



COMMISSION REGULAR MEETING AGENDA

April 13, 2021

To be held in virtually via MS Teams in accordance with the Governor's 'Safe Start' order and Proclamation 20-28. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at 1 (833) 209-2690, or +1 (425) 660-9954 and Conference Code 717585058#

ORDER OF BUSINESS

10:30 a.m.

1. CALL TO ORDER

2. EXECUTIVE SESSION – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

► 12:00 noon – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. APPROVAL OF THE AGENDA *(at this time, commissioners may reorder, add, or remove items from the agenda)*

4. SPECIAL ORDERS OF THE DAY

5. EXECUTIVE DIRECTOR'S REPORT

6. COMMITTEE REPORTS

7. PUBLIC COMMENT – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

PLEASE NOTE: DUE TO THE GOVERNOR'S 'SAFE START' ORDER there will be no physical location for this meeting and the

PORT WILL NOT ACCEPT in-person, verbal comments during the regular meeting of April 13, 2021. Alternatively, during the regular order of business, those wishing to provide public comment will have the opportunity to:

1) Deliver public comment via email: All written comments received by email to commission-public-records@portseattle.org will be distributed to commissioners and attached to the approved minutes.

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email commission-public-records@portseattle.org with your name and the topic you wish to speak to by 9:00 a.m. PT on Tuesday, April 13, 2021. You will then be provided with instructions and a link to join the Teams meeting.

This process will be in place until further notice. For additional information, contact commission-public-records@portseattle.org.

8. CONSENT AGENDA *(consent agenda items are adopted by one motion without discussion)*

8a. Approval of the Minutes of the Regular Meeting of March 23, 2021. **(no enclosure) (p.4)**

8b. Approval of the Claims and Obligations for the Period March 1, 2021, through March 31, 2021, Including Accounts Payable Check Nos. 938858-939196 in the Amount of \$2,933,098.83; Accounts Payable ACH Nos. 033893-034669 in the Amount of \$62,495,266.49; Accounts Payable Wire Transfer Nos. 015559-015583 in the Amount of \$7,697,943.98, Payroll Check Nos. 198171-198377 in the Amount of \$77,709.84; and Payroll ACH Nos. 1013908-1018130 in the Amount of \$11,234,593.64 for a Fund Total of \$84,438,612.78. **(memo enclosed) (p.13)**

- 8c. Authorization for the Executive Director to Advertise, Award and Execute a Contract with a Benefits Consultant to Provide Consulting Services that Include Benefits Insurance Broker Services and Health Plan Actuarial Services to the Port of Seattle's Employee Benefits Program for up to 10 Years at an Amount Not-to-Exceed \$4,600,000. ([memo](#) enclosed) (p.16)
- 8d. Authorization for the Executive Director to Execute a Settlement Agreement to Resolve Claims and Potential Claims Arising Out of Two TSA-owned Explosive Detection System Machines (the "EDS Machines") that Were Damaged and Required Replacement During the Baggage Optimization Phase 1 Project ("BOP1") ([memo](#) enclosed) (p.20)
- 8e. Authorization for the Executive Director to (1) Construct a Single Office as the Second Phase of the Main Terminal Space Conversion Project at Seattle-Tacoma International Airport, and (2) Utilize Port of Seattle Crews and Small Works On-call Contracts to Perform Construction Work. The Amount Requested is \$400,000 of the Total Project Estimate of \$3,500,000 (CIP #C801055). ([memo](#) and [presentation](#) enclosed) (p.21)
- 8f. Authorization for the Executive Director to (1) Complete Design, (2) Execute Contracts for Screening Equipment, and (3) Use Port Crews and Small Works Contracts for Construction in Support of the North Satellite Transit System Employee Screening Project at Seattle-Tacoma International Airport, in the Amount of \$1,400,000 (CIP #C801153). ([memo](#) and [presentation](#) enclosed) (p.32)
- 8g. Authorization for the Executive Director to Extend the Existing Contract Between the Port of Seattle and Café Pacific Catering, for Exclusive Food and Beverage Service at the Conference Center at SEA Airport. Requested Extension is One Year with an Additional One-year Option to Extend, for a Total Possible Extension of Two Years. ([memo](#) and [current agreement](#) enclosed) (p.50)
- 8h. Authorization for the Executive Director to Proceed with the Design Development and Permitting Phase of the Fishermen's Terminal ADA Compliance Project in the Amount of \$215,000 (CIP No. C801198). ([memo](#) enclosed) (p.86)
- 8i. Approval of Order 2021-04: Extension of the On-demand Taxi and Flat Rate for Hire Service Pilot Program. (p.89)
([draft order](#) enclosed)

9. UNFINISHED BUSINESS

10. NEW BUSINESS

- 10a. Authorization for the Executive Director to Sign an Interlocal Agreement (ILA) with Highline Public Schools, Maritime High School, substantially in the Form Attached, with Minor Changes to be Approved by Legal Counsel, as Appropriate. The ILA will Facilitate the Transfer of Port of Seattle Funds to Highline Public Schools as Authorized in the 2021 Budget. ([memo](#), [draft agreement](#), [Exhibit A](#), and [presentation](#) enclosed) (p.90)
- 10b. Authorization for the Executive Director to Finalize and Implement Additional Airport Relief Measures in Response to the On-going COVID-19 Pandemic Impacts to Airport Dining and Retail (ADR), On-Airport Parking and Rental Car (RAC) Concessionaires, Specifically (i) to Offer Lease Amendments to ADR, On-Airport Parking and RAC Concessionaires Relating to Adjustment of Minimum Annual Guaranteed (MAG) Rent, RAC Concession Agreement Extensions, and (ii) to Separately Provide Rent Relief in the Form of Credits to Eligible ADR, On-Airport Parking and RAC concessionaire as part of the Airport Coronavirus Response Grant Program established by the Federal Aviation Administration (FAA) Pursuant to the Federal Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) ([memo](#) enclosed) (p.114)

10c. Authorization for the Executive Director to Develop the Project Definition Document to Finalize the Scope, Schedule, Budget, and Project Delivery Method for the Preferred South Satellite Renovation and Renewal Project Alternative at the Seattle-Tacoma International Airport. The Amount Being Requested Under this Authorization is \$2,750,000. (CIP# C801203). ([memo](#) and [presentation](#) enclosed) (p.122)

10d. Authorization for (1) the Executive Director to Execute a Funding Agreement with Cruise, LLC (Expedia Group) and Washington State Department of Fish and Wildlife to Spend up to \$83,000 for the Port's One-sixth Contribution Towards a Cost and Feasibility Analysis Which Seeks to Understand the Engineering Demands and Construction Costs for the Rebuilding of the Public Fishing Pier at Pier 86 with a Ferry Float to Support Commuter Ferry Service; and (2) to Exempt this Opportunity from a Competitive Process. ([memo](#), [agreement](#), and [presentation](#) enclosed) (p.142)

11. PRESENTATIONS AND STAFF REPORTS

11a. Diversity in Contracting Annual Report ([memo](#) and [presentation](#) enclosed) (p.169)

11b. ACE Green Cities Program Update ([memo](#) and [presentation](#) enclosed) (p.191)

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT



P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

**APPROVED MINUTES
COMMISSION REGULAR MEETING MARCH 23, 2021**

The Port of Seattle Commission met in a regular meeting Tuesday, March 23, 2021. The meeting was held remotely in accordance with the Governor's 'Safe Start' order and Proclamation 20-28. Commissioners Bowman, Calkins, Cho, Felleman, and Steinbrueck were present.

1. CALL to ORDER

The meeting was convened at 10:30 a.m. by Commission President Fred Felleman.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss one matter relating to litigation/potential litigation (RCW 42.30.110(1)(i)), with the intention of reconvening the public session at 12:00 p.m. Following the executive session, which lasted approximately 28 minutes, the public meeting reconvened at 12:01 p.m. Commission President Felleman led the flag salute.

3. APPROVAL of the AGENDA

Without objection, the preliminary agenda was approved without revisions.

4. SPECIAL ORDERS OF THE DAY

4a. Proclamation of the Port of Seattle Recognizing Cesar Chavez Day and Honoring the Work of Dolores Huerta

Request document(s) included a proclamation.

Commission Clerk Hart read Item 4a into the record.

Ms. LeeAnne Schirato, Commission Specialist, introduced the item and spoke regarding Cesar Chavez's and Dolores Huerta's contributions. A video entitled, 'Dolores (2017) Official Theatrical Trailer | PBS' was aired for the Commission and viewing public. Ms. Schirato then read the proclamation into the record.

The motion, made by Commissioner Steinbrueck, for approval of Item 4a, carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)

Opposed: (0)

4b. Pat Davis Legacy of Leadership Award

Commission Clerk Hart read Item 4b into the record.

Commission President Felleman introduced the item and Former Port Commissioner Pat Davis, in attendance, to speak regarding the Pat Davis Legacy of Leadership Award.

Ms. Davis spoke regarding the criteria of the award and its recipient, Elizabeth 'Biz' Leavitt, Director of Environment, Sustainability, and Engineering. Elizabeth Leavitt was nominated and selected due to her incredible contributions in furthering the achievements and advancement of women at the Port during her tenure.

Members of the Commission and Executive Director Metruck spoke regarding Elizabeth's achievements and expertise, advances in furthering the Port in its vision and mission, her regional impacts, and to her retirement after thirty years of service. Everyone expressed appreciation to Ms. Leavitt and wished her the best in retirement.

Ms. Leavitt spoke regarding her tenure, experiences, projects, and co-workers at the Port, and in appreciation to be nominated for, and to receive, the Pat Davis Legacy of Leadership Award.

5. EXECUTIVE DIRECTOR'S REPORT

Executive Director Steve Metruck previewed items on the day's agenda and made announcements.

Members of the Commission commented regarding the vaccination clinic currently in operation at the airport. Commission Bowman advised that the Port of Seattle Fire Department has been out in the community assisting in the vaccination of those who cannot physically get to the airport location.

6. COMMITTEE REPORTS

Aaron Pritchard, Commission Policy Manager, provided a report regarding recently held committee meetings and the schedule for upcoming meetings.

7. PUBLIC COMMENT

Public comment was received from the following individual(s):

- Mike Sotelo, representing the Ethnic Chambers of Commerce for WA State and King County, spoke regarding meeting Cesar Chavez, the growth of the Latino community, and the number of people of color in universities and in the trades. He expressed appreciation for the Port's efforts of diversity and inclusion and inquired regarding the number of Latino women currently working at the Port.

- Anne Kroeker, resident, spoke regarding the Port's real estate acquisition at Des Moines W. Creek, noting a conflicting use with respect to industrial use and pollutants from the neighboring property. She spoke to the removal of green space and asked the Port to reconsider the intended use of the acquired property.
- In lieu of spoken comment, Laura Gibbons, volunteer with 350 Seattle's Aviation Team, submitted written comments inquiring where the Port's plan is to meet its target of a 50 percent reduction in Scope 3 greenhouse gas emissions by 2030. Written materials received are attached as minutes Exhibit A.

8. CONSENT AGENDA

[Clerk's Note: Items on the Consent Agenda are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]

- 8a. Approval of the Minutes of the Regular Meeting of March 9, 2021.**
- 8b. Authorization for the Executive Director to Approve Additional Funding in the Amount of \$1,360,000 for Design, Permitting, and Construction Phases of the Central Waterfront Elevator Modernization Project and to Direct Staff to Award the Contract to Continue the Project. (CIP # C801016)**

Request document(s) included an agenda memorandum and presentation slides.

- 8c. Authorization for the Executive Director to (1) Develop, Advertise, and Execute an Alternative Public Works Delivery Using the Building Engineering Systems Process, (2) Execute a Five-year Maintenance Service and Training Agreement for the Exit Breach Control Replacement Project at Seattle-Tacoma International Airport, and (3) Utilize Port Crews, for an Estimated Total Project Cost of \$4,181,000. (CIP # C801159).**

Request document(s) included an agenda memorandum and presentation slides.

- 8d. Authorization for the Executive Director to Approve Signing of a Memorandum of Understanding for Initial Post-Damage Safety Evaluation of Facilities Between the Port of Seattle and the Seattle Department of Construction and Inspections. (CIP #C000000)**

Request document(s) included an agenda memorandum and draft memorandum of agreement.

- 8e. Authorization for the Executive Director to (1) Advertise for Construction Bids, (2) Execute Construction Contracts, and (3) Fund the Construction Phase to Complete the P66 Roof Upgrade Project, for a Total Estimated Project Cost of \$2,209,000. (CIP #C801103)**

Request document(s) included an agenda memorandum and presentation slides.

- 8f. **Authorization for the Executive Director to Execute up to Two (2) Indefinite Delivery, Indefinite Quantity (IDIQ) Professional Services Agreements for Roofing Related Consulting Services with a Cumulative Total Amount Not-to-Exceed \$2,000,000 and a Contract Ordering Period of Five Years. No Request for Funding is Associated with this Authorization.**

Request document(s) included an agenda memorandum.

- 8g. **Authorization for the Executive Director to Advertise and Execute a Service Agreement for Professional Design Services for all Project Elements and Improvements Necessary to Support the Port's Development of the Terminal 91 (T91) Uplands Area Located North of the Magnolia Bridge. No Request for Funding is Associated with this Authorization.**

Request document(s) included an agenda memorandum.

The motion for approval of consent agenda items 8a, 8b, 8c, 8d, 8e, 8f, and 8g carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)

Opposed: (0)

9. **UNFINISHED BUSINESS – None.**

10. **NEW BUSINESS**

- 10a. **Authorization for the Executive Director to (1) Execute Project Specific Service Agreements for Project Management, Construction Management, Design Services, and Testing and Special Inspections; (2) to Utilize a General Contractor/Construction Manager (GCCM) and Execute a GCCM Construction Contract for Pre-construction Services; (3) to Use Port Crews; and (4) to Execute a Memorandum of Agreement (MOA) Between the Port of Seattle (Port) and United Airlines in Support of the Post IAF Airline Realignment Project at Seattle-Tacoma International Airport (SEA). The Total Authorization Request is \$26,000,000. (CIP #C801158)**

Request document(s) included an agenda memorandum and presentation slides.

Presenter(s):

James Jennings, Director, Aviation Properties

Sean Anderson, Capital Program Leader, AV Project Management Group

Commission Clerk Michelle Hart read Item 10a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- post International Arrivals Facility (IAF) airline realignment;

Minutes of March 23, 2021, submitted for review on April 8, 2021, and proposed for approval on April 13, 2021.

- an overview of the realignment;
- realignment scope of work;
- gate improvements;
- ramp level office relocations;
- United Baggage Service Office relocation;
- United lounge relocation;
- airline realignment risks;
- airline realignment schedule;
- where the project is at in the cone of certainty; and
- project budget.

Members of the Commission and staff discussed:

- the projected timeline for the project and any opportunity to accelerate it in alignment with the IAF opening;
- agreement by the airline carriers; and
- preferential carrier rights for use of the IAF.

The motion, made by Commissioner Bowman, for approval of Item 10a carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)

Opposed: (0)

10b. Authorization for the Executive Director to Complete Design and Permitting of the Fishermen's Terminal (FT) Site Improvements (U00320) Under the New CIP C801211, Utilizing \$1,525,505 in Formerly Authorized Funding for the Gateway Building CIP. No Request for Funding is Associated with this Authorization.

Request document(s) included an agenda memorandum and presentation slides.

Presenter(s):

Stephanie Jones Stebbins, Managing Director, Maritime
Dave McFadden, Managing Director, Economic Development Administration
Kyra Lise, Director, Real Estate Development
Elena Franks, Capital Project Manager IV, Seaport Project Management

Commission Clerk Michelle Hart read Item 10b into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- the critical juncture of the project;
 - touch point on program scope components;
 - request for authorization to complete site improvements under the new CIP;
 - progress update and accomplishments;
 - the path forward;

Minutes of March 23, 2021, submitted for review on April 8, 2021, and proposed for approval on April 13, 2021.

- budget structure;
- Fisherman's Terminal site improvements;
 - decision points;
 - scope refinement;
 - status of the project, total project cost, and next steps;
- Maritime Innovation Center; and
 - achievements;
 - total project cost;
 - next steps – complete design and permitting and build concurrently with site improvements;
 - timeline;
- Gateway Building;
 - pause in design work;
 - shelving to preserve the value of work completed to-date.

Members of the Commission and staff discussed:

- inquiries into sustainability, site planning, green site design, water treatment, etc.;
- study of parking and traffic flows;
- if traffic flows are working;
- securing the Maritime Heritage Area designation and interpretative opportunities at the site;
- accessibility to the site with respect to a bike and pedestrian connection;
- sitewide ADA accessibility;
- reviewing interpretative messaging;
- incorporating the art program into the interpretation; and
- possible repurposing of the bank building site.

The motion, made by Commissioner Cho, for approval of Item 10b carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)

Opposed: (0)

11. PRESENTATIONS AND STAFF REPORTS

11a. Real Estate Strategic Plan Update

Presentation document(s) included an agenda memorandum and presentation slides.

Presenter(s):

Dave McFadden, Managing Director, Economic Development Administration
Kyra Lise, Director, Real Estate Development
Matt Anderson, Principal, Heartland, LLC

Commission Clerk Michelle Hart read Item 11a into the record.

Executive Director Metruck introduced the item and presenters.

Minutes of March 23, 2021, submitted for review on April 8, 2021, and proposed for approval on April 13, 2021.

The presentation addressed:

- Port real estate principles;
- Port property development recommendations;
- properties being evaluated;
 - Fisherman's Terminal;
 - Salmon Bay Marina;
 - Terminal 91;
 - Harbor Marina Corporate Center;
 - World Trade Center;
 - Pier 69;
- evaluate acquisition and partnership opportunities;
 - managing for the mission;
 - leveraging expertise;
 - partnering to amplify impact;
- the evaluation matrix;
- criteria derived from the Century Agenda;
- equity and sustainability;
- funding options and opportunities;
- legal parameters;
- port development execution options; and
- next steps;
 - implementing key recommendations surrounding development or disposition of Port properties;
 - completing due diligence on two to three top acquisition or partnership opportunities;
 - completing analysis of Port financing options for real estate development projects.

Members of the Commission and staff discussed:

- the strategic thinking that has gone into the plan;
- weighting the scoring system for facilities;
- de-acquisitioning of property and use of the capital funding for more important projects where needed;
- use of metrics in a much more objective way;
- any future discussion of the potential of reopening Pier 69 to other tenants and policies around shared space;
- taking a deeper dive in looking at the what the Port may acquire and our role on the waterfront;
- the need to look at ways the Port can revitalize downtown; and
- examining the best use for under-performing properties and operational procedures for getting buildings back up to full capacity, while looking at the Port's lease provisions for tenants.

11b. Port of Seattle Police Department Annual Report

Presentation document(s) included an agenda memorandum and presentation slides.

Presenter(s):

Michael Villa, Acting Chief of Police, Police Department

Commission Clerk Michelle Hart read Item 11b into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- the organizational structure of the Police Department;
 - Operations Bureau;
 - patrol
 - marine patrol unit
 - dive team
 - traffic support specialists
 - explosive detection K9
 - bomb disposal unit
 - Office of Professional Accountability;
 - Criminal Investigations Division;
 - Office of Professional Development;
 - Office of Professional Standards;
- CALEA Accreditation;
- recruiting and hiring;
- 911 police and fire communications team;
- partnerships;
- 2020 awards;
- 2020 budget; and
- 2021 department goals.

Members of the Commission and staff discussed:

- Commission appreciation for the report and transparency of the Port Police Department;
- strategic planning for the department in the future;
- diversity in the department;
- where police engagement with the public is occurring;
- mutual aid agreements and use of force with respect to which jurisdiction's policies and procedures apply in response to an emergency;
- an uptick in officer hours and work taking place at the airport; and
- data on any complaints received to be sent to the Commission.

Members of the Commission thanked Acting Chief Villa and the members of the Police Department for their efforts to keep the Port safe every day.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Commissioner Cho spoke regarding the Port's economic recovery listening sessions which will begin in April and go through May.

Commission President Fred Felleman acknowledged and thanked Mr. Brad Tilden for his years of service at Alaska Airlines and looked forward to their continued work together in his role on the Board of Directors.

13. ADJOURNMENT

There was no further business, and the meeting adjourned at 4:18 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam H. Cho, Commission Secretary

Minutes approved: April 13, 2021.

RETURN TO AGENDA

Minutes of March 23, 2021, submitted for review on April 8, 2021, and proposed for approval on April 13, 2021.

**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting April 13, 2021

DATE: April 5, 2021
TO: Steve Metruck, Executive Director
FROM: Duane Hill, AFR Senior Manager Disbursements
SUBJECT: Claims and Obligations – March 2021

ACTION REQUESTED

Request Port Commission approval of the Port Auditor’s payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period March 1 through 31, 2021 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	938858	939196	\$ 2,933,098.83
Accounts Payable ACH	033893	034669	\$ 62,495,266.49
Accounts Payable Wire Transfers	015559	015583	\$ 7,697,943.98
Payroll Checks	198171	198377	\$ 77,709.84
Payroll ACH	1013908	1018130	\$ 11,234,593.64
Total Payments			\$ 84,438,612.78

Pursuant to RCW 42.24.180, “the Port’s legislative body” (the Commission) is required to approve in a public meeting, all payments of claims within one month of issuance.

OVERSIGHT

All these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port’s operating and capital budget is approved by resolution in November for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port’s budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract—if they are below the thresholds the Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.

Meeting Date: April 13, 2021

Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor's Office and the Port's independent auditors.

For the month of March 2021, over \$73,126,309.30 in payments were made to nearly 605 vendors, comprised of 1,857 invoices and over 6,631 accounting expense transactions. About 90 percent of the accounts payable payments made in the month fall into the Construction, NWSA Equity Payment, Employee Benefits, Payroll Taxes, Contracted Services and Utility expense categories. Net payroll expense for the month of March was \$11,312,303.48. The following chart summarizes the top expense categories by total spend.

Top 15 Payment Category Summary	
Category	Payment Amount
Construction	\$ 34,403,373.60
NWSA Equity Payment	\$ 11,000,000.00
Employee Benefits	\$ 8,683,857.19
Payroll Taxes	\$ 4,449,946.04
Contracted Services	\$ 3,580,536.51
Utility Expenses	\$ 3,487,082.90
Software	\$ 1,977,536.91
Maintenance Inventory	\$ 1,019,352.61
Sales Taxes	\$ 607,689.38
Legal	\$ 582,258.57
Miscellaneous Expense	\$ 381,675.74
Public Expense	\$ 334,539.87
Bond Fees	\$ 280,716.73
Equipment Rental	\$ 239,050.22
Parking Taxes	\$ 195,986.77
Other Categories Total	\$ 1,902,706.26
Net Payroll	\$ 11,312,303.48
Total Payments	\$ 84,438,612.78

Meeting Date: April 13, 2021

Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.



Lisa Lam/Port Auditor

At a meeting of the Port Commission held on April 13, 2021 it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor's payment of the above salaries and claims of the Port:

Port Commission

RETURN TO AGENDA

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8c

ACTION ITEM

Date of Meeting

April 13, 2021

DATE : April 5, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Tammy Woodard, HR Director – Total Rewards
Sandra Spellmeyer, Total Rewards Manager

SUBJECT: Contract to Provide Benefits Consulting Services to the Port's Employee Benefits Program

Amount of this request: \$4,600,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise, award and execute a contract with a benefits consultant to provide consulting services that include benefits insurance broker services and health plan actuarial services to the Port of Seattle's employee benefits program for up to 10 years at an amount not-to-exceed \$4,600,000.

EXECUTIVE SUMMARY

The Port utilizes the services of a benefits consulting firm to provide guidance and advice to the strategic direction and administration to the Port-sponsored employee benefits package. These services include assistance with strategic planning for the benefits package, as well as assistance ensuring benefits plans within the benefits package align with the Port's Healthcare Strategy and Total Rewards Philosophy. The consultant also supports the Port in establishing specific health plan designs for our medical, dental and vision plans, and they provide actuarial services that include modeling and forecasting costs for the Port's self-insured medical and dental plans. The consultant also provides valuable advice and guidance on industry trends, emerging products or plan designs, frequently changing regulatory requirements and guidance in interpreting new regulatory requirements.

The benefits consultant also acts as the Port's broker for all fully insured plans within the employee benefits package. These currently include the Health Maintenance Organization (HMO) medical option, the vision plans, life and disability insurance, as well as stop loss coverage for the self-insured medical plans.

April 13, 2021

The current benefits consulting service agreement will expire at the end of 2021 and Port staff plans to have a new agreement in place by the end of September to provide sufficient time to ensure a new consultant will have a good understanding of the Port's benefits plans and programs to facilitate a smooth transition at the end of the year.

JUSTIFICATION

Contracting with a benefits consultant supports the Port's goal of being a highly effective public agency by helping to ensure the Port can retain and attract skilled employees with a competitive and compliant employee benefits package. Further, the benefits consultant fulfills the requirement for an insurance broker to identify high value insurance programs for the fully insured benefits within the overall Port-sponsored benefits package.

Diversity in Contracting

Due to the contract scope requirements, no subcontracting WMBE aspirational goal will be administered. However, the project team along with Diversity in Contracting department is outreaching to WMBE firms to notify them of this opportunity.

DETAILS

The selected benefits consultant will meet regularly with Port staff to provide various work products. The consultant will also support the Port's decision-making by ensuring all necessary and relevant considerations are brought into the employee benefits program management process.

Scope of Work

The work will include:

- (1) Strategy development sessions to ensure the Port is working toward strategic goals for the overall benefits program.
- (2) Quarterly meetings with the Port to review financial performance of the self-insured health plans against budget.
- (3) Annual meetings to discuss plan design options for the coming year and costs of the different options before finalizing any plan design changes and costs for the coming year.
- (4) Support for procurements necessary to maintain the Port's self-insured benefits plans as needed through the duration of the contract.
- (5) Non-discrimination testing, for plans that require testing, to ensure compliance with relevant regulations.
- (6) Marketing our insured benefits to ensure the Port is receiving the best value benefits.
- (7) Ad hoc projects related to the Port's employee benefits package for non-represented employees that might include projects like reviewing the wellness program for opportunities to enhance it, leave benefits, adding supplemental benefits to round out the overall benefits program, surveying employees on total rewards related topics,

April 13, 2021

developing communications materials to support understanding of benefits programs, or support for implementing new benefit options.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not utilize the services of a benefits consultant.

Cost Implications: We conservatively estimate the cost of this option, including pay and benefits for 2 FTEs with the broad skill set and experience of a consultant and the broker to be secure needed insured benefits at approximately \$4.5 million for 10 years. Additionally, we would still need to hire consultants for projects requiring highly skilled and experienced individuals with access to developed testing and analysis software. These costs could average \$150,000 per year or an additional \$1.5 million over 10 years for a total of \$6 million over 10 years.

Pros:

- (1) We could utilize in-house staff rather than consultants.

Cons:

- (1) The cost would be higher than the requested option.
- (2) Much more staff time would be required to conduct multiple procurements when in-house staff doesn't have the skills, abilities or access to developed testing and analysis software.

This is not the recommended alternative.

Alternative 2 – Separate the components of the Benefits Consultant contract into multiple parts and contract individually for separate consultants to perform the fully insured plan broker work, the actuarial work, and plan design and strategic planning work, and potentially some of the specific expected project work. This alternative would likely add at least 20% to the overall cost of the project. Each individual vendor would need to do extra work to understand how their specific portion of the entire body of work fits with the work other vendors are performing to ensure success of the total body of work. Without this extra work overall success of all portions of the work will be at risk. This would also add time to the work, as Port staff and related vendors would need to spend much more time planning for each portion of their work than a single consultant can perform seamlessly for the Port, often with minimal preparation time.

Cost Implications: Estimated at least \$5.5 million.

Pros:

- (1) An opportunity for more vendors to perform work for the Port, there is a likelihood that we would have the same vendors proposing on all phases of the project.

Cons:

- (1) More expensive; consultants regularly quote lower fees for more holistic projects where they will not spend as much time with Port staff preparing them to hand off work to another vendor or learning from Port staff about the work they are taking over from another vendor.

April 13, 2021

- (2) More staff time to manage the overall benefits program, engage with consultants, and work on multiple procurements.
- (3) Lack of a cohesive approach to external consultants could result in a more piecemeal approach to managing the Port’s multi-million benefits program, which could lead to a less integrated program that is not as well coordinated managed.

This is not the recommended alternative.

Alternative 3 – Conduct a competitive selection procurement and contract with a Benefits Consultant for up to ten years to provide consulting services, actuarial services (including plan design costing alternatives) and broker services for the fully insured components of the Port sponsored benefits package.

Cost Implications: The estimated cost of a ten-year contract is not more than \$4.6 million.

Pros:

- (1) Contracting with a single consultant will permit the Port to work with one consultant in a well-integrated and cohesive way to ensure we are taking a holistic look at the Port’s benefits package, how it compares to market and how it aligns with both the Healthcare Strategy and the Total Rewards Philosophy.
- (2) This option is the most cost-effective way to obtain these necessary and beneficial services for the Port.
- (3) This option provides the best value for the Port in obtaining these necessary and beneficial services by having one vendor that has access to health plan cost modeling and other financial analysis tools, as well as access to specialized employee benefits legal and market information provide the services.

Cons:

- (1) The contracting opportunity will be limited to one vendor.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The estimated cost of this contract over 10 years is up to \$4.6 million.

Annual Budget Status and Source of Funds

The annual cost for this contract is included in the Port’s benefits budget for non-represented employees.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8d

ACTION ITEM

Date of Meeting April 13, 2021

DATE: March 18, 2021

TO: Steve Metruck Executive Director

FROM: Pete Ramels, General Counsel
Loren Armstrong, Sr. Port Counsel
Janice Zahn, Asst. Engineering Director, Construction

SUBJECT: Baggage Optimization Phase 1 Water Damage Settlement Agreement

Amount Payable to the Port: \$1,600,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a settlement agreement to resolve claims and potential claims arising out of two TSA-owned Explosive Detection System Machines (the "EDS Machines") that were damaged and required replacement during the Baggage Optimization Phase 1 project ("BOP1").

SUMMARY

The Port asserted pre-litigation claims against PCL, the general contractor on the BOP1 project, and Red Hawk Fire Protection LLC ("Red Hawk"), one of PCL's subcontractors. PCL and Red Hawk asserted that they were not contractually responsible for the replacement cost of the two water-damaged EDS Machines.

The parties (and their respective insurers) first mediated on November 4, 2020, and then continued to negotiate with the mediator's assistance until early March 2021 when the parties successfully resolved the dispute subject to authorization by the Port Commission. The proposed settlement involves an aggregate payment to the Port of \$1,600,000. The settlement agreement does not constitute an admission of liability or wrongdoing on the part of any party; rather, the settlement is recommended to avoid the time, expense, disruption, and uncertainty of litigating claims.

This matter was discussed in executive session.

There are no attachments to this memo.

RETURN TO AGENDA

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8e

ACTION ITEM

Date of Meeting

April 13, 2021

DATE: February 22, 2021

TO: Stephen P. Metruck, Executive Director

FROM: James Jennings, Director AV Business & Properties
Wayne Grotheer, Director Aviation Project Management

SUBJECT: Main Terminal Space Conversions Phase 2 (CIP #C801055)

Amount of this request: \$400,000

Total estimated project cost: \$3,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) construct a single office as the second phase of the Main Terminal Space Conversion project at Seattle-Tacoma International Airport, and (2) utilize Port of Seattle crews and Small Works on-call contracts to perform construction work. The amount requested is \$400,000 of the total project estimate of \$3,500,000.

EXECUTIVE SUMMARY

Seattle-Tacoma International Airport (SEA) has limited pre-security office space ready and available for new entrant airline tenants. When completed, this multi-phased, Main Terminal Space Conversion project will house up to six new tenants. The first phase completed two spaces in 2019 and 2020, now occupied by Singapore Airlines and Qatar Airlines, respectively. This request is to construct a single office as the second phase, adding to two offices completed in the first phase. A future Commission request would be required to complete additional offices for a third phase of the Main Terminal Space Conversion project. If completed in the future, Phase 3 would add several new offices to the mezzanine second floor, along with required egress and restroom improvements.

JUSTIFICATION

This project supports critical objectives of the Port's Century Agenda to meet the region's air transportation needs at the airport and encourage the cost-effective expansion of domestic and international passengers and cargo service. This provides SEA with much needed leasable space to meet the needs of our growing airline partners. It also supports the Aviation Division's financial performance by increasing occupancy of leasable space without constructing new facilities.

Meeting Date: April 13, 2021

SEA has added at least one new international route annually over the past decade. Although the pandemic has significantly slowed current international traffic levels, having at least one office available for lease is a best practice, as there is not adequate time to complete improvements once an international airline announces new services.

Diversity in Contracting

Work performed will draw from existing executed Small Work rosters and/or performed in-house with Port Construction Service crews. The Small Works roster offers opportunity for women-and minority business enterprise (WMBE). As such, no additional aspirational goal will be set for this construction project.

DETAILS

The second phase space to be constructed is located on the ticketing level near passenger Security Checkpoint 3. Construction will include electrical, lighting, data, heating and ventilation, and standard office finishes to provide an office suitable for future occupancy. This construction will be completed using a combination of Port Construction Services crews and Small Works contractors.

Scope of Work

Phase 2 Construction of Ticketing level space:

- (1) Modify heating, ventilation and air conditioning (HVAC), electrical, communications and lighting system.
- (2) Construct basic interior including finished walls, ceilings and flooring.

Schedule

Activity

Second Phase Construction Start	Q2 2021
Second Phase In use date	Q4 2021

Cost Breakdown

	This Request	Total Project
Design	\$0	\$720,000
Construction	\$400,000	\$2,780,000
Total	\$400,000	\$3,500,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Stop the entire project. Do not construct the second phase (ticketing) and cease further work on the third phase (second floor).

Cost Implications: \$0 further cost (approximately \$350,000 of cost to date would be expensed)

Pros:

- (1) Vacant space could be re-designed for another purpose in the future.
- (2) Remaining budget could be re-allocated.

Meeting Date: April 13, 2021

Cons:

- (1) No new spaces would be available for any new entrant the short term.
- (2) Would not meet Port Century Agenda Objectives.

This is not the recommended alternative.

Alternative 2 – Construct the second phase (ticketing) and continue evaluation work on the third phase (second floor).

Cost Implications: \$400,000

Pros:

- (1) One new tenant space will be ready by end of 2021.
- (2) Remaining budget could be re-allocated.

Cons:

- (1) No second-floor code improvements would be made by this project.
- (2) Further new tenant spaces would not be created and may impact new entrants in 2022 or 2023.

This is the recommended alternative.

FINANCIAL IMPLICATIONS***Cost Estimate/Authorization Summary***

Capital

Total

COST ESTIMATE		
Original estimate	\$2,515,000	\$2,515,000
Previous changes – net	\$985,000	\$985,000
Revised Estimate	\$3,500,000	\$3,500,000
Art (Transfer to Art CIP)	(\$7,000)	(\$7,000)
Revised Total	\$3,493,000	\$3,493,000
AUTHORIZATION		
Previous authorizations	\$1,465,000	\$1,465,000
Current request for authorization	\$400,000	\$400,000
Total authorizations, including this request	\$1,865,000	\$1,865,000
Remaining amount to be authorized	\$1,635,000	\$1,635,000

Annual Budget Status and Source of Funds

This project (CIP C801055) was included in the 2021-2025 capital budget and plan of finance with a budget of \$3,500,000. \$3,000 has been transferred into the Art Pool (C102066) with an additional \$4,000 to be transferred pending this request. The funding source would be Airport Development Fund (ADF) and revenue bonds. The previous change cost increase shown in the table above was driven by the need to provide more office space to new airline tenants.

Meeting Date: April 13, 2021

Financial Analysis and Summary

Project cost for analysis	\$3,500,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	Less than \$0.01 in 2022

Future Revenues and Expenses (Total cost of ownership)

Once occupied, maintenance of exclusive premises is the responsibility of the lessee, thus freeing the Port of our current obligation to maintain the space. In addition, these premises are currently leased to signatory airlines at the rate of \$177.17 per square foot per year. The final billable lease area is dependent on exactly how the space gets divided, and how much space is consumed to create a shared access vestibule (which would not be leased premises).

ADDITIONAL BACKGROUND

Preliminary design work on the project's third phase has uncovered building code deficiencies and additional study is underway to determine the impact of these deficiencies.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 26, 2019 – The Commission authorized design of all phases and construction of first phase.

