



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting June 8, 2021

DATE: April 1, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Wayne Grotheer, Director Aviation Project Management

SUBJECT: Baggage Handling System Design Indefinite Delivery Indefinite Quantity Service Agreements

Amount of this request: \$0

Total estimated project cost: \$10,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to two (2) indefinite delivery, indefinite quantity contracts for baggage handling system design services to support the aviation division's capital program, for a total amount not-to-exceed \$10,000,000. There is no budget request associated with this authorization. Each contract will have an ordering period of five (5) years.

EXECUTIVE SUMMARY

Aviation Project Management utilizes Indefinite Delivery, Indefinite Quantity (IDIQ) contracts to provide the Port with the flexibility to meet business requirements, as they arise, by issuing individual service directives to accomplish tasks within the general, pre-defined scope of work on an as-needed basis. These contracts will support the planned five-year aviation capital program. The funding for these service directives will come separately from individual project authorizations.

The Port will advertise and issue a Request for Qualifications (RFQ) that will be written with a specific not-to-exceed amount and identify the services required. The contracts will have a contract-ordering period (during which the services may be separately authorized) of five years. The actual contract duration may extend beyond the ordering period to complete work identified in particular service directives. Service directives may be issued during the contract-ordering period and within the total original contract value.

JUSTIFICATION

The Seattle-Tacoma International Airport (Airport) has identified two planned projects in the capital program that will need design services of the baggage handling system (BHS) in the next

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three (3) years. There is a possibility of future projects and baggage system analysis that will also utilize these contracts:

- The Baggage Handling Piers at Concourse D project is currently budgeted for approximately \$2,000,000 design.
- Baggage Claim 15 and 16 is currently budgeted for approximately \$3,000,000 design.

Utilization of this type of IDIQ contract has proven to be an efficient, cost effective, and flexible method of responding to uncertain design requirements over a multiple year span. Once the Service Agreements are executed, individual Service Directives will be negotiated and executed before any design work is performed.

Diversity in Contracting

The 6% WMBE aspirational goal for each IDIQ contract was developed with the Diversity in Contracting Department.

DETAILS

Scope of Work

The contract is intended to provide BHS design services for various projects at the Airport. Anticipated design services could include civil/structural, mechanical, electrical, and architectural disciplines. The exact scope of work and disciplines involved will be determined by the individual use of the contract by the projects.

The request is to execute two contracts valued each in the amount of \$5,000,000. The contract will have a five (5) year contract ordering period, during which time services may be separately authorized in a service directive. The Port will not issue any service directives that will exceed the contract's maximum value or after expiration of the contract ordering.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Issue individual contracts for each project

Cost Implications: \$0

Pros:

- (1) Procuring separate contracts for each project would allow more procurement opportunities.
- (2) IDIQ contracts allow the Port to initiate work with the consultant faster.

Cons:

- (1) This alternative will increase overhead and administrative costs to the Port as we would need to manage more procurement processes and contracts.

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- (2) This alternative would add four to six months to each project schedule to complete the procurement process.
- (3) Cost to the consulting community will increase as they are responding to multiple procurements.

This is not the recommended alternative.

Alternative 2 – One solicitation for two contracts.

Cost Implications: \$0

Pros:

- (1) This alternative allows for the two contracts to compete for individual projects.
- (2) This alternative reduces overall costs for each project requiring BHS design services; the solicitation, negotiations and contracting for BHS design is completed onetime for all projects.
- (3) Schedule is reduced by not having to go through the procurement process of solicitation, evaluation and selection for design services on each project. Typically, the procurement process is approximately four to six months.
- (4) These contracts more effectively provide for consistency of parallel projects that may utilize the same consultant.

Cons:

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

This is the recommended alternative.

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 service 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

None.