

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 5c
Date of Meeting December 11, 2012

DATE: November 26, 2012
TO: Tay Yoshitani, Chief Executive Officer
FROM: Peter Garlock, Chief Information Officer
Kim Albert, Senior Manager, ICT Business Services
SUBJECT: Authorization to execute Master Service Agreements for ICT

Amount of This Request: \$0 million	Source of Funds: Approved capital and
Maximum Value of MSA: \$6 million	expense budgets
Est. State and Local Taxes: \$0	Est. Jobs Created: None

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to execute a series of Indefinite Delivery, Indefinite Quantity - ICT Master Service Agreements to hire temporary information technology contractors as needed to support systems, projects, and services for an amount not to exceed \$6 million, with contract ordering period not to exceed five years. No funding is associated with this request.

SYNOPSIS:

ICT requests authorization, for the Chief Executive Officer to issue request for proposals (RFPs) to execute multiple contracts to replace our existing, expiring three year Master Service Agreements (MSAs). The total cost for all contracts shall not exceed \$6 million in total over the five year contract period. These contracts will enable ICT to quickly hire temporary information technology contractors whenever needed to support short term specialized requirements. Our current MSAs expire in 2013. The Commission authorized ICT to utilize MSAs in December 2006 and November 2009. The current request represents a \$5 million reduction from previous MSAs.

BACKGROUND:

The Information and Communication Technology (ICT) Department must intermittently utilize information technology contractors whenever specific services or unique technical skills are required. In the past, examples of specialized systems skills have included WiFi network redesign, and upgrades to Maximo, PeopleSoft and SharePoint. Resource requirements for these specialized services and skills can fluctuate significantly with project workloads, and system maintenance requirements. It is therefore impractical to hire full time staff to meet these short

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term specialized needs. In addition, there are numerous occasions where these specialized skills are needed on short notice to resolve problems, implement a necessary system enhancement, or quickly meet an unanticipated compliance issue. To more effectively meet these needs, in December 2006 and again in November 2009, the Commission authorized ICT to utilize Master Service Agreements to streamline and speed up the process of hiring temporary contractors to supplement Port technical staff whenever needed.

ICT currently has Master Service Agreements with 13 professional staffing vendors. These MSAs are Indefinite Delivery, Indefinite Quantity (IDIQ) contracts that significantly improve ICT's ability to promptly respond to new requirements and problems, while at the same time decreasing procurement costs. The total amount for all current MSA contracts is \$11 million.

Based on actual usage for the past three years, ICT is reducing the authorized not to exceed amount for the new MSAs from \$11 million to \$6 million, and the number of contracts from thirteen to about five. We are also seeking to increase the duration of the MSA contracts to have a five year contract ordering period. The contract duration may extend past five years to allow work previously authorized to be completed.

ICT follows a two step competitive process to hire all contractors using MSAs. The first step is a formal procurement process to select qualified Information Technology staffing vendors who then enter into a Master Service Agreement with the Port. The second step occurs when a specific requirement is identified by ICT. When this occurs, a request (outlining specific skills and specific tasks to be performed) is issued to all vendors on the MSA list inviting them to respond to our requirement again using a competitive selection process. This two step process ensures the Port gets the most qualified candidates at the lowest cost and in the shortest timeframe. ICT developed this innovative process in order to streamline the contracting of professional staffing resources and this process has worked exceptionally well for six years.

In the last three years, ICT issued approximately 25 service directives using the MSA contracts. The average time for personal service procurement is four to six months. When using the MSA contracts, it takes on average one month to hire a contractor which allows ICT to be much more responsive to Port technology requirements. In addition, since the MSA holds the base contract documents, this process eliminates the need to obtain standard contract forms and insurance documentation for each service directive.

PROJECT SCOPE OF WORK AND SCHEDULE:

The MSAs will be written with stipulated not-to-exceed amounts. Each MSA will have a contract ordering period of five years during which time service directives may be issued. The initial contract period will be five years; however, the contract may be extended to allow time to complete all executed service directives. When contractors are required, ICT will solicit proposals from among the MSA vendors. It will then issue a Service Directive to the vendor with the best proposed contractor. Each Service Directives will specify, scope of work, schedule, hourly rate and a not to exceed amount. The proposed MSAs will be competitively bid and the Office of Social Responsibility will assist in identifying opportunities for participation by small contractors prior to the public advertisement.

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FINANCIAL IMPLICATIONS:

This is not a request for funding. All work authorized under an MSA will be paid from projects which are authorized pursuant to Resolution No. 3605 or from ICT expense funds approved in ICT's annual budget.

Source of Funds

The source of funds will be based upon the approved expense budgets or project authorizations associated with each service directive.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

- Undertake a separate procurement process each time services are needed. This option would not be a timely and efficient use of Port resources, as it would result in multiple contracts and for similar services and would take more time to secure resources that may be urgently needed. This is not the recommended alternative.
- Undertake a competitive procurement for ICT Master Service Agreements to hire temporary information technology contractors as needed to support systems, projects, and services. This alternative allows ICT to respond in a timely and efficient manner to fluctuating demand for contracted resources and technology skill sets. **This is the recommended alternative.**

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

- None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

- None.