



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6c

ACTION ITEM

Date of Meeting June 23, 2020

DATE: May 26, 2020

TO: Stephen P. Metruck, Executive Director

FROM: Alex Adams, Senior Environmental Program Manager
Sandra Kilroy, Director, Maritime Environment & Sustainability

SUBJECT: IDIQ Contract to Provide Environment & Sustainability Audit Services and Support for Ongoing Regulatory Compliance Measures

Amount of this request: \$3,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute one (1) consulting services Indefinite Delivery/Indefinite Quantity (IDIQ) contract to perform environmental audit and regulatory support for the Maritime Environment and Sustainability Department with a total value not to exceed \$3,000,000 and a contract ordering period of five (5) years. No funding is associated with this authorization request.

EXECUTIVE SUMMARY

The Maritime Environment and Sustainability Department proposes to advertise and select one qualified firm to provide the outside services necessary to support essential annual environmental compliance measures such as building tune-up audits and energy benchmarking, as well as the non-compliance related tasks, including but not limited to the following: energy audits, lighting audits, waste audits, sustainability audits, building commissioning, and system measurement and verification services. This IDIQ contract will replace an existing outside services contract that is ending.

JUSTIFICATION

Fulfillment of environmental obligations and sustainability efforts through this procurement supports all four of the Port's Century Agenda objectives under the following strategies:

- (1) Position the Puget Sound region as a premier international logistics hub;
- (2) Advance this region as a leading tourism destination and business gateway;
- (3) Use the Port's influence as an institution to promote women and minority business; enterprise (WMBE) growth, small business growth, and workforce development, and;
- (4) Be the greenest, and most energy-efficient port in North America.

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In addition to supporting the Port’s strategic objectives, this contract provides critical support needed for the Port to maintain regulatory compliance with Seattle Municipal Code (SMC). The non-regulatory audits and planning services covered by this contract’s scope of work are also essential for the planning and management of sustainability and resource conservation projects and to maximize cost recovery through rebates and grant funding.

Diversity in Contracting

Port staff met with the Diversity in Contracting Department within the Economic Development Division to set a WMBE goal of twelve percent of contract spending. Funding of services under this contract will come separately from annual operating budgets.

DETAILS

Indefinite delivery, indefinite quantity contracts provide the Port with 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, and a maximum contract amount. Specifically, this contract will allow the Maritime Environment and Sustainability Department to contract the specific services needed to comply with SMC while also advancing other priority resource conservation and sustainability tasks. Compliance with SMC 22.930 requires building owners to complete annual building audits called “Tune-Ups” on a repeating, five-year timeline based on the building’s square footage and use. A qualified “Tune-Up Specialist” must conduct a “Tune-Up Assessment” and submit a “Seattle Building Tune-Up Report” to the City of Seattle per the City’s Tune-Up schedule. The Port of Seattle must also comply with City of Seattle’s Energy Benchmarking Program under SMC 22.920, which requires owners of non-residential and multifamily buildings (20,000 square feet or larger) to track energy performance and annually report to the City of Seattle. This IDIQ contract will replace an existing contract, which expires in 2021, and provides capacity to complete only regulatory tasks but not the additional environmental audit tasks identified in this scope of work and necessary to advance the Century Agenda.

Scope of Work

The service agreements in this IDIQ will provide environmental audit services in support of Port capital development, operations, maintenance, strategic planning, sustainability, climate change, air quality, and energy projects. Environmental audit services requested include regulatory compliance tasks, as well as non-regulatory energy and sustainability audits, assessments and plans. The above services include but are not limited to the following tasks:

- (1) Regulatory compliance and reporting
- (2) Environmental audits of solid waste, energy, water, materials and other resource uses
- (3) Building and facility commissioning, monitoring, measurement and verification

Schedule

The IDIQ service agreement will have a contract ordering period of five years during which,

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service directives may be issued. Each service directive will specify the scope, value, duration, and schedule associated with the work. This contract ordering period will ensure continuity of compliance efforts and efforts to advance the Century Agenda.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Compliance with Seattle Municipal Code is mandatory, therefore alternatives provide methods for the Port, at a minimum, to maintain regulatory compliance.

Alternative 1 – Train existing Port staff to become Tune-Up Specialists, per SMC requirements, and complete regulatory audits with existing staff capacity.

Cost Implications: N/A

Pros:

- (1) Lowest outside cost alternative.
- (2) Contract administration needs would decline.
- (3) Port staff would increase technical depth and capacity to complete Building Tune-Ups.

Cons:

- (1) Port staff do not currently have the breadth of specialized expertise.
- (2) Port staff do not currently have the capacity to undertake this scope at current staffing levels. It would result in the need to hire additional staff.
- (3) Extensive training is needed for Port staff to achieve necessary certifications to complete regulatory requirements.
- (4) Training opportunities may not align with regulatory need, putting compliance at risk.

This is not the recommended alternative.

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Alternative 2 – Delay new contract procurement and use remaining outside service contract capacity to complete only regulatory tasks through the end of the contract term (September 2021) then procure a new contract that both maintains compliance and addresses key non-regulatory tasks.

Cost Implications: Up to \$600,000 per year for one year

Pros:

- (1) Does not require re-tasking and training existing staff to maintain compliance.
- (2) Provides a flexible, contracted workforce over the remaining contract duration.
- (3) Provides short-term regulatory compliance support.
- (4) Reduces short-term burden on procurement staff in 2020.

Cons:

- (1) Existing contract held by the Port provides a short-term solution but does not address annual compliance requirements beyond 2021.
- (2) Does not provide support for key non-compliance-related environmental audit tasks.
- (3) Use of contract capacity for Building Tune-Ups may reduce available funding capacity needed for other regulatory tasks.

This is not the recommended alternative.

Alternative 3 – Procure a new Environmental Audit IDIQ contract to acquire the specialized services needed to complete regulatory and non-regulatory tasks over a five-year duration.

Cost Implications: Up to \$600,000 per year for five years

Pros:

- (1) Does not require re-tasking and training existing staff to maintain compliance.
- (2) Provides a highly skilled and technically broad consultant workforce for both regulatory and non-regulatory requirements, on demand.
- (3) Enables the Port to plan audit tasks beyond 2021 and to maintain compliance over the duration of the contract.
- (4) Provides flexibility: low utilization of contract beyond regulatory compliance will result in reduced costs below annual estimates.

Cons:

- (1) Higher cost than Alternative 1.
- (2) Requires coordination and management of contractor by Port staff.
- (3) Requires contract administration process to procure new contract in 2020.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

There is no funding associated with this request for authorization. Charges to this contract will use service directives from authorized division budgets.

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<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$0	\$600,000 per year for 5 years	\$3,000,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	0	0
Total authorizations, including this request	0	0	0
Remaining amount to be authorized	\$0	\$0	\$0

ADDITIONAL BACKGROUND

City of Seattle adopted the Building Tune-Ups Ordinance in March 2016 as part of the City’s Climate Action Plan, to optimize energy and water performance across Seattle’s commercial buildings. Building Tune-Ups identify low- or no-cost actions related to building operations and maintenance and can result in up to fifteen percent in energy savings. The City of Seattle has the legal authority to assess fines for non-compliance.

ATTACHMENTS TO THIS

- (1) Presentation Slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.