Main Terminal Space Conversions Phase II

Creating tenant office spaces
for New Entrant Airlines
Or Airline Relocations

Main Terminal Space Conversions

History

- PH I: (2) Tenant spaces
Completed in 2019 & 2020

This Request

- PH II: (1) Tenant space
Request Construction funds \$400k

Future Request

PH III: Multiple tenant spaces to be brought forward in the future



Main Terminal Space Conversions

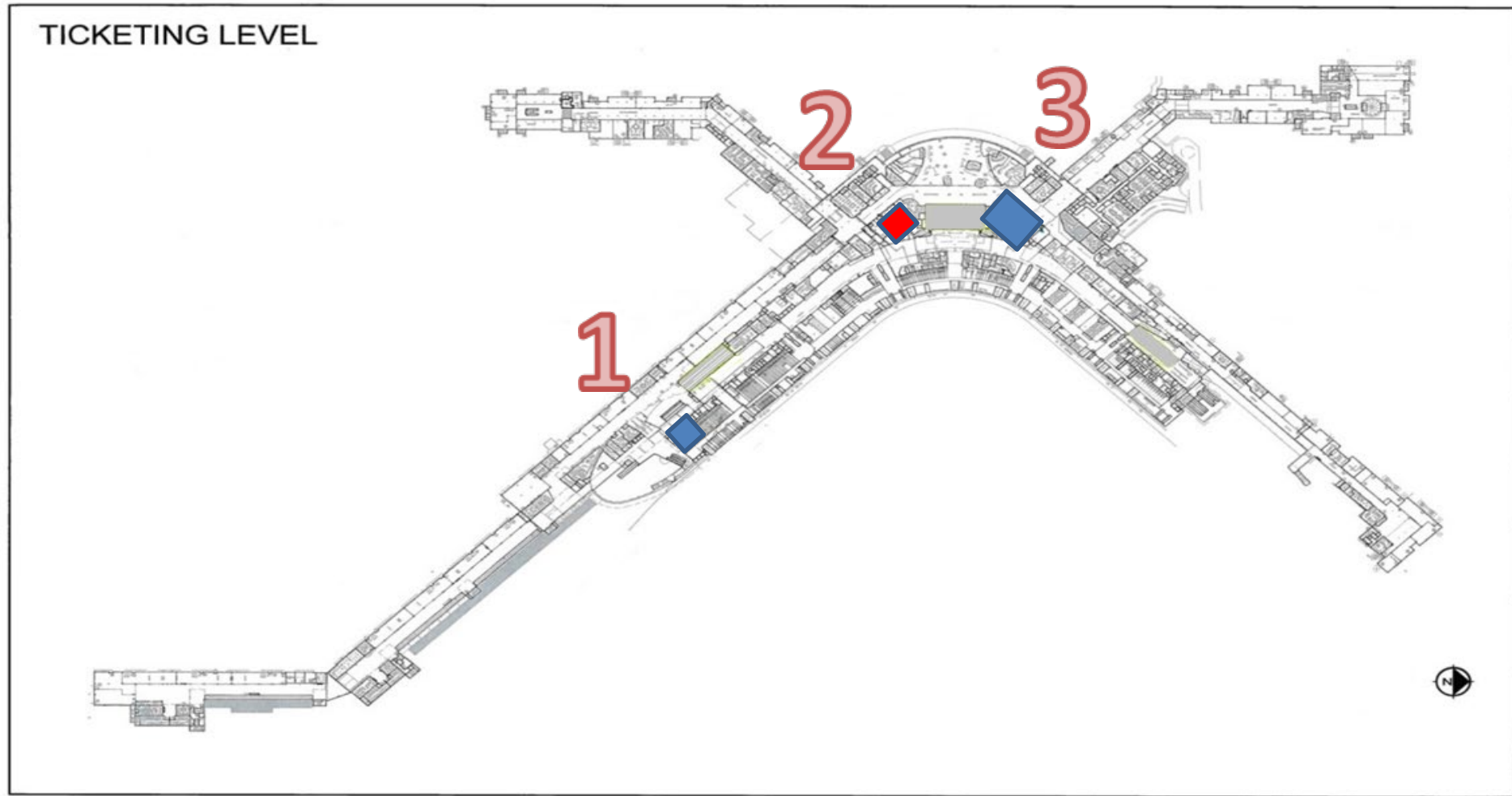
Phase II - Construction

Scope: Convert an unfinished location into leasable airline office space with manager's room. Construction will include electrical, lighting, data, heating and ventilation, and standard office finishes.

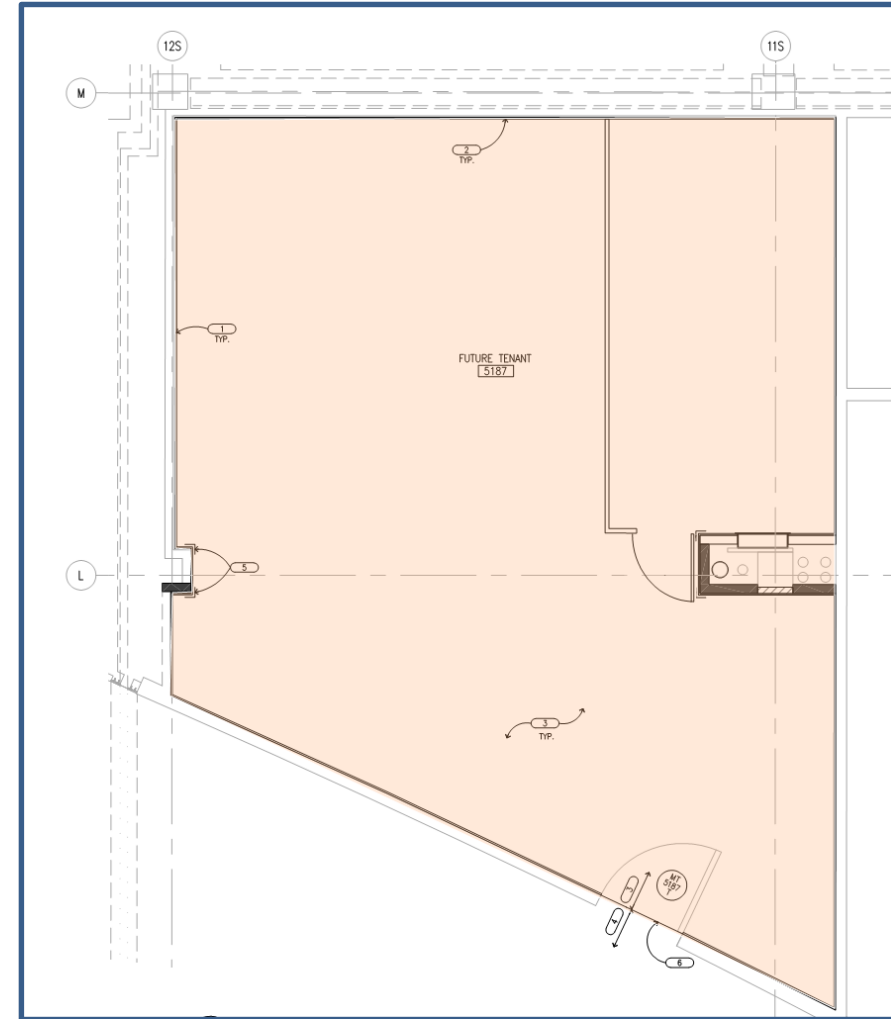
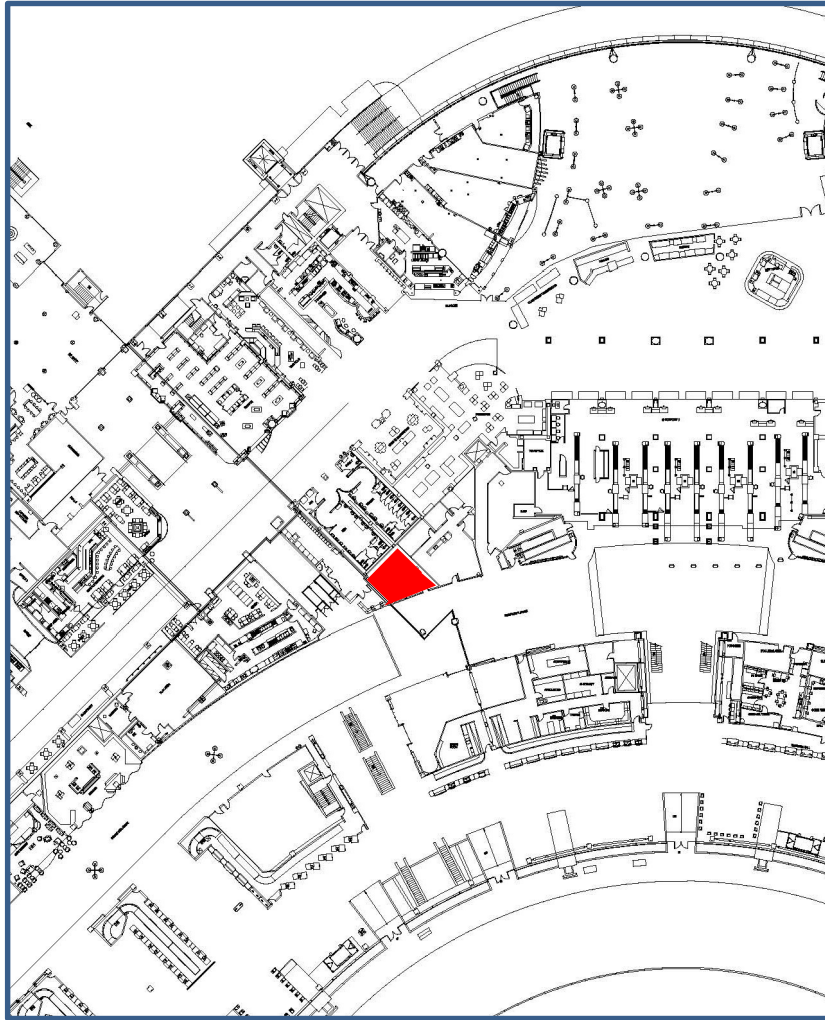
Schedule: Complete by December 2021

Budget: \$400,000

Phase 2 Project Site Location



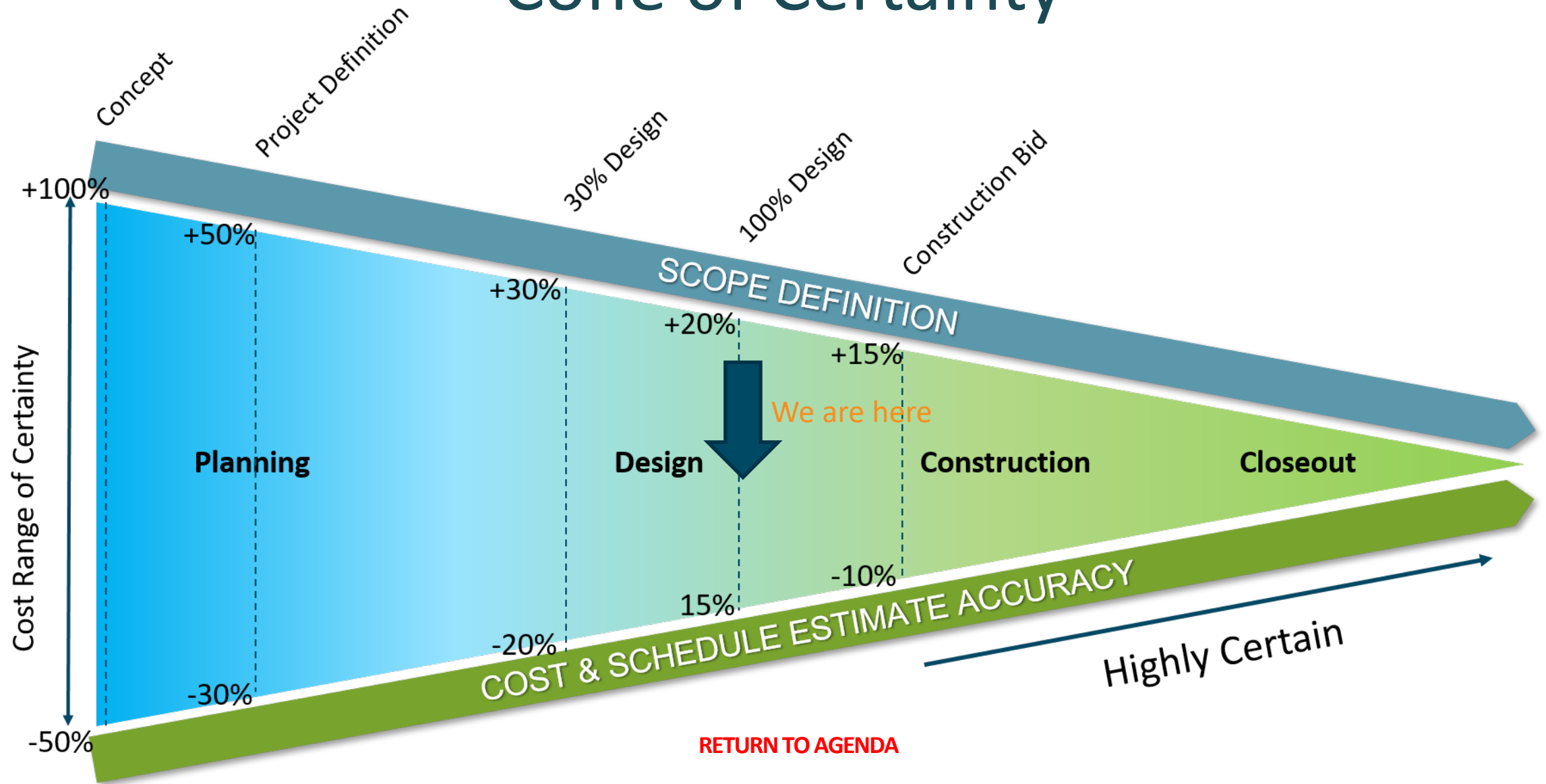
Phase 2 Layout



Project Risks

- Coordinating construction through an active security check point line. Mitigated by constructing with Port Construction Services.
- A new entrant airline does not arrive in 2021 or 2022 and the space remains complete but vacant.
- Relocation projects use the new space leaving no vacancy ready for new arrivals.

Cone of Certainty



**COMMISSION
AGENDA MEMORANDUM**

Item No.

8f

ACTION ITEM

Date of Meeting

April 13, 2021

DATE: March 5, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Wayne Grotheer, Director, Aviation Project Management
Wendy Reiter, Director, Aviation Security

SUBJECT: North Satellite Transit System (STS) Employee Screening Design, Equipment Purchase and Construction Authorization (CIP #C801153)

Amount of this request: \$1,400,000

Total estimated project cost: \$1,400,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) complete design, (2) execute contracts for screening equipment, and (3) use Port crews and small works contracts for construction in support of the North Satellite Transit System Employee Screening project at Seattle-Tacoma International Airport, in the amount of \$1,400,000.

EXECUTIVE SUMMARY

The North STS Employee Screening project will design and construct a new employee screening location within the North Satellite Transit System (STS) station at the main terminal, allowing for greater airport security and safety improvements for personnel arriving to work each day. This project further enables the Port commitment made toward 100% employee screening by replacing the existing central employee screening location with one that has space for advanced screening technology. The project will improve safety by no longer requiring screened airport personnel to walk through locations in the congested bagwell after screening.

JUSTIFICATION

This project supports the Port of Seattle goal of achieving 100% employee screening at Seattle-Tacoma International Airport (SEA). Currently, many employees are entering the secure side of the airport through employee portals and employee screening checkpoints; however, the equipment being used is not federally certified. The existing central screening location does not provide the area needed to house the Transportation Security Administration (TSA) certified equipment that the security department requires. The Baggage Optimization project will be closing the existing pedestrian pathway in the bagwell outside of the Central Employee Screening

Meeting Date: April 13, 2021

Checkpoint, this will prevent Northbound airport staff from reaching their daily work assignments without undue travel routes. This project will facilitate the continued screening of employees at the STS level of the main terminal, while increasing the level of safety for both pedestrians and tug operators in the bagwell by limiting foot traffic. The Airline Realignment and Checkpoint One relocation projects require the existing central screening location to be vacated in order to repurpose the space to a planned United Airlines baggage service office (BSO). The addition of a screening position in the North STS will enable the airport to add security assets to the space and allow for better overall security. The project will also install infrastructure in support of this project which will increase the overall value of the space.

Diversity in Contracting

In partnership with the Diversity in Contracting department in outreach, this project will be performed by Port Construction Services (PCS) and will utilize small works contracts that typically utilize women and minority owned business enterprises (WMBE) as primes.

DETAILS

The project will relocate central employee screening to the North STS and improve safety and security for the airport. The project budget requested is \$1.4 Million. The project will be designed utilizing an existing Indefinite Delivery Indefinite Quantity (IDIQ) architectural firm. Capacity for this design has been reserved in anticipation of approval. The project will utilize PCS and Aviation Maintenance (AVM) resources to complete the installation of the equipment. The project has an approved sole source competition waiver, which will be used to procure an Advanced Imaging Technology (AIT) screening machine valued at approximately \$385,000. The AIT is compliant with the American with Disabilities Act (ADA), will allow screening for all personnel without need for any additional accommodation, is TSA certified and complies with current federal guidelines. The equipment will have a recurring maintenance contract, which will be budgeted within the Aviation Security department's annual operating budget.

Scope of Work

The project will include the following key components:

- (1) Installation of glass and drywall partition walls to establish a perimeter for the new screening location;
- (2) Equipment such as AIT screening machine, network demark cabinets, electrical distribution panel, LED lighting, cameras, and access controls;
- (3) Infrastructure that supports the equipment;
- (4) Relocates existing central screening x-ray equipment and casework; and
- (5) Selection of exterior finishes will take into consideration that it is in a public facing and high traffic location.

Meeting Date: April 13, 2021

Schedule*Activity*

Design start	2021 Quarter 2
Construction start	2021 Quarter 4
In-use date	2022 Quarter 2

Cost Breakdown

This Request

Total Project

Design	\$160,000	\$160,000
Construction	\$825,000	\$825,000
Total	\$1,400,000	\$1,400,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1** – Do nothing.Cost Implications: \$0Pros:

- (1) No additional expenditure.
- (2) No impact to security operations.

Cons:

- (1) The equipment used would not be compliant with current federal TSA guidance.
- (2) The safety of employees would remain unimproved.
- (3) Airport personnel would be impacted by pedestrian tunnel closure as a result of the Baggage Optimization project, this would increase their foot travel significantly.
- (4) The Airline Realignment and Checkpoint One relocation projects would need to establish a new location for the planned baggage service office relocation.

This is not the recommended alternative.

Alternative 2 – Relocate the screening position without the new AIT equipment utilizing only existing equipment.Cost Implications: \$1MPros:

- (1) This improves employee safety reducing foot traffic in the baggage operational space.
- (2) Cost savings associated with procurement of the new equipment.
- (3) No additional training for equipment operations necessary.
- (4) This mitigates the impact of the Baggage Optimization pedestrian tunnel closure.
- (5) This allows the former central position to be reallocated enabling the Airline Realignment and Checkpoint One projects to utilize the space for a future BSO.

Cons:

- (1) The screening room would not be compliant with current federal TSA guidelines which could lead to future regulatory issues with the program.

Meeting Date: April 13, 2021

- (2) The screening room would not be compliant with ADA guidelines and would necessitate additional accommodation for employees with special needs.
- (3) Additional foot traffic in the North STS.

This is not the recommended alternative.

Alternative 3 – Perform the project as proposed with the new AIT equipment.

Cost Implications: \$1.4M

Pros:

- (1) This improves employee safety reducing foot traffic in the bagwell operational space.
- (2) This provides a federally compliant screening location meeting TSA standards.
- (3) This provides an ADA compliant screening process.
- (4) This mitigates the impact of the Baggage Optimization pedestrian tunnel closure.
- (5) This allows the former central position to be reallocated enabling the Airline Realignment and Checkpoint One projects to utilize the space for a future BSO.

Cons:

- (1) Additional foot traffic in the North STS.
- (2) Training of equipment operators will be required.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

Capital

Total

COST ESTIMATE		
Original estimate	\$2,100,000	\$2,100,000
Previous changes – net	(\$700,000)	(\$700,000)
Revised Estimate	\$1,400,000	\$1,400,000
Art (Transfer to Art CIP)	(\$14,000)	(\$14,000)
Revised Total	\$1,386,000	\$1,386,000
AUTHORIZATION		
Previous authorizations	\$0	\$0
Current request for authorization	\$1,400,000	\$1,400,000
Total authorizations, including this request	\$1,400,000	\$1,400,000
Remaining amount to be authorized	\$0	\$0

Meeting Date: April 13, 2021

Annual Budget Status and Source of Funds

This project, CIP C801153, was included in the 2021-2025 capital budget and plan of finance with a budget of \$2,100,000. A budget decrease of \$700,000 was transferred from the Aeronautical Reserve CIP (C800753) and \$14,000 to the Art Pool C102066 resulting in zero net change to the Aviation capital budget. The funding source will be the Airport Development Fund (ADF).

Financial Analysis and Summary

Project cost for analysis	\$1,400,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	Less than \$.01 in 2022

Future Revenues and Expenses (Total cost of ownership)

Funding for the maintenance and training contract will be included in the Aviation Division operating budget and approved through the 2022 Aviation Division expense budget approval process.

ADDITIONAL BACKGROUND

None.

ATTACHMENTS TO THIS REQUEST

(1) PowerPoint Slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.

North STS Employee Screening

April 13th 2021

Port Commission Meeting

Seattle-Tacoma International Airport



North STS Employee Screening

This project addresses the following:

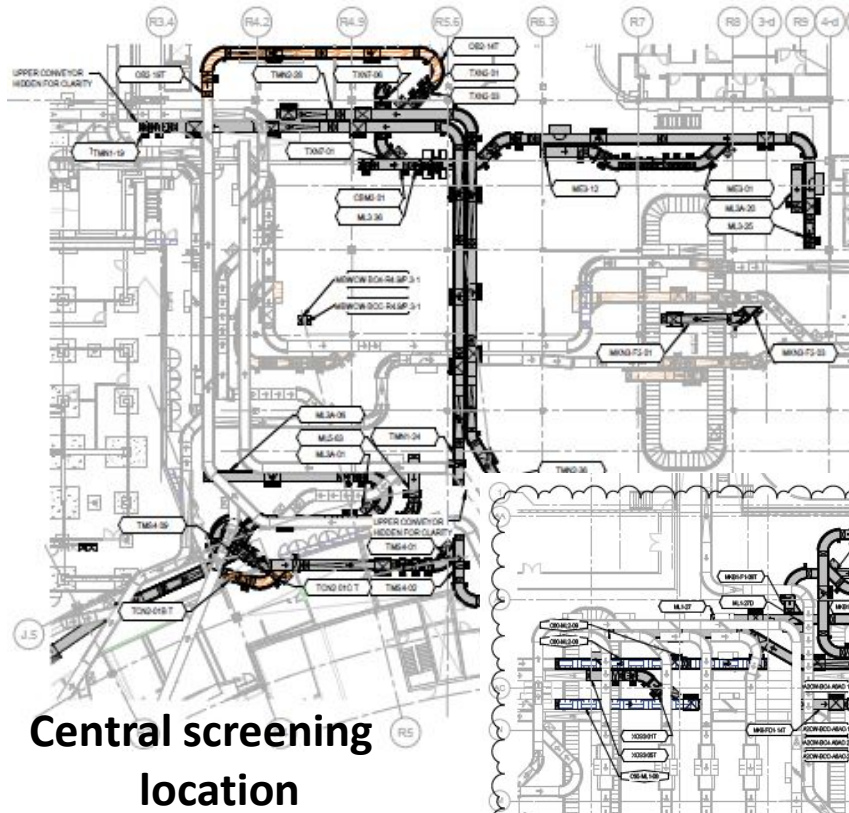
- 1.) The Port's commitment for 100% employee screening.
- 2.) Need for BSO space for airline space in support of Airline Realignment & Checkpoint Relocation (relocating United)
- 3.) Safety issues with employees traveling in the baggage tunnel.
- 4.) Baggage Optimization removing existing employee pathway from Central Screening.

Pedestrian Safety Concerns:

- There is currently no walkway over the hump in the central bagwell
- Walking tenants alongside speeding tugs adjacent drive lanes
- Limited visibility of oncoming tugs when approaching the hump
- Above wing employees are not wearing appropriate vests when traversing the bagwell

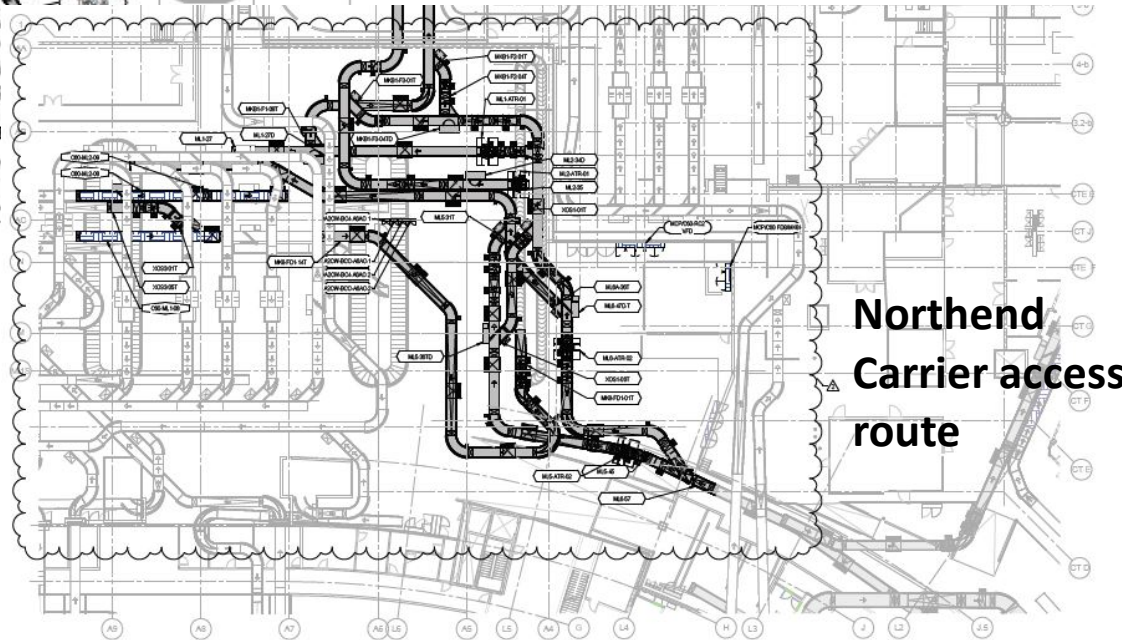


Baggage Optimization & The Bagwell



The Baggage Optimization project closes access to the pedestrian tunnel installing conveyor within it.

This activity requires a personnel travel offset



North STS Employee Screening

Project Scope:

- Relocate the North Employee Screening Checkpoint from the Baggage Claim to the North Main Terminal STS.
- Utilize Advanced Imaging Technology certified by the TSA
- Re-use existing equipment
- Install glazed walls, infrastructure, network connectivity, and cameras

Advanced Imaging Technology (AIT)

Beneficial Reasons for this Technology

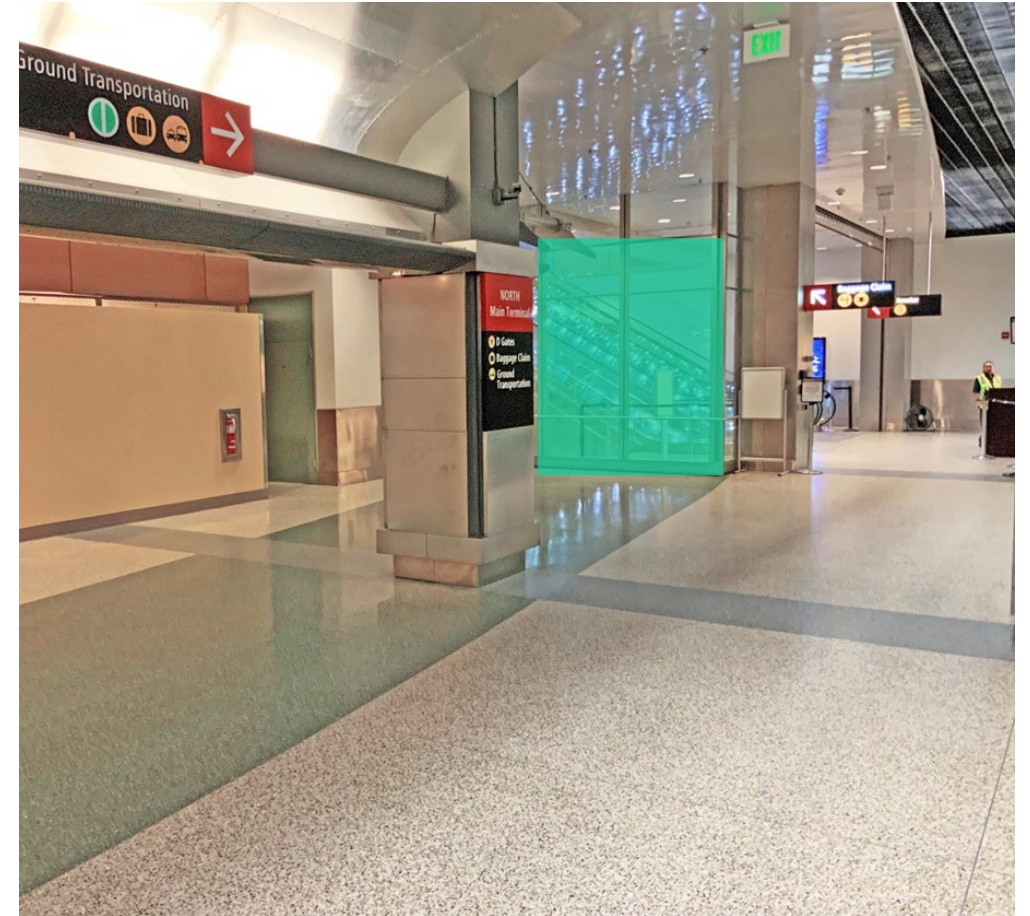
- ADA compliant throughway
- Federal certification
- Reliable performance



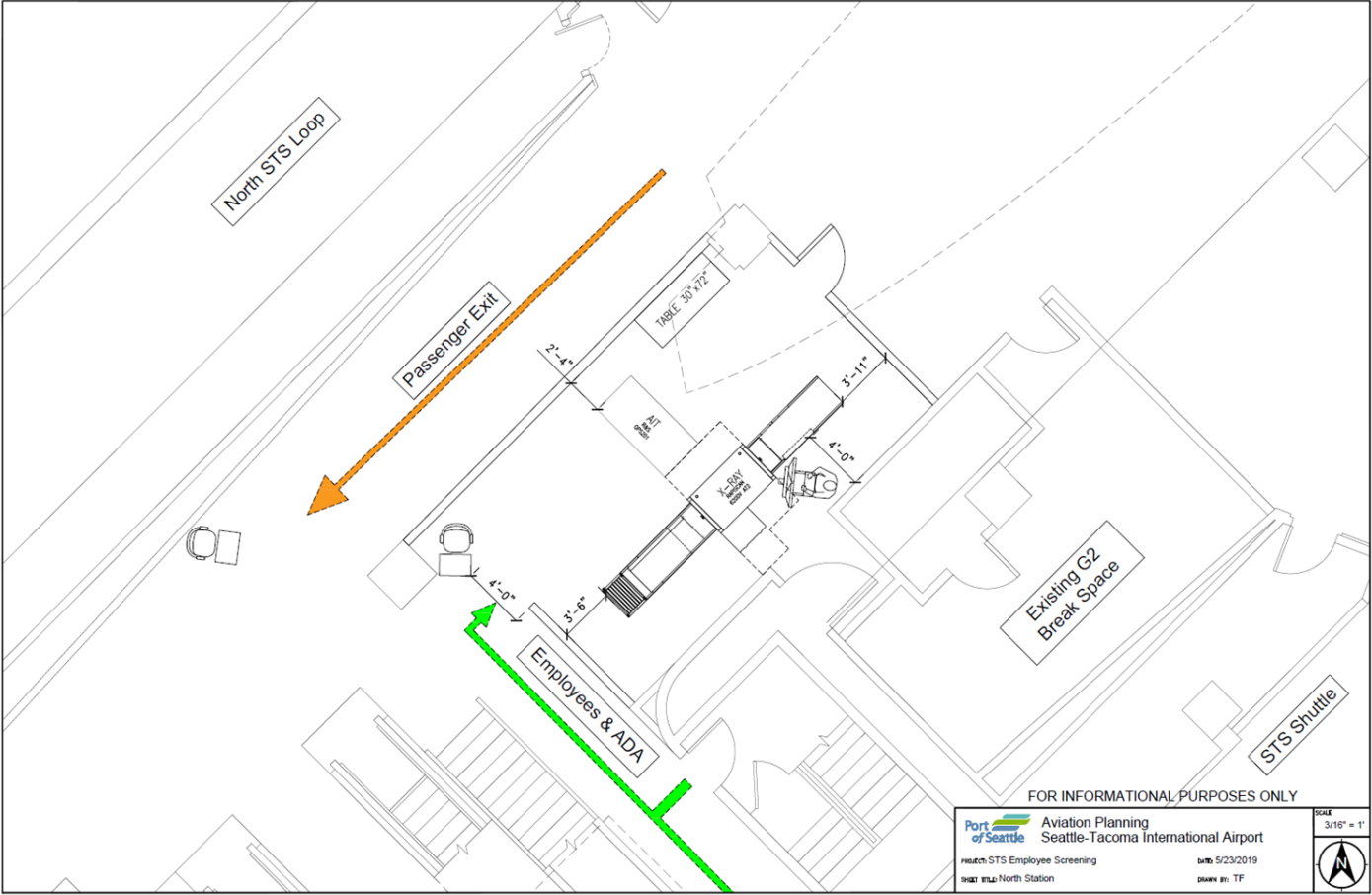
R&S QPS201 Series AIT

Project Location

North STS Level Overlay of Screening Position



Conceptual Layout



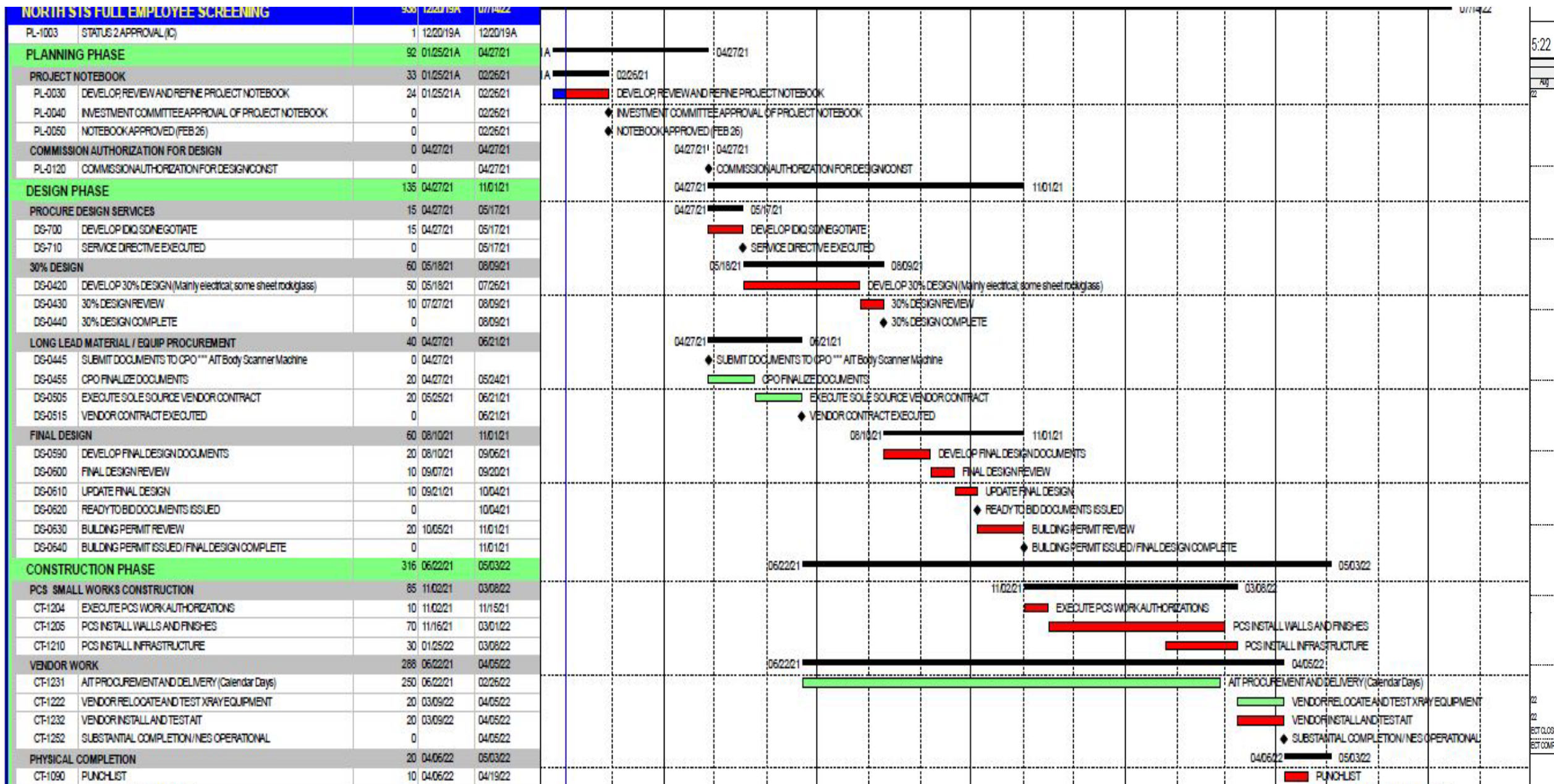


Opportunities:

- Improvement in employee safety
- Reuse of existing assets
- Vacates valuable BSO space
- Additional security presence

Risks:

- Added foot traffic in the STS
- AIT competition waiver/sole source
- Train hours
- Customer experience
- Resistance to cultural change
- Unforeseen code requirements



Project Schedule

Milestones:

- Commission 04/13/21
- Permitted Design 11/21
- Substantial Completion 04/22

Project Budget

Notebook Refinement of Anticipated Costs	
Status Two Budget	\$2.1M
Notebook Baseline Budget	\$1.4M (returning \$700K)
Project Design Cost	\$160K
Project Construction Cost	\$875K (includes equipment procurement)
Project Soft Costs	\$375K
Project Contingency	\$129K

Project will be a small works project through PCS

Thank You

RETURN TO AGENDA

**COMMISSION
AGENDA MEMORANDUM**

Item No. 8g

ACTION ITEM

Date of Meeting April 13, 2021

DATE: February 9, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Dawn Hunter, Director, Aviation Commercial Management
Michele Fideler, Manager, Airport Facilities Services

SUBJECT: AV Conference Center Catering Contract Extension

Amount of this request: \$0

Total estimated contract cost: \$775,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to extend the existing contract between the Port of Seattle and Café Pacific Catering, for exclusive food and beverage service at the Conference Center at SEA Airport. Requested extension is one year with an additional one-year option to extend, for a total possible extension of two years.

