

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	6a
Date of Meeting	July 29, 2014

DATE: July 21, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Ralph Graves, Managing Director, Capital Development
SUBJECT: Contractor Data System Upgrade (CIP #C800519)

Amount of This Request:	\$675,000	Source of Funds:	76.8% Airport Development Fund
Est. Total Project Cost:	\$675,000		17.9% General Fund 5.3% General Fund Real Estate

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to (1) execute contract documents for required vendor services; and (2) authorize Port staff to implement the Contractor Data System Upgrade project for a total project cost not to exceed \$675,000.

SYNOPSIS

The Contractor Data System (CDS) is a core system used by the Central Procurement Office (CPO) to manage approximately 100 current major construction and small works contracts. CDS provides functionality to manage all contract and contractor information including invoice payments, contract budget, insurance limits, expiration dates, claim liens, prevailing wage forms, payroll data, and many other important contract components. This aging system was built ten years ago, is expensive to maintain, and does not meet current business, technical, and security requirements.

This project will upgrade CDS to meet requirements and reduce the risk of failure. Information Communication Technology (ICT) resources will be utilized to complete the project. Total project costs are estimated to be \$675,000. This project was included in the 2014 – 2018 capital budget and plan of finance as a \$1,500,000 business plan prospective project within CIP #C800519, Contractor Data System Upgrade.

BACKGROUND

CDS is a Microsoft Access application comprised of four modules to manage contract and contractor information, upload pay information, provide pay estimates, and manage reports. In addition to CPO, the system is also used by Construction Management to track time and materials, verify change orders, and negotiate claims; the Office of Social Responsibility (OSR)

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to report on small business and apprentice utilization; Labor Relations to audit project labor agreements and ensure compliance with state law; the Construction Safety organization to review safety plans; and external contractors to submit electronic pay information for prime and sub-contract resources.

PROJECT JUSTIFICATION AND DETAILS

CDS has the following critical issues.

- Contractor information is currently entered into three different systems reducing efficiency and increasing the opportunity for error.
- There is a lack of data entry validation, which leads to rework and data integrity issues.
- CDS does not capture all information critical for OSR and Labor Relations auditing.
- The system is built on a platform that does not meet Port Technology Standards, increasing maintenance costs and preventing integration with other key systems.

Project Objectives

- Ensure the availability of a critical system for CPO, Construction Management, OSR, Labor Relations, and Construction Safety organizations to manage contracts and provide required reports on contractor activity.
- Increase efficiency by providing automated interfaces to eliminate duplication of data entry.
- Capture additional information for OSR and Labor Relations reporting.

Scope of Work

- Upgrade CDS to meet business, technical, and security requirements.

Schedule

Commission Approval	July 2014
Development Complete	September 2015
Deployment Complete	February 2016

FINANCIAL IMPLICATIONS

Budget/Authorization Summary

	Capital	Expense	Total Project
Original Budget	\$675,000	\$0	\$675,000
Previous Authorizations	\$0	\$0	\$0
Current request for authorization	\$675,000	\$0	\$675,000
Total Authorizations, including this request	\$675,000	\$0	\$675,000
Remaining budget to be authorized	\$0	\$0	\$0
Total Estimated Project Cost	\$675,000	\$0	\$675,000

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Project Cost Breakdown

	This Request	Total Project
Development and Test	\$476,000	\$476,000
Infrastructure	\$17,000	\$17,000
Project Management	\$70,000	\$70,000
Contingency 20%	\$112,000	\$112,000
Total	\$675,000	\$675,000

Budget Status and Source of Funds

This project was included in the 2014-2018 capital budget and plan of finance as a \$1,500,000 business plan prospective project within CIP #C800519, Contractor Data System Upgrade. The source of funds is 76.8% Airport Development Fund, 17.9% General Fund, and 5.3% General Fund Real Estate.

Financial Analysis and Summary

CIP Category	Renewal/Enhancement
Project Type	Technology
Risk adjusted discount rate	N/A
Key risk factors	N/A
Project cost for analysis	\$675,000
Business Unit (BU)	Central Procurement Office
Effect on business performance	N/A
IRR/NPV	N/A
CPE Impact	Less than \$.01 in 2016; no change from business plan forecast as this project is funded from CIPs included in the plan.

Lifecycle Cost and Savings

Recurring costs to maintain the system are not expected to change significantly as a result of this project.

STRATEGIES AND OBJECTIVES

This project supports the Century Agenda strategy to advance this region as a leading tourism destination and business gateway. This project ensures the availability of tools to efficiently manage projects across all Port Divisions.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Procure a system to replace CDS. ICT and CPO have researched many off-the-shelf products and they do not meet the unique needs to track multiple contract types and comply with OSR, Labor Relations, Washington State, and Federal reporting requirements. This is not the recommended alternative.

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Alternative 2) – Upgrade CDS to meet current business, technical, and security requirements with automated interfaces and the ability to capture key data requirements for OSR and Labor Relations. **This is the recommended alternative.**

ATTACHMENTS TO THIS REQUEST

- None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None.