

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6b

Date of Meeting July 14, 2009

DATE: June 19, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Elizabeth Leavitt, Director, Aviation Environmental Programs
Paul Agid, Environmental Program Supervisor, Aviation Environmental Programs
Stephanie Jones Stebbins, Director, Seaport Environmental Programs
Kathy Bahnick, Environmental Program Supervisor, Seaport Environmental Programs

SUBJECT: Authorization to contract for environmental consulting and environmental analytical laboratory services.

ACTION REQUESTED

Port of Seattle (Port) Commission authorization for the Chief Executive Officer to execute approximately fifteen professional services contracts for environmental consultant and environmental analytical laboratory services in support of Aviation Environmental Programs and Seaport Environmental Programs.

EXECUTIVE SUMMARY

This request does not request additional budget, rather it requests authority to start the necessary process to replace many environmental support contracts that are expiring. No funds would be expended on these contracts without prior separate authorization from the Commission. The Commission has previously authorized approximately \$2.5 million on projects that will continue, but the existing environmental contract vehicle is expiring and is in need of replacement. Another potential \$6.5 million over the next six years is possible depending upon regulatory compliance issues, unforeseen contamination that will likely be found on various future projects, and to perform necessary laboratory analysis. Depending upon future Commission project authorizations, the total potential total expenditures on this series of contracts is \$9 million over six years. Aviation and Seaport staff are working with the Port's procurement department to assure that procurements comply with Port processes, and working with the Port's Office of Social Responsibility to identify competitive opportunities for small business participation.

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SYNOPSIS

The Port's Aviation Environmental Programs Department and Seaport Environmental Programs Department perform a large number of environmental studies and regulatory compliance activities to implement Port business decisions and to defend and enhance the Port's interests. Port staff relies on environmental consultants and environmental analytical laboratories to conduct these activities under professional service agreements. A significant number of these consultant and laboratory contracts will expire in November and December of this year.

In order to have replacement consulting and laboratory capacity in place before existing contracts expire, and to assure that projects are not disrupted, and that regulatory compliance schedules are met, Aviation Environmental Programs and Seaport Environmental Programs seek Commission authorization execute contracts for replacement consultant and laboratory capacity. We propose to conduct four Category 3 competitive procurement processes, to make selections, and issue up to fifteen contracts: up to eight Category 3 contracts for provision of environmental consultant services, and up to seven contacts for provision of environmental analytical laboratory services. Individual Project-Specific and Indefinite Delivery Indefinite Quantity (IDIQ) contracts will be issued for values and durations described in the Scope of Work, below.

The total value of the anticipated contracts is \$9,000,000. Funding for \$2,500,000 of the total is directed to specific, ongoing projects, previously authorized as part of the 2009 Aviation operating budget. The remainder of the estimated contract value represents an estimate of the cost of providing currently undefined environmental management services as the need for such services arise over a three year contract term. Services will be provided to, and expenditures made for, currently unknown projects only after those projects receive Commission authorization.

SCOPE OF WORK

Four Category 3 competitive procurements would be initiated, resulting in the selection and contract execution with up to fifteen environmental consultants, consultant teams, and environmental analytical laboratories. The four procurements are described below, and summarized in the attached table.

Procurement 1:

- Project-specific contracts would be executed for environmental consulting support to conduct and complete long-term environmental monitoring requirements for (a) the Third Runway Embankment Fill Monitoring Program, and (b) the Des Moines Creek Regional Detention Facility Long-Term Monitoring Plan.
- Each of the monitoring programs is a Port obligation arising from a Section 401 Water Quality Certification issued by the Washington Department of Ecology. Each program is partially complete, and has been supported under consultant contracts that will expire before the end of 2009.

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- The proposed procurement is designed to select the two best-qualified applicants, and award to the highest ranked a contract to complete the Third Runway Embankment Fill Monitoring Program, valued at \$1,350,000, and award to the second-ranked applicant a contract to complete the Des Moines Creek Regional Detention Facility Program, valued at \$750,000. The combined value of the contracts executed as a result of this procurement is \$2,100,000. The term of each contract is tied to completion of each required monitoring program; completion of each program is scheduled for 2015.

