding the project has evolved over the intervening months, and Commission review and approval of the final language to be included within the bid specifications is now required.

**DISCUSSION:** The Port’s Engineer of Record for the Project, Mott MacDonald, Inc., has previously advised that a late (mid-September) start date could be expected to add up to approximately ten percent (10%) or \$370,000 to the probable construction cost estimate. The estimated additional cost is primarily associated with the uncertainty associated with the risk of weather-related delays affecting work crew mobilization and demobilization, as well as timely project completion. Additionally, the engineers have cautioned that a late start increases risks to Port moorage tenants and in-water infrastructure which would be exposed to the greater wind and wave energy of autumn storms.

On January 24, 2018, the Commission voted to eliminate the early start date option and proceed solely with a mid-September project start date option. This sudden decision was taken during the Commissioner Comment period, and modified the Commission’s previous direction. On January 31, 2018, the Commission held a special meeting to reconsider the permissible project construction window. At this special meeting, the Commission reversed its decision of January 24, and opted to reinstate the previous alternative bid schedules approach. The Commission took this decision because of the concern that a late start date would result in project bids that exceeding available project resources.

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<sup>1</sup> Note: Consistent with WAC 220-660-330, all in-water work must occur between July 15 and February 15 to reduce the risk of impacts to fish life at sensitive life stages.

On March 6, 2018, Port and Northwest Maritime Center (NWMC) staff met to discuss the status of the project. The meeting allowed Port staff to share the most up to date information with the NWMC regarding the project schedule, important provisions in the bid specifications affecting the NWMC, and to obtain input on a number of key items, including:

- Provisions to minimize disruptions to the Festival under an early start date scenario (e.g., liquidated damages provisions and work site condition requirements for the Festival);
- Discuss a construction access easement or license from the NWMC to permit finish grading between the NWMC and Port properties; and
- The potential location for a materials “laydown” area for the contractor on the northwest corner of the Port’s Point Hudson property (i.e., the “back forty”) and how that might affect the NWMC during the Festival.

At this meeting, NWMC staff questioned what specific measures had been incorporated into the bid package to provide temporary wave attenuation during the project. Port staff responded that the early start date, coupled with development of a thoughtful construction sequencing plan, was the approach being pursued to mitigate wave and weather-related risks.

However, based on the NWMC’s wave attenuation concerns, staff immediately contacted the project engineers to identify and assess potential wave attenuation responses. Three alternatives were reviewed and discussed:

1. **Retain Bid Schedule “A” Unchanged:** Mott MacDonald again advised that the most effective means to reduce risk during the course of the demolition and replacement project is to:
  - a. Initiate the project as early as possible during the permissible period for in-water work on Puget Sound (e.g., mid-July) to avoid inclement weather; and
  - b. Require contractor preparation and submittal (with Port review and approval) of a carefully conceived Construction Sequencing Plan to ensure that work is conducted in a manner so as to prevent damage to the marina (and the vessels within it) from waves propagating through the entrance and to ensure that the marina is not left exposed to wave impact damage.
2. **Modify Bid Schedule “A” to Mandate a Particular Order of Construction Sequencing:** A new variant of Bid Schedule “A” was suggested by the engineers that would require that the seaward leg of the south jetty either be left in place, or fully demolished and replaced in time for the Festival. In the engineer’s professional opinion, this might provide additional wave attenuation assurances to the NWMC. However, because it would impose additional conditions dictating contractor “means and methods” for carrying out the project, it would also be anticipated to increase project bids by approximately \$200,000.
3. **Deploy a “Sacrificial Barge” as a Temporary Wave Attenuator:** Another option discussed with Mott MacDonald was the placement of a sacrificial barge seaward of the south jetty during the period of greatest vulnerability – including the Festival. However, **Mott MacDonald expressly does not recommend this alternative absent the completion of additional wave and barge moorage system analysis and engineering.** Without such additional engineering, the sacrificial

barge strategy could actually increase, rather than reduce, risk.<sup>2</sup> It is preliminarily estimated that the engineering analysis for this option could cost up to \$100,000 (not including the cost of the barge/mooring system itself). Given the need to proceed to bid as soon as is feasible to ensure the most favorable bid environment, this option is not recommended for further consideration at this time. However, the NWMC would not be precluded from undertaking its own engineering analysis to support deployment of an effectively moored sacrificial barge during the Festival. Any such deployment would need to be reviewed and approved by the contractor selected by the Port.

Adding to the overall risk and uncertainty associated with this project, on March 8<sup>th</sup>, the Trump Administration enacted a 25% tariff on foreign steel, which is due to become effective on March 23. Although the decision is reported to contain temporary exemptions for both Canadian and Mexican steel, this tariff decision could increase bids by up to \$250,000 over the engineer's original estimate.<sup>3</sup>

Because of the magnitude of the financial and community implications of the bid schedule alternatives, the decision as to which bid schedule variant or variants to proceed with is appropriately left with the Commission, rather than executive staff. A summary of the bid schedule alternatives, their estimated costs, their relative advantages and disadvantages, and the likelihood that the Port will have the resources on hand to complete the project, is outlined in Attachment "A" to this Staff Report. The General Requirements section of the bid package is included in Attachment "B".

It bears repeating that Mott MacDonald has advised that provision of engineered wave attenuation would not typically be considered for a project of this size. Instead, an early project start, coupled with thoughtful construction sequencing, has consistently been the approach recommended by the engineers to reduce overall risk, safeguard the marina and its users, and keep costs within the Port's available resources.

**FISCAL IMPACT:** As set forth in Attachment "A", the engineer's estimate of probable construction cost for Bid Schedule "A" (Alternate) without specific sequencing requirements for wave attenuation is approximately \$3,670,000. Bid Schedule "A" with a condition that either the seaward leg of the south jetty be left in place, or be demolished and replaced, for the Festival is \$3,870,000 (i.e., \$3,670,000 + \$200,000). The engineer's estimate of probable construction cost for Bid Schedule "B" is \$4,040,000 (i.e., + approximately 10% or \$370,000).

Note again however, that the new steel tariffs going into effect on March 24<sup>th</sup> could increase the estimates outlined above by as much as \$250,000. Although the new steel tariff substantially increases risk and uncertainty and will undoubtedly impact bid prices and project costs, it has not been expressly included in the engineer's cost estimate(s) (i.e., due to its very recent declaration). Nevertheless, for fiscal planning purposes it is reasonable to infer that bids could be affected by the steel tariffs as set forth below:

- Schedule "A" (Mid-July Start): from \$3,670,000 to **\$3,920,000**;

<sup>2</sup> The risk is that an improperly sized and moored barge could break loose and cause damage to other vessels and infrastructure. Accordingly, the project engineers could not agree to include such a requirement within the bid specifications without additional engineering and wave analysis.

