

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 6d
Date of Meeting May 17, 2016

DATE: May 9, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Lindsay Pulsifer, Managing Director, Maritime Division

SUBJECT: Security Services Contract for all Maritime locations

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute contract for security services to be delivered to all Maritime Division locations on both scheduled and ad hoc bases for a total estimated cost over five years of approximately \$8 million.

SYNOPSIS

Staff will conduct a Request for Proposal process, receive bids and select a Security Services Contractor. Advertisements will be placed in all traditional publications, on Small Business sites and through SCS. Special outreach will be made to small and disadvantaged businesses. Proposals are expected from several companies, among which are expected to be small or disadvantaged businesses.

BACKGROUND

The Maritime Division has previously allowed business units to acquire their own security contracts. This has led to multiple contracts in place at the same time, requiring multiple acquisitions and management of multiple service contracts. In addition, it has often been difficult to standardize service requirements or to arrange for additional security staff in event situations.

PROJECT JUSTIFICATION AND DETAILS

This request is to provide standard security services and does not substantially modify any standing procedure or previous decision.

Project Objectives

Provide required security services to multiple locations to assure compliance with security and safety, aid in reducing risk of criminal activities and improve regulatory compliance.

- On a regularly scheduled basis, at standard locations
- On an as needed basis for event response
- In a standardized performance scope, as defined by Port of Seattle

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Assure appropriate communications with other government entities during emergencies and events.

Provide ad hoc security and fire watch services, as required by law or circumstance.

Scope of Work

Scope includes providing qualified and trained security staff and supervision for defined duties at Shilshole Bay Marina, Fishermen's Terminal, Terminal 90/91, Pier 69, Pier 66 and Terminal 5.

It also includes requirements for additional staffing on emergency or ad hoc bases for event coverage or for fire watch duties in occupied buildings when fire protection systems are off-line.

Schedule

The contract will cover five years.

Budget Status and Source of Funds

Budget for all services is in individual expense budgets in the areas using the services.

Lifecycle Cost and Savings

Based on estimates, cost for five (5) year contract could exceed \$8M. This is the first contract to be bid after the increase in minimum wages.

STRATEGIES AND OBJECTIVES

The services provided support the business of the Maritime and Economic Development Divisions in their work to fulfill the Century Agenda by providing security of assets and property in our stewardship.

In support of our Century Agenda, the Port will include specific language addressing small business. If we receive qualified bids from three or more small businesses, we will set aside procurement and award the contract to a small business. If, however, we receive less than three qualified bids from small businesses, we will apply a 5% price preference, so if the small business's price is within 5% of the low bid submitted by a large business, the Port will award the contract to the small business.

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Continue to allow business units to procure independent contracts for Security Services

Cost Implications: \$8M projected costs over life of contract.

Pros:

- (1) Creates several opportunities for different contractors to bid on contracts
- (2) Creates opportunities for more than one contractor to be awarded contract(s)
- (3) May invite small business participation

Cons:

- (1) Reduces opportunities for economies of scale, including supervision of multiple sites by single supervisor
- (2) Reduces ability to rapidly get ad hoc services in case of events
- (3) Could increase costs due to expected profit by multiple contractors

This is not the recommended alternative.

Alternative 2 – Bring security services into Maritime staff management with direct hire POS employees

Cost Implications: \$10M over same period. In addition, this alternative may add long term liability for retirement and medical benefits.

Pros:

- (1) Eliminates need for large contract(s)
- (2) Creates opportunities for deeper commitment to POS by security personnel
- (3) Allows for broader task assignment for personnel
- (4) Allows for more direct management of security personnel

Cons:

- (1) Would still require contract for ad hoc provision of security staff
- (2) Reduces ability to rapidly get ad hoc services in case of events
- (3) May reduce opportunities for small business contractor(s)

This is not the recommended alternative.

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Alternative 3 – Offer single contract for all properties and events coverage.

Cost Implications: \$8M projected cost over life of contract.

Pros:

- (1) Provides economies of scale for:
 - a. supervision,
 - b. manpower coverage and
 - c. Port contract management
 - d. Provide consistency of service in all areas
- (2) May include small business participation

Cons:

- (1) May not stimulate small business participation

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None