

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

ACTION ITEM

Item No.	6d
Date of Meeting	July 14, 2015

DATE: July 7, 2015
TO: Ted Fick, Chief Executive Officer
FROM: Luis Navarro, Director Office of Social Responsibility
Marie Kurose, Workforce Development Program Manager
SUBJECT: 2016 RFP and Contract Authorization Request for Airport Workforce Development Services

Amount of This Request:	\$4,425,000	Source of Funds:	TBD
Est. Total Project Cost:	\$4,425,000		

ACTION REQUESTED

Request Commission Authorization for the CEO to advertise a competitive bid, and execute a contract to perform workforce development services in support of Sea-Tac International Airport operations, including job training and educational programs directly associated with Airport related jobs. The contract term will be two years with three one-year options for an estimated cost of \$775,000 in 2016, \$800,000 in 2017, and a total five year contract amount of \$4,425,000.

SYNOPSIS

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. Approval of this request will allow Port staff to proceed with the necessary processes for the contracting of third party services to ensure continuity of services related to job placement and training, employment assistance, and trainiign related to attaining and maintining jobs within the airport.

Services provided under this contract will include; (1) management of the employment center located at Sea-Tac Airport (Airport Jobs), and outreach and direct employment services to match job seekers and airport employers; (2) on-site training in airport functions, operations, customer service, job-specific skills, and safety for new and incumbent workers, including English-as-a-Second-Language employees, who are required to complete the airport badge training courses and (3) brokering and coordinating partnerships with other workforce development, human services, and training entities to support the outreach, training and other support resource needs of the workers and employers.

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In August or September 2015, Office of Social Responsibility (OSR) will propose the remaining elements of a comprehensive workforce development strategy beyond the services included in this request. The plan will include recommendations for the Maritime, Construction, Aerospace and Manufacturing sectors or clusters.

The implementation timeline for the comprehensive workforce development strategy beyond 2016, is expected to be aligned with the CEO's Long Range Workforce Development Plan, the Port's new General Delegation and development of Workforce Development Policy Directives, and in accordance with the Port's legislative authority.

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 Port-related job training and placement services 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 services, 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. This is the final option year, scheduled to expire on December 31, 2015.

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 as recommended by the consulting team (hired by OSR to develop a comprehensive framework) and presented to Commission in September, 2014. The Commission directed OSR to revise the workforce development recommendations for the Airport, Maritime and Construction sectors and add recommendations to support the Manufacturing sector.

In order to ensure continuity of current job placement and training services at the Airport, this memorandum is requesting authority to move forward with the competitive procurement and authorization for the CEO to execute the contract.

CONTRACT TERM

The contract term will be for a two-year period, beginning January 1, 2016, with the option to extend for three one-year option years at the discretion of the Port, to align with a five-year overall

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workforce development strategy investment plan.. Additionally, for new service providers, there will be a need to allow time for a transition from the current service provider, Port Jobs.

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

SUPPORT OF AIRPORT OPERATIONS

The contract will support the continuation of Airport-related job access and training services. This investment will support Sea-Tac Airport operations and include 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 contract:

Contract Scope of Work:

(The RFP will specify expected deliverables and reporting consistent with applicable RCW.)

Partner with airport employers as a primary resource for posting jobs, perform training related to job employment at the airport and coordinate with Airport University and other organizations to promote training..

- **Industry Engagement/Program Development:**
 - Ongoing labor market information and analysis, including regional and Airport employment trends and equity analysis.
 - Convening employers to identify training and workforce needs, best practices, and to evaluate programs and processes.
- **Job Access, Services**
 - Employer Services: Identify job openings, post jobs, targeted recruitment, screen applicants, host job fairs and community outreach and collaboration. Assist employers with new hires who need additional preparation in order to get security 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 Navigation**
 - Career navigation counseling and services to assist Airport workers with information, individualized planning and resources needed to support job retention and training opportunities.
- **Training**
 - Develop/expand courses for airport workers 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.

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- Workplace approved certificates for airport workers, including Workplace Safety and Homeland Security.

- **Metrics**

The 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. The Port will work with the consultant to establish appropriate reports and metrics to measure the consultant's performance. We anticipate metrics such as:

Airport Sector Metrics						
	2014	2016	2017	2018	2019	2020
	Baseline					
● # of Job Placements	1,236	1,500	1,539	1,579	1,620	1,662
● # of Hiring Employers	75	110	113	116	119	122
● Placement Hourly Wage	\$10.28	\$10.50	\$11.25	\$11.50	\$12.00	\$12.00
● Training Enrollments	337	400	410	421	432	443
● Training Completions	327	350	359	368	378	387
● New Funds Leveraged/ Secured	\$817,750					

PROJECT JUSTIFICATION AND DETAILS

This request will ensure continuation of Airport-related job access and training services. This investment will support Sea-Tac Airport operations and include passenger air, air cargo, and connected sub sectors such as logistics, maintenance, restaurant/hospitality, and retail.

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 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.

Schedule

Q3 2015

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

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FINANCIAL IMPLICATIONS

Description	Airport Rent	Training and Employment Services	Total
2015 (Current)	\$300,000	\$450,000	\$750,000
2016-2020 Funding Summary			
2016	\$325,000	\$450,000	\$775,000
2017	\$350,000	\$450,000	\$800,000
2018	\$375,000	\$450,000	\$825,000
2019	\$400,000	\$450,000	\$850,000
2020	\$425,000	\$450,000	\$875,000
Potential Relocation/ Facilities Est.			\$300,000
TOTAL Estimated Project Cost 2016-2020	\$1,875,000	\$2,250,000	\$4,425,000

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

** Airport Rental costs are estimates. Actual costs will be determined by Airport.

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.

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."

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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.

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.

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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 third party services to ensure continuity of services related to job placement and training, employment assistance, and training related to attaining and maintaining jobs within the Airport for up to 5 years.

Pros: The contract provides continuity of services for airport workforce development services. It also provides time to enable additional input and analysis.

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

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

- Computer slide presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- June 23, 2015 – Airport Workforce Development Services
- 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