

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 6a
Date of Meeting September 22, 2015

DATE: September 17, 2015
TO: Ted Fick, Chief Executive Officer
FROM: Dave McFadden, Director Economic Development
Marie Kurose, Workforce Program Development Manager
SUBJECT: Airport Workforce Development Services Continuity and Expansion

Amount of This Request: \$4,750,000 **Source of Funds:** TBD

ACTION REQUESTED

Request Commission Authorization:

- A. To exercise its authority under RCW 53.19.020(5) and determine that a competitive solicitation process is not appropriate or cost effective and authorize the CEO to execute an amendment to the current Port Jobs contract for an estimated value of \$538,000 and total contract value of \$4,178,581.68 and extend it for up to six months; and
- B. For the CEO to:
 - (1) Execute a contract for the administrative oversight, management and implementation of day to day operations of the Seattle Tacoma International Airport (Airport) Employment Center in the amount of \$4,425,000 for a two-year term with three one-year options; and
 - (2) Execute a contract for the development and initial implementation of career advancement programs (Career Pathways) in the Airlines and other airport-related industry in the amount of \$175,000 for a one-year term.

SYNOPSIS

As discussed on July 14, 2015, Commission presentation and follow-up discussions with Commissioners and staff, we are recommending the release of two (2) contracts to expand the Port's workforce development initiatives in the Airport and related sector. The first contract builds on longstanding placement and workforce development initiatives at the Airport Employment Center, performed under a contract with Port Jobs. The second contract will initiate career pathway work within the aviation industry and set the stage for career ladder development within the Port's key industries (aviation, maritime, construction, etc.). The Port will competitively procure each contract.

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In order to ensure continuity of services, we are also requesting authorization to extend the existing Port Jobs contract for Airport employment and core training services and pre-apprenticeship support provided through the Apprenticeship Opportunities Project (AOP). The Port's contract with Port Jobs is scheduled to expire on December 31, 2015. The extension will allow sufficient time to complete the competitive bid and contracting process. This amendment is for \$538,000, for a new total contract value to \$4,178,581.68. In accordance with RCW 53.19.060(2) this memorandum constitutes notice of the Port's intention to amend the contract in excess of fifty percent (50%) of the original contract value. This memorandum will be placed on file at the bid desk.

The extension will support continuation of: (1) Airport workforce development and related costs (\$438,000) and (2) AOP pre-apprentice services (\$100,000) subcontract with the Apprenticeship for Nontraditional Employment for Women (ANEW) for a period of six months from January 1 – June 30, 2016.

BACKGROUND

On July 1, 2014, the Commission adopted a motion "Increasing Workforce Development and Career Opportunities Activities." 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,
- 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 included 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. This request is for approval to proceed with the Airport and aviation-related services as the first phase of a Comprehensive Career Pathways strategy. The recommended approach and draft scopes of work for the RFPs were distributed to the Commission on August 5, 2015, and are summarized below.

1. Airport Employment Center: This contract will ensure continuity of the current Airport workforce development services. The consultant will provide administrative oversight, management and implementation of day-to-day operations of the Employment Center. The services include outreach and direct employment services to match job seekers and airport employers, and continuation of existing on-site job search and core training in airport functions, operations, customer service, job-specific skills, and safety for new and incumbent workers, including English-as-a-Second-Language employees. This will essentially maintain the core curriculum from our current Airport University. The contract will be for a two-year term for a total cost of \$1,575,000 with three one-year options for a total contract value of \$4,425,000. Currently this function is performed within the airport office building (AOB).

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As part of the competitive solicitation process, the Port is considering relocating this service near the airport, but not necessarily within the airport office building. Facts the Port will consider in making this determination include cost associated with location and whether a location outside of the AOB will be in the best interests and success of the program.