<sup>3</sup> The engineer's original estimate included approximately \$1,000,000 in steel components; thus, the cost of project materials alone may increase by up to \$250,000 over the engineer's estimate. Note also, that Port staff received written confirmation from RCO staff on September 22, 2017 that this project – although partially funded by the USF&WS, is not bound by "buy American" restrictions.

- Schedule "A" (Alternate) (Mid-July Start) with Wave Attenuation/Mandatory Sequencing – from \$3,870,000 to **\$4,120,000**; and
- Schedule "B" (Mid-September Start): from \$4,040,000 to **\$4,290,000**

The Port has a total of \$4.7 million in non-voted debt capacity remaining. The Commission has previously authorized proceeding with a bond package of \$3.2 million to substantially fund Phase I Jetty Project construction costs.<sup>4</sup> This amount would be supplemented with approximately \$901,000 in remaining RCO/UWF&WS grant monies, for a total of **\$4,101,000** in available project funds. Thus, **only Bid Schedule "A" appears likely to fall within the Port's financial capacity** to execute, absent Commission authorization to develop a larger bond package, or definitive and immediate financial support from community partners.

It should be understood that under any scenario, there is some risk that bids could come in over estimate due to the following factors:

- Increased steel costs due to the recent tariff declaration;
- Contractor concerns over the work window restrictions and sequencing requirements; and
- Contractor concerns over the requirement to keep the navigation channel open during the overnight hours and extended weekend (with or without an extended closure for the Festival).

The risk of bids exceeding the engineer's estimate and/or the Port's financial capacity only increase with the inclusion of additional work restrictions (e.g., protection of the marina associated with a late start (Schedule "B"), or the inclusion of special wave attenuation requirements for the Festival (Schedule "A" – Alternate)).

Finally, please be aware that professional construction management and administration will be necessary for this project, and has not been included within the figures cited above. Based upon consultations with Mott MacDonald, it is estimated that from \$150,000 up to \$200,000 will be required for project management.

**RECOMMENDATION:** None.

**ATTACHMENTS:** Five (5) attachments are included, as follows:

1. Attachment "A" – Point Hudson – South Breakwater Bid Schedule Alternatives: Description & Summary Evaluation, consisting of three (3) pages;
2. Attachment "B" – Point Hudson Jetty Bid Specifications: General Requirements (Section 01 00 00), including Time for Completion of Project, Project Start Date, Hours of Work, Liquidated Damages, and Construction Sequencing, consisting of seven (7) pages;
3. Attachment "C" – Point Hudson Jetty Bid Specifications: Excerpts from Instructions to Bidders (Section 00 21 13) relating to Bid Evaluation, consisting of four (4) pages;
4. Attachment "D" – Point Hudson Jetty Bid Specifications: Bid Form (Section 00 41 13), consisting of eight (8) pages; and
5. Attachment "E" – March 16, 2018 Letter from NWMC Executive Director, Jake Beattie, to the Port Commission, consisting of three (3) pages.

<sup>4</sup> Leaving only \$1.5 million in non-voted debt capacity, coupled with available cash reserves, to deal with all other high priority capital needs and potential emergency situations.

## INFORMATIONAL STAFF REPORT: Attachment "A"

### POINT HUDSON - SOUTH BREAKWATER BID SCHEDULE ALTERNATIVES: Description & Summary Evaluation

#### KEY FEATURES OF THE BID SCHEDULE ALTERNATIVES

##### Bid Schedule "A":

- Work must commence by Monday, July 16, 2018
- Work must be completed within 150 calendar days
- Contractor is limited to four (4) workdays in the navigation channel per week – Mondays to Thursdays 7:00 a.m. to 6:00 p.m.
- Limited work on Friday and Saturday is permitted (no work that will impact navigation channel or boaters, no demolition, no pile or sheet pile driving, and no dredging)
- Navigation channel to be open and usable during the evening/overnight hours Monday to Thursday;
- Navigation channel to be open and usable during an extended weekend from 6:00 p.m. Thursdays to 7:00 a.m. Mondays
- Special Provisions for the Wooden Boat Festival:
  - Mandatory work stoppage from Wednesday, September 5 at 6:00 p.m. through Tuesday, September 11 at 7:00 a.m.
  - Navigation channel into marina kept to the same clear width/depth as prior to construction and clear of debris or hazards from demolition/construction
  - Hydrographic survey required to identify and remove hazards to navigation prior to Festival
  - Areas not meeting navigation requirements brought to standard by contractor prior to the Festival at no additional charge to Port
  - Remove/address any areas on the project site with the potential for loose/unstable conditions prior to the Festival
  - Ensure removal of all construction equipment and demolition debris/construction materials from work site prior to Festival, unless otherwise approved by the Port
  - Ensure installation of temporary navigation aids as required by the USCG
  - Ensure upland areas within the project site are fully fenced and that signage is installed warning the public of potential hazards
- If the contractor wishes to work on holidays or outside the work hour restrictions, it shall apply in writing to the Port's Construction Manager for permission
- Liquidated Damages provisions for violations of contract time requirements:
  - \$2,500 per day for each calendar day after the 150 day period for work completion
  - \$1,000 per day for each violation of the work hour restrictions Monday to Thursday at the Port's discretion
  - \$50,000 for any violation of the work stoppage dates/times and work site requirements for the Wooden Boat Festival

**Engineer's Estimate of Probable Construction Cost (not factoring Steel Tariff) = \$3,670,000**

**Bid Schedule "A – Alternate":** Bid Schedule "A – Alternate" is identical to Bid Schedule "A", except for the following additional condition regarding wave attenuation in place for the Wooden Boat Festival:

- The outer south breakwater (seaward leg) between STA 4+03.01 and 5+34.90 shall provide complete wave attenuation to the marina. Either of the following options are acceptable:
  - Not demolishing the existing structure between those stations; or
  - Completely installing the steel breakwater between those stations.

