

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**ACTION ITEM**

**Item No.**  
**Date of Meeting**

6c

June 23, 2015

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**DATE:** June 8, 2015  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Luis Navarro, Director Office of Social Responsibility  
Marie Kurose, Workforce Development Program Manager  
**SUBJECT:** Airport Workforce Development Services

<b>Amount of This Request:</b>	\$5,550,000	<b>Source of Funds:</b>	TBD
<b>Est. Total Project Cost:</b>	\$5,550,000		

**ACTION REQUESTED**

Authorize the CEO to advertise and execute a contract to perform workforce development services in support of Sea-Tac Airport operations, including job training, pre-apprenticeship training and educational programs associated with Airport tenants, customers and the Port's economic development mission. Contract will be for one year with four one-year options and an estimated cost of \$950,000 in 2016, and a total contract amount of \$5,550,000.

**SYNOPSIS**

Approval of this request will allow Port staff to proceed with the necessary processes for the contracting of third party services to implement Phase One of an expanded workforce development strategy and investment plan. The current contract term with the non-profit Port Jobs will expire on December 31, 2015, and there are no remaining option years available to the parties. Phase One of the expanded workforce development strategy will include services in support of operations at Sea-Tac International Airport which covers the management of an employment center, training and career pathway navigation services. The proposed plan is for a one year professional services contract with a non-profit service provider, including four one-year contract extensions. Staff from the Office of Social Responsibility (OSR) will propose a Phase Two which will include the remaining elements of a comprehensive workforce development strategy beyond the services at the Airport, and will cover the Maritime, Construction, Aerospace and Manufacturing sectors or clusters.

The timeline of implementation of the comprehensive workforce development strategy beyond 2016 will be aligned with the Port's new General Delegation and development of Workforce Development Policy Directives, and in accordance with the Port's legislative authority. . In late 2016 and early 2017, OSR, in partnership with Airport and Commission staff will convene employers to solicit additional input on training and other workforce development needs for inclusion in the Airport Sector Scope of Work for 2017 – 2020.

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### **BACKGROUND**

The Port Commission has viewed the workforce development and training programs, as an important investment that supports the Port's mission, in particular, the creation of family-wage industrial jobs and workforce training in port-related sectors in King County, and as a Port sponsored program that promotes economic development. The Port of Seattle (Port) has supported job training and placement programs, pre-apprenticeship training and educational programs associated with Airport tenants, customers and Port construction projects and other Port-related workforce development strategies since 1993. Those services have been implemented on behalf of the Port primarily by Port Jobs, a 501(c)(3) nonprofit organization.

In 2011, the Port entered into a new three-year contract with Port Jobs to support job training and placement programs, pre-apprenticeship training and educational programs associated with Airport tenants, customers and Port construction projects and other Port-related workforce development strategies. The contract allowed for two (2) one-year options, which have been exercised by the Port, and it is half way through its second and final option year, scheduled to expire on December 31, 2015. The contract includes services provided at Sea-Tac Airport in support of airport operations through the office of Airport Jobs and Airport University. It also includes pre-apprenticeship and support services, and other authorized workforce development services performed by Port Jobs staff from their offices at Pier 66.

Services managed through its office at Pier 66 include: (1) job placement services; (2) educational, outreach and training programs; (3) Apprenticeship Opportunities Project (currently through the non-profit agency "Apprenticeships and Non-Traditional Employment for Women" - ANEW); (4) policy and applied research; (5) development and maintenance of a public website ([www.portjobs.org](http://www.portjobs.org)); (6) relevant data tracking and reports; and (7) participation in outreach events and job fairs and specialized recruitment for target employers with unique staffing needs. These services were included in the Construction Sector recommendations and will not be continued as part of the RFP subject of this authorization request.

Services provided by the office of Airport Jobs/University located at Sea-Tac Airport include: (1) outreach and direct employment services to match job seekers and airport employers at a central location in the airport terminal; and (2) on-site training in airport functions, operations, customer service, job-specific skills, and safety for incumbent workers, including English-as-a-Second-Language employees, who are required to complete the airport badge training courses.

