

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

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

**Item No.** 4f  
**Date of Meeting** October 13, 2015

**DATE:** October 2, 2015  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Bob Duffner, Senior Manager Aviation Environmental  
**SUBJECT:** Environmental Construction Support Services Indefinite Delivery, Indefinite Quantity Professional Services Agreement

**Maximum Contract Value:** \$2,300,000      **Source of Funds:** Future individual project authorizations and operating budgets

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to execute one (1) professional services indefinite delivery, indefinite quantity (IDIQ) contract to perform environmental construction support services with a total value of \$2,300,000 and a contract ordering period of five (5) years. No funding is associated with this authorization.

**SYNOPSIS**

Environmental construction support services includes provision for environmental construction monitoring, hazardous waste compliance, and site assessments for environmental due diligence. Services are provided to support planning and development initiatives and other strategic interests for all Port divisions and the Alliance, as needed.

IDIQ contracts provide the Port with the flexibility to meet business requirements as they arise by issuing individual service directives to accomplish tasks within the general, pre-defined scope of work on an as-needed basis for a fixed period of time and a maximum contract amount. The funding for these service directives will come separately from either annual operating budgets or individual project authorizations.

**BACKGROUND**

Port environmental staff is on-call 24/7 and respond as needed to monitor and coordinate environmentally related events, all spills or other environmental emergency response actions, and discovery of unanticipated contamination during construction and other Port activities. Annually, staff manages hundreds of thousands of pounds of contaminated soil, hazardous waste, and other regulated materials. A major portion of this work includes monitoring construction activities for environmental contamination caused by historic operations and spills of hazardous

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materials. In most cases contaminated soils at these sites present no risk to human health or the environment while in place or below pavement. However, that same contaminated material must be properly managed and disposed of in accordance with federal and state requirements once excavated and removed from the site.

In 2002, an environmental construction monitoring work plan was developed to document the coordination and oversight related to the discovery, evaluation, and disposal of contaminated materials encountered during construction projects. This plan was originally required to be implemented as part of the 401 Water Quality Certificate 1996-4-02325 issued by the Washington State Department of Ecology in June 2004. The Port continues to implement it as evidence that all discovered contamination is properly identified and disposed. Implementation of this plan has been proven to decrease construction delays, and ensure the Port properly disposes of contaminated material, preventing significant additional cost and cleanup liability.

Similarly, Airport operations and maintenance activities generate a significant volume of hazardous waste. These wastes include maintenance supplies, garden pesticides, building materials containing PCBs, mercury, and lead, underground storage tanks, and containers of unknown contents. Each of these materials requires special management to comply with the rules of multiple regulatory agencies.

Property acquisitions also require the need for environmental assessments and other technical support services to determine if historic contamination is present and how the site should be properly characterized to meet environmental due diligence standards.

## **REQUEST JUSTIFICATION AND DETAILS**

Construction monitoring and waste management compliance require specific technical knowledge and training, as well as expertise in using specialized field sampling and detection equipment. Management of waste consistent with the Port's construction monitoring work plan and federal and state regulations minimize construction delays, limits environmental impacts, and reduces the Port's exposure to unacceptable liability and enforcement actions.

Competitively bid IDIQ contracts are a widely used public sector contracting tool, consistent with the Port's General Delegation of Authority and governed by Central Procurement Office (CPO)-1 policy.

This contract will be procured according to CPO-1 procedures for Category III procurement. The Port will advertise and issue a request for qualifications (RFQ) that includes small business goals, including small contractors and suppliers (SCS) participation, as determined jointly with the Office of Social Responsibility (OSR). The contract will support the small business and SCS goals that promote opportunities for a variety of small businesses to participate.

An evaluation of the level of outside services required versus Port staff support was performed as detailed in the Alternatives and Implications Considered section below. This evaluation considered cost as well as staff availability, impacts to work schedules and level of in-house

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expertise. The evaluation concluded that environmental construction support services could be most effectively met through a combination of Port staff supplemented by IDIQ contract support.