**Engineer's Estimate of Probable Construction Cost (not factoring Steel Tariff) = \$3,870,000**

**Bid Schedule "B":**

- Work must commence no earlier than Tuesday, September 11, 2018
- Work must be completed within 120 calendar days
- No special provisions for the Wooden Boat Festival (including liquidated damages provisions), as the project will commence afterwards
- All other work requirements outlined for Bid Schedule "A" would apply (e.g., work hour restrictions)

**Engineer's Estimate of Probable Construction Cost (not factoring Steel Tariff) = \$4,040,000**

<b>POINT HUDSON - SOUTH BREAKWATER: Summary Evaluation of the Bid Schedule Alternatives</b>			
<b>Key Feature/Consideration</b>	<b>Bid Schedule "A"</b>	<b>Bid Schedule "A – Alternate"</b>	<b>Bid Schedule "B"</b>
<b>Project Start Date</b>	July 16, 2018	July 16, 2018	September 11, 2018
<b>Project Completion Deadline</b>	150 calendar days from July 16, 2018	150 calendar days from July 16, 2018	120 calendar days from September 11, 2018
<b>Permissible Work Hours in Navigation Channel</b>	M-Thurs 7:00 am to 6:00 pm	M-Thurs 7:00 am to 6:00 pm	M-Thurs 7:00 am to 6:00 pm
<b>Special Work Stoppage for Wooden Boat Festival?</b>	Yes	Yes	No
<b>Construction Sequencing Plan Submittal Requirement?</b>	Yes	Yes	Yes
<b>Special Construction Sequencing Condition for Wave Attenuation During Wooden Boat Festival?</b>	No	Yes	N/A – Start date after Festival
<b>NWMC Cancels Wooden Boat Festival?</b>	Yes	No	No
<b>Near-Term Economic Impacts to Tenants &amp; Port Tenants</b>	<b>Highest Anticipated Impact</b>	Moderate – but NWMC would proceed with the Wooden Boat Festival	<b>Lowest – but at highest risk to vessels &amp; Port in-water infrastructure (i.e., docks/floats)</b>

**POINT HUDSON - SOUTH BREAKWATER:**  
**Summary Evaluation of the Bid Schedule Alternatives, continued**

Key Feature/Consideration	Bid Schedule "A"	Bid Schedule "A – Alternate"	Bid Schedule "B"
Imposes Additional Anticipated Costs?	No Engineer's Estimate is \$3,670,000 <u>not</u> factoring Steel Tariff	Yes Engineer's Estimate is \$3,870,000 (+ \$200,000 over "A") <u>not</u> factoring Steel Tariff	Yes Engineer's Estimate is \$4,040,000 (+ \$370,000 over "A") <u>not</u> factoring Steel Tariff
Potential Impact of Steel Tariff	\$3,670,000 + \$250,000, or <b>\$3,920,000</b>	\$3,870,000 + \$250,000, or <b>\$4,120,000</b>	\$4,040,000 + \$250,000, or <b>\$4,290,000</b>
Requires Contingency Plan to Move Vessels/Safeguard Infrastructure in the Event of a Storm?	Yes	Yes	Yes
Places Vessels in Marina & In-Water Infrastructure at Risk	Yes – But lower risk than Schedule "B"	Yes – Lower risk than Schedule "A" or "B"	Yes – Highest risk overall due to late start date & likelihood of autumn storm events
Likelihood of Receiving Bids within Available Resources <sup>1</sup>	<b>Highest</b> – Factoring Steel Tariff, cost could still fall within \$181,000 of available funds	Moderate to Low – Factoring Steel Tariff, cost could exceed available funds by \$19,000 or more	<b>Lowest</b> – Factoring Steel Tariff, cost could exceed available funds by \$189,000 or more
Possibility that Bids may Exceed Engineer's Estimate?	Yes – But Lowest Risk	Yes – Higher Risk than Schedule "A"	Yes – Highest Risk

<sup>1</sup> Figures cited do not include costs associated with professional construction management and administration, which are estimated to require from \$150,000 to \$200,000.



**PART 1 – GENERAL**

**1.01 DESCRIPTION OF WORK**

- A. The work includes facility improvements at Point Hudson Marina as described below:
  - 1. Removing and disposing of the existing creosote timber pile breakwater and bulkhead, navigation aid, timber walkway, and steel pile.
  - 2. Installation of new steel combination wall breakwater, consisting of galvanized steel pipe pile and galvanized steel sheetpile, concrete cap, riprap slopes, dredging, navigation aids, and site restoration.

**1.02 TIME FOR COMPLETION OF PROJECT**

- A. Substantially complete project in accordance with the drawings and specifications within the number of days listed on the Bid Form Final completion in accordance with Contract Documents within 30 calendar days from substantial completion date.
- B. In accordance with the permit requirements, all in-water work shall be completed by February 15<sup>th</sup>, 2019. All other work shall be completed before the date set forth in the Contract Documents.
- C. No time extensions or extra compensation will be granted for delays due to inclement weather conditions or due to a delayed start.

**1.03 PROJECT START DATE**

- A. The project start date is when work is allowed on site below ordinary high water. No demolition, dredging or new breakwater construction allowed prior to the Project Start Date.
- B. The project start date is determined by the bid schedule selected.
- C. If Bid Schedule A is selected the project start date is Monday, July 16<sup>th</sup>, 2018.
- D. If Bid Schedule B is selected the project start date is Tuesday, September 11<sup>th</sup>, 2018, after the annual Wooden Boat Festival is complete.

**1.04 HOURS OF WORK**

- A. Bid Schedule A and B: Except in the case of an emergency or unless otherwise approved by the Owner, the work hours shall be between 7 a.m. through 6 p.m. Monday through Saturday, excluding national holidays and the requirements listed below.
  - 1. The contractor shall ensure full uninterrupted marina access by boaters as follows:
    - a. 6:00 p.m. through 7:00 a.m. everyday
    - b. All day Friday, Saturday and Sunday

- c. If the contractor blocks the channel inside of any of these time restrictions by more than 30 mins they shall be subject to liquidated damages as defined in section 1.05.
- B. Bid Schedule A and B: Limited work with restrictions may occur on Friday or Saturday between 7 am and 6 pm unless stated otherwise by the Port. The restrictions include:
  - 1. No work that will impact the navigation channel or impact boaters using and accessing the marina.
  - 2. No breakwater demolition.
  - 3. No pile or sheet pile driving.
  - 4. No dredging.
- C. The contractor shall not work on the following dates and times:
  - 1. Bid Schedule A only: Extended work stoppage (and navigation channel clear) between Wednesday, September 5 at 6 pm, through Tuesday, September 11 at 7 am, 2018 to accommodate the annual Wooden Boat Festival. The Contractor shall leave the project site in the following condition prior to Wooden Boat Festival:
    - a. The outer south breakwater between STA 4+03.01 and 5+34.90 shall provide complete wave attenuation to the marina.
      - 1) Option 1: Not demolishing the existing structure between those stations, or
      - 2) Option 2: Completely installing the steel breakwater between those stations. **[NOTE: Highlighted language applicable only to Schedule A – Alternate]**
    - b. The navigation channel into the marina is the same clear width and depth prior to construction activities and clear of any floating debris or potential hazards from breakwater demolition or new construction. A hydrographic survey of the navigation channel shall be conducted by the Contractor prior to the Wooden Boat Festival to ensure safe navigation through the channel into the marina. Any areas not meeting the navigation requirements of the clear width and depth shall be fixed by the Contractor at no additional cost to the Owner.
    - c. Remove or address any areas on the project site with the potential for loose debris or unstable conditions.
    - d. The marina entrance shall have temporary navigation aids as required by the Coast Guard.

