



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6e

ACTION ITEM

Date of Meeting November 19, 2019

DATE: October 21, 2019
TO: Stephen P. Metruck, Executive Director
FROM: Sarah Cox, Senior Compliance Manager, Aviation Environment & Sustainability
SUBJECT: Aviation Environmental Review and Permitting IDIQ Contract

Amount of this request: \$6,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute one indefinite delivery, indefinite quantity professional services agreement for environmental review and permitting consulting services in support of the Aviation Division with a cumulative total amount not to exceed \$6,500,000 and a contract ordering period of five years plus three option years. The ordering period aligns to airport mitigation compliance and capital planning horizons. No funding is associated with this request.

EXECUTIVE SUMMARY

The Aviation Environment & Sustainability Department proposes to advertise and select a qualified firm to provide environmental review and permitting services. If authorized, the procured services will replace an existing IDIQ contract anticipated to reach its funding limit in 2020. The proposed IDIQ will be used to ensure development and redevelopment projects meet or exceed environmental standards by conducting State Environmental Policy Act (SEPA) and National Environmental Policy Act (NEPA) review; obtaining federal, state and local environmental permits, and ensuring compliance with environmental determinations and permit conditions. The contract will also provide services to support airport sustainability initiatives such as the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) programs, Salmon Safe certification, and the carbon reduction objectives. These services are essential for enabling economic development; achieving the Port's Century Agenda Strategy 4 – to be the greenest, and most energy efficient port in North America; and responsibly stewarding community financial, social, and environmental resources.

The contract will also be used to support environmental design and permitting for future capital projects and development activities.

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JUSTIFICATION

Timely environmental review and permitting is essential for keeping operations and capital projects on schedule and budget. Therefore, fulfilling environmental regulatory obligations through this procurement supports the Port's Century Agenda objective to meet the region's transportation needs. It also supports positioning the Puget Sound region as a premier logistics and transportation hub as the airport maintains and grows infrastructure investments.

This procurement will allow the Port to responsibly manage finances by providing a cost-effective means of managing programs that have variable workloads, are time-sensitive, and require specialized expertise. The Aviation Capital Process, Airport Building Department and any required NEPA/SEPA determination or environmental permits require specific submittals and environmental analyses for approval. Work under this contract will provide specialized expertise required at the Airport, which operates as a utility with a unique regulatory environment. Importantly, this contract also provides capacity for third-party review of projects.

The contract duration and value will ensure the Port has continuity and capacity throughout an eight-year capital improvement program horizon to support permitting, environmental design, and construction for individual projects and programs. The contract scope will also support long-term compliance monitoring efforts for Third Runway mitigation, Lora Lake Apartments Model Toxics Control Act (MTCA) remediation/mitigation, the Flight Corridor Safety Program, and any future compensatory mitigation, all of which also have compliance horizons of at least eight years.

Diversity in Contracting

Port staff met with the Diversity in Contracting Department within the Economic Development Division to set a woman- and minority-owned business enterprise (WMBE) goal of fifteen percent of contract spending. Funding of services under this contract will come separately from annual operating budgets.

DETAILS

Indefinite delivery, indefinite quantity (IDIQ) contracts provide the Port with 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 of time, and a maximum contract amount. Specifically, this service agreement will allow Aviation Environment & Sustainability to review and permit airport operational and development projects on time and on schedule; maintain compliance with environmental permits; and continue to integrate sustainability initiatives into airport programs and processes. Services will also include as-needed support for the activities of other Port groups such as Economic Development, Aviation Properties, Aviation Facilities, and Legal.

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Individual service directives consisting of a scope, level of effort, and schedule will be negotiated and executed as needed. Funds will be derived primarily from Aviation Environment & Sustainability annual operating budgets but will also use Capital Funds for approved projects as needed.

Scope of Work

The service agreement will provide services to implement environmental review, permitting and compliance, and sustainability initiatives. Specific support services may include conducting preliminary environmental review and strategy development; preparing, negotiating, and obtaining environmental permits, including associated documentation; supporting post-project administration, monitoring, and compliance; developing conceptual and preliminary environmental designs, and researching and preparing documentation related to sustainability initiatives such as LEED and Salmon Safe. The above tasks all include specialized environmental monitoring and data collection; compiling and managing data; and assessing, analyzing, modeling, or otherwise using the data to support decision-making, materials preparation, and communications.

This service agreement is not intended to support the Sustainable Airport Master Plan Near-Term Projects environmental review.

Schedule

The IDIQ service agreement will have a contract ordering period of eight years during which service directives may be issued. Each service directive will specify the scope, duration, and schedule associated with the work. This contract ordering period will ensure continuity of environmental review, permitting, and compliance efforts. The contract may extend past the eight-year ordering period, but no new service directives will be issued after the ordering period or when contract funding capacity is reached, whichever occurs first.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Procure project-specific contracts to support capital and operational activities
Cost Implications: \$6.5 million + 1 FTE (\$2 million) + cost of project delays: \$8.5 million + delays

Pros:

- (1) Enables projects with service needs greater than staff resources.
- (2) Aligns staffing with varying work load capacity.
- (3) Expands opportunities for firms to participate.

Cons:

- (1) Doesn't allow for preliminary work to support capital projects or operational activities
- (2) Does not allow for time-sensitive tasks, leading to delays and increased costs.
- (3) Inhibits continuity and development of institutional knowledge.
- (4) Staffing costs significantly increase to support contract procurement and administration.

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This is not the recommended alternative.

Alternative 2 – Add staff for compliance (monitoring and reporting) and procure IDIQ services for environmental review and permitting

Cost Implications: \$6 million + 1.1 FTE (\$1.8 million): \$7.8 million

Pros:

- (1) Enables time-sensitive projects.
- (2) Enables high-capacity projects.
- (3) Improves continuity and institutional knowledge.

Cons:

- (1) Still requires contractor capacity for monitoring and reporting.
- (2) Reduces productivity due to variable workloads.
- (3) Staffing, technical expertise, and capacity requirements are not aligned.

This is not the recommended alternative.

Alternative 3 – Current proposal for an IDIQ managed by senior Port staff

Cost Implications: \$6.5 million + 0.1 FTE (\$200,000): \$6.7 million

Pros:

- (1) Enables time-sensitive projects.
- (2) Enables high-capacity projects.
- (3) Aligns staff and technical expertise to varying workloads.
- (4) Improves continuity and institutional knowledge.
- (5) Reduces contract procurement and administration as well as technical staffing costs.

Cons: None.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

There is no funding associated with this request for authorization. Funding for Service Directives under this contract will be for work authorized by either future capital projects or annual Aviation Division operating budgets.

ADDITIONAL BACKGROUND

Environmental review & permitting services to support aviation capital development and operations have been procured via IDIQ service agreements dating back to at least the 1997 Master Plan Update. Contracts were procured most recently in 2009, 2012 and 2016. The 2016 procurement was for 5 years and \$6M. That contract is set to use remaining funds by summer 2020. New procurements for stormwater services have been authorized separately. With no planned increase in staffing, this procurement anticipates a significant increase in development

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activities and related environmental impacts and proposes a commensurate increase in funding.

ATTACHMENTS TO THIS REQUEST

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

March 6, 2016