



## Legislation Details (With Text)

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**On agenda:** 2/12/2019    **Final action:** 2/12/2019  
**Title:** RESOLUTION AUTHORIZING AMENDMENTS TO THE AS NEEDED AGREEMENTS FOR PROJECT MANAGEMENT CONSULTING SERVICES WITH EXCELERATE, LLC AND SZENBRIDGE ASSOCIATES, TO PROVIDE PROJECT MANAGEMENT SERVICES TO SUPPORT THE STRATEGIC PLANNING PROCESS, TO INCREASE THE MAXIMUM AMOUNT PAYABLE UNDER THE AGREEMENTS BY \$500,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$675,000 AND EXTEND THE TERM FOR THREE YEARS TO JUNE 30, 2022

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Date	Ver.	Action By	Action	Result
2/12/2019	1	Board of Port Commissioners	adopted	

**DATE:** February 12, 2019

**SUBJECT:**

**RESOLUTION AUTHORIZING AMENDMENTS TO THE AS NEEDED AGREEMENTS FOR PROJECT MANAGEMENT CONSULTING SERVICES WITH EXCELERATE, LLC AND SZENBRIDGE ASSOCIATES, TO PROVIDE PROJECT MANAGEMENT SERVICES TO SUPPORT THE STRATEGIC PLANNING PROCESS, TO INCREASE THE MAXIMUM AMOUNT PAYABLE UNDER THE AGREEMENTS BY \$500,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$675,000 AND EXTEND THE TERM FOR THREE YEARS TO JUNE 30, 2022**

**EXECUTIVE SUMMARY:**

Over the last three calendar years, staff has been developing a comprehensive, integrated, and Board-aligned approach to management of the District's strategic projects. The approach begins with identifying the District's key strategies as shaped by the Board and our engagement with the public and stakeholders, which for the past three years have been to improve our Culture, Operations, Business, and Brand (or COBB). The District's Guiding Principles, Vision, and Values govern how the District implements these strategies. Under each of these strategies, staff reviews and updates the goals and the projects necessary to implement those strategies and meet those goals over an 18-month horizon. Each year, at its annual retreat, the Board shapes the 18-month strategy through discussion and direction to the President/CEO.

In preparation for the 18-month period ending June 30, 2020 staff has worked to align the strategic planning process with development of the District's budget. Additionally, staff has been diligently

researching whether and to what extent the District should establish a project management office function to facilitate the consistent management and progress reporting of all District strategic projects. Pursuant to BPC Policy No. 110, District staff issued a Request for Qualifications (RFQ) 18-02KC on February 6, 2018 for As Needed Project Management Consulting Services. The RFQ resulted in two as-needed agreements with consultants - Excelerate, LLC and Szenbridge Associates - in the amount of \$175,000 for a period of one year, ending June 30, 2019. The consultants assisted with preparation of the current 18-month strategy map, performed research and benchmarking, and provided information to staff related to the establishment of a project management office.

Based on staff's estimates of the anticipated work necessary to administer the District's strategic projects, and to ensure support for the 18-month strategic planning cycle for FY20 and beyond, staff is requesting amendments to the Excelerate and Szenbridge agreements. Funds for the current fiscal year are budgeted, and funds for future years will be subject to Board approval. Staff anticipates an annual expenditure of up to \$175,000 over the extended three-year term. Staff recommends that the Board authorize amendments to the agreements with Excelerate, LLC and Szenbridge Associates for As Needed Project Management Consulting Services to increase the maximum amount payable under the agreements by \$500,000 for a total aggregate amount not to exceed \$675,000 and extend the term to June 30, 2022.

#### **RECOMMENDATION:**

Adopt a Resolution authorizing amendments to the As Needed Agreements with Excelerate, LLC and Szenbridge Associates for Project Management Consulting Services to increase the maximum amount payable under the agreement by \$500,000 for a total aggregate amount not to exceed \$675,000 and extend the term to June 30, 2022.

#### **FISCAL IMPACT:**

Funds for the current year of expenditure, if needed, are budgeted in the FY 2019 Executive Offices Professional Services' expense account. Funds required for future fiscal years will be budgeted for in the appropriate fiscal years and cost account, subject to Board approval upon adoption of each fiscal year's budget.

#### **COMPASS STRATEGIC GOALS:**

The Board's authorization for the amendments to the As Needed Project Management Consulting Services provides the opportunity to continue the Strategic Planning process. This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.
- A Port with a comprehensive vision for Port land and water uses integrated to regional plans.
- A Port that is a safe place to visit, work and play.
- A Port with an innovative and motivated workforce.
- A financially sustainable Port that drives job creation and regional economic vitality.

