

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.	5b
Date of Meeting	January 26, 2010

DATE: January 4, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director Capital Development
Peter Garlock, Chief Information Officer

SUBJECT: New Port Roster and Bid System

REQUESTED AMOUNT: \$450,000 **SOURCE OF FUNDS: CIP C800397 Airport
Development 64% and General Fund 36%**

ACTION REQUESTED:

Request authorization for the Chief Executive Officer to approve all work and contracts including: execute and amend any and all necessary contracts and service directives for the Port Roster and Bid System Project in an amount not to exceed \$450,000.

SYNOPSIS:

This project will develop and implement a web-based Port Roster & Bid System to replace three existing roster systems and E-Bid. It supports new Central Procurement Office processes and Office of Social Responsibility programs, while at the same time simplifying Port business processes for vendors and improving communications with registered vendors regarding business opportunities at the Port.

BACKGROUND:

The Port conducts business with providers of goods and services, professional and personal services, technical services, and construction contracting. The Port currently has three separate rosters: Consultants Roster, Small Works Roster, and the Small Business Roster. This is a confusing environment for all contractors. The issues that will be resolved by this project include:

- Over the past year, CPO has instituted process changes resulting from the recent State Auditor's Office (SAO) Audit. Enhancements to the Small Works Roster would be required for the Port and the Contracting Community to comply with the changes.
- The Small Business Roster and Small Works Roster applications were developed in-house over five years ago, and are increasingly costly to maintain. They are in need of replacement.

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- The Office of Social Responsibility's Small Business Program is not supported by current systems.
- The Small Business Roster contains out-dated contractor data, and many duplicates exist across the various rosters. Clean-up of contractor data would be difficult because the existing systems lack utilities to manage the information.
- There are inconsistencies as well as overlapping functionality across the three systems.
- The three roster environment is confusing to contractors who must register multiple times in order to stay abreast of business opportunities with the Port.
- The E-bid system used by the Port to electronically distribute and track our procurement documents is currently an outside hosted service that will be replaced, saving the Port \$80,000 in annual costs.

PROJECT DESCRIPTION AND SCOPE OF WORK:

Project Statement

Improve and simplify the vendor roster and solicitation processes by developing a single Port Roster & Bid system that replaces three systems: Consultants Roster, Small Business Roster and Small Works Roster.

Project Objectives

- Consolidate roster systems to one Port Roster & Bid System that replaces the functionality of all three systems and supports new Central Procurement Office processes.
- Simplify the vendor roster process
- Improve communications with registered vendors regarding business opportunities with the Port
- Improve Roster & Bid System functionality and usability
- Create a database within the centralized roster for use in the procurement of goods and services.
- Support the Office of Social Responsibility's efforts to launch a small business program and Limited Public Works

Scope of Work

The proposed project is to design, develop and implement a web-based Port Roster & Bid system, transition off the three rosters, and decommission the Small Business Roster and Small Works Roster.

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STRATEGIC OBJECTIVES:

This project supports the following Port strategies:

- *Develop new business and economic opportunities for the region and the Port:* This project directly supports the Port's objective to "build relationships and partnerships to develop new business opportunities for the Port and local businesses to compete in the global economy."
- *Enhance public understanding and support of the Port's role in the region:* The new roster expands opportunities for small, minority-owned, women-owned and emerging business enterprises as port contractors and suppliers.

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:

Original Budget	\$450,000
Budget Transfers	\$0
Revised Budget	\$450,000
Previous Authorizations	\$0
Current request for authorization	\$450,000
Total Authorizations, including this request	\$450,000
Remaining budget to be authorized	\$0

Project Cost Breakdown:

Port of Seattle ICT Labor	\$139,000
Contractor Labor	\$237,000
Contingency 20%	\$74,000
Total	\$450,000

Source of Funds:

This project was included in the 2010 capital budget and plan of finance within CIP C800397, Port Contractor Roster. The source of funds is 64% Airport Development Fund and 36% General Fund.

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Financial Analysis Summary:

CIP Category	Renewal/Enhancement
Project Type	Technology
Risk adjusted Discount rate	7.0%
Key risk factors	NA
Project cost for analysis	\$450,000
Business Unit (BU)	Central Procurement Office
Effect on business performance	NA
5 Year IRR/NPV	15.8%/ \$94,000
CPE Impact	NA

PROJECT SCHEDULE:

Commission Approval	January 2010
Design/Development Begins	February 2010
Testing Begins	September 2010
Project Completion	February 2011

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION:

1. *Recommended Solution: Design and Develop a Single Port Roster & Bid System.* This option will replace three current roster applications, meet all user requirements and project objectives and greatly improve procurement processes for the Port and its vendors. The Port would maintain just one vendor database for all types of business opportunities. Communications with all or subsets of these vendors would be simple and straightforward. Improved search capabilities would make it easier for Port employees to find vendors to best meet the Port's needs. An improved application will enable the Central Procurement Office (CPO) to more effectively and efficiently manage and monitor the vendor roster and solicitation/bid process. The system will also allow OSR to track data and implement the new Small Contractors and Suppliers (SCS) program.
2. *Not Recommended: Conduct RFP and Purchase New System.* Research of alternative systems found that applications meeting user needs are generally part of much larger enterprise applications that include more functionality than desired, and not necessarily all the functionality that is needed. Software vendors researched included: Upside Software (Upside Contract, Upside RFX), Ariba (Supplier Management, Sourcing Solution), and PlanetBids eProcurement Solutions. Total cost of ownership estimates over five years ranged from \$450,000 to \$650,000.