



Item no: 8f_attach 2
 Meeting date: Nov. 16, 2021

**COMMISSION
 AGENDA MEMORANDUM**

Item No.	10d
Date of Meeting	May 11, 2021

ACTION ITEM

DATE: April 22, 2021
TO: Stephen P. Metruck, Executive Director
FROM: Luis Navarro, Director, Workforce Development
 Bookda Gheisar, Senior Director, Office of Equity Diversity and Inclusion

SUBJECT: Employment Center Management and Workforce Development Services

Amount of this request:	\$ 10,941,250
Total estimated contract cost:	\$ 10,941,250

ACTION REQUESTED

Request Commission authorization to (1) waive the competitive solicitation process per RCW 53.19.020(5) and authorize the Executive Director to execute an amendment to the current Port Jobs contract for an estimated value of \$456,250 and total contract value of \$4,881,250, and an extension of the contract for a period up to six months through December 31, 2021; and (2) to authorize the Executive Director to execute a contract for the administrative oversight, management and implementation of day-to-day operations of the Seattle Tacoma International Airport (SEA Airport) Employment Center, the provision of workforce development services and support for the aviation career pathways program for an estimated amount of \$10,485,000, and a five-year contract term plus two one-year options to renew at the Port’s discretion for a combined total of \$10,941,250.

EXECUTIVE SUMMARY

The Port is seeking interested, qualified charitable organizations, or team of charitable organizations, granted with tax-exemption 501(C)(3) status by the Internal Revenue Code, or private entities (Organization), interested in providing services related to management of the Airport Employment Center, and to provide employment services, training, and workforce development supports at Seattle-Tacoma International Airport (SEA Airport), in accordance with the approved equitable principles outlined in the Workforce Development Policy Directive adopted by the Port Commission in June 2020.

The Organization will provide the following services; day-to-day management of the Employment Center, training and workforce development services to job seekers and incumbent workers, outreach and promotion of jobs and careers in aviation, support the aviation career pathways program, provide culturally competent services, foster effective relations with community based

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organizations. Some of the services, as detailed in the RFP and subsequent contract, will be funded with airport revenues and other services with tax-levy funds to ensure compliance with the applicable Federal Aviation Administration guidelines and with the Port of Seattle's Workforce Development Policy Directive.

The SEA Airport employment center was created in the year 2000. The Port has contracted with the nonprofit Port Jobs to deliver these services. The next competitive solicitation will be open to private entities in addition to nonprofits. The center connects thousands of job seekers each year with dozens of employers at the airport. As a workforce intermediary, the center brings together business, labor, education, and public stakeholders to expand employment and training opportunities in the aviation sector.

JUSTIFICATION

Employment and training services at SEA Airport. The Port Commission adopted a Workforce Development Policy Directive under Port Resolution 3776 (Policy Directive) on June 23, 2020, affirming that workforce development is critical to achieving the Port's mission to serve as an economic development agency. The Policy Directive advances the Port of Seattle's commitment to workforce development and is intended to increase equitable access to economic prosperity, and in alignment with WA RCW 53.08.245, the Policy Directive applies to all activities of the Port of Seattle that support economic development programs, and supports strategic investments in the aviation, maritime, construction trades, green careers, and other port-related economic activities where the Port is uniquely positioned to increase equitable access to economic prosperity and leverage the greatest community impact.

A survey of airport employers shows that over half of respondents used the Airport Employment Center at SEA Airport in the past 24 months, and they have overwhelmingly positive feedback on its services. The survey—conducted by Port of Seattle Business Intelligence for the Office of Equity, Diversity, and Inclusion/Workforce Development in December 2020—had 80 respondents, representing about 54 different airport employers. Key findings include:

- 53% of survey respondents reported using the center's services in the past 24 months.
- Use varied by company type: 67% for contract services, 58% for concessionaires, and 27% for airlines.
- The most commonly used service was job postings at 81%, followed by job fairs, 50%; referrals to Airport University courses, 47%; open and scheduled interview events at Airport Jobs, 46%; resource events such as health insurance enrollment fairs, 42%; promotion of virtual and in-person company hiring events, 41%; and SIDA/AOA badge preparation, 40%.
- 76% of respondents think it's important that the center is located at SEA Airport (rating this 5,6, or 7 on a 7-point scale).

