

Presented by:
Port Commission
Action Taken:
Yes 6
No 0
Abstain 0

CITY OF NOME, ALASKA

RESOLUTION NO. R-20-04-01

**A RESOLUTION AWARDING THE PORT OF NOME EMERGENCY
FUEL LINE REPAIRS TO SEAKERS, INC.**

WHEREAS, the Port of Nome is a hub in Western Alaska supporting surrounding Bering Strait Region communities through cargo and fuel transshipment; and,

WHEREAS, due to warmer temperatures in the Arctic, the permafrost soils continue to degrade resulting in subsidence of the gravel fill material used on the tundra surface, which can undermine any buried or above-ground infrastructure; and,

WHEREAS, this environmental occurrence has now impacted the fuel pipeline system at the Port of Nome, causing differential settlement between the piping and it's connection points, which is visible at the tie-in with the Bonanza Fuel Tank Farm; and,

WHEREAS, the fuel pipeline system at the Port is considered essential and critical infrastructure as it serves as the only mechanical means to import bulk fuel for the community of Nome, and transship fuel to the region's coastal communities; and,

WHEREAS, the City was made aware of the issue by Seakers and BFI personnel upon discovering the pipelines resting heavily on the containment wall and expected to worsen, bringing risk of breakage at the terminus valve, and based on Seakers' long history of fuel line work performed for the City, along with the BFI, Crowley & NJUS tank farms, the City requested a repair strategy and sole-source quote from Seakers to complete the work, which was received in the amount of \$132,062.00;


NOW, THEREFORE BE IT RESOLVED that the Nome City Council awards the Emergency Fuel Line Repairs to Seakers, Inc. for \$132,062.00.

APPROVED and SIGNED this 27th day of April, 2020.



MARK JOHNSON,
Presiding Council Member

ATTEST:



CHRISTINE PISCOYA,
City Clerk

Memo

TO: Mayor Richard Beneville & Nome Common Council
FROM: Jim West, Chairman – Nome Port Commission *JW2*
THRU: Glenn Steckman – City Manager
DATE: 04/23/2020
RE: Motion Recommending Award of PON Pipeline Settling Repair Project to Seakers, Inc.

The following motion was passed by the Nome Port Commission at their Regular Meeting on Thursday, April 16, 2020.

1. Moved by McLarty and seconded by Smithhisler, that the following motion be approved:

- **MOTION:** Recommend the Nome Common Council award the Port of Nome Pipeline Settling Repair Project to Seakers, Inc.

AT THE ROLL CALL:

Ayes: Rowe, Sheffield, McLarty, Smithhisler, Lean; West; Rowe
Nays:
Abstain: Henderson

The motion **CARRIED** unanimously.

Discussion on this motion is reflected in the minutes of the April 16, 2020 Regular Meeting.



Lucas Stotts, Harbor Master
Port of Nome
P.O. Box 281
Nome, Alaska 99762

Attn: To Whom It May Concern

I went back through SEAKERS, Inc. Hydrostatic testing job photos starting in 2004 of like photos to determine when the settlement started if possible. The photos don't show any evidence of the 6" Gas pipeline, 6" Jet line or the 8" diesel line resting on the wall before 2017. Settlement appears in 2018/ 2019; all three of the cargo pipelines are resting on the wall in 2018/ 2019, at this point in time it appears the containment area wall has become the fulcrum point. Settlement appears to be increasing, the anchor point (the buried piping) has settled more than the wall and the pipe supports inside the containment area are no longer supporting the cargo lines; they are supported by the fulcrum and the anchor point. This continued until it was noted by Bonanza Fuel in 2018/ 2019.

Bonanza Fuel notified SEAKERS, Inc. we took steps to relieve some of the pressure by cutting out approximately 4" of the wall, (fulcrum point) leaving a small space < 1/2" between the cargo pipelines and the containment wall. SEAKERS adjusted the pipe support inside the containment area to better support the piping. Bonanza Fuel had the tank farm surveyed to determine the wall elevation. The survey indicated wall settlement worst case was approximately 12" low on the north side of the new containment area wall section. This extreme wall settlement needed to be addressed ASAP to keep wall and concrete footing from breaking further. SEAKERS started lifting the wall and repairing broken sections in 2019 back to its original constructed height and volume metric containment capacity, mandated by API and adopted by the State of Alaska and monitored by ADEC.

SEAKERS started on the north wall working our way around to the south wall, we are now in position to lift the wall section under the pipelines approximately 12" plus an additional 4" so we can replace the section of wall we cut out with a margin for continued settlement. SEAKERS can't lift the wall until the cargo pipelines are adjusted to compensate for settlement.

In my opinion this work is critical infrastructure work, required under 18AAC75, API 570, and ADEC See attached photos depicting the cut out section in the wall to relieve pressure, how the cargo pipes are deformed (bent downward) outside the wall (Port of Nome piping is at higher risk of damage due to the leverage disadvantage) and pictures of previous settlement, flange misalignment (CPD Terminus), inserted horizontal spool section and other timeline photos. In order to level the incoming cargo pipelines to the main pipe run, the pipes outside the wall need to be lifted approximately 12" in order to level the incoming pipelines and adjust the pipe supports in the containment area. This work can be completed by inserting a 16" vertical pipe spool in each of the three cargo lines outside the containment area wall. SEAKERS, Inc. strongly recommends; that the cargo pipeline settlement work be completed as soon as possible to mitigate evolving settlement repercussions.