EXECUTIVE SUMMARY

Commission authorization is requested to extend the contract for exclusive food and beverage service at the Conference Center at SEA Airport (the Conference Center). Anticipated start date of the contract extension is October 1, 2021.

The existing contract is a combined purchasing and concessions contract. The Port receives a 25% discount on all food and beverages purchased and collects a 22% commission on all catering sales to external customers. The total purchasing value (amount the Port can spend) of the existing contract is \$775,000. The Port has spent approximately \$440,000 against this contract thus far. Non-aeronautical revenue generated has been an average of \$48,000 per year (pre-pandemic).

Café Pacific Catering, a small, woman-owned, local business, was awarded the contract in 2016 after a competitive request for proposal (RFP) process. The contract duration is three years with two, one-year options to extend and expires September 30, 2021. The two extension options have already been used.

We are requesting this action due to the extreme negative impacts of the COVID-19 pandemic on the meetings and events industry, which includes catering companies. The Conference Center has been either closed or operating at a significantly reduced capacity since March 2020 due to

Meeting Date: April 13, 2021

government restrictions on gatherings. The Port does not have enough business volume to attract caterers to compete for a new contract.

This request is time-sensitive because the procurement process for a contract this size and complexity typically takes a minimum of six months. If the requested action is not approved, we must start the procurement process immediately.

JUSTIFICATION

The catering contract for the Conference Center is currently held by Café Pacific Catering, a small, local, woman-owned business. The contract expires on September 30, 2021. Normally the process to procure a contract of this size and complexity would have begun early in the year; however, because catering in the Conference Center for the past year has been nonexistent, it is not in the best interest of the Port to recompet the contract at this time. With uncertainty regarding when business will return, it is highly unlikely that any caterers with the experience and product quality needed would participate in the procurement process.

The procurement process requires a significant amount of time and resources and includes taste-testing of the proposed menus. Any caterer chosen would also have to invest in menus, a website, coffee equipment installation, dishes and other serving ware, staffing, and airport badging and parking permits. This would be a financial burden even for large catering companies at this time without any guarantee of initial income. Even now that we are open with a 25% capacity restriction, our normal customers are choosing to avoid in-person meetings.

It is in the Port's best interest and in the interest of those who would like to compete for the contract in the future, to defer the RFP process, and ask the current caterer to continue for another one to two years.

Diversity in Contracting

The existing contract between the Port of Seattle and Cafe Pacific Catering does not have a Diversity in Contracting aspirational goal. The vendor is a small, local, woman-owned business.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not contract for catering services at The Conference Center.

Cost Implications: \$48,000 per year lost revenue to the Port due to no commission collected on external sales. Estimated cost increase to the Port of 25% due to no discount on Port orders. The Port spent an average of \$127,000 per year pre-pandemic.

Pros:

- (1) External clients and the Port clients would have the ability to bring in any caterer they choose.

Meeting Date: April 13, 2021

Cons:

- (1) Would not have reliable and consistent catering service in The Conference Center.
- (2) No contract in place to hold caterers accountable for quality and service standards or consistent pricing. Adds risk and liability to the Port for unsafe food handling or other business practices.
- (3) The Port may have to invest in large-scale coffee equipment because individual caterers would not install their equipment and let other caterers use it. Without the equipment, caterers would need to bring brewed coffee and would not have the option for onsite add-ons and refreshing coffee service.
- (4) Significant increase in administrative time to collect and verify proof of insurance, health documents, and liquor licenses. Staff would assist caterers with access to parking and delivery locations, and access to the meeting rooms.
- (5) Requires additional operational time during events to coordinate with clients and caterers, confirm orders, address onsite issues or concerns, and ensure proper food safety and handling.
- (6) The Port will likely not receive a discount on catering orders at the Airport. We also would not earn catering commission paid to the Port from external orders, which reduces non-aeronautical revenue.
- (7) Could negatively impact customer service as this will require extra time of our customers to find a caterer to service their events.
- (8) Reputational risk to the Port and The Conference Center if caterers do not meet customers' expectations.
- (9) No onsite prep or storage areas for caterers. They need to load in and out all service items and bring everything with them, which will drive up staff time and costs for customers, including the Port.

This is not the recommended alternative.

Alternative 2 – Bid the exclusive catering contract for October 1, 2021, commencement date.

Cost Implications: The Port spent an average of \$127,000 per year pre-pandemic. It is likely that any new contract would provide lower commission and discount rates, and increased menu pricing due to market conditions. The Port should also consider less-tangible costs such as internal staff labor time for the procurement process.

Pros:

- (1) New contract opportunity for small, local business community.

Cons:

- (1) With no ability to forecast when business will return, it is highly unlikely that any caterers with the quality we need would bid on the contract.
- (2) Any caterer chosen would have to invest in menus, a website, coffee equipment installation, dishes and other serving ware, and staffing. This would be a financial burden even for large catering companies at this time.
- (3) Potential lower commission rate collected on sales to external customers, therefore lower non-aeronautical revenue.

Meeting Date: April 13, 2021

- (4) Potential for significant menu item price increases and/or lower discount, therefore increasing Port spend on food and beverage orders.

This is not the recommended alternative.

Alternative 3 – Extend current exclusive contract with Café Pacific Catering in the Conference Center.

Cost Implications: \$12,000-30,000 total estimated revenue from commission payments in 2021-2023 while business recovers. \$8,000 estimated savings on Port spend with 25% discount on all orders. We anticipate minimal Port spend on food and beverage in 2021 and 2022 due to department budget reductions and Port policy updates limiting expenditures on employee food and beverage.

Pros:

- (1) Continues contract with local, woman-owned small business.
- (2) Will have reliable and consistent catering service in The Conference Center. Current contract contains service standards and quality assurance audits.
- (3) Coffee brewing equipment and other items are already onsite and stored at The Conference Center by the current caterer.
- (4) Administrative time to manage and continue under the same contract will be minimal as we already have established processes and procedures. Caterer is already familiar with Airport badging requirements and ground transportation permits.
- (5) Existing clientele are already familiar with the current caterer, allowing once less change and hurdle to overcome when returning to in-person meetings.
- (6) The Port will maintain the established discount of 25% on Port food and beverage orders and 22% commission payment on external orders.

Cons:

- (1) Does not provide a new contract opportunity for the small, local business community.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The purchasing value of the existing contract is \$775,000. Port spending on this contract to-date is \$440,000. We estimate very low spending over the next two years so there is no need to increase the purchasing value of the contract. Reduction in Port spend on food and beverage is due to department budget reductions and Port policy updates limiting expenditures on employee food and beverage during the COVID-19 pandemic.

Meeting Date: April 13, 2021

Cost Estimate/Authorization Summary

Capital

Expense

Total

COST ESTIMATE			
Original estimate	\$0	\$775,000	\$775,000
AUTHORIZATION			
Previous authorizations	0	\$775,000	\$775,000
Current request for authorization	0	0	0
Total authorizations, including this request	0	\$775,000	\$775,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

The catering contract is an authorization to purchase up to a certain dollar amount. Budget for Port food and beverage purchases is planned and approved through Division and Department annual budgets.

Future Revenues and Expenses (Total cost of ownership)

\$12,000-30,000 per year estimated revenue from commission payments in 2021-2023 while business recovers.

ATTACHMENTS TO THIS REQUEST

- (1) S-00318752 – Current Contract

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 9, 2016 – The Commission authorized the Chief Executive Officer to execute a contract for exclusive food and beverage service at The Conference Center at Sea-Tac Airport.



Item No. 8g_attach

Meeting Date: April 13, 2021

August 25, 2016

Mrs. Amy Hatcher
Mr. John Hatcher
Café Pacific Catering, Inc. dba
Café Pacific Catering
4402 Auburn Way N
Auburn, WA 98002-0477

Re: Agreement S-00318752, Conference Center Concession and Catering
Contract

Dear Mr. and Mrs. Hatcher,

Enclosed is your copy of the Agreement for the Conference Center Concession and Catering Contract which has been executed by David K. Soike, Acting CEO on August 25, 2016 on behalf of the Port. Please reference the Agreement number when invoicing the Port for the services. We look forward to working with your company.

If you have any questions or concerns, please do not hesitate to give me a call.

Regards,

Patty Etzkorn

Patty Etzkorn, C.P.M., A.P.P.
Port of Seattle
Central Procurement Office - Purchasing
P-Card Administrator
P O Box 1209
Seattle, WA 98121

Encl. - Agreement - executed
Cc: - Olivia Sloan, Aviation Conference Center Business & Marketing
Manager w/copy encl.

**PORT OF SEATTLE
SEATTLE-TACOMA INTERNATIONAL AIRPORT
AGREEMENT FOR
CONFERENCE CENTER CONCESSION AND CATERING CONTRACT
Contract No. S-00318752**

THIS AGREEMENT (hereinafter referred to as "Agreement") made as of the 25 day of August, 2016, by and between the PORT OF SEATTLE, a Washington municipal corporation as Lessor, (hereinafter referred to as "the Port"), and CAFÉ PACIFIC CATERING, INC. DBA CAFÉ PACIFIC CATERING (hereinafter referred to as "Vendor").

This Agreement is issued pursuant to RFP 16-02, Seattle-Tacoma International Airport Concession/Catering Services.

WITNESSETH

WHEREAS, the Port is owner and operator of Seattle-Tacoma International Airport, and as part of the Airport, operates a Conference Center consisting of over 8,000 square feet of rooms; and

WHEREAS, the Port wishes to secure a single Vendor to service the catering and food service needs for the Port's conference center and Airport Office Building conference rooms; and

WHEREAS, Vendor is interested in operating, and has been selected to operate, this catering concession and contract for the Port;

NOW, THEREFORE, in consideration of their mutual promises, the parties hereto do hereby mutually agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the following terms have the meanings below. Defined terms shall be applicable to both the singular and plural forms thereof:

Agreement Year: Shall mean each successive year during the term of this Agreement, beginning with the first day of the first full month on or after the Commencement Date.

Airport: Shall mean the Seattle-Tacoma International Airport.

Airport Office Building: Shall mean and refer to the office building located at the southern end of the Airport terminal building above Concourse A primarily housing the Port's administrative offices for the Airport. For purposes of this Agreement, the Airport Office Building consists only of the Mezzanine, 1st, 2nd, 3rd, 4th and 5th floors of the building and specifically excludes any levels below the Mezzanine level.

AOB Conference Rooms: Shall mean and refer to those conference rooms, approximately twenty (20) in number, located on the first through fifth floors of the Airport Office Building. This does not include conference rooms on the mezzanine levels.

Brown Bag: shall mean and refer to an event when a user determines that the attendees will be responsible for their own meal(s), provided at their own expense and is usually a lunch that is brought from home, or is available for purchase within the Airport or nearby.

Commencement Date: shall mean October 1, 2016 or, if later, the date on which this Agreement is fully executed by the parties. The selected vendor may begin accepting orders prior to October 1, 2016, for events happening on or after October 1, 2016.

Concession: Shall mean the concession rights granted to Vendor pursuant to Section 5 of this Agreement

Conference Center: Shall mean the Airport's Conference Center, as defined by the Port from time-to-time. The Conference Center currently consists of approximately 4,300 square feet of meeting space in the main center area, with adjacent lobby areas and mezzanine hallway. There are additional conference center rooms located outside of the main center, with a combined approximate square footage of 3,800 square feet.

Day: The term day shall mean a calendar day unless otherwise specifically designated.

Disadvantaged Business Enterprise (DBE) and Airport Concession Disadvantaged Business Enterprises (ACDBE): Shall mean, a business, whether it is a corporation, sole proprietorship, partnership or joint venture certified as a DBE or ACDBE by the State of Washington, of which at least fifty-one percent (51%) of the interest is owned and controlled by one or more socially and economically disadvantaged individuals as defined in the Airport and Airways Safety and Capacity Expansion Act of 1987 and the regulations promulgated pursuant hereto at 49 CFR Parts 23 and 26.

Dollars: Currency of the United States.

Electronic Transmission: Electronic mail, or other means of electronic transmission available to the Port to transmit documents or communications.

Goods & Services: Means all things, including specially manufactured Goods that are tangible or movable at the time of identification. The term does not include money in which the price is to be paid, the subject matter of foreign exchange transactions, documents, letter-of-credit rights, instruments, investment property, accounts, chattel paper, deposit accounts, or general intangibles. Goods & Services shall also mean and specifically includes the furnishing of all management, superintendence, labor, materials, equipment, and all component parts thereof, transportation and other facilities or services, and incidentals necessary to the successful completion of the Goods, whether they are temporary or permanent, and whether they are incorporated into the finished Goods or not. Goods also include all other obligations imposed on the Vendor by the Agreement.

Gross Receipts: shall mean the aggregate gross amount of revenue derived from all sales of food and beverage (including fees and alcohol) by Vendor or any persons, firms or corporations on its behalf, from, in or upon the Premises, including orders accepted by means of electronic, telephonic, video, computer or other technology based systems whether from sources other than the Premises, and whether wholesale or retail, and whether cash or credit, including the amount of all consideration other than money received for any of the foregoing including, specifically, but not limited to, the amount of credit allowed for any trade-ins. No deduction shall be permitted for credit card discounts or thefts, and for

uncollected or uncollectible credit or charge accounts. Any deposit not refunded shall be included in Gross Receipts. Each installment or credit sale shall be treated as a sale for the full price in the month during which such sale is made, regardless of the time when Vendor receives payment therefore and without deduction for any fee payable to the credit issuer.

"Gross Receipts" shall not include the following when properly recorded and accounted for:

- Port Sales;
- Tips and gratuities collected by or on behalf of Vendors' employees and, in fact, paid over to employees;
- Labor and/or staffing fees;
- Service charges identified in the agreed upon menus to cover operating costs, and in some cases tips and gratuities. Service charge does not include additional charges such as rush order fee, delivery charge, or other miscellaneous charges. Those fees and charges are to be included in gross receipts;
- Refunds allowed by Vendor to customers because of unacceptable or unsatisfactory goods or services to the extent such refund was actually granted and adjustment actually made;
- Complimentary meals, any discounts actually granted, and any meals provided by Vendor to its employees without cost as a benefit;
- The amount of any sales tax or other excise tax imposed upon the customer and collected by Vendor as agent for the taxing body imposing the tax and billed to the customer as a separate item; and
- The cost of any item procured from a third-party to fulfill an order or request (e.g. serveware rentals) that Vendor merely passes-through to its customer (but not any markup thereon).

Legal Requirements: Shall mean and refer to all laws, statutes and ordinances including building codes and zoning regulations and ordinances and the orders, rules, regulations and requirements of all federal, state, county, city or other local jurisdiction departments, agencies, bureaus, offices and other subdivisions thereof, or any official thereof, or of any other governmental, public or quasi-public authority, including the Port, which may be applicable to or have jurisdiction over the Premises.

Percentage Fees: Shall mean the percentage of Vendor's Gross Receipts on food, beverage and alcohol sales described in Section 7.1

Port Representative: Shall mean the Port employee having primary responsibility for the Port's airport conference center and AOB conference rooms as designated (from time to time) by the Port in writing. Until changed in writing by the Port, the "Port Representative" shall be the Aviation Conference Center Business & Marketing Manager, Olivia Sloan.

Port Sales: Shall mean all sales of food and beverage made or provided to the Port, whether performed by Vendor or any persons, firms or corporations on its behalf.

Premises: Shall mean the Seattle-Tacoma International Airport and associated nearby properties used for management of the airport, including but not limited to satellite offices.

Schedule of Proposal Prices: That portion of Vendor's Proposal that sets forth the price for which Vendor will perform specific portions of the Goods and, in total, the entire Goods.

Staging Kitchen: Shall mean the staging kitchen within The Conference Center which currently houses a 3-compartment sink, a separate hand-washing station, an ice machine, 2 dishwashers, an industrial stainless steel double-wide refrigerator, counter space, and shelving and cupboards for storage. The Port shall, however, have the right to replace the equipment within the Staging Kitchen from time-to-time so long as it does not fundamentally change the nature of its functionality.

2. TITLES OR HEADINGS

The titles or headings of the sections, divisions, parts, articles, paragraphs, or subparagraphs, of the Agreement are intended only for convenience of reference and shall not be considered as having any bearing on the interpretation of the text.

3. ABBREVIATIONS

Abbreviations may be utilized throughout the Agreement. Any such abbreviation, unless well-known technical, trade meaning commonly understood in the Vendor's industry, will be defined in the particular portion of the Agreement where it is used.

4. REFERENCED STANDARDS & SPECIFICATIONS

Reference to codes, standards and specifications promulgated by local, state and/or federal authorities, professional or technical associations, institutes or societies, are intended to mean the latest edition of each such code, standard or specification adopted and published as of the date of the Agreement, except where otherwise specifically indicated.

5. GRANT OF CONCESSION AND NON-EXCLUSIVE LICENSE

5.1 The Port hereby awards and grants to Vendor, and Vendor hereby accepts, the exclusive right to provide food and beverage service to The Conference Center, except for the exclusions in Section 5.1.1 - 5.1.8. The concession rights and privileges granted and awarded to Vendor are expressly made subject to all of the terms, covenants and conditions of this Agreement.

5.1.1 The Port may provide their own food and beverages in AOB Conference Rooms, floors 1-5. This may include but is not limited to ordering from another caterer, potlucks, Brown-Bag events, or platters from stores (e.g. Safeway or Costco, etc.).

5.1.2 The Port's employees may provide their own food and beverage in The Conference Center. The particular manner in which employees may do so depends on the particular location:

5.1.2.1 For the main Conference Center rooms (Tokyo, Seoul, Amsterdam, London, and Beijing), such permitted use includes Brown-Bag events.

5.1.2.2 For the remaining Conference Center rooms located throughout the airport (currently Summit, Central Auditorium, Heritage), the permitted uses include those listed in 5.1.2.1 and further extend to employee potlucks and platters from stores (e.g. Safeway or Costco, etc.). If any meal will be catered, including drop-off service, the Port shall use the Vendor.

5.1.3 USO Northwest, Port of Seattle Dining & Retail monthly meetings, annual AFS events, and blood drives are permitted to bring in their own food and beverage items.

5.1.4 Port and non-Port users of The Conference Center may provide special event cakes and cupcakes. Such users must notify the Vendor that they intend to bring special event cakes and cupcakes, and written approval is not required. Users must provide their own plates, napkins, flatware, and serving utensils OR request that the Vendor provide these items for a fee.

5.1.5 Port and non-Port users of The Conference Center may also provide specialty items for events (e.g. company logoed cookies; bottles of water for tradeshow, etc.). In these cases, the user must receive written approval from the Vendor a minimum of two (2) business days prior to the event. Users must provide their own plates, napkins, flatware, and serving utensils OR request that the Vendor provide these items for a fee. Business days are defined as Monday-Friday, exclusive of observed holidays. In the event that the user does not receive the required approval by the Vendor within the timeframe stated above, users will notify The Conference Center within two (2) business days in advance of the event. If the user fails to follow the proper notification procedure, the Vendor or Conference Center has the discretion to remove the items or charge for the services required to support the event.

5.1.6 The Port may contract with a third party for the provision of food and beverage when the Port determines, in its sole discretion and in light of the group(s) with which it will be meeting, there are unique ethnic or dietary needs that the Port reasonably believes will best be met by someone other than Vendor. Before contracting with any third party, the Port will consult with Vendor about its ability to provide the items needed. Third party catering under this Section 5.1.6 shall not exceed ten (10) instances in any given calendar year without the prior written consent of Vendor, which shall not be unreasonably withheld, conditioned, or delayed.

5.1.7 The Port may accept or contract for the provision of food and/or beverage from any third party in the event of any emergency or other occurrence materially disrupting normal Airport operations. Without limiting the generality of the foregoing, such permitted use includes, but is not limited to, a snow event, an aircraft incident or material change in applicable security requirement disrupting normal airport operations.

5.1.8 Any Conference Center customer under contract as of the date of this Agreement with the former Vendor for The Conference Center for the provision of catering to a meeting or other event occurring before October 1, 2016. Customer must provide written proof of prior contract with the former Vendor

5.2 The Port and/or The Conference Center may, from time-to-time and on a non-exclusive basis, request Vendor to provide food and beverage service in other, additional areas about the Premises. Port or Conference Center external customer orders on the Premises shall receive the same pricing and discounts as orders in The Conference Center.

5.3 Subject to all of the terms, covenants and conditions contained in this Agreement, the Port hereby grants to Vendor a nonexclusive license to make use of the Staging Kitchen from time-to-time on a non-continuous basis solely in connection with the Concession granted by this Agreement together with a nonexclusive license for access to The Conference Center and AOB Conference Rooms. Vendor is familiar with the physical condition of the Premises and accepts them in their present condition.

6. TERM

6.1 Base Term. Unless earlier terminated pursuant to any provision of this Agreement, the term shall commence on the Commencement Date and continue for three (3) years.

6.2 Option to Extend. The Port shall have the option to extend the term of this Agreement at its sole discretion for up to two (2) additional one (1) year periods, by providing Vendor written notice not less than thirty (30) days prior to the then-current expiration of the term.

7. CONCESSION FEES

7.1 Concession Fees. Vendor shall pay to the Port, for the concession rights and privileges granted herein, a percentage fee equal to twenty-two percent (22%) of Vendor's Gross Receipts on food, beverage and alcohol sales. On or before the fifteenth (15th) day of each month, Vendor shall submit to the Port a detailed statement showing the Gross Receipts generated from the concession during the preceding month and shall simultaneously pay to the Port the Percentage Fee due for that preceding month. The reports shall show such reasonable detail and breakdown as may be required by the Port.

7.2 Discounts. In addition to any Percentage Fee due under Section 7.1, Vendor shall also provide the Port a discount equal to twenty-five percent (25%) off all Port Sales; provided, however, the Port shall not be entitled to any discount on the cost of any items procured from a third-party where the cost of such item (e.g. serviceware rentals) are passed directly through to the Port. The discount shall be off of Vendor's published and approved price list.

5.4 Remittance Address. Vendor shall pay all fees and charges and submit all reports required by this Agreement to the following:

Port of Seattle
Accounts Payable
P.O. Box 1209
Seattle, WA 98124-1209

or to such other address as the Port may from time to time specify in writing to Vendor.

5.5 Late Fees. Vendor hereby acknowledges that late payment by Vendor to the Port of the Percentage Fees or any other sums due hereunder will cause the Port to incur costs not otherwise contemplated by this Agreement. Accordingly, if any installment of Percentage Fees or any other sum due from Vendor shall not be received by the Port within ten (10) days after such amount shall be due, then, without any requirement for notice to Vendor, Vendor shall pay the Port a late charge equal to five percent (5%) of such overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs the Port will incur by reason of late payment by Vendor. Acceptance of such late charge by the Port shall in no event constitute a waiver of Vendor's default with respect to such overdue amount, nor prevent the Port from exercising any of the other rights and remedies granted hereunder. In addition to the late charges provided for in this Section, interest shall accrue on Percentage Fees, or any other sums due hereunder, at the rate of eighteen percent (18%) per annum or the maximum rate provided by law, whichever is less, from the date due until paid.

8. ACCOUNTING PROCEDURES

8.1 Books and Records. Vendor covenants and agrees that it will establish and maintain an accounting system (specifically including all books of account and records customarily used in the type of operation permitted by this Agreement) in full and complete accordance with generally accepted accounting principles and otherwise reasonably satisfactory to the Port for the determination of any Percentage Fees or other computations, or both, which may be necessary or essential in carrying out the terms of this Agreement. Vendor shall maintain its records relating to the operation permitted by this Agreement for a period of at least three (3) years after the end of each Agreement Year (or until the close of any ongoing audit thereof being conducted by, or on behalf of, the Port); provided, however, that the Port may request that any such records be retained for a longer period of time, in which case Vendor, at its option, may deliver such records into the custody of the Port.

8.2 Reporting. In addition to any reports otherwise required, Vendor shall provide the Port (i) within fifteen (15) days after the close of each month of the Term, a report (the "Monthly Report") of Gross Receipts; (ii) within sixty (60) days after the close of each Agreement Year, a report (the "Annual Report"), reflecting the amount of Gross Receipts for the preceding Agreement Year; and (iii) such other and further reports, on such frequency as the Port may reasonably require from time to time, all without any cost to the Port. All such reports shall be provided in writing and/or electronic format as reasonably specified by the Port from time to time. The Annual Report shall be accompanied by a signed certificate of an independent Certified Public

Accountant (CPA), Vendor's Chief Financial Officer or Chief Executive Officer stating specifically that (a) he/she has examined the Annual Report, (b) his/her examination included such tests of Vendor's books and records as he/she considered necessary or appropriate under the circumstances, (c) such report presents fairly the information reflected for the preceding Agreement Year (or, in the case of the first Agreement Year, from the period from the Commencement Date until the end of the first Agreement Year), (d) the information reflected conforms with and is computed in compliance with the definitions set forth in this Agreement, and (e), if the certificate is submitted by a CPA, the standards observed by the CPA in its audit are such that it planned and performed the audit to obtain reasonable assurances that Vendor's report is free from material misstatement.

9. AUDITS AND RETENTION OF RECORDS

9.1 The Port or its designee and other authorized representatives of the State of Washington shall have the right to inspect, audit or copy documents for the evaluation and determination of any issue related to the Agreement or to the Vendor's performance thereunder, specifically including but not limited to any Claims brought by the Vendor or any supplier at all reasonable times.

9.2 For the above-referenced purpose, all of the documents related to this Agreement shall be open to inspection, audit, or copying by the Port or its designee:

- During the Term of the Agreement;
- For a period of not less than six (6) years after the expiration or termination of the Agreement; and
- If any claim, audit, or litigation arising out of, in connection with, or related to this Agreement is initiated, all documents and records shall be resolved or completed, whichever occurs later.
- The Vendor shall retain the documents related to this Agreement for the periods required above. The Vendor shall also ensure that the documents of all suppliers shall be retained and open to similar inspection or audit for the periods required above by incorporating the provisions of this Audit Paragraph into any agreements with suppliers related to this Agreement.

9.3 The Vendor, its suppliers shall make a good faith effort to cooperate with the Port and its designees when the Port gives notice of its need to inspect or audit documents.

9.4 The cost of the audit shall be borne by the Port unless the results of such audit reveal a discrepancy of more than two percent (2%) reported in accordance with the Concession Fees requirement of the Agreement for any twelve (12) month period. In the event of such discrepancy, the full cost of the audit shall be borne by the Vendor, and Vendor shall promptly pay all additional fees owing to the Port. No additional compensation will be provided to the Vendor, its suppliers for time or money spent in complying with the requirements of this Audit Paragraph. If the Vendor is formally dissolved, assigns or otherwise divests itself of its legal capacity under this Agreement,

then it shall notify the Port and preserve all documents, at its expense, as directed by the Port.

9.5 In the event that Vendor's books of accounts are not maintained in the Puget Sound region, they shall be made available for audit locally within five (5) business days of a request by the Port, or Vendor shall pay in full, any travel and related expenses of Port representative(s) to travel the location outside the Puget Sound region. In addition, The Port shall have the right to conduct a "surprise" audit not more frequently than twice every twenty four months, and, in the event that Vendor's books and records are not maintained locally, Vendor shall further pay in full, any travel and related expenses of the Port representative(s) to travel the location outside the Puget Sound region for such "surprise" audit.

9.6 This Audit Paragraph shall survive for six (6) years after the termination or expiration of this Agreement, or conclusion of all Claims, audits or litigation, whichever occurs later.

10. STANDARDS OF OPERATION

10.1 First Class Service. Vendor shall ensure that the operations relating to this Agreement are, at the minimum, in conformance with the following standards:

10.1.1 General Standards.

10.1.1.1 Vendor shall provide the highest degree and standards of quality of services to the patrons of the Airport. Vendor shall furnish prompt, efficient, first-class service that is adequate to meet all reasonable demands for its Goods & Services, and shall conduct the Concession in a first-class manner.

10.1.1.2 Menus for food and beverage shall be subject to the prior review and approval by the Port Representative. Vendor shall provide breakfast, lunch, dinner, snacks and reception options, and break package options (am, pm and all day) during the required hours of operation. Menus shall specifically include vegetarian, vegan, dairy-free and gluten-free items for all meal times. Vendor must be willing to provide menu options for additional dietary restrictions upon request. Vendor must provide seasonal menu items at least two (2) times per calendar year that include seasonal ingredients and items outside of the standard menus, at comparable pricing to the standard menus.

10.1.1.3 All of Vendor's prices for menu items shall be subject to the Port's prior written approval. The parties agree that Vendor's initial pricing levels shall be consistent with those proposed by Vendor as part of the request for proposal process under which Vendor was selected, and those pricing levels will not change for at least the first year of the Agreement, starting on the Commencement Date. After the first year, pricing levels may be subject to adjustment only with the Port's prior written approval.

10.1.1.4 Vendor shall perform timely removal of food and beverage products from conference rooms and buffet tables, in accordance with King County and Washington State applicable food safety laws. If customer requests to take remaining food items, Vendor shall provide appropriate to-go containers and refrigerate perishable items until the customer is departing and signs a release of liability form.

10.1.1.5 Vendor shall use reusable cutlery, plates and glasses whenever practical. When reusable alternatives are impractical, Vendor shall use compostable serviceware approved by Cedar Grove Composting (or other composting vendor with whom the Port deals) and make reasonable efforts to ensure that all such serviceware and food waste is composted. The cost of compostable goods will be included in the cost of the food and beverage pricing. Vendor may not impose extra fees for compostable goods.

10.1.1.6 Vendor shall develop and implement appropriate to-go procedures for leftover food utilizing proper food and health safety practices and environmentally friendly containers. Vendor must be able to provide a reasonable quantity of to-go containers for each event upon request. Before any food is allowed to leave the premises, the Vendor is required to obtain a signed release of liability from each user that is taking the food. The liability release form must include release of any Port of Seattle liability, and a copy of the signed release must be provided to the Port for our records (sent to contract manager). From time-to-time, there are leftover hot foods or other foods which are not suitable for environmentally friendly, compostable containers. In this case, other forms of to-go packaging may be utilized to facilitate the safe transportation of food that will be taken off Premises. If the leftover foods are to remain on the Premises until disposed of (e.g. Port employee taking leftovers up to their office or pantry in the AOB), those foods will be required to be in environmentally friendly, compostable containers.

10.1.1.7 Concession operations must be conducted in a safe, clean, orderly and inviting condition at all times. Trash or debris shall not be allowed to accumulate or be stored on any portion of the Premises. Similarly, no loud, boisterous or otherwise improper actions or language shall be permitted within or about the Premises. Catering staff may not lounge in Conference Center lobby areas. No radio or television or other similar device shall be installed without first obtaining the written approval of the Port. Also, no antenna or aerial shall be erected on the roof, interior walls or exterior walls of the Premises without first obtaining the written approval of the Port.

10.1.1.8 Vendor agrees to provide catering seven (7) days a week for meetings and events held between 6:00 a.m. and 10:00 p.m., or such other hours prescribed from time to time by the Port Representative. Any events/meetings scheduled outside of the given hours may be

subject to additional fees as agreed upon by the Port in advance, in writing.

10.1.1.9 Weekly Meetings and Reports. Vendor will meet weekly with Port staff to review food and beverage orders and upcoming events. Vendor will send the Port copies of food and beverage orders a minimum of one week prior to the event, and daily for orders that are received less than 7 days out. Vendor will send a copy of all final, paid invoices to the Port within a reasonable and agreed upon amount of time. Vendor will provide a copy of written communications with the client upon request.

10.1.1.10 Vendor shall provide a clear and easy-to-use website. The website shall have an area dedicated to The Conference Center as a venue, apart from any other venue(s) with which the Vendor may work. The website must include current menus for The Conference Center and must be kept up to date with all policy and procedures and other important information. Vendor shall include a reference and link to The Conference Center on Vendor's website.

10.1.1.11 Vendor shall provide visually appealing format and easy to read menus with current pricing, in electronic format for the Conference Center staff.

10.1.1.12 Vendor shall include The Conference Center venue in its sales and marketing efforts. These efforts must include (but are not necessarily limited to) Vendor's website and social media efforts, outbound sales efforts, prospecting, networking, and cross promotions. Use of The Conference Center name or branding must be approved in writing by the Port Representative prior to being published. Vendor shall provide a report to the Port Representative a minimum of twice per year of the sales and marketing activities.

10.1.1.13 All written complaints concerning Vendor's operation shall be responded to in writing by Vendor within forty-eight (48) hours and shall be reported to the Port Representative along with the response. Depending on the nature of the complaint, a more expeditious response may be required.

10.1.1.14 If Vendor is conducting its business under a license or franchise, Vendor represents and warrants to the Port that Vendor has been granted the right to use any trade name that may be used at the Premises for the entire term of this Agreement, pursuant to a franchise or license agreement (the "Franchise Agreement") with the trade name owner (a "Franchisor"). At the Port's request, Vendor agrees to provide the Port with a copy of the Franchise Agreement and reasonable evidence that such agreement remains in full force and effect. Vendor agrees that the termination of Vendor's right to use Vendor's trade name at the Premises or to conduct an operation at the Premises of the type then conducted by or under license from Franchisor under Vendor's trade name, shall constitute a material breach of Vendor's obligations

under this Agreement. Vendor agrees that if such Franchise Agreement is terminated, the Port shall have the right to terminate this Agreement.

10.1.2 PERSONNEL

10.1.2.1 Vendor shall employ a sufficient number of personnel necessary for the efficient and effective operation of the Concession. Vendor shall provide regular, consistent staff members to work on the Premises (e.g. same staff members typically service this contract) or provide the Port with a weekly schedule of personnel assigned to work at The Conference Center at least one week in advance. Vendor shall provide the Port appropriate documentation for staff working on the Premises and handling food or alcohol, such as food handler cards and alcohol server permits. Vendor shall also provide the Port with contact information such as cell phone numbers for staff members working onsite, should there be any last-minute changes, questions, or issues regarding an order.

10.1.2.2 Prior to working on the Premises, taking orders, or assisting customers, Vendor's staff (office staff, servers, or other personnel) shall attend an orientation with Conference Center staff to understand The Conference Center's facilities, operations, procedures, and clientele. New employees added to the Vendor's staff after the initial orientation must attend an orientation a minimum of seventy-two (72) hours before they are permitted to work on site or assist customers. Employees will not be permitted to provide Goods & Services on the Premises until they have attended orientation. Exceptions to the orientation requirements may be approved on a case-by-case basis in writing by the Port Representative.

10.1.2.3 Vendor shall train all its employees in the proper operation of its business (including food handling procedures), the compliance with any applicable laws and regulations and the provisions of this Agreement, and how to provide exceptional customer service. Vendor shall provide the Port with a copy of their training program when requested.

10.1.2.4 The on-site catering staff shall be supervised by competent staff who shall be available by phone at all times when Vendor's staff is on the Premises and who shall have full authority to make day-to-day business and operational decisions. The Port shall be notified when managers are out of the office and be provided with an alternate contact.

10.1.2.5 When on duty, all of Vendor's employees having dealings with the Port or the public shall maintain a clean, neat and well-groomed appearance, shall be courteous, and shall wear a uniform or other appropriate attire as established by Vendor. No jeans, sweatpants, or otherwise unprofessional attire is permitted while having dealings with the Port or the public. The Port has the discretion to ask any employee

who does not meet these requirements to change their attire/appearance or leave the Premises.

10.1.2.6 Vendor shall provide the Port a list of employees and their telephone numbers and email addresses, and expected response time should an immediate need arise. The Port Representative must be notified immediately of changes in Vendor's staff who support the operations of this contract, to include office and onsite personnel.

10.1.2.7 Vendor and its personnel shall keep confidential any non-public information of the Port or any customers of the Port that Vendor or its personnel learn in the course of providing any services under the Agreement. Vendor, on behalf of itself and its employees, specifically agrees to execute a confidentiality agreement if reasonably requested by any customer of the Port as a condition of providing catering services for such customer.

10.2 USE OF PREMISES

10.2.1 Vendor shall use the Premises solely for the operation of business directly related to the obligation(s) of the Agreement. Vendor shall specifically have access to the Staging Kitchen, on a shared basis, for purposes of set-up and staging of catering deliveries in connection with the Concession. Use of the Premises for clerical purposes shall not be permitted except for those that must be performed on site in order for Vendor to operate the Concession. The Port retains the right to change at any time, what is provided for the Vendor's use. All building operation guidelines must be followed at all times.