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- Feedback on the center and its services was overwhelmingly positive, especially in terms of assistance with hiring staff. Respondents noted that services related to hiring were considered very helpful by making hiring more time efficient, screening candidates, and providing a physical space where prospective employees can be interviewed (pre-pandemic).

This request will ensure continuation and expansion of services funded with airport revenues and tax levy funds:

- **Airport-related job access and training services.** SEA Airport is expected to continue its passenger and air cargo growth in the post-COVID period, and the recovery will increase the need to recruit, retain and support the career advancement efforts of this important segment of the regional labor force. This investment will support SEA Airport operations including; passenger related services, air cargo, and connected sub-sectors such as logistics, maintenance, dining and retail operations. The Airport Employment Center connects job seekers with employment opportunities at SEA Airport and provides training and other resources for job applicants and incumbent airport employees.
- **Aviation Pathway Program.** Established by the Port to meet the workforce and skill needs of airport employers and to create career advancement opportunities for airport workers in entry level jobs and job placement opportunities for job seekers to move into aviation pathway jobs. Working with expert consultants, the Port identified several key career pathways and mapped out the career growth progression in cargo and warehouse operations, aircraft and facilities maintenance, ground operations, safety and security, customer and passenger services, and dining and retail. Cargo and warehouse operations has become a growth segment as a result of the COVID-19 crisis. The consultants identified in-demand pathway and entry jobs; convened airport employers to share research findings and get their input; gathered information on training programs aligned with targeted aviation career pathway jobs; identifying aircraft and facilities maintenance as the first career pathway and aircraft mechanics and service technicians as the first pathway job to target; and convening partners to design an aviation maintenance technician (AMT) career pathway program.
- **Port Jobs Contract Extension.** The existing contract with the nonprofit organization Port Jobs is scheduled to expire on June 30, 2021, and in order to ensure continuity of services we are requesting authorization to extend its contract to allow sufficient time to competitively retain a new provider for these services. The extension will be for services currently provided through the employment service contract elements which include outreach and direct employment services to match job seekers and airport employers, and continuation of existing on-site job search and core training in airport functions, job-specific skills, and safety for new and incumbent workers, including those with limited English-proficiency. If a new provider is selected, there will be a need to allow time for a

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transition from the on current consultant Port Jobs and support the aviation maintenance technician (AMT) program by providing outreach and cohort forming for a Fall 2021 program. The AMT program services are currently covered under a separate contract.

Justification for the Exemption from Competitive Solicitation Under RCW 53.19.202(5)

Unless a new contract falls under one of the five exemptions in RCW 53.19.020, it must be subject to “competitive solicitation” defined as “a documented formal process providing an equal and open opportunity to qualified parties and culminating in a selection based on criteria, in which criteria other than price may be the primary basis for consideration.” RCW 53.19.020 lists five exemptions from competitive solicitation. The fifth exemption is for “other contracts or classes or groups of contracts exempted from the competitive solicitation process by the commission when it has been determined that a competitive solicitation process is not appropriate or cost-effective.” RCW 53.19.020(5).

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

The six-month extension includes \$225,000 in contracted services detailed in the current contract, an estimated \$181,250 rent cost for the leased space at SEA Airport, plus \$50,000 for the AMT program currently contracted under a separate contract with Port Jobs.

