



## COMMISSION REGULAR MEETING AGENDA

September 12, 2023

To be held virtually via MS Teams and in person at the Port of Seattle Headquarters Building – Commission Chambers, Pier 69, 2711 Alaskan Way, Seattle WA. You may view the full meeting live at [meetings.portseattle.org](https://meetings.portseattle.org). To listen live, call in at +1 (425) 660-9954 or (833) 209-2690 and Conference ID 639 426 056#

### 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>*

During the regular order of business, those wishing to provide public comment on items related to the conduct of the Port will have the opportunity to:

**1) Deliver public comment via email:** All written comments received by email to [commission-public-records@portseattle.org](mailto: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](mailto:commission-public-records@portseattle.org) with your name and the topic related to the conduct of the Port you wish to speak to by 9:00 a.m. PT on Tuesday, September 12, 2023. ***(Please be advised that public comment is limited to topics related to the conduct of the Port only.)*** You will then be provided with instructions and a link to join the Teams meeting.

**3) Deliver public comment in person by signing up to speak on your arrival to the physical meeting location:** To take advantage of this option, please arrive at least 15 minutes prior to the start of any regular meeting to sign-up on the public comment sheet available at the entrance to the meeting room to speak on items related to the conduct of the Port.

**For additional information**, please contact [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org).

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

8a. Approval of Minutes of the Special Meeting of August 1, 2023, and the Regular Meeting of August 8, 2023. **(no enclosure)** (p.4)

8b. Approval of the Claims and Obligations for the Period August 1, 2023, through August 31, 2023, Including Accounts Payable Check Nos. 949479 through 949988 in the Amount of \$9,006,164.15; Accounts Payable ACH Nos. 057399 through 058328 in the Amount of \$60,115,377.14; Accounts Payable Wire Transfer Nos. 016120 through 016136 in the Amount of \$10,457,885.75; Payroll Check Nos. 208347 through 208788 in the Amount of \$170,431.50; and Payroll ACH Nos. 1149070 through 1153808 in the Amount of \$15,361,693.56, for a Fund Total of \$95,111,552.10. **(memo enclosed)** (p.15)

8c. Monthly Notification of Prior Executive Director Delegation Actions August 2023. **(memo enclosed – No action, for information only)** (p.18)

8d. Authorization for the Executive Director to Advertise, Award, and Execute a Major Works Construction Contract for the Telecommunication Meet Me Room Fiber Project at Seattle-Tacoma International Airport and to Use Port of Seattle Crews for Construction Activities, in the Requested Amount of \$7,997,000 and Estimated Project Budget of \$21,700,000. (CIP# C800762) **(memo and presentation enclosed)** (p.20)

8e. Authorization for the Executive Director to Prepare Design and Construction Bid Documents for the Utility Meter Networking Project in the Amount of \$4,200,000 and an Estimated Total Project Cost Not-to-Exceed \$35,525,000. (CIP# C801240) **(memo and presentation enclosed)** (p.35)

8f. Authorization for the Executive Director to Execute a Contract for Financial Advisory Services for Five (5) Years with the Right to Extend for Up to Five (5) Additional Years, for a Potential Total of Ten (10) Years at an Estimated Cost of \$7,500,000. **(memo enclosed)** (p.46)

8g. Authorization for the Executive Director to Increase Funding for the Interim Westside Fire Station Project at Seattle-Tacoma International Airport in the Amount of \$500,000, for a New Total of \$10,888,000, to Settle All Claims and Close Out the Project. (CIP# C800876). **(memo enclosed)** (p.50)

**10. NEW BUSINESS**

10a. (Number Not Used.)

10b. (Number Not Used.)

10c. Order No. 2023-13: An Order Establishing the Airport Workforce Conditions Committee as a Port of Seattle Commission Ad Hoc Committee. **(order enclosed)** (p.51)

- 10d. Authorization for the Executive Director to Execute a Design Agreement and All Other Documents Associated with the US Army Corps of Engineers for the Preconstruction Engineering and Design Phase of the West Waterway Channel Deepening Project, and to Authorize the Preconstruction Engineering and Design Phase of the West Waterway Channel Deepening Project, Including Execution of Outside Services Contracts and Service Directives, in the Estimated Amount of \$4,000,000 and a Total Authorized Project Amount of \$5,650,000. (CIP# C800593) ([memo](#), [agreement](#), and [presentation](#) enclosed) (p.53)
- 10e. Authorization for the Executive Director to Proceed with Design and Construction for the T91 Trail Bridge Removal and Segment Widening in the Requested Amount of \$1,475,000 and a Total Estimated Project cost of \$1,525,000 (CIP# C801192) ([memo](#) and [presentation](#) enclosed) (p.80)

## 11. PRESENTATIONS AND STAFF REPORTS

- 11a. Post International Arrivals Facility Airline Realignment Program Status Briefing (CIP #C801158). ([memo](#) and [presentation](#) enclosed) (p.95)
- 11b. 2023 Port of Seattle Affirmative Action Program. ([memo](#) and [presentation](#) enclosed) (p.113)

## 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 SPECIAL MEETING**

**AUGUST 1, 2023**

The Port of Seattle Commission met in a special meeting Tuesday, August 1, 2023. The meeting was held at the Seattle-Tacoma International Airport Conference Center, Seoul Room, located at 17801 International Blvd, Seattle Washington. Commissioners Calkins, Cho, and Mohamed were present. Commissioners Felleman and Hasegawa were recused from participating.

**CALL to ORDER**

The special meeting was called to order at 4:00 p.m. by Commission President Sam Cho, for the purpose of holding an Executive Session per RCW 42.30.110(1)(i) Litigation/Potential Litigation/Legal Risk and RCW 42.30.110(1)(f) Complaints about public officers or employees, for approximately 90 minutes.

*(The special meeting recessed to Executive Session at 4:03 p.m. No action was taken and the meeting immediately adjourned at the conclusion of the Executive Session.)*

**ADJOURNMENT**

There being no further business, the special meeting adjourned at 5:25 p.m.

Prepared:

Attest:

\_\_\_\_\_  
Michelle M. Hart, Commission Clerk

\_\_\_\_\_  
Fred Felleman, Commission Secretary

Minutes approved: September 12, 2023.



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

## **APPROVED MINUTES COMMISSION REGULAR MEETING**

**August 8, 2023**

The Port of Seattle Commission met in a special meeting Tuesday, August 8, 2023. The meeting was held at the Port of Seattle Headquarters Building, Pier 69, Commission Chambers, 2711 Alaskan Way, Seattle Washington, and virtually on Microsoft Teams. Commissioners Cho, Felleman, Hasegawa, and Mohamed were present. Commissioner Calkins was absent and excused from the meeting.

### **1. CALL to ORDER**

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

### **2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

The public meeting recessed into executive session to discuss one matter regarding litigation/or potential litigation/or legal risk, per RCW 42.30.110(1)(i), and one matter regarding litigation/or potential litigation/or legal risk, per RCW 42.30.110(1)(i) and performance of a public employee per RCW 42.30.110(1)(g) for approximately 56 minutes, with the intention of reconvening the public session at 12:00 p.m. Commissioner Mohamed was recused from participating in a portion of the Executive Session. Following the executive session, the public meeting reconvened at 12:08 p.m. Commission President Cho led the flag salute.

### **3. APPROVAL of the AGENDA**

The agenda was approved as amended without objection. (Item 8c was removed from the agenda, and Item 8e was pulled from the Consent Agenda, to be discussed separately.)

**In favor: Cho, Felleman, Hasegawa, and Mohamed (4)**

**Opposed: (0)**

### **4. SPECIAL ORDERS OF THE DAY**

No Special Orders of the Day were presented.

### **5. EXECUTIVE DIRECTOR'S REPORT**

Executive Director Metruck previewed items on the day's agenda and made general and meeting-related announcements.

*Digital recordings of the meeting proceedings and meeting materials are available online – [www.portseattle.org](http://www.portseattle.org).*

**6. COMMITTEE REPORTS**

No Committee reports were presented.

**7. PUBLIC COMMENT**

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

- The following person spoke: Alex Tsimerman.
- The following persons spoke in support of Agenda item 10f: Rebecca Lovell, COO, Greater Seattle Partners; Joshua Berger, President/CEO, Maritime Blue; and Amy Sallin, Director, UW Buerk Center for Entrepreneurship (written comment also submitted).
- The following persons spoke regarding the impact of cruise on small businesses: Abigail Belknap, Marketing Manager, Copperworks Distilling Company and Gerard Wirz, Seattle Historic Waterfront Association (written comments also submitted).
- The following person spoke in support of the cruise industry and the green initiative: Herald Ugles, President of ILWU.
- In lieu of spoken comment, written comments from citizens who wrote to ask the Port Commission to cap the number of 2024 season sailings and passengers at or below 2019 levels, reducing these numbers every year until the industry pollution is eliminated were submitted by: Rosemary Blakemore; Keith Ervin; RC Olson; Elizabeth Burton; Alex Fay; Sharla Dodd; Janet Lenart; George Lawson; Monica Chhatwani; Robert Briggs; Kristin Fitzpatrick; Briana Weisgerber; Ashley Worobec; Linda Zaugg; Yann Achard; Davis Oldham; Evan Komp; Deborah Stewart; Kimberly Metcalfe; Adam Margulies; Barbara Bingham; Am Faste; John Birnel; Abby Brockway; Mary Lou Dickerson; Lynn Fitz-Hugh; Brian Gillespie; G Levy; Rosemary Moore; Fair Sailing; Donna Ward; Cecile Henault; Lauren France; Allison Chambers; Dominik Damm; William McPherson; Wanda Culp; Rebecca Neumann; Hannah Sholes; Susan Helf; Lynn Gaertner-Johnston; Charles Raymond; and Linda McCoy.
- In lieu of spoken comment: written comments were submitted by Noemie Maxwell, Allison Ostrer, Tareq Fayyad, Julia Buck, Jim Bernthal, Jacqueline Casey, and Sandy Hunts regarding the public comment process for Order 2023-10 and the rapid loss of trees to development in the Seattle area.
- In lieu of spoken comment, written comments were submitted by Barbara McMichael regarding Order 2023-10, environmental impacts of the airport on her community, and preserving forested lands.
- In lieu of spoken comment, written comments were submitted by Iris Antman regarding the harms of cruising, the climate crisis, and asking for clarification on the public comment process and input plan for Order 2023-10.
- In lieu of spoken comment, written comments were submitted by Ramsay Cookman in support of the preservation of North SeaTac Park and concerns over the amount of development and shrinking green space in their area.
- In lieu of spoken comment, written comments were submitted by Pete Knutson in regard to concerns over the location of the Maritime Innovation Center and the need for a large meeting space and drop-in center for fisherman.

*[Clerk's Note: All written comments are combined and attached here as 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 Minutes of the Special Meeting of July 24, 2023, and the Regular Meeting of July 25, 2023.
- 8b. Approval of the Claims and Obligations for the Period July 1, 2023, through July 31, 2023, including Accounts Payable Check Nos. 949129 through 949478 in the Amount of \$7,151,246.05; Accounts Payable ACH Nos. 056499 through 057398 in the Amount of \$54,324,115.38; Accounts Payable Wire Transfer Nos. 016099 through 016119 in the Amount of \$16,194,705.66; Payroll Check Nos. 207861 through 208346 in the Amount of \$202,422.09; and Payroll ACH Nos. 1144446 through 1149069 in the Amount of \$15,390,429.22, for a Fund Total of \$93,262,918.40.

Request document(s) included an agenda memorandum.

~~18c. Monthly Notification of Prior Executive Director Delegation Actions July 2023.~~

~~Request document(s) included an agenda memorandum.~~

- 8d. Authorization for the Executive Director to Authorize \$3,875,000 for Final Design, Preparation of Construction Bid Documents, and the Procurement of Long-Lead Material Items for the N14 Wide Body and N15 Narrow Body Common-Use Gates at Seattle-Tacoma International Airport, in the Requested Amount of \$3,875,000 and a Total Authorization of \$4,170,000. (CIP# C801333)

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

~~28e. Authorization for the Executive Director to Execute a Contract for Two New Cruise Passenger Secondary Gangways for the Smith Cove Cruise Terminal at Pier 91 in the Amount of \$8,700,000 of a Total Estimated Project Cost of \$9,000,000. (CIP# C800129).~~

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

The motion for approval of consent agenda items 8a, 8b, and 8d carried by the following vote:

In favor: Cho, Felleman, Hasegawa, and Mohamed (4)

Opposed: (0)

ITEMS REMOVED FROM THE CONSENT AGENDA

- 8e. Authorization for the Executive Director to Execute a Contract for Two New Cruise Passenger Secondary Gangways for the Smith Cove Cruise Terminal at Pier 91 in the Amount of \$8,700,000 of a Total Estimated Project Cost of \$9,000,000. (CIP# C800129).

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

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<sup>1</sup> Removed from agenda.

<sup>2</sup> Agenda Item 8e was removed from the consent agenda and addressed separately.

Presenter(s):

Marie Ellingson, Cruise Operations & Business Development Senior Manager,  
Cruise Services Management  
Tim Leonard, Capital Project Manager V, Waterfront Project Management

Deputy Clerk Payne read Item 8e into the record.

Executive Director Metruck introduced the item and presenters.