10.2.2 Vendor will access the Premises through areas designated by the Port. Access, including deliveries, is controlled by the Port's Ground Transportation Operations staff, and Vendor may be required to purchase annual permits for each vehicle making use of the South Ground Transportation Lot.

10.2.3 Vendor shall provide its own coffee brewing equipment in connection with its operations from the Premises. Vendor may store that equipment in the Staging Kitchen, but the Port shall not be responsible for any damage or loss to that equipment.

10.2.4 Vendor shall return the Premises following their use in the same or better condition than when received. Without limiting the foregoing, the Vendor shall perform the following cleaning each time they provide catering on the Premises:

- Remove trash/food & beverage waste from all surfaces in the Conference Room and utilize the appropriate receptacle (trash, compost, recycle, etc.). This includes cups, napkins, and plates that are dispersed throughout the meeting rooms on the tables, counters, and on the floor.
- Wipe down all surfaces that had contact with food and/or beverage.

- Clean up areas of carpet that have an extreme amount of crumbs (i.e., popcorn, chips, frosting) or notify conference staff of these areas so that Port staff can notify the janitorial vendor.
- Clean up any spills on carpet as best as possible and notify conference staff of these areas so that Port staff can notify the janitorial vendor.
- After cleaning up the Conference Room(s), lock the doors and turn off lights as necessary.
- Clean kitchen countertop surfaces, china, and equipment (inside and out); keep cabinets, drawers, refrigerator and any other storage areas organized. Equipment and service items are not to be stored in any manner that violates Fire or Safety codes.
- Place linens and remove linens from all food and beverage and other tables as necessary or requested by the Port. Generally, conference staff will place linens on the guest tables before the event. If a group orders catering, Vendor's staff is required to remove the linens from both the food and beverage tables and the guest tables and properly store them in the dirty linen bags. Linens are provided by the Port and Vendor will have access to the linen inventory only for events held in The Conference Center.
- When trash receptacles in the kitchen are full, Vendor's staff shall notify Conference Center staff of full garbage. Conference Center staff will notify the janitorial vendor for disposal and placement of a new bag in the receptacle.
- Refrigerator: The prep kitchen has one commercial refrigerator intended for temporary storage of food and beverage. Vendor is to keep the refrigerator clean and organized at all times. From time-to-time, the Port may need to store items in the refrigerator. It is a shared space. Vendor is to notify the Port immediately of any issues with the refrigerator. The Port will manage maintenance and repair of the refrigerator when necessary.
- Dishwasher: The prep kitchen has two dishwashers intended for washing of small serveware items such as tongs, spoons, glasses, and plates. Larger items must be washed at the Vendor's facility. Vendor will provide their own dishwashing soap and cleaning supplies, along with accompanying MSDS sheets to be posted in prep kitchen. Vendor is to unload the clean dishes from dishwasher in a timely manner. Vendor is to notify the Port immediately of any issues with the dishwasher. The Port will manage maintenance and repair of the dishwashers when necessary.
- Sink: The 3-compartment sink must be kept clean and water turned off with the latch locked when not in use. Vendor is to notify the

Conference Center staff immediately of any issues with the sink. The Port will manage maintenance and repair of the sink when necessary.

10.2.5 Vendor shall be responsible to repair any damage caused by Vendor in connection with the use of the Premises.

10.2.6 Vendor shall not remove any Port-owned equipment or items (such as water pitchers, china, silverware, etc.) from the Premises without prior written approval from the Port.

10.2.7 Vendor shall not - without the Port's prior written approval and subject to such conditions as the Port may elect - either (i) make any alterations, additions, substitutions or improvements to the Premises or (ii) other than on a temporary basis as necessary to provide the services under this Agreement, install any item of equipment in, on or around the Premises.

10.2.8 No signs, promotions or other advertising matter, symbols, canopies or awnings (collectively "Signs") shall be attached to or painted on within, or outside the Premises, including the walls, windows and doors thereof, without the prior written approval of the Port. Any permitted Sign shall be professionally prepared.

10.2.9 All loading and unloading of goods, the delivery or shipping of merchandise, supplies, and fixtures to and from the Premises shall be done only at such time, in the areas, and through the entrances designated for such purposes by the Port Representative, pursuant to a schedule developed by the Port from time to time.

10.2.10 Garbage, refuse and other debris shall be placed in such containers in non-broken, non-punctured, new 3-mil trash bags or such other garbage containers as may be required by the Port Representative suitable for transportation to a designated bin or compactor in the manner and at the time and places specified by the Port Representative. The Port will provide the trash bags, bin or compactor.

10.2.11 Vendor shall not disturb the Port or any other tenant of the Port by making or permitting any disturbance or any unusual noise, vibration or other condition on or about the Premises.

10.2.12 While the Port may provide parking facilities to the Vendor's employees in common with employees of other tenants and customers of the Airport, it retains the right to impose a reasonable charge for the privilege of utilizing these parking facilities. Nothing herein contained shall be deemed to require the Port to provide parking facilities to Vendor's employees.

10.3. PRODUCT AND TREND REPORTING

The Vendor shall utilize software that has the capability to generate reports on catering services provided at The Conference Center. Reports shall include at a quarterly minimum:

- Sales to Port of Seattle customers at all locations
- Sales to external customers at The Conference Center
- Product popularity and trends
- Size of meeting catered
- Type of catering ordered, e.g., all day package, lunch only, etc.

As reasonably requested by the Port, the Vendor shall provide professionally prepared reports that provide items such as a clear picture of catering trends, product popularity, average sale amount, average guest count, and gross sales associated with Vendor's operations.

10.4 VENDOR OTHERWISE RESPONSIBLE

Vendor shall otherwise obtain all licenses/permissions necessary for, and pay all costs and expenses incurred with respect to, the operation of the Concession, it being understood and agreed that the Port shall not, except as specifically set forth in this Agreement, be required to furnish services of any nature with respect to the operation of the Concession, Vendor hereby assuming full and sole responsibility for the supply and payment for all licenses, services, and operational costs. This includes, without limitation, all taxes, permit fees, license fees and assessments lawfully levied or assessed upon the Vendor.

10.5. QUALITY ASSURANCE AUDITS

The Port may conduct the following regular performance inspections ("Quality Assurance Audits") to ensure compliance with all of the standards of operation set forth in Section 10 as well as anywhere else they may appear in this Agreement:

10.5.1 The Port may, in its discretion, review each of Vendor's concession operations for quality assurance at any time but not more frequently than once a quarter.

10.5.2 The Port shall document all Quality Assurance Audits on Quality Standards Performance form. All Quality Assurance Audits shall, at a minimum, focus on, but not be limited to, the following:

10.5.2.1 Products - Delivered as represented, taste, attractiveness and proper temperature.

10.5.2.2 Personnel - Professionalism, appearance, customer service, receipts provided and activity.

10.5.3 The Port shall provide Vendor with written results of the Quality Assurance Audits. Where deficiencies in performances are noted, the Port shall provide Vendor with fifteen (15) days to correct all deficiencies noted in the Quality Assurance Audits. Vendor shall promptly notify the Port of the corrections as completed, or request additional time to correct outstanding items where the Port determines progress has been made by Vendor to correct such deficiencies.

10.5.4 In the event that Vendor fails to timely correct the deficiencies noted in any Quality Assurance Audit as provided in this Section, the Port may issue a notice of default pursuant to terms of the Contract; provided, however, the applicable cure period shall be fifteen (15) days notwithstanding anything to the contrary to the terms of the Contract.

11. INDEMNIFICATION

11.1 To the maximum extent permitted by law, Vendor shall indemnify, defend and save harmless the Port, the commissioners, representatives, directors, officers, agents and employees of the Port, and those in privity of estate with the Port, from and against all claims, expenses (including, without limitation, attorney's fees) or liability of whatever nature: (a) arising from any default, act, omission or negligence of Vendor, or Vendor's contractors, licensees, agents, servants or employees, or the failure of Vendor or such persons to comply with any rule, order, regulation or lawful direction now or hereafter in force of any public authority, in each case to the extent the same are related, directly or indirectly, to the provision of catering services under this Agreement or Vendor's use of the Premises; or (b) arising directly or indirectly, out of default by Vendor under any of the terms or covenants of this Agreement, or in connection with any mechanical, electrical, plumbing, or any other equipment or installations that are to be maintained or repaired by Vendor; provided, however, nothing in this Section shall require Vendor to indemnify the Port from injury or damage caused by the sole negligence of the Port. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses (including, without limitation, reasonable attorneys' fees) and liabilities incurred in or in connection with any such claim, or any action or proceeding brought thereon. If any action or proceeding be brought against the Port by reason of any such claim, Vendor, upon notice from the Port, shall, at Vendor's expense, resist or defend such action or proceeding and employ counsel therefore acceptable to the Port.

11.2 In consideration of the Port's execution of this Agreement, Vendor hereby waives any immunity Vendor may have under applicable worker's compensation benefit or disability laws, (including but not limited to Title 51 RCW) in connection with the foregoing indemnity. Such waiver shall not prevent Vendor from asserting such immunity against any other persons or entities. LESSEE AND PORT AGREE AND ACKNOWLEDGE THAT THIS PROVISION IS THE PRODUCT OF MUTUAL NEGOTIATION.

12. INSURANCE

12.1 Required Insurance. Vendor shall procure and maintain insurance in the following minimum form and limits identified below. All deductibles or self-insurance retentions are the responsibility of the Vendor. Vendor may meet required insurance limits through a combination of primary and umbrella or excess insurance. Any insurance the Port may carry will apply strictly on an excess basis over any applicable insurance the Vendor may carry. Coverage shall not lapse or be terminated throughout the duration of the purchase term, contract or lease duration. Insurance coverage shall be in place at all times. Vendor shall submit endorsements along with a Certificate of Insurance where indicated below. Vendor shall provide evidence of insurance on each insurance renewal date that falls within the term of this Agreement.

12.1.1 Commercial General Liability insurance on ISO Form CG 00 01 10 01 (or equivalent) for third party property damage, bodily injury, personal and advertising injury, and medical payments in an amount which is not less than \$2,000,000 per occurrence and \$2,000,000 annual aggregate. The insurance shall cover liability arising from premises, operations, products completed operations, and liability assumed under an insured contract.

12.1.2 The Vendor's insurance shall be primary and non-contributory with respect to any insurance the Port carries and apply separately to each insured. Port shall be named as an additional insured for all work arising out of Vendor's work, including "on-going" and "completed operations" using ISO Form CG 20 26 or an equivalent endorsement approved by the Port.

12.1.3 The policy must contain a Liquor Liability Endorsement add coverage for bodily injury and property damage resulting from the sale, distribution, or serving of liquor. Limits shall be no less than the same amount and of the same type as identified above under commercial liability insurance.

12.1.4 Vendor shall be responsible for maintaining and complying with all City, County, and State food handling and liquor licensing permits, both on a company and individual server basis as applicable.

12.2 Business automobile insurance is required for vehicles accessing Port of Seattle marine properties and terminals, and for vehicles using the loading dock at the airport, and for all vehicles used on the airfield. Limits in this case shall be no less than \$ 1 Million per occurrence on a combined single limit for bodily injury and property damage.

12.3 Vendor is responsible for complying with the Washington State laws that pertain to industrial insurance (Reference Revised Code of Washington, Title 51 Industrial Insurance) for its employees. Vendor shall submit a current employer liability certificate as issued by the Washington Department of Labor and Industries that shows the status of Vendor's worker compensation account prior to commencing work, including those Vendors who are qualified self-insurers with the state.

12.4 If Vendor is to use Subcontractors, the Subcontractors will be subject to the same insurance requirements as the Vendor, and Subcontractors shall submit evidence of the insurance to the Port with a Certificate of Insurance and an Additional Insured endorsement for the Commercial General Liability insurance. The Port shall be the Certificate Holder and the Additional Insured.

12.5 Workers' Compensation. Vendor is responsible for complying with the Washington State laws that pertain to industrial insurance (Reference Revised Code of Washington, Title 51 Industrial Insurance) for its employees. Vendor shall submit a current employer liability certificate as issued by the Washington Department of Labor and Industries that shows the status of Vendor's worker compensation account prior to commencing work, including those Vendors who are qualified self-insurers with the state.

12.6 Within five (5) Days after receipt of the Notice of Intent to Award, Vendor shall provide evidence of all insurance specified above. All such

insurance shall be kept in force for until final acceptance or longer to the extent so required by the Contract.

12.7 No Limitation of Liability. The limits of insurance required in this Contract or as carried by Vendor shall not limit the liability of Vendor nor relieve Vendor of any obligation hereunder. Any specified limits of insurance shall not be construed as to relieve the Vendor from liability in excess of the limits. The minimum limits indicated are not a representation or warranty that the Port has assessed the risks that may be applicable to the Vendor under this Contract.

12.8 Waiver of Subrogation. Without affecting any other rights or remedies, Vendor (for itself and on behalf of anyone claiming through or under it by way of subrogation or otherwise) hereby waives any rights it may have against the Port, its officers, agents and employees (whether in contract or in tort) on account of any loss or damage occasioned to Vendor arising out of or incident to the perils required to be insured against within the Contract. Accordingly, Vendor shall cause each insurance policy required by Contract to further contain a waiver of subrogation clause. The effect of such release and waiver of the right to recover damages shall not be limited by the amount of insurance carried or required or by any deductibles applicable thereto.

13. PORT PAYMENT TO VENDOR

13.1 Payment for Goods & Services ordered by the Port shall be made by procurement card (p-card) for orders equal to or less than \$5,000. Orders greater than \$5,000 shall be made by purchase order with remittance to the Vendor by direct deposit electronic funds transfer (ACH). The purchase order and/or p-card will be provided at the time the order is placed. The Vendor shall not store the p-card numbers in their financial/accounting system. The p-card number shall be given each time an order is placed. Following delivery and acceptance of the Goods & Services under this Agreement, the Vendor may submit to the Port for approval an itemized invoice which shall include the purchase order, if applicable for the items delivered as provided for in the Agreement. Payment upon receipt shall be made of a properly completed invoice or receipt of goods, whichever is later, the amounts so determined, less previous payments and less such sums as the Port may be entitled to retain under the provisions of the Agreement, shall be paid to the Vendor.

13.2 By accepting payment, the Vendor shall be deemed thereby to have released the Port from all claims of Vendor and all liability to the Vendor in connection with the Goods & Services and for every act and neglect of the Port and others relating to or arising out of the Goods & Services.

13.3 The Port's actions in making any payment does not in any way relieve the Vendor from its responsibility for the Goods & Services or its responsibility to repair, replace, or otherwise make good Non-Conforming Goods & Services. Nor do any of these actions constitute a waiver of the Port's right to reject Non-Conforming Goods & Services or any other rights. Without limiting the generality of the foregoing, the Port shall have the right to seek reimbursement of any amount it determines was overpaid

to the Vendor and to recover damages for any unauthorized or Non-Conforming Goods & Services.

14. PROMPT PAYMENT TO SUBCONTRACTORS

Generally, when the Vendor receives payment from the Port for Goods & Services furnished by Subcontractors hired by the Vendor, the Vendor shall remit payment due to those Subcontractors and suppliers within fifteen (15) calendar days after the Vendor's receipt of payment from the Port. Nothing herein shall prohibit the Vendor from disputing, pursuant to the terms hereof, all or any portion of a payment alleged to be due to its Subcontractors. In the event of such dispute, the Vendor may withhold the disputed portion of any such payment only after the Vendor has provided notice to the Port and to the Subcontractor whose payment is in dispute, which notice shall: (1) be in writing; (ii) state the amount in dispute, (iii) specifically describe the actions required to cure the dispute, (iv) be delivered to the Port and to the said Subcontractor within ten (10) calendar days after the Vendor's receipt of payment from the Port. The Vendor shall pay all undisputed amounts due within the time frames specified in this section.

15. PORT'S RIGHT TO WITHHOLD PAYMENT

15.1 The Port has the right to withhold payment otherwise due the Vendor if and so long as the Vendor does not meet any of its obligations under this Agreement to the extent as may be reasonably necessary to protect itself from loss. The Buyer will notify the Vendor of the reasons for any amounts withheld and the remedy required.

15.2 The Vendor shall be paid monies earned by fulfilling its responsibilities under this Contract. Monies shall not be considered earned if any of the following conditions applies:

1. The Goods & Services for which the Vendor is claiming payment was not performed in accordance with the Contract.
2. Defective, damaged or Non-Conforming Goods & Services not remedied or warranties not met.
3. Claims filed or reasonable evidence indicating filing of claims against the Vendor.
4. Vendor's failure to meet any performance warranties required by the Contract Documents.
5. Failure of the Vendor to provide all drawings, manuals, and other information required by the Contract.
6. The Vendor's invoice does not contain the required documentation or is otherwise not in conformance with the requirements of this Contract;
7. Failure of the Vendor to make payments owed to suppliers, or for labor, materials, or equipment.
8. Failure to pursue delivery of the Goods & Services in a timely manner or failure

to take necessary steps to regain time or deliver the Goods & Services in the prescribed Contract Time.

9. A reasonable doubt that the Contract can be completed for the balance then unpaid.

15.3 In the event the Port withholds all or a part of a payment for deficiencies in either performance, or in an invoice, the Port will notify the Vendor. The Vendor shall have the right to correct all deficiencies that are the basis for the withholding and resubmit the invoice at any time for reconsideration.

15.4 The Vendor shall provide a contact name, address, and email address to facilitate notification if any payment, or portion of any payment, is withheld for any of the reasons above, or for missing documentation or items incorrectly invoiced. Notification shall be made via email, or shall be mailed, properly addressed and stamped with the required postage to the person designated by the Vendor in the Proposal.

16. TAXES

16.1 Vendor shall be liable for, and shall pay throughout the term of this Agreement, all license and excise fees payable for, or on account of, the activities conducted on the Premises and all taxes on the property of Vendor on the Premises and any taxes on the Premises and/or on the leasehold interest created by this Agreement and/or any taxes levied in lieu of a tax on said leasehold interest and/or any taxes levied on, or measured by, rent or fees payable hereunder, whether imposed on Vendor or on the Port. Vendor shall reimburse the Port for all such taxes paid or payable by the Port. With respect to any such taxes payable by the Port which are on or measured by the rent or fee payments hereunder, Vendor shall pay to the Port with each rent or fee payment an amount equal to the tax on, or measured by that particular payment. All other tax amounts for which the Port is or will be entitled to reimbursement from Vendor shall be payable by Vendor to the Port at least fifteen (15) days prior to the due dates of the respective tax amounts involved; provided, that Vendor shall be entitled to a minimum of ten (10) days' written notice of the amounts payable by it.

16.2 Unless otherwise indicated, the Port agrees to pay all applicable State of Washington sales or use tax. The Port is exempt from Federal excise taxes and an exemption certificate will be furnished upon request. The price for the Goods & Services shall include all other applicable federal, state and local taxes, except those for which an exemption may be claimed by the Port.

17. COMPLIANCE

Vendor agrees to comply with all applicable rules and regulations of the Port, whether now in existence or hereafter promulgated, pertaining to (a) the building or other realty of which the Premises are a part of, which exist for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public, and (b) the food and beverage areas located within the Airport. Vendor further agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations, including without limitation those relating to environmental matters and airport security. Any fees for any

inspection of the Premises during or for the term of the Agreement by a federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Vendor.

18. ACCESS CONTROL

The Vendor's employees working at the Airport must obtain Port-issued identity (ID) badges from the Airport Identification/Access Control Section of the Port of Seattle. A background check required by the Transportation Security Administration (TSA) will be performed by The Vendor on all prospective employees for whom such badges are needed. The Vendor will be responsible for all costs associated with issuing, renewing and replacing badges for The Vendor's employees and/or subcontractors. The Vendor's managers will, to the extent allowed by Port regulations, obtain authority for approving applications for badges and keys and administer such approvals. The Vendor understands that its employees need to work inside secure areas and that display of identification is required at all times. The Vendor will plan sufficiently far ahead in recruiting and hiring staff to allow for delays in issuing of badges.

19. ACCESS AUTHORIZATION

Vendor must submit an ID Badge Control Authorization Request Form for any employee that is required to enter any area that is restricted by badge/swipe access. The request form must include a description of the location and the number of the door through which access is required.

20. ASSIGNMENT

Vendor shall not assign or transfer this Agreement or any interest therein, nor shall this Agreement or any interest there under be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise without the advance written consent of the Port. If Vendor is anything other than an individual, Vendor further agrees that if at any time during the term of this Agreement more than one-half (1/2) of the outstanding voting equity interests shall belong to any persons other than those who own more than one-half (1/2) of those outstanding voting equity interests at the time of the execution of this Agreement or to members of their immediate families, such change in the ownership of Vendor shall be deemed an assignment of this Agreement within the meaning of this Section; provided, however, that this sentence shall not apply if, and to the extent that Vendor is a corporation, the outstanding voting stock of which is listed on a recognized security exchange. Vendor's entering into any operating agreement, license or other agreement where under a third party is given rights or privileges to utilize a portion of the Premises shall be an attempted assignment or subletting within the meaning of this Section.

21. DEFAULTS AND REMEDIES

21.1 Defaults. Time is of the essence for each of Vendor's obligations under this Agreement. The occurrence of any one or more of the following events constitutes a default of this Agreement by Vendor with or without notice from the Port:

21.1.1 The failure by Vendor to make any payment of Percentage Fees, or any other payment required by this Agreement, when due.

21.1.2 The discovery by the Port that any financial or background statement provided to the Port by Vendor, any successor, grantee, or assignee was materially false.

21.1.3 The filing by Vendor of a petition in bankruptcy, Vendor being adjudged bankrupt or insolvent by any court, a receiver of the property of Vendor being appointed in any proceeding brought by or against Vendor, Vendor making an assignment for the benefit of creditors, or any proceeding being commenced to foreclose any mortgage or other lien on Vendor's interest in the Premises or on any personal property kept or maintained on the Premises by Vendor.

21.1.4 A failure by Vendor to observe or perform any covenant, condition, or agreement to be observed or performed by Vendor under this Agreement.

21.2 Remedies. Whenever any default (other than a default under the section 0 above, upon which termination of this Agreement shall, at the Port's option, be effective immediately without further notice) continues unremedied in whole or in part for 30 days after Notice of Default is provided by the Port to Vendor (or for 15 days after Notice of Default in the case of default for failure to pay any fees or other required payment when due), this Agreement and all of Vendor's rights under it will automatically terminate if the Notice of Default so provides. The Port will be entitled to recover from Vendor all unpaid Concession Fees, other sum or charge otherwise payable by Vendor, or any other payments and damages incurred because of Vendor's default including but not limited to, the reasonable and necessary costs of granting a replacement concession, any advertising reasonably required, any commissions reasonably required, and attorney's fees and costs reasonably required ("Termination Damages"), together with interest on all Termination Damages at the Default Rate, from the date such Termination Damages are incurred by the Port until paid.

21.3 Remedies Cumulative. All rights, options and remedies of the Port contained in this Agreement shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and the Port shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Agreement.

21.4 Time is of the essence for each of the Port's obligations herein. The failure by the Port to observe or perform any covenant, condition or agreement to be observed or performed by Port under this Agreement shall constitute a default. Vendor may terminate this Agreement by written notice upon the Port's failure to cure a default after 30 days' written notice and opportunity to cure.

22. TERMINATION OF AGREEMENT

This Agreement may be terminated in advance of its scheduled expiration date on any of the following events:

22.1 In the event of Vendor's or Port's default under the Agreement pursuant to Section 21, Defaults and Remedies.

22.2 In the event that Vendor provides unsatisfactory service as gauged by complaints, declines in conference center and/or catering bookings, and/or negative

Quality Assurance Audits. In the event that the Port believes that Vendor has provided unsatisfactory services, it shall provide written notice thereof to Vendor; and Vendor shall have thirty (30) days within which to increase service levels to a satisfactory condition. In the event that Vendor is not, in the reasonable opinion of the Port, providing satisfactory service at the end of this sixty day period, the Port shall have right to terminate this Agreement.

22.3 In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Agreement, then either party hereto may terminate this Agreement by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Vendor is not in default under any of the provisions of this Agreement on the effective date of such termination, any concession fees prepaid by Vendor shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Vendor."

22.4 The Port may terminate this Agreement, in whole or in part, for the Port's convenience at any time and for any reason by giving a written termination notice to Vendor and the Port's payment to Vendor of termination charges computed in the following manner: (1) a sum computed and substantiated in accordance with standard accounting practices for those reasonable costs incurred by Vendor prior to the date of termination, for orderly phase out of performance as requested by the Port in order to minimize the costs of the termination; and (2) a reasonable profit for the Goods & Services accepted; HOWEVER THE PORT SHALL NOT BE LIABLE TO VENDOR FOR ANY ANTICIPATED PROFITS ON THE TERMINATED PORTION OF THE AGREEMENT, OR CLAIMS OF UNABSORBED OVERHEAD OR OTHER FIXED COSTS. IN NO EVENT SHALL THE PORT BECOME LIABLE TO PAY ANY SUM IN EXCESS OF THE PRICE OF THIS AGREEMENT FOR THE TERMINATED GOODS & SERVICES.

23. NONWAIVER

The acceptance of Percentage Fees by the Port for any period or periods after a default by Vendor hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Vendor in writing. Vendor shall construe no waiver by the Port of any default hereunder by Vendor to be or act as a waiver of any subsequent default. Failure of Vendor to object to Port's default shall not constitute a waiver of subsequent defaults.

24. ADVANCES BY PORT FOR VENDOR

If Vendor shall fail to perform any act required by this Agreement in a manner reasonably satisfactory to Port, the Port, without waiving or releasing Vendor from any obligation or default under this Agreement, may (but shall be under no obligation) at any time thereafter make such payment or perform such act for the account and at the expense of Vendor. All sums so paid by Port and all costs and expenses incurred in connection therewith shall be paid immediately by Vendor upon invoice by the Port. The Port may, in its sole discretion, apply all or any portion of any Security toward the satisfaction of said sums.

25. NOTICES

All notices hereunder shall be in writing and shall be delivered personally, by certified or registered mail, by facsimile or by recognized overnight courier addressed as follows:

To Lessor:

The Port of Seattle
Seattle-Tacoma International Airport
Attn: Conference Center Manager
P. O. Box 68727
Seattle, Washington 98168

To Vendor:

Amy and John Hatcher
Co-Owners and Corporate Officers
Café Pacific Catering, Inc. dba Café Pacific Catering
4402 Auburn Way N
Auburn, WA 98002

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices shall be deemed delivered (a) when personally delivered; (b) on the third day after mailing when sent by certified or registered mail and the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing; (c) on the date transmitted by facsimile, if the facsimile is confirmed received; or (d) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient.

26. ATTORNEYS' FEES

In the event that either party shall be required to bring any action to enforce any of the provisions of this Agreement, or shall be required to defend any action brought by the other party with respect to this Agreement, and in the further event that one party shall prevail in such action, the losing party shall, in addition to all other payments required therein, pay all of the prevailing party's actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorneys' fees in the trial court and in any appellate courts. For purposes of calculating attorneys' fees, legal services rendered on behalf of the Port by public attorneys shall be computed at hourly rates charged by attorneys of comparable experience in private practice in Seattle, Washington.

27. DISADVANTAGED BUSINESS ENTERPRISE (DBE) AND AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISES (ACDBE)

27.1 It is the policy of the Port to ensure that Disadvantaged Business Enterprises (DBEs) and Airport Concession Disadvantaged Business Enterprises (ACDBE), as defined in the DOT, 49 CFR Parts 23 and 26, and other small businesses have an equal opportunity to receive and participate in DOT-assisted contracts. The Port encourages

Vendor to make every reasonable effort to maximize the contracting opportunities for DBEs, ACDBEs and other small businesses in the procurement of goods and services necessary for the operation of the food and beverage concession at this Airport.

27.2 Vendor shall submit annual DBE and ACDBE participation reports to the Port starting one year after the commencement of this Agreement. Vendor shall submit such reports as may be required by the Port, for the purpose of demonstrating compliance with 49 CFR Parts 23 and 26.

28. PERMITS AND LICENSES:

Work permits, liquor licenses required for the sale of alcoholic beverages on the premises, other licenses and all certifications and authorizations required to provide the Goods & Services shall be maintained by the Vendor, at Vendor's sole cost and expense and remain in effect throughout the duration of the Agreement.

29. NON-DISCRIMINATION AND EQUAL EMPLOYMENT:

It is the basic policy of the Port of Seattle to provide equal opportunity to the users of all Port services and facilities and all contracting entities. Specifically, the Port will not tolerate discrimination against any persons on grounds of age, race, color, national origin/ancestry, ethnicity, religion, disability, Family Medical Leave Act (FMLA) use, pregnancy, sex/gender, sexual orientation, whistleblower status, military affiliation, marital status, workers' compensation use, transgender status, political beliefs, or any other protected status, as guaranteed by local, state and federal laws. The equal opportunity principles in employment and subcontracting described in this policy shall apply to the Port's employees, customers, consultants, Vendors, and suppliers to the extent possible as required by law. Submission of a properly executed Agreement constitutes a contractual commitment to the terms of this resolution.

During the performance of this Agreement, the Vendor, for itself, its assignees, and successors in interest agrees to comply with the requirements of the following non-discrimination statutes and authorities which are hereby incorporated; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin) and 49 CFR part 21;
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as

amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and Vendors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 - 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.)

30. MANDATORY PROGRAMS

Vendor understands that, from time to time, the Port may institute certain programs that the Port believes, in its sole judgment, will be in the best interests of the Airport and its tenants. Such programs shall include, but not be limited to, trash recycling, commuter trip reduction, luggage cart token program, and Aircraft Operations Area (AOA) Clean Surface Program for FOD (Foreign Object Debris).

Vendor agrees to promptly comply with and carry out any and all obligations issued by the Port under such programs, as the same may exist from time to time.

31. LABOR DISPUTES

Vendor agrees to use its best efforts to avoid disruption to the Port, its tenants or members of the public, arising from labor disputes involving Vendor, and in the event of a strike, picketing, demonstration or other labor difficulty involving Vendor, to use its good

offices, including the utilization of available legal remedies, to minimize and/or eliminate any disruption to the Port, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

32. FORCE MAJEURE

In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, fire or other casualty or other reason of a similar or dissimilar nature beyond the reasonable control of the party, delayed in performing work, or doing acts required under the terms of this Agreement, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Delays or failures to perform resulting from lack of funds shall not be deemed delays beyond the reasonable control of a party.

The provisions of this Section 32 shall not operate to excuse Vendor from the prompt payment of Percentage Fees as required by this Agreement and shall not extend the term of this Agreement.

33. INDEPENDENT CONTRACTOR

Vendor shall at all times be considered an independent contractor, and this Agreement with the Port shall not imply, infer, create or form a partnership, joint venture, or other corporate arrangement with the Port.

34. JOINT AND SEVERAL LIABILITY

Each and every party who signs this Agreement, other than in a representative capacity, as Vendor, shall be jointly and severally liable hereunder.

35. "VENDOR" INCLUDES VENDORS, ETC.

It is understood and agreed that for convenience, the word "Vendor" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Agreement, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual Vendor or Vendors under this Agreement.

36. CAPTIONS

The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.

37. PUBLIC DISCLOSURE

Vendor acknowledges that the PORT may be required to disclose information provided by Vendor pursuant to the Washington State Public Disclosure Act (RCW Chapter 42.56). The PORT will determine whether any requested documents should be disclosed. In no event shall the Port be liable to Vendor for any disclosure of documents and information, including work

product, excluded inventions and intellectual property rights it deems necessary to disclose under the law.

38. ANTITRUST ASSIGNMENT CLAUSE

Vendor and the Port recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the Port. Vendor therefore hereby assigns to the Port any and all claims for such overcharges as to Goods & Services purchased in connection with this Contract, except as to overcharges which result from antitrust violations commencing after the price is established under this Contract and which are not passed on to the Port under an escalation clause.

39. INVALIDITY OF PARTICULAR PROVISIONS

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

40. WAIVER

Failure at any time of the Port to enforce any provision of the Contract shall not constitute a waiver of such provision or prejudice the right of the Port to enforce such provision at any subsequent time. No term or condition of this Contract shall be held to be waived, modified or deleted except by written amendment signed by the parties hereto.

41. SURVIVAL OF INDEMNITIES

All indemnities provided in this Agreement shall survive the expiration or any earlier termination of this Agreement. In any litigation or proceeding within the scope of any indemnity provided in this Agreement, Vendor shall, at the Port's option, defend the Port at Vendor's expense by counsel satisfactory to the Port.

42. LAWS OF WASHINGTON; VENUE

This Agreement shall be construed under the laws of Washington. Jurisdiction and venue for any action relating hereto shall be in King County, Washington.

43. ENTIRE AGREEMENT - AMENDMENTS

This Agreement constitutes the entire agreement between the parties. There are no terms, obligations, covenants, or conditions other than those contained herein. No modification or amendment of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first above written.

VENDOR: CAFÉ PACIFIC CATERING, INC.
DBA CAFÉ PACIFIC CATERING,
A Washington corporation

By: *Amy Hatcher*
Amy Hatcher

Its: *Sec. / Treas.*
Co-Owner / Corporate Officer

By: *John Hatcher*
John Hatcher

Its: *pres.*
Co-Owner / Corporate Officer

PORT OF SEATTLE
A Washington municipal corporation

By: *Theodore J. Fick*
Theodore J. Fick

Its: *COO for*
CEO

End of Agreement

RETURN TO AGENDA

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8h

ACTION ITEM

Date of Meeting

April 13, 2021

DATE: March 17, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Melinda Miller, Director, Portfolio and Asset Management
Fred Chou, Capital Program Leader, Seaport Project Management

SUBJECT: Fishermen's Terminal ADA Compliance Project Design Funding Request

Amount of this request: \$215,000

Total estimated project cost: \$1,530,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to proceed with the design development and permitting phase of the Fishermen's Terminal ADA Compliance Project (CIP No. C801198) in the amount of \$215,000.

EXECUTIVE SUMMARY

The Port of Seattle entered into a settlement agreement on October 6, 2020, to address Americans with Disabilities Act (ADA) related deficiencies at the Fishermen's Terminal parking lot area south of the Fishermen's Center Building. The required minor or non-structural alterations improvements relating to the number of accessible spaces and routes, and the height and visibility of signage, were completed within 120 days of the effective agreement date by Marine Maintenance through 2020 expense funds. Other required alterations such as regrading, filling, demolition, reconstruction or other significant remediation to address remaining ADA-related issues need to be completed by October 5, 2022. This request would allow staff to proceed with the design development and permitting phase of the project. During design development, the project team will continue to coordinate with Fishermen's Terminal Site Improvement and Asphalt Paving Project teams to further explore collaboration opportunities for an integrated approach to the upcoming work. Staff plans on returning to the Commission to seek construction funding early 2022 upon completion of the design and receipt of permit approvals.

JUSTIFICATION

This project would help improve safety and maintain Port assets to support the Port's Century Agenda objectives under the following strategies:

- Position the Puget Sound region as a premier international logistics hub.

Meeting Date: April 13, 2021

- Responsibly invest in the economic growth of the region and all its communities.
- Advance this region as a leading tourism destination and business gateway.

Diversity in Contracting

Design development will be performed through Port's Infrastructure Indefinite Delivery Indefinite Quantity consultant contract. The M/WBE goal for this contract was set at 18%. The project team will work with the Diversity in Contracting Department during the design phase to establish M/WBE participation goals for the construction contract.

DETAILS***Scope of Work***

Scope of work under this project are:

- (1) Develop design and specifications, conduct project outreach, and develop construction phasing.
- (2) Apply for permits.
- (3) Construction implementation. Anticipated work includes sidewalk/roadway demolition and reconstruction, pavement overlays, pavement markings, signage installation, landscaping, and storm drainage improvements.

Schedule*Activity*

Commission design authorization	2021 Quarter 2
Design start	2021 Quarter 2
Commission construction authorization	2022 Quarter 1
Construction start	2022 Quarter 2
In-use date	2022 Quarter 3

Cost Breakdown

This Request

Total Project

Design	\$215,000	\$300,000
Construction	\$0	\$1,230,000
Total	\$215,000	\$1,530,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

This work is required to satisfy the requirements outlined in the settlement agreement. Site improvement options/alternatives will be explored during design development.

Meeting Date: April 13, 2021

FINANCIAL IMPLICATIONS***Cost Estimate/Authorization Summary***

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$1,500,000	\$30,000	\$1,530,000
AUTHORIZATION			
Previous authorizations	\$85,000	\$40,000	\$125,000
Current request for authorization	\$215,000	0	\$215,000
Total authorizations, including this request	\$300,000	\$40,000	\$340,000
Remaining amount to be authorized	\$1,190,000	\$0	\$1,190,000

Annual Budget Status and Source of Funds

This project has been included in the 2021 Plan of Finance under C801198 FT ADA Compliance Project with a total project cost of \$1,500,000. The additional \$40K in expense work is covered by the 2020 and 2021 Marine Maintenance Operating Budget.

This project is being funded by the Tax Levy.

