

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	<u>4b</u>
Date of Meeting	<u>June 24, 2014</u>

DATE: June 16, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Wayne Grotheer, Director, Aviation Project Management Group
SUBJECT: Passenger Loading Bridge IDIQ contract for Seattle-Tacoma International Airport

Amount of This Request:	\$0	Source of Funds:	Current and Future Operating Budgets;
Maximum Value of Contract:	\$2,000,000		Future Project Authorizations

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute a professional services indefinite delivery, indefinite quantity (IDIQ) contract for Passenger Loading Bridge (PLB) design services in the amount of \$2,000,000 with a contract duration of four years in support of upcoming capital improvement projects at Seattle-Tacoma International Airport. There is no budget request associated with this authorization.

SYNOPSIS

Over the next several years, the Port of Seattle will be in need of replacing, refurbishing, or providing new PLBs. This work is considered vital to the operational integrity of the Airport and will fulfill business goals and objectives. Procuring a Passenger Loading Bridge design services IDIQ contract will allow the Port to meet the needs of operations and planned projects in a timely manner.

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 contract will have a four year ordering period during which time the Port may issue service directives. The contract duration maybe extended past four years to allow for work initiated during the ordering period to be fully implemented.

Competitively procured IDIQ contracts are a widely used public sector contracting tool, consistent with the Port's Resolution No. 3605, as amended, and governed by CPO-1 policy. The public advertisement for this contract will contain goals for inclusion of small businesses. Budgets to utilize this contract will come separately from either annual operating budget or individual project authorizations.

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PROJECT DESCRIPTION AND DETAILS

The Port estimates 16 additional PLBs that may need design services for complete replacement by the end of 2018. These PLBs are divided amongst several existing and future Capital Improvement Projects (CIPs) being sponsored by Aviation Operations and Maintenance. The CIPs are detailed below.

- CIP C800653 is budgeted at \$7.25 million for the renewal or replacement of 7 PLBs. This CIP has been approved through Majority-In-Interest vote.
- CIP C800584 is budgeted at \$3.0 million for the replacement of 3 PLBs on B Concourse associated with the Southwest Airlines removal of bridges. This CIP is currently in notebook planning.
- Future, yet to be named, CIP(s) being sponsored by Aviation Operations will include 6 additional PLBs, including re-establishing the C3 gate with a PLB and renewal or replacement of future negotiated and purchased Alaska Airlines PLBs on Concourses C and D.

In general, the scheduling of a PLB replacement and refurbishment project is relatively unpredictable and highly dependent upon operational and capacity concerns. Utilization of this type of IDIQ contract has proven to be an efficient, cost effective, and flexible method of responding to uncertain design requirements over a multiple year span. Once executed, individual Service Directives will be negotiated and executed before any design work is performed. Service Directives consisting of scope, fee agreement, and schedule will not be established until each project has been approved by the Commission in accordance with Resolution No. 3605, as amended.

FINANCIAL IMPLICATIONS

Charges to this contract will come directly from individual PLB Capital Improvement Projects which will have been authorized by the Commission and will be applied utilizing established procedures and guidelines. Consequently, there is no funding request associated with this IDIQ authorization. No work is guaranteed to the consultants and the Port is not obligated to pay the consultant until a service directive is executed. Unused contract capacity will expire at the end of the contract duration.

SMALL BUSINESS PARTICIPATION

The project manager will coordinate with the Office of Social Responsibility to determine small business participation opportunities in accordance with Port's Small Business Resolution No. 3618.

STRATEGIES AND OBJECTIVES

This project supports the Airport's strategy to "Operate a world-class international airport" by:

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- Ensuring safe and secure operations
- Anticipating and meeting the needs of our tenants, passengers, and the region's economy
- Managing our assets to minimize the long term total cost of ownership

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Prepare separate procurements each time PLB design services are needed. This alternative would require many more procurement processes, add time to projects, and increase administrative costs in order to hire consultant design teams for each project. This is not the recommended alternative.

Alternative 2) – Prepare a single procurement to contract with a PLB design services consultant for PLB projects as they arise. This alternative provides a high degree of integrity in design for construction and minimizes the number of procurement processes necessary for timely completion of projects. **This is the recommended alternative.**

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None