

PORT OF SEATTLE  
MEMORANDUM

COMMISSION AGENDA  
ACTION ITEM

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

**DATE:** December 4, 2012  
**TO:** Tay Yoshitani, Chief Executive Officer  
**FROM:** Raymond P. Rawe, Director, Engineering Services *RPR*  
Janice Zahn, Assistant Director, Engineering Services *JZ*  
Alan Norris, Manager, Construction Safety *AN*  
**SUBJECT:** Engineering Construction Management Support, Cost Estimating, Scheduling, Auditing, Claims Analysis Services and Construction Safety Monitoring IDIQ.

**Amount of This Request:** \$0      **Source of Funds:** Current and Future Operating Budgets;  
Future Individual Project Authorizations

**Maximum Cumulative Value  
of IDIQ Contracts:** \$8,100,000

**ACTION REQUESTED:**

Request Commission authorization for the Chief Executive Officer to execute up to 13 indefinite delivery, indefinite quantity (IDIQ) service agreements for services related to construction management, scheduling, estimating, auditing, claims analysis, and safety monitoring in support of Aviation, Seaport, and Real Estate Division construction projects in an amount not to exceed \$8,100,000, with an ordering period of three years. No funding is associated with this authorization request.

**SYNOPSIS:**

Staff anticipates issuing up to 13 IDIQ contracts to provide six different types of consultant services to support the Port's Construction Management and Construction Safety 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 contracts.

Competitively bid IDIQ contracts are a widely used public sector contracting tool, consistent with the Port's Resolution No. 3605, as amended, and governed by CPO-1 policy.

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### BACKGROUND:

The number of outside technical services agreements that the Port enters into is substantial, and there is a significant amount of time and effort 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 economic efficiencies can be obtained by reducing the number of selection processes.

This authorization will only authorize the execution of the contracts. 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:

Within the next three years, over 60 projects are identified as having construction costs over \$300,000 for an overall estimated total construction cost of over \$500 million, the majority for the Aviation division. To support the construction management of these projects, six requests for proposals (RFPs) would be issued to execute a number of IDIQ agreements, allowing consultants to support construction management services, cost estimating, construction scheduling, construction auditing, construction claims, and construction safety monitoring. The goal is to have the first of these service agreements in place by the beginning of July 2013 and stagger the advertisement and execution of the remaining contracts through November 2013.

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 of three years during which the services may be separately authorized. The actual contract duration may extend beyond three years in order to complete the work identified in a particular service directive. 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.

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Service Agreements anticipated for solicitation by Engineering include:

<b>Construction Consultant Service</b>	<b>Dollar Value</b>	<b>Number of Contracts</b>
Construction Management	\$ 5,000,000	3
Construction Scheduling	\$ 500,000	2
Construction Estimating	\$ 500,000	2
Construction Auditing Services	\$ 500,000	2
Construction Claims	\$ 1,000,000	2
Construction Safety Services	\$ 600,000	2
<b>Total</b>	<b>\$ 8,100,000</b>	<b>13</b>

Depending on the response to the RFQs, staff anticipates executing service agreements for up to two separate firms for each consultant service except for construction management services, where three service agreements are anticipated.

### ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

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 IDIQ contracts. Existing contracts are near their contract limits or are set to expire between December 2013 and November 2014. Delays in contract procurement may cause suspension of work assignments, project impacts, schedule delays, and increased costs.
3. Advertise and execute IDIQ 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.

### TRIPLE BOTTOM LINE:

These IDIQ contracts create opportunities for small businesses participation.

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**PROJECT SCHEDULE:**

It is estimated these IDIQ contracts will be executed in the second Quarter of 2013 through the fourth Quarter of 2013 and will have a three-year ordering period. The contract durations may extend beyond that period to allow work to be completed.

**OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

None.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:**

None.