

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5c

Date of Meeting June 9, 2009

DATE: May 19, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Mark Longridge, Capital Project Manager

SUBJECT: Procurement of a Group of up to 10 Indefinite Delivery, Indefinite Quantity Professional Service Agreements

REQUESTED ACTION

Authorization for the Chief Executive Officer to enter into individual Indefinite Delivery, Indefinite Quantity (IDIQ) contracts for Real Estate Services, Cranes, Docks, Buildings, Infrastructure and Project Management services to be used to support Seaport, Real Estate, Aviation and Capital Development Divisions' Service Directives. Total amount for all contracts will not exceed \$5,000,000. This action authorizes forming "empty" contracts: funds for work under the contracts will be approved as part of Operating Budgets or on a project basis.

SYNOPSIS

In accordance with the Port's mission to create economic vitality and of our strategy to be a high performance organization, Seaport Project Management proposes to advertise and select qualified firms to provide Real Estate Services, Cranes, Docks, Buildings, Infrastructure and Project Management services to Seaport, Real Estate, Aviation and Capital Development Divisions.

The current plan is to award up to 10 contracts ranging in value from \$250,000 to \$750,000. The contract amounts and distribution of work are based on historic usage and forecasted work of each discipline as identified in acquisition planning.

In accordance with CPO-1 guidelines, each individual contract will not exceed \$750,000 and will have a maximum duration of three years.

BACKGROUND

The Port enters into a substantial number of Service Agreements each year. Each requires a significant amount of time and paperwork to process.

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Over the last three months, staff held three acquisition planning meetings to identify how best to acquire the proposed services and ensure the procurement process meets Central Procurement Office's Procedures for Personal and Professional Services (CPO-1) standards.

These are relatively small contracts that should provide opportunities for small business participation.

Utilizing IDIQ contracts allows a more efficient, cost-effective way to respond to service requests. This type of open order contract is commonly used among many public agencies such as the Corps of Engineers, Navy, Coast Guard, King County, and the Washington State Department of Transportation.

PROJECT DESCRIPTION/SCOPE OF WORK

IDIQ contracts will be procured according to the process detailed in CPO-1, which became effective January 31, 2009. The contracts will be written with specific not-to-exceed amounts and for a maximum of three years. 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 Resolution 3605 and will be executed in accordance with EX-2.

<u>Contract Type</u>	<u>Example Work</u>	<u>Duration</u>	<u>Maximum Value</u>
Real Estate Services	Appraisals, street vacations	3 years	\$750,000
Cranes	Design, inspections, certifications	3 years	\$750,000
Docks	Planning, structural/marine/ electrical design, inspections, permit	3 years	\$500,000 \$500,000 \$250,000
Buildings	Planning, structural/mechanical/ electrical design, permit	3 years	\$500,000
Infrastructure	Civil/utility design, permit	3 years	\$500,000
Project Controls/ Management	Projects or task oversight, estimating, project controls	3 years	\$500,000 \$500,000 \$250,000

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION

1. Prepare separate procurements each time services are needed in any discipline. This option would not be the most efficient use of Port resources, as it would result in multiple low dollar contracts for similar services. This is not the recommended alternative.
2. Prepare one Category III procurement for each specialized service area. This alternative ensures a competitive process, encourages small business participation, and provides staff with the tools needed to respond in a timely manner to request for service. **This is the recommended alternative.**

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FINANCIAL IMPLICATIONS

Charges to these contracts will be from projects which have already been authorized within established procedures. Consequently, there is no funding request associated with this authorization.

PROJECT SCHEDULE

Each Service Directive will specify the schedule associated with the tasks involved. The contracts themselves will be awarded for a maximum of three years.

PREVIOUS COMMISSION ACTION

On April 21, 2009, the Commission authorized the first request for IDIQ contracts as established by CPO-1.