On July 1, 2014, the Commission adopted a motion "Increasing Workforce Development and Career Opportunities Activities as Amended". The Commission directed the CEO to; (1) complete a strategic plan to improve upon and expand current Port funded and/or Port sponsored workforce development efforts in port-related sectors including airport, maritime, and construction, (2) complete policies necessary to implement the strategic plan, (3) develop new partnerships with regional stakeholders, and (4) establish contracts with service providers as necessary to deliver on the plan. The Office of Social Responsibility presented a proposed strategic investment plan at the May 26, 2015, Commission meeting. Recommendations include a sector based approach, and an expansion of the Port's funding in regional workforce development in three key Port sectors: Airport, Maritime, and Construction.

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The Commission directed OSR to revise the workforce development recommendations, specifically, the proposed services and funding levels included in the construction and maritime sector recommendations. Additionally the Scope of Work for the Airport sector has been modified based on Commissioners' recommendations related to the proposed metrics and expanded training and career advancement services (currently offered through Airport University). The determination of fund source and final budget approval will be made in August/September as part of the budget process.

### **MULTI-PHASE APPROACH**

This authorization ensures the uninterrupted services at the Airport currently performed by the non-profit organization Port Jobs, and it phase one (1) of a multi-phase workforce development strategy under development that will include other Port related sectors.

In this first phase, the Port will solicit qualified workforce development providers through an RFP, to continue and expand job access, retention, and training services in support of Airport Operations (Airport Sector). The existing services are currently provided through our contract with Port Jobs for Airport Jobs and Airport University. The activities and service levels for this RFP will build on, enhance, and expand the current services, focused on increasing the skills, wages, job retention, and career advancement of new and incumbent workers. Phase two and three may include the Maritime, Construction and Manufacturing sectors.

For the Airport Sector, the contract term will be for a one-year period, beginning January 1, 2016, with the option to extend for four one-year option years at the discretion of the Port, to align with a five-year overall workforce development strategy investment plan.. Additionally, for new service providers, there will be a need to allow time for a transition from Port Jobs.

Subsequent phases – to expand the job access, retention, and training services in support of the Port related construction and maritime sectors – will be revised as directed by Commissioners and the CEO, for approval by September 2016

### **SUPPORT OF AIRPORT OPERATIONS**

OSR staff proposed the Port increase its investment to expand the Airport-related job access and training services currently offered through Port Jobs for Airport Jobs and Airport University. This investment will support to Sea-Tac Airport operations and includes passenger air, air cargo, and connected sub sectors such as logistics, maintenance, restaurant/hospitality, and retail. The following are the recommended activities to be included in the Airport Sector RFP:

#### **Contract Scope of Work:**

Partner with airport employers utilizing Airport Jobs as a primary resource for posting jobs, and utilizing Airport University as the primary resource for building the skills of entry level workers and reducing turnover in these jobs.

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- **Industry Engagement/Program Development:**
  - Ongoing labor market information and analysis, including regional and Airport employment trends and equity analysis.
  - Career pathways mapping.
  - Convening employers to identify training and workforce needs, best practices, and to evaluate programs and processes.
  - Employer involvement in defining training and job specific needs.
- **Job Access, Services**
  - Employer Services: Identify job openings, posting jobs, targeted recruitment, screen applicants, job fairs, community outreach and collaboration. Assist employers with new hires who need additional preparation in order to get secure badges at the airport.
  - Job Seeker Services: Airport related job information and requirements, job search counseling, resume assistance, interview preparation, referrals to employers, and connections to needed social services.
- **Career Advancement and Retention**
  - Career navigation counseling and services to assist Airport workers with information, individualized planning and resources needed to support job retention and career pathway building opportunities.
  - Facilitate the advancement of incumbent workers to enter and progress towards higher wage airport jobs.
  - Create lean career pathway opportunities that incumbent workers can access at the workplace, supporting workforce continuity, retention and advancement.
- **Expanded Industry-Driven Training**
  - Facilitate/broker new training partnerships, customized training and curricula development, program and resource collaboration and fund development.
  - Develop/expand credit bearing college and non-credit courses for airport workers onsite at the airport to increase workforce customer service, safety, workforce quality and retention such as:
    - Integrated and contextualized airport language instruction for multilingual workers, which increases English proficiency specific to airport jobs.
    - Workplace approved certificates for airport workers, including Workplace Safety and Homeland Security.
- **Regional Partnership, Intermediary**
  - Partner development and collaboration
  - Leverage resources and funds to support Airport workforce development priorities

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- Lead, convene and participate in regional partnerships with employers, foundations, educational institutions, and public sector to garner their sustained investments in Port-related talent pipeline building needs.
- **Follow-Up, Data, Tracking and Reporting**
  - Increase staffing resources and develop processes to track longer term outcomes (retention, wage increases, career advancement).
  - Develop data, tracking, and reporting systems to evaluate progress and individual outcomes.