Commission and staff discussion ensued regarding:

- number of gangways at Pier 66;
- project funding;
- net profitability by cruise at the end of the year;
- urgency to replace gangways due to ADA compliance;
- new gangway will be mobile;
- increasing need for gangways to have a more horizontal range;
- benefit the shore power upgrade;
- construction schedule;
- current gangways were created by pulling together the parts of other gangways; and
- looking to achieve full ADA compliance for the primary and secondary gangways.

**The motion, made by Commissioner Mohamed, carried by the following vote:**

**In favor: Cho, Felleman, Hasegawa, and Mohamed (4)**

**Opposed: (0)**

## **10. NEW BUSINESS**

**10a. Number not used.**

**10b. Commercial Aviation Coordinating Commission Briefing (for information only).**

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

Presenter(s):

Arif Ghouse, AV Chief Operating Officer, Aviation Directors Office  
Warren Hendrickson, Chair, Commercial Aviation Coordinating Commission

Deputy Clerk Payne read Item 10b into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- background of CACC;
- potential greenfield site locations;
- goal to accommodate increasing passenger demand;
- growth forecasting;



- funding need for research;
- Aviation System Plan;
- adding capacity to Paine Field;
- widespread public opposition to the greenfield sites in Pierce and Thurston county;
- Yakima requested to be chosen as the location for a new airport;
- transportation system review;
- public engagement metrics; and
- recap of ESHB 1791.

Discussion ensued regarding:

- need for an airport to the south;
- joint use of airfields with the military in North Carolina;
- including JBLM in discussions;
- public safety concerns around the increasing capacity at Seattle-Tacoma International airport;
- concerns over CAWG not having set deliverables;
- mitigation strategies for public support;
- focus on emerging technology;
- opportunity to build the airport of the future;
- weight of the greenfield sites' essential factors;
- JBLM overlap with greenfield site options;
- airport location does not need to be where the population is; and
- high speed ground alternatives.

**10c. Authorization for the Executive Director to Enter a Contract for the Procurement of a Proprietary Shore Power System Consisting of Two Mobile Cable Positioning Devices for Pier 91 in the Amount Requested of \$2,500,000 of a Total Estimated Project Cost of \$2,750,000. (CIP# C801293).**

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

Presenter(s):

Linda Springmann, Director, Cruise Operations  
Kelly Purnell, Capital Project Manager IV, Waterfront Project Management

Deputy Clerk Payne read Item 10c into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- project scope;
- current shore power connections;
- replace static jib cranes;
- procurement of mobile cable positioning devices;
- competition waiver contract with Watts Marine;
- sustainability goals;

- how the project supports the Port's Century Agenda goals;
- preliminary procurement schedule; and
- the project cost estimate.

Discussion ensued regarding:

- project funding;
- how does this project increase the number of shore power capable ships plugging in;
- 2025 goal to require shore power capable ships to plug-in at Terminal 91;
- tenants in charge of hiring staff to do the plug-in process;
- ILWU involvement; and
- tenants pay for the electricity once plugged in.

**The motion, made by Commissioner Felleman, carried by the following vote:**

**In favor: Cho, Felleman, Hasegawa, and Mohamed (4)**

**Opposed: (0)**

**10d. Authorization for the Executive Director to Advertise, Award, and Execute a Major Works Construction Contract to Complete the Redevelopment of the Terminal 91 Berths 6 and 8, to Utilize a Project Labor Agreement, and to Enter into Agreements in Support of Completion of the Work, including Tribal Agreements, for Terminal 91 Berths 6 and 8 Redevelopment and Additional Stormwater Treatment Construction Funding in the Amount of \$71,825,000 and a Total Estimated Project Cost of \$76,000,000. (CIP#s C102475 and C801350).**

Request document(s) included an agenda memorandum, design strategy, and presentation.

Presenter(s):

Kelli Goodwin, Senior Manager, Maritime Operations

Mark Longridge, Capital Project Manager V, Waterfront Project Management

Deputy Clerk Payne read Item 10d into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- increasing vessel size;
- project location;
- deterioration of the facilities;
- proposed pier replacement;
- seismic code improvements;
- replacement of a collection of mobile buildings;
- mobile buildings energy efficient features;
- innovative new sanitary sewer connection system;
- sustainable transportation elements;
- increase in stormwater treatment area;
- creosote timber removal;
- project schedule and costs; and

- remaining project risks.

Discussion ensued regarding:

- grant funding eligibility;
- reasons behind the increased total project estimate;
- market contingency;
- condition of the Pier not being delt with sooner;
- upgrades to infrastructure have been incrementally done;
- connection to the sewer system;
- tenant accommodations;
- pump out capacity and access for tugs;
- capacity of the piles and flexibility with the contract; and
- to be conscious of the net benefit of solar arrays.

**The motion, made by Commissioner Mohamed, carried by the following vote:**

**In favor: Cho, Felleman, Hasegawa, and Mohamed (4)**

**Opposed: (0)**

**10e. Authorization for the Executive Director to Increase the Contract Value for the Existing Service Contracts for Custodial Services at Seattle-Tacoma International Airport by \$54,300,000 for a New Total Cumulative value of \$149,300,000; to Authorize the Executive Director to Recompete and Execute Up to Two, Five-year Custodial Service Contracts; to Add Waste Removal Services for the Airport Dining and Retail Tenants; and to Add the Commission Public Health and Safety Initiative Service, Complimentary Hygiene Products, at Seattle-Tacoma International Airport.**

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

Presenter(s):

Mike Tasker, Director, AV Maintenance and Financial Management  
Jinah Kim, Senior Manager, AVM Custodial Services

Deputy Clerk Payne read Item 10e into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- project background and additional funding;
- custodial service improvement;
- quality assurance and custodial performance;
- restroom QR codes for service requests;
- airport service quality inspections;
- cleanest airport in North America 2022;
- hygiene product implementation; and
- airport dining and retail waste removal.

Discussion ensued regarding:

- cleanliness of Seattle-Tacoma International Airport;
- optimal workforce conditions;
- the Commission initiative to make period products available to the public and to workers;
- budget shortfall in 2023; and
- custodial contract options.

**The motion, made by Commissioner Hasegawa, carried by the following vote:**

**In favor: Cho, Felleman, Hasegawa, and Mohamed (4)**

**Opposed: (0)**

**10f. Authorization for the Executive Director to Advertise, Award, and Execute a Major Works Construction Contract Utilizing a Project Labor Agreement to Enable Construction of a Package of Improvements to the Fishermen’s Terminal Including the Renovation of the Ship Supply Building into the Maritime Innovation Center and a Set of Public Space Improvements to Fishermen’s Terminal for a Total Amount Requested of \$27,415,415 and a Total Project Authorization of \$32,600,000. (CIP#s C801084 and C801211)**

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

Presenter(s):

Dave McFadden, Managing Director, Economic Development Division  
Kyra Lise, Director of Real Estate Development and Economic Development  
Kelly Purnell, Capital Project Manager IV, Waterfront Project Management

Deputy Clerk Payne read Item 10f into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- maritime industry challenges;
- MINc as an innovation driver;
- incubator and accelerator environments;
- design elements;
- commitment to the living building challenge standards;
- proposed building improvements;
- public space improvements;
- interpretive signage;
- development schedule;
- estimated project costs; and
- risk mitigation costs.

Discussion ensued regarding:

- preservation of the building footprint;
- site security;
- art piece selection;

- extra funds in the art budget;
- community gathering space availability; and
- the impact of the construction on workers at Fisherman's Terminal.

**The motion, made by Commissioner Mohamed, carried by the following vote:**

**In favor: Cho, Felleman, Hasegawa, and Mohamed (4)**

**Opposed: (0)**

## **11. PRESENTATIONS AND STAFF REPORTS**

### **11a. Q2 2023 Financial Performance Briefing.**

Presentation document(s) included agenda memorandum, report, and presentation.

Presenter(s):

Dan Thomas, Chief Financial Officer, Finance and Budget  
Robert Giacometti, AV Grants Program Manager  
Kelly Zupan, Director, Seaport Finance & Budget  
Michael Tong, Director, Corporate Budget

Deputy Clerk Payne read Item 11a into the record.

Executive Director Metruck introduced the item.

The presentation addressed:

- key highlights in the quarterly performance reporting;
- Aviation Division financial performance summary;
- Seaport performance summary;
- Maritime Division performance summary;
- Economic Development Division performance summary;
- Central Services performance summary;
- operating expenses highlights;
- Portwide financial performance summary;
- Portwide capital spending; and
- NWSA financial performance summary.

Discussion ensued regarding:

- other category in capital spending ;
- storm water revenue forecasting;
- World Trade Center building occupancy;
- requesting business highlights from central services be called out; and
- how do savings from project delays reflect in our year-to-year budgeting.

## **12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS**

Commissioner Hasegawa spoke regarding a Labor Ad hoc Committee Order that she plans to bring forward at the September 12, 2023, Commission Meeting.

**13. ADJOURNMENT**

There was no further business and the meeting adjourned at 3:58 p.m.

Prepared:

Attest:

\_\_\_\_\_  
Aubree Payne, Deputy Commission Clerk

\_\_\_\_\_  
Fred Felleman, Commission Secretary

Minutes approved: September 12, 2023

**RETURN TO AGENDA**



**COMMISSION  
AGENDA MEMORANDUM**

Item No. 8b

**ACTION ITEM**

Date of Meeting September 12, 2023

**DATE:** September 5, 2023  
**TO:** Steve Metruck, Executive Director  
**FROM:** Eloise Olivar, AFR Senior Manager Disbursements  
**SUBJECT:** **Claims and Obligations – August 2023**

**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 August 1 through 31, 2023 as follows:

| <b>Payment Type</b>             | <b>Payment Reference Start Number</b> | <b>Payment Reference End Number</b> | <b>Amount</b>          |
|---------------------------------|---------------------------------------|-------------------------------------|------------------------|
| Accounts Payable Checks         | 949479                                | 949988                              | \$ 9,006,164.15        |
| Accounts Payable ACH            | 057399                                | 058328                              | \$ 60,115,377.14       |
| Accounts Payable Wire Transfers | 016120                                | 016136                              | \$ 10,457,885.75       |
| Payroll Checks                  | 208347                                | 208788                              | \$ 170,431.50          |
| Payroll ACH                     | 1149070                               | 1153808                             | \$ 15,361,693.56       |
| <b>Total Payments</b>           |                                       |                                     | <b>\$95,111,552.10</b> |

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 December 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: September 12, 2023

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 August 2023, over \$79,579,427.04 in payments were made to nearly 799 vendors, comprised of 2,513 invoices and over 11,556 accounting expense. About 94 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Payroll Taxes, Utility Expenses, Software, Janitorial Services, Sales Taxes, Legal, and Maintenance Inventory. Payroll expenses for the month of August were \$15,532,125.06.

**Top 15 Payment Category Summary:**

| <b>Category</b>                | <b>Payment Amount</b>  |
|--------------------------------|------------------------|
| Construction                   | 39,926,884.12          |
| Employee Benefits              | 10,331,586.77          |
| Contracted Services            | 7,742,032.15           |
| Payroll Taxes                  | 6,054,855.05           |
| Utility Expenses               | 2,501,378.59           |
| Software                       | 2,123,620.74           |
| Janitorial Services            | 2,084,799.24           |
| Sales Taxes                    | 1,564,347.77           |
| Legal                          | 1,524,995.33           |
| Maintenance Inventory          | 929,284.89             |
| Environmental Remediation      | 783,487.74             |
| Parking Taxes                  | 766,624.01             |
| Room/Space/Land Rental         | 490,842.43             |
| Computers & Telephone          | 420,750.22             |
| Equipment Maintenance          | 340,940.00             |
| <b>Other Categories Total:</b> | <b>1,992,997.99</b>    |
| <b>Net Payroll</b>             | <b>15,532,125.06</b>   |
| <b>Total Payments:</b>         | <b>\$95,111,552.10</b> |



Meeting Date: September 12, 2023

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 September 12, 2023, 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:

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
**Port Commission**

**RETURN TO AGENDA**



**COMMISSION  
AGENDA MEMORANDUM  
 FOR INFORMATION ONLY**

**Item No.** 8c  
**Date of Meeting** September 12, 2023

**DATE:** September 12, 2023  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Karen R. Goon, Deputy Executive Director

**SUBJECT: Monthly Notification of Prior Executive Director Delegation Actions August 2023**

**APPROVAL SUMMARY**

Notification of the following Executive Director delegated approvals that occurred in August 2023.

| <b>Category of Approval</b>   | <b>Request#</b> | <b>Description of Approvals August 2023</b>      | <b>Category Amount</b> |
|---|-----------------|--|------------------------|
| Projects & Associated Contracts   | 632-2023        | Estimating IDIQ Bid Contract                     | 2,000,000.00           |
| Projects & Associated Contracts   | 781-2023        | EF28 Emergency Feeder Cable                      | 600,000.00             |
| Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement | 790-2023        | Century Link Internet Contract Authorization     | 1,000,000.00           |
| Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement | 778-2023        | Landside Operations On-Call Snow Removal Service | 900,000.00             |
| Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement | 824-2023        | Deferred Compensation Investment Advisor         | 800,000.00             |

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|  |          |  |                     |
|--|----------|--|---------------------|
| Real Property Agreements                           | 787-2023 | STOC lease amendment for additional parking stalls | 294,000.00          |
| Utilization of Port Crews                          | N/A      | No Approvals in August                             |                     |
| Sale of Surplus Port Property                      | N/A      | No Approvals in August                             |                     |
| <b>Total Value of Executive Director Approvals</b> |          |  | <b>5,594,000.00</b> |

**TRANSPARENCY:**

In approving the delegations for the Executive Director, the Commission requested that staff ensure transparency is built into the process. As a result, staff will make approvals visible to the public in two ways. First, these types of approvals will be made visible in public Commission meetings via monthly reporting similar to this one. Approvals are both timed and designed to be visible in a similar manner to the monthly Claims and Obligations reporting. Second, staff will publish these delegations in a PeopleSoft formatted report on the Port website in the same manner that all procurements, contracts, and other opportunities are made available to public communities.