- e. The project site shall be fully fenced in with construction fencing, and signage be installed to warn the public of potential hazards.
- f. All construction equipment, demolition debris or construction materials shall be from removed the construction site unless otherwise approved by the Port.
- 2. Work stoppage (and navigation channel clear) between Friday, September 21, 2018 at 6 am and Sunday, September 23, 2018 at 10 pm to accommodate the annual Port Townsend Film Festival.
- D. If the Contractor desires to perform Work on holidays or outside the work hours stated above, the Contractor shall apply in writing to the Engineer for permission to Work such days or times.

**1.05 LIQUIDATED DAMAGES**

- A. Contract Time: Time is of the essence in this contract and the Port has determined that the completion of the work in this Contract is critical to the proper operation of the marina and the Contractor's failure to complete the work within the time will cause damage to the Port. Because exact damages are difficult to determine or forecast, the sum of \$2,500 per calendar day is hereby established by the parties as a reasonable estimate of just compensation to the Port for the failure of the Contractor to complete the work by the time set forth in the Contract or authorized extension thereto. This sum is not to be in any sense a penalty but rather reflects the parties' agreement and reasonable forecast of the actual amount the Port will be damaged by the Contractor's failure to timely complete the Work. Charges for liquidated damages will begin accumulating on the first calendar day following the final Contract completion date and continue until the date of final acceptance established by the Port. Final acceptance will not be issued until all punch list items have been completed.
- B. Work Hours:
  - 1. If the Contractor does not follow Work Hour Restrictions and Work Stoppage dates and times for the annual Port Townsend Film Festival the contractor shall be charged a \$1,000 fee for each violation at the sole discretion of the Port. This sum is not to be in any sense a penalty but rather reflects the parties' agreement and reasonable forecast of the actual amount the Port will be damaged by the Contractor's failure to follow the work hour restrictions.
  - 2. If the Contractor does not follow the Work Stoppage dates, times and project site requirements for the annual Wooden Boat Festival the Contractor shall be charged a fee up to \$50,000 depending on impacts to the Festival at the sole discretion of the Port. This sum is not to be in any sense a penalty but rather reflects the parties'

agreement and reasonable forecast of the actual amount the Port will be damaged by the Contractor's failure to follow the work hour restrictions.

- C. The Contractor does hereby authorize the Port to deduct such liquidated damages from the amount due or to become due the Contractor. The Contractor further agrees that any such deduction shall not in any degree release the Contractor from further obligations and liabilities in respect to the fulfillment of the entire Contract.

#### **1.06 PRE-CONSTRUCTION CONFERENCE**

- A. Following notification of award to Contractor, the date for an on-site pre-construction conference will be set. Do not commence work prior to conference or until written clearance has been obtained from the Owner.
- B. Furnish Owner Representative with the following:
  - 1. Complete list of sub-contractors, including business address, telephone numbers, items of Work, and registration numbers. List is to be updated during contract life.
  - 2. Name of Contractor's superintendent who will be on job at all times.
  - 3. A progress schedule in accordance with General Conditions.
  - 4. A detailed cost breakdown for lump sum bid items including equipment, labor, materials, and fees. Furnish a fair evaluation of actual cost of each items of Work listed. This will be used in processing Contractor's requests for partial payment. Submittal of breakdown does not affect the Contract terms.
  - 5. Construction Sequence Work Plan and other Work Plans as required by the Contract Specifications and Contract Drawings.

#### **1.07 CONSTRUCTION SEQUENCING**

- A. Phasing of demolition and construction of the south breakwater structure is critical to protecting the navigation channel and marina from wave induced damage to moored vessels and infrastructure (floats, side slopes, piles). The Contractor shall submit a detailed Construction Sequence Work Plan as outlined in the Contract Drawings and shall receive approval 30 days prior to start of demolition. The approved Construction Sequence Work Plan shall be updated weekly during construction and submitted for review. See Contract Drawings and Specifications for additional requirements.

#### **1.08 PROGRESS CLEANING**

- A. Remove rubbish and debris from Owner's property daily. Storage of materials is not allowed on site unless specified by the Owner.

- B. Maintain work area in a neat and orderly condition at all times.
- C. All cleanup operations are incidental to the Contract and no extra compensation will be made.

**1.09 UNANTICIPATED DISCOVERY OF CULTURAL OR ARCHEOLOGICAL RESOURCES**

- A. No cultural or archaeological resource sites are known to exist within Work Limits. However, there always exist the potential for unanticipated discoveries during excavation work.
- B. Owner, Owner Representatives, Contractors, and workers must be aware of clues that signify a potential discovery and what actions must be taken to protect discovery.
- C. Clues that may signal the presence of cultural or archaeological resources are:
  - 1. Artifacts: Artifacts may be found exposed in open trenches or back dirt piles. These may range from finished tools such as stone pestles, arrowheads or polished bone tools to small pieces of exotic stone such as chert, jasper or obsidian. Historic artifacts include: bottles, cans, bricks, window glass, square nails or other objects in excess of 50 years age. Do not remove items.
  - 2. Buried features/midden: During excavation, exposed trench walls may contain buried features such as campfire hearths or shell middens. In cross-section, hearths look like evidence shallow lenses (saucer shaped) of rock, charcoal and blackened sediment. Middens are buried prehistoric ground surfaces. These are usually thin lenses of dark greasy sediments running horizontally for many feet in different directions. Near coastal shorelines, these middens are characterized by accumulations of broken and burned shellfish remains. Occasionally they may also contain artifacts and/or broken bone fragments.
- D. If resources of potential cultural or archeological resources are discovered the Contractor shall follow the steps in the General Conditions Section G-04.28.

