



COMMISSION
AGENDA MEMORANDUM

Item No. 6c

ACTION ITEM

Date of Meeting July 24, 2018

DATE: July 6, 2018

TO: Stephen P. Metruck, Executive Director

FROM: Ralph Graves, Senior Director, Capital Development
Janice Zahn, Assistant Engineering Director, Construction Services, Engineering
Garry Ensley, Manager Survey and Mapping Services, Engineering
Bruce Gamble, Manager Construction Safety, Engineering

SUBJECT: Contracts for Construction Management Services, Construction Safety Services and Utility Locating Services

Amount of this request: \$0
Total estimated contract cost: \$17,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute (1) up to six indefinite delivery, indefinite quantity consulting agreements for services related to Construction Management, with a cumulative total amount not to exceed \$14 million; (2) up to two indefinite delivery, indefinite quantity consulting agreements for Construction Safety Services with a cumulative total amount not to exceed \$2 million; and (3) up to two Utility Locating contracts for a total amount not to exceed \$1 million. Each contract will have a base contract period of one year and four option years in which the services may be separately authorized. No funding is associated with this request; funding to utilize these contracts will come separately from individual project authorizations.

EXECUTIVE SUMMARY

Within the next five years, over 70 projects are identified as having construction costs over \$300,000 per project. This excludes the International Arrivals Facility (IAF) and NorthSTAR Projects which have project specific Construction Management Services agreements for their use. With the anticipated project workload and the fluctuating market, indefinite delivery, indefinite quantity (IDIQ) contracts provide the Port with the flexibility to meet business requirements as they arise by utilizing outside consultants through the Construction Management (CM) Services and Construction Safety Services. The Utility Locating contract will provide the Port with resources through an open order type contract to meet project needs. The types, numbers, amounts, and durations of consultant services are established based on

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projected needs of the Port and the north harbor properties associated with the Northwest Seaport Alliance.

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. Each agreement/contract will have a base contract period of one year and four option years in which the services may be separately authorized.

The Port will not issue any service directives in excess of each contract's value or after expiration of the contract ordering period.

JUSTIFICATION

The Port of Seattle's existing Construction Management Services IDIQ, Construction Safety Services IDIQ, and the Utility Locator contract are nearly at the awarded contract value. When originally executed, the contract values requested were estimated based on projected project needs and were anticipated to have sufficient contract value to provide necessary consultant services for three years. Actual project needs are consuming the available contract values sooner than expected.

DETAILS

The Port anticipates issuing up to 10 contracts to provide three different types of consultant services including Construction Management, Construction Safety, and Survey and Utility Locating Services.

- Construction Management: three contracts valued at \$4 million each, which will be awarded to the highest-ranked firms and will include a 20 percent small business participation requirement; two contracts, valued at \$700,000 each, awarded to the 1st and 2nd highest-ranked small business enterprise firms; and one contract, valued at \$600,000 awarded to the 3rd highest-ranked small business firm.
- Construction Safety Services: two contracts; contract value will be \$1 million each and will include a small business requirement.
- Utility Locating: two contracts valued at \$500k.

The actual agreement/contract duration may extend beyond five years in order to complete the work identified in a particular service directive.

Scope of Work

The services required under these contracts may include Construction Management, Construction Safety, and Utility Locating services in support of various Port projects, including projects related to the north harbor for the Northwest Seaport Alliance. The scope of work may support the planning, design, construction or closeout phases of the Port construction or

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tenant projects, including design-bid-build, design-build, progressive design-build, and general-contractor/construction-management alternative delivery projects.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Procure individual project specific contracts - 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.

Cost Implications: Potential impact to project schedules with a strong likelihood of additional project costs due to individualized procurements.

Pros:

- (1) Selecting the best consultant to meet the individual specific project expertise.

Cons:

- (1) This alternative would require the lengthy and costly process of selecting consultants for each project, thus requiring increased lead time, additional management oversight, additional administrative preparation, and increased advertising fees.
- (2) Consulting companies interested in this work would need to spend more money preparing proposals as part of the selection process.

This is not the recommended alternative.

Alternative 2 – Advertise and execute multiple contracts for Construction Management, Construction Safety, and Utility Locating to allow for the efficient and cost effective use of consultants to provide the services required by Engineering.

Cost Implications: Procurement process costs

Pros:

- (1) Efficient and effective use of Port staff procuring contracts that address multiple projects.
- (2) Efficient and cost effective use of consultant’s resources.
- (3) Low risk associated with potential project schedule delay due to an inability support a construction project.

Cons:

- 1) Consultants with the subject matter expertise may not be available when project work is requested.

This is the recommended alternative.

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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 directives authorizing the consultant to perform specific work on the contract against approved project authorizations and within the total contract amount.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

June 28, 2016 – Engineering Construction Management, Construction Scheduling, Estimating, Auditing, Claims, Safety and Survey and Mapping Services IDIQ presented to commission in the amount of \$9.3 million, Item 4g, approved by commission.