The initial year over year growth in outcomes and outputs is based on airport’s forecasted growth per the Airport’s Master Plan of 2.6 percent annual growth.

<b>Airport Sector Metrics</b>	<b>Current</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
• <b>Individuals Served (unduplicated)</b>	6,499	6,000	6156	6316	6480	6648
• <b># of Job Placements</b>	1,236	1,750	1795	1842	1890	1939
• <b># of Hiring Employers</b>	75	120	123	126	129	132
• <b>Placement Hourly Wage</b>	\$10.28	\$10.50	\$11.25	\$11.50	\$12.00	\$12.00
• <b>Employers Served</b>	100	125	125	128	130	132
• <b>Job Listings</b>	925	1,500	1539	1579	1620	1662
• <b>Training Enrollments</b>	337	400	410	421	432	443
• <b>Training Completions</b>	327	350	359	368	378	387
• <b>New Funds Secured</b>	\$1.9m (4 yrs)	1 new funder	1 new funder	1 new funder	1 new funder	1 new funder
• <b>New Training Courses</b>	4	2	1	1	1	1
• <b>Demonstrated learning gains</b>						
• <b>Job/Career Upgrades</b>						
• <b>Increased Wages</b>						
• <b>Job Retention 6 month</b>						
• <b>Job Retention 12 month</b>						

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### **NEW OUTPUTS - 2016**

- Implementation of new work-based English and/or basic skills training
- New employer partnerships
- New training partnerships
- Leverage (program, funding, support)
- Development of a new participant data and tracking system to collect longer-term career advancement and retention outcomes.

### **PROJECT JUSTIFICATION AND DETAILS**

#### **Sector Approach: Recommended Framework**

The sector approach is aligned with the Port's economic development and community impact goals by explicitly linking the goals of economic development and business competitiveness with the workforce development and economic inclusion at the same time. This approach also benefits workers by creating new pathways into the industry and to good jobs and careers. Sector approaches are tailored to the specific industry and seek to increase responsiveness and efficiencies through coordinated planning, collaboration, and shared measurement.

The proposed sector approach or industry-focused workforce development partnerships support economic growth and industry competitiveness by cultivating and strengthening the skills and education of the workforce, and leverage the Port's status as an "anchor institution" for regional economic development, including its roles as workforce developer, employer, purchaser of goods and services, property-owner and developer, and champion in port-related industry sectors.

#### **Airport Sector Recommendations**

Increase investment to expand the Airport-related job access and training services currently offered through our contract with Port Jobs for Airport Jobs and Airport University. Our recommendation is based on current and emerging needs.

The Airport's rapid growth and planned expansion will increase the need to recruit, retain and support the career advancement efforts of this segment of the labor force. The recommended workforce development strategies will provide employers in airport-related industry sectors with ready access to a pool of qualified applicants. They also take into account key provisions contained in Resolution 3694, which identify the need for "improved levels of general training, education, and/or work experience, employee qualifications for advancement, and corresponding compensation incentives in order to attract and retain a high-quality workforce for the purposes of ensuring a safe and secure Airport." They also state that "addressing these needs will aid in reducing workforce attrition, increase Airport safety and security, and promote the public health, safety, and welfare of the workforce and the general public at the Airport," and they set policy regarding related standards in the areas of hiring, training, and English proficiency. This particular focus on job quality at the Airport, which we recommend the Port expand, provides a basis for increased investments in training, career advancement, and retention services for Airport workers.

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### ***Schedule***

Award a contract 2015 quarter to allow for transition. Services begin January 1, 2016.

