

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**ACTION ITEM**

**Item No.** 6d  
**Date of Meeting** September 10, 2013

**DATE:** September 3, 2013  
**TO:** Tay Yoshitani, Chief Executive Officer  
**FROM:** Ralph Graves, Managing Director, Capital Development  
**SUBJECT:** Construction Document Management (CIP #C800521)

<b>Amount of This Request:</b>	\$900,000	<b>Source of Funds:</b>	64% Airport Dev Fund; 36% General Fund
<b>Est. Total Project Cost:</b>	\$900,000		
<b>Est. State and Local Taxes:</b>	\$45,000	<b>Est. Jobs Created:</b>	Unknown
<b>Net Proceeds to the Port:</b>	N/A		

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to (1) proceed with the Construction Document Management Project; (2) execute contracts to purchase hardware, software, and vendor service; and (3) authorize the use of Port staff for implementation. The amount of this request is \$900,000 for a total project cost of \$900,000.

**SYNOPSIS**

Construction Management (CM) currently uses the LiveLink document management system as its primary system to manage and store all documentation for large construction projects. This system facilitates communications between internal and external team members such as contractually-required submittals, requests for information (RFI), change requests, daily inspection and contractor reports, construction bulletins, and meeting minutes and is critical for managing construction contracts worth some \$200 million annually. The LiveLink version installed at the Port lacks functionality to efficiently manage upcoming projects and the software will be unsupported by the vendor in September 2013.

The purpose of this project is to procure and implement a system to manage the workflow (including submittal, review, and approval) and archival of construction documentation. Information and Communication Technology (ICT) and CM resources will collaborate to complete the project. This project was included in the Corporate Division's 2013-2017 capital budget and plan of finance with a budget of \$1,000,000.

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### **BACKGROUND**

CM, a unit of the Capital Development Division (CDD), oversees the majority of construction projects at the Port. Once a project is in construction, the CM group is the focal point for general contractors, architects, the Port Project Management Groups (PMGs), Facilities and Infrastructure (F&I), and other internal and external organizations. Currently, 720 workflow communications on 33 active projects across the Port are being managed through LiveLink. The Port owns a total of 350 LiveLink licenses; 170 assigned to internal users and 180 assigned to external users.

#### **Critical Issues**

- The current system lacks effective collaboration capability. Reviewers can't see each other's comments adding work to compile comments and resolve conflicting feedback.
- Inflexible forms and reports that were originally designed to facilitate efficient communication no longer work for current processes. An effort to upgrade these tools is not cost effective because LiveLink has been overtaken by better software programs. LiveLink is an old program which the Port has used since 2002.
- A complex security configuration leads to mistakes in user authorization.
- The management of documentation is cumbersome and not intuitive requiring a high level of CM involvement for continuous user training and system assistance.

### **PROJECT JUSTIFICATION AND DETAILS**

The number of approved and planned construction projects has increased dramatically over the past year with an over 60% increase in construction costs to be managed from 2012 to 2014. Additionally, in 2015 and 2016, the multi-million dollar NorthSTAR program and potential mega-projects, such as the International Arrivals Facility and reconstruction of Runway 16C, are also anticipated to be in construction. These projects are in addition to a number of projects for the Aviation, Seaport, and Real Estate divisions, including those for Seaport Environmental remediation. A significant increase in CM staff will be required to support this effort. If the new system is not implemented before the start of these mega-projects, the CM organization will require more than doubling of our document management staff (through a combination of outside consultants or new hires) to manage the upcoming work using an unsupported, outdated and inefficient system.

#### ***Project Objectives***

Purchase and implement a construction document workflow system that includes:

- Customizable workflows that automate the processes of document submission, review, and approval.
- Collaboration tools for reviewers and managers to facilitate shared comments.
- Automatic filing to designated repositories with assigned retention schedules.
- Ability to capture and submit information with a mobile device.

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### ***Scope of Work***

- Procure via Request for Procurement (RFP), install, and configure a construction document management system.
- Move documents currently stored in our legacy system to records repositories per retention schedules.
- Train internal users and external partners on new processes.

### ***Schedule***

Commission Authorization	September 2013
Procurement Complete	March 2014
Deployment Complete	March 2015

## **FINANCIAL IMPLICATIONS**

### ***Budget/Authorization Summary***

	Capital	Expense	Total Project
Original Budget	\$900,000	\$0	\$900,000
Previous Authorizations	\$0	\$0	\$0
Current request for authorization	\$900,000	\$0	\$900,000
Total Authorizations, including this request	\$900,000	\$0	\$900,000
Remaining budget to be authorized	\$0	\$0	\$0
Total Estimated Project Cost	\$900,000	\$0	\$900,000

### ***Project Cost Breakdown***

	This Request	Total Project
Software License	\$360,000	\$360,000
Vendor Services	\$150,000	\$150,000
ICT Project Management/Technical	\$195,000	\$195,000
State & Local Taxes (estimated)	\$45,000	\$45,000
Contingency (~20%)	\$150,000	\$150,000
<b>Total</b>	<b>\$900,000</b>	<b>\$900,000</b>

### ***Budget Status and Source of Funds***

This project was originally included in the Corporate Division's 2013-2017 capital budget and plan of finance as a business plan prospective project with a budget of \$1,000,000 within CIP #C800521, Construction Document Management.

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### ***Financial Analysis and Summary***

<b>CIP Category</b>	Renewal/Enhancement
<b>Project Type</b>	Technology
<b>Risk adjusted discount rate</b>	N/A
<b>Key risk factors</b>	N/A
<b>Project cost for analysis</b>	\$900,000
<b>Business Unit (BU)</b>	Capital Development Division
<b>Effect on business performance</b>	Will increase NOI after depreciation
<b>IRR/NPV</b>	N/A
<b>CPE Impact</b>	.01

### ***Lifecycle Cost and Savings***

License and maintenance costs are not expected to change as a result of this project. These costs will continue to be budgeted in the ICT Operating Budget.

## **STRATEGIES AND OBJECTIVES**

This project supports the Port's 2013 strategy to support the Port of Seattle's mission to implement the Divisions' business plans by providing the necessary tools to efficiently manage critical construction projects.

## **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1)** – Upgrade the current system. This alternative would require a product upgrade, new forms and reports, additional licenses, security assessment, and re-training. The estimated five year cost for this option exceeds that of the recommended alternative. This is not the recommended alternative.

**Alternative 2)** – Continue to operate using the current version. With the planned increase in construction projects and lack of support of LiveLink beyond September 2013 by the vendor, using the current system would require additional resources to support the document management process. Additional licensing costs will also be incurred to accommodate an increase in LiveLink users for these upcoming mega-projects and require cumbersome workarounds outside of the system to manage the large volume of construction documents. This is not the recommended alternative.

**Alternative 3)** – Select and implement a construction documentation workflow system via a competitive procurement process. This alternative will provide the necessary tools to efficiently manage critical construction projects. **This is the recommended alternative.**

## **ATTACHMENTS TO THIS REQUEST**

None.

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**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None.