**BACKGROUND:**

On January 24, 2023, the Commission approved and adopted Resolution No. 3810 that repealed related prior resolutions and increased the previously delegated Commission authority to the Executive Director and provided clarity in process directives to port staff. The approval made the Delegation of Responsibility and Authority to the Executive Director (DORA) effective on April 3, 2023.

The foundation for Resolution No. 3810 included significant data analysis, employee surveys, and internal audit recommendation. Resolution No. 3810 also aligns with the Port Century Agenda in that it helps make the Port a more effective public agency. Considerations and checks and balances have been built into the associated processes of Executive Director approvals including a high bar of transparency.

Following significant analysis and multiple Commission reviews, the Commission approved the DORA on January 24, 2023. That reporting memo is available for review on the Port website under the January 24, 2023, Commission public meeting, and it provides detailed reasoning and explanation of Resolution No. 3810.

**RETURN TO AGENDA**



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8d

**ACTION ITEM**

**Date of Meeting** September 12, 2023

**DATE:** August 31, 2023  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Keri Stephens, Director AV Facilities & Capital Programs  
Eileen Francisco, Director Aviation Project Management  
**SUBJECT: Telecommunication Meet Me Room Fiber Construction**

**Amount of this request:** \$ 7,997,000  
**Total estimated project cost:** \$21,700,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) advertise, award, and execute a major works construction contract for the Telecommunication Meet Me Room Fiber project at Seattle-Tacoma International Airport (Airport), and (2) use Port of Seattle Crews for construction activities. The amount of this request is \$7,997,000 which will fully authorize the estimated project budget of \$21,700,000.

**EXECUTIVE SUMMARY**

The Telecommunication Meet Me Room (MMR) will establish a new secure connection point for the telecommunication entering and exiting Airport. The work included in this authorization will be installing fiber optic cables between the Airport’s Communication Infrastructure Backbone System (CIBS) and the MMR facility. These fibers will allow connections from service providers in the MMR to be connected to the Main Distribution Rooms (MDR) and distributed throughout the Airport to the end users and systems.

**JUSTIFICATION**

The MMR building and new connection will serve as the gateway for the Airport to communicate to the outside world with internet, telephone, and data systems. Some of the data systems include airline check-in system, baggage handling systems, departure control system, and mobile applications.

The project will construct the facility on the south end of the airport that is near existing connection points for our service providers and the Airport infrastructure. The building will have secure spaces for the Port and Service Providers to house their equipment. A network of high-speed fiber will connect the service providers’ equipment to the Port equipment and from there

Meeting Date: September 12, 2023

be transferred onto the Port’s existing Communication Infrastructure Backbone System (CIBS). This project will provide a space for the legacy service provider to relocate their equipment to a more serviceable and secure area outside of the Airport’s baggage operation area and to negotiate a new lease agreement.

The project will relocate and upgrade the legacy connections from a copper to high-speed fiber and install two pathways to connect the MMR to the Main Distribution Rooms (MDR). The two pathways will provide data redundancy and resiliency to the existing connections. The pathways established will have spare capacity for future fiber expansions as the data needs grow at the Airport.

***Diversity in Contracting***

The project staff, in coordination with the Diversity in Contracting Department, have set a 10% woman and minority business enterprise (WMBE) goal for the MMR - Fiber project.

**DETAILS**

The work detailed in this memo is to install the fiber connections between the Airport three MDRs and the MMR building. This work will also include connection between the Service provider space and the Airport secured space.

***Scope of Work***

The Telecommunication Meet Me Room Fiber project will consist of:

- (1) Installation of cable trays, conduit, and supports to create a primary and secondary pathway between the Main Distribution Rooms and the MMR facility for fiber optic cables.
- (2) Installation of fiber optic cable between the MDR 1, 2 and 3 to the MMR building.
- (3) Installation of MMR Building internal backbone to connect the Service Providers to the Airport Infrastructure.
- (4) Install passive and active equipment needed to transport services from the providers to the airport end users.

***Schedule***

*Activity*

|                                       |                |
|---------------------------------------|----------------|
| Commission construction authorization | 2023 Quarter 3 |
| Advertisement                         | 2024 Quarter 1 |
| Construction start                    | 2024 Quarter 2 |
| In-use date                           | 2025 Quarter 4 |

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| <b>Cost Breakdown</b> | <b>This Request</b> | <b>Total Project</b> |
|-----------------------|---------------------|----------------------|
| Design                | \$0                 | \$4,173,000          |
| Construction          | \$7,997,000         | \$17,527,000         |
| <b>Total</b>          | <b>\$7,997,000</b>  | <b>\$21,700,000</b>  |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Do not proceed with project.

Cost Implications: Approximately \$3,500,000 would need to be expensed.

Pros:

- (1) No capital Investment.

Cons:

- (1) New facility would not be connected to the Airport data infrastructure.
- (2) Legacy connections would not be relocated and a future project would be needed to relocate those connections.
- (3) Additional scope, schedule, and cost would be required by future projects for temporary connections. This could result in significant disruption of service.
- (4) No new connections available for new services.
- (5) No new fiber connections that are connected to the Airport infrastructure.

This is not the recommended alternative.

**Alternative 2** – Construct the MMR Building and install both fiber pathways (Primary and Secondary).

Cost Implications: \$21,349,000

Pros:

- (1) Construct a secure building for telecommunication interconnections.
- (2) Relocate legacy connections to a permanent location.
- (3) Provides space for new service providers to access the Airport infrastructure.
- (4) Creates leverage for a lease agreement with the legacy provider.
- (5) Upgrades copper connections to high-speed fiber.
- (6) Installs a secondary pathway to connect the MMR to each MDR. This will add additional connections and provide data redundancy.
- (7) Installs a new tray pathway for future fiber expansions.

Cons:

- (1) Capital Investment.

***This is the recommended alternative.***

Meeting Date: September 12, 2023

**FINANCIAL IMPLICATIONS**

| <i>Cost Estimate/Authorization Summary</i>   | Capital      | Expense   | Total        |
|--|--------------|-----------|--------------|
| <b>COST ESTIMATE</b>                         |              |           |              |
| Original estimate                            | \$5,100,000  | \$50,000  | \$5,150,000  |
| Previous changes                             | \$16,249,000 | \$301,000 | \$16,550,000 |
| Revised estimate                             | \$21,349,000 | \$351,000 | \$21,700,000 |
| <b>AUTHORIZATION</b>                         |              |           |              |
| Previous authorizations                      | \$13,352,000 | \$351,000 | \$13,703,000 |
| Current request for authorization            | \$7,997,000  | \$0       | \$7,997,000  |
| Total authorizations, including this request | \$21,349,000 | \$351,000 | \$21,700,000 |
| Remaining amount to be authorized            | \$0          |           | \$0          |

**Annual Budget Status and Source of Funds**

Telecommunication Meet Me Room Fiber Construction #C800762 is included in the 2023-2027 capital budget and plan of finance with a budget of \$21,349,000. The funding sources will be the Airport Development Fund and future revenue bonds. This project was presented to the airlines at an Airport Airlines Affairs Committee and the Majority in Interest (MII) ballot was approved on January 18, 2022.

**Financial Analysis and Summary**

|   |   |
|---|---|
| Project cost for analysis                               | \$21,700,000  |
| 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  | \$0.06 in 2025  |

**Future Revenues and Expenses (Total cost of ownership)**

This MMR facility will be monitored 24/7 with backup power. The maintenance cost is estimated at \$10,000 year.

**ADDITIONAL BACKGROUND**

The MMR project has been in discussion and design with the initial commission action in 2017. The scope at that time only included connection to one of the main distribution rooms (MDR-3) with new connections being established through this pathway and for legacy connections to be moved later.

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The project team underwent a detailed review of the various locations available to house legacy and future connections. The location at the south end of the airport is near existing connection points for both the Airport and Service Providers. The installation of fiber connections were limited at this stage to the minimum needed for basic functionality. The addition fiber connections for growth and to connect to additional MDRs were being considered for inclusion in other telecommunication work.

In July 2019, the project team advertised a design build package that included the construction of the building and the connection to the existing Airport infrastructure. That bid resulted in one bid with a cost greater than 35% over the engineers estimate. The bid was reviewed, with some line items removed. While the team began the process of returning to commission for additional funding when the project was put on hold and the deferred project list during the COVID-19 workplace disruption.

In September 2021 the project efforts were restarted, and scope increased to be fully functional by including the fiber required to connect to each MDR (3 in total), sufficient circuits to migrate the legacy connections, and to establish the connection infrastructure within the MMR facility for future growth from existing or new suppliers. Through the restarted efforts the secondary leg was identified and included to improve the Airport’s data redundancy.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

September 13, 2022 – The Commission authorized \$2,000,000 and execute a design build contract.

February 8, 2022 – The Commission authorized \$7,725,000 for design and construction of the MMR Building and authorized design of the MMR Fiber work project. Commission authorization of the construction of the MMR fiber will be a future request.

September 26, 2017 – The Commission authorized \$3,978,000 for design and construction.



# Telecommunication Meet Me Room (MMR) Fiber Construction

Hein Mac

AV F&I – Manager Engineer  
Electrical

Tyler Salisbury

AV PMG – Capital Project  
Manager

September 12 , 2023

# Project Overview

Establish new permanent telecommunication connection pathway into the Airport

- Telephone services
- Internet and Intranet
  - Wi-Fi connectivity and Office connections
  - Airport Reservation System and Airport Check-in System

Benefits:

- Relocate legacy connections and upgrade from copper to high-speed fiber.
- Bring new services and service providers into the Airport.
- Provide connection redundancy and resiliency (Dual Pathway).

Request:

- Authorization for construction of the fiber connections
- This will fully authorize the Telecommunication Meet Me Room project

# Project Scope - Fiber

- Fiber Scope
  - Install fiber interconnections between Service providers and Port equipment.
  - Install fiber in a primary pathway to each Main Distribution Room (MDR).
  - Install fiber in a secondary pathway to each MDR.
    - New tray and conduit pathways are required to keep the connections separated.



# Project Opportunities

| Opportunity  | DESCRIPTION   |
|--|---|
| Increased Resiliency                                       | The project has identified and will be installing a secondary pathway to each MDR from the MMR. This will provide data redundancy and resiliency to the airport which is not currently available with the legacy connections. |
| Diversity of services and providers                        | The MMR will have space for new service providers to access the airport. These providers can bring additional and competing services into the airport.  |
| Synergies with the Utility Master Plan and future capacity | This project aligns with recommendations in the Utility Master Plan for increased resiliency and capacity for future growth.  |

# Project Risks and Mitigation

| RISK                 | DESCRIPTION                   | MITIGATION PLAN  |
|----------------------|-------------------------------|--|
| Supply Chain - Fiber | Availability of fiber cabling | <ul style="list-style-type: none"><li>• Identifying the long lead items in advance and working with the contractor to put orders in early.</li></ul> |

