

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 6a
Date of Meeting July 12, 2016

DATE: July 5, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Dave McFadden, Economic Development Division Director
Marie Kurose, Workforce Development Program Manager
SUBJECT: Core Plus funding

Amount of This Request: \$400,000.00 **Source of Funds:** Tax Levy

ACTION REQUESTED

Request Commission authorization to approve a competition waiver in accordance with RCW 53.19.020(5) and authorize the CEO to execute a contract for up to two years with the Manufacturing Industrial Council for services to increase the pipeline of qualified workers needed to meet the future workforce needs of maritime, construction, manufacturing and other port-related industries for a total not to exceed \$400,000.

SYNOPSIS

This contract is for business and labor outreach and engagement, strategic planning, sector-based curriculum and program development to expand Core Plus. It will also support planning and program services to strengthen the Port's High School Internship Initiative.

Core Plus is an established, industry-validated, STEM-based high school learning model that provides youth with the core skills and knowledge needed to transition from high school to post-secondary education, employment, apprenticeship, and/or career training in basic industry occupations. The "core" refers to skills in shop safety, applied math, material science, and teamwork along with tool, equipment and keyboard technologies applicable to entry-level requirements for virtually all high-wage industrial sectors. The "plus" refers to specialized training specific to a single sector such as aircraft manufacturing, construction trades, or marine technology.

This investment will provide both short term and longer term benefits to the Port's key sectors. Rather than focusing on individual industry sectors, this approach seeks to provide youth with the common foundational skills and awareness needed to work in or pursue additional training in the "basic industries sectors" which includes those in the construction, maritime, manufacturing, transportation and logistics, utilities, and wholesale trade industries. According to a recent published by the Seattle Jobs Initiative: *"Retaining & Growing Middle-Wage Jobs in Seattle's*

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Basic Industries” In 2014, Seattle’s basic industries produced over 82,000 jobs, or 15 percent of the jobs in Seattle.

Funding for the services provided by Core Plus was approved by Commission and is included in the 2016 budget. This action would allow the Port to enter into a contract with the Manufacturing Industrial Council as the administrative entity for Core Plus. The Port’s investment will leverage more than \$6 million in private and public support.

BACKGROUND

Through its Century Agenda and subsequent Commission actions, the Port recognizes workforce development is critical to achieving the Port’s economic development mission. In 2016, the Port has substantiated this commitment by more than doubling its financial investment in workforce development.

The Port’s investments in workforce development are designed to enhance and build on its goal of creating family wage jobs in the region by strengthening port-related industry sectors. They include efforts aimed at both youth and adults to create a pool of workers that align with the needs of industry. Building a pipeline of workers to prepare the future workforce requires connecting employers with high schools, secondary institutions, and providing career exposure for youth. Core Plus is aimed at providing youth with career awareness and basic skills needed to enter training and/or careers in port-related industries.

Core Plus was initiated in the 2011-2012 school year by The Boeing Company, the Manufacturing Industrial Council (MIC) and the Washington State Office of the Superintendent of Public Instruction (OSPI). It started as a pilot project in Yakima. Today, it is offered at 37 locations around the state with enrollment options available to students from more than 150 high schools. In addition to Seattle, other Core Plus programs are available in King County through the Puget Sound Skill Center in Burien, Auburn High School, and Lindbergh High School in Renton.

The spread of Core Plus was spurred by incentive of grants available from the Washington State Legislature that enable local school districts to buy equipment for Core Plus skills training. These annual grants total \$450,000 per year. In 2015, those investments generated \$4.5 million in expenditures by local school districts to pay for related teacher salaries, facilities, insurance, etc.

Additional partners now include the Northwest Marine Trade Association (NMTA); Local 751 of the International Association of Machinists and Aerospace Workers (IAM); the Education Foundation of the Associated General Contractors of Washington (AGC); the Washington State Maritime Federation; the Washington National Guard; the Washington Business Alliance and the League of Education Voters.

COMPETITION WAIVER

The proposed contract is subject to Chapter 53.19 RCW, which requires “open competition for all personal service contracts entered into by port districts unless specifically exempted under

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this Chapter [53.19].” Based on our review of statutory obligations, open competition means allowing any interested firm an opportunity to compete for the work by issuing a solicitation and including an advertisement and/or posting the opportunity on the Internet if the value of the contract is over \$200,000. These requirements are incorporated in Port of Seattle CPO-1, Procedures for Personal and Professional Services.

RCW 53.19.020 lists five exemptions from competitive solicitation. The fifth exemption is for “other contracts or classes or groups of contracts exempted from the competitive solicitation process by the Commission when it has been determined that a competitive solicitation process is not appropriate or cost-effective.” Under RCW 53.19.020(5) the Commission must determine that a competitive solicitation process is not appropriate or cost-effective based on the circumstances.

The Manufacturing Industrial Council (MIC) is the administrative entity for Core Plus. Core Plus is overseen by public-private Steering Committee. Port funds will support the curriculum development, teacher training, strategic planning, employer engagement and efforts to secure Office of Superintendent of Public Instruction (OSPI) recognition of standards. Implementation is supported by more than \$6 million in state and local education funding and private grants. As such, the Manufacturing Industrial Council (MIC) is uniquely qualified to perform this work.

SCOPE OF WORK

Port funds will support the services needed to expand Core Plus programs to the basic industries sector including those in the construction, manufacturing – aviation maintenance and maritime. It will also support the Port’s high school intern initiative. This includes:

Business and Labor Engagement and Strategy Development

- A.** Expand Core Plus Regional Partnership:
- Increase participation of industry, labor, training, and educational partners in Career Technical Education planning and program initiatives.
 - Hold an Industrial Workforce Conference to engage school districts, teachers, counselors, apprenticeship programs, employers, labor and community groups in Career and Technical Education programs.
- B.** Complete a Three Year Action Plan to upgrade Core Plus and related CTE programs in the school districts throughout the state.

Sector Based Program Development and Implementation

- A.** Expand curriculum options for high school students to develop skills for post-secondary education and careers opportunities in manufacturing, maritime trades, construction, agriculture, US military and other industrial career sectors.

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- Adapt Core Plus Curriculum to marine technology in partnership with Northwest Marine Trade Association, Washington Maritime Federation and Seattle Colleges. Submit curriculum to state for approval.
 - Adapt Core Plus aircraft manufacturing curriculum to aircraft maintenance in partnership with major airline tenants at Sea Tac. Submit curriculum to state for approval.
 - Develop maritime and manufacturing curriculum enhancements to support development of maritime and manufacturing pre-apprenticeship program expansion.
 - Provide curriculum and program development support to strengthen Career and Technical Education programs in King County schools.
- B.** Support expansion of work-based learning, career exploration and internship opportunities for high school youth to increase exposure to jobs and careers in the maritime and manufacturing sectors.
- Expand job placements and or continued training in Manufacturing, Maritime, Construction, and other basic industry programs.
 - Identify, support and connect students from Rainier Beach High School's CTE program to Port's High School Intern Challenge initiative.
 - Participate in manufacturing and maritime panels at area high schools.
 - Provide technical support to Port staff ensure integration with existing high school CTE, career exploration and internship programs.

Budget Status and Source of Funds

A sum of \$200,000 for this work is included in the 2016 Economic Development Division budget. An additional \$200,000 will be included in the 2017 budget.

STRATEGIES AND OBJECTIVES

This action will support and further the Port's Century Agenda commitment and Workforce Development Strategic goals.

ATTACHMENTS TO THIS REQUEST

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- April 12, 2016 Workforce Development Briefing
- Economic Development Budget Presentation