



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8u

ACTION ITEM

Date of Meeting December 14, 2021

DATE: November 11, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Cassie Fritz, Waterfront Project Management Program Controls Manager

SUBJECT: Project Management Services Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts

Amount of this request: \$0

Maximum value of Contracts: \$5,000,000.00

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to two (2) professional services Indefinite Delivery, Indefinite Quantity (IDIQ) contracts to provide project management services in support of capital programs, tenant improvement, and expense projects, with a total value of \$5,000,000 and a contract ordering period of five (5) years.

EXECUTIVE SUMMARY

The 2022-2026 Port of Seattle Maritime and Economic Development Divisions and the Northwest Seaport Alliance (NWSA) North Harbor planned budgets include substantial investment in capital and major expense construction projects. Executing these contracts will allow flexibility in staffing to meet the challenges of delivering a varied capital program. No funding authorization is included with this request as the funding for these service directives will come separately from individual project and annual expense budget authorizations.

JUSTIFICATION

IDIQ contracts 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 for a fixed period of time and a maximum contract amount.

Diversity in Contracting

The project team is working with the Diversity in Contracting Department to determine participation opportunities and set appropriate aspirational goals for women and minority business enterprises (WMBE) participation in the Project Management and Control Services contracts.

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DETAILS

Two IDIQ professional services contracts are anticipated for project management services.

Budgets to utilize these contracts will come separately from either annual operational budgets or individual project authorizations.

Schedule

It is anticipated that these contracts will be executed in Q2 2022 and have a five-year ordering period.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not procure new Project Management Support contracts.

Cost Implications: \$0

Pros:

- (1) Reduced project management support costs for project delivery

Cons:

- (1) Unassigned projects must be prioritized and wait for staff availability, resulting in delays to the delivery of projects
- (2) Project costs will increase due to the schedule delays

This is not the recommended alternative.

Alternative 2 – Hire new full-time staff to meet the workload forecasts.

Cost Implications: Variable depending on Project Manager levels

Pros:

- (1) Generally less expensive to projects than hiring consultant staff
- (2) Institutional knowledge is built by Port staff

Cons:

- (1) Inability to rapidly match staffing capacity with project requirements and provide timely completion of projects
- (2) Unassigned projects must be prioritized and wait for staff availability
- (3) Limited knowledge of future projects at time of annual budgeting means mid-year budget adjustments may be required
- (4) If project workload decreases the Port may be required to consider staff reductions or carry higher overhead costs

This is not the recommended alternative.

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Alternative 3 – Use a mix of staff and consultants to deliver Port projects and meet the needs of the Maritime and Economic Development Divisions and the NWSA. Issue IDIQs for PM services to provide flexible staffing solutions.

Cost Implications: Up to \$5,000,000 over a 5-year ordering period

Pros:

- (1) Ability to balance skills and capacity with project requirements, providing timely completion of projects
- (2) Consolidating contract procurement decreases administrative costs
- (3) Highest level of flexibility; staff are added or removed as needed to meet demand
- (4) Provides more opportunities to management services firms
- (5) All staff time is chargeable to project budgets
- (6) Provides opportunities to small businesses
- (7) Allows incorporation of Port staffing when available

Cons:

- (1) Contract rather than Port staff build institutional knowledge
- (2) Cost is higher for consultants than staff with comparable experience

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The total estimated cost for project management services will not exceed \$5,000,000. Each contract will have a not-to-exceed threshold and 5-year ordering period. No work is guaranteed to the consultants and the Port is not obligated to pay the consultant until a service directive is executed. After receiving authorization for each project in accordance with the Delegation of Authority, the actual work will be defined, and the Port will issue individual project-specific service directives.

Annual Budget Status and Source of Funds

For services in support of capital projects, the costs will be charged directly to capital projects and included in the authorized budgets and will use the designated funding sources for the individual projects. For services in support of expense projects, the costs will be included in the annual operating budgets for the Waterfront Project Management Group.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None