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COMMISSION

AGENDA MEMORANDUM Item No. 8f

ACTION ITEM Date of Meeting July 11, 2023

DATE : June 20, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Janice Zahn, Chief Engineer, Director Engineering Services

Chris Sherwood, Interim Assistant Director Engineering, Construction Services

SUBJECT: Construction Management Services IDIQ Memo

Amount of this request: \$30,000,000

Total estimated project cost: \$0

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to six indefinite delivery, indefinite quantity (IDIQ) consulting agreements for services related to Construction Management Services Portwide, with a cumulative total amount not to exceed \$30 million dollars. Each agreement will have a five-year ordering period. No funding is associated with this request; funding to utilize these agreements will come separately from individual project authorizations.

EXECUTIVE SUMMARY

Within the next five years, over fifty new projects, both at the Seattle Tacoma International Airport, Maritime and Economic Development divisions, and the Northwest Seaport Alliance, are identified as having construction costs over \$300,000 per contract. This excludes larger projects such as Main Terminal Improvement Project, Industrial Waste Treatment Plant, Concourse HVAC Improvement Replacement and Renewal, South Concourse Evolution, Main Terminal Improvement and Baggage Optimization Phase 3, which have or will have project specific agreements. With the anticipated future project workload, IDIQ contracts provide the Port with the flexibility to meet business requirements as they arise by utilizing external consultants to support the Construction Management (CM) department. The specific scope, amounts, and durations of consultant services are established based on projected needs of the Port and the Northwest Seaport Alliance.

This authorization will only authorize the advertisement, procurement and execution of the contracts. A service directive will be issued for each project authorizing the consultant to perform a specified scope of work only after staff has received authorization for the project in accordance with Port policies and procedures. Each agreement/contract will have a five-year ordering period

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during which services may be separately authorized. The Port will not issue any service directives in excess of each contract's value or after expiration of the contract ordering period.

JUSTIFICATION

The Port of Seattle's existing CM Services IDIQ agreements were executed in 2020 and the contracts are approaching their maximum contract amount. When originally executed, the amount requested was estimated based on projected project needs to provide consultant services for 5 years. Actual project needs have utilized the contracted agreements much sooner than expected. Of the six agreements in place, all but one agreement will be fully utilized by midyear 2024.

Diversity in Contracting

The intent is to execute up to six contracts with the most qualified firms; however, we will redistribute the awarded contract values should we not receive sufficiently qualified firms without exceeding the combined total \$30M amount. Three agreements valued at \$6 million each will be awarded to the three highest-ranked firms, two agreements valued at \$4.5 million each and one agreement valued at \$3 million to the next highest-ranked firms in order. We anticipate a thirty percent (30%) WMBE aspirational participation goal will be included with each agreement.

DETAILS

Scope of Work

The services required under this agreement are for CM Services in support of various Port projects for the Aviation, Maritime, and Economic Development divisions, and projects related

to the Northwest Seaport Alliance. The scope of work may include supporting projects with planning, design, construction and closeout phases of Port major construction or tenant projects, including contracts procured using design-bid-build, design build, progressive design build and general contractor/construction management alternative delivery projects.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Advertise and execute multiple individual project specific contracts.

Cost Implications: Potential impact on project schedules with a strong likelihood of additional project costs due to individualized procurements.

Pros:

(1) Selecting the best consultant expertise to meet the individual project needs.

Cons:

(1) This alternative would require the lengthy and costly process of selecting consultants for each project, thus requiring increased lead time, additional management oversight,

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additional administrative time in CPO and Construction Management preparation, and increased advertising fees.

(2) Consulting companies interested in this work would spend more money preparing multiple proposals as part of the selection processes.

(3) This is not a viable alternative if the Port is committed to best practices for capital project delivery and remaining flexible to meet our business sponsor's needs.

This is not the recommended alternative.

Alternative 2 – Advertise and execute multiple IDIQ contracts within a single procurement.

Cost Implications: Procurement process costs.

Pros:

(1) Efficient and effective use of Port staff procuring contracts that address multiple projects.

(2) Efficient and cost-effective use of consultant resources.

(3) Provides staffing flexibility that helps meet our business sponsor needs when urgent projects arise.

(4) Minimizes the risk associated with potential project schedule delays due to staff's inability to support a construction project.

(5) Aligns with best business practices for effectively utilizing external consulting firms.

Cons:

1) Consultants with subject matter expertise may not be available when project work is requested.

This is the recommended alternative.

Annual Budget Status and Source of Funds

There is no funding request directly associated with this authorization. No work is guaranteed to the selected consultants. The budget for work performed under each agreement will come from individual directives authorizing the consultant to perform specific work on the contract. with approved project authorizations and within the total contract amount.

ATTACHMENTS

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 17, 2020 – Construction Management Services IDIQ approved by Commission for \$20 million.

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