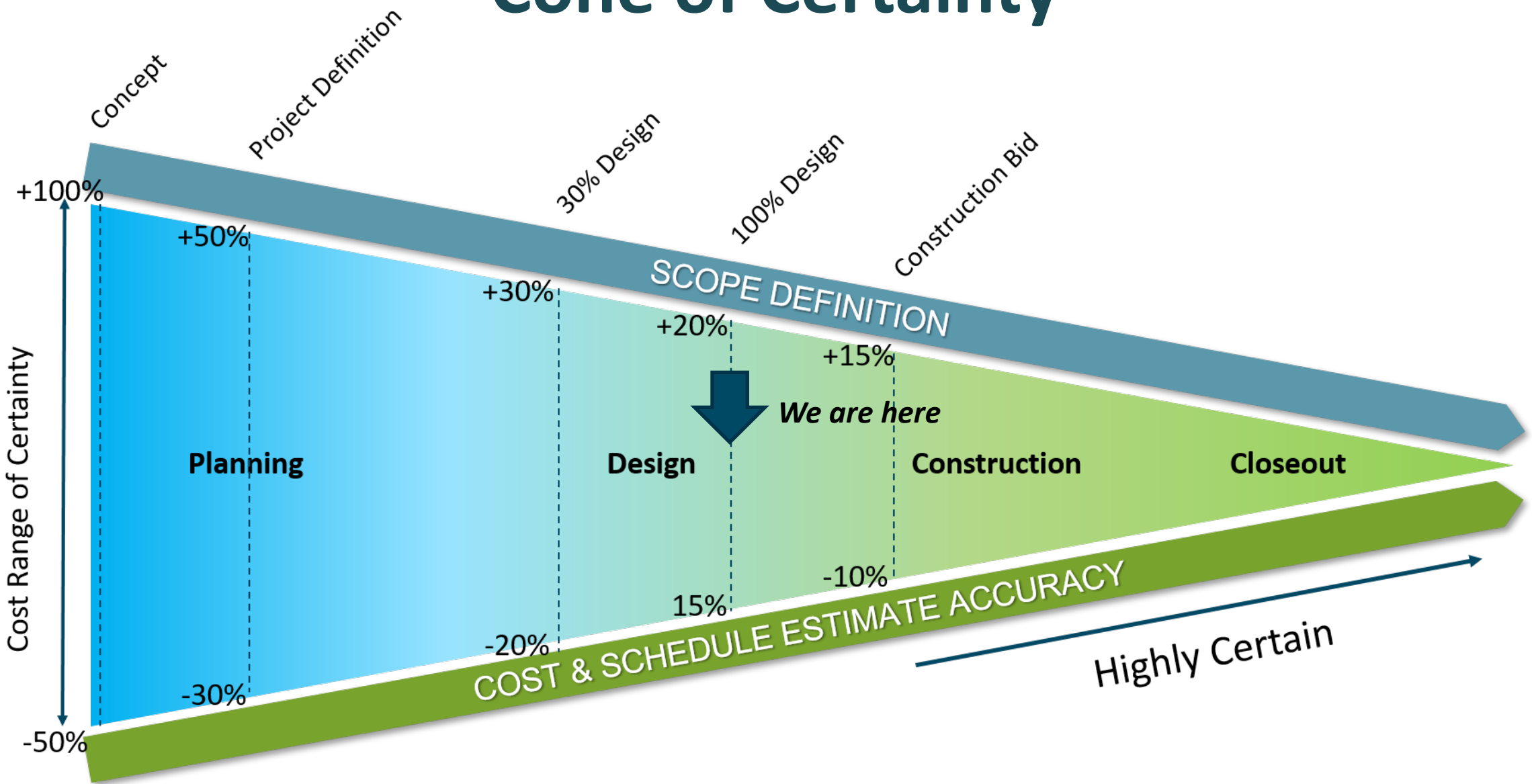
# Schedule

- Fiber Scope
  - Commission for construction authorization 3Q 2023
  - Construction Start 2Q 2024
  - Substantial Completion – Fiber 4Q 2025

# Budget and Authorization

| Authorization          | Amount       | Note                              |
|------------------------|--------------|-----------------------------------|
| Previous authorization | \$13,703,00  | September 2022                    |
| This Request           | \$7,997,000  | Fiber – Construction Funding      |
| Total Authorized       | \$21,700,000 | Building & Fiber fully authorized |
| Total Remaining        | \$0          |                                   |

# Cone of Certainty





# Action Requested

- Authorization to advertise, award, and execute a major works construction contract to construct
- Use of Port of Seattle Crews for design support and pre-construction activities
- This request is to authorize \$7.997M
  - Total authorization is \$21.7M
  - This will fully authorize the Telecommunication Meet Me Room Project

# Questions?

[RETURN TO AGENDA](#)



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8e

**ACTION ITEM**

**Date of Meeting** September 12, 2023

**DATE:** August 31, 2023

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Keri Stephens, Director, Aviation Facilities and Capital Programs  
Eileen Francisco, Director, Aviation Project Management

**SUBJECT: Utility Meter Networking (CIP# C801240) – Design Authorization**

**Amount of this request:** \$4,200,000

**Total estimated project cost:** \$35,525,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) prepare design and construction bid documents for the Utility Meter Networking project. The amount of this request is \$4,200,000 for an estimated total project cost not to exceed \$35,525,000.

**EXECUTIVE SUMMARY**

The Port of Seattle (Aviation campus) has approximately 800 meters located throughout the campus. Most of these meters do not meet updated code requirements. This project will replace many of the old and failing electric meters throughout the Aviation campus with the new standard electric meters. Additionally, this project will network all the meters to a software solution that will read and store data from the meters. New meters and networking will allow the Port to meet current code requirements and the Facilities and Infrastructure Utility Manager can bill tenants as needed and can assist in the verification of the total energy demand of the airport.

**JUSTIFICATION**

The Port of Seattle (Aviation campus) currently does not meet code requirements for electrical meter data analysis, load, and demand evaluation. This project will satisfy the revised Washington State Energy Code (WEC 2018, C409), Clean Building Performance Standard, and Institute of Electrical and Electronics Engineers (IEEE) code 1547. Additionally, this project updates many electrical meters to a new standard, resulting in improved performance across the Sea-Tac Airport campus. The new meters will help to ensure a stable and reliable power distribution system by providing staff with the necessary tools to perform more effective diagnostics and troubleshooting when power quality events occur. The improved meters and

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system will also help staff target and prioritize energy efficiency improvements in support of the Port's Century Agenda goal to be the greenest, most energy efficient port in North America.

***Diversity in Contracting***

The design services will be completed using a new project specific designer which has a 15% WMBE aspirational goal in association to this design effort.

**DETAILS**

***Scope of Work***

Replace and network old and failing electric meters throughout the Aviation campus.

- (1) The meters will be replaced (approximately 800 meters) with the Eaton PXM series meters.
  - a. Project specific designer will be competitively procured to get design portion of work done.
  - b. All locations are unique and will be a different design/construction based off existing field conditions.
- (2) Meters will also be networked into the existing Port of Seattle infrastructure.
  - a. New switches and fiber will need to be installed to connect some of the new meters into the Port of Seattle network.

***Schedule***

|   |         |
|---|---------|
| Commission design authorization           | Q3 2023 |
| Design start                              | Q3 2024 |
| Design complete                           | Q1 2026 |
| Commission authorization for construction | Q1 2026 |
| Construction award                        | Q2 2026 |
| Substantial completion                    | Q1 2028 |

***Cost Breakdown***

|              | This Request | Total Project |
|--------------|--------------|---------------|
| Design       | \$4,200,000  | \$4,350,000   |
| Construction | 0            | \$31,175,000  |
| Total        | \$4,200,000  | \$35,525,000  |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Status Quo. Do not proceed with project.

Cost Implications: Expense approximately \$100,000 for notebook development costs.

Pros:

- (1) Delays or defers capital investment.

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Cons:

- (1) Doesn't update meters to meet current code requirements and pushes work off to the future.
- (2) Meters currently installed do not have easy replacements available, resulting in large maintenance costs.
- (3) Data analysis of current meters are cumbersome for billing and power quality evaluations.

This is not the recommended alternative.

**Alternative 2 – Replace and network meters within the status 2 budget.**

Cost Implications: \$35,525,000 in capital costs.

Pros:

- (1) Provides networking for data analysis, load, demand evaluation, and usage billing for tenants.
- (2) Makes meters code compliant (WEC 2018, Clean Building Performance Standard, and IEEE 1547).
- (3) Meters will be easier to maintain being from one manufacturer.

Cons:

- (1) Capital costs.

**This is the recommended alternative.**

**FINANCIAL IMPLICATIONS**

| <i>Cost Estimate/Authorization Summary</i>   | Capital      | Expense | Total        |
|--|--------------|---------|--------------|
| <b>COST ESTIMATE</b>                         |              |         |              |
| Original estimate                            | \$35,525,000 | \$0     | \$35,525,000 |
| <b>AUTHORIZATION</b>                         |              |         |              |
| Previous authorizations                      | \$150,000    | 0       | \$150,000    |
| Current request for authorization            | \$4,200,000  | 0       | \$4,200,000  |
| Total authorizations, including this request | \$4,350,000  | 0       | \$4,350,000  |
| Remaining amount to be authorized            | \$31,175,000 | \$0     | \$31,175,000 |

***Annual Budget Status and Source of Funds***

This project C801240 was included in the 2023-2027 capital budget and plan of finance with a budget of \$35,525,000. The funding sources will be the Airport Development Fund and revenue bonds. This project will be presented to the airlines at an Airport Airlines Affairs Committee and the Majority in Interest (MII) ballot in Q3 2024.

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***Financial Analysis and Summary***

|   |  |
|---|--|
| Project cost for analysis                               | \$35,525,000   |
| 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  | \$0.09 in 2028   |

***Future Revenues and Expenses (Total cost of ownership)***

As a result of this project, Aviation Maintenance may see a small increase in preventative maintenance support.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation Slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

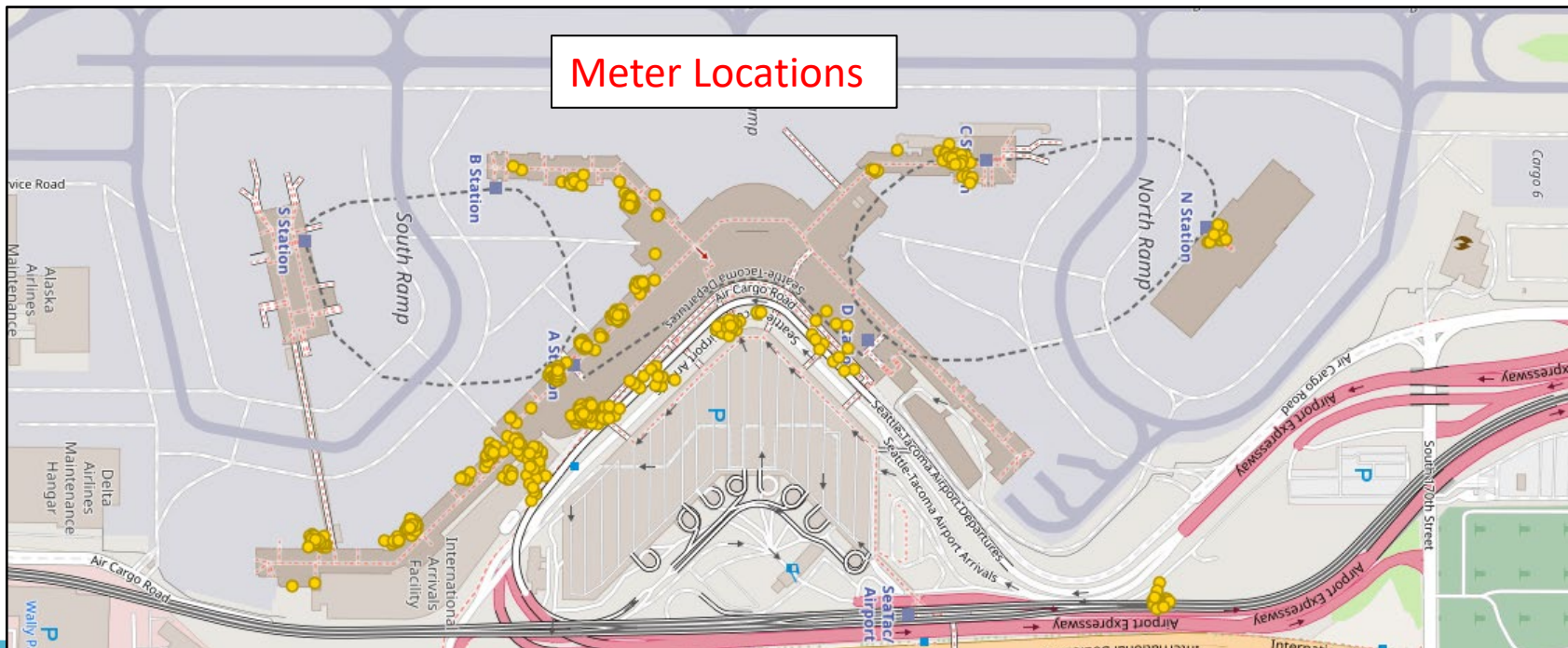
None

# Utility Meter Networking

Abhinav Prasad  
Project Manager, AV-PMG

# Project Scope

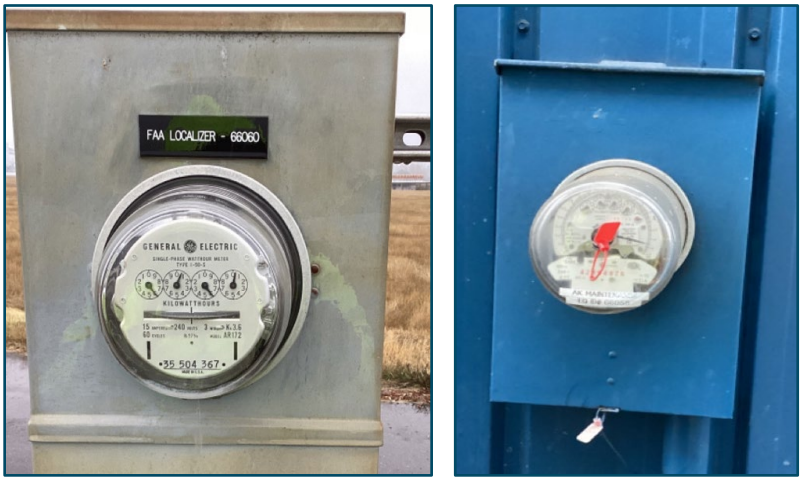
- Replacement of outdated electrical meters with new standard electrical meters (approximately 800 meters)
- All meters will be networked into existing Port infrastructure.
- Meters are being replaced to meet current code requirements (Washington State Energy Code, Clean Building Performance Standard, and IEEE 1547).



