

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	5d
Date of Meeting	March 11, 2014

DATE: February 28, 2014

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director,
Janice Zahn, Assistant Director, Engineering Services

SUBJECT: Engineering Special Testing and Inspection IDIQ

Amount of This Request:	\$0	Source of Funds:	Future project authorizations and annual operating budget
Maximum contract value:	\$950,000		

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute up to three indefinite delivery, indefinite quantity (IDIQ) service agreements for services related to special testing and inspection services in support of the Port's Aviation and Seaport Divisions, Real Estate, Marine Maintenance and Port Construction Services (PCS) projects with a cumulative total amount not to exceed \$950,000 for three years. No funding is associated with this request.

SYNOPSIS

Staff anticipates issuing up to three IDIQ contracts to provide special testing and inspection consultant services to support the Port's Construction Management and Construction Safety staff on major construction projects for all core business units. Special testing and inspection services may include concrete strength tests, soil density testing, and structural steel testing.

With the fluctuating project workload, IDIQ contracts provide the Port with the flexibility to meet business requirements as they arise by issuing individual service directives to accomplish tasks within a general, pre-defined scope of work on an as-needed basis for a fixed period of time and a maximum contract amount. The Port's Office of Social Responsibility will assist in identifying any small business opportunities prior to the time of public advertisement of the IDIQ contracts in accordance with the Port's small business Resolution No. 3618. Competitively bid IDIQ contracts are a widely used public sector contracting tool, consistent with the Port's Resolution No. 3605, as amended by Resolution No. 3628, and governed by CPO-1 policy.

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BACKGROUND

The number of outside technical services agreements that the Port enters into is substantial and there is a significant amount of effort and time required to process each agreement. As an example, some of the administration activities required include: long lead time advertisements, consultant interviews, consultant selection and negotiation, contract preparation, and insurance requirements. These activities inhibit rapid response and reduce the management and staff time available for other engineering and construction activities. Significant economics and efficiencies can be obtained by reducing the number of selection processes. Over 100 total projects are identified as having construction costs over \$300,000 for the next three years.

This authorization will only authorize the execution of the contract. A service directive will be issued for each project authorizing the consultant to perform a specified scope of work only after staff has received authorization for the project in accordance with Port policies and procedures. The cumulative total not-to-exceed cost for two Construction Management contracts is \$750,000 with a three-year contract ordering period and one Port Construction Services contract at \$200,000 with a three-year contract ordering period.

PROJECT JUSTIFICATION AND DETAILS

In March 2014, Engineering Services plans to advertise for a special testing and inspections IDIQ contract. The goal is to have three service agreements in place by end of July 2014 as the current IDIQ contracts begin expiring in August of 2014.

Scope of Work

Within the next three years, over 100 projects are identified as having construction costs over \$300,000 for an overall estimated total construction cost of over \$600 million. To support the special testing and inspection services (e.g. – concrete strength tests, soil density testing and structural steel testing) on these projects, a request for proposal (RFP) would be issued to execute multiple IDIQ contracts to provide special testing and inspection services. The types, numbers, amounts, and durations of consultant services are established based on projected needs of the Capital Improvement Programs for Aviation, Seaport, and the Real Estate divisions.

The RFP will include goals for small business participation. Each contract will have a contract ordering period of three years during which the services may be separately authorized. The actual contract duration may extend beyond three years in order to complete the work identified in a particular service directive. The Port will not issue service directives in excess of each contract's value or after expiration of the contract ordering period.

Schedule

The goal is to have three service agreements in place by end of July 2014 as the current IDIQ Contracts expire in August of 2014 and each will have a three-year ordering period. The contract durations may extend beyond that period to allow work to be completed.

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FINANCIAL IMPLICATIONS

Budget Status and Source of Funds

There is no funding request associated with this authorization. Individual service directives will be executed to authorize the Consultant to perform any specific work on the contract against approved project authorizations.

STRATEGIES AND OBJECTIVES

Promote local business through efficient and cost effective use of consultants to provide specialized services for Port design and construction projects.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Do nothing - This alternative would require the lengthy and costly process of selecting consultants for each task, thus requiring increased lead time, additional management oversight, additional administrative preparation, and increased advertising fees. This is not a viable alternative if the Port is committed to best practices for capital project delivery and meeting our business sponsor needs. This is not the recommended alternative.

Alternative 2) – Delay the advertisement and award of these IDIQ contracts. Existing contracts are near their contract limits or are set to expire in August 2014. Delays in contract procurement may cause project impacts, schedule delays, and increased costs. This is not the recommended alternative.

Alternative 3) – Advertise and execute three (3) IDIQ services agreements to allow for the efficient and cost effective use of consultants to provide the technical services required by Engineering. **This is the recommended alternative.**

ATTACHMENTS TO THIS REQUEST

- None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None