Funding Sources

The employment center contracted services are funded by airport revenues and tax levy funds, as detailed in the scope of work. Airport funded tasks must comply with the Federal Aviation Administration (FAA) guidelines for airport revenue uses. The following are the tasks by founding source:

- **Tasks Funded with Airport Revenues**

- Employer engagement services that support the airport operation
- Maintain online job postings provided by employers available to job seekers
- Support online recruitment and referrals to employers
- Perform targeted recruitment, applicant screening, and referrals to airport employers
- Host and/or participate in job fairs and hiring events
- Maintain a database of industry contacts and events supported
- Additional details included in the solicitation

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- **Tasks Funded with Tax Levy Funds**

- Connect job seekers and displaced workers to community resources
- Support job seekers with job search skills training and resume writing
- Provide wraparound supports as approved by the Port
- Support the aviation pathway program with outreach and cohort forming
- Additional details included in the solicitation

DIVERSITY IN CONTRACTING

The Port's Diversity in Contracting team has recommended an aspirational goal of women and minority business enterprises (WMBE firms) utilization of 5%.

DETAILS

The Port's investments in workforce development are based on principles of equity, diversity and inclusion, and investment outcomes are measured in accordance with the Policy Directive approved by the Port Commission. To accomplish these goals the Organization must be proficient in providing services using an equity, diversity and inclusion principles, and with a proven track record of implementing related efforts in a multi-cultural and multi-language environment of the near-port communities.

The following are the components of the SEA Employment Center services:

- **Management of the Employment Center:** The Employment Center is a *one-stop shop* where individuals interested in working at SEA Airport learn about job openings at the airport and about airport related training opportunities. The Employment Center is the primary recruiting source for SEA Airport employers, providing airport tenants with a single point of contact for recruiting, interviewing, hiring, and training assistance to support their operation.
- **Provide Airport-Related Training:** The Organization will provide basic training to SEA Airport workers associated with the airport operation, as requested by airport tenants and approved by the Port. Excluded from the contract is the training provided through the Airport University or a similar program not funded by the Port is managed separately by the Organization.
- **Support Aviation Career Pathways Training:** The Organization will support the Port funded aviation career pathways program that provides aviation related job skills to assist individuals in advancing their careers at SEA Airport and start a pathway to a living wage career in the aviation industry. Support includes; recruiting airport workers and community members, in particular displaced airport workers, to create the cohorts for the career advancement training programs. The Port will contract directly with the training organizations.

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- Support Outreach and Wraparound Services:** The Organization will support key elements of the Port’s WFD strategic plan, as outlined in the Scope of Work (SOW) section. Services include; connect airport workers and job seekers to community resources to access social service supports, outreach and the promotion of airport open jobs and training opportunities, and available wraparound supports in aviation to near-port unemployed and under-employed communities, in particular, disproportionately impacted communities, communities at high risk of displacement including youth, women, black, indigenous, communities of color, immigrant and refugee communities.
- Provide Cultural Competency and Foster Effective Community Relations:** The Organization will ensure effective cultural competence to serve the diversity of job seekers, many of whom are immigrants and refugees and populations with limited English proficiency, and will develop supportive relationships with community-based organizations that serve the ethnic, immigrant and refugee populations in the airport geographical area.
- Compliance with Federal Aviation Administration Guidelines:** The Employment Center must be managed in accordance with the airport revenue uses guidelines as authorized by the Federal Aviation Administration (FAA). The Port will require reports and invoicing showing the funding sources, accordingly.

Schedule

Date	What	Action to be Taken
May 11, 2021	Commission Meeting	<ul style="list-style-type: none"> Approval to advertise Airport RFPs and execute contract Authorization to extend Port Jobs Contract (3 Month Extension to September 30, 2021)
Quarter 2, 2021	Employment Center RFP	Publish solicitation
Quarter 3, 2021	Employment Center	Announce Consultant Decision
Quarter 4, 2021	Employment Center	Transition Planning and Implementation
January 1, 2022	Employment Center	Start of Contract

Cost Breakdown

This Request

Six-month extension, all costs (<u>July 1-December 31, 2021</u>)	\$456,250
Employment Center Services (2022-2028)	\$5,925,000
Rent (Estimated 2022-2028)	\$3,560,000
Aviation Career Pathways Support (2022-2028)	\$1,000,000
Total (Jul. 2021-Dec 2028)	\$10,941,250

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1

Hire Port staff to operate the airport employment center as an inhouse Port department, and do not issue an RFP and do not execute a contract for the continuation of the employment services at SEA Airport.

