

**PORT OF SEATTLE  
MEMORANDUM**

**COMMISSION AGENDA**

**Item No.** 5a

**Date of Meeting** September 12, 2011

**DATE:** September 2, 2011

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Ralph Graves, Director Capital Development Division  
Gary Schmitt, Director Labor Relations

**SUBJECT:** New service contract for project labor agreement related drug and alcohol testing services.

**Amount of this request:** \$0

**Source of Funds:** Various capital construction projects covered by a project labor agreement.

**Estimated Value of Contract:** \$500,000

**ACTION REQUESTED:**

Request authorization for the Chief Executive Officer to execute a new services contract to provide drug and alcohol testing as part of the Project Labor Agreement (PLA) Substance Abuse Program for application to all contractor craft personnel working on Airport and Seaport construction projects covered under a project labor agreement. The initial contract would be executed for a one-year term with (4) four annual renewal options for a maximum term through September 30, 2016, with an estimated five-year total value of \$500,000, based upon specific projects for which the Commission has determined the need for a project labor agreement.

**SYNOPSIS:**

The Substance Abuse Program has been a provision of the Port's project labor agreements since 1999. During the past 10 years, there has not been a single drug or alcohol related incident on airport construction projects. The basic elements of the Program are simple. Applicants for employment on projects where a PLA is used are subject to pre-employment controlled substance, alcohol and adulterant testing. Thereafter, employees are subject to reasonable cause, post-accident, random and return-to-work testing for the presence of controlled substances, alcohol or adulterants in their systems. Employees who report for work with alcohol, adulterants or unauthorized controlled substances in their systems will not be permitted to remain on the job site. Testing will be performed under the strictest federal guidelines, with special provisions to assure test reliability, employee privacy and confidentiality. All testing is conducted with equipment and by laboratories approved by the Substance Abuse and Mental Health Services

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

September 2, 2011

Page 2 of 3

Administration (SAMHA) in accordance with the Mandatory Guidelines for Federal Workplace Testing Programs established by the U.S. Department of Health and Human Services.

### **ADDITIONAL BACKGROUND:**

A PLA is a pre-hire collective bargaining agreement between a construction site owner and a coalition of unions. From 1999 to 2009 the Port used a consultant to administer the PLA. In 2009 the Port began self-administering the PLA through its Labor Relations Department.

### **JUSTIFICATION:**

Local Unions and Contractors signatory to the PLA both agree that the intention of this program is to establish a drug and alcohol-free workplace in order to assure safe and productive working conditions with due regard for the personal privacy interest of craft employees. Testing is not intended to intrude on the off-duty activities of employees away from the work site unless those activities have a job-related impact. The circumstances permitting drug and alcohol testing in this Program have been carefully defined and intentionally restricted. Port staff will retain oversight of the Program and will monitor test procedures, as well as Contractor, Union and Third Party Administration policy compliance.

### **SCOPE OF WORK AND SCHEDULE:**

Bid scheduled for opening September 21, 2011.

### **STRATEGIC OBJECTIVES:**

The new services contract will reinforce the PLA's position on a drug and alcohol-free workplace.

### **BUSINESS PLAN OBJECTIVES:**

Proceeding with this contract ensures compliance by all parties signatory to the PLA.

### **FINANCIAL ANALYSIS:**

#### **Cost Estimate**

The estimated contract capacity for the services defined for this new service contract is based on previous year's actual cost for similar contracted services and staff estimated needs for the future.

Staff estimates that the cost for services to be received under this new service contract will be in the range of \$75,000 to \$100,000 per year. However, the actual costs will be based upon specific projects authorized by the Commission under the PLA. The new contract would be executed for the initial term of one year and can be renewed on an annual basis for a maximum term of five years.

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

September 2, 2011

Page 3 of 3

### **Source of Funds**

Funding for this service contract would be charged to the various capital projects for which the Commission has determined a need for a PLA.

### **ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:**

One alternative would be to place the financial responsibility on the Port PLA Contractors. However, the implication of this alternative could possibly create a financial hardship for small Contractors. Not recommended.

### **OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

None.

### **PREVIOUS COMMISSION ACTIONS/BRIEFINGS:**

None.