Financial Analysis and Summary

Project cost for analysis	\$1,530,000
Business Unit (BU)	Maritime Portfolio Management / Ship Canal Fishing
Effect on business performance (NOI after depreciation)	This project will increase annual depreciation expense by approximately \$60,000.
IRR/NPV (if relevant)	NA
CPE Impact	NA

ATTACHMENTS TO THIS REQUEST

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 22, 2020 - Commission authorized a settlement agreement for Accessibility Improvements for Fishermen' Terminal

RETURN TO AGENDA

ORDER NO. 2021-04

AN ORDER OF THE PORT OF SEATTLE COMMISSION

to extend the on-demand taxi and flat rate for hire service
pilot program at Sea-Tac International Airport until
September 30, 2022.

**PROPOSED
APRIL 13, 2021**

INTRODUCTION

In recognition of the prolonged impact of the pandemic on the on-demand taxi and flat rate for-hire service, the Commission finds that it is necessary to extend the two-year pilot program created in 2019 for one year. The extension to September 30, 2022, assures stability in airport operating conditions, will avoid unnecessary disruption, and allows for more time to analyze the outcomes of the program.

TEXT OF THE ORDER

The Port Commission hereby directs the Executive Director to extend the on-demand taxi and flat-rate for-hire service pilot program at Seattle-Tacoma International Airport, as described in Motion 2019-03, until September 30, 2022.

RETURN TO AGENDA

**COMMISSION
AGENDA MEMORANDUM**

Item No. 10a

ACTION ITEM

Date of Meeting April 13, 2021

DATE : March 26, 2021

TO: Stephen P. Metruck, Executive Director

FROM: LeeAnne Schirato, Commission Specialist

SUBJECT: Interlocal Agreement with Highline Public Schools, Maritime High School

Amount of this request: \$125,000

Total estimated project cost: \$125,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to sign an Interlocal Agreement (ILA) with Highline Public Schools, Maritime High School, substantially in the form attached, with minor changes to be approved by legal counsel, as appropriate. The ILA will facilitate the transfer of Port of Seattle funds to Highline Public Schools as authorized in the 2021 budget.

EXECUTIVE SUMMARY

Per the interlocal agreement, Highline Public Schools (HPS) will create instructional design plans demonstrating a maritime-focused curriculum. HPS will also provide a six-month report and a final report to include community engagement, partnership development, family and student engagement, demographics, number of students trained, recruited, and any other tangible benefits of the program.

Highline Public School staff estimates the total Highline Public Schools contribution for this project is about \$345,000. So far Highline Public School staff has given in-kind staff time of approximately \$125,000, in spring 2021. During the 2021-2022 school year, Highline Public School will spend at least \$500,000 for the basic operations of the school, with about \$200,000 dedicated to this project and \$20,000 for in-kind use of facilities.

Instructional Design Plans

Extensive work will take place to develop the overall academic program for Maritime High School. This work will encompass addressing all components necessary to graduate from high school, as well as incorporating maritime content throughout. The instructional design work from now through December 2021 will focus on the design of a series of integrated projects and include the following:

April 13, 2021

- Alignment of meaningful and relevant projects to academic standards and specific competencies and standards related to maritime.
- Development of culturally-responsive assessments of student learning, including structures for sharing learning in multiple modalities.
- Design of support structures for student success in accessing academic, including specific maritime-related learning.
- Creation and curation of lessons, units and materials to support meaningful, real-world and engaging content to support learning across academic areas integrated with maritime content.

JUSTIFICATION

The Executive Director included \$125,000 in the Commission authorized 2021 budget to support the development and implementation of high school credit earning, project-based learning opportunities to be administered by HPS. The school will be located in South King County and operated by HPS and will include curricula focused on port-related industries, including maritime and green jobs. The allocated funding aligns with the Port's Workforce Development Policy Directive and Duwamish Valley Community Benefits Commitment Policy Directive.

DETAILS

In September 2019, the Port of Seattle convened a Maritime Secondary Education Summit to discuss how to design educational programs that will foster student interest and passion for the maritime industry and ocean sciences, close workforce skill gaps and support environmental sustainability.

In early 2020, Seattle Public Schools, Highline Public Schools, Federal Way Public Schools and the Tukwila School District leaders convened to explore and identify the district that would serve as the leading educational entity for this project, with a clear and indisputable choice in Highline Public Schools. This past fall, HPS took the next step in this project by establishing a taskforce of Highline staff to move the project forward, guided by a design team of industry partners and a broader advisory team to inform the work. HPS also assembled an Advisory Board representing industry, education, community and government stakeholders to provide ongoing project advisement. Since then, HPS has also:

- Identified the Duwamish River Cleanup Coalition (DRCC) to serve as a community engagement liaison and provide invaluable insight and perspective into the diverse Duwamish Valley communities.
- Contracted with Northwest Maritime Center (NWMC) to provide direction and guidance related to maritime education and critical fundraising support.
- Selected Tremain Holloway as the founding principal.
- Received enrollment applications from 41 interested freshmen students.
- Received unanimous approval from the Washington State Board of Education for a traditional credit waiver necessary to support a true project-based learning experience.

April 13, 2021

- Announced that the school will launch in September 2021.

The school will be temporarily located at the Olympic Interim site, 615 S 200th St, Des Moines, WA 98198. It will also provide regular onsite learning opportunities in South Park and along the Duwamish River.

The school is designed to:

- Expose students to the educational and employment opportunities provided by the region's robust maritime industry.
- Develop and sustain a workforce that mirrors the diversity of the residents of South King County.
- Explore the region's extensive maritime history.
- Include a focus on environmental stewardship, with a recognition that clean waterways, such as the Duwamish River, are a necessary element of the maritime and green jobs industries.
- Build on the District's existing commitment to the industry and an expertise with the subject matter, as evidenced by the Marine Science Technology program at the Puget Sound Skills Center.
- Build on the Port's commitment to the Duwamish Valley through community collaboration and targeted outreach.
- Be open to students who reside within the District and students who live within the Puget Sound region, including communities adjacent to the Duwamish River, who are interested in the maritime and green jobs industries.

HPS will support King County students through the efforts of the Maritime High School and provide project-based learning opportunities with an emphasis on port-related industries. The following sections outline the upcoming body of work for the Maritime High School, including, but not limited to, the Port/Highline ILA:

Instructional Design Plans (subject of the ILA)

Extensive work will take place to develop the overall academic program for Maritime High School. This work will encompass addressing all components necessary to graduate from high school, as well as incorporating maritime content throughout. The instructional design work from now through December 2021 will focus on the design of a series of integrated projects and include the following:

- Alignment of meaningful and relevant projects to academic standards and specific competencies and standards related to maritime.
- Development of culturally-responsive assessments of student learning, including structures for sharing learning in a multiple modalities.
- Design of support structures for student success in accessing academic, including specific maritime-related learning.

April 13, 2021

- Creation and curation of lessons, units and materials to support meaningful, real-world and engaging content to support learning across academic areas integrated with maritime content.

Community Engagement

Short- and long-term strategies will be developed to engage a community partners to support access to the school. Activities will include the following:

- Innovative events to share information about the school and solicit input for ongoing development of the overall program.
- Social media presences to sustain ongoing interest in and support of the school.
- Newsletter publication to share information with stakeholders to nurture and grow support of the school.
- Meeting and networking with community groups supporting the school.

Partnership Development

In order to engage students in hands-on and relevant learning, relationships will be developed with partners to build and deepen learning experiences. Specifically, the following will take place:

- Develop plans for mentorship programming to connect students to industry and community professionals.
- Build opportunities for extended learning at industry and community sites aligned with standards and maritime competencies.
- Sustain relationships to ensure high quality engagement of partners to inform ongoing development of academic programming to be informed by current and future needs in maritime sector employment.

Family and Student Engagement

To ensure families and students are fully engaged with the development and operation of the school, extensive work will take place to ensure multiple opportunities to provide input on programming, as well as general events to ensure families are fully knowledgeable about the school program, and the full range of employment in the maritime sector. Specifically, the school will:

- Establish a student structure to provide input on the overall design of the school, as well incorporating student interests into learning.
- Provide multiple venues for families to provide input, including live meetings and asynchronous platforms for feedback.
- Host events for families to connect with industry and community partners to learn about the full range of maritime careers.

Staff development

Long-term sustainability of the school relies on strong staff development. To support this, significant effort will be invested in staff development, including:

April 13, 2021

- Instructional coaching of staff on project-based learning, with a specific focus on connecting to maritime careers.
- Increasing and developing staff's knowledge of maritime careers and related competencies.
- Developing and supporting staff capacity to build authentic and meaningful relationships with maritime-focused partners.

Schedule

<u>Deliverable</u>	<u>Milestone Payment</u>	<u>Schedule</u>
Instructional Design Plans demonstrating Maritime focus of curriculum. Six Month Report to include community engagement, partnership development, family & student engagement, and demographics and number of students trained, recruited, and any other tangible benefits of the program.	\$62,500	June 15, 2021
Annual Report to include community engagement, partnership development, family & student engagement, and demographics and number of students trained, recruited, and any other tangible benefits of the program.	\$62,500	December 15, 2021
NOT TO EXCEED TOTAL:	\$125,000	

April 13, 2021

FINANCIAL IMPLICATIONS

The total estimated services will not exceed \$125,000, from the tax levy, to be paid during the 2020-21 year (the June payment) and the 21-22 school year (the December payment).

ATTACHMENTS TO THIS REQUEST

- (1) Interlocal Agreement for Partnership and Cooperation between Highline Public Schools and the Port of Seattle.
- (2) Exhibit A, Deliverables and Payment
- (3) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

N/A

**INTERLOCAL AGREEMENT for PARTNERSHIP and COOPERATION between
HIGHLINE PUBLIC SCHOOLS and the PORT OF SEATTLE**

This Interlocal Agreement ("Agreement") is hereby entered into by and between Highline Public Schools, hereinafter referred to as the "District" and the Port of Seattle, hereinafter referred to as "the Port". The Port and the District are also referred to in this ILA collectively as "the Parties", and individually as a "Party."

RECITALS

WHEREAS, The Port of Seattle is a municipal corporation, with authority under Title 53 RCW of the laws of the State of Washington, and other federal, state and local laws, to engage in workforce development and economic development programs in Port-related industries; and

WHEREAS, Maritime High School (MHS) is a new high school opening in Fall 2021. The school will be located in South King County and operated by the District and will include curricula focused on Port-related industries, including maritime and green jobs; and

WHEREAS, MHS is designed to:

- Expose students to the educational and employment opportunities provided by the region's robust maritime industry;
- Develop and sustain a workforce that mirrors the diversity of the residents of South King County;
- Explore the region's extensive maritime history;
- Include a focus on environmental stewardship, with a recognition that clean waterways, such as the Duwamish River, are a necessary element of the maritime and green jobs industries;
- Build on the District's existing commitment to the industry and an expertise with the subject matter as evidenced by the Marine Science Technology program at the Puget Sound Skills Center;
- Build on the Port's commitment to the Duwamish Valley through community collaboration and targeted outreach;
- Be open to students who reside within the District and students who live within the Puget Sound region, including communities adjacent to the Duwamish River, who are interested in the maritime and green jobs industries; and

WHEREAS, The District will operate MHS as a public school, and MHS will be governed by the Highline School Board of Directors. Admission to the school will be via application; if there is more interest than available seats, students will be admitted via a lottery process; and

WHEREAS, In support of the collaboration and partnership contemplated by this agreement, the Port has identified \$125,000 in funding to be provided to the District in furtherance of workforce development and economic development in Port-related industries;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants of the Parties contained herein, and pursuant to Chapter 39.34 RCW, the Parties hereto agree as follows:

1. STATEMENT OF WORK

The District shall provide partnership and support for King County students through the efforts of the Maritime High School and to provide project-based learning opportunities with an emphasis on port related industries, assistance from the Port will support the District shall to the following:

Instructional Design

Extensive work will take place to develop the overall academic program for Maritime High School. This work will encompass addressing all components necessary to graduate from high school, as well as incorporating maritime content throughout. The instructional design work from now through December 2021 will focus on the design of a series of integrated projects and include the following:

- Alignment of meaningful and relevant projects to academic standards and specific competencies and standards related to maritime
- Development of culturally responsive assessments of student learning, including structures for sharing learning in a multiple modalities
- Design of support structures for student success in accessing academic, including specific maritime-related learning
- Creation and curation of lessons, units and materials to support meaningful, real-world and engaging content to support learning across academic areas integrated with maritime content

Community Engagement

Short and long-term strategies will be developed to engage a community partners to support access to the school. Activities will include the following:

- Innovative events to share information about the school, and solicit input for ongoing development of the overall program
- Social media presences to sustain ongoing interest in and support of the school
- Newsletter publication to share information with stakeholders to nurture and grow support of the school
- Meeting and networking with community groups supporting the school

Partnership Development

In order to engage students in hands-on and relevant learning, relationships will be developed with partners to build and deepen learning experiences. Specifically, the following will take place:

- Develop plans for mentorship programming to connect students to industry and community professionals
- Build opportunities for extended learning at industry and community sites aligned with standards and maritime competencies
- Sustain relationships to ensure high quality engagement of partners to inform ongoing development of academic programming to be informed by current and future needs in maritime sector employment

Family and Student Engagement

To ensure families and students are fully engaged with the development and operation of the school, extensive work will take place to ensure multiple opportunities to provide input on programming, as well as general events to ensure families are fully knowledgeable about the school program, and the full range of employment in the maritime sector. Specifically, the school will:

- Establish a student structure to provide input on the overall design of the school, as well incorporating student interests into learning

- Provide multiple venues for families to provide input, including live meetings and asynchronous platforms for feedback
- Host events for families to connect with industry and community partners to learn about the full range of maritime careers

Staff Development

Long term sustainability of the school relies on strong staff development. To support this, significant effort will be invested in staff development, including:

- Instructional coaching of staff on project based learning, with a specific focus on connecting to maritime careers
- Increasing and developing staff's knowledge of maritime careers and related competencies
- Developing and supporting staff capacity to build authentic and meaningful relationships with maritime-focused partners

Reporting on the activities described above shall be provided in the reports described in Exhibit A.

2. PERIOD OF PERFORMANCE

The term of this Agreement shall be one year commencing from the last signature date of the Agreement unless terminated earlier in accordance with this Agreement.

3. PAYMENT BILLING PROCEDURE

The District shall submit invoices after completion of the deliverables identified in Exhibit A. Payment for approved and completed work in accordance with Exhibit A will be made by the Port of Seattle within thirty (30) days of receipt of each invoice. The total payment under this ILA shall not exceed \$125,000.

4. RECORDS MAINTENANCE

The Parties to this contract shall each maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review or audit by personnel of both Parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the Parties shall have full access and the right to examine any of these materials during this period.

Records and other documents, in any medium, furnished by one party to this Agreement to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third parties without first giving notice to the furnishing party and giving it a reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties. The furnishing party shall mark documents that it reasonably believes are or may be subject to an exemption from disclosure under the Public Records Act prior to transmittal to the receiving party.

5. INDEPENDENT CAPACITY

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

6. AGREEMENT ALTERATIONS AND AMENDMENTS

This Agreement may be amended by mutual agreement of the Parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the Parties.

7. TERMINATION FOR CONVENIENCE

Either party may terminate this Agreement upon 30 days' prior written notification to the other party. If this Agreement is so terminated, the Port shall be responsible for payment of deliverables invoiced accepted prior to the effective date of termination.

8. TERMINATION FOR CAUSE

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within 15 business days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

9. DISPUTES

Any disputes or questions of interpretation of this Agreement that may arise between the Port and the District shall be governed under these Dispute Resolution provisions. The Port and the District agree that cooperation and communication are essential to resolving issues efficiently. If disputes about the implementation of this Agreement arise, the designated contact persons for the Port and the District shall meet to discuss the issues and attempt to resolve the dispute in a timely manner. If the designated contact persons are unable to resolve the dispute, then the Parties may pursue any legal remedies. At all times prior to resolution of the dispute, the Parties shall continue to perform and make any required payments under this Agreement in the same manner and under the same terms as existed prior to the dispute.

10. GOVERNANCE

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The King County Superior Court in Seattle, Washington shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

11. ASSIGNMENT

The work to be provided under this Agreement, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

12. INDEMNIFICATION

Each party to this Agreement will be responsible for the negligent acts or omissions of its own employees, officers, or agents in the performance of this Agreement. Neither party will be considered the agent of the other and neither party assumes any responsibility to the other party for the consequences of any act or omission of any person, firm, or corporation not a party to this Agreement. To the maximum extent allowed by law, the Parties shall protect, defend, indemnify, and save harmless each other, their officers, officials, employees, and agents, while acting within the scope of their employment, from any and all costs, claims, judgments, penalties, and/or awards of damages, arising

out of or in any way resulting from the Parties' own negligent acts or omissions in connection with performance of activities under the terms of this Agreement. Each Party agrees that its obligations under this provision extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. This indemnification shall survive the termination of this Agreement.

13. WAIVER

A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

14. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

15. ALL WRITINGS CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

16. CONTRACT MANAGEMENT

Highline Public Schools shall administer the funds under this Agreement. For purposes of notice, the program manager for each of the Parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement. Any notice required or permitted to be given pursuant to this Agreement shall be in writing and sent by U.S. Mail to the following addresses unless otherwise indicated by the Parties to this Agreement:

Highline Public Schools:

All correspondence and notices related to this Agreement shall be delivered or mailed to Bernard Koontz, Highline Public Schools, 15675 Ambaum Blvd SW, Burien, WA 98166.

Port of Seattle:

Communications and billing contact person shall be Luis Navarro, Director of Workforce Development, Port of Seattle, 2711 Alaskan Way, Seattle, WA 98121

EXECUTED BY THE UNDERSIGNED PARTIES effective as of the date last below written and posted
pursuant to Chapter 39.34 RCW:

Highline Public Schools

Port of Seattle

Signature

Date

Signature

Date

DRAFT

EXHIBIT A

<u>Deliverable</u>	<u>Milestone Payment</u>	<u>Schedule</u>
Instructional Plans demonstrating Maritime focus of curriculum Six Month Report to include demographics and number of students trained, recruited, and any other tangible benefits of the program.	\$62,500	June 15, 2021
Annual Report to include demographics and number of students trained, recruited, and any other tangible benefits of the program.	\$62,500	December 15, 2021
NOT TO EXCEED TOTAL:	\$125,000	

To: Port Commissioners

From: Commission Specialist

CC: Barb Wilson, Aaron Pritchard, Bookda Gheisar

Date: July 21, 2020

Re: Highline School District Workforce Development – Maritime & Environmental Mitigation

Summary: On December 10, 2019, the Port of Seattle Commission established the Duwamish Valley Community Benefits Commitment to guide the implementation of the Duwamish Valley Community Equity Program and on March 10, 2020, the Commission passed a motion in support of the recommendations in “A Changing Tide” that align with the Port’s goal to “use our influence as an institution to promote workforce development.

This request will support the development and implementation of high school credit earning, project-based learning opportunities for careers in maritime and environmental conservation at the T-117 project site. The pilot program, to commence in the fall of 2021, will be developed and implemented by the Highline School District, in collaboration with the Port Community Action Team, (PCAT) and the Duwamish Valley Clean Up Coalition – TAC. The pilot program will deliver on the Port’s commitment to the Duwamish Valley by:

1. Creating community and port capacity building for ongoing collaboration
 - a. Through funding for staff to support events and networking with community and industry partners, this collaboration will grow and create new and deeper relationships; this includes education to build awareness and advocacy for getting local youth engaged in learning about maritime industries
2. Supporting Healthy Environments & Communities
 - a. Through funding for events to facilitate the convening partners, a greater sense of community will be built to sustain a healthier community responding to community needs for education (related to the goal below)
 - b. Through funding for short-term events and activities for youth, a broad base of interest will be built to engage students in the school that will be established eventually, planting the seeds for a strong community-based school
3. Creating Economic Prosperity in Place
 - a. See above. Funded activities will launch students on a pathway to fully engage in existing opportunities to access living wage opportunities and launch into careers that will develop new economic opportunities and benefit the region.

Port Goal:

1. Become a Model for Equity, Diversity and Inclusion – Through this goal the Port of Seattle will ensure that equity is at the core of all our work and the principles the Port embodies. Internal and external programs, structures, and practices will be viewed and reviewed through an equity lens.
 - a. By providing funding to support strong coordination of programming, strong community leaders will be recognized and fully engaged to ensure authentic multi-

directional dialogue to engage the full community in an equitable process to develop a strong community-based school

2. Be the greenest, and most energy-efficient port in North America
 - a. By funding events supporting initial curriculum design, energy-efficiency will be featured prominently to develop future maritime innovators to continue leading to become the greenest port

Budget Request: \$125,000 to support the development and implementation of high school credit earning, project-based learning opportunities for careers in maritime and environmental conservation.

Identified Risks: The COVID 19 pandemic has forced schools throughout our region to end in-person learning and exacerbated the skills gap in the maritime workforce as older workers retire and newer workers are unable to access training opportunities. At the same time, school districts are open to innovations in education and new partners in workforce development. The Port has a short window to participate with local education leaders in the development of new models of education that draw students closer to workplace opportunities. As one local expert stated, “Education is never going to look the same.”

The limited duration of the T117 project requires inclusion in the 2021 budget, or the opportunity to facilitate workforce training at this location will be lost. In addition, the co-location of the Port construction management office and the program in the heart of South Park is a unique opportunity to provide greater benefit to the Duwamish Valley community.

Primary Commission Sponsor: Commissioner Calkins

Commission Sponsor: Commissioner Cho

- ☐ Concur with no comment
- ☐ Concur with comment:
[Add comment]
- ☐ Non concur with comment:
[Add comment]

ELT Sponsor: [Add ELT member]

- ☐ Concur and already included in my division’s 2021 budget
- ☐ Concur and recommend adding to my division’s 2021 budget

☐ Concur and recommend not including in my division's budget. Defer to Executive Director for decision:
[Add comment]

☐ Non concur with comment:
[Add Comment]

Additional Comments:

[Add any further comments]

Item No. 10a_supp

Meeting Date: April 13, 2021

Maritime High School Launching September 2021



Presentation to the Port of Seattle Commission
April 13, 2021

How will funding be used?

- Instructional Design
- Community Engagement
- Partnership Development
- Family & Student Engagement
- Staff Development

What are the deliverables?

- Instructional Plans demonstrating Maritime focus of curriculum
- Six Month Report to include demographics and number of students trained, recruited, and any other tangible benefits of the program.
- Annual Report to include demographics and number of students trained, recruited, and any other tangible benefits of the program.

What will students learn?

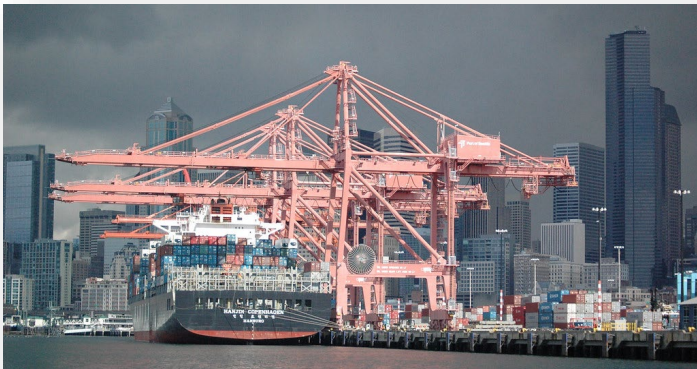
- All standards for subjects required to graduate
- All standards required by Washington's College Admissions Distributed Requirements (CADRs)
- Additional standards
 - 21st Century Skills (Career and College)
 - Since Time Immemorial
 - Environmental Sustainability
 - Social Justice as defined by Learning for Justice (Teaching Tolerance)
- Maritime related standards, including those leading to industry certifications
- Standards defined by College in the High School and/or other dual credit



MARITIME
HIGH SCHOOL

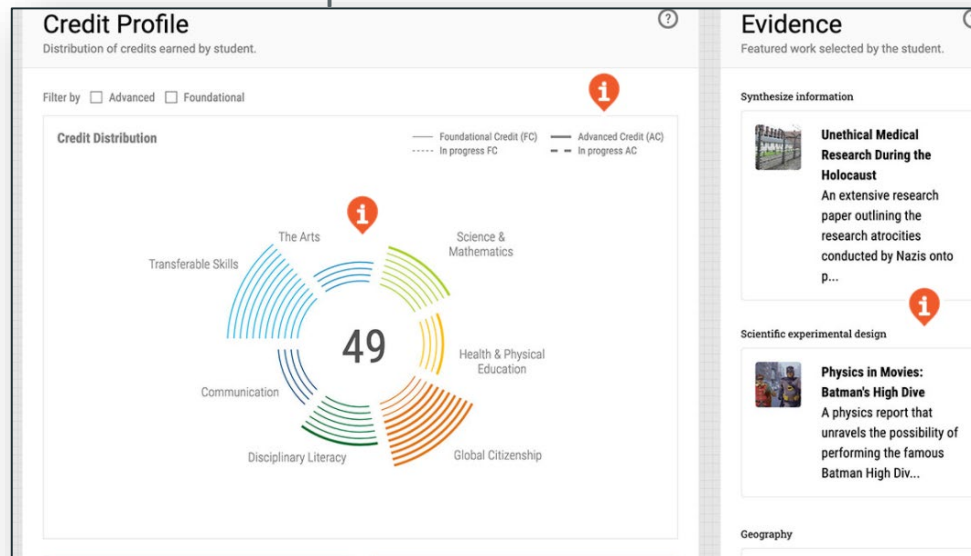
How will students learn across these standards?

- Projects designed to engage students in real problems in the maritime sector
- Integration across content areas in applied settings
- Significant time in the field learning alongside industry and community partners
- Carefully planned classroom-based instruction to complement work in the field
- Specially designed supports in the field and the classroom based on students' strengths and needs
- Culminating demonstrations of learning to celebrate and recognize learning



How will we know and document what students learn?

- Project design includes intentional opportunities to demonstrate mastery of specific standards
- At any time, a student can also demonstrate mastery of standards beyond the intentionally identified opportunities
- Students, with staff support and final review, submit work that demonstrates what they have learned
- The Mastery Transcript documents students learning through a dynamic interactive platform
- In addition to supporting students in tracking their learning, the Mastery Transcript also provides a college-going transcript



Evidence
Featured work selected by the student.

Group by ☒ Year ☐ Subject

2016 - 2017		2017 - 2018	
Health	01/2017	PACE	06/2018
Humanities History	06/2017	Modern world history	05/2018
Algebra 1	06/2017	Journalism	06/2018
Geometry Accelerated	06/2017	Algebra 2	06/2018
Earth Science	06/2017	College Prep Biology	05/2018
Graphic Design	06/2017	French 2	06/2018
French 1	06/2017	Modern World Literature	06/2018

2018 - 2019		2019 - 2020	
Dystopian Literature	01/2019	AP Statistics	01/2020
Creative Writing	01/2019	Human Development	01/2020
Documentary Film	06/2019	Senior Seminar	01/2020
American literature	06/2019	Leadership and Empowerment	06/2020
U.S. History	06/2019	America 101	06/2020
Physics of Superheroes	06/2019	French 4	06/2020
AP Psychology	06/2019	Cyber Security	06/2020
French 3	06/2019		

Synthesize information

Unethical Medical Research During the Holocaust
An extensive research paper outlining the research atrocities conducted by Nazis onto p...

Physics in Movies: Batman's High Dive
A physics report that unravels the possibility of performing the famous Batman High Div...

Scientific experimental design

Geography

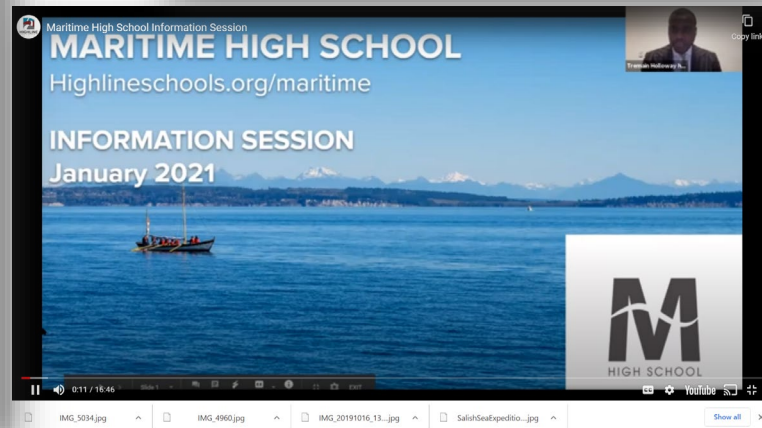
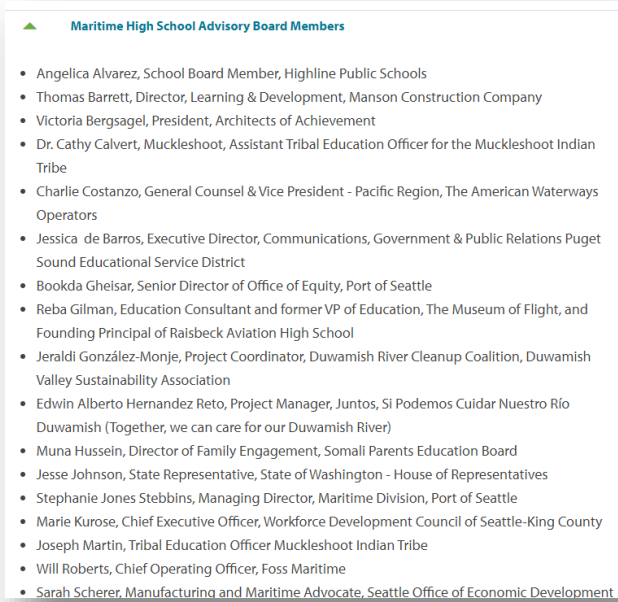
How will community, industry, and families be involved?

- Cross-sector design team
- Advisory board
- Robust community engagement
- Student engagement in school design



A CHANGING TIDE

A Strategic Plan for Maritime and Ocean Sciences
High School in Greater Seattle



MARITIME
HIGH SCHOOL

How will we hold ourselves accountable?

- Yearlong planning to ensure all standards are met
- Regular review and adjustments based on analysis of student learning
- Regular reporting to Highline Public Schools Board of Directors
- Regular reporting to the Maritime High Schools Advisory Board
- An ongoing and unrelenting commitment to all our students, their families, and community

Questions?

Thank you!

RETURN TO AGENDA

COMMISSION
AGENDA MEMORANDUM
ACTION ITEM

Item No.	10b
Date of Meeting	April 13, 2021

DATE: March 15, 2021
TO: Stephen P. Metruck, Executive Director
FROM: Lance Lyttle, Managing Director, Aviation
Dawn L. Hunter, Director, Aviation Commercial Management

SUBJECT: Additional Airport Relief Measures in Response to On-Going COVID-19 Pandemic Impacts on SEA Tenants and Concessionaires

ACTION REQUESTED

Request Commission authorization for the Executive Director to finalize and implement additional airport relief measures in response to the on-going COVID-19 pandemic impacts to Airport Dining and Retail (ADR), On-Airport Parking, and Rental Car (RAC) concessionaires, specifically (i) to offer lease amendments to ADR, On-Airport Parking, and RAC concessionaires relating to adjustment of minimum annual guaranteed (MAG) rent, and RAC concession agreement extensions, and (ii) to separately provide rent relief in the form of credits to eligible ADR, On-Airport Parking, and RAC concessionaire as part of the Airport Coronavirus Response Grant Program established by the Federal Aviation Administration (FAA) pursuant to the federal Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA).

EXECUTIVE SUMMARY

The Executive Director and Seattle-Tacoma International Airport (SEA) leadership propose to offer additional relief measures to ADR, On-Airport Parking, and RAC concessionaires at the airport that continue to be significantly impacted by the on-going COVID-19 pandemic. First, the Executive Director and SEA leadership propose to offer contract amendments for ADR and On-Airport Parking concessionaires to adjust an existing “exceptional circumstances” provision in their agreements which provides for reduction of the amount of MAG rent payable in the event of a substantial decrease in passenger enplanements at the airport; adjustment to this contract provision is necessary in order for MAG adjustments to continue co-extensively with the ongoing adverse economic impacts at the airport caused by the COVID-19 pandemic. A similar adjustment will also be made to the exceptional circumstances provision in the RAC agreements, together with proposed amendments to adjust the calculation of MAG and to extend the term of the concession agreements, which are components of the overall lease agreements. Separately, Executive Director and SEA leadership propose to participate in the FAA’s Airport Coronavirus Response Grant Program and to offer under this program rent relief to eligible ADR, On-Airport Parking, and RAC tenants in the form of a rent credit in the amount of the concessionaire’s pro rata share of the grant funds provided to the Airport under CRSSAA. These measures will be consistent with the Commission-approved airport relief motion and action approved on April 1,

Meeting Date: April 13, 2021

2020, a motion approved on June 9, 2020 related to airport tenant relief, and an order approved on December 8, 2020 authorizing additional adjustments to agreements with tenants and concessionaires impacted by the pandemic. This proposed relief is in response to the on-going impacts of the pandemic on tenants and concessionaires at SEA.

JUSTIFICATION

The dramatic economic impact of the COVID-19 pandemic required an immediate response by the Port, which was taken by the Port Commission on April 1, June 9, and December 8, 2020 and provided short- and medium-term relief measures to tenants and concessionaires. The duration of the pandemic, and the negative effects it has caused on airport operations, has continued to jeopardize the viability of many businesses at SEA that are critical to airport operations and passengers. Although the relief approved in 2020 was a tremendous support to tenants and concessionaires and their continued viability to serve passengers at the airport, the on-going impacts of the pandemic and the functional expiration of built-in relief, in the form of the “exceptional circumstance” clause within certain agreements, justify the consideration of additional relief measures as proposed and contained in this request.

These additional relief measures will aid the continued operation and financial viability of SEA’s business partners, which is critical to advancing the Port’s financial interests through the on-going economic downturn and into the economic recovery. The Port depends on these tenants and concessionaires to provide services to airport customers and generate revenue for airport operations. Maintaining its base of tenants and concessionaires is critical to the Port’s financial strategy to navigate the impacts of the COVID-19 pandemic. Preserving and strengthening the Port’s airport financial sustainability and operations will play a critical role in the economic recovery and return to growth in the Puget Sound region and the state of Washington.

DETAILS**Rent Relief through Contract Amendments**

The Executive Director and SEA leadership propose to amend the concession agreements for ADR, RAC, and on-airport parking, which have been significantly impacted by the on-going COVID-19 pandemic, by resolving a limitation of the agreement’s built-in exceptional circumstance relief clause to better address the duration of pandemic impacts. The proposed relief measures have been discussed with all of the tenants involved and been accepted, contingent on Commission approval. These measures will be consistent with Commission direction as stated in the Commission’s tenant relief motions in April and June of 2020 and order in December 2020, as well as state and federal law.

Meeting Date: April 13, 2021

The Executive Director and SEA leadership propose to offer the following forms of additional relief regarding Airport tenants and concessionaires:

- ***Airport Dining and Retail (ADR)***

1. Amend ADR agreements containing an Exceptional Circumstances clause to allow for on-going adjustment of MAG rent throughout the duration of the pandemic in accordance with continued reduced passenger levels. In an effort to clarify the intended operation of the Exceptional Circumstances clause, applied in the context of the continuing adverse economic impacts of the COVID-19 health crisis, the Port proposes to amend the ADR agreements to restate the provision in a manner that results in an outcome that is consistent with its originally intended purpose.

- The current Exceptional Circumstances clause in ADR agreements, which allows for the reduction of MAGs equivalent to a drop in enplanement levels exceeding 20% compared to the same month of the prior year (e.g.- if a given month's enplanement levels drop by 50% compared to the same month of the prior year, the tenant's MAG amount is reduced the following month by 50%) is set to expire potentially in March, possibly not until April (but no later than April, barring another catastrophic event). Beginning in March, and because the pandemic's main impacts on enplanements began to materialize in March 2020, the lookback clause comparing March 2021 to March 2020 may not result in a drop in enplanements exceeding 20%. Thus, the relief to the tenant's MAG associated with the Exceptional Circumstances clause would expire beginning with the MAG payment due for April 2021 and tenants would be responsible for full monthly MAG payments (no reduction).

While the intent of the provision was to provide a mechanism for determining MAG relief throughout the duration of an exceptional circumstances event that caused significantly reduced enplanements, the current language was not drafted to correctly apply to a substantial impact to enplanements that continued for more than 12 months. Thus, tenants are facing a sudden increase in monthly MAG payments, to pre-pandemic levels, before enplanement levels have returned closer to pre-pandemic levels. The proposed revision to the Exceptional Circumstances clause will allow the clause to function throughout the duration of the pandemic as originally intended. Revising the clause will provide needed clarity for both the Port and its concessionaires, ease the administration burden to the Port in administering the clause, and will benefit the ADR concessionaires by allowing for adjustment of MAG to continue during the duration of the "exceptional circumstances" posed by the COVID-19 pandemic and support their continued viability and readiness to serve passengers at SEA

Meeting Date: April 13, 2021

as the COVID-19 crisis comes to end. The amended language is being finalized by staff.

