

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4d
Date of Meeting February 10, 2015

DATE: February 3, 2015
TO: Ted Fick, Chief Executive Officer
FROM: Wayne Grotheer, Director, Aviation Project Management Group
SUBJECT: Indefinite Delivery Indefinite Quantity (IDIQ) contracts for Mechanical and Electrical Engineering Design Services

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|-----------------------------------|-------------|-------------------------|--|
| Amount of This Request: | \$0 | Source of Funds: | Current and Future Operating Budgets; |
| Maximum Value of Contracts | \$6,000,000 | | Future Individual Project Authorizations |

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute up to four indefinite delivery, indefinite quantity (IDIQ) contracts for mechanical and electrical design services for a total maximum value of \$6,000,000. Each contract will have a contract ordering period of three years. No funding is associated with this authorization.

SYNOPSIS

There are several Airport mechanical and electrical projects scheduled and additional potential projects over the next three years. These mechanical and electrical engineering design service contracts will be used for future mechanical and electrical system upgrades of existing systems, designing new systems, renewal and replacement projects, and facility expansion projects.

Staff also anticipates the need for consulting services to support feasibility studies related to mechanical and electrical projects for future work associated with the upcoming Sustainable Airport Master Plan. These services are also included in the contract. Specific scope of work to be accomplished for each project shall be identified in a service directive.

BACKGROUND

Aviation Project Management's role includes responding to the changing needs of our customers, providing assistance with determining scope, assisting larger projects with smaller supporting projects, and occasionally developing a quick fix to a problem. Having IDIQs in place allows the Port to respond quickly and efficiently to these requests.

The current Mechanical and Electrical IDIQs are reaching the end of their ordering periods. The contracts must be replaced to enable the Port to meet project needs for the next three years.

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The not-to-exceed cost for each of the four mechanical and electrical design contracts is \$1,500,000. The total maximum value of the contracts is \$6,000,000. If the Port receives less than four outstanding proposals the Port may award one, two, or three, contract(s) for a total of \$6,000,000. The contracts will have a contract ordering period up to three years (one year contract with two one-year options), during which time the Port may issue service directives. The actual contract duration may extend beyond three years in order to complete work started or ordered in a service directive. A service directive may be issued only during the contract ordering period.

PROJECT JUSTIFICATION AND DETAILS

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, as amended by Resolution No. 3628, and governed by CPO-1 policy. The current Mechanical and Electrical IDIQs are reaching the end of their ordering periods.

Project Objectives

- The primary objective of the IDIQ engineering service is to deliver designs or provide support in answering engineering questions or solving engineering problems for the Port in a responsive and more rapid manner than can be delivered by procuring stand-alone services. The Airport is a dynamic environment and at times requires rapid solutions to challenges as they are identified. Having an IDIQ engineering service contract available will allow us to meet those short-term solutions.
- Mechanical and electrical system projects are also being planned. Of these future projects, most have common scope elements and the fees will typically be between \$20,000 to \$500,000. This IDIQ will allow us to work with up to four design teams, which greatly improves our flexibility and our response time.
- A secondary objective is to reduce procurement costs for engineering services.

Scope of Work

This request will support future needs to modify or replace components of mechanical and electrical systems that have reached the end of their useful lives or need to be modified or expanded to support added customer requirements. It will provide support during project planning, design, and construction of identified mechanical and electrical projects in addition to other potential projects.

Mechanical projects may include, but are not limited to, the following: Central Plant facilities, modifications to Pre-conditioned Air Systems, assistance with people and baggage conveyance

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systems, fire protection systems, heating ventilation and air conditioning (HVAC) systems, stormwater treatment and handling systems, hydraulic systems, pipe distribution systems, sanitary sewer system, controls, plumbing and water distribution systems, passenger loading bridges, gangways, industrial waste system upgrades, studies and lifecycle cost analyses and infrastructure upgrades to support our large capital projects.

Electrical projects may include, but not be limited to: emergency generator power systems, studies, upgrading or modifying power distribution systems, including feeders to facilities, power distribution projects, modifications to the airfield power system, and infrastructure upgrades to support our large capital projects. Studies for both mechanical and electrical are generally feasibility studies that aid Port project sponsors during project planning stages. These studies are typically completed during the early planning stages.

Typically, mechanical and electrical projects require work from other design specialties. For example, many projects require penetrations through walls, floors, or ceilings. Penetration details require the assistance of an architect and possibly a structural engineer. Each contract will allow scope for architectural, structural, civil, fire protection, acoustical, and other ancillary design services related to the mechanical and electrical projects.

Schedule

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|---------------------------------|---------------|
| Design Consultant Advertisement | February 2015 |
| Execute Service Agreement | July 2015 |
| End of Ordering Period | July 2018 |

It is estimated that the contract will be executed by July 2015 and have a three-year ordering period. The contract duration may extend beyond that period to allow work to be completed.

FINANCIAL IMPLICATIONS

The total estimated cost for mechanical and electrical services will have a total maximum value of \$6,000,000. No work is guaranteed to the consultant and the Port is not obligated to pay the consultant until a service directive is executed. The budget for work performed under this contract will come from individual authorizations for capital project work.

STRATEGIES AND OBJECTIVES

Each project will identify Port strategic objectives as part of its authorization.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Prepare separate procurements for each project. This alternative would require many more procurement processes, add more time to projects, and increase administrative costs in order to hire consultant design teams for each project. Project integration would be more difficult to achieve. This is not the recommended alternative.

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Alternative 2) – Prepare a single procurement for identified mechanical and electrical design services for the Port of Seattle. This alternative would provide a higher degree of integrity in planning for design and minimize the number of procurement processes necessary for timely completion of projects. **This is the recommended alternative.**

ATTACHMENTS TO THIS REQUEST

- None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None