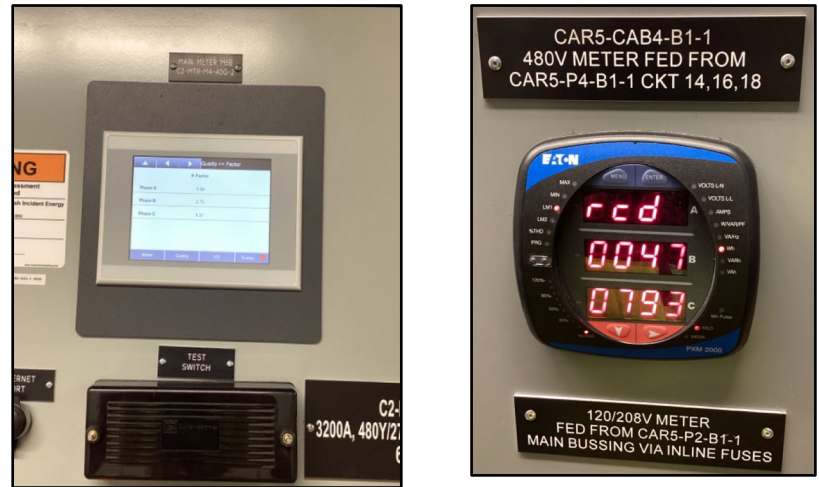


# Meter Comparison

Existing Meters



New Meters



- Network integration not possible
- Spare parts not readily available
- Warranty expired

- All meters on centralized database
- Network integration possible
- Data easier to access resulting in cost reductions for projects
- Spare parts easily available

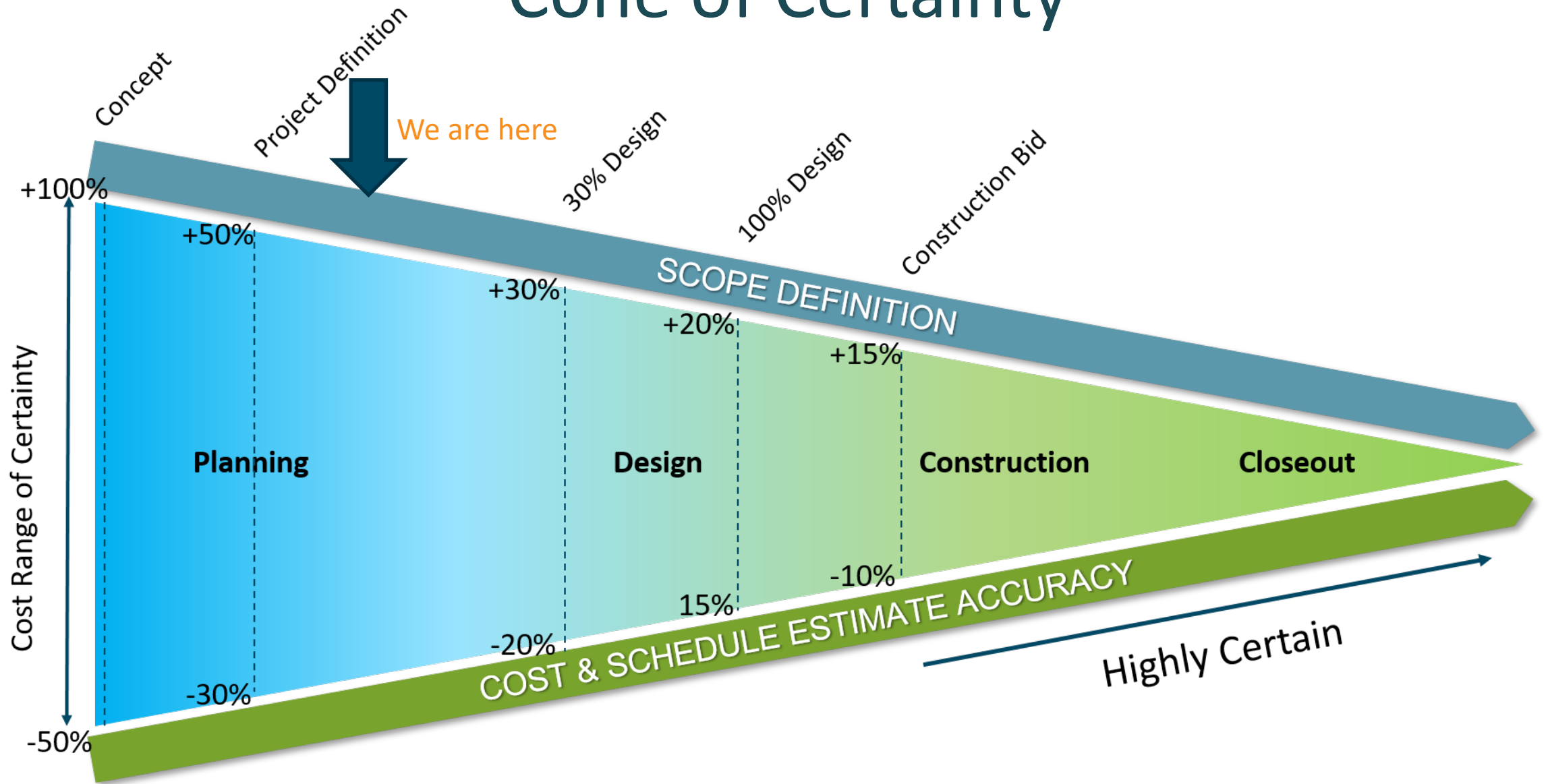
# Preliminary Schedule

| Milestone                                 | Date      |
|---|-----------|
| Commission Design Authorization           | Q3 - 2023 |
| Design Start                              | Q3 - 2024 |
| Design Complete                           | Q1 - 2026 |
| Commission Authorization for Construction | Q1 - 2026 |
| Construction Award                        | Q2 - 2026 |
| Substantial Completion                    | Q1 - 2028 |

# Budget

| COST ESTIMATE    | Capital      | ERL | Total        |
|------------------|--------------|-----|--------------|
| Current Estimate | \$35,525,000 | NA  | \$35,525,000 |

# Cone of Certainty



QUESTIONS?



[RETURN TO AGENDA](#)



**COMMISSION AGENDA**

**ACTION ITEM**

**Item No.** 8f

**Date of Meeting** September 12, 2023

**DATE:** August 25, 2023  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Elizabeth Morrison, Director, Corporate Finance  
Scott Bertram, Manager, Corporate Finance  
**SUBJECT:** **Solicitation for Financial Advisory Services for debt and financial management**

**Amount of this request:** \$7,500,000  
**Total estimated service cost:** \$7,500,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a contract for Financial Advisory Services for five (5) years with the Right to Extend for up to five (5) Additional Years, for a potential total of ten (10) years at an estimated cost of \$7,500,000.

**EXECUTIVE SUMMARY**

The Port of Seattle (Port) uses an independent financial advisor (FA) to assist with the issuance and management of its debt. The FA assists with the day-to-day management of debt, including new debt issuance, and provides information and advice on general financial management matters. This request will authorize the Executive Director to enter into a new contract for financial advisory services not to exceed \$7,500,000. The contract will be procured through a competitive selection process and replace the current contract that expires on March 22, 2024.

**BACKGROUND**

When issuing debt, governmental entities, including the Port, employ the services of independent FA, who advises the issuer on overall debt and financial management activity. FAs are able to provide current information on market trends, rates, debt structures and investor concerns, and provide analytical support and insights into the municipal market. FAs maintain a fiduciary responsibility to the issuers such as the Port and must be a registered Municipal Advisor with the Securities Exchange Commission and Municipal Securities Rulemaking Board. The use of an FA is deemed a “best practice” by the Government Finance Officers Association.

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The Port's debt management needs include both new issuances to fund capital projects as well as the management of the Port's existing debt, currently ~\$4.3 billion. The FA's scope of work includes:

- advise on the Port's overall debt structure and financial management, incorporating the perspective of investors and rating agencies;
- identify and advise on opportunities to refund existing debt for debt service savings;
- participate in all aspects of a bond issuance;
- advises on and participates in extensions, replacements, and amendments of letters of credit pertaining to the Port's variable rate debt and other debt instruments;
- evaluate proposals and new financial products;
- provide an independent perspective at Commission briefings on financial matters; and
- assist with the coordination of the Port's bond and disclosure counsel and with the Port's team of investment banks (recently selected and includes six medium and large firms and five smaller WMBE/veteran owned firms).

In addition, the FA provides knowledge of other local government issuers and of other airports and seaports nationwide to assist the Port in its debt and financial management. The FA can provide analysis of the financial impact of pending or new legislation. Finally, the FA provides recommendations for improving the long-term financial position of the Port.

The current financial advisory contract is a five-year contract with two one-year extensions (both exercised) that expires on March 22, 2024. Due to the expected timing of bond issues, it is important to have the new financial advisory contract signed and the FA fully functioning prior to this expiration date.

Staff is requesting a contract term of five years with five one-year extensions. Financial and debt management are on-going functions that benefit from a consistent approach and a long-term view. A five-year contract should also encourage wider participation among potential respondents, since there is considerable effort required for the successful firm to become familiar with the Port's businesses, financial structure, and management of the Port's debt – including familiarity with voluminous legal documents. A longer-term contract will encourage firms to submit a response and invest their time.

### **Diversity in Contracting**

Diversity in Contracting has evaluated this contract and concluded that due to the nature of the work there is no formal goal for small business subcontracting. However, evaluation criteria will include assessment of firms' support for the Port's values for equity, diversity, and inclusion which could include small business subcontracting. In addition, the Port will reach out to smaller firms that provide FA services to provide awareness of this opportunity.

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## **ALTERNATIVES AND IMPLICATIONS**

### **Alternative 1 – Do not use a financial advisor.**

Forgoing the use of an FA has the benefit of saving the out-of-pocket cost of up to \$7,500,000. However, this puts the Port at risk, by not having an independent fiduciary assist with complex transactions and market access. The Port would lose the benefit of advice that ultimately saves the Port money and protects the Port's interests. Forgoing an FA is not a "best practice" for municipal issuers.

This is not the recommended alternative.

### **Alternative 2 – Procure a new contract for each bond issue.**

This alternative would create an on-going competitive process for this function. This would provide the Port with frequent updates on fees and services and could be a viable option if the Port were an infrequent issuer. Due to the Port's frequent use of an FA, the added time to procure a new contract for every transaction would greatly slow the debt management and issuance process and make the Port less nimble. Also, as a complex entity, there would be inefficiencies from a frequent change in provider.

This is not the recommended alternative.

### **Alternative 3 – Procure a new multi-year contract for a financial advisor.**

This alternative would provide an independent advisor acting as a fiduciary to assist with bond issues and overall financial management. This alternative would provide consistency and would be more efficient than alternative 2.

This is the recommended alternative.

## **FEES**

The FA would be compensated in three ways. For certain specific transactions like bond issues, the FA would receive a pre-established fee. Separately, the FA would be paid an annual fee or retainer for all work not related to certain specific transactions that are otherwise part of the Port's on-going financial and debt management, e.g., extensions of letters of credit, debt structure advise, information on markets and businesses, investor, and rating agency updates, etc. Finally, for special projects that are especially time consuming, the FA will be compensated based on an hourly fee.

Because the timing and amount of debt depends on the capital needs of the operating divisions or on the market driven refunding opportunities, the dollar amount of the contract is set a level that is estimated to accommodate multiple transactions over a 10-year period, taking into



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account the Port's prior experience. The actual cost of the contract will be based on actual transactions up to the maximum \$7,500,000.

**ATTACHMENTS TO THIS REQUEST**

None.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 11, 2016 – Authorization for Executive Director to execute a contract for financial advisory services.

November 10, 2009 - Authorization for Executive Director to execute a contract for financial advisory services.

**RETURN TO AGENDA**



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8g

**ACTION ITEM**

**Date of Meeting** September 12, 2023

**DATE:** September 1, 2023

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Randy Krause, Fire Chief  
Eileen Francisco, Director, Aviation Project Management

**SUBJECT:** Interim Westside Fire Station Close Out Budget Request (CIP #C800876) (Short Form)

**Amount of this request:** \$500,000  
**Total estimated project cost:** \$10,888,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to increase funding for the Interim Westside Fire Station project, at Seattle-Tacoma International Airport, by \$500,000, for a new total of \$10,888,000, to settle all claims and close out the project.

**SUMMARY**

Construction of the Interim Westside Fire Station at Seattle-Tacoma International Airport is complete, and the station is in use. Additional budget in the amount of \$500,000 is now required to settle all construction claims and close out the project.

The Interim Westside Fire Station project established a stand-alone, fully functional fire station on the west side of the airfield to meet Federal Aviation Administration (FAA) mandated airfield firefighting requirements. In April 2022, this project reached substantial completion for construction of the design-build contract 18 months later than planned. Subsequent modifications to the building were required and with these completed, in May 2023 the Fire Department began use of the facility. As part of the project close out process, all contractor claims have been settled.

There are no attachments to this memo.

