

# Port of Illahee

## Minutes of Regular Meeting

September 11, 2024

### Call to Order

The Regular Port of Illahee meeting was held virtually through the ZOOM app (meeting id# 71509975823 / Password: Illahee). Notice of the virtual meeting was posted near the kiosk at the head of the pier and on the Port's website – portofillahee.com.

Commission Chairman James Aho called the meeting to order at 6:30 PM. Also, in attendance were Commissioner Jeffrey Rupert; Commissioner Eric Hall; Administrator Jennifer Olson; Roy Barton; Cathy Johnson; John Buesch and John Piccone.

### Consent Agenda

The following consent agenda items were approved:

- The September 11th Meeting Agenda
- August 14th, 2024, Regular Meeting minutes
- August 27th, Special Meeting minutes
- Checks numbering 5222 through 5233 totaling \$46,564.99 as outlined in the attached Voucher

(motion by Rupert; second by Hall; all in favor)

### Signing of Documents

Commissioners plan to stop by the Illahee Store to sign documents on Friday, September 13, 2024.

### REPORTS/UNFINISHED BUSINESS -

#### Waterfront Improvement Project

John Piccone's with SoundWest Engineering & Associates updated the Commissioners on the status of the Port of Illahee's projects. Please see John's report below:



## **Waterfront Improvement Project**

- **Project Manual Update**

- A review copy of the complete project manual was sent to all Commissioners on 9-10-24 for Port review and approval. My understanding is that we will be having a special meeting next week Wednesday (9-18-24) to discuss any questions and potentially approve proceeding with advertising and opening bids if reviews are complete.
- During the next week I will also be reviewing the manual once more in the event I see any very minor edits or format errors.
- All Commissioners are urged to take as much time as necessary to review the manual; there is a lot there and you may wish to have the Port's legal counsel review as well since this is new to the Port. In terms of overall construction progress and completion of the work I don't anticipate this review period will have any meaningful impact on completion of the project due to wet season constraints and permissible in-water work windows.

- **Summary of Bidding Procedure**

- There are numerous required procedures for a public port entity when seeking bids on a project of this size. Most everything is well laid out and can be reviewed in Part 1 of the bid manual. A few important highlights to summarize are as follows:
- Please do not share or publicly distribute the review manual or the final manual that goes out to bid. This is important to ensure all potential bidders receive the same information as well as any addenda updates as the bid period proceeds. The ONLY thing that can be shared (after the first advertisement goes out) is the advertisement page of the manual. Likewise, be cautious in your discussions and what you say about the project, finances, etc. during meetings and when talking with others; while I'm not aware of any specific regulation in this regard just be aware of the information you put out and how it might affect the bid results and/or how a Contractor might choose to proceed developing their bid strategy.
- All bidders will request a copy of the manual and at that time they will be placed on the plan holders list. We maintain this list of contacts for the purpose of communicating the same information to all potential bidders. Soundwest will administer the plan holders list and distribution of bid manuals to all interested parties according to standard practice for Port projects like this one.



- Currently, the first advertisement is scheduled on September 19, then again on Sept. 26 and Oct. 2<sup>nd</sup>. There will be a mandatory pre-bid meeting on Oct. 3<sup>rd</sup>, where all interested plan holders meet on site to inspect the site and ask questions; this meeting may only be attended by registered plan holders (no members of the public, vendors, etc.). The entire residential house will need to be available for inspection on this day and I'll work with Jim to arrange that. Then, the public bid opening is currently scheduled for Oct. 16. These dates can always be adjusted if needed for any reason (which can even be done by addenda after the first advertisement). We will advertise in the Kitsap Sun as required and in the DJC; it's been my experience that most all bidders will become aware of the project through the DJC. I will work with Jenny on how the Port wishes to make payment for the advertisements.
- **Bid Opening**
  - The bid opening will be attended by Jim and I (it is not typically a Commission or public meeting). At the appointed time we will receive all bids and open them in front of each contractor who submitted a bid. Although the "apparent low bidder" will be announced, no official award of the project will take place at the bid opening.
- **Leading up to Award of the Project**
  - As we've discussed on several occasions, the bids are expected to be higher than originally estimated when we submitted grants due to inflation during the numerous delays. Once bids are opened the Port will want to schedule a special meeting, likely with executive session, and discuss available budget and bid price. The bid manual clearly states that award of the project is contingent on the Ports post-bid evaluation of funding. This funding evaluation should happen as quickly as possible after the bid opening.
  - Additionally, prior to official award, Jim and I will hold a pre-award meeting with the apparent low bidder for the purpose of reviewing the bid in detail and discussing the Contractors planned approach to Construction as well as numerous contingency related items. As we've also discussed in the past, there are several unknowns associated with the work that may impact final construction cost and although we will not have these items determined during the pre-award meeting, I do believe it's beneficial to the Port and Contractor to discuss some of these items.
  - After funding is evaluated and all pre-award discussion meets the Ports satisfaction, we will issue a notice of award and the Contractor will proceed to submit the various bonds and paperwork necessary to execute the construction contract.



