

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4e
Date of Meeting March 8, 2016

DATE: February 25, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Bob Duffner, Compliance Manager, Aviation Environment & Sustainability
Paul Meyer, Compliance Manager, Maritime Environment & Sustainability
SUBJECT: Environmental Review and Permitting IDIQ Service Agreement

Amount of This Request: \$0 **Source of Funds:** No associated
Est. Total Contract Value: \$6,000,000 funding

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute up to three professional services indefinite delivery, indefinite quantity (IDIQ) contracts to provide environmental review and permitting support with a total value of \$6,000,000 and a contract ordering period of five years. There is no funding associated with this request.

SYNOPSIS

The services covered by these contracts will support operations and capital projects, providing environmental review and strategic development. Examples of work to be performed include completing National Environmental Policy Act (NEPA) and State Environmental Policy Act (SEPA) environmental review; preparing, negotiating, and issuing environmental permits; and supporting post-permit compliance and monitoring.

Two contracts valued at \$2.5 million and one contract valued at \$1 million are anticipated with a total over five years not to exceed \$6 million. The \$1 million contract would be set aside as a small business opportunity. The contracts would provide services as needed to all Port divisions and be available for projects the Port executes on behalf of the Northwest Seaport Alliance. These contracts will replace existing contracts serving a similar purpose.

Funding for service directives will come from either annual operating budgets or individual project authorizations.

BACKGROUND

Environmental review of projects and plans is required under a number of federal, state, and local regulations, as well as Commission Resolution No. 3650. Specialized environmental

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analyses are necessary for National and State Environmental Policy Act reviews as well as for preparing federal, state, and local environmental permits.

Environmental permitting and compliance requires site characterization, data and information collection, and preparation of plans and preliminary designs. The consultants providing services will support Port managers, who are responsible for obtaining necessary permits and monitoring compliance. These contracts will allow Port managers to obtain timely approvals by directing provided services.

Services that would be provided under the requested authorization will provide Port managers with consistent levels of technical expertise while increasing their capacity to support ongoing and future projects during a time of growth.

These contracts will ensure the Port conducts rigorous and thorough third-party environmental review for actions potentially falling under the authority of environmental laws and regulations such as the NEPA, SEPA, Clean Water Act, and Endangered Species Act as well as state and local laws, regulations, and ordinances. The contract will also support continued efforts to integrate Port sustainability policies and practices into Port project planning and implementation.

The authorization will replace expiring contracts, allowing staff to maintain capacity and continuity in providing environmental review support for planning, operations, and capital development.

PROJECT JUSTIFICATION AND DETAILS

The proposed procurement plan will execute three service agreements. The wide array of required specialized services will provide business opportunities for multiple firms to team on this procurement. The contracts will have subcontracting goals for small businesses. In addition, the Port is setting aside one contract for \$1 million for a qualified Small Business Enterprise.

Procuring multiple IDIQ service agreements will ensure the Port has the capacity to support capital and operational projects with varying scopes and deadlines. The service agreements will provide access to an array of technical disciplines required for environmental review and permitting. While Port managers are responsible for directing environmental review and permitting processes, technical services and support provided by contractors will ensure the Port meets requirements for third-party environmental review.

Project Objectives

- Provide NEPA/SEPA review and documentation
- Provide environmental permitting services
- Provide permit compliance services
- Provide environmental monitoring and assessment services in support of review, permitting, and compliance

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Scope of Work

These service agreements will provide environmental review and permitting services. Environmental review and permitting support services include conducting preliminary environmental review and strategy development; preparing, negotiating, and issuing environmental permits, including associated documentation; and supporting administration, monitoring, and compliance after the permit is issued. The above tasks all include monitoring and collecting environmental data; compiling and managing data, and assessing, analyzing, modeling, or otherwise using the data to support decision-making, materials preparation, and communications.

Schedule

The IDIQ service agreements will have a contract ordering period of five years during which service directives may be issued. Each service directive will specify the scope, duration, and schedule associated with the work. This contract ordering period will ensure continuity of environmental review, permitting, and compliance efforts. The contract may extend past the five-year ordering period, but no new service directives will be issued after the ordering period or when contract funding capacity is reached, whichever occurs first.

FINANCIAL IMPLICATIONS

There is no funding request associated with this authorization. Individual service directives will be executed to authorize the consultant to perform work on the contract pursuant to approved project authorizations and in accordance with the General Delegation of Authority. The requested service agreements are a cost-effective means to provide on-call services for projects with varying scopes and schedules that may require substantially different levels of effort and technical expertise.