**RETURN TO AGENDA**

1  
2  
3  
4 **ORDER 2023-13**

5  
6 **AN ORDER OF THE PORT OF SEATTLE COMMISSION**

7  
8 ... to establish the Airport Workforce Conditions Committee  
9 as a Port of Seattle Commission ad hoc committee.

10  
11 **PROPOSED**  
12 **SEPTEMBER 12, 2023**

13  
14 **INTRODUCTION**

15  
16 Commissioners have prioritized improved access to childcare and healthcare as critical support  
17 for workers at Seattle Tacoma International Airport (SEA), including both Port employees and  
18 workers employed by SEA vendors, tenants, and service providers. Commissioners convened a  
19 worker recruitment and retention roundtable on May 23, 2023, and heard comments from SEA  
20 business partners, labor representatives, and workers who support improved access to childcare  
21 and healthcare for SEA workers. These prioritized issues, and the work underway to address  
22 them, will be advanced by establishing an ad hoc committee dedicated to airport workforce  
23 conditions.

24  
25 Recruiting and retaining SEA workers is a critical component to the operation of the airport and  
26 of how the Port of Seattle creates jobs and supports local communities. The Port recognizes that  
27 both access to childcare and healthcare are valid considerations when seeking employment. To  
28 that end, the Port is committed to exploring how it can address both issues in ways that make  
29 employment at SEA more accessible and sustainable for community members, while also  
30 enhancing the efficiency and effectiveness of SEA operations. The Port also recognizes the  
31 dedication and integrity of the SEA workforce, which was vital at sustaining operations during the  
32 COVID-19 pandemic and this workforce continues to serve on the front-line post-COVID-19, with  
33 pre-pandemic traveler volumes forecast for 2024.

34  
35 Establishing an ad hoc committee will create opportunity for a schedule of oversight and  
36 engagement with staff on programmatic, policy advocacy, and operational efforts on these  
37 topics.

38  
39 **TEXT OF THE ORDER**

40  
41 The Port Commission hereby establishes the Airport Workforce Conditions Committee as an ad  
42 hoc committee for the Port of Seattle Commission. Upon passage of this Order, the Committee  
43 will continue to exist until such time as these areas have been satisfactorily addressed. The ad-

44 hoc committee membership shall consist of Commissioner Toshiko Hasegawa and Commissioner  
45 Hamdi Mohamed.

46  
47 The Committee shall provide oversight, information, advice, and recommendations about Port  
48 efforts to support SEA workers as part of our mission to advance economic development and in  
49 fulfillment of the Port’s Century Agenda goals. The committee shall focus on initiatives led by  
50 staff from the Office of Equity, Diversity, and Inclusion, External Relations, and the Aviation  
51 Division, including:

- 52 1) the exploration of affordable, accessible childcare for SEA workers,
- 53 2) the establishment of a portwide third-party code of conduct that outlines the Port’s  
54 expectations for its vendors related to topics like respectable worksite, civil rights, and  
55 combatting human trafficking,
- 56 3) the provision of free hygiene products to SEA workers, travelers, and visitors, and
- 57 4) advocacy for affordable, accessible health care options for non-Port workers at SEA, both  
58 through direct engagement with employers, as well as advocacy at the state and federal  
59 level.

60  
61 The Port of Seattle’s Office and of Equity, Diversity, and Inclusion, and Aviation Directors, or  
62 designees, shall support the ad-hoc committee as the primary executive staff contacts. The role  
63 of the executive staff contacts shall be to inform the Committee about progress on these topics,  
64 support the Committee with timely and responsive information, coordinate with other executive  
65 staff in support of the Committee’s work, and serve as a resource for Committee deliberation.

66

67 **STATEMENT IN SUPPORT OF THE ORDER**

68

69 SEA Airport is one of the largest job sites in King County, with more than 250 different employers  
70 operating onsite. According to a 2018 economic impact report, the airport provides more than  
71 150,000 jobs annually with 24,000 badged employees.

72

73 The Port relies on these workers to maintain and grow its many lines of business. With aging  
74 population and without sustained immigration, many economists are predicting an ongoing  
75 shortage of workers.

76

77 Establishing an ad hoc committee will create the opportunity for Commissioners to more deeply  
78 explore the barriers to SEA recruitment and retention and offer oversight of initiatives not  
79 currently covered by existing Commission committees.

80

**RETURN TO AGENDA**



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 10d

**ACTION ITEM**

**Date of Meeting** September 12, 2023

**DATE:** August 25, 2023

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Stephanie Jones Stebbins, Managing Director, Maritime  
Arthur Kim, Capital Project Manager III, Waterfront Project Management

**SUBJECT:** West Waterway Deepening (CIP# 800593)

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

**Total requested project cost:** \$29,500,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) Execute a Design Agreement and all other documents associated with the US Army Corps of Engineers for the Preconstruction Engineering and Design phase of the West Waterway Channel Deepening Project, and (2) Authorize the Preconstruction Engineering and Design Phase of the West Waterway Channel Deepening Project, including execution of outside services contracts and service directives, for an estimated Port cost of \$4,000,000. \$1,500,000 was previously authorized for a feasibility study by the Northwest Seaport Alliance (NWSA) and another \$150,000 was previously authorized for Project Notebook development through Executive Authorization, with the total authorized amount for the project to be at \$5,650,000.

**EXECUTIVE SUMMARY**

In 2014, The Managing Members of the NWSA authorized participation in cost sharing with the US Army Corps of Engineers (USACE) for a Feasibility Study to deepen the federal navigation channels in the East and West Waterways for a total of \$1,500,000 in NWSA’s share. In 2017, USACE completed the Feasibility Study and in 2018 Congress authorized deepening the navigation channels to -57’ mean lower low water (MLLW). In February 2020, USACE received funding for moving forward with the Preconstruction Engineering and Design (PED) phase of the West Waterway Channel Deepening Project. Deepening the navigation channels to -57’ MLLW will keep Seattle Harbor competitive by making it fully accessible by deep-draft vessels. In 2017, USACE estimated a total of \$3,340,000 in PED phase costs. This estimates for the PED, Work-In Kind (WIK), and construction will be adjusted once the Design Agreement is signed. The Design Agreement (DA) commits the Port of Seattle to share 50% of the total eligible design costs, or in cash and eligible work-in-kind.

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USACE will manage the PED phase of the project, which will include environmental permitting, engineering, and plans and specifications for dredging the West Waterway to the newly authorized -57'. The Port's participation will include cash contributions and some eligible WIK, as well as additional Port costs that are not eligible for WIK credit. USACE's 2017 estimated total design phase costs to the Port was \$1.74 million, but due to inflation and increase in costs for testing the overall cost to the Port is now \$4,000,000. The PED phase is expected to be completed in late 2026, at which time the Port is expected to negotiate a Project Partnership Agreement with USACE for construction, the cost of which is estimated at \$49,000,000 (2017 estimate), of which the total Port share was estimated to be \$28M (2017 estimate).

### **JUSTIFICATION**

Seattle Harbor is a major gateway for regional and national exports and imports. Ships deployed on the U.S. West Coast have been rapidly increasing in size, and these ships need deeper drafts for safe passage. The current Terminal 5 (T-5) Modernization Project by the NWSA already includes deepening the berths at T-5 by 2023. If the West Waterway is not deepened, the ultra-large vessels expected to call at T-5 will have to wait for the tides to access the terminal. The federal channel deepening projects are funded and managed by the home ports.

### ***Diversity in Contracting***

The project staff, in coordination with the Diversity in Contracting Department, have set a 12% woman and minority business enterprise (WMBE) goal for the project specific Service Agreement.

### **DETAILS**

This is the design and permitting phase for deepening the West Waterway to the authorized project depth of -57' MLLW. The authorized West Waterway federal navigation channel is 5,400 feet long, 700 feet wide at the approach reach, and 500 feet wide at the inner reach. See attached PowerPoint for more details. The Seattle Harbor Navigation Improvement Project Final Integrated Feasibility Report and Environmental Assessment was published by USACE in 2017 and is available online on USACE Seattle District's website as well as upon request.

### ***Scope of Work***

The PED phase of the project will include sediment characterization, permitting, engineering, and preparing of plans and specifications for construction. Construction is not included in this authorization. The USACE is the lead agency to perform the work. The Port participates in the project as a local sponsor by contributing cash and WIK per attached Design Agreement.

Port's participation under the DA includes:

1. Cash payments to make up the difference between Port's WIK and Port 50% obligations to the overall project design costs.
2. 2.5 years in WIK that includes:
  - Participate in USACE project delivery team.

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- Sediment characterization.
- Geotechnical engineering.
- Limited scope environmental reviews.
- Limited scope engineering reviews.
- Financial administration and reporting as required per Design Agreement.
- Participation in ship simulation workshop by Port staff, Puget Sound pilots and tugboat operators as required by USACE.

Additional scope of work outside the DA but within this authorization includes:

- Any work in the area that overlaps with the T-5 berths.
- Additional staff time beyond minimum requirements by USACE.
- Technical support by outside consultants on an as needed basis.
- Overhead and contingency.

USACE estimated approximately 700K cubic yards of dredged material. During design, the interagency Dredged Material Management Program will decide whether the material is suitable for open-water disposal based on results of sediment characterization. The Port is still in negotiations with USACE and exploring options regarding beneficial use of clean (suitable) dredged material for nearshore habitat restoration at T-5 North. The scope of work includes design work evaluating sediment disposal strategies but does not currently include beneficial use of dredged sediments for nearshore habitat restoration or other purposes.

***Schedule***

USACE estimated schedule milestones:

|                                 |                |
|---------------------------------|----------------|
| Commission Design authorization | 2023 Quarter 3 |
| Design Agreement Execution      | 2023 Quarter 3 |
| Design Kickoff                  | 2023 Quarter 4 |
| Procure WIK Consultant          | 2024 Quarter 2 |
| Design Completion               | 2026 Quarter 3 |

***Cost Breakdown***

|                              | This Request | Total Project |
|------------------------------|--------------|---------------|
| Planning (Feasibility Study) | \$0          | \$1,500,000   |
| Design                       | \$4,000,000  | \$4,150,000   |
| Construction                 | \$0          | \$23,850,000  |
| Total                        | \$4,000,000  | \$29,500,000  |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1 – Do Nothing:** As part of the Feasibility Study, USACE evaluated a “do nothing” alternative. It was found to have detrimental economic impact, as deep-draft vessels would

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experience operational delays while waiting on the tides. Seattle will likely lose its market share to ports that could handle these vessels most efficiently and cost effectively.

Cost Implications: No additional capital spending for design and construction.

Pros:

- (1) No capital investments.

Cons:

- (1) Lose federal funding.
- (2) Lose cargo market share.

This is not the recommended alternative.

**Alternative 2** – Continue Port’s participation in the design phase to deepen the West Waterway Channel to -57’ MLLW.

Cost Implications: \$4,000,000

Pros:

- (1) Leverage federal funding of \$1,670,000.
- (2) Ensure Seattle Harbor remains competitive.

Cons:

- (1) Commits Port cost share in cash and in-kind services during design.
- (2) Future construction costs to the Port, estimated to be \$23,850,000 starting as early as 2026, is not included in this authorization.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

USACE Feasibility study level estimate for Port of Seattle (POS) share from 2017; subject to change after design.

| <b><i>Cost Estimate/Authorization Summary</i></b> | POS          | NWSA        | Total        |
|---|--------------|-------------|--------------|
| <b>COST ESTIMATE</b>                              |              |             |              |
| Original estimate (USACE)                         | \$28,000,000 | \$1,500,000 | \$0          |
| <b>AUTHORIZATION</b>                              |              |             |              |
| Previous authorizations                           | \$150,000    | \$1,500,000 | \$1,650,000  |
| Current request for authorization                 | \$4,000,000  | \$0         | \$4,000,000  |
| Total authorizations, including this request      | \$4,150,000  | \$1,500,000 | \$5,650,000  |
| Remaining amount to be authorized                 | \$23,850,000 | \$0         | \$23,850,000 |



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***Annual Budget Status and Source of Funds***

This project was included in the 2023 Draft Plan of Finance under C800593 with a total estimated cost of \$28,000,000 (POS share).

This project will be funded by the Tax Levy.

***Financial Analysis and Summary***

|   |  |
|---|--|
| Project cost for analysis                               | \$29,500,000 (\$28M POS share)   |
| Business Unit (BU)                                      | POS Joint Venture  |
| Effect on business performance (NOI after depreciation) | This project will support cargo operations for properties licensed to the NWSA, including the redevelopment of Terminal 5. |
| IRR/NPV (if relevant)                                   | NA   |
| CPE Impact  | N/A  |

***Future Revenues and Expenses (Total cost of ownership)***

The feasibility study estimates maintenance dredging will be needed approximately every 10 years at a cost of approximately \$1.4M to the Port (assumes 50% cost share with USACE).

**ATTACHMENTS TO THIS REQUEST**

- (1) Design Agreement with USACE
- (2) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- December 3, 2019 – The Managing Members of NWSA were briefed on Seattle Harbor Deepening project.
- December 5, 2017 – The Managing Members of NWSA were briefed on Seattle Harbor Deepening project.
- December 5, 2017 – The Managing Members of NWSA authorized the Executive Director of the Port of Seattle to sign Letters of Agreement with the Muckleshoot Indian Tribe and Suquamish Tribe for impacts to treaty reserved fishing access related to the US Army Corps of Engineers Seattle Harbor Navigation Improvement Project.
- August 19, 2014 – The Managing Members of NWSA authorized the Chief Executive Officer to sign a Feasibility Cost Sharing Agreement with U.S. Army Corps of Engineers committing to \$1.5M in cost share.