Procurement 2:

- IDIQ contracts would be executed to provide support to Aviation Environmental Programs and Seaport Environmental Programs on an on-call basis, for small-scale and currently unanticipated contaminated sites. The scope of services provided under the proposed contracts is targeted to identification and evaluation of soil and groundwater conditions, and the full range of environmental services required for management of contaminated and potentially contaminated properties, and the liabilities associated with them.
- The Port owns and operates properties that have been the site of past industrial uses and other operations that have released contaminants to soil, ground water, surface water, and other environmental media. Some of these releases have occurred during the period of Port ownership, and some predate Port ownership. Some of these site conditions are already known to the Port, and some will be discovered as the Port engages in future site maintenance and redevelopment, or becomes involved in regional Department of Ecology investigations. Recent examples of such discoveries include conditions at the Lora Lake Apartments site and at Terminal 115N.
- The proposed procurement is designed to select and execute contracts with up to six consulting firms/teams, scoped to provide a broad, but well-defined array of environmental investigation, evaluation, and management services in support of Port-initiated activities and satisfaction of legal obligations on effected properties. Consistent with CPO-1, each contract would be limited to a term of three years, and a maximum value of \$750,000, and would be terminated before reaching the first of those limits. The combined value of the contracts executed as a result of this procurement is \$4,500,000.

Procurement 3:

- IDIQ contracts would be executed to provide environmental analytical laboratory services to Aviation Environmental Services, and Seaport Environmental Services, primarily to support work performed by the consultants selected as a result of Procurement 2, above.
- The proposed procurement is designed to select and execute contracts with four to six environmental analytical laboratories scoped to provide on an on-call basis a broad, well-defined range of analytical testing and evaluative services. Consistent with CPO-1, each contract would be limited to a term of three years. To enhance the opportunity for small

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business participation, the value of each of the contracts could vary, limited to a maximum value of \$500,000. Each contract would be terminated before reaching the first of the term or maximum value limits. The combined value of the contracts executed as a result of this procurement is \$2,000,000.

Procurement 4:

- One project-specific contract would be executed to provide environmental analytical laboratory services to Aviation Environmental Services to support the airport's Stormwater Monitoring program.
- The Port owns and operates properties that discharge stormwater to water bodies of the State. These discharges are regulated under general and site-specific National Pollutant Discharge Elimination System permits and Section 401 Water Quality Certifications issued by the Washington Department of Ecology, and local municipal stormwater and sanitary sewer regulations.
- The proposed procurement is designed to select and execute a contract with one environmental analytical laboratory scoped to provide a well-defined range of analytical testing and evaluative services to the Port in support of the airport's NPDES Permit, Section 401 Water Quality Certification, and local government monitoring obligations. The contract is designed to enable consistent service provision through the life of the airport's NPDES Permit, a term of five years. However, should the NPDES permit effective term be extended for reasons outside the Port's control (e.g., protracted permit renewal negotiations, or legal challenge to the renewed permit), the contract would be extended to provide continuing services. The value of the proposed contract is \$400,000.

BUSINESS PLAN OBJECTIVES

Procurement of qualified environmental consulting support and environmental analytical laboratory services is necessary for the investigation, evaluation and remediation of Port contaminated sites; achieving compliance with Section 401 Water Quality Certification requirements, and achieving compliance with NPDES Permit requirements. These contamination management and environmental permit compliance activities will minimize to acceptable levels threats to the environment caused by historical property uses and operations, and will demonstrate to the public that airport operations and projects are conducted to protect the environment to the maximum extent practicable, consistent with the dictates of environmental regulatory agencies. The products of these efforts and capabilities, as well as the attendant compliance with regulatory mandates, management of Port liabilities, and support of the local community, aligns with the goals and objectives of the Aviation Division and Seaport Division Business Plans.

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ALTERNATIVES CONSIDERED / RECOMMENDED ACTION

The following alternatives were considered for accomplishing the work described in the Scope of Work:

Alternative 1

Do not secure consultant and laboratory support for completion of ongoing Section 401 Water Quality Certification, NPDES permit, and other current regulatory imperatives. This alternative could result in regulatory violations, financial penalties, and/or potential issuance of unilateral Ecology enforcement orders to perform the work, which would eliminate Port control over these environmental management activities and costs.

Alternative 2

Do not secure on-call environmental consultant and environmental analytical laboratory capacity, and, instead, procure such services on an as-needed basis, initiating procurements as needs arise. In cases not within the legal definition of "emergency," this alternative would result in significant delays in addressing newly discovered contamination or similar conditions, and would expose the Port to unacceptable and unnecessary environmental and business liability.

Alternative 3

Conduct the legally required and unanticipated activities described above using Port resources, without outside consultant assistance. There are insufficient staff resources and expertise to conduct these environmental management tasks without consultant and laboratory support.

Alternative 4

Conduct competitive procedures to procure and contract with a qualified environmental consultants and environmental analytical laboratories to complete required monitoring programs, comply with existing environmental permits, and immediately respond to and address operational releases of contaminants and unanticipated environmental discoveries. This alternative will result in compliance with state law and prudent management of unanticipated Port environmental and related business risk. **This is the recommended alternative.**

FINANCIAL IMPLICATIONS

Cost Estimate

No funding request accompanies this request for authority to conduct procurements.

