

Consent Item Briefing for PWSRCAC Board of Directors – May 2022

ACTION ITEM

Sponsor: Austin Love and the Terminal Operations and Environmental Monitoring Committee

Project number and name or topic: 5081 – Storage Tank Maintenance Review

1. **Description of agenda item:** This agenda item requests Board approval of a contract with Taku Engineering LLC for work associated with the Council's Storage Tank Maintenance Review project focused on the inspection and repair of Ballast Water Tank 93. The specific action for the Board's consideration includes:

- Authorize a sole source contract negotiation and execution with Taku Engineering LLC for work to complete the Council's Storage Tank Maintenance Review project focused on the inspection and repair of Ballast Water Tank 93 at an amount not to exceed \$60,000.

Taku Engineering has been selected twice through the Council's competitive bid, request for proposals (RFP) process, once in 2020 and again in 2021, for work that is essentially the same as that which would be performed through this project – the main difference being each iteration of the project involved different storage tanks. Taku Engineering provides the Council with unparalleled expertise pertaining to the maintenance of the storage tanks at the Valdez Marine Terminal and has successfully executed their work with the Council since 2020.

2. **Why is this item important to PWSRCAC:** The Oil Pollution Act of 1990 instructs the Council to "monitor those aspects of terminal facilities' and crude oil tankers' operations and maintenance which affect or may affect the environment in the vicinity" of the Valdez Marine Terminal (VMT). This project is focused on monitoring the maintenance of storage tanks at the terminal. In 2022, ballast water storage Tank 93 is undergoing scheduled, comprehensive, internal inspection and repair. That internal inspection and repair work is essential in order to prevent a spill from Tank 93, which can store about 500,000 barrels of oil-contaminated water. These comprehensive tank inspections typically occur every 10-20 years and provide an opportune time to review not only the results of the internal inspections, but also other important tank-maintenance aspects that have occurred since each tank's last internal inspection. Tank 93's last internal inspection occurred in 2012. This project generally involves conducting a third party, technical review of the work that's been done to maintain Tank 93 since its last internal inspection, as well as the results of its 2022 internal inspection, and identifying recommendations that could improve the maintenance of this tank.

Approval of Storage Tank Maintenance Review Contract Authorization 3-4

3. **Previous actions taken by the Board on this item:**

<u>Meeting</u>	<u>Date</u>	<u>Action</u>
XCOM	9/18/06	Tank Weld Issues at Alyeska's VMT: The Board of Directors approved and directed that 1) Contractor Susan Harvey will complete her report; 2) A PWSRCAC project team will be formed to review the Harvey report. The Board will receive the report simultaneously with the project team; 3) Alyeska & regulators will receive a copy of the report after the project team review & possible revision; and 4) it is anticipated that the final report be submitted to the Board for approval at its January meeting.
Board	5/2/07	Tank Integrity Issues Report: The Board of Directors accepted the four reports on tank integrity issues prepared by Harvey Consulting, LLC, on Tanks 55, 5, 16 and 93 as meeting the terms and conditions of the contract 505.2007.01 and for public distribution; and referral of the reports to the TOEM Committee for further review and any additional follow-up.
XCOM	2/9/12	VMT Tank 5 Report Approval: The Executive Committee approved the report titled "Valdez Marine Terminal Crude Oil Storage Tank 5" dated January 25, 2012 by HCLLC, and directed staff to provide the report to ADEC requesting that the inspection waiver granted for Tank 5 be reconsidered.
XCOM	4/28/15	Tank 13 Internal & External Inspection Review: The Executive Committee approved the report titled, VMT Crude Oil Tank 13 Inspection Review, completed by Harvey Consulting, LLC, for distribution to industry, regulatory, and public stakeholders and to be posted and available for download on the PWSRCAC website.
XCOM	6/26/15	Tank 13 Internal & External Inspection Review: The Executive Committee approved the revised report, VMT Crude Oil Tank 13 Inspection Review, completed by Harvey Consulting, LLC, for distribution to industry, regulatory, and public stakeholders and to be posted and available for download on the PWSRCAC webpage.
Board	7/31/15	Tank 14 Internal & External Inspection Review: The Executive Committee approved the report titled "VMT Crude Oil Tank 14 Inspection Review" by Harvey Consulting, LLC, for distribution.
Board	5/21/20	Approval of FY2020 Contract and Budget Modification for Project 5056 Tank 8 Internal Inspection Review: The Board authorized a budget modification adding \$56,233 to the Tank 8 Internal Inspection Review Project 5056 in the FY2020 PWSRCAC budget; and authorizing the Executive Director to enter into a contract with Taku Engineering LLC., for work to review the inspection and repair of Tank 8, at an amount not to exceed \$71,233.
Board	5/6/2021	Crude Oil Storage Tank 8 Maintenance Review: The Board accepted the report titled "Crude Oil Storage Tank 8 Maintenance Review" by William Mott of Taku Engineering, dated April 2021, as meeting the terms and conditions of Contract 5056.20.01, with direction to staff to forward the report to Alyeska and state and federal regulators accompanied by a cover letter summarizing findings and recommendations with requests for appropriate action.
Board	9/16/2021	Contract Approval: Crude Oil Tank 7 and BWT Tank 94 Maintenance Review: The Board authorized a contract with Taku Engineering, LLC for work on Project 5081 Crude oil Tank 7 and Ballast Water Tank 94 Maintenance Review in an amount not to exceed \$75,088.

4. **Summary of policy, issues, support or opposition:** None.

5. **Committee Recommendation:** The TOEM committee's recommendation regarding this request will be provided to the Board at or prior to the Board meeting.

6. **Relationship to LRP and Budget:** Project 5081 – Storage Tank Maintenance Review is included in the proposed FY2023 budget with \$60,000 allocated for use on a contract for professional services, such as the one being presented here.
7. **Action Requested of the Board of Directors:** Authorize sole source contract negotiation and execution with Taku Engineering LLC for work to complete the Council's Storage Tank Maintenance Review project focused on the inspection and repair of Ballast Water Tank 93 at an amount not to exceed the amount included in the Board approved FY2023 budget.
8. **Alternatives:** None recommended.
9. **Attachments:** None.