### **Q1 2016:**

- Airport employer convenings (OSR, Commission, and Airport staff)
- Present revised recommendations and forecast for 2017, 2018, 2019 and 2020

## **FINANCIAL IMPLICATIONS**

### ***Budget/Authorization Summary***

### **Total Project**

Current 2015 Budget (Airport Workforce Development)	\$750,000
Previous Authorizations	\$0
Request for 2016 Authorization (Airport Sector)	\$950,000
Request for 2017 OPTION Year authorization (Airport Sector)	\$1,000,000
Request for 2018 OPTION Year Authorization (Airport Sector)	\$1,050,000
Request for 2019 OPTION Year Authorization (Airport Sector)	\$1,100,000
Request for 2020 OPTION Year Authorization (Airport Sector)	\$1,150,000
Estimated Other Facilities Improvements or Relocation *	\$300,000
Total Authorizations, including this request (2016-2020)	\$5,550,000
Remaining budget to be authorized	
<b>Total Estimated Project Cost for 2016 (Airport Sector)</b>	<b>\$5,550,000</b>

\* *Relocation and or tenant improvements may be required within the airport or offsite.*

### ***Budget Status and Source of Funds***

The 2016 Port budget process will inform the appropriate sources of funding for the workforce development investment strategy. Considerations will include the use of airport revenues in accordance with the FAA guidelines and the use of tax levy.

The final cost may be adjusted depending on facilities upgrades or relocation costs required for off-airport space, associated with alternate use of the allocated space required by the Airport.

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### ***Financial Analysis and Summary***

CIP Category	N/A
Project Type	
Risk adjusted discount rate	
Key risk factors	
Project cost for analysis	
Business Unit (BU)	
Effect on business performance	
IRR/NPV	
CPE Impact	

### **STRATEGIES AND OBJECTIVES**

This project supports the Port's Century Agenda objective of expanding workforce development. The recommended strategies will provide employers in airport-related industry sectors with ready access to a pool of qualified applicants. They also take into account key provisions contained in Resolution 3694, which identify the need for "improved levels of general training, education, and/or work experience, employee qualifications for advancement, and corresponding compensation incentives in order to attract and retain a high-quality workforce for the purposes of ensuring a safe and secure Airport."

### **TRIPLE BOTTOM LINE**

#### ***Economic Development***

The proposed sector approach or industry-focused workforce development partnerships support economic growth and industry competitiveness by cultivating and strengthening the skills and education of the workforce.

#### ***Environmental Responsibility***

N/A

#### ***Community Benefits***

The services will increase economic opportunities for the community through expanded access to new job opportunities and improved pathways to good jobs and careers.



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### **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1)** Extend Port Jobs contract for one year to allow time for additional employer input and development of expanded strategy and approach.

**Pros:** Provides continuity of services at the Airport and allows additional time for development of a workforce development strategy expansion.

**Cons:** The current contract expires on December 31, 2015. Commission would need to take action and waive competition in accordance with RCW 53.19.020 (4).

**This is not the recommended alternative.**

**Alternative 2)** Allow the contract to expire and do not authorize a new contract until workforce development recommendations are finalized and approved.

**Pros:** Allowing sufficient time for Commission Policy Directives to be completed will provide sufficient information for a strategy development, and allows staff time to expand stakeholder involvement.

**Cons:** Because the current contract expires at the end of 2015, a delay will result in a gap of services. We believe the continuity of services is important given the high volume and increasing employer needs.

**This is not the recommended alternative.**

**Alternative 3)** – Issue separate contracts for Airport Jobs Center and Airport University.

**Pros:** Separating the functions into two contracts could enable a larger pool of applicants in each of the areas because they may not have the combined expertise and track record in operating a high-volume job center and career advancement, training, and navigation.

**Cons:** Separating the two functions would silo workforce development services at the Airport. It would make it more difficult to navigate workforce services for customers (job seekers and employers). They would have to develop relationships with two different entities and staff, and would likely require duplicate enrollment applications. It could also make it more difficult to recruit incumbent workers into training programs.

**This is the not recommended alternative.**

**Alternative 4)** – Authorize the CEO to advertise and execute a contract for Airport Sector for up to 5 years.

**Pros:** The contract provides continuity of services for airport workforce development services. The Port will have the opportunity to select the most qualified service provider from the RFP response. The RFP allows re-evaluate the workforce development strategy.

**Cons:** The Port continues to incur cost of supporting an employment center and training programs at the Airport.

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**This is the recommended alternative.**

### **ATTACHMENTS TO THIS REQUEST**

- Computer slide presentation.

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- May 26, 2015 – Workforce Development Briefing and Recommendations
- November 11, 2014 – Workforce Development Briefing
- September 30, 2014 – Workforce Development Expansion Strategy
- July 22, 2014 – Commission adoption of Resolution 3694 as amended
- July 1, 2014 – Commission adoption of Workforce Development Motion
- December 4, 2012 – Commission adoption of the Century Agenda