2. Comprehensive Career Pathways Development and Implementation: This consultant will conduct the comprehensive set of functions and activities required to develop career advancement programs for the Airlines and other airport-related industry. This contract will be for one-year for a total cost of \$175,000 (\$75,000 for career pathways mapping and development, \$100,000 for pilot implementation). This initial work to develop airport industry career pathways will serve as a foundation for career pathway development in other key Port sectors (maritime, manufacturing, etc.). Staff intends to use the airport industry career pathways work to gauge timelines and methods for developing career ladders within these other sectors (per the Economic Development Division five-year plan).
3. Port Jobs Contract Extension: The contract with Port Jobs is scheduled to expire on December 31, 2015, and in order to ensure continuity of services we are requesting authorization to extend its contract to allow sufficient time to competitively retain a new provider for these services. The extension will be for:
 - a. Services currently provided through its Airport Jobs and Airport University contract elements which include outreach and direct employment services to match job seekers and airport employers, and continuation of existing on-site job search and core training in airport functions, job-specific skills, and safety for new and incumbent workers, including those with limited English-proficiency. Additionally, if a new provider is selected, there will be a need to allow time for a transition from Port Jobs.
 - b. Pre-apprenticeship support through the Apprentice Opportunities Project (AOP) subcontract with Apprenticeship for Non Traditional Employment for Women.

The Port Jobs contract extension request requires Commission authorization to exercise its authority under RCW 53.19.020(5) and make a determination that a competitive solicitation process is not appropriate or cost effective, thereby exempting procurement of the services currently provided by Port Jobs from the requirements of Chapter 53.19 RCW. This will authorize the CEO to execute an amendment to the current Port Jobs contract for \$538,000 and extend the contract for six months.

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. The initial contract was for \$1,895,000. Amendment 1 exercised the first option year adding \$700,000 to the contract. Amendment 2 added \$36,000 for training for fishing industry workers due to changes in Coast Guard regulations.

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Amendment 3 exercised the final option year and added money to cover airport rent for a total of \$1,009,581.68. The current contract expires December 31, 2015.

PROJECT JUSTIFICATION AND DETAILS

This request will ensure continuation and expansion of:

- a. Airport-related job access and training services. This investment will support Sea-Tac Airport operations and include passenger related services, 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.
- b. Apprentice Opportunities Project support for pre-apprentices.

The recommended strategies will provide employers in the airport-related and construction industry sectors with ready access to a pool of qualified applicants. They also take into account key policy directives from the Commission to improve 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.

JUSTIFICATION FOR THE EXEMPTION FROM COMPETITIVE SOLICITATION UNDER (RCW 53.19.202(5)):

Unless a new contract falls under one of the five exemptions in RCW 53.19.020, it must be subject to "competitive solicitation" defined as "a documented formal process providing an equal and open opportunity to qualified parties and culminating in a selection based on criteria, in which criteria other than price may be the primary basis for consideration." 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." RCW 53.19.020(5).

For the Port Jobs contract to fall under the exemption in RCW 53.19.020(5), the Commission must make a reasoned determination that the competitive solicitation process would not be appropriate or cost effective. In making such determination, the Commission can avoid acting arbitrarily and capriciously by noting and discussing relevant facts and circumstances. In reviewing this issue, the Commission may establish that a reasonable basis exists, including wider policy considerations, to exempt the contract with the non-profit organization Port Jobs from competition for this six-month period. Such considerations may include the Commission's commitment to continuing support of workforce development and job creation services as a core mission of the Port while the Port conducts a rigorous competitive process to identify a qualified consultant to provide these services in the future.

