



**COMMISSION
AGENDA MEMORANDUM
ACTION ITEM**

Item No.	8j
Date of Meeting	September 9, 2025

DATE: September 5, 2025
TO: Stephen P. Metruck, Executive Director
FROM: Eric Schinfeld, Sr. Manager, Federal & International Government Relations
SUBJECT: Commission Exemption for MARAD PIDP Grant

Amount of this request:	\$1,500,000.00
Total estimated project cost:	\$2,100,000.00

ACTION REQUESTED

Request Commission to: 1) determine a competitive process is not appropriate or cost effective consistent with Revised Code of Washington 53.19.020(5); and 2) authorizing the Port to specify the Louis Dreyfus Company (LDC) as sub-awardee for the entirety of the \$1,500,000 U.S. Maritime Administration (MARAD) Port Infrastructure Development Program (PIDP) grant application; and 3) execute any resulting service agreements with LDC to achieve the grant requirements if funding is awarded.

EXECUTIVE SUMMARY

The annual MARAD PIDP grant program provides funding to support maritime goods movement projects. The Fiscal Year 2025 (FY25) Notice of Funding Opportunity (NOFO) is due on September 9, 2025. MARAD anticipates awarding the grants by December 31, 2025.

The Port of Seattle is partnering with LDC to apply for a \$1.5 million grant to fund the purchase of a new switcher locomotive at the Terminal 86 (T86) Grain Terminal. This new switcher locomotive would replace the use of two 60-year-old switcher locomotives. This upgrade is essential to ensuring the safe, efficient, and reliable movement of grain exports through one of the most significant agricultural export facilities on the U.S. West Coast. By improving fuel efficiency, reducing harmful air emissions, enhancing operational reliability and resiliency, and maximizing agricultural throughput, the Project will strengthen a critical supply chain that supports American farmers, exporters, and global food security.

However, in order to apply for this grant in partnership with LDC and still be aligned with the Port's procurement policies, staff are seeking a commission exemption to contract with LDC as a sub-recipient if the grant is awarded.

JUSTIFICATION

The purpose of this exemption request is to specify LDC as the sub-awardee for a MARAD PIDP grant application, due on September 10, 2025.

We request a commission exemption because it is not appropriate or cost-effective to compete this work. LDC operates the T86 grain terminal under a long-term lease with the Port of Seattle. Given that they are the sole operator and the owner of the locomotives that operate at the facility, they are uniquely positioned to be the grant subrecipient. LDC has pledged 30% of the \$2.1 million project cost as a non-

Meeting Date: September 9, 2025

federal match for the grant.

Diversity in Contracting

There are no aspirational goals for this commission exemption.

DETAILS

The Port of Seattle, in partnership with its T86 operator LDC, believe that the purchase of a new switcher locomotive will produce significant and broad-reaching benefits including:

- **Safety:** Lower locomotive emissions and noise as well as improved on-site visibility will improve working conditions, while also benefitting air quality in neighborhoods adjacent to Terminal 86.
- **Environmental:** The new locomotive will reduce annual emissions of nitrogen oxides by 7.36 tons and fine particulate matter (PM_{2.5}) by 0.182 tons. The NOx reductions alone are equivalent to eliminating all NOx emissions produced in powering 1,001 homes in the United States per year.
- **Efficiency:** A modernized locomotive will reduce operating hours required to perform the same level of work, increase throughput processing speed, and reduce congestion on regional rail networks.
- **Reliability:** State-of-the-art equipment will reduce the risk of breakdowns and delays that can ripple through national supply chains.
- **Resiliency:** Investment in this equipment ensures continuity of U.S. grain exports in the face of natural and manmade hazards.
- **Economic Benefits:** Support American agriculture, save money on locomotive fuel, and protect against economic losses associated with terminal inefficiencies and locomotive maintenance.

If awarded, the Port of Seattle is committed to fulfilling its obligations as a pass-through entity under a federal grant award. We will partner with LDC, the subrecipient, to ensure the timely completion of the project in compliance with all federal requirements. We are confident in LDC's abilities to perform as a subrecipient to the Port of Seattle. The Port and LDC worked closely together to build the TRADE Project, prepare this grant application, and to pre-determine roles and responsibilities between our two organizations, thereby setting this project up for success.

Schedule

- The Port and LDC are fully prepared to purchase the new switcher locomotive as soon as the grant is contracted. We expect delivery and implementation of the new locomotive to take approximately 12 months. A detail schedule of deliverables and timelines is included in the grant application.

Cost Breakdown

PIDP Funds	\$1,470,000	\$1,470,000
Other Federal Funds	\$0	\$0
Non-Federal Funds (Match)	\$630,000	\$630,000

Meeting Date: September 9, 2025

ALTERNATIVES AND IMPLICATIONS CONSIDERED

The alternative to this commission exemption is to submit the grant without named partners and then – if successful – conduct a full competitive process to identify and select sub-awardees to support the execution of the scope of work.

However, this alternative was rejected because – without LDC’s named partnership – there would not be the MARAD required non-federal match contribution. In addition, LDC is clearly uniquely qualified to conduct this work, given their exclusive lease to operate the facility.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None