**1.10 TSUNAMI SIREN**

- A. The Contractor shall protect the existing tsunami siren and keep it in service with temporary shoring. If the Contractor impacts the tsunami siren in any way, the Contractor must contact and coordinate with the County and the State for procedures to temporarily remove the siren from service. The Contractor must contact:
  - 1. Robert Purdom, AD7LJ  
Telecommunications Engineer

Washington Military Department

Office: 253-512-7036

Cell: 253-507-6046

24 hour: 800-258-5990

2. Lynn Sterbenz, Director

Jefferson County Department of Emergency Management

Desk: (360) 344-9729

Cell: (360) 316-6008

Main Office: (360) 385-9368

**1.11 AS-BUILT DRAWINGS**

- A. Keep a clean set of full sized design drawings at job site and kept updated to identify all changes.

**1.12 PROJECT CONDITIONS SITE SAFETY**

- A. The Contractor is alerted to the General Conditions requirements regarding safety. The Contractor shall be solely responsible for job-site safety. Contractor shall adhere to requirements for safety established in WAC 296-155 and other state and federal regulations.
- B. Hazardous Materials: It is unknown whether hazardous materials will be encountered in the Work. The Contractor shall follow the requirements in Section G-04.24 of the General Conditions regarding hazardous materials.
- C. The marina facilities shall remain open during construction. The Contractor shall establish a temporary navigation aid to operate during nonwork hours. The temporary navigation aid will be coordinated between the Contractor and Coastal Guard.

**1.13 PROJECT SIGN**

- A. Provide a 4' x 4' temporary sign in a location to be determined by the Owner. Upon Project completion, remove sign and restore area to original condition.

**1.14 PROJECT SIGN LETTERING**

TITLE OF PROJECT:	POINT HUDSON BREAKWATER REPLACEMENT PHASE I.
NAME OF FACILITY:	POINT HUDSON MARINA
NAME OF CONTRACTOR:	(Place Contractor's Name here)
ADDRESS OF CONTRACTOR:	(Place Contractor's Address here)

FUNDING TITLE NUMBER 1:	STATE BUILDING CONSTRUCTION ACCOUNT (if Applicable) PORT TO PROVIDE
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PRODUCTS (NOT USED)

PART 2 – EXECUTION (NOT USED)

END OF SECTION

## ATTACHMENT "C"

### POINT HUDSON JETTY BID SPECIFICATIONS:

#### Relevant Excerpts From Instructions to Bidders Relating to Bid Evaluation

#### PART 3. BID EVALUATION

##### 3.01 EVALUATION STANDARD

- A. Award of contract will be made at the Port's sole discretion, in the Port's best interest considering both bid schedules, alternative bid item, a combination thereof, and other factors. The Port has the option of choosing to reject all bids and not award the contract.
- B. Additionally, the Port reserves the right to negotiate base bid prices (including changes to the contract plans and specifications) with the low responsive, responsible Bidder to bring the final contract amount within the funds available.
- C. The intent of the Port is to award a contract to the low responsive, responsible Bidder by considering the following:
  - 1. Relevant Experience Criteria:  
Relevant Experience shall be provided on the Bid Form. The bidder along with subcontractors will be evaluated on successful past project completion, either as a general contractor or principal subcontractor (relevant experience of qualified employees who have worked for other general contractors or principal subcontractors may also be considered based upon previous work experience) of one or more projects containing similar construction elements to this Project including the following:
    - a. Marine civil construction, including installation of shoreline protection and breakwaters, piling, and piers;
    - b. Over water cast in place concrete work;
    - c. In water steel piling installation over 36" diameter;
    - d. Steel sheet pile and combination wall installation;
    - e. Creosote timber pile removal and demolition;
    - f. Dredging, water quality maintenance, hauling and disposal
  - 2. Responsibility:  
As defined in 39.04.350 RCW, and including such additional factors, including but not limited to:
    - a. The ability, capacity, and skill of the Bidder to perform the work;
    - b. The character, integrity, reputation, judgment, experience, and efficiency of the Bidder;
    - c. Whether the Bidder can perform the work within the time specified;



- d. The quality of performance of pervious work;
- e. Ability to provide required deliverables under the contract documents in a responsive and timely manner including, but not limited to, required shop drawings, schedules, submittals, and as-builts;
- f. Demonstration of being reasonable in pricing change orders;
- g. Demonstration of being responsive in resolving warranty issues in a timely manner;
- h. Demonstration of ability to perform the work and adhere to contract documents without litigation or the threat of litigation;
- i. The previous and existing compliance by the Bidder with laws and requirements relating to the work and contract;
- j. Such other information as may have bearing on the decision to award the contract.

3. Non- Responsive:

- a. An incomplete or non-conforming bid proposal;
- b. Not a registered contractor as required by law;
- c. No subcontractor's list when required by invitation to bid;
- d. Submitting a modified and conditioned bid or bid form;
- e. No bid bond when required by invitation to bid;
- f. No certification when required by invitation to bid.

### 3.04 RESPONSIVE BIDS

- A. The Port, in its sole discretion, reserves the right to determine Bid irregularities that render a Bid non-responsive, and to waive informalities and immaterial irregularities in the Bid. A Bid shall be considered irregular and may be rejected by the Port as non-responsive for reasons including, but not limited to:
- 1. If the bid form furnished or authorized is not used or is altered;
  - 2. If the bid form or any required supplemental documents are incomplete, contain any additions, deletions, conditions, or otherwise fail to conform to the Port's requirements;
  - 3. If the bidder adds any provisions reserving the right to reject or accept the award, or enter into the contract;
  - 4. If the Bid or Bid Guaranty is not properly executed, or shows an incorrect amount;
  - 5. If the Bid fails to include a price for every bid item;
  - 6. If the Port reasonably deems the Bid Guaranty inadequate;
- or

7. If the Port deems any of the bid prices to be excessively unbalanced either above or below the amount of a reasonable bid price for the item of Work to be performed, to the potential detriment of the Port.