- ***Rental Cars (RACs)***

1. Amend RAC agreements containing an Exceptional Circumstances clause to allow for on-going adjustment of minimum annual guarantees (MAG) in accordance with continued reduced passenger levels.
 - Similar to the ADR explanation above, the lookback period may expire in March, but no later than April. This relief will allow for the continued reduction of MAG associated with depressed enplanement levels associated with the pandemic, and potential future catastrophic events.
2. Extension of the 10-year concession agreement, set to expire in 2022
 - The overall 30-year lease associated with the Rental Car Facility (RCF) that began in 2012 includes a 10-year concession agreement with operators. The intent of 10-year concession terms was to allow for market shifts and reallocations of space during the 30-year lease term with the opportunity to re-bid the facility at 10 years and 20 years. With the upcoming expiration of the 10-year concession agreement set for 2022, both the RACs and SEA are required to spend significant amounts to re-bid, re-design, and re-demise the facility based on market conditions, with costs to SEA alone upwards of \$10-\$12 million, starting in 2021 and throughout 2022. Due to the impact of the pandemic, both the RACs and SEA agreed that extending the current concession agreement by five years and allowing for a re-bid process to occur at that time would benefit both parties with the delay of major capital costs and allow time for market conditions to stabilize. Extending the concession agreement provides a benefit to the Port and the RACs in both the short and long terms. This benefit includes delaying the re-bidding of the facility during a severe economic downturn and the potential elimination of a major re-demising capital project in 2032.
3. Adjust annual MAG calculation for RACs
 - At the start of each agreement year (June 1), MAGs for each company are recalculated and set to either 1) the original MAG amount that was bid at the beginning of the 10-year concession agreement, or 2) 85% of the prior year revenue paid to the Port, whichever is higher. With the upcoming MAG reset in June 2021, it is anticipated that the calculation for 85% of prior year's payments will be significantly lower than the original MAG bid amount. With the current agreement language, the calculated new MAG (based on original bids in 2012) for the agreement year beginning June 1, 2021 is anticipated to substantially and suddenly increase for the RACs.

Meeting Date: April 13, 2021

Bringing the MAG calculation methodology in-line to current concession agreement standards at SEA, the agreements would be amended to eliminate the option of the MAG being reset to the original bid amount and instead solely be based on 85% of prior year's revenue to the Port. The adjustment to the MAG calculation, coupled with the necessary relief for exceptional circumstance changes described above, would ensure a stable return of MAG levels as we continue through the pandemic and the recovery efforts.

- ***On-Airport Parking Concessionaire***

1. Amend SEA's agreement with its on-airport parking concessionaire containing an Exceptional Circumstances clause to allow for on-going adjustment of minimum annual guarantees (MAG) in accordance with continued reduced passenger levels.
 - Similar to the ADR and RAC explanation above, the lookback period may expire in March, but no later than April. This relief will allow for the continued reduction of MAG associated with depressed enplanement levels associated with the pandemic, and potential future catastrophic events.

CRRSAA Relief Efforts

As referenced above, the Executive Director and SEA leadership propose to provide additional rent relief through participation in the FAA's Airport Coronavirus Response Grant Program. This proposed relief is in addition to the direct rent and MAG relief that the airport is able to provide thanks to federal legislation passed in December of last year (the Coronavirus Response and Relief Supplemental Appropriation Act) (CRRSAA) and in March of this year (the American Rescue Plan Act) (ARPA). Those pieces of legislation contained \$200 million and \$800 million respectively "to provide relief from rents and minimum annual guarantees to on-airport car rental, on-airport parking, and in-terminal airport concessions." The FAA has released airport-specific funding levels and allocation guidance for the first package, but not yet for the second.

CRRSAA allocated approximately \$5.4 million for SEA tenant relief, and staff is finalizing a plan for allocating and distributing those funds as quickly as possible to the concessionaires for which federal relief is specifically authorized in CRRSAA. The proposed relief under CRRSAA, through the FAA's Airport Coronavirus Response Grant Program, will be provided to eligible concessionaires based on the concessionaire's pro rata share (a proportional share based on the concessionaire's rent and MAG compared to the total amount of rent and MAG of all eligible airport concessions at SEA) of the \$5.4 million allocated to SEA under CRRSAA. The proposed relief would be issued to each eligible concessionaire in the form of a rent credit in the amount of the concessionaire's pro rata share.

Meeting Date: April 13, 2021

At this time, SEA staff is awaiting guidance from the FAA regarding allocation and eligibility associated with the ARPA funds; of note, ARPA specifically allocates approximately three-quarters of the concessionaire relief funds for “small airport concessions.”

Despite the significant benefits that these federal funds will provide, SEA staff feel that the relief measures described in this memo are necessary in addition to the federal grant funding to help ensure continued operations and viability into a post-pandemic recovery.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – SEA does not offer additional relief

Cost Implications: None, unless tenants shut down and/or abandon their agreements.

Pros:

- (1) If tenants remain, continues monthly revenue
- (2) Maintains continuity of current lease terms

Cons:

- (1) Exposes tenants to significant financial risk from on-going COVID-19 economic impact
- (2) Tenants may abandon agreements, thus requiring legal action
- (3) Exposes Port to costly legal action, lost revenue, and renovation/rebidding expenses
- (4) Depending on the number and type of concessionaires that lose viability, airport operations and passengers could be negatively impacted

This is not the recommended alternative.

Alternative 2 – SEA only proposes relief associated with Exceptional Circumstances clause

Cost Implications: with continued depressed enplanement levels, MAGs would continue to be reduced below normal levels, thus reducing guaranteed revenue to the Port in the short run. In the long run more revenue to the Port is expected through the preservation of its tenant base and increased enplanements.

Pros:

- (1) Provides more assurance of continuity of operations for tenants and revenue to the Port
- (2) Gives tenants additional flexibility to weather impact of the pandemic

Cons:

- (1) Reduced guaranteed revenue to the Port if enplanements do not recover
- (2) May not be sufficient to keep tenants afloat
- (3) Depending on the number and type of concessionaires that lose viability, airport operations and passengers could be negatively impacted

This is not the recommended alternative.

Meeting Date: April 13, 2021

Alternative 3 – Implement all proposed additional relief measures

Cost Implications: with continued depressed enplanement levels, MAGs would continue to be reduced below normal levels, thus reducing guaranteed revenue to the Port in the short run. In the long run more revenue to the Port is expected through the preservation of its tenant base and increased enplanements. Longer guaranteed terms for RAC tenants is expected to increase revenue to the Port.

Pros:

- (1) Provides more assurance of continuity of operations for tenants and revenue to the Port
- (2) Provides reasonable additional term to RAC tenants and increased revenue to Port in an uncertain economy
- (3) Gives tenants significant flexibility and time to recover from impacts of on-going pandemic impacts

Cons:

- (1) Reduced guaranteed revenue to the Port if enplanements do not recover
- (2) Locks in current allocations (RACs) for five years, not allowing for adjustments that may be warranted based on changing market conditions

This is the recommended alternative.

Financial Analysis and Summary

Project cost for analysis	No incremental costs to the Port for this request
Business Unit (BU)	Aviation Commercial Management
Effect on business performance (NOI after depreciation)	If percentage rents paid to the Port do not exceed guaranteed amounts, revenue may be reduced due to the reduction of MAG associated with relief in the short term but increased in the long term through preservation of the tenant base and increased enplanements. Extension of RAC agreements increases future expected revenues through preserving the tenant base and avoiding the costs of re-bidding.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

ATTACHMENTS TO THIS MEMO

None

Meeting Date: April 13, 2021

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 1, 2020 - The Commission passed Motion 2020-06 to provide guidance for Port leadership in prioritizing Port investments to assist local, regional, and statewide economic recovery from the COVID-19 pandemic.

April 1, 2020 - The Commission authorized for the Executive Director to take such immediate, short-term actions as necessary to implement airport relief measures in response to the COVID-19 pandemic leading to initial relief to a variety of airport tenants.

June 9, 2020 - The Commission passed Motion 2020-13 to authorize adjustments to leases and other financial terms for airport dining and retail tenants.

December 8, 2020 – The Commission passed Order 2020-21 to authorize additional adjustments to agreements with tenants and concessionaires impacted by the COVID-19 pandemic.

RETURN TO AGENDA

COMMISSION
AGENDA MEMORANDUM

Item No. 10c

ACTION ITEM

Date of Meeting April 13, 2021

DATE: March 1, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Laurel Dunphy, Director, Airport Operations
Eileen Francisco, Director, Aviation Facilities and Capital Programs
Dawn Hunter, Director, Aviation Commercial Management

SUBJECT: South Satellite Renovation and Renewal (CIP# C801203) Project Definition

Amount of this request: \$2,750,000

Total estimated project cost: \$1,000,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to develop the Project Definition Document to finalize the scope, schedule, budget, and project delivery method for the preferred South Satellite Renovation and Renewal project alternative at the Seattle-Tacoma International Airport. The amount being requested under this authorization is \$2,750,000. This project was included in the Aviation Plan of Finance with a target placeholder budget of \$1,000,000,000.

EXECUTIVE SUMMARY

The Aviation Division and the airlines at the Seattle-Tacoma International Airport (SEA) have long identified the need to renovate and upgrade the South Satellite facility to improve the level of service and to correct building code deficiencies. Previous planning efforts, conducted in 2017, were undertaken to identify alternatives for further development.

Due to the complexity of the project in terms of scope, budget, and schedule uncertainties, there is a need to further refine the elements of a preferred alternative through the development of a Project Definition Document (PDD). Additionally, the PDD will identify potential project risks before proceeding with the full design and implementation of the project, and will provide the appropriate information for the Commission to consider prior to authorization of design and construction.

Meeting Date: April 13, 2021

JUSTIFICATION

The South Satellite concourse was designed and built in the early 1970's, with an additional limited expansion to the west in the late 1980's. The building's program included Federal Inspection Services (FIS) for processing of international passengers within its' lowest two levels, which in recent years has been overwhelmed, leading to the development of the International Arrivals Facility. The South Satellite's current building program needs to change dramatically with the imminent opening of the International Arrivals Facility to modernize the building, efficiently reallocate space, and maximize revenue growth.

This 1970's era facility has had few upgrades to its building systems over the decades, leaving most of them at or beyond the end of their useful service. Replacement of this exhausted infrastructure provides an opportunity to update and upgrade systems with more energy efficient and environmentally sustainable alternatives. For over a decade, the South Satellite has also been serving far higher passenger loads than it was designed for, further taxing its building systems and structural elements. Public facing spaces do not meet current airline industry (IATA) passenger standards, and the facility infrastructure is nearing obsolescence.

This facility is long overdue for renovation. It is currently weight limited and has not been wholly upgraded since constructed to meet current seismic codes. Many of the building systems have been run to failure, are overstressed, or obsolete; or a combination thereof. The facility also currently lacks acceptable ADA accessibility, meditation and quiet room space, gender neutral restrooms, lactation suites, and adequate pet relief areas; all of which will be addressed in the PDD.

To meet this complete renovation challenge, careful, realistic, and deliberate planning must be carried out in the PDD. The PDD must provide a pathway to satisfy building code requirements and modernize the building's systems for greater comfort, operating efficiency, and reduced environmental impacts. The PDD must also reprogram the public facing spaces of the building. Construction will need to occur within the current building footprint while the facility remains open, most likely creating operational impacts. The PDD will provide the planning and phasing necessary to fully understand, prepare for, and mitigate those impacts. Due to the type and complexity of construction it is projected that the cost per square foot and construction schedule will be greater than the majority of projects we deliver.

The Port has made commitments over time to the foreign flag carriers and concessionaires that the South Satellite would ultimately be updated following IAF completion. The findings of previous South Satellite planning efforts are being used to inform the proposed PDD effort. Unlike the previous planning that considered a range of unconstrained alternatives, the PDD will be focused on developing one space and budget constrained alternative that provides a buildable solution, designed around a realistic budget number, that will lead directly into design and construction.

Meeting Date: April 13, 2021

Diversity in Contracting

The consulting firm exceeded the WMBE goal of 15% in their contract by 6% in their proposal for the development of this PDD, with a total 21% participation rate.

DETAILS

The South Satellite concourse at SEA is surrounded by Concourses A and B to the east and north, and the Delta Air Lines and Alaska Air Group maintenance facilities to the south. Its western boundary is Taxiway A. The facility has been in operation since the early 1970's, with one expansion having occurred in the mid-1980's. Further expansion is limited by numerous FAA building restriction boundaries. The current effort is organized around a \$1 billion target budget. The proposed Project Definition Document is focused on refining a preferred alternative that reflects the target budget. The PDD will address worn out building systems, structural inadequacies, building space reprogramming, certain customer experience inadequacies, and expansions to retail and airline club space.

Scope of Work

This PDD will identify building systems needing to be renewed, replaced, or updated to bring this facility into code compliance; reprogram the public facing areas within the South Satellite; maximize duty free, retail, dining and club commercial opportunities; identify types, size and locations of customer amenities to be included; address ADA deficiencies; provide a unified architectural theme and accommodate future art installations.

There will be extensive outreach to address the needs of the airlines, concessionaires, code compliance officials, and numerous Port departments. The PDD will develop a basis of design; a project scope, schedule, and budget; a risk matrix and preferred acquisition method to construct the project. The PDD effort will also consider construction phasing and staging within this active facility. It will also include high level total cost of ownership and energy use analysis to minimize future operating costs and environmental impacts. Renderings of the facility in its' renewed and renovated form will also be produced. The scope is focused on addressing multiple user and operational demands, while maintaining the existing building footprint and a target budget of \$1 billion.

Schedule***Activity***

Commission PDD authorization	2021 Quarter 2
PDD start	2021 Quarter 2
PDD effort complete	2021 Quarter 4
MII Approval	2022 Quarter 1
Commission design phase authorization	2022 Quarter 2

Meeting Date: April 13, 2021

Cost Breakdown

Cost breakdown based on \$1B target budget.

	This Request	Total Project
Design	\$2,750,000	\$96,700,000
Construction	0	903,300,000
Total	\$0	\$1,000,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

The PDD would be focused on implementing the third, preferred alternative described below.

Alternative 1 – Proceed straight to designCost Implications: \$96,700,000Pros:

- (1) Design could begin immediately
- (2) Design would commence once a construction method is selected

Cons:

- (1) Project scope would be developed during an active design process, leading to potentially costly design revisions if anything is missed or overlooked very early in the planning process.
- (2) Much of the PDD process would need to be replicated within the design effort to answer basic project questions, such as project scope and contracting method; it would just happen on a more ad hoc basis.
- (3) Care would need to be taken to address the requirements of all users during design, or risk costly change orders or operational disruption later

This is not the recommended alternative.

Alternative 2 – Create bridging documents for a design/build effortCost Implications: \$32,000,000Pros:

- (1) Would allow project design to proceed up to the 30% level
- (2) Usually allows for more deliberate consideration of project requirements before obtaining a design/build contractor

Cons:

- (1) Ties the project to a design/build method of construction
- (2) Usually leads to offering each of the design/build teams selected in the request for qualifications a design stipend to cover the design costs associated with their proposed designs, adding to design costs. However, if this option were chosen the Port could own those design proposals, if properly contracted

Meeting Date: April 13, 2021

- (3) Places more decisions in the design/build team's sphere of influence, particularly construction phasing and staging. Would ultimately require careful consideration of liquidated damages to minimize operational disruptions

This is not the recommended alternative.

Alternative 3 – Develop a PDD that addresses current environmental, building code and IATA standards; includes reprogramming and reuse of space throughout the facility; expansion of retail, dining, club and passenger amenity areas; evaluates operational impacts during construction; completely renovates building systems and develops structural upgrades.

Cost Implications: \$2,750,000

Pros:

- (1) Engages all stakeholders in reprogramming space thru out the facility, maximizing retail, dining, club and passenger amenity opportunities.
- (2) Creates a roadmap to bring the facility into full compliance with current building codes, creating a safe, efficient, structurally sound facility that is more comfortable and less environmentally impactful.
- (3) Develops a plan to improve the interior spaces of the facility, discussing public art installations, providing a more engaging passenger experience, and readying the South Satellite for decades more service.

Cons:

- (1) The overall project target budget presents a challenge for stakeholders, designers and builders. Planning to this budget will require an extremely disciplined approach by all involved to be successful.
- (2) Design level of the PDD will be lower than the other alternatives, which might introduce greater design risk than the other alternatives.
- (3) Overall a slower and more methodical approach, balanced against the need to understand the entirety of the impacts to better prepare an operating facility.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

A previous SSAT planning effort, funded prior to 2018 under CIP# C800743, spent approximately \$3.2M. A precursor to the current PDD, carried out in 2019-2020, considered the facility's structural deficiencies and cost \$403,000. It should be noted that these previous efforts have been expensed, and are not included in the capital budget. The work produced in the previous efforts form the baseline for the current proposed effort.

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$981,300,000	\$18,700,000	1,000,000,000

Meeting Date: April 13, 2021

AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	\$2,750,000	0	\$2,750,000
Total authorizations, including this request	\$2,750,000	0	\$2,750,000
Remaining amount to be authorized	\$978,550,000	\$18,700,000	\$997,250,000

Annual Budget Status and Source of Funds

This project was included in the 2021 plan of budget and finance under committed CIP# C801203 in the amount of \$1,000,000,000. This is the current project cost estimate. The initial \$2,750,000 requested is to proceed with the planning and development of the preferred alternative.

Financial Analysis and Summary

Project cost for analysis	\$1,000,000,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	The capital and operating costs will be allocated between airline and non-airline cost centers based on rentable square feet. There are opportunities to increase non-aeronautical revenues by repurposing much of the previous space devoted to international arrivals. The estimated impacts on airline costs and non-aeronautical business performance will be presented with the completed PDD.
IRR/NPV (if relevant)	For non-aeronautical portion of investment: TBD upon completion or PDD
CPE Impact	TBD upon completion of PDD.

Future Revenues and Expenses (Total cost of ownership)

Part of the PDD effort is to begin assessing what effect renovating and renewing the SSAT building and building systems will have on operating costs and total cost of ownership. This analysis has not yet been performed. This information will be shared with Commission during approval of the PDD effort.

ADDITIONAL BACKGROUND

Commission actions have been taken in recent years to address certain deficiencies in the SSAT facility. Carpet and casework upgrades occurred in 2015-2016. Project C800818 SSAT Column/Beam Structural Improvements addressed live and dead load issues in certain areas of the SSAT facility. This effort did not address all such issues, nor did it address lateral or wind loads. Project C800376 SSAT HVAC addressed certain immediate needs not being met with the existing HVAC system. The latter two efforts addressed immediate code related concerns, but not the larger systems related issues present in the SSAT.

Meeting Date: April 13, 2021

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 8, 2020 – The Commission authorized up to \$600,000 in change order funds to Contract MC-0319530 South Satellite Infrastructure Upgrade for repair, replacement and modifications to the heating hot water circulating pumps at the South Satellite (SSAT), Seattle-Tacoma International Airport.

February 28, 2017 – The Commission authorized \$4,300,000 to initiate programming and develop design alternatives for the South Satellite Renovations Project using Port staff and consultants, and advertise and execute a project-specific service agreement for Project Management Services for the South Satellite Renovations Project

January 17, 2017 – The Commission authorized \$1,300,000 for the design of the South Satellite Heating Ventilation and Air Conditioning (HVAC) Upgrade project.

November 8, 2016 – The Commission authorized design and construction for the South Satellite Structural Improvements project.

August 9, 2016 – The Commission approved the implementation of the 2017 – 2021 Long Range Plan that included the planning for renovation of the SSAT as a priority action in advancing this region as a leading tourism destination and business gateway.

March 14, 2016 – The Commission authorized award/execution of the major public works construction contract for Phase Two of the South Satellite Interior Renovations project.

November 24, 2015 – The Commission authorized construction of Phase Two of the South Satellite Interior Renovations project.

September 8, 2015 – The Commission discussed the IAF wrap-up and next steps including a commitment to add a SSAT Renovation project to the 5-year CIP.

August 11, 2015 – The Commission led a Special Meeting, Roundtable with Airline Representatives related to the International Arrivals Facility (IAF) and SSAT.

December 9, 2014 – The Commission authorized construction of Phase One of the South Satellite Interior Renovations project.

August 5, 2014 – The Commission authorized design funds for the South Satellite Interior Renovations project.

South Satellite Renovation & Renewal

Project Definition Document Authorization

CIP# - C801203



South Satellite in 1971 and 2016



Facility History & Current State

- Constructed in 1971, expanded in 1984
- User experience is congested, passenger amenities sub par
- Infrastructure has reached the end of useful life
- Significant structural upgrades are needed
- Federal Inspection Service (FIS) areas will be vacated upon opening of the International Arrivals Facility (IAF) in 2021

South Satellite Renovation



Interim Investments

- SSAT Interior Renovations (C800549)
- Structural Improvements (C800818)
- HVAC Replacement/Upgrade (C800798)

Proposed Project Definition Effort

- Maximize use of facility data collected to date:
 - Passenger volumes
 - Building systems assessments
 - Retail and dining activity
 - Demand for club space
 - Comparisons of industry passenger standards to existing conditions
 - Growth in foreign carriers

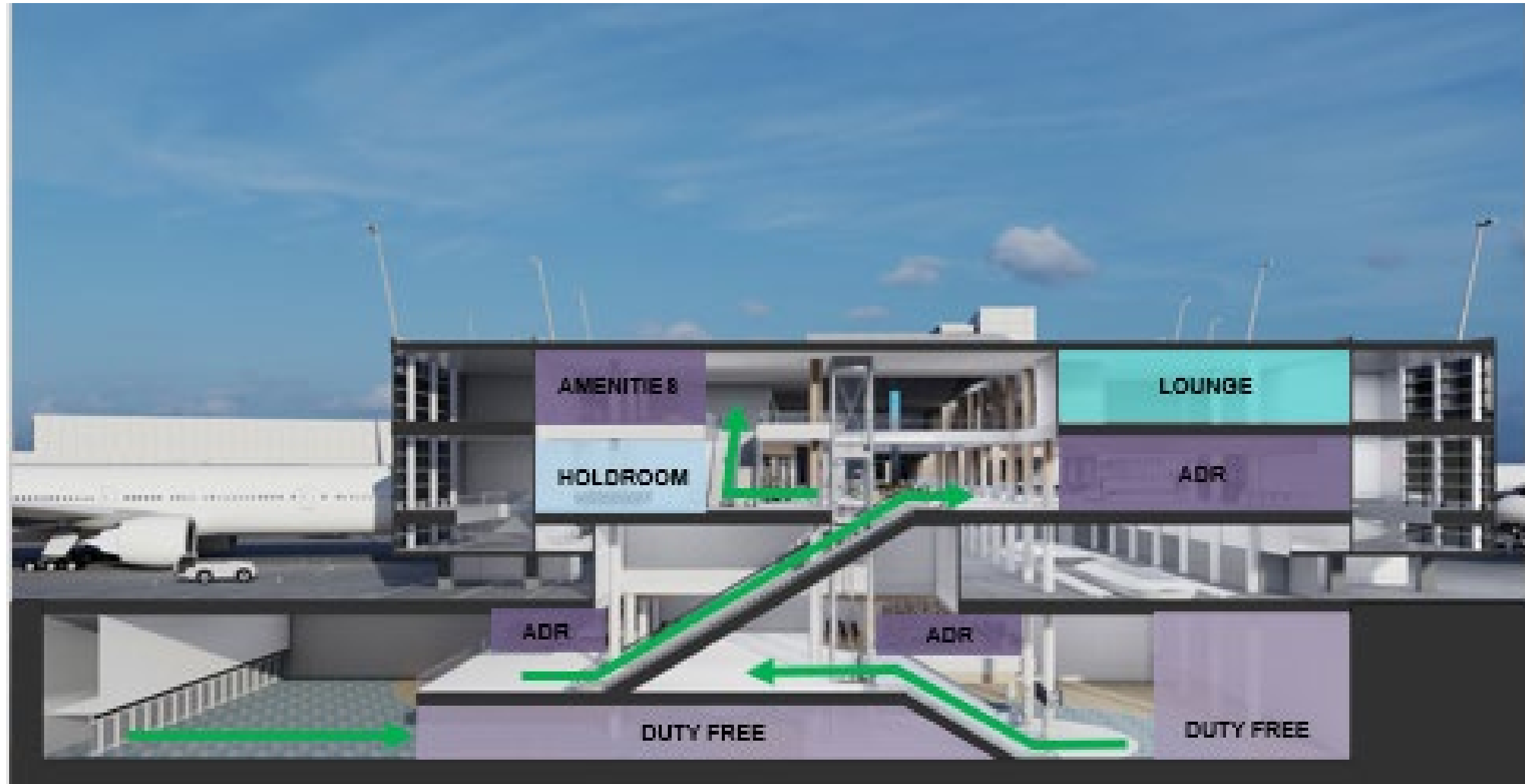
Proposed Project Definition Effort

- Develop a plan addressing:
 - Building systems replacement and modernization
 - Structural upgrades
 - Reprogramming of vacated and in-use building spaces
 - Reduced environmental footprint through efficiency and innovation

Proposed Project Definition Effort

- For our passengers and airlines, the project must:
 - Expand retail, dining and club opportunities
 - Demonstrate environmental stewardship
 - Provide an updated and upgraded passenger experience
 - Provide community connection through art and architecture

Schematic Profile



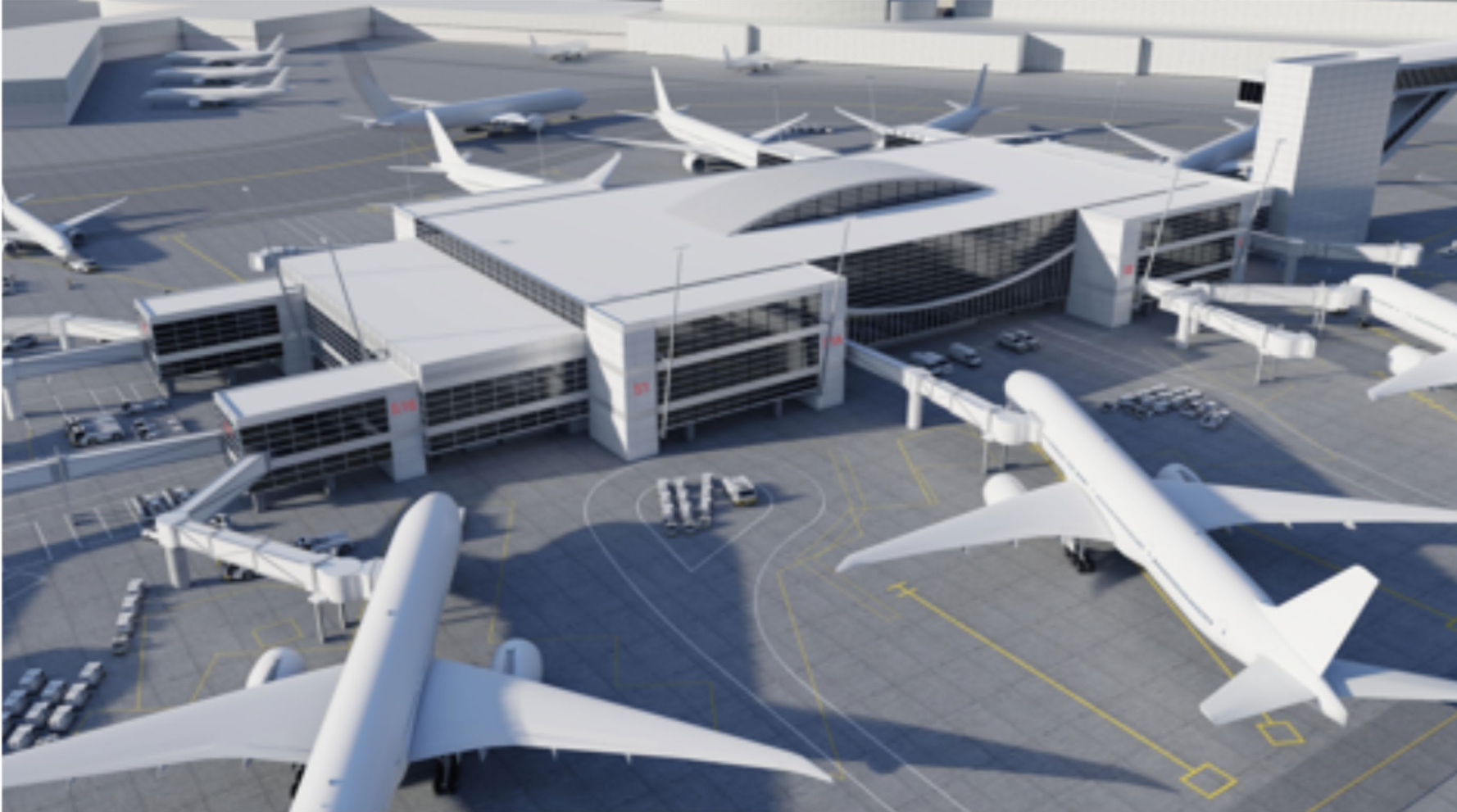
Lower (FIS) Level



Concourse Level



SSAT Exterior



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10d

ACTION ITEM

Date of Meeting April 13, 2021

DATE: March 25, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones Stebbins, Managing Director Maritime
Kyra Lise, Director Real Estate and Economic Development

SUBJECT: Pier 86 Public Fishing Pier restoration, in partnership with Expedia and Department of Fish and Wildlife

Amount of this request: \$83,000

Total estimated project cost: \$1,000,000

ACTION REQUESTED

Request Commission authorization for (1) the Executive Director to execute a Funding Agreement with Cruise, LLC (Expedia Group) and Washington State Department of Fish and Wildlife to spend up to \$83,000 for the Port's one-sixth contribution towards a Cost and Feasibility Analysis which seeks to understand the engineering demands and construction costs for the rebuilding of the Public Fishing Pier at Pier 86 with a ferry float to support commuter ferry service; and (2) to exempt this opportunity from a competitive process. The total cost of this cost and feasibility analysis is anticipated to be no more than \$500K and will be additionally supported by a contribution of up to \$167,000 by Department of Fish and Wildlife and a contribution of \$250,000 and any additional costs of the cost and feasibility analysis to be borne by Cruise, LLC (Expedia Group).

EXECUTIVE SUMMARY

This Cost and Feasibility study will allow the Port and its partners at Pier 86 -- Cruise, LLC (Expedia Group) and Washington State Department of Fish and Wildlife -- to determine the technical requirements and potential costs of construction of rebuilding the public fishing pier at Pier 86 with a "ferry float" to support commuter service into the Expedia Campus. This cost and feasibility analysis will be conducted by Reid Middleton under the supervision of Cruise, LLC, and will cover general site analysis, structural evaluations, structural design, zoning and regulatory permitting analysis, and criteria for facility construction. The purpose of the study is to allow the partners to evaluate the potential costs of construction and the technical requirements of the project. Only after the study is completed and the partners have reviewed its conclusion that Port staff will make final recommendations to the Port of Seattle Commission about additional funds for construction and make such financing requests. The Port recognizes that Cruise, LLC is

Meeting Date: April 13, 2021

uniquely positioned to provide the feasibility study through the Funding Agreement, as they have already selected a partner, Reid Middleton to perform preliminary work. Staff is recommending Commission determine that a competitive solicitation process is not appropriate or cost effective for the specific scope of work included in the attached Funding Agreement.

JUSTIFICATION

The feasibility analysis confirming the costs and technical requirements of rehabilitating Pier 86 for public fishing contributes to the mission of the Port and its Century Agenda by:

Expanding economic, cultural and community benefits of maritime operations and tourism while preserving industrial lands. Become a model for equity, diversity and inclusion by providing equitable opportunities for all and delivers on the Port mission requirement to set the standard for high quality, cost-effective and timely delivery of capital programs.

It is in the port's best interest to contract with Cruise, LLC (Expedia Group) and Washington State Department of Fish and Wildlife, utilizing Reid Middleton, to provide a cost-effective approach to provide a feasibility analysis for the potential construction of rebuilding the public fishing pier at Pier 86. Reid Middleton, Engineers of Everett WA has been under contract to Cruise, LLP to support their work rebuilding and expanding the Expedia Campus over the last 2 years. More significantly, Reid Middleton performed a conditions analysis of the Pier in 2013 as Expedia was preparing for the campus project and are therefore uniquely positioned to efficiently do this cost and feasibility evaluation work as a continuation of their work in 2013. An efficiently performed analysis is also a preference of Department of Fish and Wildlife as their pledged allocation of funds towards this project from the State of Washington will expire within this calendar year.

Diversity in Contracting

Seeking waiver language

DETAILS

The public dock structure at Pier 86 was first constructed in 1979 through a combination of state, federal, and Port of Seattle funding. That facility has provided critical public access to the waterfront, to neighbors walking through the Port's Centennial Park and to fishermen casting lines from the pier. Since that time, the public pier was operated by the Port under an agreement with WDFD. It was closed in 2017 due to safety concerns. During this time, there was also confusion of ownership of the fishing pier. During the process to develop the agreement to proceed with the cost and feasibility study, the Port and Washington Department of Fish and Wildlife worked to clarify ownership and determined that the Washington Department of Fish and Wildlife the fishing pier structure. The Port signed a Quit Claim Bill of Sale agreement in favor of DFW in furtherance of DFW's ownership of the fishing pier structure. Since then, Expedia Group has opened its new campus adjoining Pier 86 and has invested substantial funds to-date in enhancements and improvements to the pedestrian and bicycle trails and shoreline environment north of Pier 86.

Meeting Date: April 13, 2021

The parties now jointly desire to evaluate the feasibility of the renovation of the Public Pier through a detailed due diligence exercise, as described below (the “Feasibility Analysis”). The Feasibility Analysis would precede any determination by the parties to proceed (or not proceed) with the possible renovation of the Public Pier. Toward this end, the parties are prepared to provide proportional funding in support of this feasibility analysis, subject to the terms outlined herein.

Scope of Work

- (1) **Feasibility Analysis Elements.** The Feasibility Analysis may include preparation and evaluation of the following elements:
 - Site Analysis and Design
 - Survey
 - Bathymetric survey
 - Geotechnical studies
 - Structural condition evaluation
 - Structural design
 - Zoning, regulatory and permitting analysis
 - Preliminary assessment of potential impacts and mitigation (including microalgae and eelgrass surveys)
 - Feasibility of Ferry Float operations under King County Ferry District guidelines
 - Usage projections for passenger ferry
 - Measures to implement security consistent with other similar marine facilities
 - Lighting plans
 - Criteria for facility construction (i.e., target for useful life of renovated Public Pier)
 -
 - Project Budget:
 - Construction pricing estimates
 - Maintenance and operational cost evaluation
 - Preparation of project capital budget

Schedule

The timing for the feasibility analysis work will include the following:

- Site Analysis and Design: 3 months
- Project Budget: 2 months
- Permit Documents: 3 months
- Implementing Agreements: 7 months (overlapped with Permit Documents)
- Target Completion: Target would be for Site Analysis and Design and Project Budget work to be complete by July 2021. If the parties decide to proceed, then Permit Documents and Implementing Agreements would be completed by January 2022.

Meeting Date: April 13, 2021

Activity

Study Completed	3rd quarter 2021
Funding plan and project agreements negotiated	1 st Quarter 2022
Construction and permit plan	3 rd Quarter 2022
Construction start	1 th Quarter 2023
In-use date	2 nd Quarter 2024

Cost Breakdown

This Request

Total Project

Design	\$83,000	\$1,000,000
Construction	\$0	TBD
Total	\$83,000	\$TBD

ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1 – Do nothing.**Cost Implications:Pros:

- (1) The Fishing Pier is not a Port-owned asset and is not therefore obligated to repair the Pier. It is possible, though unlikely, that the other partners could pursue the project without Port funds.
- (2) Port would save both the planning funds of \$83,000 but would save a further \$1M which is the extent of funds the Port may consider putting towards the construction project.

Cons:

- (1) It is unlikely that without Port support this project will be pursued in the near term.
- (2) DWF's investment of \$1.75M for the project may lose its authorization from the State of Washington as the time to use funds will have expired. Therefore, their funds will likely be lost to the project.

This is not the recommended alternative.

Alternative 2 – Port pursues the redevelopment of the Pier on its own through a Public Works project.Cost Implications:Pros:

- (1) Port would retain control of the project.
- (2) Port has a good deal of expertise to bring to such a project.

Cons:

- (1) The fishing Pier is not a Port-owned asset. It is unclear by what methods and authority the Port would have to see the Pier rebuilt.

Meeting Date: April 13, 2021

- (2) The reconstruction of the Pier would have to be entirely reconceived as a Public Works project, with likely higher costs and longer timeframes to completion.

This is not the recommended alternative.

Alternative 3 - Partner with DFW and Expedia to complete the Cost and Feasibility Analysis and if promising continue towards mutually supporting the reconstruction project.

Pros:

- (1) Expedia is actively working to complete the Expedia Campus project and can effectively jump in and complete the evaluation work as an extension of their current adjacent development project leading to the potential reconstruction of the public fishing Pier.
- (2) Pursuing this partnership will allow DFW's already allocated funds to be used before their authorization expires.
- (3) The public fishing may return to Pier 86 by the Spring of 2023.

Cons:

- (1) Port will have to expend \$83,000 to support this study at a time where cash is limited.
- (2) Coordinating among 3 partners and their requirements is challenging and may cause inefficiencies.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$0	\$83,000	\$83,000
Previous changes – net	0	0	0
Current change	0	0	0
Revised estimate	0	83,000	83,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	0	0
Total authorizations, including this request	0	0	0
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This public expense project was included in the 2021 Plan of Finance with a total estimated spending of \$1,000,000 in 2022.

This project will be funded by the Tax Levy.

