



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6c

ACTION ITEM

Date of Meeting July 10, 2018

DATE: June 28, 2018
TO: Stephen P. Metruck, Executive Director
FROM: Kathy Roeder, Director of Communications

SUBJECT: Contract to provide graphic design services to the Port of Seattle

Amount of this request: \$600,000
Total estimated project cost: \$600,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to three indefinite delivery, indefinite quantity (IDIQ) contracts for graphic design services for a total maximum value of \$600,000 and a contract ordering period of three years. No funding is associated with this authorization.

EXECUTIVE SUMMARY

Graphic design services underpin all communications needs across the Port, from marketing Port facilities in brochures, reports and one-pagers to designing informative and appealing construction barricades at the airport. While the Port completes most of its graphic design work in-house, IDIQ contracts help maintain high quality deliverables during peak workload, and expand our range of capabilities with specialized services.

This contract will be among one of the first pilots to go through procurement with our new WMBE policies and will include a WMBE aspirational goal.

IDIQ contracts provide the Port with the flexibility to meet business requirements as they arise by issuing individual Service Directives to accomplish tasks within the general, pre-defined scope of work on an as-needed basis for a fixed period of time and a maximum contract amount. The funding for these service directives will come separately from either annual operating budgets or individual project authorizations.

JUSTIFICATION

The Port relies heavily on communications materials, particularly brochures, flyers, one pagers, and installed materials like posters and barricades. New programs, expanded initiatives, and increased construction drive increased demand.

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All Port departments access these services and either partner with Public Affairs on funding or cover the cost of graphic design needs within their project budgets. The Port's sole full-time, Port-wide graphic design employee routinely partners with experts in Aviation Facilities and with teams across the Port to ensure that providers deliver high-quality materials that meet our brand guidelines.

Competitively bid IDIQ contracts are a widely used public sector contracting tool, consistent with the Port's General Delegation of Authority and governed by Central Procurement Office (CPO)-1 policy.

Based on to-date expenditures, we anticipate the Port will only spend \$470,000 of the \$870,000 authorized in the 2015-2018 contracts. Our request of \$600,000 tracks our proven spending needs and allows for an increase in utilization, out of pocket, and labor costs.

DETAILS

This request is to execute up to three contracts: each up to \$200,000 which will be awarded to the highest ranked firms.

Graphic design services contracts are proven to provide opportunities for local small businesses. Two of the three preferred respondents for our current IDIQ contracts were certified small business contractors and suppliers.

Scope of Work

Firms will provide high-quality graphic concepts and design that inform the public, clearly communicate the Port's values, and improve the customer service experience. Projects include various types of communications material for local, regional, national, and international audiences in support of Port initiatives or programs. Firms will be expected to produce marketing and communications materials by following a strategic and engaged process, which will include attending planning meetings, developing creative briefs, and either working with existing Port assets or starting from scratch based on the need.

Deliverables will include marketing materials for the airport, for cruise or marinas, advertising, brochures, construction barricades, posters, informational handouts about the Port, exhibits, promotional videos, one pagers, interactive maps and more.

Contract duration will be one year with options to extend for two additional years. No funding is associated with this authorization.

Schedule

Upon Commission approval of this authorization, work can commence to issue an RFP. Firms should be under contract by January 2019.

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

The Port could hire additional staff to meet graphics design needs. While two full time employees might be the same cost as hiring firms, we would not benefit from the full range of services offered by a firm. Engaging firms also gives us greater flexibility versus locking in the costs of new hires.

Alternative 1 – No graphics design contract.

Cost Implications:

Pros:

- (1) No cost to Port

Cons:

- (1) Would limit flexibility and breadth of services available to the Port by going through specialty firms
- (2) Would limit ability to respond to quick turn projects during peak workload
- (3) Would reduce procurement opportunities for local small businesses

This is not the recommended alternative.

Alternative 2 – Reduce contract by half and hire a second graphic design FTE to boost in-house capabilities.

Cost Implications: \$600,000 for three years.

Pros:

- (1) Further develops our in-house expertise
- (2) Maintains a balance of internal and external resources

Cons:

- (1) Leads to less spending on local businesses or fewer opportunities for businesses
- (2) Commits Port to long-term spending on an additional FTE
- (3) Might not be enough budget for firms to find Port businesses worth bidding on (approximately \$50,000/year if we offer contracts to three firms)

This is not the recommended alternative.

Alternative 3 – Offer three graphics contracts for up to \$600,000 for three years.

Cost Implications: \$600,000 for three years.

Pros:

- (1) Continue to benefit from external expertise and flexibility of on-call agencies
- (2) More realistic anticipated spending by the Port

Cons:

- (1) Budget might run out before the three years concludes, if circumstances or demands change significantly

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This is the recommended alternative.

FINANCIAL IMPLICATIONS

There is no funding request directly associated with this authorization. No work is guaranteed to the selected consultants and the Port is not obligated to pay a selected consultant until a service directive is executed. The budget for work performed under each agreement will come from individual service directives authorizing the consultant to perform specific work on the contract against approved project authorizations and within the total contract amount.

Departments individually budget for many of their own marketing needs, such as the annual cruise brochure.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 8, 2015 – The Commission authorized \$870,000 for the Port to execute three IDIQ contracts for graphic design services.