#### **DISCUSSION:**

To ensure that the District's strategic projects are well-planned, funded, and executed, District staff has been working diligently over the last three years to develop and institutionalize a sustainable strategic planning process. Staff has developed an 18-month strategic planning cycle that encompasses evaluating all District projects and aligning them with the District's annual budget process. Staff believes there is an ongoing need for consultant assistance to support the FY 20 strategic planning cycle.

Pursuant to BPC Policy No. 110, District staff issued a Request for Qualifications (RFQ) 18-02KC on February 6, 2018 for As Needed Project Management Consulting Services. The result of the RFQ was as needed agreements with Excelerate, LLC and Szenbridge Associates in the amount of \$175,000 for a period of one year, ending June 30, 2019.

Consultants have been working to develop a plan of record for the FY 20 strategic initiatives, assisted in the preparation of strategic planning workshops/working sessions, and managed the FY 20 strategic planning cycle to existing processes and schedules. In addition, staff and consultants have been creating a Strategic Planning Framework, strategic planning communication plan, revising processes, templates, and related documentation based on feedback provided from FY 19 and throughout the FY 20 planning cycle, integrating the budget process, aligning the budget process with the ePMO, IT-PMO, CIP, and Major Maintenance processes, developing relationship diagrams in support of enterprise solutions, provide guidance and assist District staff, as needed, with operational management of the FY 19 Strategy and associated documentation, providing as needed support for the Strategic Planning Team as well as sharing lessons learned and identifying process improvements, and coordination with staff and consultants.

For the development and documentation of an Enterprise Project Management Office (ePMO), consultants have been integrating the annual 18-month strategic planning cycle, aligning the development of the ePMO with the development of an IT-PMO and the existing CIP and Major Maintenance programs. A potential structure has been identified that includes proposed governance relationship to IT-PMO, CIP, and Major Maintenance programs, and contains interview synopsis and themes and a high-level current state assessment, consultant defined department membership and organization structure, guiding principles, roles and responsibilities, and decision-making rights.

Staff believes that consultant assistance is critical to maintaining the momentum and developing the recommendations necessary to advance strategic planning at the District at this time. Based on staff's estimates of the anticipated work necessary to administer the District's strategic projects, and to ensure support for the 18-month strategic planning cycle for FY20 and beyond, staff is requesting amendments to the Excelerate and Szenbridge agreements. Funds for the current fiscal year are budgeted, and funds for future years will be subject to Board approval. Staff anticipates an annual expenditure of up to \$175,000 over the extended three-year term.

### **General Counsel's Comments:**

The Office of the General Counsel has reviewed the issues set forth in this and agenda and found no legal concerns as presented and has reviewed and approved the amendments as to form and legality.

### **Environmental Review:**

The proposed Board direction or action, including without limitation, authorizing an amendment to an agreement for project management services, does not constitute a “project” under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of Board’s action or direction that requires the District or the Board’s discretionary approval resulting in a physical change to the environment will be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a “no project alternative” or adopting a Statement of Overriding Consideration, if required. The current Board direction in no way limits the exercise of this discretion. Therefore, no further CEQA review is required.

In addition, the proposed Board action complies with Sections 21 and 81 of the Port Act, which allow for the Board to pass ordinances and resolutions and to use District funds for expenses of conducting the District. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board direction or action does not allow for “development,” as defined in Section 30106 of the California Coastal Act, or “new development,” pursuant to Section 1.a. of the District’s Coastal Development Permit (CDP) Regulations because they will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District’s CDP Regulations. Future development, as defined in Section 30106 of the Coastal Act, will remain subject to its own independent review pursuant to the District’s certified CDP Regulations, PMP, and Chapters 3 and 8 of the Coastal Act. The Board’s direction or action in no way limits the exercise of the District’s discretion under the District’s CDP Regulations. Therefore, issuance of a CDP or exclusion is not required at this time.

### **Equal Opportunity Program:**

Due to limited known sub opportunities, no SBE goal was established for this agreement.

### **PREPARED BY:**

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Attachment(s):  
Attachment A: Request for Proposal (RFQ) 18-02KC  
Attachment B: Agreement with Excelerate, LLC  
Attachment C: Agreement with Szenbridge Associates  
Attachment D: Amendment No. 1 with Excelerate, LLC

Attachment E:      Amendment No. 1 with Szenbridge Associates