### 3.05 BIDDER QUALIFICATIONS

- A. Each Bidder, as part of the Bid Form, shall provide a Statement of Bidder's Qualifications and Proposed Subcontractors, which includes a statement of Bidder's Work experience and general ability to perform the Work contemplated. The Port shall have the right to make such investigations as it deems necessary to determine the ability of the Bidder to furnish the Work as described in the Contract Documents, and the Bidder shall furnish to the Port all such information and data for this purpose, as the Port may request. Each Bidder shall be skilled and regularly engaged in the general class or type of Work called for in the Contract Documents. Proposed Subcontractors shall be competent, experienced, and thoroughly familiar with aspects of the Work that they will perform. The Port reserves the right to reject any bid if the evidence submitted by, or the investigation of, such Bidder fails to satisfy the Port that such Bidder and its proposed Subcontractors are properly qualified to carry out the obligations of the Contract and to furnish the Work described in the Contract Documents at the required standard(s) of quality.
- B. It is the intent of the Port to award a contract to the low responsible bidder. Before award, the bidder must meet the following bidder responsibility criteria to be considered a responsible bidder. The bidder may be required by the Port to submit documentation demonstrating compliance with the criteria. The bidder must:
  1. At the time of bid submittal, have a current certificate of registration in compliance with chapter 18.27 RCW.
  2. Have a current Washington Unified Business Identifier (UBI) Number.
  3. Have a current Contractors License issued by the City in which the work is to be performed.
  4. If applicable:
    - a. Have industrial insurance (workers' compensation) coverage for the bidder's employees working in Washington, as required by Title 51 RCW;
    - b. Have a Washington Employment Security Number as required Title 50 RCW.

- c. Have a Washington Department of Revenue state excise tax registration number, as required by Title 82 RCW.
- 5. Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3).
- 6. For public works projects subject to the apprenticeship utilization requirements of RCW 39.04.320, not have been found out of compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under chapter 49.04 RCW for the one-year period immediately preceding the first date of advertising for the project.
- C. The Port reserves the right to investigate the qualifications of any bidder, including but not limited to, contacting any reference or any financial institution to verify that the bidder is qualified to successfully complete the Work.
- D. In order to verify that the bidder has adequately incorporated all elements of the Work and the requirements of the Contract Documents in its bid prices, the bidder will make available upon request, for the Port's review a complete itemization of its Bid, and clearly define all phases of its work.
- E. Prior to award, if requested by the Port, the bidder and selected proposed subcontractors or suppliers shall attend a bid evaluation conference and shall bring to the conference any documents requested by the Port to evaluate the Bid and the bidder's qualifications.

### 3.11 RIGHTS OF THE PORT

- A. The Port reserves the right to accept the Bid in the best interest of the Port from a responsive, responsible bidder, a bid schedule based upon plans and specifications prepared by the Bidder, to reject any or all Bids, republish the Advertisement for Bids, revise or cancel the work to be performed, or to do the work otherwise, if in the judgment of the Port, the best interests of the Port is served thereby.

## BID FORM

BIDDER'S NAME \_\_\_\_\_

PROJECT TITLE: Point Hudson Breakwater Replacement Phase 1

Contract No. 2018-01

The undersigned bidder declares that it has read the specifications, understands the conditions, has examined the site, and has determined for itself all situations affecting the work herein bid upon.

The bidder must submit both Bid Schedule A and Bid Schedule B. Evaluation of the bid schedules and award of contract will be at the Port's sole discretion, in the Port's best interest considering bid schedule, alternative bid items, and other factors.

And, bidder proposes and agrees, if this proposal is accepted, to provide at bidder's own expense, all labor, machinery, tools, materials, etc., including all work incidental to, or described or implied as incidental to such items, according to the Contract Documents of the Port of Port Townsend, and that the bidder will complete the work within the time stated, and that bidder will accept in full payment therefore the unit price(s) and/or lump sum price as set forth in the bid below: (Note: Show prices in figures only.)

Unit prices and estimated quantities shall be used to determine the Bid. These prices shall also be used to adjust the Contract in the event there is an increase or decrease in the estimated quantities. All costs shall be "in place" costs and complete, **excluding State Sales Tax**. In the event of an irregularity, the unit price prevails. The Owner reserves the right to make mathematical corrections of multiplication or addition errors on the bid form.

Bidder agrees to complete project in accordance with drawings and specifications within 150 calendar days from the project start date for Bid Schedule A. Bidder agrees to complete project in accordance with drawings and specifications within 120 days from the project start date for Bid Schedule B.

**DIVISION 0 - BIDDING AND CONTRACT DOCUMENTS ATTACHMENT "D"**  
**Section 00 41 13 - Bid Form**

**Schedule A of Bid Items:**

Item No.	Description	Qty	Unit	Unit Price	Total Price
1	Mobilization/Demobilization	1	LS		
2	Construction Surveying	1	LS		
3	Environmental Protection	1	LS		
4	Site Restoration	1	LS		
5	Temporary Shoring	1	LS		
6	Beach Abrasion Protection	1	LS		
7	Upland Excavation	1	LS		
8	Demolition	1	LS		
9	Rock Removal & Disposal	1	LS		
10	Furnish and Install Pipe Pile 42"x1.0"	4	EA		
11	Furnish and Install Pipe Pile 42"x0.75"	6	EA		
12	Furnish and Install Pipe Pile 42"x0.5"	12	EA		
13	Furnish and Install Pipe Pile 24"x0.5"	16	EA		
14	Furnish and Install Pipe Pile 24"x0.75"	19	EA		
15	Furnish and Install Pipe Pile 18"x0.5"	9	EA		
16	Furnish Galvanized Sheetpiles	8,080	SF		
17	Install Sheetpile Pairs	66	EA		
18	Furnish and Install Wave Screen	1	LS		
19	Furnish and Install Concrete Cap	275	LF		
20	Furnish and Install Riprap	637	TON		
21	Furnish and Install Quarry Spalls	611	CY		

**DIVISION 0 - BIDDING AND CONTRACT DOCUMENTS ATTACHMENT "D"**  
**Section 00 41 13 - Bid Form**

Item No.	Description	Qty	Unit	Unit Price	Total Price
22	Furnish and Install Geotextile	934	SY		
23	Dredging and On-Site Placement	400	CY		
24	Dredging and Open-Water Disposal	400	CY		
25	Navigation Aids	1	LS		
26	Temporary Navigation Aids	1	LS		
				Subtotal	\$
				Washington State Sales Tax @ (9.00%)	\$
				<b>TOTAL BID</b>	<b>\$</b>

**Schedule B of Bid Items:**

Item No.	Description	Qty	Unit	Unit Price	Total Price
1	Mobilization/Demobilization	1	LS		
2	Construction Surveying	1	LS		
3	Environmental Protection	1	LS		
4	Site Restoration	1	LS		
5	Temporary Shoring	1	LS		
6	Beach Abrasion Protection	1	LS		
7	Upland Excavation	1	LS		
8	Demolition	1	LS		
9	Rock Removal & Disposal	1	LS		
10	Furnish and Install Pipe Pile 42"x1.0"	4	EA		
11	Furnish and Install Pipe Pile 42"x0.75"	6	EA		

