

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4b
Date of Meeting September 30, 2014

DATE: September 22, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Wayne Grotheer, Director, Aviation Project Management Group
SUBJECT: Project Management Services IDIQ Contracts

Amount of This Request:	\$0	Source of Funds:	Current and Future Operating Budgets;
Maximum Value of Contracts	\$5,000,000		Future Individual Project Authorizations

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute two professional services indefinite delivery, indefinite quantity (IDIQ) contracts for Project Management Services in the amount of \$2,500,000 per contract for a total of \$5,000,000. Each contract will have a duration of one year with two one-year options and include a three-year ordering period in support of upcoming capital improvement projects. There is no budget request associated with this authorization.

SYNOPSIS

With many new capital projects on the horizon, it is necessary to have project management services capability available to supplement staff capabilities and handle the 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. Competitively procured IDIQ contracts are widely used public-sector contracting tools, consistent with the Port's Master Delegation of Authority contained in Resolution No. 3605, as amended by Resolution No. 3628, and governed by CPO-1 policy. The public advertisement for these contracts will contain goals for inclusion of small business. Budgets to utilize these contracts will come separately from either annual operating budgets or individual project authorizations.

BACKGROUND

In March of 2011, the Commission authorized two IDIQ contracts for project management services totaling \$3,000,000 to ensure that project management services were readily available on an as-needed basis. These contracts are expiring at the end of the year.

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Over the next few years, a number of new projects are being planned to fulfill business plan objectives. Procuring additional Project Management Services will allow the Port to meet the needs of planned projects in a timely manner. In order to meet the service capacity and turnaround times needed, staff recommends that the Port contract with two Project Management Services firms.

PROJECT JUSTIFICATION AND DETAILS

The Port will advertise and issue a request for qualifications (RFQ) that includes a goal for small contractors and suppliers (SCS) participation determined by the Office of Social Responsibility.

The contract will have a contract ordering period (during which the Project Management Services may be separately authorized) of one year with options for two additional years. The actual contract duration may extend beyond five years in order to complete the work identified in particular service directive(s). Service directives may be issued during the contract ordering period. The Port will not issue service directives in excess of the \$2,500,000 contract value.

Representative needs include, but are not limited to, Wi-Fi upgrades, Closed Circuit Television upgrades, and Airport Dining and Retail support. We expect that some of these projects and other unidentified projects will move forward between 2014 and 2018.

FINANCIAL IMPLICATIONS

The total estimated cost for project management services will not exceed \$5,000,000. Each contract will have a not-to-exceed threshold of \$2,500,000. No work is guaranteed to the consultants and the Port is not obligated to pay the consultant until a service directive is executed. After receiving authorization for each project in accordance with the Master Delegation of Authority, the actual work will be defined and the Port will issue individual project-specific service directives.

STRATEGIES AND OBJECTIVES

These contracts support the Century Agenda strategy of advancing this region as a leading tourism destination and business gateway through meeting the region's air transportation needs at Sea-Tac Airport for the next 25 years and encourage the cost-effective expansion of domestic and international passenger and cargo service, by allowing the Port to provide support and management to existing and upcoming capital projects.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Prepare two procurements, one for each project management services contract. This alternative would require more procurement processes, add time, and increase administrative costs in order to hire two consultant design teams. This is not the recommended alternative.

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Alternative 2) – Prepare separate procurements for each project. This alternative would require many more procurement processes, add time to projects, and increase administrative costs in order to hire consultant project managers for each project. This is not the recommended alternative.

Alternative 3) – Prepare a single procurement to contract with two project management services firms for identified project management needs as they arise. This alternative would provide a higher degree of integrity in the management of projects, necessary for timely completion of projects. **This is the recommended alternative.**

ATTACHMENTS TO THIS REQUEST

- None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- On March 8, 2011, the Commission voted to authorize the execution of two professional services IDIQ contracts for project management services.