

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.	<u>6c</u>
Date of Meeting	<u>June 28, 2011</u>

DATE: June 20, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Nora Huey, Director Central Procurement Office
W. Allan Royal, Manager, Real Estate Development

SUBJECT: Authorization to execute three Indefinite Delivery, Indefinite Quantity Professional Service Agreements for Various Real Estate Services.

Amount of This Request: \$ 0.00 **Source of Funds:** N/A

State and Local Taxes Paid: \$ N/A **Jobs Created:** N/A

Total Estimated Project Cost: \$3,000,000

ACTION REQUESTED:

Authorization for the Chief Executive Officer to execute three Indefinite Delivery/Indefinite Quantity (IDIQ) contracts for Real Estate Services for the Seaport, Real Estate, Aviation, and Capital Development Divisions. The contracts will be three years in duration (one year with 2 one-year options) and the three combined contracts will be for a total amount not to exceed \$3,000,000.

SYNOPSIS:

The Real Estate Division proposes to execute three IDIQ contracts with qualified firms to provide various real estate services to the Seaport, Real Estate, Aviation and Capital Development Divisions. The contracts will provide a wide variety of services such as Appraisals, Space Planning, Title Reports and Research. A comprehensive list is noted in the Scope of Work. In order to compete for real estate business opportunities within the timelines required, the IDIQ contract is the mechanism that provides the capability for the Port to be responsive and still maintain the transparency and accountability necessary for a public agency.

Due to the intermittent and last-minute need for this expertise, it is neither cost-effective nor customary to provide it with in-house staff.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

June 20, 2011

Page 2 of 4

The Office of Social Responsibility is providing a recommendation for small business participation.

BACKGROUND:

The Commission approved the current Real Estate IDIQ contract in June of 2009. At that time, when commercial real estate transactions were bottoming out due to the recession, and expectations about future real estate transactions were low, the best estimate for volume of work for three years was \$500,000. This amount has proved to be insufficient since the dollar limit will be exhausted in the first 14 months.

In this follow-up effort, there was more extensive canvassing of Port staff resulting in 11 business units responding with their expectation of work over the next three years. The goal was to ensure that the projected need for Real Estate services was as accurate as possible and that the IDIQ contracts met the needs of the Port for a three-year period. In addition, the real estate market in the Seattle area is starting to recover as evidenced by the multiple deals that have been presented to the Port in the last year. We expect this enthusiasm to continue and are positioning the Port to be responsive to whatever deals come our way. When deals present themselves, the Port needs to have immediate capability to respond or it is likely to lose the opportunity if our response is delayed for several months while outside expertise is procured. It is important to have a broad scope and sufficient funds to ensure an adequate analysis and recommendation can be prepared to present to Commission, for action, in a time frame that meets the market's requirements.

Utilizing IDIQ contracts allows a more efficient, cost-effective way to respond to service needs. By their nature, IDIQ contracts have unknown and unforeseen demands that exhausted the first IDIQ earlier than expected. Staff plans to award three contracts.

The proposed contract amounts reflect historic usage and the forecasted work of each discipline identified in the acquisition planning process.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

The Scope of Work for the three contracts may include:

IDIQ #1: Specialized Skills estimated \$1,000,000

- Relocation in compliance with the Uniform Act 49CFR24
- Right-of-way
- Easements
- Street Vacations

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

June 20, 2011

Page 3 of 4

- Traffic Analysis
- Environmental Assessments
- NEPA/SEPA
- Appraisals
- Title Reports
- Services Related to Historic Preservation/Cultural Requirements
- Forecasting short-term and long-term real estate needs with the methodology for assessing the needs
- Developing lease/acquisition/disposition criterion

IDIQ #2: Development Services estimated \$1,500,000

- Property Acquisition and Disposition
- Owner Representative and Development Manager
- Feasibility analysis both Market and Financial
- Entitlement Negotiations
- Developing benchmarks and best practices related to acquisition, disposition and lease administration
- Review, analyze, and present proposals including evaluation matrices
- Letters of Intent, Request for Proposal, and other Real Estate documents
- Brokerage Services
- Conduct research and submit reports on market data with prices and trends
- Review market standards for lease/acquisition pricing, provisions, and Landlord/Seller concessions
- Traffic Analysis
- Environmental Assessments
- NEPA/SEPA
- Title Reports

IDIQ #3: Property Management estimated \$500,000

- GIS mapping and database management
- Property Management
- Property/building sustainability
- Space Planning

Individual service directives will be negotiated and processed before any work is performed. Service directives, consisting of a scope, fee agreement and schedule will be approved in accordance with Resolution No. 3605, as amended, and will be executed in accordance with Policy EX-2.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

June 20, 2011

Page 4 of 4

The current IDIQ may be exhausted by the end of October 2011. These new IDIQ contracts will be advertised in the third quarter of 2011 with contract execution by year end.

FINANCIAL IMPLICATIONS:

Charges to these contracts will be from projects that have already been authorized within established procedures. Consequently, there is no funding request associated with this authorization.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

1. **Individual procurements.** Prepare separate procurements each time real estate services are needed in any discipline. This option would not be the most efficient use of Port resources. It would result in multiple low dollar contracts for similar services as well as delay projects as individual procurements are sent out for bid. This is not the recommended alternative.
2. **Execute three Real Estate Services IDIQ contracts for \$3,000,000.** This alternative ensures a competitive process and provides staff with the tools needed to respond in a timely manner to request for service. **This is the recommended alternative.**

PREVIOUS COMMISSION ACTION:

- On June 9, 2009, the Commission authorized an initial Real Estate IDIQ contract in amount not to exceed \$500,000.