



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8g

**ACTION ITEM**

**Date of Meeting** January 25, 2022

**DATE:** January 14, 2022

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

**FROM:** Glenn Fernandes, Director, Internal Audit

**SUBJECT: Solicitation of External Audit Services for 2022 through 2027**

**Amount of this request:** Not-to-Exceed \$600,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute an indefinite delivery, indefinite quantity (IDIQ) contract for external audit services for General Contractor/Construction Manager (GCCM) capital projects, for a total not to exceed \$600,000, with a contract ordering period of not-to-exceed five years.

**SUMMARY**

The Port of Seattle (Port) utilizes the GCCM delivery methods for a number of our capital projects. In accordance with RCW 39.10.385, an independent audit must be conducted of subcontractor costs to assure proper accrual of costs. This audit work will be performed by external consultant auditors under Internal Audit’s supervision. The services required under this contract include construction cost-of-record auditing, in support of any part of the construction project. Most of the work will involve audits of the projects, to comply with RCW 39.10.385, paragraph 11.

Audits are typically performed at the consultant’s place of business and consist of determination of the prime contractor’s, subcontractors’, and suppliers’ costs of record, including, but not limited to, direct and indirect charges, overhead, benefits, markups, subcontract, and supplier payments. Consultant may also have to perform work at the Contractor’s place of business and attend the Port’s Audit Committee meetings in person.

Currently, Internal Audit anticipates using this IDIQ contract for the following GCCM contracts:

Project
Post IAF Airline Realignment
Main Terminal Low Voltage System Upgrade
C-1 Building Expansion (Construction Phase)

Meeting Date: January 25, 2022

IDIQ contracts provide the Port with the flexibility to meet business requirements as they arise by issuing individual service directives to accomplish tasks within a general, pre-defined scope of work, on an as-needed basis, for a fixed period and for a maximum contract amount. With a five-year ordering period, the Port may authorize work during the ordering period, provided there are sufficient funds in the contract, to cover work associated with the project.

Funding for these services will be capitalized and included in the respective capital project; however, costs will also be reflected in Internal Audit operating budget but will be zeroed out when capitalized.

Internal Audit is working with the Diversity in Contracting Department, to determine the appropriate women-and-minority-owned business enterprise (WMBE), aspirational goal.

**ATTACHMENTS**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFING**

None