DESIGN AGREEMENT  
BETWEEN  
THE DEPARTMENT OF THE ARMY  
AND  
**THE PORT OF SEATTLE**  
FOR  
DESIGN  
FOR THE  
**SEATTLE HARBOR NAVIGATION IMPROVEMENT PROJECT**

THIS AGREEMENT is entered into this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the Department of the Army (hereinafter the “Government”), represented by the District Commander for **Seattle District** (hereinafter the “District Commander”) and the **Port of Seattle** (hereinafter the “Non-Federal Sponsor”), represented by the **Executive Director**.

WITNESSETH, THAT:

WHEREAS, Federal funds were provided in **Further Consolidated Appropriations Act, 2020, Public Law 116-94** to initiate design of **deep draft navigation improvements for Seattle Harbor, Seattle, Washington;**

WHEREAS, the locally preferred plan (LPP) for **Seattle Harbor Navigation Improvement Project** (hereinafter the “Project”, as defined in Article I.A. of this Agreement) was approved by the Assistant Secretary of the Army (Civil Works) on **December 11, 2017;**

WHEREAS, **Section 101** of the Water Resources Development Act of 1986, as amended (**33 U.S.C. 2211**), specifies the cost-sharing requirements applicable to construction of the Project, and Section 105(c) of the Water Resources Development Act of 1986 (33 U.S.C. 2215(c)), provides that the costs of design shall be shared in the same percentages as construction of the Project;

WHEREAS, based on the Project’s primary purpose of **commercial navigation**, the parties agree that the Non-Federal Sponsor shall contribute **50** percent of the NED Plan design costs under this Agreement;

WHEREAS, the Non-Federal Sponsor is responsible for 100 percent of costs in excess of that required for design of the national economic development plan (hereinafter the “NED Plan”, as defined in Article I.B.); and

WHEREAS, the Government and Non-Federal Sponsor have the full authority and capability to perform in accordance with the terms of this Agreement.

NOW, THEREFORE, the parties agree as follows:

## ARTICLE I - DEFINITIONS

A. The term “Project” means the LPP, which includes **that plan for deep draft navigation improvements that will contribute to the economic efficiency of commercial navigation in Seattle Harbor by deepening the existing navigation channels to an authorized depth of -57 feet MLLW and widening the approach reach to 700 feet**, as generally described in the **Chief of Engineer’s Report, Seattle Harbor Navigation Improvement Project, Seattle, Washington**, dated **June 7, 2018** and approved by the **Chief of Engineers on June 7, 2018** (hereinafter the “Decision Document”), and includes the Project features associated with the portions of berths at Terminal 5 that overlap the Federal channel which are considered local service facilities (LSF) and are 100% non-Federal expense, but extends solely to the deepening of the existing West Waterway navigation channel and excludes the remainder of the recommended plan that has not been remediated of the contaminated sediments located therein under the oversight of the Environmental Protection Agency as of the date of this Design Agreement.

B. The term “NED Plan” means the national economic development plan, which includes **deepening the existing navigation channels of Seattle Harbor to an authorized project depth of -56 feet MLLW and widening the approach reach to 700 feet**, as generally described in the Decision Document.

C. The term “Design” means **performance of detailed pre-construction engineering and design, up through preparation of plans and specifications for the initial construction contract for deepening of the West Waterway navigation channel only** for the Project.

D. The term “design costs” means the sum of all costs incurred by the Government and Non-Federal Sponsor in accordance with the terms of this Agreement that are directly related to Design of the Project. Subject to the provisions of this Agreement, the term shall include, but is not necessarily limited to: the Government’s costs for engineering and design, including real estate, economic, and environmental analyses, a safety assurance review, if required, and supervision and administration; the Non-Federal Sponsor’s creditable costs for in-kind contributions, if any; the Non-Federal Sponsor’s costs for any design work allocated by the Government to the LPP incremental design costs; and the Government’s costs of review and oversight of any design work undertaken by the Non-Federal Sponsor. The term does not include any costs for dispute resolution; participation by the Government and Non-Federal Sponsor in the Design Coordination Team to discuss significant issues and actions; audits; betterments; or the Non-Federal Sponsor’s cost of negotiating this Agreement.

E. The term “NED Plan design costs” means that portion of design costs, as determined by the Government, that would have been incurred by the Government and Non-Federal Sponsor had the NED Plan been designed.

F. The term “LPP incremental design costs” means that portion of design costs, as determined by the Government, that are in excess of the NED Plan design costs.

G. The term “LSF incremental design costs” means that portion of design costs associated with the portions of berths at Terminal 5 that overlap the Federal channel which are

considered local service facilities, as determined by the Government, that are in excess of the NED Plan design costs.

H. The term “HTRW” means hazardous, toxic, and radioactive wastes, which includes any material listed as a “hazardous substance” (42 U.S.C. 9601(14)) regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (hereinafter “CERCLA”) (42 U.S.C. 9601-9675) and any other regulated material in accordance with applicable laws and regulations.

I. The term "in-kind contributions" means those creditable materials or services provided by the Non-Federal Sponsor for the NED Plan that are identified as being integral to Design of the Project by the Division Commander for the **Northwestern Division** (hereinafter the “Division Commander”). To be integral to Design of the Project, the material or service must be part of the work that the Government would otherwise have undertaken for design of the NED Plan. In-kind contributions also include any investigations performed by the Non-Federal Sponsor for the NED Plan to identify the existence and extent of any HTRW as required for Design of the Project.

J. The term “betterment” means a difference in the Design of the Project that results from the application of standards that the Government determines exceed those that the Government would otherwise apply to the Design of the Project.

K. The term “fiscal year” means one year beginning on October 1<sup>st</sup> and ending on September 30<sup>th</sup> of the following year.

## ARTICLE II - OBLIGATIONS OF THE GOVERNMENT AND THE NON-FEDERAL SPONSOR

A. In accordance with Federal laws, regulations, and policies, the Government shall conduct the Design using funds appropriated by the Congress and funds provided by the Non-Federal Sponsor. In carrying out its obligations under this Agreement, the Non-Federal Sponsor shall comply with all requirements of applicable Federal laws and implementing regulations, including but not limited to, if applicable, Section 601 of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto; the Age Discrimination Act of 1975 (42 U.S.C. 6102); and the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Army Regulation 600-7 issued pursuant thereto.

B. The Non-Federal Sponsor shall contribute **50** percent of the NED Plan design costs in accordance with the provisions of this paragraph. In addition, the Non-Federal Sponsor is responsible for **100** percent of the LPP incremental design costs, and is responsible for **100** percent of the LSF incremental design costs.

1. The Non-Federal Sponsor shall be responsible for undertaking any investigations that the Government determines are required for Design of the Project to identify the existence and extent of any HTRW.

2. After considering the estimated amount of credit for in-kind contributions, if any, that will be afforded in accordance with paragraph C. of this Article, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor for the initial fiscal year of the Design to meet its cost share for the NED Plan design costs. In addition, the Government shall determine the funds required from the Non-Federal Sponsor to cover the LPP incremental design costs that will be incurred by the Government, as well as to cover the LSF incremental design costs that will be incurred by the Government. No later than 60 calendar days after such notification, the Non-Federal Sponsor shall provide the full amount of such funds to the Government in accordance with Article III.C.

3. No later than August 1<sup>st</sup> prior to each subsequent fiscal year of the Design, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor during that fiscal year to meet its cost share. No later than September 1<sup>st</sup> prior to that fiscal year, the Non-Federal Sponsor shall provide the full amount of such required funds to the Government in accordance with Article III.C.

C. The Government shall include in NED Plan design costs and credit towards the Non-Federal Sponsor's share of such costs, the cost of in-kind contributions performed by the Non-Federal Sponsor that are determined by the Government to be integral to design of the NED Plan. Creditable in-kind contributions may include costs for engineering, design, and supervision and administration, but shall not include any costs associated with betterments. Such costs shall be subject to audit in accordance with Article VII to determine reasonableness, allocability, and allowability, and crediting shall be in accordance with the following procedures, requirements, and limitations:

1. As in-kind contributions are completed and no later than 60 calendar days after such completion, the Non-Federal Sponsor shall provide the Government appropriate documentation for the Government to determine the costs that are creditable to the Non-Federal Sponsor's share of design costs. Failure to provide such documentation in a timely manner may result in denial of credit. Appropriate documentation includes invoices and certification of specific payments to contractors, suppliers, and the Non-Federal Sponsor's employees.

2. No credit shall be afforded for the following: interest charges, or any adjustment to reflect changes in price levels between the time the in-kind contributions are completed and credit is afforded; the value of in-kind contributions obtained at no cost to the Non-Federal Sponsor; any items provided or performed prior to the effective date of this Agreement unless covered by an In-Kind Memorandum of Understanding; any items not identified as integral in the integral determination report; or costs that exceed the Government's estimate of the cost for such in-kind contributions.

3. No reimbursement will be provided for any in-kind contributions that exceed the Non-Federal Sponsor's share of the design costs under this Agreement.

D. To the extent practicable and in accordance with Federal laws, regulations, and policies, the Government shall afford the Non-Federal Sponsor the opportunity to review and comment on contract solicitations prior to the Government's issuance of such solicitations;

proposed contract modifications, including change orders; and contract claims prior to resolution thereof. Ultimately, the contents of solicitations, award of contracts, execution of contract modifications, and resolution of contract claims shall be exclusively within the control of the Government.

E. The Non-Federal Sponsor shall not use Federal program funds to meet any of its obligations under this Agreement unless the Federal agency providing the funds verifies in writing that the funds are authorized to be used for the Project. Federal program funds are those funds provided by a Federal agency, plus any non-Federal contribution required as a matching share therefor.

F. In addition to the ongoing, regular discussions between the parties regarding Design delivery, the Government and the Non-Federal Sponsor may establish a Design Coordination Team to discuss significant issues or actions. Neither the Government's nor the Non-Federal Sponsor's costs for participation on the Design Coordination Team shall be included in the design costs. The Non-Federal Sponsor's costs for participation on the Design Coordination Team shall be paid solely by the Non-Federal Sponsor without reimbursement or credit.

G. The Non-Federal Sponsor may request in writing that the Government include betterments in the Design of the Project. Each request shall be subject to review and written approval by the Division Commander. If the Government agrees to such request, the Non-Federal Sponsor, in accordance with Article III.F., must provide funds to cover the difference in the costs for design of such work, as determined by the Government, in advance of the Government performing the work.

H. If the Government and Non-Federal Sponsor enter into a Project Partnership Agreement for construction of the Project, the Government shall include the design costs in the calculation of construction costs for the Project in accordance with the terms and conditions of the Project Partnership Agreement.

### ARTICLE III - PROVISION OF NON-FEDERAL COST SHARE

A. As of the effective date of this Agreement, design costs are projected to be **\$3,473,924**, with NED Plan design costs projected to be **\$3,340,000**, and LPP and LSF incremental design costs projected to be **\$133,924**. The Government's share of the NED Plan design costs are projected to be **\$1,670,000**, and the Non-Federal Sponsor's share of such costs are projected to be **\$1,670,000**, which includes creditable in-kind contributions projected to be **\$1,670,000**, and the amount of funds required to meet its cost share projected to be **\$133,924**. The LPP incremental design costs are projected to be **\$100,400**, which includes the amount of funds to cover the LPP incremental design costs that will be initially incurred by the Government projected to be **\$45,567**. The LSF incremental design costs are projected to be **\$33,524**, which includes the amount of funds to cover the LSF incremental design costs that will be initially incurred by the Government projected to be **\$15,215**. Costs for betterments are projected to be **\$0**. These amounts are estimates subject to adjustment by the Government, after consultation with the Non-Federal Sponsor, and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsor.

B. The Government shall provide the Non-Federal Sponsor with monthly reports setting forth the estimated design costs, NED Plan design costs, LPP incremental design costs, LSF incremental design costs, and the Government's and Non-Federal Sponsor's estimated shares of such costs; costs incurred by the Government, using both Federal and Non-Federal Sponsor funds, to date; the amount of funds provided by the Non-Federal Sponsor to date; the estimated amount of any creditable in-kind contributions; and the estimated remaining cost of the Design.

C. The Non-Federal Sponsor shall provide to the Government required funds by delivering a check payable to "FAO, USAED, **Seattle (G3)**" to the District Commander, or verifying to the satisfaction of the Government that the Non-Federal Sponsor has deposited such required funds in an escrow or other account acceptable to the Government, with interest accruing to the Non-Federal Sponsor, or by providing an Electronic Funds Transfer of such required funds in accordance with procedures established by the Government.

D. The Government shall draw from the funds provided by the Non-Federal Sponsor to cover the non-Federal share of the design costs as those costs are incurred. If the Government determines at any time that additional funds are needed from the Non-Federal Sponsor to cover the Non-Federal Sponsor's required share of the design costs, the Government shall provide the Non-Federal Sponsor with written notice of the amount of additional funds required. Within 60 calendar days of such notice, the Non-Federal Sponsor shall provide the Government with the full amount of such additional funds.

