

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4c
Date of Meeting April 28, 2015

DATE: April 21, 2015
TO: Ted Fick, Chief Executive Officer
FROM: Lindsay Pulsifer, General Manager, Marine Maintenance
SUBJECT: Contract for HVAC Maintenance Services

Amount of This Request:	\$600,000	Source of Funds:	Operating Budget
Est. State and Local Taxes:	\$52,600		

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute a contract for Heating, Ventilation and Air Conditioning (HVAC) Maintenance Services for equipment at the Port of Seattle waterfront properties. The estimated cost of this contract is \$600,000 and the contract will be for two years.

SYNOPSIS

The Port of Seattle has 11 waterfront properties and this contract will provide ordinary and routine maintenance of the HVAC system. .

BACKGROUND

Heating, Ventilation and Air Conditioning system maintenance and repairs require the services of trained and licensed technicians. The work is highly specialized, and lies outside the skills of our internal work forces. This work has historically been performed by a maintenance contractor. The Port of Seattle historically has performed HVAC Maintenance Services through a purchased service contract. The current contract with MacDonald-Miller is expiring. Marine Maintenance desires a new contract for full service maintenance on the waterfront HVAC systems.

Equipment Locations:

- Pier 66
- Pier 69
- Fisherman's Terminal
- Shilshole Bay Marina
- Terminal 102
- Terminal 30 (Police Station)
- Terminal 106

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- Terminal 90/91
- World Trade Center East Garage
- World Trade Center North Garage
- Marine Maintenance

PROJECT JUSTIFICATION AND DETAILS

Project Objectives

- The objective of this request is to allow the Marine Maintenance Department to continue to maintain the waterfront HVAC systems in an effective and efficient manner, ensuring Port assets continue to operate appropriately.
- These 370+ components provide heating and cooling for critical equipment, tenants, and employees of the Port.
- This contract will be bid as a hybrid contract with a Purchased Service component and a Public Work On-Call Small Works Construction component. The result will be two separate contracts awarded to the successful bidder. The Purchased Service contract is for annual preventive and predictive maintenance (this request). The Small Works contract is for repair services above and beyond ordinary maintenance. The basis of award for both contracts shall be the cumulative total from the Purchased Service Agreement bid and the Small Works Construction bid.
- The project manager will coordinate with the Office of Social Responsibility to maximize small business participation.

Scope of Work

- The scope of work is to provide all preventive, predictive, corrective, and emergency maintenance on the 370+ HVAC components presently installed and operational at 11 waterfront locations. In addition, as new equipment becomes active, maintenance of that equipment will be incorporated into this scope of work.

FINANCIAL IMPLICATIONS

Year	Annual Maintenance Estimate	Sales Tax	Total
2015	\$136,850	\$13,150	\$150,000
2016	\$273,700	\$26,300	\$300,000
2017	\$136,850	\$13,150	\$150,000
Total	\$547,400	\$52,600	\$600,000

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Budget Status and Source of Funds

This is not a request for funding. The 2015 expense is included in the Marine Maintenance annual budget. Future years will also be budgeted in Marine Maintenance.

STRATEGIES AND OBJECTIVES

This project aligns with the Port's objective to be the greenest and most energy efficient port in North America by meeting all increased energy needs through conservation and renewable sources.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

- Do not perform monthly maintenance and only do repairs as needed. Pros: Potentially less expensive for a short period until breakdown frequency accelerates. Cons: Because the equipment requires specialized technicians and the Port does not presently employ any of those technicians directly, we will be unable to maintain the systems as they should properly be maintained. Equipment failures will eventually occur. A Small Works contract would still be needed for repair work, which could be done on an "as-needed" basis, but annual repair costs would be significantly higher. Also, it is difficult to encourage contractors to bid on contracts that do not include scheduled maintenance because "as-needed" repairs are not guaranteed.
- Hire and train an HVAC Technician at Marine Maintenance. Pros: A single technician would be more knowledgeable about the Port's assets. Maintenance records would be kept in our database instead of the contractor's system. Cons: Hiring a represented worker who can work on other mechanical and plumbing systems would be viable for routine work, but is jurisdictionally difficult since this work spans the jurisdictions of three or more unions. Preventive and expected maintenance hours require less than one FTE. A small works repair contract would be needed for after hours and weekend callouts. The cost of such services would be at a premium. Marine Maintenance would also have to purchase new tools and equipment for this work.
- Authorize a contract for -HVAC maintenance contract and a repair contract. This is the preferred alternative. Pros: Having a single contractor responsible for maintenance and repair would be an attractive proposition to a contractor, provides clear accountability for the Port, and is the most economical. Cons: To align with the small works repair contract that will be awarded to the same contractor, this procurement would be limited to two years. Awarding the maintenance portion to a different contractor every two years may result in some loss of consistency and familiarity with the maintenance history.

ATTACHMENTS TO THIS REQUEST

- None

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- On April 13, 2010, the Commission approved a Full Service Mechanical Equipment Maintenance Service contract for \$2,200,000. S-00316612 was executed on October 10, 2010 for 1 year with four 1 year extensions.