Meeting Date: April 13, 2021

Financial Analysis and Summary

Project cost for analysis	\$1,000,000
Business Unit (BU)	Maritime General
Effect on business performance (NOI after depreciation)	This authorization will increase non-operational expenses by \$83K in 2021.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

ATTACHMENTS TO THIS REQUEST

- (1) Funding Agreement
- (2) PowerPoint

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

FUNDING AGREEMENT
REGARDING A STUDY OF THE COST AND FEASIBILITY
OF RESTORING SEATTLE’S PIER 86 FOR PUBLIC
FISHING

Between

PORT OF SEATTLE

And

WASHINGTON STATE DEPARTMENT OF FISH AND
WILDLIFE

And

CRUISE, LLC

This Funding Agreement (the “Agreement”) dated as of the _____ day of _____, 2021 is by and among the Washington Department of Fish and Wildlife (WDFW), the Port of Seattle (POS) and Cruise LLC (Cruise). Cruise is a division of Expedia Group, Inc. (“Expedia Group”). The parties desire to establish terms for the phased funding of the renovation of the existing public fishing pier at Pier 86 (Centennial Park) in Elliott Bay (the “Public Pier”).

The Public Pier was constructed in 1979 and closed in 2018. WDFW and POS have confirmed that the Public Pier, tire reef and associated facilities are owned by WDFW, which are located on Department of Natural Resources (“DNR”) tidelands managed by the Port of Seattle under a Port Management Agreement.

Expedia Group has opened its new campus adjoining Pier 86 and has invested substantial funds to-date in enhancements and improvements to the pedestrian and bicycle trails and shoreline environment north of Pier 86. The parties now jointly desire to evaluate the cost and feasibility of the renovation of the Public Pier through a detailed due diligence exercise, as described below (the “Cost and Feasibility Analysis”). The Cost and Feasibility Analysis would precede any determination by the parties to proceed (or not proceed) with the possible renovation of the Public Pier. Toward this end, the parties shall provide proportional funding in support of this Cost and Feasibility Analysis, subject to the terms outlined herein.

In consideration of the mutual covenants and obligations set forth herein, the parties agree:

1. DESCRIPTION OF THE PUBLIC PIER PROJECT.

The renovation of the Public Pier (the “Project”), for which the Cost and Feasibility Analysis will be undertaken, is intended to include the following components:

1.1 Construction Elements.

- Renovate and restore the Public Pier for public use
- Demolish portions of existing Public Pier, while retaining any pilings that are in good condition
- Rebuild Public Pier facility without increasing over-water coverage
- Replacement Public Pier would include public fishing pier and public water taxi/ferry float
- Construction of replacement Public Pier would optimize area of Public Pier based on minimum requirements for ferry float and restriction on new over-water coverage
- Construct new floating dock connected to Public Pier for water taxi/foot ferry service (“Ferry Float”)

- Construct a new floating dock to allow for medium size water taxis (such as the King County *MV Doc Maynard* or *MV Sally Fox*, each 104 ft long) to moor at the pier in prevailing weather conditions to ensure 95% availability.
- Construct gangway to connect Ferry Float to Public Pier
- Possible construction of floating breakwater to protect Ferry Float from winter storms
- Provide access control for Ferry Float, to limit access to public ferry passengers and crew
- Provide access control for Public Pier, to secure it during hours it is closed
- Provide power to the Public Pier/Ferry Float for lighting and ferry farebox needs (shore power for vessels not provided)
- Provide pedestrian-level lighting
- Provide appropriate signage
- No shore-side improvements would be undertaken for the Project

1.2 *Use and Operations.*

- Public Pier
 - Open to general public during normal park hours
 - Use would be subject to normal park rules
- Ferry Float
 - Moorage at the Ferry Float will be restricted to water taxi vessels for public use and use by WDFW police vessels.
 - Access to Ferry Float limited to water taxi passengers, crew and emergency response personnel.

2 COST AND FEASIBILITY ANALYSIS ELEMENTS.

The Cost and Feasibility Analysis shall include preparation and evaluation of a report on the following elements of the Project:

2.1 *Site Analysis and Design*

The Cost and Feasibility Analysis will include the following elements relating to analysis of the Project site and design of the Project:

- Survey
- Bathymetric survey
- Geotechnical studies
- Structural condition evaluation
- Structural design
- Zoning, regulatory and permitting analysis

- Preliminary assessment of potential impacts and mitigation (including microalgae and eelgrass surveys)
- Feasibility of Ferry Float operations under King County Ferry District guidelines
- Measures to implement security consistent with other similar marine facilities
- Lighting plans
- Criteria for facility construction (i.e., target for useful life of renovated Public Pier)

2.2 *Project Budget*

The Cost and Feasibility Analysis will include the following elements relating to the Project budget:

- Construction pricing and project cost estimates
- Preparation of Project capital budget

2.3 *Permit Documents*

The Cost and Feasibility Analysis will include the following elements relating to preparation of the Project permit documents:

- Preparation of schematic plans adequate for permit applications
- Production of permit application documents
- Outline procurement process and construction requirements for Public Pier project

2.4 *Construction Agreements*

The Cost and Feasibility Analysis will include the following elements relating to preparation of construction and operation agreements for the Project:

- Development Agreement (including construction, project management, funding)
- Operations & Maintenance Agreement

3. MANAGEMENT OF FEASIBILITY ANALYSIS WORK

Cruise will be responsible for managing and conducting the Cost and Feasibility Analysis, including without limitation, the following:

- a. Cruise shall contract with such consultants and professionals as it deems necessary to complete the Cost and Feasibility Analysis.
- b. (the “Consultants”). Cruise shall select such consultants based on qualifications and experience.
- c. Cruise will provide a monthly update to POS and WDFW regarding the progress of the Feasibility Analysis.
- d. Cruise will maintain appropriate records to allow the work on the Cost and Feasibility Analysis to be audited in accordance with Section 7.12.

- e. Cruise will cause the Consultants to prepare draft studies and reports representing their work product and will assemble such studies and reports into a draft feasibility report for circulation to the parties.
- f. Following circulation of the draft cost and feasibility report, Cruise will obtain comments from WDFW and POS and will cause the Consultants to prepare final studies and reports for the Feasibility Analysis. POS shall have up to thirty (30) days to provide comments to the Feasibility Analysis. Cruise will then prepare a final Feasibility Analysis report and will circulate it to the parties.
- g. The Feasibility Analysis report and the studies and reports on which it is based shall be jointly owned by the parties and may be used by any of the parties for any purpose without restriction.
- h. Cruise will not itself be paid any compensation for the preparation of the Cost and Feasibility Analysis.

4. TERM

This agreement shall be for one (1) year, beginning May 1, 2021 and ending April 30th, 2022 (“The Commencement Date”). The work performed under this agreement shall be completed within the term or such extended term, whose extension shall be agreed to formally by all parties prior to the end of the term of the agreement and provided that work continue to completion of work effort described in this agreement which requires no new authorizations, financial agreements, or additional tasks or scope .

5. TIMING.

Cruise will undertake commercially reasonable efforts to complete the Feasibility Analysis within eight (8) months of the commencement of the work or no later than April 30th, 2022.

6. FEASIBILITY ANALYSIS FUNDING

6.1 Funding Allocation. The total cost of the Feasibility Analysis is estimated to be \$500,000, as set forth in the budget attached as Exhibit A. The parties shall fund the following proportions of this project cost:

- WDFW: 33% (\$167,000)
- POS: 17% (\$ 83,000)
- Cruise: 50% (\$250,000)

The funding obligations of WDFW and POS for the Feasibility Analysis shall not exceed the amounts set forth above.

6.2 Funding Process

- a. Cruise shall pay all costs for the Feasibility Analysis as and when due and seek reimbursement from WDFW and POS for completed work as set forth below.
- b. Not more frequently than every thirty (30) days, Cruise shall provide WDFW and POS with an listing of those costs paid by Cruise during the preceding period, together with

reasonable documentation of such costs, percentage completion of each component of the Cost and Feasibility Analysis, and anticipated cost to complete the Cost and Feasibility Analysis.

POS agrees to pay Cruise a firm fixed total price (lump sum) of up to \$83,000 in accordance with the mutually agreed upon milestone payment schedule of fees set forth below. In no case shall the total compensation exceed the sum set forth herein. WDFW and POS shall pay properly completed invoices within thirty (30) days.

Draft Cost and Feasibility Study by [November 30th2021,.....\$40,000

Final Cost and Feasibility Study by [December 31st2021.....\$43,000

7. PROJECT CONSTRUCTION

7.1 Review of Feasibility Analysis. Following completion of the Feasibility Analysis, the parties will meet within forty-five (45) days to review the results of the Feasibility Analysis.

7.2 Construction Budget Approval. Within one hundred and twenty days of the completion of the Cost and Feasibility Analysis (or such longer period as to which the parties may agree), each party, acting in its sole and absolute discretion, shall make an election whether it desires to proceed with preparation of construction permit documents for the Project and bidding of Project construction (collectively, the "Construction Budget Process"). If one or more parties elect not to proceed with Construction Budget Process, then the parties shall have no further obligations hereunder.

7.3 Funding of Construction. Pursuant to the Construction Agreements, the allocation of funding of construction of the Project is expected to be in the proportions set forth in Section 5(a) above, provided that WDFW and POS shall not be liable to contribute funds in excess of their respective shares. In particular, the expected share for the Port of Seattle is anticipated to be 1/6 of the total project cost, up to a maximum of \$1,000,000.

8. MISCELLANEOUS

8.1 Attorneys' Fees. The prevailing party in any action or proceeding arising out of or relating to this Agreement shall be entitled to recover its costs and expenses, including, without limitation, all reasonable attorneys' fees, in such amount as shall be determined by a court or arbitrator.

7.2 Notice. All notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if and when personally served or three (3) days after deposit thereof in the United States mail, registered or certified, return receipt

requested, postage prepaid, to the intended party at its last known address. Notice shall be delivered, as appropriate, to:

WDFW:

Attention:

POS:

Attention:

Cruise:

Attention:

Any party to receive notice hereunder may change or add its address for the purpose of receiving notices as herein provided by delivering notice in the manner aforesaid to the other party.

8.3 Complete Agreement; Amendment. This Agreement represents the complete agreement of the parties with respect to the matters addressed herein. No amendment, supplement or modification of this Agreement shall be binding unless executed in writing by the parties. No waiver shall be binding unless executed in writing by the party making the waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. This Agreement may be executed in counterparts, which may be transmitted electronically, each of which shall constitute an original, and all of which will be deemed a single document. Signature of an electronic copy of this Agreement, and transmission of a signature page electronically, shall bind the signing party to the same degree as delivery of a signed original.

8.4 No Third-Party Beneficiary. The parties enter into this Agreement for the sole benefit of the parties in exclusion of any other party, and no third-party beneficiary is intended or created by execution of this Agreement. Nothing in this Agreement is intended to and/or shall be construed to give any rights or benefits to any subconsultant, individual, company, and/or firm other than the parties.

8.5 Public Disclosure. The parties acknowledge that they may be required to disclose information provided under this agreement pursuant to the Washington State Public Records Act, Chapter (RCW 42.56). The disclosing party will determine whether the documents should be disclosed. In no event shall any party be liable to any other party for the disclosure of documents and information, including work product, it deems necessary to disclose under the law.

8.6 No Partnership. Nothing contained in this Agreement and no action by the parties pursuant to this Agreement will be deemed or construed to create a partnership or a joint venture.

8.7 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington, excluding any choice of law rules. Venue for any

action arising out of or in connection with this Agreement, shall be in the state or federal courts in King County, Washington

8.8 Severability. If any provision of this Agreement is, to any extent, declared by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement (or the application of such provision to persons or circumstances other than those in respect of which the determination of invalidity or unenforceability was made) will not be affected thereby and each provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

8.9 Captions and Capitalized Terms. The captions preceding the text of each section are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also elected only for convenience of reference and do not have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.

8.10 Singular and Plural. Whenever required by the context of this Agreement, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa.

8.11 Warranty and Representation of Authority. The parties each represent to the other that the person or persons executing this Agreement have authority to do so and to bind the parties hereunder. All consents, permissions and approvals related to entry into this Agreement, and the obligations hereunder, have been obtained.

8.12 Audit and Access to Records. The parties shall maintain books, ledgers, records, documents or other evidence relating to the costs and/or performance under this agreement (“records”) on a generally recognized accounting basis and to such extent and in such detail as will properly reflect and fully support all fees, costs and charges. With regard to the records, the parties shall do and require its employees, agents and subconsultants to do the following:

- A. Make such records open to inspection or audit by representatives of the PORT during the term of this Agreement and for a period of not less than three years after the expiration of this Agreement.
- B. Retain such records for a period of not less than three years after the expiration of this Agreement; provided, however, if any litigation, claim, or audit arising out of, in connection with, or related to this Agreement is initiated, such records shall be retained until the later of (a) resolution or completion of litigation, claim or audit; or (b) six years after the date of termination of this Agreement.
- C. Provide adequate facilities reasonably acceptable to representatives conducting the audit so that such representatives can perform the audit during normal business hours.
- D. Make a good faith effort to cooperate with representatives of the party conducting the audit. Cooperation shall include assistance as may be reasonably required in the course of inspection or audit, including access to personnel with knowledge of the contents of the records being inspected or audited so that the information in the records is properly understood by the persons performing the inspection or audit. Cooperation shall also include establishing a specific mutually agreeable timetable

for making the records available for inspection by the party’s representatives. If a party cannot make at least some of the relevant records available for inspection within seven (7) days of a written request, cooperation will necessarily entail providing a reasonable explanation for the delay in production of records.

8.13 Port Logo. Cruise and WDFW may not use any Port logo, and any use of Port name or logo that implies Port endorsement of the entity is prohibited unless written consent is provided by the Director of Public Affairs or Manager, Corporate Communications.

8.14. Access. Any access to property managed or owned by the Port that would be required as part of the Feasibility Analysis may be subject to additional Indemnity and Insurance requirements.

WASHINGTON STATE DEPARTMENT OF
FISH AND WILDLIFE

By: _____

Its: _____

Dated: _____

PORT OF SEATTLE

By: _____

Its: _____

Dated: _____

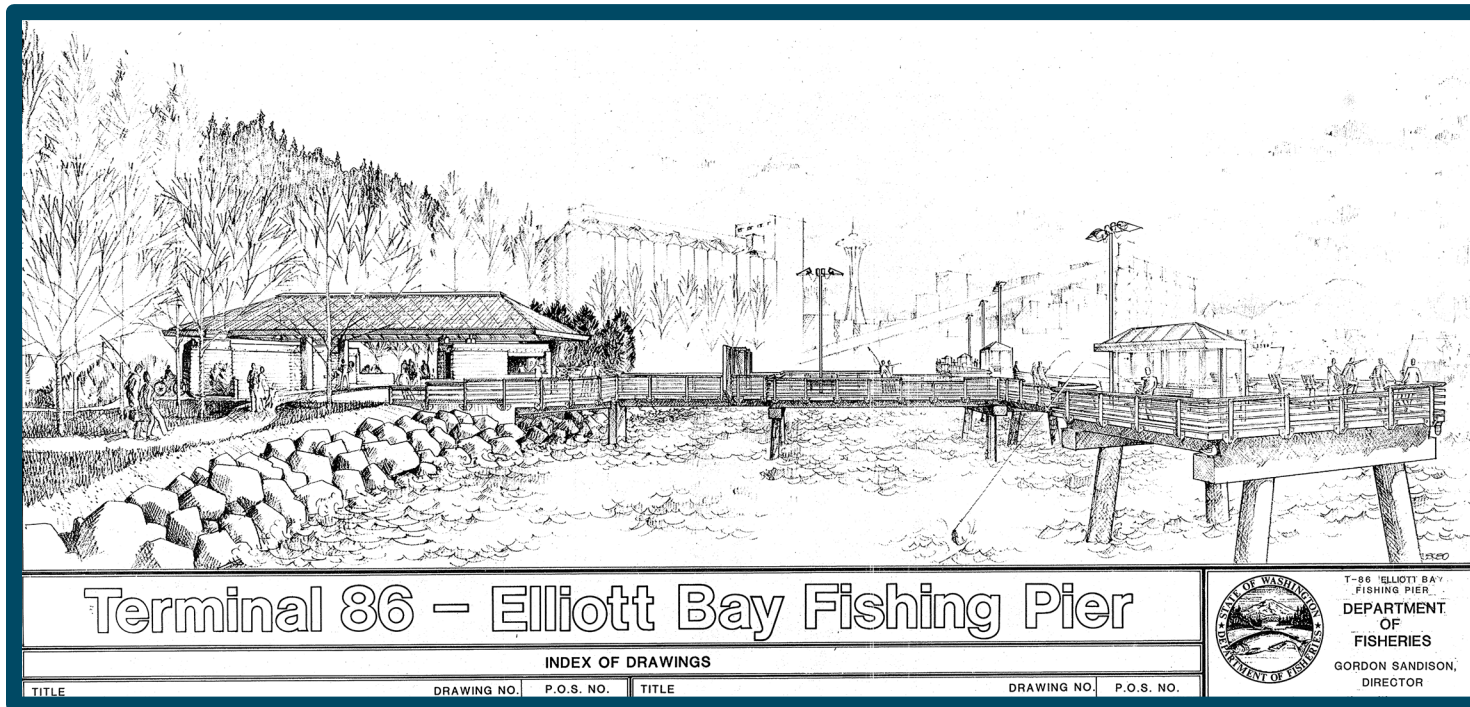
CRUISE LLC

By: _____

Its: _____

Dated: _____

Fishing Pier 86 Restoration Partnership Agreement



Fishing Pier 86 at the Expedia Campus



Action Requested

1. Authorization to execute a Funding Agreement with Cruise, LLC (Expedia Group) and Washington State Department of Fish and Wildlife for \$83,000 towards a Cost and Feasibility Analysis vis the rebuilding of the Public Fishing Pier at Pier 86 with a potential ferry float to support commuter ferry service.
2. Authorization to exempt this opportunity from a competitive process.

Today's Presentation

- Overview of the P86 dock restoration project
- Overview of this action item
- Budget and Cost Assumptions
- Schedule
- Next Steps
- Questions

Pier 86 Public Fishing Pier Restoration

- Restores safe public fishing at Pier 86
- Partnership between the Port and Washington State Department of Fish and Wildlife and Expedia
- Extension of the Expedia Campus project and Centennial Park
- Envisions a potential ferry float to support commuters to Expedia campus and Elliot Bay
- Current commitment of funds from Expedia of up to \$3M and from DFW of up to \$1.75M
- Staff will recommend up to \$1M Port contribution based on results of cost and feasibility analysis (today's item)



Overview of this action

- Agreement between Expedia, DFW and Port to fund an engineer's assessment of construction costs and feasibility
- Allow Expedia contractors already at work to be extended to this project
- Requires competitive waiver

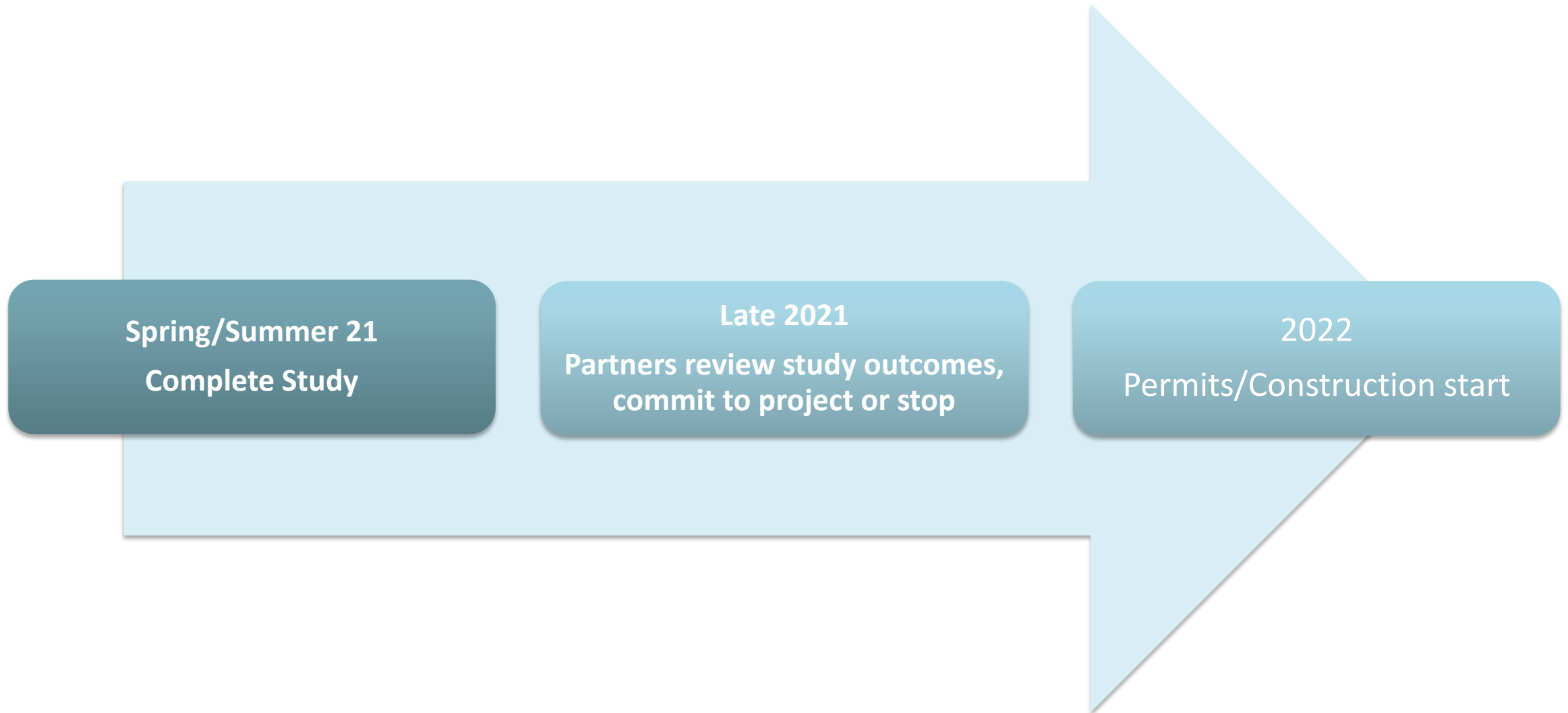
Partner Anticipated Contributions

Projects	Expedia/dba Cruise, LLC	DFW	Port
Cost & Feasibility Report	\$250K	\$167K	\$83K
P86 Fishing Pier Restoration	\$3M	\$1.75M	\$1M

Budget and Project Cost

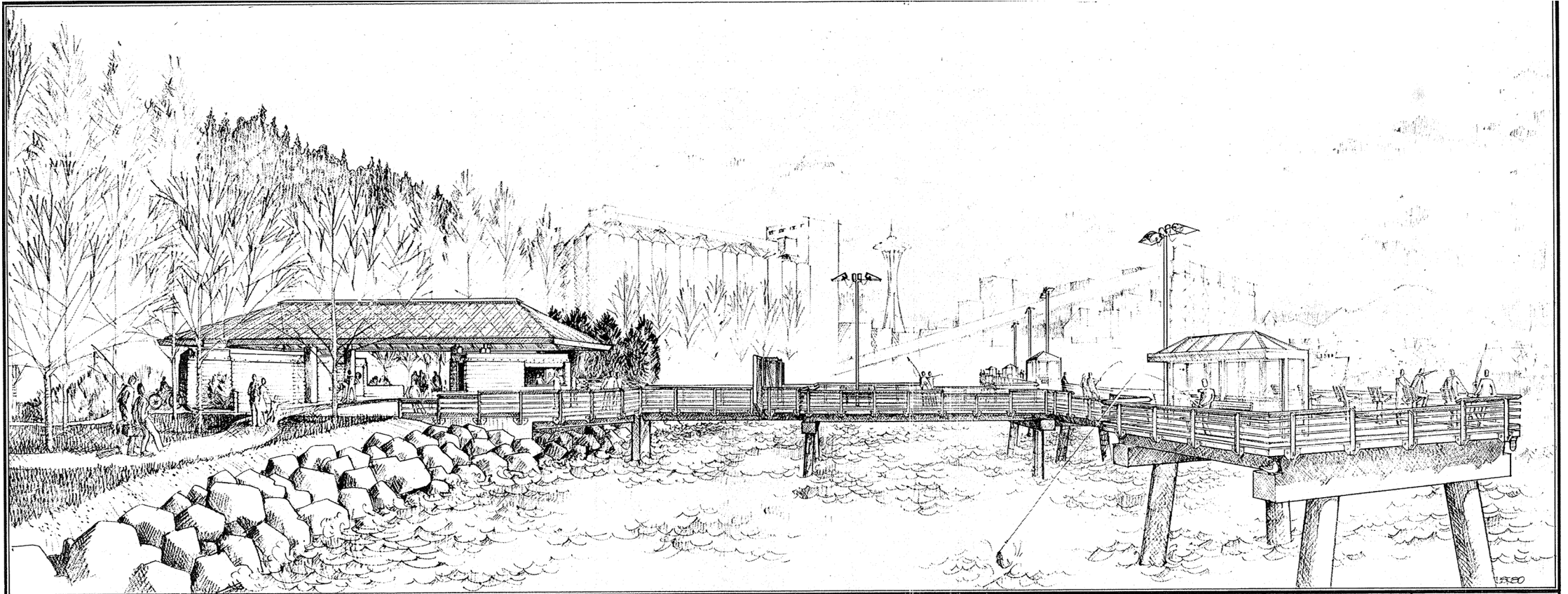
- Cost and Feasibility Analysis \$500,000
- Port share \$83,000

Schedule – Next Steps



Questions?





Terminal 86 – Elliott Bay Fishing Pier

INDEX OF DRAWINGS

TITLE	DRAWING NO.	P.O.S. NO.	TITLE	DRAWING NO.	P.O.S. NO.
-------	-------------	------------	-------	-------------	------------



T-86 ELLIOTT BAY
FISHING PIER
DEPARTMENT
OF
FISHERIES
GORDON SANDISON,
DIRECTOR

in cooperation with



COMMISSION
AGENDA MEMORANDUM

Item No. 11a

BRIEFING ITEM

Date of Meeting April 13, 2021

DATE: April 13, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Dave McFadden, Managing Director, Economic Development Division
Mian Rice, Director Diversity in Contracting

SUBJECT: Diversity in Contracting Annual Report

EXECUTIVE SUMMARY

The Diversity in Contracting Annual Report to the Commission provides the Port's division/department 2020 Woman and Minority Business Enterprise (WMBE) results, 2021 future department/division WMBE goals, and affirmative efforts to assure equality of contracting opportunities.

2020 was the second full year of Diversity in Contracting program operations. Port divisions and departments established 2020 WMBE utilization goals. The Port of Seattle established a 14.4 percent WMBE utilization goal for 2020. This goal did not include construction projects where utilization goals are established on a project by project basis.

Despite 2020's economic challenges, the Port continued to make great strides surpassing 2019 results in achieving a portwide WMBE utilization of 10.9% for 2020, and almost reaching its five-year goal of tripling the number of WMBE businesses working with the Port (325 WMBE firms vs. five-year goal of 354 firms), by the year 2023. On an annual basis, the Port starts from zero in its tracking of firms utilized and percent achievements.

As the Port continues to grow in its WMBE utilization, staff is continuing its positive steps to achieve the goals set forth by the Commission, including the continued focus on eliminating specific disparities in utilization for certain ethnic groups and women.

BACKGROUND AND GOALS

On January 9, 2018, the Commission adopted a new Diversity in Contracting (DC) policy directive with supporting Resolution No. 3737, that drives equity in Port contracting. The policy was developed over the years 2016 and 2017, using 2016 as the baseline for what was eventually passed.

The purpose of this policy directive is to provide the maximum practicable opportunity for increased participation by minority- and women-owned and controlled businesses in Port

Meeting Date: April 13, 2021

contracting for public works, consulting services, supplies, material, equipment, and other services to create the opportunity to leverage Port spend to increase WMBE utilization.

As part of the Diversity in Contracting policy directive, the Port Commission established utilization goals for both the amount of contracting dollars paid to WMBE firms, as well as the number of WMBE firms under contract to the Port, using 2016 baseline utilization results:

Five-year goals:

- 1) Triple the number of WMBE firms that contract with the Port; and
- 2) Increase to **15%** the percentage of dollars spent on WMBE contracts.

This new policy also directs the establishment of:

- Executive level accountability that drives performance across the Port.
- Portwide goal setting and reporting processes, requiring Divisions/Departments to establish Annual WMBE Plans that set aspirational goals and performance targets.
- Clear lines of responsibility and accountability for implementation with designated WMBE liaisons for each division.
- Enhanced compliance and tracking of key performance objectives and incorporation of WMBE goals into the Port's Long Range Plan.
- Categories of contracts where inclusion plans and other tools will be used.
- Implementation and monitoring procedures to ensure prompt payment and change order processes.
- Expanded technical assistance for WMBE firms, coordination with external partners, and support for internal training to Port staff.

2020 RESULTS

Last year was the second year of DC policy/program implementation.

Per the DC policy directive, every division/department sets WMBE aspirational goals prior to the beginning of the year, the 2020 total percent was 14.4%. The table below illustrates by division the 2020 WMBE results for non-construction procurements which includes P-Card spend. The Port exceeded its 2020 non-construction goal and invested over \$33 million in WMBE firms for an overall utilization rate of 16.6%:

Meeting Date: April 13, 2021

2020 Non-Construction Utilization				
Division	2020 Goal %	Total Port Spend	WMBE Spend	WMBE %
Aviation (AV)	15%	\$135,779,054	\$23,256,420	17.1%
Corporate	13%	\$32,934,255	\$4,780,519	14.5%
Economic Development Division (EDD)	13%	\$2,752,428	\$429,630	15.6%
Maritime Division (MD)	15%	\$24,579,489	\$3,922,997	16.0%
North West Seaport Alliance (NWSA)	N/A	\$3,816,797	\$851,756	22.3%
P-Card Unclassified	N/A	\$3,520	\$0	
Total		\$199,865,542	\$33,241,321	16.6%

The Port of Seattle's Annual Divisional Goals are established on "Non-Construction" spend in the Outside Service budgets

Port DC staff sets WMBE aspirational goals on construction projects. These aspirational goals are set on a project by project bases. The table below illustrates the WMBE results per division for 2020, with a total utilization rate of 8.6%:

*2020 Construction				
Division	2020 Goal %	Total Port Spend	WMBE Spend	WMBE %
Aviation (AV)	-	\$383,347,598	\$31,870,515	8.3%
Corporate	-	\$459,474	\$41,484	9.0%
Economic Development Division (EDD)	-	\$5,722,870	\$855,413	14.9%
Maritime Division (MD)	-	\$13,737,251	\$1,707,437	12.4%
North West Seaport Alliance (NWSA)	-	\$92,440,937	\$8,065,818	8.7%
P-Card Unclassified				
Total		\$495,708,130	\$42,540,667	8.6%

**WMBE Aspirational Goals for Construction are set project-by-project*

The table below shows the final portwide WMBE attainment for 2020 per division/department, with a combined WMBE total (construction and non-construction) of 10.9%. The table also includes the number (325) of WMBE businesses utilized. Both results are compared to the Port's 2016 baseline results of 5.3% and 118 WMBE businesses utilized.

Meeting Date: April 13, 2021

2020 Total Port (Non-Construction & Construction Combined)	2016 Baseline Results			
Division		Total Port Spend	WMBE Spend	WMBE %
Aviation (AV)		\$519,126,652	\$55,126,935	10.6%
Corporate		\$33,393,729	\$4,822,002	14.4%
Economic Development Division (EDD)		\$8,475,298	\$1,285,043	15.2%
Maritime Division (MD)		\$38,316,739	\$5,630,434	14.7%
North West Seaport Alliance (NWSA)		\$96,257,733	\$8,917,574	9.3%
P-Card Unclassified		\$3,520	\$0	0.0%
Total (Percent)	5.3%	\$695,573,672	\$75,781,987	10.9%
Total Number of WMBE Firms Utilized	118	-	-	325

The table below illustrates the annual progression of the Port's WMBE percentages and number of firms utilized for that given year.

WMBE Utilization	2016	2017	2018*	2019	2020
Percentage	5.3%	8.8%	8.9%	10%	10.9%
Number of Firms	118	200	258	296	325

*Diversity in Contacting program launch

2021 DIVISION/DEPARTMENT GOALS

The table below provides the 2021 WMBE aspirational percent goals per division/department with a combined total goal of 16% utilization for non-construction procurements on outside services.

Division	Projected Total Outside Services Spend	2021 WMBE Projected Spend	2021 WMBE Goal
Aviation Division (AV)	\$63,136,847	\$10,101,895	16%
Corporate	\$29,294,647	\$5,247,688	18%
Economic Development Division (EDD)	\$4,596,651	\$597,564	13%
Maritime Division (MD)	\$4,464,575	\$669,686	15%
Total	\$103,818,352	\$16,642,182	16%

The Port of Seattle's Annual Divisional Goals are established on "Non-Construction" spend in the Outside Service budgets

Meeting Date: April 13, 2021

Issues/Challenges

Under the Diversity in Contracting (DC) Policy Directive, the Port's divisional efforts in setting annual 'non-construction' percent goals have been successful. The percent utilization of WMBE firms continues to be a positive influence. This includes the number (#) of WMBE firms utilized, which in 2020 was 325 firms. By the year 2023, the Ports five-year goal is a utilization of 354 WMBE firms. On an annual basis, the Port starts at zero in its quest to achieve its 5 year WMBE goals.

However, under Washington State's construction bidding laws and policies, in conjunction with the State's anti-affirmative action clauses, government entities have far less control over WMBE utilization on low-bid lump sum procurements. As a result, WMBE participation maybe impacted regardless of their overall availability to work on Port projects.

The Port currently sets WMBE aspirational goals on a project-by-project bases, based upon project scope and WMBE availability. We have been averaging between eight to nine percent on our construction projects thus far. These averages will need to increase in order to achieve the set DC goals.

The Port has made tremendous progress increasing the utilization of WMBE businesses. It may be difficult to hit the Port's five-year goal of 15 percent utilization. The Port would need to grow approximately 12% year-over-year for the remaining years to 2023 to hit this goal.

Recommendations

The Port continues to set WMBE Divisional goals but explores expanded ways to improve upon the Construction utilization of WMBE firms. This would be done by:

- Leveraging more alternative delivery methods like Design/Build (D/B) or General Contractor/Construction Management (GC/CM) procurements. Alternative delivery methods such as these may allow Port staff to continue to push the construction contacting limits to not only achieve, but perhaps exceed project WMBE goals.
- Evaluate chances for unbundling of projects.
- Further breakdown project scopes of work.
- Better tie-in's with PortGen training participants within the consulting and A&E contracts.
- Continue to outreach and conduct workshops/trainings.
- Continued partnerships with community and trade organizations.
- Continued partnerships with Primes.

The proposed Port study to identify barriers to WMBE utilization can also help identify additional policy or program refinements that help the Port achieve its five-year Diversity in Contracting policy goals.

Meeting Date: April 13, 2021

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

March 26, 2019 – Diversity in Contracting Annual Report
June 12, 2018 – Commission briefing on Diversity in Contracting program development
January 8, 2018 – Diversity in Contracting 2nd reading policy & passage of resolution 3737
December 19, 2017 – Diversity in Contracting Policy Review
December 12, 2017 - Women and Minority Business Enterprise Policy Review – Resolution 3737 (first reading)
December 5, 2017 - Women and Minority Business Enterprise Policy Review
November 28, 2017 –Women and Minority Business Enterprise Policy Review
October 24, 2017 - Women and Minority Business Enterprise Policy Review
July 12, 2017 – Commission Budget Priorities, Building Economic Opportunity in Underserved Communities
March 28, 2017 – Small Business Development Update
March 22, 2016 – Small Business Utilization briefing
December 14, 2014 – Disparity Study briefing
August 19, 2014 – Small Business Utilization briefing
January 26, 2010 – Adoption of Resolution No. 3618 concerning small business utilization



ELT Briefing

Diversity in Contracting

2020 Utilization/2021 Goals



- 2020 Diversity in Contracting WMBE Results
- What's in the Numbers
- 2021 Goals
- Moving Forward

Diversity in Contracting Policy Directive

The purpose of the 2018 Policy Directive that established the Diversity in Contracting Department was to advance equity and address WMBE contracting disparities.

