

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.
Date of Meeting

5b
August 3, 2010

DATE: July 12, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Raymond P. Rawe, Director, Engineering Services

SUBJECT: Engineering Construction Management Support, Cost Estimating, Scheduling, Auditing and Claims Analysis Services IDIQ.

Amount of This Request: \$0

Source of Funds: Current and Future Operating Budgets;
Future Individual Project Authorizations

**Maximum Cumulative Value
of IDIQ Contracts:** \$7,000,000

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute up to eleven Indefinite Delivery Indefinite Quantity (IDIQ) Service Agreements for services related to construction management, scheduling, estimating, auditing and claims analysis in support of Aviation, Seaport and Real Estate Division construction projects. The not-to-exceed cost for these IDIQ contracts is \$7,000,000 for three years. No funding is associated with this authorization request.

SYNOPSIS

Staff anticipates issuing up to eleven IDIQ contracts to provide five different types of consultant services to support the Port's Construction Management staff on major construction projects for all core business units. With the fluctuating project workload, IDIQ contracts provide the Port with the flexibility to meet business requirements as they arise by issuing individual Service Directives to accomplish tasks within a general, pre-defined scope of work on an as-needed basis for a fixed period of time and a maximum contract amount. The Port's Office of Social Responsibility will assist in identifying any small business opportunities prior to the time of public advertisement of the IDIQ. Competitively bid IDIQ contracts are a widely used public sector contracting tool, consistent with the Port's Resolution No. 3605 and governed by CPO-1 policy.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

July 12, 2010

Page 2 of 3

BACKGROUND

The number of outside technical Services Agreements that the Port enters into is substantial and there is a significant amount of effort and time required to process each agreement. As an example, some of the administration activities required include: long lead time advertisements, consultant interviews, consultant selection and negotiation, contract preparation, and insurance requirements. These activities inhibit rapid response and reduce the management and staff time available for other engineering and construction activities. Significant economics and efficiencies can be obtained by reducing the number of selection processes. Over 60 total projects are identified as having committed costs over \$300,000 for the next three years.

This authorization will only authorize the execution of the contract. A Service Directive will be issued for each project authorizing the consultant to perform a specified scope of work only after staff has received authorization for the project in accordance with Port policies and procedures. The not-to-exceed cost for each contract is listed below for a three-year Contract Ordering Period.

PROJECT DESCRIPTION/SCOPE OF WORK

In August 2010, Engineering Services plans to advertise for a series of IDIQ contracts. The goal is to have these Service Agreements in place by the end of November 2010.

Each contract will have a Request for Qualifications (RFQ) prepared and advertised separately. Each RFQ will include goals for small business participation. Each contract will have a Contract Ordering Period (during which the services may be separately authorized) of three years. The actual contract duration may extend beyond 3 years in order to complete the work identified in a particular service directive(s). Each RFQ has listed projects that would be included in the scope of work for each contract. Projects not listed but that become necessary may be included in this contract provided they are ordered via a Service Directive during the Contract Ordering Period. The Port will not issue Service Directives in excess of each contract's value.

The types, numbers, amounts and durations of consultant services are established based on projected needs of the Capital Improvement Programs for Aviation, Seaport and the Real Estate divisions. The individual selection committees can award multiple smaller service agreements within the requested amounts listed below based upon the consultant submittals and Port goals for small business opportunities.

Service Agreements anticipated for solicitation by Engineering include:

Construction Management	\$ 5,000,000
Construction Scheduling	\$ 200,000
Construction Estimating	\$ 400,000
Construction Auditing Services	\$ 800,000
Construction Claims	\$ 600,000

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

July 12, 2010

Page 3 of 3

We anticipate executing service agreements for up to two separate firms for each consultant service except for construction management services, where we anticipate issuing three service agreements.

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION

1. Do nothing - Under this alternative the Port's Engineering Department would not proceed with advertising and awarding IDIQ Services Agreements. This alternative would require the lengthy and costly process of selecting consultants for each task, 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.
2. Delay the advertisement and award of these ID/IQ contracts. Existing contracts are near their contract limits or are set to expire between winter 2010 and winter 2011. Delays in contract procurement may cause suspension of work assignments, project impacts, schedule delays and increased costs.
3. **Advertise and execute ID/IQ Services Agreements to allow for the efficient and cost effective use of Consultants to provide the technical services required by Engineering. This is the recommended alternative.**

FINANCIAL IMPLICATIONS:

Source of Funds:

There is no funding request associated with this authorization. Individual Service Directives will be executed to authorize the Consultant to perform any specific work on the contract against approved project authorizations.

ENVIRONMENTAL SUSTAINABILITY/COMMUNITY BENEFITS:

These IDIQ contracts create opportunities for small businesses participation.

PROJECT SCHEDULE:

We estimate these IDIQ contracts will be executed in 4th Quarter 2010 through 1st Quarter 2011 and will have a 3 year ordering period. The contract durations may extend beyond that period to allow work to be completed.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

None.