**DIVISION 0 - BIDDING AND CONTRACT DOCUMENTS ATTACHMENT "D"**  
**Section 00 41 13 - Bid Form**

Item No.	Description	Qty	Unit	Unit Price	Total Price
12	Furnish and Install Pipe Pile 42"x0.5"	12	EA		
13	Furnish and Install Pipe Pile 24"x0.5"	16	EA		
14	Furnish and Install Pipe Pile 24"x0.75"	19	EA		
15	Furnish and Install Pipe Pile 18"x0.5"	9	EA		
16	Furnish Galvanized Sheetpiles	8,080	SF		
17	Install Sheetpile Pairs	66	EA		
18	Furnish and Install Wave Screen	1	LS		
19	Furnish and Install Concrete Cap	275	LF		
20	Furnish and Install Riprap	637	TON		
21	Furnish and Install Quarry Spalls	611	CY		
22	Furnish and Install Geotextile	934	SY		
23	Dredging and On-Site Placement	400	CY		
24	Dredging and Open-Water Disposal	400	CY		
25	Navigation Aids	1	LS		
26	Temporary Navigation Aids	1	LS		
Subtotal				\$	
Washington State Sales Tax @ (9.00%)				\$	
<b>TOTAL BID</b>				\$	

**Alternative Bid Item:**

Item No.	Description	Qty	Unit	Unit Price	Total Price
27	Furnish and Install Pipe	4	EA		

Item No.	Description	Qty	Unit	Unit Price	Total Price
	Piles 48" X 1.0"				

**ALTERNATIVE BID ITEM DESCRIPTION:**

The alternative bid item includes replacing the (4) 42"x1.0" piles with (4) 48"x1.0" piles. The work also includes extending the concrete pile cap by another 24" to account for the larger piles. If the alternative bid is selected, Bid Item #27 will reduce the number of piles for Bid Item #10 by (4).

**NONCOLLUSION**

The undersigned declares under penalty of perjury that the bid submitted is a genuine and not a sham or collusive bid, or made in the interest or on behalf of any person not therein named; and further says that the said bidder has not directly or indirectly induced or solicited any bidder on the above work or supplies to put in a sham bid, or any other person or corporation to refrain from bidding; and that said bidder has not in any manner sought by collusion to secure to the bidder an advantage over any other bidder or bidders.

**BID REQUIREMENTS**

Bidder shall submit a price for all items on the Bid Schedule as shown above including the alternative bid item(s). Incomplete Bid Schedules will not be considered responsive Bids and, therefore, will be rejected.

Bidder understands that no work can be conducted on weekends or on nationally recognized holidays or as outlined in the Hours of Work specified in these Contract Documents unless otherwise agreed upon in writing by the Port. Bidder agrees to complete all in-water (below ordinary high water) work and be substantially completed by February 15, 2019 regardless of the start date. Bidder understands that failure to complete work within that time period or to follow the Hours of Work specified in these Contract Documents will subject him/her to liquidated damages.

All sections of the bid form are required to be filled out.

**ADDITIONAL BIDDER INFORMATION**

**(1) Bidder certifies that it has the following experience and qualifications:**

1.1 Bidder's experience in this type and magnitude of Work, as outlined in the Bid Evaluation Section of Technical Specification 00 21 13 – Instruction to the Bidders:



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1.2 Bidder's qualifications, including technical qualifications, to properly, timely and efficiently perform the Work: \_\_\_\_\_

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**(2) Bidder's References:**

2.1 Financial: \_\_\_\_\_

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2.2 Name and provide the current addresses, current telephone numbers and current email addresses of at least three persons that the Port may contact to obtain information about bidder's prior work of this type:

(i) \_\_\_\_\_

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(ii) \_\_\_\_\_

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(iii) \_\_\_\_\_

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**(3) Schedule:**

3.1 List any and all factors that might preclude bidder from meeting any part of the contract schedule and restrictions specified in the General Requirements Section 1.03; 1.04; 1.05: \_\_\_\_\_

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**(4) Subcontractors (performing 15% or more of the work):**

4.1 Subcontractors name, work item description and amount of work performed: \_\_\_\_\_

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4.2 Bidders Subcontractor's experience in this type and magnitude of Work: \_\_\_\_\_

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4.3 Bidders Subcontractor's qualifications, including technical qualifications, to properly, timely and efficiently perform the Work: \_\_\_\_\_

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**(5) Facilities/equipment that bidder will use to perform the Work:**

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**(6) Location and address of entity that will perform warranty/service/repair activities:**

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**(7) Proposed Steel Suppliers and Sources:**

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**(8) Bidder certifies the following:**

8.1 It has in place a proper safety and accident prevention program that for this Work fully complies with all safety orders, rules, regulations codes and requirements of all federal, state, and local governmental agencies that have jurisdiction over safety relating to the Work, including but not limited to federal OSHA and state WISHA.

8.2 It will require each of its subcontractors of any tier (if any) to have in place a proper safety and accident prevention program that meets or exceeds all requirements listed in 8.1 above.

8.3 It will strictly enforce all requirements of safety and accident prevention programs throughout the entire Work, including but not limited to all requirements relating to safety equipment, work rules, worker safety, written site-specific safety plans, safety meetings, safety inspections and all requirements to assure the safety of all work sites, all workers, all Port employees and/or representatives, and the general public.

8.4 It will strictly comply with and ensure that all subcontractors and suppliers of any tier will strictly comply with all requirements of Section 00 73 19 Health and Safety Provisions.

8.5 It will defend, indemnify and hold the Port harmless from any and all consequences of any failure by it or any of its subcontractors to fully comply with all the requirements of Section 00 72 00 General Conditions.

8.6 It will meet Responsibility requirements as outlined in 39.04.350 RCW and stated in the Bid Evaluation Section of the Technical Specification 00 21 13 - Instruction to Bidders.

8.7 All costs for developing bids will be borne by each bidder. The Port is not responsible for any compensation for costs incurred as a result of compiling a bid.

I represent and warrant that the data provided above is true and accurate.

