

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6b

Date of Meeting July 12, 2011

DATE: July 5, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Stephanie Jones Stebbins, Director, Seaport Environmental and Planning Programs
Paul Meyer, Manager, Permit and Compliance
Marilyn Guthrie, Stormwater Program Manager
Nora Huey, Director Central Procurement Office

SUBJECT: Procurement of an outside Professional Service Agreement for stormwater consulting support services through the end of the Port's Stormwater Phase I Permit.

Amount of This Request: \$0

Source of Funds: N/A

Est. State and Local Taxes: \$0

Est. Construction Jobs Generated: N/A

Total Contract Cost: \$8,757,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer (CEO) to execute a project specific professional services contract for technical and engineering services related to Stormwater Phase I permit compliance anticipated to be issued in 2012 for the Seaport and Real Estate divisions. The contract is intended to support the transition from the existing permit and the life of the permit. The life of the permit is expected to be 5 years, so the duration of the contract could be up to 6 years. The estimated contract value for the six year duration is \$8,757,000.

BACKGROUND:

On February 16, 2007, the Department of Ecology (DOE) issued the Phase I Municipal Stormwater Permit (the Phase I Permit) which became effective for a five-year period for all of the Port's Seaport and Real Estate properties. The Phase I Permit specifically excludes Seattle-Tacoma International Airport, which has its own separate permit. The Phase I Permit required the Seaport and Real Estate divisions to establish a Stormwater Management Program (SWMP) that covers Port-managed and tenant-managed facilities. Since that time, Seaport Environmental Programs has managed and administered compliance with the conditions of the Permit for both Seaport and Real Estate.

On April 10, 2007, the Commission authorized the CEO and the Senior Manager, Seaport Environmental Programs, to advertise and award a series of seven outside professional service agreements and amendments for stormwater consulting services to achieve compliance with the permit. The duration of these contracts runs through the end of the calendar year 2012.

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Ecology will be re-issuing a new Phase I Permit sometime after October 2012. Seaport Environmental Programs is requesting authorization to execute a new contract for continued permit and program support for the Seaport and Real Estate divisions. The new contract will finish the work associated with the 2007 Phase I Permit, as well as implementation of the new 2012 Phase I Permit requirements. Expected costs to implement the permit requirements, including stormwater engineering, monitoring, and planning support, are expected to be a maximum \$8,757,000 for the duration of the permit coverage. The cost of complying with this permit continues to rise because of additional requirements.

There is no funding request associated with this authorization as future expenditures will be approved as part of yearly operating budgets for stormwater compliance from Seaport and Real Estate, as well as capital and environmental remediation liability projects needing stormwater compliance support services. Future expenditures will be funded from the environmental remediation liability account, capital programs, and Seaport and Real Estate operating budgets that will be approved by future Commission actions. The Port will issue service directives authorizing specific work elements.

The duration of the project-specific support is scheduled to begin in mid-2012 and continue through the duration of the new 2012 Phase I Permit and is anticipated to last at least five years. The coincident duration of the Permit with the length of consulting services allows for consistent consultant support for the Port's SWMP and better working relations with the DOE and Port tenants, as well as providing for a consultant with in-depth knowledge of Port-specific issues. If the permit is extended, the Port will extend the contract to cover the added duration, and additional funds may be needed.

The purpose of this contract is to provide support for developing the Port's stormwater program as well as implementing and managing compliance with the program. This includes all nine elements of the Port's SWMP, as well as rapid and cost-effective responses to requests by the Stormwater Program Manager and internal customers for permit compliance and associated stormwater support associated with the Phase I Permit. The consulting services will be managed by the Seaport Environmental Program for both the Seaport and Real Estate divisions.

The Office of Social Responsibility (OSR) has set a goal of three Small Business Enterprises for the request for proposal (RFP).

The Phase I Permit is renewed and reissued every five years by the DOE. Ecology requires that the reapplication for this permit be completed by August 19, 2011, via a Notice of Intent. Completion of the Notice of Intent formalizes the Port's intent to continue coverage under the permit. The CEO has delegated signature authority for the reapplication Notice of Intent to the Directors of Seaport/Real Estate.