- **For Guidance As You Review the Project Manual:**

- **Part 1 – Bidding Requirements**

*Part 1 focuses on the numerous required forms and information the contractor must submit along with their bid price for the work. The majority of these items are required by state law for public agencies bidding work. This part of the bid manual includes the actual proposal sheets where the contractors will list their pricing for each work component as well as numerous other items that will also be submitted at the time of bid opening.*

- Advertisement for Bids
- Bidder's Checklist
- Proposal
- Required Proposal Forms
- Non-Collusion Declaration
- Bid Deposit
- Statement of Proposed Subcontractors
- Contractor Certification Wage Law Compliance – Responsibility Criteria
- Supplemental Bidder Responsibility Criteria *The supplemental bidder responsibility section includes several pages of requirements the contractor must submit to demonstrate they are well qualified for the work. Procedures for rejecting the low bid contractor based on inadequate qualifications is prescribed by state law and this section serves to increase the Ports decision making ability in this regard.*

- **Part 2 – Contract Forms**

*Part 2 includes all the necessary contract forms for execution once the project is awarded to the successful bidder. The primary contract for construction is only a couple pages but it clarifies that all the components of the bid manual, including all referenced manuals, also comprise the contract for construction.*

- Contract for Construction
- Required Contract Forms
- Payment Bond
- Performance Bond
- Selection of Retainage Option
- Prevailing Wage Requirements

- **Part 3 – Special Conditions of the Contract**

*Part 3 includes numerous provisions and requirements for completing the work that are specific to this project. It includes such items as communication protocols, project related contacts, contractors' responsibilities related to regulatory compliance, what submittals are required before performing the work, certain surveying and utility locate requirements, hours and days work can be done and how bad weather days will be*



accounted for, construction testing, etc. This section also includes the very important section on how the work will be measured and paid for relative to the bid price received in the proposal.

○ **Part 4 – Technical Specifications**

*Technical specifications are exactly what they sound like; all the very specific details related to materials and execution necessary for the installation of each item. On this project we will have two types of technical specifications; “performance specifications” where we only dictate the performance-based outcome of the work item, and “prescriptive specifications” where we detail more exactly what material to use and how it will be installed and tested. For example, on this project the contractor will have the latitude to shop around for different types of retaining wall blocks that meet basic guidelines (performance) but the type of asphalt will be exactly specified (prescriptive).*

○ **Part 5 – Amendments to the Standard Specifications**

*In addition to the provisions and specifications of part 3 and 4; part 5 incorporates by reference the WSDOT standard specifications for municipal work. This is a comprehensive document in and of itself and we incorporate it by reference to prevent having to reiterate many of the more standard specifications that generally apply to all projects of this type. However, it is sometimes necessary to make minor amendments to these so that they apply to the Port of Illahee in this case instead of WSDOT. The majority of those amendments are actually made by WSDOT periodically as a courtesy to Washington State municipalities and public agencies.*

○ **Part 6 – Drawings**

*The drawings are exactly what you’d expect and are either included in a single bound document with the rest of the manual or bound separately and included by reference.*

○ **Part 7 – Appendices (Other Reference Documents Available by Request)**

*The appendix is also a very important part of the bid manual as it includes such items as the project specific permits and various reports (like the contaminated material management plan the Commissioners authorized SLR to complete). By incorporating these items into the appendix, the information becomes part of the bid manual, and the contractor is responsible for being award of the information ahead of submitting bids.*

- Appendix A: Miscellaneous Forms & Information related to the Work
- Appendix B: Special Reports
- Appendix C: Permits Obtained by the Port



- **Notable Construction Period Expectations (as discussed previously):**

- **Construction Costs and Port Budget:**

As we've discussed during numerous meetings, there has been a sequence of unfortunate delays in this project due primarily to negotiations with the Suquamish Tribe, coordination with Kitsap County including the regional stormwater treatment potential, and several other regulatory reviews with very long review periods.

As a result of these delays, the original estimated construction cost estimate (which was merely an estimate of probable cost range to begin with) is now likely to be lower than actual bids received due to multiple years of significant inflation in the construction industry. Proceeding with the approach that has been discussed previously, we will go ahead and receive bids as soon as everything is ready so the Port knows without guessing what the actual bid price will be. In an effort to save time after bids are opened, I suggest the Port revisit the existing budget and contingency options for additional funding ahead of actually opening bid. Also, as previously discussed, once we know what the bid amount is we can discuss any overages with RCO to see if there is any possibility of additional assistance from them. The bid documents will specify that award of the contract is contingent on the Ports post-bid evaluation of available funding.