Sincerely,

Todd C. Fisher
SEAKERS, Inc.

SEAKERS, Inc.

P.O. BOX 871725 WASILLA, AK 99687 POST OFFICE STREET ADDRESS 401 N MAIN ST # 871725 WASILLA ALASKA, 99687
E-mail address is seakers@gci.net CELL (907) 224-1606, OFFICE (907) 229-6023 FAX (907) 376-9326 Page - 1 -



April 23, 2020 Rev 2

PROPOSAL FOR THE PORT OF NOME

We are pleased to offer you the enclosed cost proposal, based on your verbal Scope of Work, dated April 2020 to include the following:

Item 1 Pipeline Settlement Repair

Remove Fencing from work area, lock and tag out both 6" cargo pipeline and one 8" cargo Pipeline. Drain down the three cargo pipelines and remove the valves adjoined to the work Area, support pipes as necessary. Blank and blind the tank farm side cargo pipelines. Blow down and gas free each of the three cargo lines starting with the Gas line.

Lift and level pipelines and supports. Verify each line is gas free; open each end of the pipeline to atmosphere and cold cut the 6" gas pipeline approximately Two feet above the ground.

Install slip flanges on both ends of the cut; use the above procedure again on both the 6" Jet line and the 8" diesel # 2 lines.

Construct two 6" flanged spools and one 8". Reinstall the valves back in the cargo pipelines With new bolts and gaskets; insert the new spool in place with bolts and gaskets. Replace the 8" and 3" Isolation. Reinstall the fencing.

Pipeline Repairs	Labor \$82,200.00	Room & Board \$8,500.00	ODC \$41,362.00	\$132,062.00
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Item 2 Expansion Joint Inspection, UT Testing and Liner Bag Replacement

Perform Ultrasonic thickness measurements at six locations under the bridge from Scaffolding and three locations at the port header.

Three thickness measurement locations (TML'S) were designated on each end of the bridge, where each of the three cargo pipelines exit the bridge abutment through an expansion joint covered in a liner bag before entering the containment piping, (Remove and replace XR-5 liner bags, complete a visual inspection and operational inspection of the expansion joints from Scaffolding under the bridge before and during hydro testing) and where each of the three cargo pipelines exit the containment pipe before the bridge abutment.

Three additional locations are at the port headers where the cargo pipelines go up through the concrete pad. Four thickness measurements are to be taken at each of the nine TML.

Liner bags	Labor \$16,800.00	Room & Board \$1,750.00	ODC \$3,638.58	\$22,188.58
UT testing	\$7,200.00	\$250.00	\$1,440.82	\$8,890.82

SEAKERS, Inc.

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Item 3 **Hydrostatic Pressure Testing**

Pack the Diesel fuel pipeline with fuel from BFI Tank No. 2 or 7 using a BFI tank truck as an air eliminator removing the air from the system at the dock header repeating this process with the Gas pipeline from BFI Tank No. 1 or 8 and the Jet pipeline from BFI Tank No. 4 or 9 through a BFI dry break adapter at the port headers. Provide one Certified Inspector and qualified crew to perform hydrostatic testing on one 8" Diesel fuel cargo line, one 6" Jet fuel cargo line, one 6" gas cargo lines. Hydrostatic testing will be conducted in accordance with industry practices as indicated. We will provide the original Hydrostatic Data Test Report. Pig the Jet fuel from the 6" Jet fuel pipeline after the completion of the hydrostatic testing back to tank at BFI. Pig the Gasoline from the 6" Gas pipeline after the completion of the hydrostatic testing back to tank at BFI. Pig the fuel from the 8" Diesel fuel pipeline after the completion of the hydrostatic testing back to tank at BFI.

	Labor	Room & Board	ODC	
Hydro	\$19,200.00	\$2,000.00	\$8,292.15	\$29,492.15

For this Proposal, our estimated cost is \$ 192,632.12

Quarantine cost to Nome is an additional cost \$29,400.00

With Quarantine cost \$222,034.00

ASSUMPTIONS:

1. All fuel transfers to be completed by others except as noted.
2. Client to supply at no charge to Contractor: all hydrostatic testing liquid i.e. Gas, Jet, DF#2, water etc.
3. Access to the underside of the bridge is to be from dry land without tidal influence
4. Client to supply at no charge to Contractor: all power, all fuel and lubricants, site security, disposal of all generated wastes, including trash debris and all other wastes.
5. The testing of each item and pipeline will be completed sequentially.
6. Client to remove at no charge to Contractor: concrete, dirt, debris from around each of the three pipelines on the header pad for a minimum of 6" and re-taping each pipeline upon completion of UT Testing.
7. All work requiring heavy equipment to be supplied by others.