PROJECT JUSTIFICATION AND OBJECTIVES:

The essential elements of Seaport/Real Estate stormwater services are to provide time-sensitive, cost-effective study, analysis, and implementation of compliance actions; coordination with capital planning to assist in the design of compliant stormwater systems; and negotiation with agencies, tenants, and third parties regarding stormwater compliance and management associated with the Phase I Permit.

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In order to effectively discharge these service obligations, Seaport must maintain ongoing and immediate access to the stormwater services identified in the Scope of Work.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

The Port's SWMP requires overall compliance with the Phase I Permit requirements, as well as compliance with ten program-specific elements:

- Education Program,
- Public Involvement and Participation,
- Illicit Discharge Detection and Elimination,
- Construction Site Stormwater Runoff Control,
- Post-Construction Stormwater Management for New Development and Redevelopment,
- Operation and Maintenance Program,
- Source Control in Existing Developed Areas,
- Monitoring,
- Reporting Requirements, and
- Water quality and stormwater related design and construction support.

This work will also include time for transition time in 2017 to a new consultant.

Schedule:

It is expected that a contract will be awarded by the end of 2011. This will allow a transition period of overlap between the current consulting firm and the new consulting firm. The transition will involve evaluation of the new 2012 Permit, its impacts on the Port's existing SWMP, and a ramping up of knowledge specific to the Port's program. This contract and authorization will provide services and funding needed for the transition period to the new requirements of the 2012 permit. Funding capacity under the 2007 financial authorization is available until the middle of 2012.

FINANCIAL IMPLICATIONS:

Source of Funds

Stormwater management support costs are split according to the division or project receiving assistance. Stormwater management assistance is distributed among remediation projects, capital development projects, and Seaport and Real Estate operations, with the majority of work supporting operational stormwater compliance. Expenditures will be included in future capital, environmental remediation liability, and operating budgets authorized by future Commission action. Consequently, there is no funding request associated with this authorization.

Authorization Summary

Current request for authorization	\$8,757,000
Total Authorizations, including this request	\$8,757,000

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ENVIRONMENTAL SUSTAINABILITY AND COMMUNITY BENEFITS:

Community: The contract will support protection of water quality in Puget Sound and provides opportunities for small, minority-owned, women-owned, and emerging business enterprises as Port contractors.

Exhibit Environmental Stewardship through our Actions

The Port has organized and manages a stormwater system, fully compliant with federal, state and local regulations, that economically and effectively minimizes contamination from our stormwater in an environmentally sound manner. The SWMP compliance program is responsible for the following:

- Operation and maintenance of stormwater infrastructure
- Monitoring and eliminating illicit discharges into Port-owned pipes (IDDE Program)
- Stormwater monitoring for program effectiveness
- Permit compliance documentation
- Capital development design support consistent with permit requirements
- Public involvement and stormwater education
- Technical assistance and education with tenants
- Pollution control at the source

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Several other contract options considered are described below:

1. Issuing a series of contracts for these services: This option limits the ability of Seaport/Real Estate to provide efficient and timely responses to Port clients because of contracting requirements, and may not be as competitive as a single contract.
2. Hire Port Staff: This work is variable, completion driven, and often unscheduled, while demanding a variety of different specialized technical skills and services. Therefore, performance of tasks by Port staff would require the addition of narrowly specific technical employees whose work product would have a highly variable demand.
3. Execute a single contract: Seaport/Real Estate staff has substantial experience in providing cost-effective environmental services to Port clients through management of environmental consulting professionals. The proposed contract will enhance the efficiency of the existing provision of service, resulting in significantly faster and more precise responses to internal customer needs. **This alternative is recommended.**

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

- Phase I Municipal NPDES Permit
- Port of Seattle SWMP
- PowerPoint Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

- April 10, 2007 – The Commission authorized a series of outside Professional Service Agreements and amendments for stormwater consulting services support through 2012 for an aggregate amount of \$5,000,000.