- **Existing Site Conditions and Unknowns:**

As Jim and I have discussed at various points during the process of grant applications, permitting, and design (most recently discussed again during our site walk on 7-11-24); there are numerous existing site features and unknown elements associated with the project. Based on the discussions we've had with the Commission during the process to date, the directed approach was to not expend unnecessary expense upfront studying unknown elements but to resolve them only if necessary during construction. The basis of this approach was that if a certain condition exists the Port would need to pay costs associated with the condition regardless, and it was not desired to pay additional engineering or field study cost upfront and in addition to the construction costs. One representative example of this approach relates to the depth the float pilings will be driven to. To know the pile depth more precisely ahead of time the Port would need to incur the cost of marine subsurface borings however, the piles will ultimately be driven to the required structural depth regardless. Instead, we will require the contractor to drive the piles to a presumptive depth and then pay the added cost to drive deeper only if necessary.

This project site presents numerous similar unknown elements such as the existing shoreline retaining wall (concrete bulkhead) structural integrity, the existing fixed pier structure, the potential for contaminated soils and/or groundwater, unknown subsurface conditions in the upland portion of the site and around or beneath the existing residential structures, etc.

The construction period approach is planned such that these unknowns will be addressed during construction in a fair and equitable way with the selected contractor, which may



necessitate change order costs the Port will incur if the unknown conditions do prove to present the need for additional work.

o **Administration of Construction Activities:**

Administration of a construction project of this type is generally most successful when communication protocols and administrative procedures are well defined ahead of advertising for bids and as such these protocols and procedures will be included in part 3 of the contract documents. In addition to other administration items, the Part 3 draft currently specifies the following general items in greater detail:

- Project related contacts for the Port will be John Piccone (or his designee) and Jim Aho only. John and Jim will therefore correspond with the contractor on a regular basis during construction and provide the contractor with timely direction as construction progresses. This direction will be based on the approved project budget, including the approved project budget contingency amount, and any other high-level direction from the board. In an effort to prevent issues associated with miscommunication, the contractor will be prohibited from receiving direction from any other persons.
- "Construction observation" will be conducted by John Piccone (or his designee) and Jim Aho. The purpose of "construction observation" is NOT to direct the contractors means and methods of doing the work but rather to monitor the project for apparent compliance with the contract documents and intent of the work. No other persons will be permitted to perform "construction observation" however, ordinary observation from outside the primary construction limits should not present a problem provided it is from within safe limits and does not involve project related communications.
- Execution of documents will be the responsibility of Jim Aho based on the approved budget and any other higher decisions made by the board in advance. Jim will have the authority to execute change orders if necessary and/or approve design changes during construction, if within budget, in order to provide the contractor any necessary timely response.
- Payments associated with the construction process will be made on a regular basis in accordance with the contract document specifications and therefore will be reviewed when received by John and Jim and then transmitted to Jennifer Olsen to issue payment (provided there are no payments exceeding the pre-approved project budget including approved contingency). Payments to the contractor will generally be made on a monthly schedule based on the completed progress of work. Monthly or bi-monthly grant reimbursements are requested and received after the monthly payments to the contractor is issued.



In addition to these highlights, there are numerous other administrative matters specified in the contract documents and as mentioned above, all Commissioners will have an opportunity to review the contract documents prior to advertising for bids to better understand and approve what is proposed therein.

- **Anticipated Schedule:**
  - Open bids October 16 (or later if necessary and changed by addenda after advertising)
  - Review bids, Port funding, and pre-award conference information mid to late October.
  - Seek Board discussion on approval to award the project; late October to early November.
  - Work with the selected contractor to execute construction contract and establish the construction schedule for the various work items considering allowable in-water work windows, and wet winter weather considerations for the upland excavation work.
  - Issue the notice to proceed which will begin the 330 calendar day contract time to complete all work (unless contract time is extended by change order).

## Reports /Unfinished Business

### Waterfront Project Comments

Below are some comments made by the public regarding the Port's Waterfront Improvement Project:

- Community Member: Is it customary for the public to attend the bid opening?  
Response: Yes, the bid opening is open to the public.
- Community Member: Will the entire Port dock and pier be closed for 330 days (about 11 months) once construction starts?  
Response: Yes, The Contractor will monitor the closure, and it is likely they will leave their materials and equipment on site.
- Community Member: Change orders should be announced. Is there a contingency fund budget? Please be mindful at public meetings how topics are discussed.

### Illahee Store Project / PLIA Remediations

Commissioner Aho provided an update on his discussions with Chris Lee, PLIA's contractor, regarding a target completion date for the project before the onset of rain, ideally in November. However, this timeline is contingent upon the availability of contractors, and Commissioner Aho will need to await confirmation on whether an earlier completion is feasible.