STRATEGIES AND OBJECTIVES

Timely environmental review and permitting is essential for keeping operations and capital projects on schedule and budget. Therefore, fulfilling environmental regulatory obligations through this procurement supports the Port's Century Agenda objective to meet the region's transportation needs at Aviation and Maritime facilities. It also supports positioning the Puget Sound region as a premier logistics and transportation hub as the Port maintains and grows infrastructure investments.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Let existing IDIQs expire and instead utilize Port staff

Cost Estimate: \$8.7 million

Pros:

- Avoids contract administration costs

Cons:

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- Does not comply with FAA recommendation that major environmental review be conducted by a third party to ensure independent review and evaluation
- Requires the addition of approximately ten staff to serve over 20 technical disciplines, which would increase costs approximately \$2.7 million over five years relative to the recommended Alternative 4
- Due to specialized and variable service needs, staff would be significantly underutilized
- Does not provide opportunities for small business
- Does not provide capacity to accommodate surges in environmental review and permitting needs
- Does not provide the diversity of skills available through procured contracts in remaining alternatives
- Does not directly facilitate One Port policy to establish an Environment & Sustainability Center of Expertise across Aviation and Maritime working groups

This is not the recommended alternative.

Alternative 2) – Procure a single IDIQ contract

Cost Estimate: \$6 million contract value

Internal contract administration costs estimated at \$30,000

Pros:

- Complies with FAA recommendation that major environmental review be conducted by a third party to ensure independent review and evaluation
- Single contract with larger value would provide stronger rate negotiations position relative to Alternatives 3 and 4, potentially leading to lower contract services costs
- This procurement method would ensure Port staff are fully utilized
- Decreases contract administration costs by an estimated \$17,000 relative to the recommended Alternative 4
- Provides capacity to accommodate surges in environmental review and permitting needs
- Facilitates One Port policy to establish an Environment & Sustainability Center of Expertise across Aviation and Maritime divisions

Cons:

- Includes requirement for small business participation but does not also set aside a contract exclusively for a small business as in the recommended Alternative 4.
- Increases diversity of available specialized services and provides capacity during times of intensive planning and development

This is not the recommended alternative.

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Alternative 3) – Conduct separate procurements for the Aviation and Maritime divisions

Cost Estimate: \$6 million

Internal contract administration costs estimated at \$60,000

Pros:

- Complies with FAA recommendation that major environmental review be conducted by a third party to ensure independent review and evaluation.
- Includes requirement for small business participation in each contract.
- Separate contracts with lower contract value would weaken rate negotiations position relative to Alternatives 2, potentially leading to higher contract services costs.
- This procurement method would ensure Port staff is fully utilized.
- Increases contract administration costs by \$30,000 relative to the recommended Alternative 4.
- Provides capacity to accommodate surges in environmental review and permitting needs
- Increases diversity of available specialized skills and provides capacity during times of intensive planning and development

Cons:

- Includes requirement for small business participation but does not also set aside a contract exclusively to be awarded to a small business as in the recommended Alternative 4.
- Does not directly facilitate One Port policy to establish an Environment & Sustainability Center of Expertise across Aviation and Maritime divisions

This is not the recommended alternative.

Alternative 4) – Conduct a single procurement for three IDIQ contracts

Cost Estimate: \$6 million

Internal contract administration costs estimated at \$47,000

Pros:

- Complies with FAA recommendation that major environmental review be conducted by a third party to ensure independent review and evaluation.
- Requires small business participation in two contracts while also setting aside a third contract to be awarded to a small business.
- Separate contracts with lower contract value would weaken rate negotiations position relative to Alternatives 2, potentially leading to higher contract services cost.
- This procurement method would ensure Port staff is fully utilized.
- Provides capacity to accommodate surges in environmental review and permitting needs

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- Increases the diversity of specialized services
- Facilitates One Port policy to establish an Environment & Sustainability Center of Expertise across Aviation and Maritime divisions

Cons:

- Increases contract administration costs by \$17,000 relative to the single contract proposed in Alternative 2.

This is the recommended alternative. Although Alternative 4 would result in greater in internal contract administrative costs as compared to Alternative 2, these costs would be realized as increased workload and not an actual increase in operating costs. For this reason, the greater opportunity provided for small business participation and other elements listed above, Alternative 4 is recommended.

ATTACHMENTS TO THIS REQUEST

- None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- June 28, 2012 – The Commission authorized IDIQ service agreements totaling \$2,100,000 for environmental review and permitting services to support Seaport and Aviation division projects. The Commission also authorized IDIQ service agreements in the amount of \$800,000 to support permit compliance for the Clean Water Act.