



**COMMISSION
AGENDA MEMORANDUM**

Item No.

8h

ACTION ITEM

Date of Meeting

November 9, 2021

DATE: October 22, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Dan Thomas, Chief Financial Officer
Tom Tanaka, Deputy General Counsel

SUBJECT: 2022 Service Agreements for Port of Seattle Staff to Provide Services to the Northwest Seaport Alliance

Amount of this request: \$0

Total estimated project cost: \$0

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an interlocal agreement (ILA) with the Northwest Seaport Alliance (NWSA) to implement a series of support service agreements to allow Port staff to provide services to the NWSA for 2022.

EXECUTIVE SUMMARY

The NWSA will require service support from different departments at the Ports of Seattle and Tacoma. The means to provide these support services is through an ILA between the NWSA and the homeports as a part of the annual budget process. The costs for these support service agreements are included in both the Port's and NWSA's 2022 budgets.

JUSTIFICATION

The NWSA will require support services from both the Ports of Seattle and Tacoma in order to carry out its functions. Each port will provide these support functions through an ILA that describes the services to be provided.

DETAILS

The NWSA needs support and services from both ports in order to carry out its various administrative functions and operations. Each port intends to execute an ILA with NWSA to allow the ports to provide those services for 2022. The Port of Seattle budget included the budgeted amounts for the proposed ILA service agreements with the NWSA.

Below is a summary of the major cost allocation changes to the NWSA from the 2021 budget to the 2022 budget.

Meeting Date: November 9, 2021

Department	2021 Budget	2022 Budget	'22 vs. '21 Change	Explanations
Marine Maintenance	3,365,225	3,716,464	351,239	Lower allocation rate to the NWSA, but overall increase in 2022 budget.
Waterfront Project Management	503,571	826,308	322,737	Reorg and more direct project charges.
Police Department	623,227	915,639	292,412	The allocation rates changed from 2.23% to 3.0%, and overall budget increase in 2022.
Environmental & Planning	202,736	300,000	97,264	Agreed to charge a total of \$300K for all ENV and Planning.
External Relations	489,378	227,594	(261,784)	Reduce allocation to the NWSA in 2022.
Engineering	759,889	555,618	(204,271)	Reduce allocation to the NWSA in 2022.
ICT	850,265	770,605	(79,661)	Less allocated costs originated from ICT to the NWSA due to other service groups reduce their rates to NWSA in 2022.
NWSA Mitigation Parks	160,263	114,638	(45,625)	Less utility charges to the NWSA than 2021.
All Other	2,389,579	2,329,632	(59,947)	Lower cost allocations to the NWSA in 2022.
TOTAL	9,344,134	9,756,498	412,364	

There are 15 support service agreements that will be implemented as part of this agreement for 2022 and are attached as exhibits to the ILA.

Scope of Work

The proposed ILA is included as Attachment A. There are 15 service directives that are attached as exhibits to the ILA. The list of those exhibits is as follows:

Exhibit 1: Accounting, Finance, Treasury and Risk Management

Exhibit 2: Legal and Public Records

Exhibit 3: Information Technology & Information Security

Exhibit 4: External Relations

Exhibit 5: Portfolio Management

Exhibit 6: Capital Development

Exhibit 7A: Port of Seattle Police

Exhibit 7B: Security

Exhibit 8: Maritime Maintenance

Exhibit 9: Central Procurement Office

Exhibit 10: Managing Member (Commission Office)

Exhibit 11: Pier 69 Facilities Management

Exhibit 12: Environmental and Planning

Exhibit 13: Tribal Coordination

Exhibit 14: Labor Relations

Exhibit 15: Additional Support Services as Needed

Meeting Date: November 9, 2021

Schedule

This is a part of the annual budget process.

FINANCIAL IMPLICATIONS

The amounts required to provide the services to the NWSA are included in the Port's 2022 budget.

ADDITIONAL BACKGROUND

None

ATTACHMENTS TO THIS REQUEST

(1) Attachment A (Interlocal Agreement, including 15 service directives attached as exhibits).

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None