Commissioner Hall provided an update on his communications with Dave's Septic, the party responsible for submitting the septic plan to the Kitsap County Health District. During their discussion, Commissioner Hall mentioned that the initial invoice from Dave's Septic amounted to \$1,300. Additionally, there was a supplementary invoice of \$225 for the connection permit, specifically for linking the piping from the septic tank.





**Commissioner Hall** met with electrician at the store property so they could provide an estimate for restoring electricity. Additionally, he is actively soliciting additional bids from electricians to facilitate the restoration of power to the store property.

**Commissioner Rupert** has expressed interest in obtaining a Port credit card and believes that each Commissioner should have one. In response, the administrator has confirmed that she will arrange for Port credit cards to be issued to both Commissioner Rupert and Commissioner Hall.

**Commissioner Aho** will be attending the Brownfield Workshop with the Department of Ecology on September 12, 2024.

### Treasurer's Report as of August 31, 2024,

- General Fund: **\$94,068.80**
- Investments: **\$294,871.12**
- Good Property Management (GPM) Account: **\$199.00**
- Total: **\$389,138.92**

### Grant Status

BFP RCO Total: <b>\$851,065.00</b>	Amount of RCO paid: <b>\$97,262.74</b>	Remaining RCO Funds: <b>\$753,802.26</b>
ALEA RCO Total: <b>\$500,000.00</b>	Amount of RCO paid: <b>\$77,751.31</b>	Remaining RCO Funds: <b>\$422,248.69</b>
RCFB RCO Total: <b>\$191,000.00</b>	Amount of RCO paid: <b>\$0</b>	Remaining RCO Funds: <b>\$191,000.00</b>

### Public Comment

A community member asked about the grant match percentages. The Administrator will email her with the grant match percentages.

### Reports

### Website

Nothing to report.

### Properties

- 5560 Oceanview Blvd: Nothing to report.
- 5500 Illahee Road: Nothing to report.
- 5507 Illahee Road / Illahee Store Property: Nothing to report.
- Illahee Road lot: Nothing to report.

### Dock/Pier

- **Commissioner Aho** repaired a hole in the dock.
- **Commissioner Rupert** expressed concerns about the railing issues and will purchase fasteners to attach them.

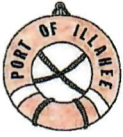


## Illahee Days

- The Commissioners engaged in extensive discussion about the lessons learned from Illahee Days 2024, addressing several key topics, including:
- The event saw lower attendance compared to previous years, due to limited outreach beyond Facebook and the Illahee Store sign. The Illahee Community website, a key communication tool, has been down for months, impacting event promotion.
- Significant site preparation was required due to long-standing maintenance issues at the Store property, including overgrown vegetation and debris. An emergency cleanup was necessary just before the event.
- Key lessons learned include the need to restore the Illahee Community website, develop an Operations and Maintenance (O&M) manual for the Store property, and maintain property boundaries and fences.

## New Business

- A special meeting has been scheduled for September 18, 2024, at 5:00 p.m. on Zoom to approve the bid manual for the Port's Waterfront Improvement Project.
- All Illahee Port Commissioners are scheduled to attend the Small Ports Seminar on October 24 and 25, 2024, at Lake Chelan. This seminar, organized by the Washington Public Ports, will provide valuable insights. The Administrator will handle the registration process for the Commissioners.
- The 2025 preliminary budget requires approval during the Port meeting on October 9, 2024. Subsequently, the final budget will be adopted and approved at the Port meeting scheduled for November 13, 2024.
- Commissioner Rupert proposed a motion to approve the contract for administrative services between JJAM Innovations and the Port of Illahee. (Motion by Rupert; second by Hall; all in favor).
- The Commissioners engaged in extensive deliberation regarding whether to continue with the Municipal Research and Services Center (MRSC) or explore the possibility of establishing their own Small Works Roster. The Commissioners decided they will bring this topic up with the WPPA (Washington Public Ports Association) at the Small Ports Seminar.



## Public Comment

A community member stated that the Port has an obligation to keep the tenant at 5500 Illahee Road informed about the progress regarding the demolition of the house. **Commissioner Rupert** will personally engage in a conversation with the tenant to address her concerns.

## Adjourn

At 9:00 PM, the meeting adjourned. **(Motion by Rupert; second by Hall; all in favor).**

The next regular meeting is scheduled for October 9, 2024, at 6:30 PM via Zoom.

The Kitsap All Ports meeting is scheduled for October 28, 2024, at 6:30 PM at the Port of Brownsville.

## Signatures

Commissioner James Aho

Commissioner Eric Hall

Commissioner Jeffrey Rupert