



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting November 17, 2020

DATE: October 26, 2020
TO: Stephen P. Metruck, Executive Director
FROM: Tina Soike, Engineering Director
Janice Zahn, Assistant Engineering Director, Construction Services, Engineering
SUBJECT: Contracts for Engineering Construction Management Services and Special Testing and Inspection Services

Amount of this request: \$0
Total estimated contract cost: \$22,000,000

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 Services, with a cumulative total amount not to exceed \$20 million; (2) up to three indefinite delivery, indefinite quantity consulting agreements for Construction Special Testing and Inspection Services with a cumulative total amount not to exceed \$2 million. Each contract will have a five-year ordering period. 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 new projects are identified as having construction costs over \$300,000 per project. This excludes the International Arrivals Facility (IAF), C1 Building Expansion and NorthSTAR Projects which have or will 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. The Special Testing and Inspection contract will provide the Port with resources that the Port does not currently staff through an IDIQ contract to meet project needs. The types, numbers, amounts, and durations of consultant services are established based on projected needs of the Port and projects in the North Harbor 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.

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Each agreement/contract will have a five-year ordering period during which 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 and Special Testing Inspection Services contract are nearly at the awarded contract value. When originally executed, the contract values requested were estimated based on projected project needs to provide necessary consultant services for 4 years. Actual project needs are consuming the available contract values sooner than expected and all but one contract will be out of funds by April 2021. The Special Testing and Inspection contracts have executed their final option year and will be out of funds by contract completion dates of July 2021.

DETAILS AND DIVERSITY IN CONTRACTING

The Port anticipates issuing up to 9 contracts to provide two different types of consultant services, Construction Management and Construction Special Inspection.

- **Construction Management:** The intent is to execute up to six contracts with the most qualified firms; however, we will redistribute the awarded contract values should we not receive sufficient qualified firms without exceeding the combined total value. Three contracts valued at \$5 million each, which will be awarded to the three highest-ranked firms and will include a thirty percent (30%) percent WMBE aspirational participation goal. Three contracts, two valued at \$1,750,000 each and one valued at \$1,500,000 each with a thirty percent (30%) WMBE aspirational participation goal awarded to the next three highest ranked firms.
- **Construction Special Inspection Services:** Three contracts; contract value with a combined value of \$2 million will be awarded. One contract valued \$800,000 will be awarded to the highest ranked firm and two contracts valued \$600,000 will be awarded to the next two highest ranked firms. Due to the nature of these services, subcontracting may not be feasible, however WMBE participation opportunities are available for priming of this service. Project staff along with the Diversity in Contracting Department is outreaching and notifying WMBE firms of this opportunity.

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 will include Construction Management and Special Testing and Inspection services in support of various Port projects, including projects related to the Northwest Seaport Alliance. The scope of work may support the planning, design, construction, special testing and inspection or closeout phases of the Port construction or tenant

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projects, including contracts procured using 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, and Special Testing and Inspection Services 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

July 24, 2018 – Construction Management Services IDIQ approved by Commission for \$14 million.

February 27, 2018 – Special Testing and Inspection Services IDIQ approved by Commission for \$2 million.