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COMMISSION

AGENDA MEMORANDUM Item No. 8e

ACTION ITEM Date of Meeting July 12, 2022

DATE: June 13, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Katie Gerard, Sr. Director, Human Resources

Kim DesMarais, Director, Talent Management, Human Resources

Erica Singh, Manager, Talent Acquisition, Human Resources

Derek Bender, Lead Sr. Talent Acquisition Representative, Human Resources

SUBJECT: Temporary Employment Agency Services Contract(s) – Accounting/Finance

Amount of This Request: \$ 2,500,000.00 Source of Individual Department

Funds: Budgets, as utilized

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute two-year contracts for up to three temporary employment services agencies with the potential for up to three, one-year renewal options to be exercised at the sole discretion of the Port of Seattle. Over the five-year contract period (2022-2027), the total amount for all executed contracts will not exceed \$2,500,000. Anticipated start date of the contract(s) is November 16, 2022.

The Port contracted with Resources Global Professionals (RGP) and Diskriter (S-00319244; S-00319245) to provide Accounting, Finance, and Auditor agency employees for varying assignments. The Port entered its contract s with both agencies in November 2017 and has exercised all renewal options.

The selection of the temporary services agency will utilize a fair and competitive process in accordance with Central Procurement Office policies and procedures.

EXECUTIVE SUMMARY

These existing temporary staffing contracts cover vacant positions typically resulting from staff turnover and/or for special projects for Accounting & Financial Reporting, Finance & Budget, and Internal Audit Departments. Periodically the Accounting & Financial Reporting, Finance & Budget, and Internal Audit departments have special projects and/or critical vacancies requiring additional temporary staff since existing staff are fully committed to existing operational priorities leaving no time for these occasional and yet critical assignments. These contracts provide the Port with the flexibility to meet business needs as they arise by allowing accounting, finance, and internal audit to hire qualified temporary professional staffing on an as-needed basis.

Template revised May 30, 2013.

COMMISSION AGENDA – Action Item No. 8e Page 2 of 5

Meeting Date: July 12, 2022

During the September 12, 2017, Commission Meeting, Commissioners unanimously approved and authored item 4H to execute and replace the previous staffing agency contracts, up to but not to exceed \$2,500,000 expiring five years from date of execution (11/2022).

JUSTIFICATION

The Commission authorized two contracts in November of 2017 not to exceed a total amount of \$2,500,000. The Accounting & Financial Reporting, Finance & Budget, and Internal Audit departments have all used the contract with heaviest usage in the Aviation Finance & Budget department due to staffing turnover/shortages and special projects. Given the challenges in staffing regular positions within the Port, ongoing project and program demands for the abovementioned departments, and the support required to help the Port meet its business objectives, these contracts allow for the opportunity to adequately staff and resource, as appropriate.

DIVERISTY IN CONTRACTING

We are currently working with the Diversity in Contracting office to determine WMBE aspirational goals if subcontracting opportunities are available. From the previous agreements, one of the two firms awarded is a WMBE vendor.

SCHEDULE

Commission authorization July 2022

Request for Proposal Advertisement July 2022

Contract Award October 2022

Start of Service November 16, 2022

COST BREAKDOWN

The total estimated cost of implementing and executing these contracts over a two (2) year period with three (3) one-year options is \$2,500,000. Since this contract(s) will be utilized on an as-needed basis and reasons for temporary services cannot always be foreseen, the estimated value of the contract is based upon the utilization of the current temporary agency services since its inception in 2017, factoring underutilization since the beginning of the COVID-19 crisis, annual estimated cost of living adjustments and year over year escalators in vendor rates, minimum wage increases, market driven challenges in recruitment and benefit costs for future anticipated bill rates. Each Port of Seattle department will be responsible for payment at the agreed upon bill rate outlined in the contract(s) for the services requested. Hourly rates for services are submitted by interested agencies during the RFP process and will be evaluated during the selection process by Human Resources and the Central Procurement Office representatives. Appropriate rates are set through this contract for the various levels of services requested and delivered. Hourly rates for services are not negotiable between temporary agency employees and the department receiving the service after contract execution. Human Resources will pay invoices using the receiving department org and subclass information.

