



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting January 26, 2021

DATE: January 6, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Valarie Johnson, AVM Manager, Planning and Small Works
Brendalynn Taulelei, AVM Senior Manager, Asset Management & Logistics

SUBJECT: Requesting Commission Authorization to Increase Contract Value for Small Works Landscape Contract (SW-0319499)

Amount of this request: \$13,100
Total estimated project cost: \$313,100

ACTION REQUESTED

Request Commission authorization for the Executive Director to increase the previously approved Small Works Landscape Contract amount (SW-0319499) from \$300,000 to \$313,100.

EXECUTIVE SUMMARY

In accordance with the Delegation of Responsibility and Authority to the Executive Director, Section 4, provision 4.4, the Port is seeking authority to amend a small works contract over the \$300,000 small works contract dollar limitation established in RCW 53.08.120. In August 2018, a Small Works Landscape Contract (SW-0319499) was executed with Plantscapes Inc. to perform maintenance and landscape services at Seattle-Tacoma International Airport. In August 2020, during closeout and reconciliation of the contract the Port of Seattle was notified by Plantscapes Inc. that three months of payments had not yet been settled from 2019. This was the first the Port of Seattle had been notified of missing payments. Upon further investigation, the Port of Seattle determined the landscape services were received from the contractor for that time period. The authorized work was over the Small Works statutory contract limit of \$300,000.00. The overage was a total of \$13,021.09. The increased amount will cover additional invoice costs totaling \$13,021.09. The Small Works Landscape contract provides landscaping maintenance services to Seattle-Tacoma International Airport.

JUSTIFICATION

The increase amount being requested through this authorization allows the Port to pay three outstanding invoices for amounts owed to the Small Works landscaping contractor for services rendered in 2019. This small works construction contract was completed in compliance with the RCW 39.04.155 and Port policies and procedures, where the total estimated cost of the project

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work does not exceed the amount authorized by RCW 39.04.155 and RCW 53.08.120. However, this Commission action is required where the total project cost is more than \$300,000.

DETAILS

In August 2020, during closeout and reconciliation of the contract, the Port of Seattle was notified by Plantscapes Inc. that three months of payments had not yet been settled from 2019. This was the first the Port of Seattle had been notified of missing payments. Upon further investigation, the Port of Seattle determined the landscape services were received from the contractor for that time period. The authorized work was over the Small Works statutory contract limit of \$300,000.00. The overage was a total of \$13,021.09.

To ensure this situation does not recur, Aviation Maintenance and the Central Procurement Office Construction Contracts Team implemented control measures to ensure that all invoices are received in a timely manner and reconciled before beginning the process for closing out the contract. The control measures include: 1) implementing a monthly landscape maintenance status report from the service provider by the end of each month, and 2) this report will be reviewed and validated by the assigned Aviation Maintenance Small Works Project Manager/Controls Coordinator.

Scope of Work

This is an annual contract paid on a monthly flat rate for regular landscaping maintenance at Seattle-Tacoma International Airport. The work includes furnishing all labor, tools, specialized equipment, materials, supervision, and transportation to provide proper weed control, litter removal, removal of cuttings, care, and maintenance for: irrigation systems, lawns, all planters, landscaped areas, trees, shrubs, and other plant materials within the project limits for healthy growth, neatly trimmed, and visually attractive landscaped areas. Time and material changes, by Work Authorizations, may be required for events and activities such as irrigation repairs, diseased/distress/dead plant replacement, herbicides, fertilizer, earth movement (slides), plant/pest control, maintenance support for mitigation areas, tree topping, tree cutting, tree removal, stump removal, hydro seeding and any other landscape/plant related items that are not normally associated with the recurring general maintenance.

Schedule

The contract is substantially complete. Upon Commission authorization, the three (3) outstanding invoices can be paid and the contract will reach final completion.

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not authorize the additional funds of \$13,100 over the \$300,000.00 small works contract amount; outstanding contractor invoices will remain unpaid.

Cost Implications: No cost implications as contract amount would stay as is with \$300,000.

Pros:

- (1) Contract amount stays as is with no changes, keeping it within the authorized value.

Cons:

- (1) Outstanding invoices owed to the SW landscape contractor will not be paid.

This is not the recommended alternative.

Alternative 2 – Authorization to approve \$13,100 increasing the \$300,000 small works contract to a total of \$313,100.

Cost Implications: An additional \$13,100 will be added to the original contract value of \$300,000.

Pros:

- (1) Contractor gets paid for work they performed within the work scope of the original contract.

Cons:

- (1) Exceeds the small works roster limit established by RCW 53.08.120 which is an estimated cost of \$300,000.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The Aviation Maintenance baseline budget includes an estimated budget of \$645,000 for Small Works. The future annual contract amounts will be included in annual operating budgets. The requested amount creates no increase or decrease to the operating budget.

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$0	\$300,000	\$300,000
AUTHORIZATION			
Previous authorizations	0	300,000	300,000
Current request for authorization	0	13,100	13,100
Total authorizations, including this request	0	313,100	313,100
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

Annual Operating Expense Budget.

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Financial Analysis and Summary

Project cost for analysis	
Business Unit (BU)	Aviation Maintenance
Effect on business performance (NOI after depreciation)	
IRR/NPV (if relevant)	
CPE Impact	None

Future Revenues and Expenses (Total cost of ownership)

Future expenses for this contract will be included in the Aviation Maintenance budget and will be budgeted through the annual expense budgeting process.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None