Cost Implications:

\$600,000 annually or greater to hire 5 or more FTEs to operate the employment center at SEA Airport.

Pros:

- (1) Developing an in-house center of expertise to manager the SEA Airport employment center will provide opportunities for Port staff to develop the necessary skills to engage in employment and training assistance for airport tenants and job seekers.
- (2) This new department will create employment opportunities for job seekers and Port staff who wish to transfer into this new line of work.

Cons:

- (1) There is expertise already available in the community and there is no need to create these skills inhouse.
- (2) The Port cost of hiring and maintaining a new department will most likely exceed the overall cost of having a nonprofit or private entity operate the employment center.

This is not the recommended alternative.

Alternative 2

Do not issue and RFP and do not execute a contract for the operation of the SEA employment center.

Cost Implications:

Zero dollars (\$0)

Pros:

- (1) The Port will save an estimated \$11 million by not hiring an Organization to manage the operation of the SEA Airport employment center.
- (2) The airport space can be repurposed for other uses.

Cons:

- (1) A survey of airport tenants show that the Employment Center is an important resource for airport employers.
- (2) The Port is committed to providing workforce development resources and supporting the Employment Center has been a long-term priority for the Port.

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- (3) Job seekers benefit from having a one-stop shop for job search, and skills development.

This is not the recommended alternative.

Alternative 3

Request Commission approval to issue and RFP and execute a contract for the administrative oversight, management and implementation of day to day operations of the SEA Airport Employment Center, the provision of workforce development services and support for the aviation career pathways program, including a six-month extension to the current contract to allow for the RFP process to conclude successfully.

Cost Implications:

The proposed five years contract cost plus two one-year options to effectively operate the Employment Center is \$10,941,250, and the six-month extension of the current contract with the nonprofit Port Jobs from June-December 2021 is \$456,250.

Pros:

- (1) A new contract for the operation of the SEA Airport Employment Center will support the Port's Century Agenda Goals #3 "Responsibly invest in the economic growth of the region and all its communities", in particular, career connected learning and supporting family wage jobs, and Goal #5 "Become a model for equity, diversity and inclusion.
- (2) The Employment Center is used by many employers at SEA Airport to promote aviation sector jobs and thousands of new job seekers and incumbent airport workers find the "one-stop center" a great resource for jobs and training.
- (3) The new emphasis on Aviation Career Pathways provides access to in-demand careers at the airport, and it is supported by airport employers.

Cons:

- (1) Port has staff has to ensure proper oversight of contract deliverables to ensure compliance with the applicable FAA regulations and WA RCW related to workforce development.
- (2) This is a financial investment and the Port must spend several million dollars over the course of the contract.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Expense	Total
COST ESTIMATE		
Six-month extension (Jul-Dec 2021)	\$406,250	\$406,250
Fall 2021 AMT Cohort outreach and forming	\$50,000	\$50,000
Five-year contract (Jan-2022/Dec-2026)-Estimated	\$6,890,000	\$6,890,000
Two one-year extensions at Port discretion-Estimated	\$3,595,000	\$3,595,000
Total Authorization		\$10,941,250

Annual Budget Status and Source of Funds

The annual cost will be included in the Port’s operating budget. The Airport Employment Center contract will be funded with airport revenues and tax levy funds for those elements not allowed under the Federal Aviation Administration (FAA) authorized revenue uses rules. The breakdown by source of funds is detailed in the request for proposal.

ATTACHMENTS TO THIS REQUEST

- (1) Draft airport lease amendment and airport license to operate
- (2) Port Jobs 2019 results infographic
- (3) Sample License
- (4) Classroom Schematic
- (5) Center Office Schematic
- (6) Workforce Development Resolution No. 3776
- (7) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 20, 2021 – The Commission Equity and Workforce Development Committee was briefed
 June 23, 2020 – The Commission approved the workforce development resolution No. 3776
 September 22, 2015 – The Port Commission authorized the current contract