In addition to this proposed IDIQ, Port staff are proposing an IDIQ for Upland and Sediment Environmental Site Management and Investigation Support Services under separate commission authorization request (Item No. 4g). The Upland and Sediment IDIQ will provide support for remediation-related assessments, investigations and other related activities performed to understand potential liability associated with contamination present at current or potential future Port Facilities. These remediation-related assessments and investigations primarily address contaminated sites regulated under the State's Model Toxics Control Act or Federal Superfund program (CERCLA) requiring specialized services addressing the technical and regulatory needs of these regulations. This contract is primarily for Maritime & Economic Development; however it will allow for Aviation and Alliance work also.

This proposed Environmental Construction Support Services IDIQ is focused on management of construction waste and other regulated materials generated by operating facilities. Expertise is required in materials management under state and federal solid waste regulations. This contract is primarily for work related to Aviation Division; however, we are including option for work related to Maritime, Economic Development, and Alliance.

Personnel required to meet these two IDIQ requirements are significantly different. Combining these two procurements was considered in acquisition planning. A single procurement would result in larger contract with multiple specialty subcontractors. Two separate procurements was selected in order to avoid prime contractor management fees and provided direct access the specialized services required.

### ***Project Objectives***

- Provide cost effective means for the Port to meet requirements of the Environmental Construction Monitoring work plan.
- Provide technical expertise for hazardous waste management compliance and to perform site assessments and characterize site conditions for environmental due diligence.

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

Prepare and execute one IDIQ contract for Environmental Construction Services Support. Services to be included in the IDIQ contract are:

- environmental construction monitoring for identification and proper management of contaminated soils, underground storage tanks, fuel pipelines, other hazardous materials, and stormwater encountered during construction;
- field screening and laboratory sampling services for all types of media including waste, sediment, groundwater, surface water, storm water, soils, sludge, and air/vapor performed by trained environmental specialists;

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- data management and geographic information system services and mapping;
- compliance support for identifying, designating, packaging, inspecting, and coordinating disposal of hazardous and non-hazardous wastes;
- support for spill response activities;
- environmental site and risk assessments and investigations;
- design of site remediation systems; and
- cost estimation services for environmental projects.

### ***Schedule***

This IDIQ contract will have a contract ordering period of five years during which service directives will be issued. The contract duration and ordering period will ensure continuity of support to upcoming multi-year construction projects and other environmental support provided by this contract.

### **FINANCIAL IMPLICATIONS**

The contract will have a not-to-exceed amount of \$2,300,000. The Port will authorize work under individual service directives as specific work tasks are required and funding for that work is authorized by the Commission.

Individual service directives will be negotiated and processed before any work is performed. Service directives, consisting of a scope, fee agreement, and schedule, will not be established until the project has been approved in accordance with the General Delegation of Authority. There are no guarantees that the Port will initiate any service directive or that any related projects will be authorized by the Port Commission. The Port will not issue service directives in excess of the \$2,300,000 contract value.

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

The costs for the majority of services to be performed under this IDIQ contract will be associated with specific capital projects and approved through future individual project authorizations. Other costs will be included in the Aviation Environmental annual operating budget requests or other departments as needed and subject to Commission approval. Therefore, the primary funding source will be the Airport Development Fund.

### **STRATEGIES AND OBJECTIVES**

This procurement would support the Port's strategic objective of leading the U.S. airport industry in environmental innovation and minimizing the Airport's environmental impact. Actions taken under this authorization would ensure appropriate management of historic environmental contamination encountered by construction activity and of hazardous materials to prevent release of such materials to the environment. Services under this contract will also fulfill the Port's environmental due diligence relating to property acquisitions and redevelopment.

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This procurement would also support the Port's strategy to manage our finances responsibly by providing a cost efficient means to secure professional services for tasks that present variable workload and require specialized expertise that cannot be effectively provided by Port staff.

### **TRIPLE BOTTOM LINE**

#### ***Economic Development***

The contract will include provisions for small business participation as specified by the Port's Office of Social Responsibility.

