



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting February 13, 2024

DATE : January 19, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Janice Zahn, Director Engineering Services
Brian Sweet, Assistant Engineering Director

SUBJECT: Construction Management Testing and Special Inspection Services IDIQ Agreements

Amount of this request: \$0

Total estimated project cost: \$6,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to three (3) indefinite delivery, indefinite quantity consultant agreements for services related to Construction Testing and Special Inspection Services with a cumulated total amount not to exceed \$6 million. Each contract will have a five-year ordering period. No funding is associated with this request; funding to utilize these contracts will come separately from individual project authorizations.

EXECUTIVE SUMMARY

Within the next five (5) years, over 50 projects, which includes major construction, tenant and terminal and infrastructure projects at the Seattle Tacoma International Airport and Seaport locations, are identified as having construction costs over \$300,000 per project. This excludes larger projects that will require project specific agreements such as Baggage Optimization Phase 3 and South Concourse Evolution. These IDIQ agreements will provide services that require the use of third-party agencies to perform these tests and special inspections on construction projects.

This authorization will only authorize the execution of the contracts. A service directive will be issued for each project authorizing the consultant to perform a specific scope of work only after staff has received authorization for the project in accordance with Port policies and procedures.

Each agreement/contract will have a five-year ordering period during which services may be separately authorized. The Port will not issue any service directives in excess of each contract's value or after expiration of the contract ordering period.

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JUSTIFICATION

The current Testing and Special Inspection Service Agreements are reaching or have reached their awarded contract value. Fully utilizing one agreement has increased the utilization rate of the other two agreements and these will reach their awarded value faster. When originally executed in early 2021, the contract values requested were estimated based on projected project needs to provide necessary services for 4 years. Actual project needs, including planned projects and unplanned projects, have consumed the available contract values sooner than expected. It is anticipated that all contracts will be out of funds by mid-year 2024.

Diversity in Contracting

Due to the nature of these services, subcontracting may not be feasible, however WMBE participation opportunities are available for priming of this service. Past award winners have been WMBE firms. Project staff along with the Diversity in Contracting Department will reach out and notify WMBE firms of this opportunity.

DETAILS

Three contracts will be awarded; contract value with a combined value of \$6 million will be awarded.

Scope of Work

The services required under these contracts is Special Testing and Inspection services in support of various Port projects, including projects related to the Northwest Seaport Alliance. The scope of work will be special testing and inspection services on Port construction or tenant projects. Many projects require 3rd party testing and inspection services which are tests and inspections that Port staff cannot perform. Some of the inspections that require 3rd party testing are but not limited to:

- (1) Concrete
- (2) Structural Steel
- (3) Anchor Bolt
- (4) Fireproofing/Firestopping

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Procure individual project specific contracts - This alternative would require the lengthy and costly process of selecting consultants for each project, thus requiring increased lead time, additional management oversight, additional administrative preparation, and increased advertising fees. This is not a viable alternative if the Port is committed to best practices for capital project delivery and meeting our business sponsor needs.

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Cost Implications: Potential impact to project schedules with a strong likelihood of additional project costs due to individualized procurements and construction delays

Pros:

- (1) Selecting the best consultant to meet the individual specific project expertise.

Cons:

- (1) This alternative would require the lengthy and costly process of selecting consultants for each project, thus requiring increased lead time, additional management oversight, additional administrative preparation, and increased advertising fees. In 2023 alone, over 40 Service Directives were issued ranging in amounts from \$2,000.00 to \$200,000.00 depending on project needs.
- (2) Consulting companies interested in this work would need to spend more money preparing proposals as part of the selection process.
- (3) Construction could be delayed due to the time to procure a contract.

This is not the recommended alternative.

Alternative 2 – Advertise and execute multiple IDIQ contracts for Special Testing and Inspection Services to allow for the efficient and cost-effective use of consultants to provide the services required by Engineering.

Cost Implications: Procurement process costs are incurred only once

Pros:

- (1) Efficient and effective use of Port staff procuring contracts that address multiple projects.
- (2) Efficient and cost-effective use of consultant’s resources through reduction of the number of proposals being submitted.
- (3) Significantly reduces risk associated with potential project schedule delay due to an inability support a construction project.
- (4) Having multiple testing and inspection firms ensures the Port has properly certified inspectors and firms available when project work is required.

Cons:

1. Testing and inspection work is required during construction and not having a procurement processed in a timely manner could delay a project.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

There is no funding request directly associated with this authorization. No work is guaranteed to the selected consultants and the Port is not obligated to pay a selected consultant until a service directive is executed. The budget for work performed under each agreement will come from individual service directives authorizing the consultant to perform specific work on the contract against approved project authorizations and within the total contract amount.

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ATTACHMENTS

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 17, 2020 – The Commission authorized cumulative value of \$2 Million for 3 IDIQ contracts