Assumptions:

COMMISSION AGENDA – Action Item No. 8e Page 3 of 5

Meeting Date: July 12, 2022

- An increase in bill rates to reflect City of Seattle cost of living and continual livable wage evaluations within the local talent market.
- Increase in benefit costs for vendor, rolled into overall bill rates charged to the Port.
- Increased wages given current market conditions related to candidate market availability.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Engage in temporary staffing purchased service contract(s) for needs as they arise.

Cost Implications: Range from \$50,000 to \$150,000 per assignment request.

Pros:

(1) This alternative would ensure adequate staffing needs for ongoing work and/or special projects.

Cons:

- (1) Require additional contracts to be executed on an as-needed basis, resulting in a significant delay in providing services to requesting departments and significant impacts to workloads of CPO/requesting department(s).
 - (2) Likely require additional Commission approval for most, if not all, requests given dollar value of services rendered.
 - (3) Requestors would bear responsibility to engage in contract agreements as needed.
- This is not the recommended alternative.

Alternative 2 - Hire "Emergency Hire" staff instead of entering into contract(s) with outside agencies.

Cost Implications: Emergency Hires are difficult to attract in the current job market and likely results in delays. The delay in placement and staffing support would result in loss of productivity.

Pros:

1. Emergency Hires are considered Port employees and are given increased access to systems.
2. Emergency Hires are eligible for many (but not all) Port provided benefits.
3. Emergency Hires are considered employees when applying for other internal job opportunities.

Cons:

1. Emergency hires would require the department or Human Resources to identify or source a candidate for the opportunity.
2. If recruitment is needed, it would result in a significantly longer lead time to identify and bring a candidate on board.

COMMISSION AGENDA – Action Item No. 8e Page 4 of 5

Meeting Date: July 12, 2022

3. Emergency Hires are limited to a maximum of 150-day assignment as a result of Port policy related to Department of Retirement Systems PERS implications.
4. Often scope of work and assignment needs exceed 150 days, resulting in the department

having to reduce the scope of work.

5. Emergency Hires are employees of the Port; Temporary Agency staff are employees of their respective agency who assume most the risk/liabilities associated.

This is not a recommended alternative.

Alternative 3 – Procure up to three (3) temporary staffing agency contracts.

Cost Implications: As described above, the total estimated cost of implementing and executing these contracts over a two (2) year period with three (3) one-year options is \$2,500,000. This amount is forecasted using historical utilization data over the previous five (5) years, annual estimated cost of living adjustments and year over year escalators in vendor rates, minimum wage increases and benefit costs for future anticipated bill rates.

Pros:

1. Assignments require little time to fill, increasing likelihood of more immediate staffing support.
2. Almost all opportunities result in multiple qualified professionals shared with the Port, able to help meet the business needs of the department.
3. Does not diminish staffing capacity in other areas and/or departments.
4. Temporary staffing agencies have much deeper and broader database of candidates to serve in various roles.
5. Provides for flexibility if scope of work and assignment require longer term extension.
6. Agency staff are employees of their respective agency who assume most risk/liability.

Cons:

1. Often lack specific Port knowledge and require more training than leveraging existing staff.
2. Increase cost compared to other limited resource options.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The total contract(s) will not exceed \$2,500,000. No work is guaranteed to the staffing agency and the Port is not obligated to pay until services are rendered.

ADDITIONAL BACKGROUND

None

COMMISSION AGENDA – Action Item No. 8e Page 5 of 5

Meeting Date: July 12, 2022

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 12, 2017 – The Commission authorized the Executive Director to replace contracts expiring October 4, 2017, by executing up to three contracts for one-year periods with four oneyear options with a temporary staffing agency. The sum of the usage against contract(s) will not exceed \$2,500,000 expiring five years from execution (Item 4H).