



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8c

**ACTION ITEM**

**Date of Meeting** May 25, 2021

**DATE:** May 17, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Wayne Grotheer, Director, Aviation Project Management Group

**SUBJECT: Indefinite Delivery Indefinite Quantity (IDIQ) Service Agreements for Mechanical and Electrical Engineering Design Services**

**Amount of this request:** \$0  
**Maximum value of contracts:** \$16,000,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute up to four professional services indefinite delivery, indefinite quantity (IDIQ) contracts for mechanical and electrical design services, in support of the Aviation capital programs, with a total value of up to \$16,000,000 and a contract ordering period of up to five (5) years.

**EXECUTIVE SUMMARY**

The Aviation Project Management Group (AV/PMG) utilizes IDIQ contracts to meet highly variable workload projections for design services. The existing mechanical and electrical design services IDIQ contracts, valued at \$10,000,000, will be expiring in Q4 2021. Based on current projections, this request will provide the necessary mechanical and electrical design services to meet project needs for the next three to five years.

AV/PMG has identified nearly \$60 million in capital improvement projects that will require the services of a mechanical/electrical design consultant over the next three (3) years. While larger projects will be designed with individually procured consulting agreements, the majority of the remaining projects may be designed utilizing the IDIQ contracts described herein. Evaluation of the options resulted in IDIQ contracts being selected as the best method to secure the required services.

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### **JUSTIFICATION**

The workload demands for delivery of electrical and mechanical projects at the Seattle-Tacoma International Airport (Airport) are increasing. To support the increasing and dynamic business requirements of the Airport, AV/PMG requires flexibility. The IDIQ contracts provide flexibility through project-specific service directives that allow engineering design services to be provided on an as-needed basis for a fixed period and a maximum contract amount.

### ***Diversity in Contracting***

There will be a 16% WMBE aspirational goal for each IDIQ contract.

### **DETAILS**

This request is to execute three contracts valued at \$5 million each and one contract valued at \$1 million. In the event the Port does not receive sufficient number of qualified proposals, the Port may award fewer contracts and increase capacity of the awarded contracts to the selected firms, for a total capacity not to exceed \$16 million.

Each contract will have up to a five-year ordering period. Service directives may be issued at any time during the contract-ordering period. Work may be performed after expiration of the ordering period. The total value of all service directives issued on a contract will not exceed the contract value.

Budgets to utilize these contracts will come separately from individual project authorizations.

The IDIQ contracts will be procured according to Port policies and procedures, as well as procurement policy CPO-1. The Port will advertise and issue a solicitation. The contracts will be written with specific not-to-exceed amounts and identify the services required. Each contract will have a contract ordering period (during which the services may be separately authorized) of five (5) years. The actual contract duration may extend beyond five (5) years, in order to complete the work identified in the particular service directives. Service directives may be issued during the contract-ordering period and within the total original contract value. The Port will have the option of moving money between contracts if the Port determines that a contracted current firm cannot adequately complete future work requests.

Primary scope will be mechanical and electrical engineering design services. Architectural, structural/civil, and other engineering services will be included as part of these contracts. There will be one (1) procurement for mechanical/electrical services with up to four (4) contracts issued. Although intent is to award four (4) contracts, two (2) or three (3) contracts may be awarded depending on the qualifications of proposers.

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Procure separate design contracts for each project.

Cost Implications: Each project would expend additional administrative costs to procure individual engineering design services contracts. Contract values would vary compared to IDIQ contracts since each task is procured separately.

Pros:

- (1) Separate contracts would allow the consulting firms opportunities to compete for each individual project.
- (2) Defers the administrative cost of procurement to a later date when individual projects each do their own procurement.

Cons:

- (1) Increased cost for individual project procurements rather than a more efficient single procurement of one set of IDIQ contracts.
- (2) This alternative is an inefficient use of Port resources and staff time and does not leverage the Port’s allowable contracting methods. It would increase overhead and administrative costs to the Port, as we would need to manage more procurement processes and contracts.
- (3) This alternative will add time to each project schedule to complete the procurement process for each individual project and will impact our ability to meet project and customer needs.
- (4) Costs to the consulting companies may increase as they would be responding to multiple procurements.
- (5) Integration among related projects would be more difficult to achieve.

This is not the recommended alternative.

**Alternative 2** – Procure several design services IDIQ agreements in a single solicitation action.

Cost Implications: Administrative costs are reduced in comparison with Alternative 1. Contract values are the same compared to Alternative 3, and administrative costs are similar.

Pros:

- (1) This alternative reduces costs in staff time and overhead for each project involved - the solicitation, evaluation and selection process for design services is completed upfront for multiple projects.
- (2) This alternative reduces the schedule for subsequent projects involved because the solicitation, evaluation and selection for design services have already been completed. Typically, this process consumes approximately 3 to 4 months.
- (3) This alternative allows the Port to utilize the consultant at an earlier stage of project development. Under a typical project specific solicitation, the consultant cannot come on board until after the planning phase has been completed.

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- (4) This alternative more effectively provides for the “consistency” of parallel projects that may utilize the same consultant.

Cons:

- (1) The alternative would limit the number of opportunities available to firms to compete for work.

This is not the recommended alternative.

**Alternative 3 – Prepare Single Procurement Process Resulting in Up To 4 Contracts**

Cost Implications: Administrative costs are reduced in comparison with Alternative 1. Contract values are the same compared to Alternative 2, and administrative costs are similar.

Pros:

- (1) This alternative would ensure the Port has the necessary professional, technical and advisory resources available to assist with time critical planning efforts and delivery of potential future capital work.
- (2) Women- and Minority-Owned Business (WMBE) participation will be a contract requirement.
- (3) The Port is setting aside one contract valued at \$1,000,000 to encourage smaller businesses to participate.
- (4) This alternative would minimize the number of procurement processes necessary for timely completion of tasks and reduce overhead and administrative costs to the Port and consultants.

Cons:

- (1) The alternative would limit the number of opportunities available to firms to compete for more discrete packages of work, though it provides significantly more opportunities to firms than Alternative 3.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

Charges to these contracts will be from individual capital projects. Consequently, there is no funding request associated with this authorization. Individual service directives will be executed to authorize the consultant to perform any specific work on the contract against approved budget authorizations and within the total contract amount.

***Annual Budget Status and Source of Funds***

Charges to these contracts will be from projects that will be authorized separately through established procedures. The total cost for mechanical/electrical design services under these contracts will not exceed \$16,000,000. No work is guaranteed to the consultants and the Port is

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not obligated to pay the consultant until a service directive is executed. After receiving authorization for each project in accordance with the Master Delegation of Authority, the actual work will be defined, and the Port will issue individual project-specific service directives.

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None