Although not part of this Commission authorization, the estimated total value of the proposed procurements is \$9,000,000. Of that amount, \$6,500,000 would support on-call services for currently unanticipated or small-scale environmental work. The remaining \$2,500,000 would support specific

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monitoring programs. The costs for one of those programs, the Des Moines Creek Regional Detention Facility, estimated at \$750,000, will be reimbursed to the Port by the Des Moines Creek Basin Committee, in accordance with Des Moines Creek Basin Committee Interlocal Agreement IV.

Source of Funds

Each of the proposed consultant and laboratory procurements would result in contracts for services paid by funds independently approved by the Commission via specific project authorizations, division operating expense budget authorizations, and/or environmental reserve fund authorizations.

COMMUNITY/CUSTOMER/ORGANIZATION IMPACTS

Elimination of unacceptable levels of environmental risk caused by the presence of contaminants in soil and groundwater is not only required by state and federal law, it is the hallmark of responsible environmental stewardship, from the perspectives of both the surrounding residential and business communities and the customers we serve.

Authorization of a competitive selection processes and contract execution with the selected environmental consultants and environmental analytical laboratories will provide the experience and expertise required to assist the Port in meeting environmental regulatory obligations and exercising prudent environmental management in satisfaction of both regulatory and community interests.

In addition, the procurement packages will implement the Port's small business initiative by working with the Office of Social Responsibility to establish appropriate small business participation goals, currently anticipated to be not less than 15%. Staff will coordinate with the Office of Social Responsibility to ensure that we appropriately advertise the proposed consulting and laboratory opportunities to the small business community.

PROJECT SCHEDULE

This authorization enables the performance of four Category 3 procurement processes in the third and fourth quarters of 2009.

PREVIOUS COMMISSION ACTION

None.

BACKGROUND

The Port's Aviation Environmental Programs Department and Seaport Environmental Programs Department perform a large number of environmental studies and regulatory compliance activities to implement Port business decisions and to defend and enhance the Port's interests. A significant number of these activities are underway at any given time, some planned for well in advance (for

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example, activity associated with the Lower Duwamish), and some the result of discoveries of unanticipated environmental conditions during capital construction, maintenance activities, or other subsurface work (for example, the airport Rental Car Facility). These studies and regulatory activities typically include investigation, site remediation, and associated monitoring of environmental conditions.

Port staff rely on environmental consultants and environmental analytical laboratories to conduct these activities under professional service agreements. A significant number of consultant and laboratory contracts will expire in November and December of this year. In order to have replacement consulting and laboratory capacity in place before existing contracts expire, significant lead time is required to plan and execute appropriate competitive procurement processes, and, finally, execute new contracts in time to assure that projects are not disrupted and regulatory compliance schedules are met.

The requested Commission authorization will enable Aviation Environmental Programs and Seaport Environmental Programs, working the Central Procurement Office, to conduct the competitive procurements necessary to provide required replacement environmental consultant and analytical laboratory capacity prior to the expiration of existing contracts.

Fifteen separate consulting and laboratory contracts will be executed as a result of the following four separate competitive solicitations:

- Project-specific consulting contracts (2) to perform tasks required to comply with existing regulatory agreements and permits.
- Indefinite Delivery Indefinite Quantity (IDIQ) contracts (6) for on-call environmental consulting support for smaller scale, and currently unidentified needs.
- IDIQ contracts (6) for on-call analytical laboratory services for smaller scale, and currently unidentified needs.
- Project-specific laboratory contact (1) for testing and evaluative services in support of the airport's NDPES Permit, Section 401 Water Quality Certification, and local municipal stormwater and sanitary sewer regulations and monitoring obligations.

Each solicitation will be conducted in concert with the CPO, and in full compliance with Port procurement policy CPO-1.

Project-specific contracts will cover the life of the associated regulatory requirement, none of which are currently expected to extend beyond 6 years. IDIQ contracts will have a term of three years.

The total value of the entire set of anticipated contracts is \$9.0 million. Approximately \$2.5 million has already been authorized by the Commission as a result of prior specific project authorizations; authorized work must continue, but current consulting and laboratory contracts will expire. The remaining \$6.5 million is estimated, based on past Aviation and Seaport experience, to cover currently undefined environmental management services for work that will arise over the contract term. IDIQ work assignments, and resulting expenditures from the estimated \$6.5 million, will be made only following Commission project authorizations in the coming months and years. These

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environmental service contracts provide a responsive vehicle to accomplish work; however, no budget authorization is being sought today. This item simply requests authority to competitively procure consultants and to put professional service contracts in place and at the ready.