



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8k

ACTION ITEM

Date of Meeting August 10, 2021

DATE: August 3, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Dave Soike, Chief Operating Officer
Nora Huey, Director, Central Procurement Office

SUBJECT: Procurement Consulting Support Services

Amount of this request: \$0

Total estimated project cost: \$450,000

ACTION REQUESTED

Request Commission determination that a competitive process is not reasonable or cost effective in accordance with Chapter 53.19 RCW; and Authorization for the Executive Director to execute an agreement for Procurement Consulting Support Services, with The Le Flore Group, in the amount not to exceed \$450,000, for a contract period of one year, to Assist with contracting processes including Opportunities Youth Initiative procurement(s), Economic Recovery, and for recommendations for improvements to community engagement (grant/non-profit) processes.

EXECUTIVE SUMMARY

This request for near-term procurement consulting support comes at a time when the Port needs to exert itself as a regional economic engine for recovery from the COVID-19 pandemic. The Central Procurement Office (CPO) workload has risen – capital procurements have increased both in number and complexity; purchasing of goods have increased due to buying supplies necessary to safely support COVID-19 recovery efforts and gateway operations; and service contracts have increased in value and complexity to support portwide and Commission requests. This all occurred at a time when full-time employee (FTE) growth was paused when the pandemic hit to ensure financial viability of the Port, where staffing backfills were carefully scrutinized, and in some cases, delayed.

As a result, CPO does not have the resources to support the growing volume of work. This is an immediate strategy to course correct CPO staffing so that the Port can execute contracts to aid hurting communities and accelerate wider economic recovery. The anticipated cost is \$450,000 for a period of one year to assist CPO with contracting processes including Opportunities Youth Initiative procurement(s), economic recovery, and recommended improvements to community engagement (grant/non-profit) processes. This is an unbudgeted operational expense.

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JUSTIFICATION

This request supports the following Century Agenda and Executive Director’s strategic goals:

- (1) Increase career and business opportunities for local communities in all port-related industries.
- (2) Advance regional workforce development in port-related industries to provide equitable access to quality Port careers

The Commission saw the need to bolster economic recovery from the COVID-19 pandemic and has responded mightily by asking Port staff to ramp up and deliver various recovery programs to a hurting community – which needs continued expedited help. We need to simultaneously deliver the systems and improve the process within legal parameters.

In the last two years, it has been necessary for the Port to support disparately affected communities and to support economic recovery to help the region climb out of the negative effects of the COVID-19 pandemic. These efforts align directly with the mission of the Port. As a result of Commission efforts in this regard, the City of Seattle (City) anticipates forwarding a portion of their funding to the Port to bolster recovery efforts. Part of the reasoning by the City is the Port could launch their recovery dollars into the communities faster. These efforts are being led by the Office of Equity Diversity and Inclusion (OEDI), in partnership and support from CPO, Legal, External Relations, and Economic Development divisions.

These multi-departmental teams have been meeting to establish lessons learned from previous economic recovery procurements. Meanwhile, the volume of this type of work has not been static, rather we are seeing continuing and growing interest from Commission. This all translates into more support from various departments like CPO that strongly supports OEDI thru: design, scope, advertisements, outreach listening sessions, evaluation of responses from community entities, managing conflict of interests, shortlisting, interviewing and evaluation of proposers, contracting with winners, and monitoring progress – all in concert with OEDI. These are not quick parallel steps; they are successive steps in very complex evaluative procurements. Staff is recommending leveraging the use of a knowledgeable consultant to provide improvement and efficiency suggestions, as they help us work through the immediate workload.

Staff is requesting the Commission to determine a competitive procurement process is not reasonable or cost effective in accordance with Chapter 53.19 RCW for the following reasons:

- (1) King County residents continue to experience economic setbacks due to COVID-19, such as food insecurity, homelessness, and unemployment. Commissioners recognize the urgency to distribute and fund programs like youth opportunities for

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- economic recovery. This will allow our youth to continue to participate in workforce development programs with a pipeline to Port-related industries.
- (2) The 16-24 age group continues to experience economic instability due to the pandemic (per King County data).
 - (3) Advertise OYI procurement and other recovery opportunities faster during a time where new COVID variants are occurring which may impact recovery efforts in the near term.

Staff will negotiate a fair and reasonable cost upon approval of this action.

Diversity in Contracting

The Le Flore Group is a self-declared Disadvantaged/Minority-owned business.

DETAILS

This effort will support CPO in procuring upcoming OYI services and other economic recovery programs along with assess our community engagement processes, which includes grant and non-profit services. The Port will retain an external consult who is familiar with the procurement processes and can team with staff under a supervisor on this complex procurement effort for the time necessary as CPO, in partnership with Human Resources (HRD), recruits for its various full-time employee vacancies for the remainder of the year and into next year. The anticipated expense budget is estimated at \$250,000 in 2021 with the remaining \$200,000 in 2022.

Scope of Work

The scope of this consultant is two-fold: provide staff to push our work forward while simultaneously making recommendations to improve the Port process to be efficient in our work with community engagement sector (non-profits and firms in the equity field). The scope includes, but not limited to, solicitation development, proposal evaluation, selection, negotiation, and award. It will also include assessing, recommending, and presenting community engagement process improvements.

Schedule

We anticipate executing this agreement for procurement support in late August. Procurement schedules will be negotiated during the contract term as the OYI program and other economic recovery programs are still under evaluation.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Maintaining the status quo is a barrier for the Port to continue its necessary public procurement work to support Commission-driven initiatives for economic recovery. COVID variants are ever evolving with many unknown impacts, so the Port must position itself to

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award funds to organizations supporting community youth which continue to experience economic insecurity in a fast and efficient manner.

Alternative 1 – Competitively procure Procurement Consulting Support Services.

Cost Implications: \$450,000

Pros:

- (1) Open and full competitive public procurement process.

Cons:

- (1) This will delay in procuring OYI services in partnership with the City of Seattle and other economic recovery programs without prioritization of other complex, high profile procurements due to CPO staffing constraints.
- (2) Advertisement of OYI services in 2022 which delays awarding contracts to our youth in distressed communities impacted by COVID.
- (3) COVID variants are constantly changing with unknown impacts to the economy in the near future.

This is not the recommended alternative.

Alternative 2 – Commissioners determine a competitive process is not reasonable or cost effective, in accordance with Chapter 53.19 RCW, and enter into an agreement with The Le Flore Group for procurement consulting support services for OYI/ Economic Recovery.

Cost Implications: \$450,000

Pros:

- (1) The consulting firm, a self-certified Disadvantage/ Minority-owned business, has substantial knowledge of managing complicated non-profit consulting procurement processes and will be able to be successful quickly.
- (2) This is the fastest way to get an expert and high level of experience onto the team to be able to rapidly deliver these recovery funding efforts into the Community.
- (3) Provide an immediate “stop-gap” measure to address current urgent need to aid regional recovery and equity.
- (4) Develop a faster and efficient process within our legal procurement constraints.

Cons:

- (1) Unbudgeted CPO operational budget expense.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

This is unbudgeted CPO operation expense. Staff anticipates expending \$250,000 in 2021. Staff will request the remaining \$200,000 during the 2022 budget process.

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Cost Estimate/Authorization Summary

Capital

Expense

Total

COST ESTIMATE			
Original estimate	\$0	\$450,000	\$450,000
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

None.

ATTACHMENTS TO THIS REQUEST

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.