

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.** 5b

**Date of Meeting** April 5, 2011

**DATE:** March 18, 2011

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Raymond P. Rawe, Director, Engineering Services

**SUBJECT:** Construction Safety Services and Special Testing, Inspection and Investigation IDIQ contracts

**Amount of This Request:** \$2,800,000

**Source of Funds:** No funding is associated with this authorization request

**Est. State and Local Taxes:** None

**Est. Construction Jobs Generated:** NA

**Total Project Cost:** NA

**ACTION REQUESTED:**

Authorization for the Chief Executive Officer to execute competitively procured Indefinite Delivery Indefinite Quantity (IDIQ) Service Agreements in support of the Aviation, Seaport and Real Estate Divisions for services related to 1) Construction Safety Services for the Construction Safety Section for a total amount of \$500,000 over a three year term; and 2) Special Testing, Inspection and Investigation Services in support of the Construction Management, Port Construction Services (PCS), Engineering Design and Marine Maintenance departments for a total amount of \$2,300,000 over a three-year term.

**SYNOPSIS:**

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. 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. These IDIQ contracts would support the Port's Construction Management, Construction Safety, PCS, Engineering/Design, and Marine Maintenance staff on construction, engineering/design and maintenance projects for all core business units. There will be opportunities for small businesses

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to compete for these contracts. Funds for the services provided by these IDIQ contracts will be authorized as part of the budgets for the projects they support.

### **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: 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, maintenance and construction activities. Significant economies of scale and efficiencies can be obtained by reducing the number of selection processes.

Approximately 120 construction projects are identified as having project construction costs over \$350,000 each for the next three years. Construction Safety Services anticipates a need for outside consultant support for construction safety services to support these projects. Construction Management also estimated the needs for special testing, inspection and investigation provided by outside consulting firms based on these upcoming construction projects. Anticipated needs for Port Construction Services, Engineering/Design Services and Marine Maintenance departments are based on historical use data.

This authorization will only authorize the execution of the contracts. Service Directives will be issued for each project authorizing the consultants 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 April 2011, 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 August 2011.

A separate Request for Qualifications (RFQ) will be prepared and advertised for Construction Safety Services and for Special Testing, Inspection and Investigation. There are small businesses that can provide these services and by awarding multiple smaller contracts, we provide an opportunity for these small businesses to compete. 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). The Port will not issue Service Directives in excess of each contract's value.

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The individual selection committees can award multiple smaller service agreements within the requested amounts listed below based upon the consultant submittals and any Port goals for small business opportunities.

Service Agreements anticipated for solicitation by Engineering include:

Construction Safety Services	\$ 500,000
Special Testing, Inspection and Investigation	\$ 2,300,000

Contingent upon qualified proposals, we anticipate executing service agreements for up to four separate firms for special testing, inspection and investigation and up to two separate firms for construction safety services. If the quantity of acceptable proposals is less than anticipated, each procurement will be prorated to equal the approved Commission amount. If any contracts expire within the contracting period with unexpended funds, the Port may amend the remaining service agreements for the unexpended amounts.

### ALTERNATIVES CONSIDERED/RECOMMENDED ACTION:

1. Do nothing - Under this alternative the Port's Construction Management, Construction Safety, PCS, Engineering/Design and Marine Maintenance Departments would not proceed with advertising and awarding ID/IQ 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 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 and will likely be expended between late summer 2011 to winter 2012. 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 the Port's Construction Management, Construction Safety, PCS, Engineering/Design and Marine Maintenance Departments. **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.

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### **ENVIRONMENTAL SUSTAINABILITY/COMMUNITY BENEFITS:**

These IDIQ contracts create opportunities for small businesses participation.

### **PROJECT SCHEDULE:**

We estimate these IDIQ contracts will be executed in 3<sup>rd</sup> and 4<sup>th</sup> Quarters 2011 and will have a three-year ordering period. The contract durations may extend beyond that period to allow work to be completed.