

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4e
Date of Meeting December 08, 2015

DATE: November 29, 2015
TO: Ted Fick, Chief Executive Officer
FROM: Tammy Woodard, Assistant Director, Human Resources – Total Rewards
Paula Edelstein, Senior Director, Human Resources
SUBJECT: Authorization to Execute a Contract with King County Metro to Purchase One Regional Card for All (ORCA) Cards for Port Employees

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute a contract with King County Metro to purchase One Regional Card for All (ORCA) Cards for February 2016 – January 2017 at a cost not to exceed \$350,000. This is a time sensitive request.

SYNOPSIS

The purpose of the contract with King County Metro is to make One Regional Card for All (ORCA) Cards available to Port employees for February 2016 – January 2017.

The Port of Seattle is required by Washington State Law (RCW 70.94) to participate in an employee commute reduction program focused on reducing the number and length of drive-alone commute trips made to worksites. The Port has an approved program that includes providing subsidized public transportation to employees and the ORCA contract with King County Metro is an effective and efficient way to meet this requirement.

BACKGROUND

In 1991, Washington State’s Commute Trip Reduction (CTR) Law was passed with goals to improve air quality, reduce traffic congestion, and reduce gasoline consumption. The law requires “major employers” to develop and implement employee commute programs to reduce the length and number of drive-alone trips to worksites. The Port is considered a major employer and has approved CTR programs for both the City of Seattle and City of SeaTac locations. One element of both of the Port’s approved programs is providing a public transportation subsidy.

The ORCA cards can be used for employees to commute to and from Port work locations via many public transportation methods including, but not limited to, Sound Transit, Metro, Pierce Transit, and Community Transit busses as well as the Link Light Rail and Sounder Commuter

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Train. Van pool and van share programs are also available to employees who hold an ORCA card.

The Port's current contract with King County Metro will expire January 31, 2016.

The Port has provided subsidized transportation to its employees for at least the past nine years. Subsidized cards are offered to all employees and currently about 30%, 575 employees, utilize this benefit.

FINANCIAL IMPLICATIONS

The estimated value of the February 2016 – January 2017 contract is \$324,761 though the actual value will not be known until January. On average, 575 employees “purchase” an ORCA card on an annual basis. The annual employee cost of the ORCA card is reviewed each year and has been \$25 for several years. The small cost of the card makes it attractive to employees even in if they do not commute via public transportation on a regular basis.

Estimated cost provided by King County Metro	\$324,761
Estimated employees contributions (\$25 purchase price est. 575 employees)	(\$14,375)
Potential credit from Washington State for participating in the Commute Trip Reduction Program	(\$10,000)
Estimated Net Port of Seattle Cost	\$300,386

Human Resources includes the cost of the ORCA contract as well as estimated employee contributions and the potential credit from the State in our annual operating budget.

STRATEGIES AND OBJECTIVES

Be the greenest and most energy-efficient port in North America.

Objective: Reduce the number of single occupancy vehicles, reduce traffic congestion, and air pollution.

Total Rewards Philosophy – Port Experience

The Port Total Rewards Program supports Work-Life Balance by providing an option for employees to commute to work without driving alone.

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TRIPLE BOTTOM LINE

Environmental Responsibility and Community Benefits

By offering ORCA cards to employees, the Port supports the Commute Trip Reduction Law with the goal of decreasing automobile-related air pollution, consumption of gasoline and traffic congestion.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

The following alternatives were considered. No alternatives involving small businesses were considered as public transportation providers are public entities.

Alternative 1) – Don't renew the contract with King County Metro and stop offering ORCA cards to employees. If this alternative is selected, the Port will be out of compliance with the approved Commute Trip Reduction plans and would therefore be vulnerable to enforcement actions which could include financial penalties until new plans could be developed, approved and put into a place. This is not the recommended alternative.

Alternative 2) – Don't renew the contract with King County Metro and administer a subsidized public transportation program internally. Assuming a similar Port subsidy, the same number of ORCA card holders, and the current value of a monthly unlimited ORCA card (\$198) the cost of to the Port would be approximately \$1.35M, substantially more than the estimated \$324,761. This option could result in a reduction in the number of employees holding an ORCA card and using it on at least an occasional basis due to the loss of convenience. This alternative may not comply with the requirements of a CTR program and it would require additional staff time to administer the benefit beyond what is currently available within the Human Resources department, thus it would result in additional staffing and payroll costs. This is not the recommended alternative.

Alternative 3) – Authorize the Chief Executive Officer to execute a contract with King County Metro for the purchase of ORCA cards valid for the period February 2016 – January 2017. This alternative will ensure continued compliance with approved Commute Trip Reduction plans, it is more cost effective than alternative two mentioned above, and it will likely increase the number of Port employees who consider commuting via public transportation on an occasional basis.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

- A copy of the current ORCA contract

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None.