**SIGNATURES**

\_\_\_\_\_  
Name of Firm

\_\_\_\_\_  
**Signature**                                      By (Type or Print)                                      Title                                      Date

\_\_\_\_\_  
Mailing Address                                      City                                      State                                      Zip Code

\_\_\_\_\_  
Telephone Number                                      E-mail

\_\_\_\_\_  
Washington State Contractor's License No. \_\_\_\_\_

\_\_\_\_\_  
Date of Issue \_\_\_\_\_ Expiration Date \_\_\_\_\_

\_\_\_\_\_  
Federal Tax ID No. \_\_\_\_\_

**Bids submitted without a signature will be determined non-responsive, in accordance with Specifications Section 00 21 13, paragraph 3.04**



## NORTHWEST MARITIME CENTER

March 16, 2018

Dear Commissioners of the Port of Port Townsend,

It pains me to write this. We have had a long and productive relationship and even in this moment we remain hopeful for an even longer and more productive and collaborative relationship in the future of Point Hudson. In consideration of the amount this will adversely affect our community, thanks for taking what I have to say seriously.

The short version of this rather long email: **The 2018 Wooden Boat Festival is in jeopardy because of the potential lack of wave protection in your upcoming breakwater repair**, and given the late date of your process the decision to cancel will need to happen when your bid packages are finalized next week. We simply can't wait longer.

We have learned that next Tuesday, your staff will ask you to make a decision to finalize breakwater replacement options to be bid. As it has been explained to us over the past few days, in their current form at least two of the four options being considered would effectively cancel this year's Wooden Boat Festival. If you are surprised by this it's likely cold comfort but we are, too.

At present the summer replacement options do not provide for adequate harbor protection in the bid documents. While you may be comfortable with less than ideal breakwater protection for moored vessels within the marina, we are not, and the Port staff's advancement of the summer options without wave attenuation will likely force the pre-emptive cancellation of this year's Wooden Boat Festival. This is a big deal to us, but a bigger deal to the impact to our local economy.

### Why this is a crisis all of a sudden?

Despite nearly a year of assurances from Port staff that the festival would be able to occur with at most minor modifications, last week we learned from Port staff that there was not a plan for any temporary breakwater or other form of wave attenuation during the ongoing operation of the marina—including the Wooden Boat Festival. It was the first I had heard of it, the first conversation in which the Port staff had engaged the NWMC (arguably the peak use of the facility) in any substantive conversation about the project that included the mention of significant adverse effects to our community's biggest event of the year. We had assumed that "The festival can happen" included a consideration of the natural forces that can manifest that time of year.

We know from 41 years of experience that storms can happen in September, and roughly one out of every five festivals has a weather event severe enough to shear moorings of boats in the anchorage and wreck them on the beach. As a seaway, the Point Hudson Marina is a dead end street that opens to the South, the origin of prevailing storms in spring and fall. If there is any real chance that there will be sub-adequate protection in the marina, we simply cannot in good faith ask the vessels we strive to preserve and celebrate to put themselves in harm's way by coming to our festival.

Imagine five-foot seas crashing unabated into a marina stacked with a festival's worth of boats that are our region's maritime heritage. Not even a collective payout of the \$10 million of the estimated total value of boats in the festival can approximate the cultural loss that we would potentially facilitate. NWMC board and staff leadership do not feel that we can in good faith continue to accept payment and registrations from boaters, exhibitors, and attendees if there is a lingering chance that we may have to cancel at a later date. These are our people, and integrity is our stock-in-trade. If they will not have the weekend of business activity we need to give them, they need every notice to allow them to attempt to make other plans.

#### **Late notice = No option**

Before we were reassured by Port staff that we could indeed have a festival, we did the disagreeable, doomsday planning for a "What if we can't have the festival?" scenario. We modeled change of location within Port Townsend, a no-boats/all-on-shore variant at Point Hudson, we even explored moving it to a different town entirely. Even with over a year's time to plan and adjust, only a few options made a reasonable amount of sense—but not many and not much. At the time of your decision point we have less than six months until the festival is scheduled to open and there's not much we can do but cancel.

Your project calendar shows making decisions to finalize bids specs next week, but not deciding summer vs. fall construction until as late as May 23rd. We simply cannot wait that long. If next week you choose to advance a bid package that includes an option that puts the festival and its attendees in harm's way due to lack of harbor protection, our insurance, instincts and experience all point to the same conclusion: we will be forced to cancel.

This is a big deal for our community, this organization, our programs and mission, and the maritime vitality of our town. You, of course will need to make the decision that makes the most sense to the Port and the greater community, but I wanted you to be informed as to how we will need to react to the decisions you make on behalf of us all. As a final plea to the long game: You can finance cost increases to a project over the life of a 30-year bond, your tenant businesses that are forced to close from a less than expected high season, the NWMC's lessened ability to

support youth and school programs because of a cancelled festival, the long-term effect on all of us for this happening at a publicly perceived last minute.

Thank you for your consideration of a fall only start date or a summer option that includes definitive wave protection, and thank you for your role in shaping our community. For better or worse, we stand this watch together.

Onward,

A handwritten signature in black ink, appearing to read 'Jake Beattie', with a stylized, flowing script.

Jake Beattie  
Executive Director

# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 3/20/2018  
**TO:** Commission  
**FROM:** Sam Gibboney, Executive Director  
**SUBJECT:** Issues to Consider May Affect the Minimum Price of Real Estate

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### ISSUE

The Port is analyzing a proposal put forth by the Northwest Maritime Center (NWMC) for lease of portions or all of Point Hudson. The Commission seeks to consider issues and factors that may affect the minimum price at which real estate associated with this proposal may be offered for lease.

The Commission wishes to consider such factors in accordance with RCW 42.30.110(c).

### BACKGROUND

The NWMC delivered a proposal on January 28, 2018 regarding a potential lease of a portion or all of Point Hudson.

The Port engaged the services of EcoNorthwest to analyze the proposal.

### DISCUSSION

The Commission may seek to consider in executive session factors and issues that may affect an acceptable minimum price for the lease of real estate in accordance with RCW 42.30.110(c).

Such issues and factors that the Commission might choose to consider include (but are not necessarily limited to) the following:

- Term of Agreement
- Leased area
  - Two approaches
  - Phased
  - Comprehensive lease
- Consideration
  - Capital payment
  - Lease payment
  - Profit (or revenue sharing)
- Existing and future debt profile
  - Marina
  - Building(s)
  - Jetty



- Financing and bonding implications
  - Northwest Municipal Advisors has indicated a need to review with bond counsel (K&L Gates)
- A&G allocation
- Credit-worthiness
  - Experience
  - Financial
- Capital improvements
  - Buildings
  - Basic infrastructure (water, sewer, stormwater, power, communications)
  - Walkways
- Parking
- Proposed Uses
  - Conformance with zoning & SMP
- Ability to partner
- Governance structure

#### **FISCAL IMPACT**

To be determined.

#### **RECOMMENDATIONS**

We recommend that the Commission consider the above related issues and factors as they relate to an acceptable minimum price.