Goals - 5-year Benchmarks:

- ☐ Triple the number of WMBE firms doing business with the Port (118 to 354)
- ☐ Increase to 15% the amount of spend on WMBE contracts within five years
- ☐ Annually - All Port Divisions set individual WMBE goals

Portwide WMBE Utilization (Last 5 Years)

WMBE Utilization	2016	2017	2018	2019*	2020
Percent Utilization	5.30%	8.80%	8.90%	10.0%	10.90%
Number of Firms	118	200	258	296	325

* 1st year full implementation

2020 Portwide WMBE Utilization

Category	Total Port Spend	Total WMBE Spend	WMBE Utilization
Public Works (Construction)	\$495,708,130	\$42,540,667	8.6%
Non-Construction	\$199,865,542	\$33,241,321	16.6%
Total	\$695,573,672	\$75,781,987	10.9%

Please Note: Utilization Percentage May Change

2020 WMBE Division Utilization (Non-Construction)

Division	2020 Goal	2020 Actual
Aviation (AV)	15%	17.1%
Economic Dev. (EDD)	13%	15.6%
Maritime (MD)	15%	16.0%
*Corporate	13%	14.5%
Total	14.4%	16.6%

2020 WMBE Division Utilization (Non-Construction) - *Corporate

ELT Member	2020 Goal	2020 WMBE Attainment	2021 WMBE Program Spend	2021 Total Qualified Outside Services Spend	2021 WMBE Goal % of Total Spend
Villa (Police)	12%	3.7%	\$50,141	501,419	10%
Gerard (HR)	15%	10.9%	\$145,433	908,960	16%
Edwards (External Affairs)	12%	20.6%	\$425,736	3,274,898	13%
Ehl (OSI)	45%	34.3%	\$14,750	29,500	50%
Fernandes (Internal Audit)	5%	11.2%	\$-	\$1,588	0%
Freiboth (Labor Relations)	12%	59.8%	\$240	\$2,000	12%
Gheisar (Equity OEDI)	11%	2.4%	\$395,368	\$1,976,844	20%
Leavitt/Soike (Capital Development)	5%	12.2%	2,842,227	\$11,368,910	16%
Leavitt (Environmental)	5%	8.8%	\$70,167	\$305,171	2%
Soike (CPO)	--	6%	\$102,003	\$1,020,032	0%
Ramels (Legal)	5%	0.1%	\$40,508	\$810,161	5%
Thomas (Finance/ICT)	15%	23%	\$2,334,360	\$9,390,335	24%
Merritt/Pritchard (Commission)	7%	7.5%	\$800.00	\$10,000	8%

2020 WMBE Update – Ethnicity Breakout

Ethnicity	# of Companies	WMBE Spend	Utilization%
Asian	49	\$15,050,363	2.2%
Hispanic	30	\$8,587,156	1.2%
Black or African American	23	\$9,632,909	1.4%
Native American	16	\$15,822,618	2.3%
Prefer Not to Answer	9	\$2,127,221	0.3%
Other	1	\$3,000	0.0%
Caucasian Woman	124	\$22,772,864	3.3%
*Not Declared	73	\$1,785,856	0.3%
Total	325	\$75,781,987	10.90%

COVID-19 informational meetings with small businesses (CARES Act)

- 11 webinars with more than 150+ participants

Increased Promotion of VendorConnect database

- 690 new registrations – 23% are WMBE

PortGen attendance has increased due to virtual platforms

- 450+ participants in 2020 compared to around 400 in 2019

Partnership with USDOT to offer an Advanced PortGen (six-week workshop series)

- 96 businesses participated in this Construction and Architecture & Engineering trainings

2021 WMBE Division Utilization Goals (Non-Construction)

Division	2020 Goal	2020 Actual	2021 Goal
Aviation (AV)	15%	17.1%	16%
Economic Dev. (EDD)	13%	15.6%	13%
Maritime (MD)	15%	16%	15%
Corporate	13%	14.5%	18%
Total	14.4%	16.6%	16%

2021 marks beginning of year three of the program

Doing Well

- Non-Construction WMBE participation continues to grow due to Division's efforts (Thank You, Commission, Executive Leadership Team, and Port staff)
- Number of utilized WMBE firms in 2020 – 325 (5 year - Goal 354)

Challenges

- Program is not on path to achieve Portwide 5-year WMBE utilization goal of 15% in the two+ years remaining.
- Portwide WMBE Utilization would need to grow approximately 12% year-over-year for each of the remaining years to 2023.

Construction Spend has decreased since 2018

WMBE Pre-Bid Analysis: Average WMBE Construction Goals - **8% - 9% - Majority of projects Design, Bid, Build**

- **Availability** of firms **based upon Work Breakdown Structure**
- Nuance – **Unknown how the Prime will** Buy Out the project to **attain** set **WMBE goal**
- (2020) Only 2 Affirmative Efforts reviews were conducted for not meeting Aspirational goals

Year	Port Spend	%Growth	\$ WMBE Spend	%Growth	%Utilization
2017	\$230,424,913	-	\$19,065,459	-	8.27%
2018	\$516,504,619	124.20%	\$45,287,278	137.5%	8.77%
2019	\$493,247,548	(4.50%)	\$44,969,418	(0.70%)	9.12%
2020	\$495,708,130	0.50%	\$42,540,667	(5.40%)	8.60%

- WMBE utilization have increased despite Portwide Spend fluctuation
- Due to Port's DC efforts
 - Port has almost doubled WMBE utilization from 2017 (90% Growth)

Year	Port Spend	%Growth	WMBE Spend	%Growth	%Utilization
2017	\$185,473,454		\$16,052,757		8.66%
2018	\$180,188,026	(2.8%)	\$16,479,395	2.7%	9.15%
2019	\$208,650,356	15.8%	\$25,258,177	53.3%	12.11%
2020	\$199,865,542	(4.2%)	\$33,241,321	31.6%	16.60%

Areas for Potential Improvement

1. Identify more WMBE opportunities on Design, Bid, Build construction projects (ex. break down projects)
2. Lean into stretch goals for Alternative Public Works procurements. After the project analysis determines a goal use the evaluation process to encourage exceptional performance.
3. Evaluate chances for unbundling projects
4. Increase number of WMBE business utilized (almost there!)
5. Provide incentives/motivation to retain Portgen training participants on consulting / A&E contracts

Public Agency of the Year



The Northwest Mountain Minority Supplier Development Council recently named the Port of Seattle as its Public Agency of the Year for our Diversity in Contracting program.

The Council's mission is to drive economic value by equalizing opportunities.



Questions?

[RETURN TO AGENDA](#)

COMMISSION
AGENDA MEMORANDUM

Item No. 11b

BRIEFING ITEM

Date of Meeting April 13, 2021

DATE: April 5, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Andy Gregory, Sr. Program Manager, Environmental Engagement

SUBJECT: ACE Green Cities Program Update

EXECUTIVE SUMMARY

The Port of Seattle contracted with non-profit Forterra in 2017 to launch Green City Partnership Programs in Burien, Des Moines and SeaTac as part of the Airport Community Ecology (ACE) Fund. Forterra conducted urban forest canopy assessments in the three cities to identify priorities for forest restoration and enhancement. Forterra then developed Urban Forest Stewardship Plans for each city to guide the work over the coming decades.

This year marks the close of the Port's contract with Forterra, set to expire in December. In this final year of implementation, the Port and Forterra are piloting a green jobs pathway program. This is a first for the entire network of 15 Green Cities and Counties. It leverages investments from the Port's Opportunity Motion and South King County Fund to create paid positions for immigrant youth through Partner in Employment (PIE). Additionally, Forterra will focus on supporting city parks staff to implement on-the-ground improvements including volunteer recruitment and management, tree planting, invasive species removal, and maintenance of restoration areas. Next steps beyond 2021 will depend on each city's ability to identify funding sources to build staff capacity to carry the work into the future.

BACKGROUND

In 2016, the Port of Seattle Commission allocated \$1 Million in funding to support environmental improvements in the near-airport cities of Burien, Des Moines and SeaTac. The funding was split between a Small Matching Grants Program (\$550,000) and a contract with non-profit Forterra to implement Green City Partnership (GCP) programs in each city (\$450,000). The Small Matching Grants Program has contracted with 42 recipients for a total of \$385,000. Collectively the recipients have planted 880 trees, recorded 21,567 volunteer hours, and accounted for \$2,507,305 in total matched funds- a value 6.5 times the Port's investment! As several projects are still under open contracts, these figures include both final reports and pre-project estimates.

The goals of the GCP program are to improve urban forest and natural area health, galvanize an informed and involved community, and ensure long-term sustainability. There are currently 15 Green Cities/Counties in the Puget sound region, serving more than 1.6 million people. Since

Meeting Date: April 13, 2021

2005, over 1.5 million volunteer hours have resulted in more than 3,360 acres restored and 1.5 million trees and shrubs planted across this network of Green Cities.

Previously formed Green City Partnerships traditionally focused on establishing community-based stewardship programs focused on restoring forested parks and natural areas. The Port funding provided an opportunity to replicate this model in SeaTac, Burien, and Des Moines, and do more. In addition to forested parks and natural areas the ACE funded Green Cities took a more comprehensive and inclusive approach by also looking at how to support and enhance urban tree canopy citywide across all public and private land. This included a forest health assessment of parks and natural areas and a land cover classification. The land cover classification and analysis identified and mapped where tree cover exists in relation to other socio-economic factors that highlight disparities in community access to green space. The results of these assessments along with community input were incorporated into an Urban Forest Management Plan, creating a framework and roadmap to accomplish forest restoration and canopy enhancement priorities over the coming decades.

RESULTS AND ACCOMPLISHMENTS

Data from the Urban Forest Canopy Assessments shows Burien has 30% canopy cover, Des Moines has 29% canopy cover and SeaTac has 25% canopy cover excluding the area of SEA, (the city's canopy cover is 21% when the footprint of SEA is included). These data were then used to develop targeted goals and outcomes for increasing canopy, stewarding and maintaining urban forests, engaging the public through volunteer opportunities, and identifying long-term sources of funding.

Each city chose a document that was right for their goals and resources, with some choosing a plan and others a guide. This flexibility provided by Forterra allowed each city to right-size the document that fit their needs.

Building the Green City Partnership programs in Burien, Des Moines, and SeaTac is an investment in a long-term plan and framework to support healthy forested parks, natural areas and urban tree canopy. As the implementation phase began to ramp up, the global pandemic hit, and the programs had to adapt quickly to think of new methods for community engagement and getting the work done. Some program accomplishments include: training 10 Forest Stewards that have been working individually or in small teams; established relationships with more than 15 new partner organizations; the first of two tree distribution events aimed at increasing tree canopy; hosting several COVID-safe small volunteer events, with attendance by several City councilmembers; working with PIE to support a new paid youth training crew to do forest restoration work in local parks; ongoing program promotion and engagement through social media and monthly newsletters; and leveraging the Port's investment nearly 1:1 with several

Meeting Date: April 13, 2021

project grants, donations and including a partnership with WA State DNR, Forterra, Highline Public Schools to implement student-led canopy enhancement project on or near school grounds.

Des Moines Memorial Drive

As part of the ACE Green Cities effort, the Port and Forterra have worked collaboratively with the Des Moines Memorial Drive Preservation Association to identify some tools and analysis that Forterra could provide to support the implementation of the Des Moines Memorial Drive Corridor Management Plan and the Association's goals to plant more memorial elm trees and/or install plaques along the Drive. As part of this project, Forterra is working closely with the Association to create a mailer about the "living memorial" for the Association to use when reaching out to landowners along the drive. Forterra also used land cover data to estimate the amount of street-frontage area that is potentially suitable for planting commemorative elm trees or for installing a commemorative sidewalk plaque for each parcel along the drive. An interactive map with this data was created for the Association, City staff, partners and landowners to use when looking for possible planting areas along the drive.

NEXT STEPS

This is the final year for the Port's contract with Forterra, with several exciting implementation tasks planned for the remainder of the year.

From Volunteers to Green Jobs Training

Volunteers have traditionally been the engine behind urban forest restoration, where cities work collaboratively with a network of community members to accomplish the hours and hours of time it takes to remove invasive species by hand and then plant and maintain restoration sites. Volunteerism is however, an inherently privileged activity which targets community members that have the time and resources to participate in unpaid labor. For many with these resources, it is a rewarding leisure-time activity. But for those who are resource or access limited, it widens the equity gap between those who can and cannot participate.

To reimagine this model, the Port worked with Forterra to develop a paid forest steward model, the first of its kind in the Green Cities network. By leveraging startup funding from the Opportunity Motion and South King County Fund, SeaTac-based non-profit Partner in Employment (PIE) is creating green jobs pathways for immigrant youth of color from the near-airport communities. Youth are paid as restoration crews making \$15 an hour and learning both hard and soft skills for future employment.

City Support and Transition Planning

The participating cities have noted that while they have begun to see changes both at the policy level and on the ground, additional resources are needed to normalize the work within their agency and to identify a sustainable path forward for the programs. With that in mind, the Port and Forterra shifted implementation resources in the final service directive to provide 100 additional hours of programmatic support and transition planning to each city. This time will go

Meeting Date: April 13, 2021

to support planting and maintenance activities as well as establishing systems for managing volunteers. This includes an online platform customized for Green City Partnerships called CEDAR. CEDAR is a one-stop shop to track volunteer events, registration, project tools and materials requests, and collect volunteer data and restoration project outcomes for reporting. Forterra will also compile a “toolbox” of best practices, marketing materials, and program management tools for the city staff to access as a resource for the future.

Sustainable Models for the Future

The ACE program was unique in that the Port provided startup funding for the three cities to get GCP programs off the ground. Now, as the contract with Forterra is set to expire, the question of long-term program sustainability comes to the fore.

Specific challenges to overcome include building staff capacity and stable city funding to sustain the Green City Partnership efforts long-term. As leaders of the GCP program regionally, Forterra has seen many different approaches to sustaining these programs that have worked with varying degrees of success over the years. Some cities can secure dedicated funding and staff to run their Green City program in-house. Others secure partial staff support and retain Forterra and other service providers to support the program.

While designed to leverage partner contributions, these programs cannot survive on piece meal project grants alone. They need a stable dedicated funding source in place to keep the program running. A stable funding source allows the program to maintain its core functions while adding capacity through different project grants and opportunities. Some examples of funding mechanisms that cities have used include general funds, stormwater/utility rates, levies, and special-purpose district tax. These possible funding sources all take time to establish and garner support.

The Port has proven itself a champion for regional forest enhancement in South King County and can play a role sustaining these commitments for the long run by continuing to support, promote and invest in program implementation to ensure success into the future.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 24, 2019 – The Commission was briefed on the status of the ACE program including the Forterra Work

June 13, 2017 – The Commission authorized a Sole Source Contract with Forterra

November 22, 2016 – The Commission created a \$1 million Airport Community Ecology Fund (ACE Fund) to support projects and programs that improve ecological and environmental attributes in airport-area communities of Sea-Tac, Burien, and Des Moines. 11/22/16

ACE Green Cities Update

Andy Gregory, *Port of Seattle*

Joanna Nelson des Flores, *Forterra*

Gabbi Gonzales, *City of Burien*

Ngam Nguyen, *Partner in Employment*



Today's Presentation

- ACE Background
- Green Cities Program Overview
- Accomplishments So Far
- Value of Partnerships
- 2021 Work Plan
- Next Steps and Sustaining Resources



Airport Community Ecology Fund

- \$1 Million in 2016 for Burien, Des Moines and SeaTac
- Small Matching Grants Program
- Forterra contract for Green City Programs



ACE Small Matching Grants

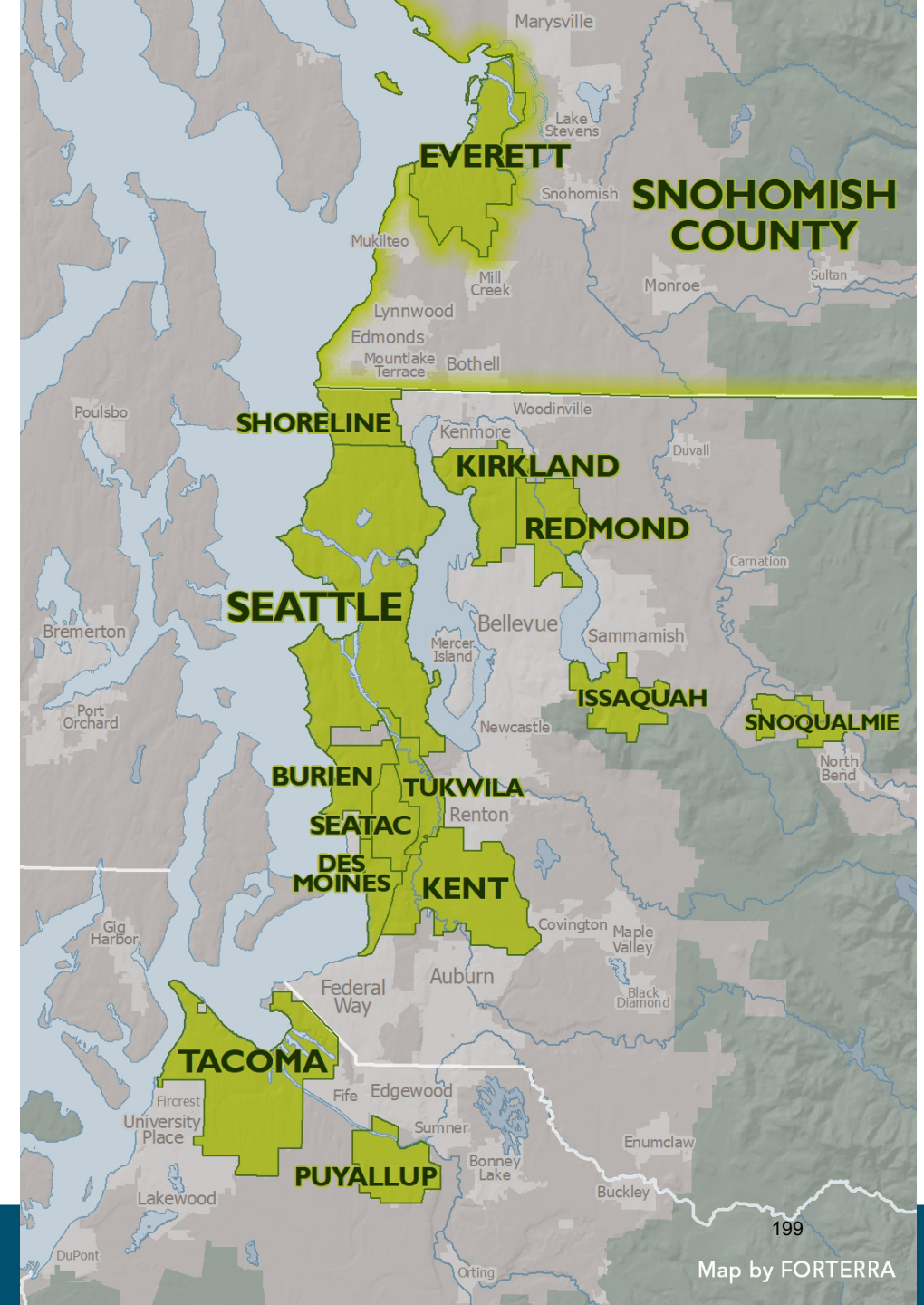
- 42 Recipients
- \$385,000
- 880 trees planted
- 21,567 volunteer hours
- \$2,507,305 total matched!
- (Note several projects are in progress and some figures are projections)



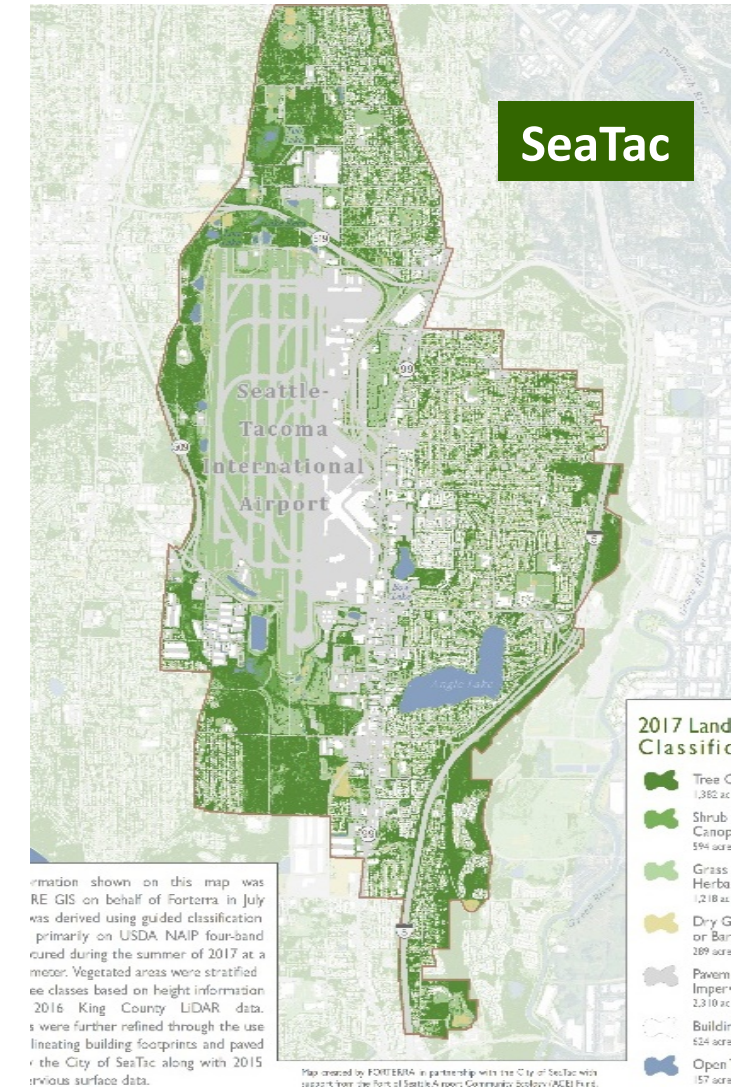
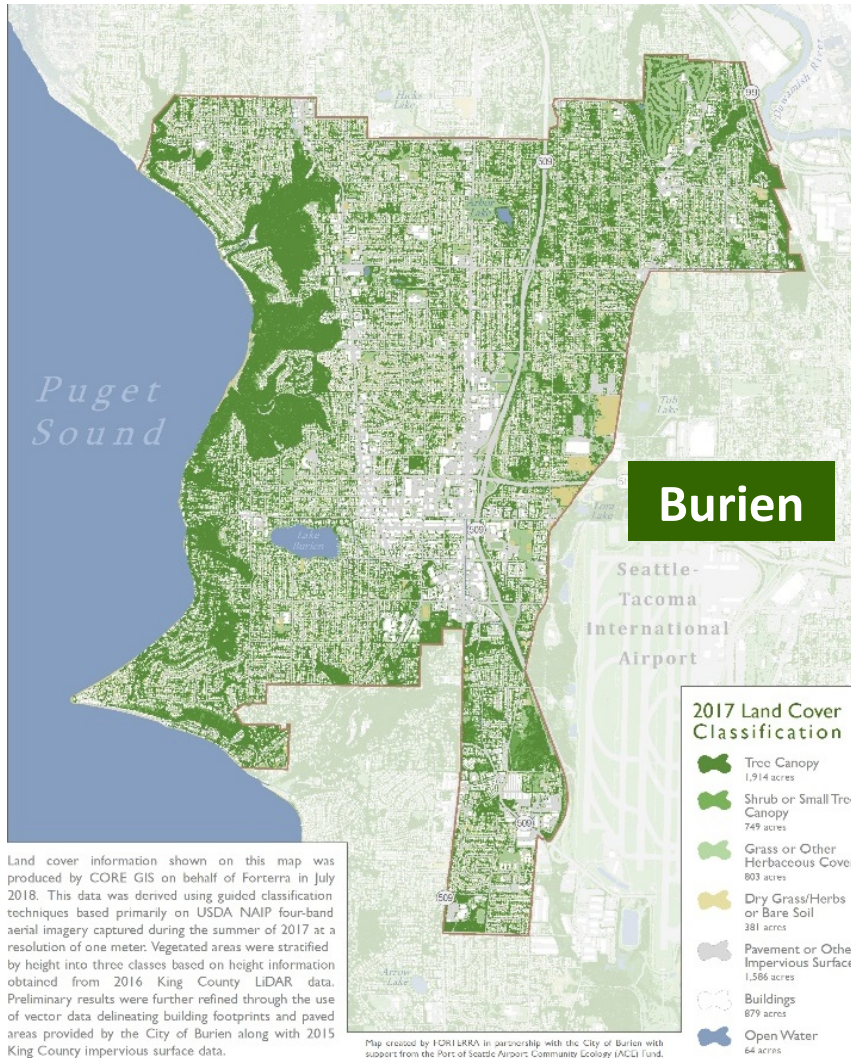
Green City Partnerships Overview

2005-2021 IMPACTS

- 15 GREEN CITIES/COUNTIES
- COMBINED GOAL: ~13,000 ACRES
- SERVING MORE THAN 1.6 M PEOPLE
- 1.5 M HOURS OF VOLUNTEERS
- MORE THAN 3360 ACRES IN RESTORATION
- 1.5 M FOREST TREES AND SHRUBS PLANTED



Canopy Assessments



Urban Forest Management Plans



Measurable Accomplishments

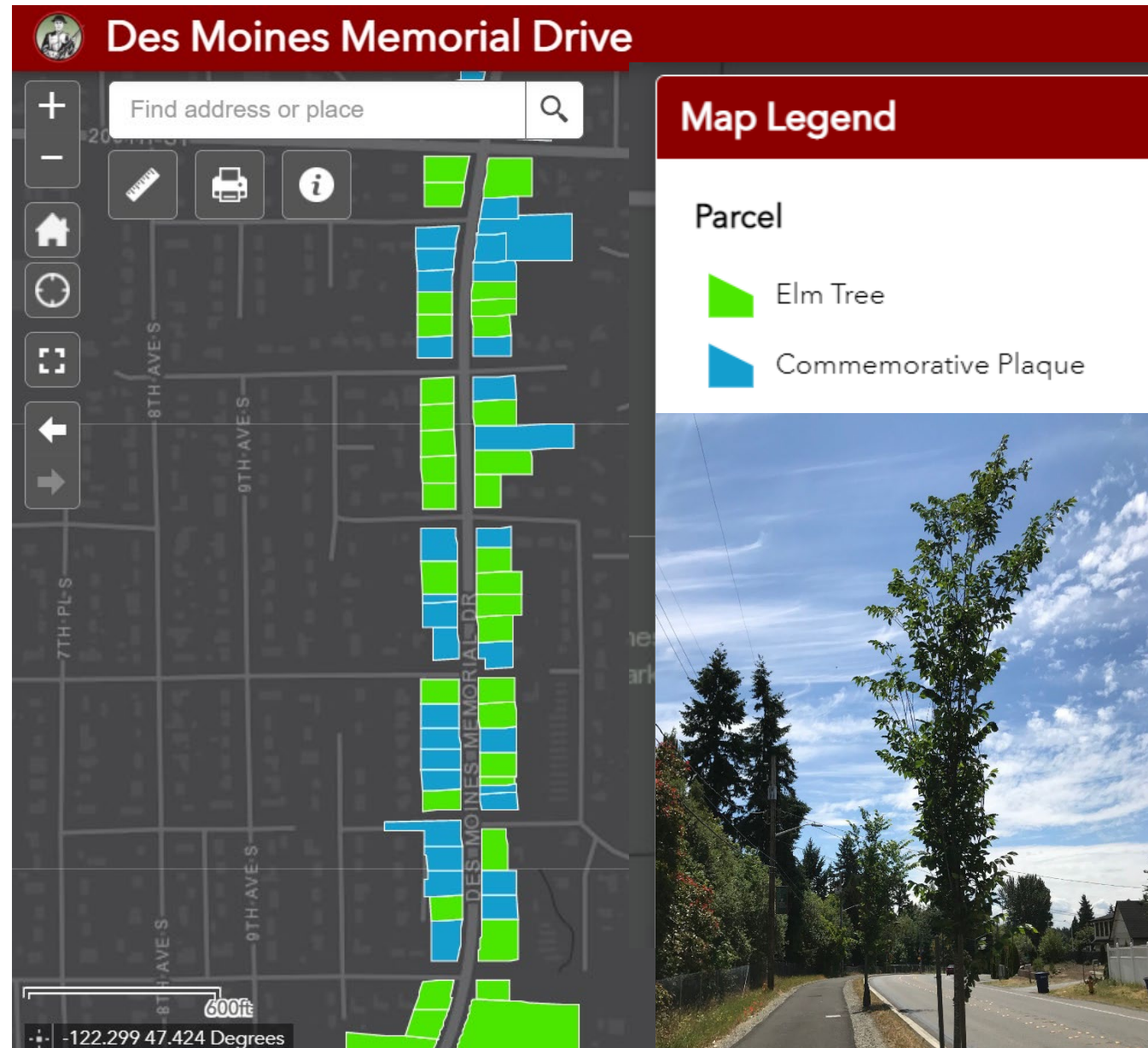
2019-2021:

- Volunteer events: 30 (1,250 hours)
- Paid youth crew hours: 2,775
- City Council and community meetings: 23
- Forest Stewards: 10
- Parks in restoration: 11
- Trees and shrubs planted: 1,052
- Trees distributed: 252



Des Moines Memorial Drive

- Interactive Web map
 - Rates all properties along the Drive according to their suitability for elm trees or commemorative sidewalk plaque
- Outreach mailer and flyers created



COVID IMPACTS

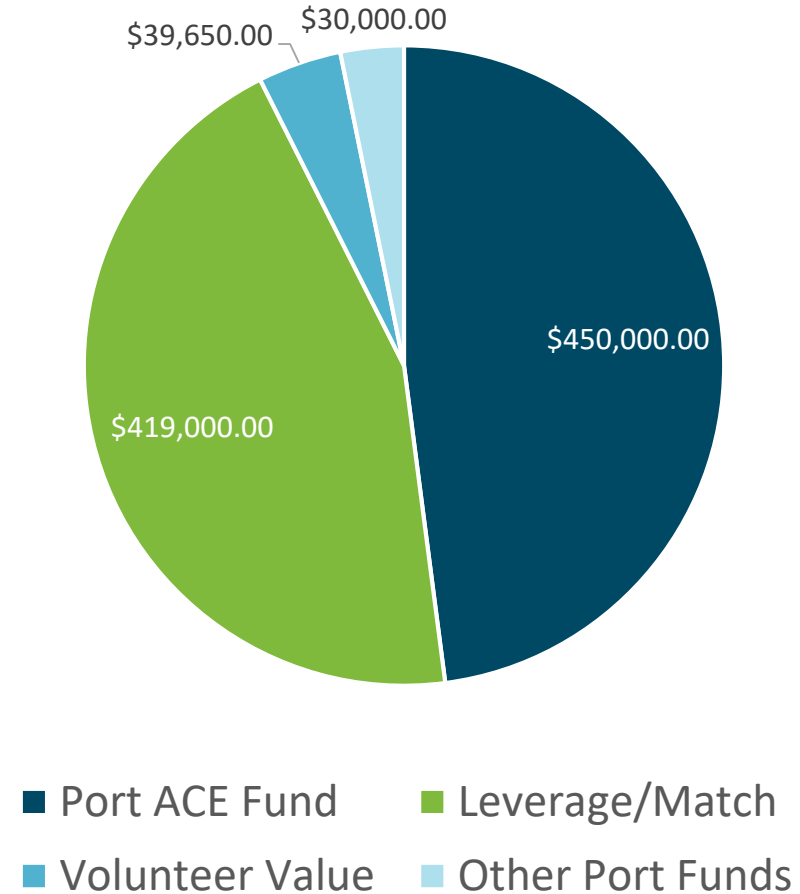
- 2020 events were on hold for 7 months
- Developed COVID safe event protocols
- Limited to staff and Forest Stewards comfortable leading events.
- Small events up to 5 people



It Takes a Partnership

- Port of Seattle
- City of Burien
- City of SeaTac
- City of Des Moines
- Forterra
- Highline Public Schools
- Partner In Employment
- State DNR/US Forest Service
- King Conservation District
- Highline Botanical Garden
- South King County Native Coalition
- EarthCorps
- Des Moines Memorial Drive
- McKinstry
- Weyerhaeuser

Total Investment To Date



Gabbi Gonzales, Recreation Specialist



Green Burien Partnership – Goals and Funding

Goals

- Develop a 20-year plan to increase canopy cover by 20%
- Implement volunteer programs to help meet restoration goals

Funding

- The Port of Seattle's ACE Fund through 12/2021
- City of Burien dedicating 0.25 FTE to manage Green Burien
- City of Burien is evaluating ways to continue funding the implementation of the Green Burien Forest Stewardship Plan



Green Burien Partnership – COVID-19

- Forterra developed safety protocol that the City of Burien was able to implement with Park Stewards
- Transitioned special events from one day to a weeklong celebration
- Transitioned large school group events into micro events throughout a large park or green space



Green Burien Partnership – 2021 Program Goals

- Expand Partnerships
 - Partners in Employment (PIE)
 - EarthCorps
 - Scully Serves
 - Yeti
 - Schools and more
- Maintain and expand restoration activities
- Continue hosting restoration special events



Ngam Nguyen, Deputy Director

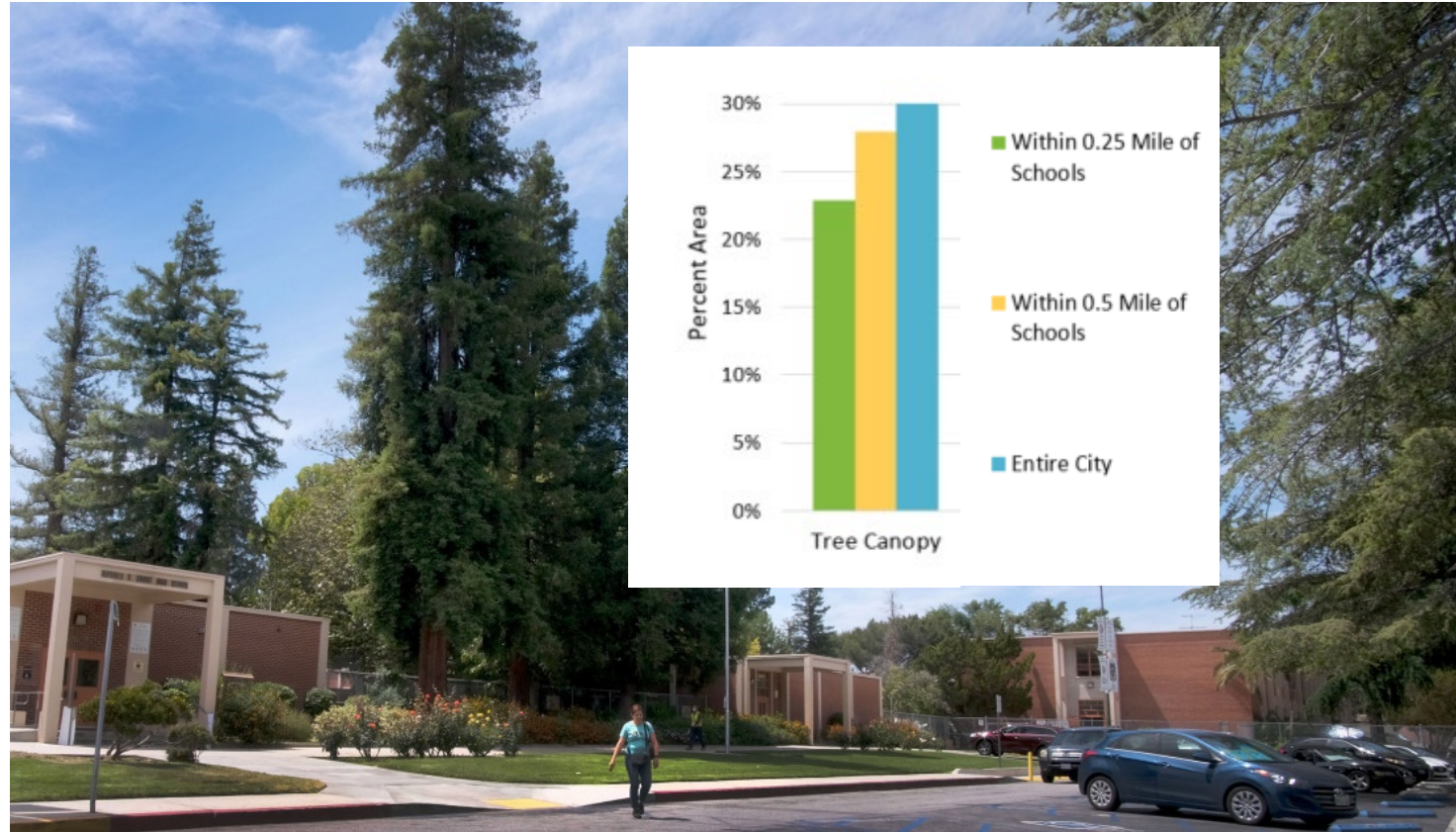


Highline Public Schools Canopy Enhancement Project

300K WA DNR/US Forest Service funding

Goals of the pilot project:

1. Adapt Green City Partnership programs to include a student-based community engagement model
2. Empower Highline SD students to become community leaders and environmental stewards and aid them in their future career path
3. Expand networks of urban forestry stewards within and across partner cities
4. Improve social and environmental conditions to address social and environmental inequities



Scope of Work 2021

Implementation

- **Forest Stewards**—support, more recruitment and training
- **Volunteer Events** —more opportunities for people to get involved
- **CEDAR** —event registration, management, and data reporting tool
- **Program Promotion** —social media, web, monthly newsletters, and presentations
- **PIE Youth Forest Steward** —paid youth crew opportunity
- **Tree Walks** —guided educational walks, 1/city
- **Arborist Training** -for City staff and public
- **CommuniTrees Tree Distribution Event** —to increase tree canopy on private property
- **Community Tree Planting** — to increase tree canopy in communities outside of parks
- **Green City Days** —fall planting and Partnership celebration events in local parks
- **Green Cities “Toolbox”** —resources and management tools created for the program



Continuing Resources

Common themes of successful programs

- Staff capacity
- Funding
- Support (community, city staff and leadership)



Questions?

