

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA – STAFF BRIEFING

Item No. 7e

Date of Meeting April 21, 2009

DATE: April 15, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director of Capital Development
Nora Huey, Director, Central Procurement Office

SUBJECT: Briefing on Procedures for the Procurement of Personal and Professional Consulting Services (CPO-1)

BACKGROUND

On January 29, 2009, the Port issued a new procedure (CPO-1) for the procurement of personal and professional consulting services. CPO-1 replaces PUR-2 Procedure and is effective on new procurement initiated after January 31, 2009. The Port is implementing the contract administration provisions of CPO-1 on existing contracts to the extent practicable.

CPO-1 is a comprehensive document establishing the ground rules for both contract formation and contract administration. It establishes baseline processes to provide consistent, fair, and transparent procurement and contract administration practices. To kick off the new procedure, all Port personnel who participate in the procurement process or are involved in contract administration are required to attend a day-long interactive class. With the final class scheduled for May 14, we will conduct 13 training sessions with approximately 350 attendees. The training focused on the following subject areas:

- Rational and Purpose for Competitive Process and CPO-1
- Acquisition Planning
- Resolution 3605 and EX-2 – Commission Approval and Delegation of Authority
- Roles and Responsibilities for CPO and the Requesting Department (RD)
- Differences between Project Specific and Indefinite Delivery/Indefinite Quantity (ID/IQ)
- Procurement Category Requirements: Category I (less than \$50,000); Category II (\$50,000 to \$200,000) and Category III (over \$200,000)
- Contract Administration and RD Representative Accountability
- Highlighting Requirements for Service Directives and Amendments

COMMISSION AGENDA – POLICY & STAFF BRIEFING

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Each attendee receives a Training Guide and Reference Material. All documents contained in the manual, with the exception of the break-out session tests, are available on CPO's new Service Agreement intranet page (<http://compass.portseattle.org/cdd/cpo/sa/index.html>). As additional guidelines and checklists are developed, the documents are posted on the intranet.

Significant changes in CPO-1 include:

- Acquisition planning for all projects and contracts over \$200,000
- Establishment of a communication protocol
- Defining RD Representative's responsibility and accountability
- Implementing a process that involves OSR and the evaluation of small business participation incentives in consultant procurements over \$50,000
- Discouraging the use of Category I procurements for recurring needs and awarding Category I contracts to the same consultant on a repetitive basis
- Requirement that certain actions be approved by Legal, CPO, and Executive Staff
- Improving document management accountability and establishing separate files for procurement and contract administration
- Improving transparency of scope of services in the solicitation documents
 - Project Specific: Identify estimated value of service and contract duration
 - ID/IQ: Identify contract value and duration that cannot be exceeded, except in exceptional circumstances

A key function to successful and timely procurements is acquisition planning. In recent months, the Port has initiated numerous acquisition planning meetings to understand procurement needs of the Port. We are looking at cross-division utilization of contracts and strategizing on how to best meet the needs of the Port while promoting competition, expanding opportunities, advancing social responsibility, and complying with the law.

NEXT STEPS

There are still many challenges ahead as we begin to change our contracting practices. CPO and the Legal Department, in a joint effort, are undertaking a review of state laws. As part of this review, we are determining if any changes or new procedures are appropriate and/or if we need to revise current procedures. CPO is also developing additional training courses on subject matters such as: source selection evaluation, responsibility determinations for construction procurements, negotiations, and a more in-depth review of contract administration. In conjunction with OSR and Information and Communications Technologies (ICT), CPO is very interested in implementing within the next year a new software application developed by ICT that will be easier for businesses to use, improve our roster process, and promote upcoming procurement.