SEAKERS, Inc.

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8. There are no weather delay allowances, work stoppage, stop work mandates, shorten work hours, COVID-19 (coronavirus) mandated work stop, self-quarantine, mandated-quarantine etc. standby time in this proposal. Standby is identified as time when tank lifting, blasting, painting, cleaning, welding, inspecting, hydrostatic testing, Airline travel etc. cannot be conducted due to circumstances/conditions beyond the control of the SEAKER'S crew. SEAKERS, Inc. Standby time is billed at \$100.00 per Hour per Man for a maximum of an 8-hour day plus room and board @ \$250.00 per man per day. These costs are over and above the Estimated Cost as indicated.
9. We are not responsible for costs incurred due to timeliness of services and materials provided by others, or for the appropriateness of services and materials provided by others.
10. Our terms are net 30 days from date of invoice unless other arrangements are made in advance.

Exclusions:

- 1) Any Permitting required.
- 2) Payment and performance bonds.
- 3) Any design cost.
- 4) Any electrical work.
- 5) Any cathodic protection work.

Commercial Clarifications

Commercial modifications are to be in accordance with the Owner/SEAKERS, Inc. contract agreement or purchase order as applicable. Our pricing is based on general liability standard insurance coverage, with Port of Nome required project specific limits of \$5m.

Taxes

The above pricing excludes state, county, or city sales or use taxes. These and any other gross receipt taxes, value added taxes or similar taxes imposed upon SEAKERS Inc. or customer under this proposal are excluded. If applicable, they will be invoiced at our direct cost plus 20%, as additions to the pricing quoted in this proposal.

Proposal Validity

This proposal is also based on borrowing (Fuel) from Bonanza Fuel with respect to the hydrostatic testing fluid in 2020 without a usage fee to complete the work as described. Should SEAKERS, Inc. be unable to secure the Hydrostatic testing fuel (8,000 gallons Gas, 8,000 gallons Jet, 12,000 gallons DF#2) needed. We would require the Port of Nome to provide SEAKERS, Inc. with the necessary hydrostatic testing product without compensation to complete the work in 2020.

SEAKERS, Inc.

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Payment Schedule

SEAKERS, Inc. proposes to invoice 50% payable prior to procuring materials and mobilization of tools and equipment to Nome. It is understood that this initial payment is largely for materials, specialized equipment, and is nonrefundable.

The final Remaining Estimated 100% of the Value of the Job will be due within 30 days, after submittal of the final invoice upon SEAKERS, Inc. completion of fabrication, field construction, hydrostatic testing, UT inspection activities and reports.

Offered by:

Name

Date

Todd C. Fisher
Chief Operations Officer
SEAKERS, Inc.

Accepted by:

Name

Date

Glenn Steckman
City Manager
City of Nome

SEAKERS, Inc.

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Lucas Stotts
Harbor Master
Port of Nome
P.O. Box 281
Nome, Alaska 99762

April 23, 2020 Rev 2

Proposal
**Pipeline Settlement Repair Hydrostatic Pipeline Testing, Liner Bag Replacement,
Expansion Joint Inspection and UT Testing**

Attn: Lucas Stotts

Thank you for the opportunity to provide the attached proposal for the hydrostatic testing of your pipelines as detailed in your scope of work.

The rates as shown on the following pages reflect the man-power and equipment required to back fill each of the three pipelines. Hydrostat test two each 6" cargo pipelines and one 8" cargo pipeline. Pig each cargo pipeline to its source. Remove and replace three each expansion joint liner bags from Scaffolding under the bridge. Visual inspection of two each 6" expansion joints and one each 8" expansion joint during operation of each under test pressure. Perform Ultrasonic thickness measurements at six locations under the bridge and three locations at the port header. The rates include all report fees.

The concrete needs to be removed from around each of the three pipelines for a minimum of 6" for UT testing, cleaning, visual inspection and re-taping upon completion to be provided by the Port Of Nome. The understanding is that a sand bar completely encompasses the underside of the bridge for pickup truck access under the bridge at high tide. Access to the underside of the bridge is to be from dry land without tidal influence.

If SEAKERS, Inc. is legally required to Quarantine incoming employees to Nome for 14 days we will need to be in Nome by April 20 to finish by mid-June 2020. The Quarantine mobilization cost would be an additional cost of approximately \$29,400.00 *not included in this proposal, hope we can avoided this!*

If SEAKERS, Inc. is also legally required to Quarantine outgoing employees back to Anchorage for 14 days the de-mobilize cost would be an additional cost of approximately \$29,400.00 *not included in this proposal, hope we can avoid this!*

Should we uncover defects in your piping during our inspection activities, we will immediately notify Lucas Stotts or whomever you designate to receive such notice. At that time, we will offer our services/expertise to help facilitate the timely repairs of the pipes to minimize downtime.

SEAKERS, Inc.

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Thank you for this opportunity. Please contact me directly should you require additional information.

Sincerely,

Todd C. Fisher
SEAKERS, Inc.

SEAKERS, Inc.

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