- It is estimated that the environmental construction monitoring may require up to 17,000 hours of professional services over a five-year period.
- The current procurement plan is to execute one service agreement. The specialized services required will provide business opportunities for multiple firms to team on this procurement.
- In accordance with Office of Social Responsibility (OSR) recommendations, small business participation will be considered in the evaluation criteria. Several small businesses in the Puget Sound area marketplace will be able to compete independently for this contract.

#### ***Environmental Responsibility***

- Airport operations utilize significant amounts of hazardous materials (e.g., paints, solvents, fuels, oils). Proper management of these materials is critical to meet applicable state and federal regulations and limit impact on the environment. This contract will protect the environment from impacts of the current operation as well as identify and remove impacts from historic releases.

#### ***Community Benefits***

- As noted above, the contract will benefit the community by providing opportunities for Puget Sound small businesses.
- Proper management of hazardous materials prevents releases that could affect the health of the local community.
- Removal of hazardous materials from historic releases protects the local community from exposure to these materials.

### **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

Four alternatives for meeting the Airport's environmental construction support services requirements were evaluated. The alternatives evaluated methods of performing environmental construction monitoring tasks through contracted services, Port staff, construction contractor or combination of all three. Annual costs for each alternative were evaluated based on the anticipated demand for environmental construction monitoring during a construction season.

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Although the level of required services may vary year to year, the relative costs for each alternative were shown to remain the same and therefore not affect the evaluation of the alternatives for a typical year presented below. Hazardous waste compliance and site assessments must be performed through contracted services due to technical expertise needed for these tasks. Cost for these tasks, estimated at \$149,000 annually, was therefore the same in each alternative.

### **Alternative 1) Environmental Construction Support Services Completed by IDIQ contract:**

Estimated Annual Costs: \$700,500

#### Pros:

- Contractor only paid for work performed; no payment is given for being on-call.
- Does not require additional Port staff.
- Provides flexibility of contracted work force.
- Provides consistent reporting and documentation.
- Direct control of contamination and low potential for compliance violations or environmental liability.

#### Cons:

- Increased costs as compared to Alternatives 3 and 4.

### **Alternative 2) Environmental Construction Monitoring performed by Construction Contractor**

Estimated Annual Costs: \$791,600

#### Pros:

- Reduces Port staff costs for contract administration.

#### Cons:

- Increases environmental liability due to lack of direct control of waste designation.
- Increases AV/ENV staff time to track, compile, and manage contractor reports.
- Prime contractor would charge to manage these services under force account.
- Potential overpayment for mischaracterized soil.
- Costs greater than Alternatives 1, 3, and 4.

### **Alternative 3) Environmental Construction Monitoring Completed by Port Staff**

Estimated Annual Costs: \$554,800

#### Pros:

- Reduces staff costs for contract administration.
- Provides Port work force that can increase or decrease service level of effort as needed.
- Provides trained Port workforce with specific technical expertise.
- Provides consistent reporting and documentation.

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- Direct control of contamination and low potential for compliance violations or environmental liability.

### **Cons:**

- Servicing peak seasonal demand requires hiring additional full-time employees resulting in un-utilized labor through the majority of the year.
- Costs greater than Alternative 4.

### **Alternative 4) Environmental Construction Support Services Completed by IDIQ Contract and Port Staff**

Estimated Annual Costs: \$514,200

### **Pros:**

- Lowest cost alternative.
- Provides contracted and Port work force that can increase or decrease service level of effort needed.
- Provides trained workforce with specific technical expertise.
- Direct control of contamination and low potential for compliance violations or environmental liability.
- Provides consistent reporting and documentation.
- Provides opportunities for businesses, including small businesses, to participate in Port work.

### **Cons:**

- Coordination is required between Port Environmental Construction Manager and consultant.

**This is the recommended alternative. This analysis holds for higher and lower levels of required yearly services.**

## **ATTACHMENTS TO THIS REQUEST**

- None.

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- February 28, 2012 –Commission authorized execution of one professional services IDIQ contract to perform Environmental Field Support Services at Seattle-Tacoma International Airport with a total value of \$2,322,000 over 3 years.