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Schedule

Date	What	Action to be Taken
9/22/2015	Commission Meeting	<ul style="list-style-type: none"> • Approval to advertise Airport RFPs and execute contracts • Authorization to extend Port Jobs Contract (6 Month Extension to June 30, 2016)
9/23/2015	Employment Center RFP	Publish solicitation
Quarter 4, 2015	Career Pathways RFP	Publish solicitation
Quarter 1, 2016	Employment Center	Announce Consultant Decision
Quarter 2, 2016	Employment Center	Transition Planning and Implementation
Quarter 2, 2016	Career Pathways	Announce Consultant Decision
Q2 –Q4 2016	Career Pathways	Port Staff – Stakeholder Engagement/Regional Collaboration *Stakeholder Engagement to Support Formal Collaboration and Partnering (Multi-agency, multi-institution, employer)
7/1/2016	Airport Employment Center	Start of Contract

FINANCIAL IMPLICATIONS

Description	Airport Employment Center			Airport Sector Career Pathways	Pre-Apprentice Support (AOP)
	Airport Rent	Core Training & Employment Services	Total		
2015 (Current)	\$300,000	\$450,000	\$750,000	0	\$200,000
2016-2020 Funding Summary					
2016	\$325,000	\$450,000	\$775,000	\$175,000	\$100,000 (6 mos)
2017	\$350,000	\$450,000	\$800,000	TBD	
2018	\$375,000	\$450,000	\$825,000	TBD	
2019	\$400,000	\$450,000	\$850,000	TBD	
2020	\$425,000	\$450,000	\$875,000	TBD	
Facilities Est.			\$300,000	TBD	
TOTAL 2016-2020	\$1,875,000*	\$2,250,000	\$4,425,000	\$175,000 (2016 only)	\$100,000 (6 mos)
Port Jobs Admin/Trans			\$50,000		

**Airport Rental costs are estimates and will only be paid if we maintain services within the AOB. If we determine it is appropriate to relocate the services outside of AOB, Core Training and Employment Services costs may increase a little to cover the rent. We anticipate rent outside of the AOB will be less than estimated airport rent.*

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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/or the use of tax levy. The final cost may be adjusted depending on facility 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.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) Issue one contract for comprehensive employment and career pathways services:

Pros: This would provide a "one-stop" comprehensive system for providing services to employers and job seekers.

Cons: Career Pathways and Employment Center scopes of work require different skills and expertise. Separating the services 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, career advancement, training, and navigation. **This is not the recommended alternative.**

Alternative 2) Expand the capacity of the existing Airport University class topics without adding specific skills training tailored to available career pathways.

Pros: This would require significantly less work in terms of program development, employer engagement, and airport worker engagement and would no doubt benefit some airport workers and employers as the current program does.

Cons: Impact would likely be less, as workers would not be moved as directly into higher-skill/higher-wage positions, nor would specific employer skill needs be filled as efficiently. And there would be less of a new career advancement focus that the Port could share with community organizations and unions. **This is not the recommended alternative.**

Alternative 3) Execute two contracts. The first contract, Airport Employment Center, builds on longstanding placement and workforce development initiatives at the Airport Employment Center. The second contract, Career Pathways, identifies career pathways within the aviation industry and invests in the development of these career ladders.

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. This approach will also strengthen the Port's ability to build strategic partnerships.

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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 recommended alternative.**

ATTACHMENTS TO THIS REQUEST

- Presentation slides.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- July 12, 2015 – 2016 RFP and Contract Authorization Request (Airport)
- 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
- December 15, 2009 - Commission: (A) made a determination that a competitive solicitation process is not appropriate or cost effective, thereby exempting the two Port Jobs contracts for 2010 from the requirements of RCW 53.19.020(5), and (B) authorized the Chief Executive Officer to enter into two one-year contracts with Port Jobs valued at an estimated \$607,000.
- September 23, 2008 - Commission: (A) made determination that a competitive solicitation process is not appropriate or cost-effective and that contracts with Port Jobs are therefore exempt from requirements of Chapter 53.19 RCW, and (B) authorized the CEO to enter into Port Jobs contracts for 2008, with option to renew for an additional 12-month period, for a 2008 total of \$365,000 plus \$0.20 per labor hour receipts on Port construction contracts to support the Apprenticeship Opportunities Project.