E. Upon completion of the Design and resolution of all relevant claims and appeals, the Government shall conduct a final accounting and furnish the Non-Federal Sponsor with the written results of such final accounting. Should the final accounting determine that additional funds are required from the Non-Federal Sponsor, the Non-Federal Sponsor, within 60 calendar days of written notice from the Government, shall provide the Government with the full amount of such additional funds by delivering a check payable to "FAO, USAED, **Seattle (G3)**" to the District Commander, or by providing an Electronic Funds Transfer of such funds in accordance with procedures established by the Government. Should the final accounting determine that the Non-Federal Sponsor has provided funds in excess of its required amount, the Government shall refund the excess amount, subject to the availability of funds or if requested by the Non-Federal Sponsor, apply the excess amount towards the non-Federal share of the cost of construction of the Project in the event a Project Partnership Agreement is executed for the Project. Such final accounting does not limit the Non-Federal Sponsor's responsibility to pay its share of design costs, including contract claims or any other liability that may become known after the final accounting.

F. If the Government agrees to include betterments on the Non-Federal Sponsor's behalf, the Government shall provide written notice to the Non-Federal Sponsor of the amount of funds required to cover such costs. No later than 30 calendar days after receipt of such written notice, the Non-Federal Sponsor shall make the full amount of such required funds available to the Government through either payment method specified in Article III.E. If at any time the Government determines that additional funds are required to cover any such costs, as applicable, the Non-Federal Sponsor shall provide those funds within 30 calendar days from receipt of

written notice from the Government. If the Government determines that funds provided by the Non-Federal Sponsor exceed the amount required for the Government to complete such work, the Government shall refund any remaining unobligated amount.

#### ARTICLE IV - TERMINATION OR SUSPENSION

A. If at any time the Non-Federal Sponsor fails to fulfill its obligations under this Agreement, the Government may suspend or terminate Design unless the Assistant Secretary of the Army (Civil Works) determines that continuation of the Design is in the interest of the United States or is necessary in order to satisfy agreements with any other non-Federal interests in connection with the Project.

B. If the Government determines at any time that the Federal funds made available for the Design are not sufficient to complete such work, the Government shall so notify the Non-Federal Sponsor in writing within 30 calendar days, and upon exhaustion of such funds, the Government shall suspend Design until there are sufficient Federal funds appropriated by the Congress and funds provided by the Non-Federal Sponsor to allow Design to resume.

C. In the event of termination, the parties shall conclude their activities relating to the Design and conduct an accounting in accordance with Article III.E. To provide for this eventuality, the Government may reserve a percentage of available funds as a contingency to pay costs of termination, including any costs of resolution of contract claims and contract modifications.

D. Any suspension or termination shall not relieve the parties of liability for any obligation incurred. Any delinquent payment owed by the Non-Federal Sponsor pursuant to this Agreement shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13-week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3 month period if the period of delinquency exceeds 3 months.

#### ARTICLE V - HOLD AND SAVE

The Non-Federal Sponsor shall hold and save the Government free from all damages arising from the Design, except for damages due to the fault or negligence of the Government or its contractors.

#### ARTICLE VI - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute



through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to the parties. Each party shall pay an equal share of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

#### ARTICLE VII - MAINTENANCE OF RECORDS AND AUDIT

A. The parties shall develop procedures for the maintenance by the Non-Federal Sponsor of books, records, documents, or other evidence pertaining to costs and expenses for a minimum of three years after the final accounting. The Non-Federal Sponsor shall assure that such materials are reasonably available for examination, audit, or reproduction by the Government.

B. The Government may conduct, or arrange for the conduct of, audits of the Design. Government audits shall be conducted in accordance with applicable Government cost principles and regulations. The Government's costs of audits for the Design shall not be included in design costs.

C. To the extent permitted under applicable Federal laws and regulations, the Government shall allow the Non-Federal Sponsor to inspect books, records, documents, or other evidence pertaining to costs and expenses maintained by the Government, or at the Non-Federal Sponsor's request, provide to the Non-Federal Sponsor or independent auditors any such information necessary to enable an audit of the Non-Federal Sponsor's activities under this Agreement. The Non-Federal Sponsor shall pay the costs of non-Federal audits without reimbursement or credit by the Government.

#### ARTICLE VIII - RELATIONSHIP OF PARTIES

In the exercise of their respective rights and obligations under this Agreement, the Government and the Non-Federal Sponsor each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other. Neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights a party may have to seek relief or redress against that contractor.

#### ARTICLE IX - NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or mailed by registered or certified mail, with return receipt, as follows:

If to the Non-Federal Sponsor:

**[TITLE (NOT the name of the individual)]  
THE PORT OF SEATTLE**

**[ADDRESS]**

If to the Government:

District Commander  
U.S. Army Corps of Engineers, Seattle District  
ATTN: Project Manager: Seattle Harbor Navigation Improvement Project  
CENWS-PMC  
Building 1202  
4735 E Marginal Way S.  
Seattle, WA 98134

B. A party may change the recipient or address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

**ARTICLE X - CONFIDENTIALITY**

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.

**ARTICLE XI - THIRD PARTY RIGHTS, BENEFITS, OR LIABILITIES**

Nothing in this Agreement is intended, nor may be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever in any third person not party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Commander.

DEPARTMENT OF THE ARMY

THE PORT OF SEATTLE

BY: \_\_\_\_\_

Kathryn P. Sanborn  
Colonel, U.S. Army  
District Commander

BY: \_\_\_\_\_

[TYPED NAME]  
[Full Title]

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Item No: 10d\_Supp

Meeting date: September 12, 2023

# West Waterway Deepening

Arthur Kim – Capital Project Manager



# Action Request

Request Commission authorization for the Executive Director to:

1. Execute a Design Agreement and all associated documents with the US Army Corps of Engineers for the Preconstruction Engineering and Design phase of the West Waterway Deepening Project, and
2. Authorize the Preconstruction Engineering and Design Phase of the West Waterway Channel Deepening Project, including execution of outside services contracts and service agreements, for an estimated Port cost of \$4,000,000, with the total authorized amount for the project to be at \$5,650,000.

# USACE SEATTLE HARBOR NAVIGATION IMPROVEMENT PROJECT

Item No.: \_Supp  
Meeting Date: July 14, 2020

**West Waterway**  
*Deepening -57' MLLW*

**East Waterway**  
*Deepening -57' MLLW*

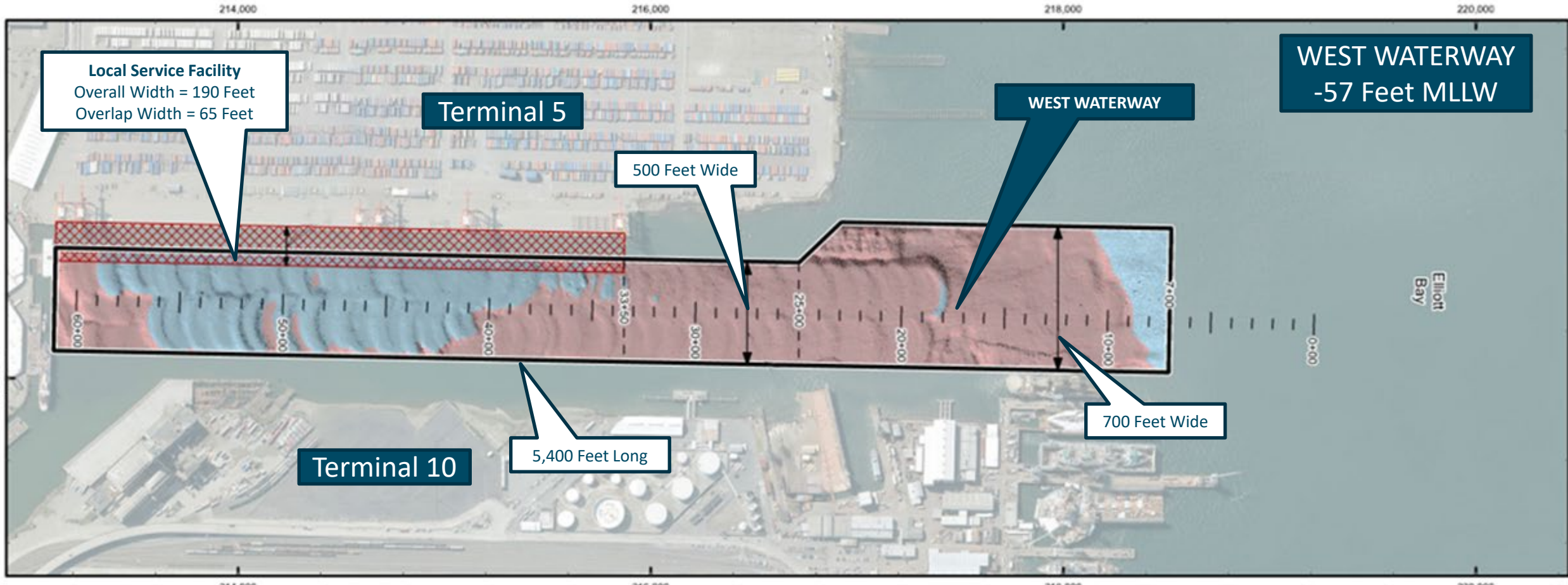
T-5

T-18

T-46

T-30

# West Waterway Deepening Site Location



# Background

- 2014: Managing Members approved joint feasibility study with US Army Corps of Engineers (USACE) to deepen federal navigation channels in East & West Waterways.
- 2017: Feasibility Report completed
- 2018: Congress authorized deepening channel to -57' MLLW.
- 2020: USACE received funding for Preconstruction Engineering and Design (PED) for West Waterway.
- USACE estimates 700K cubic yards will be dredged.

# USACE Partnership

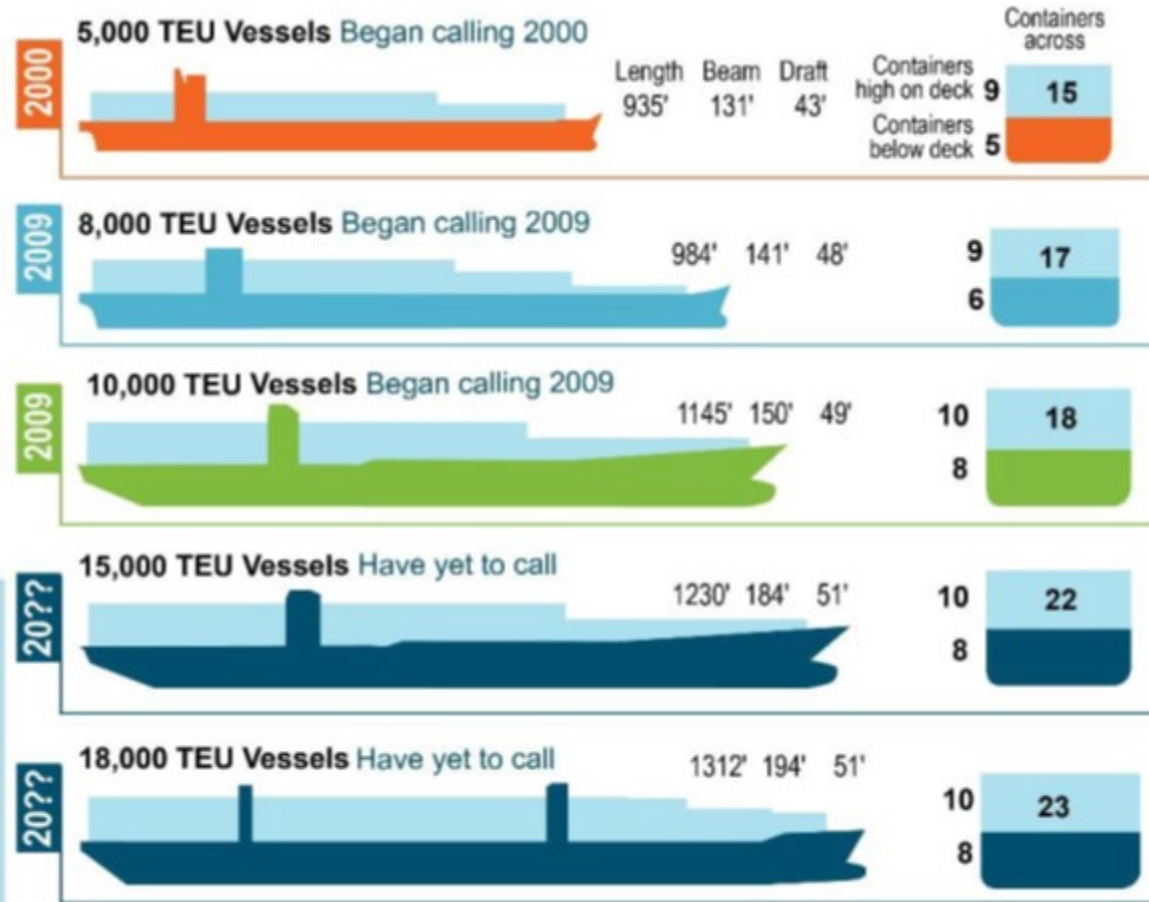
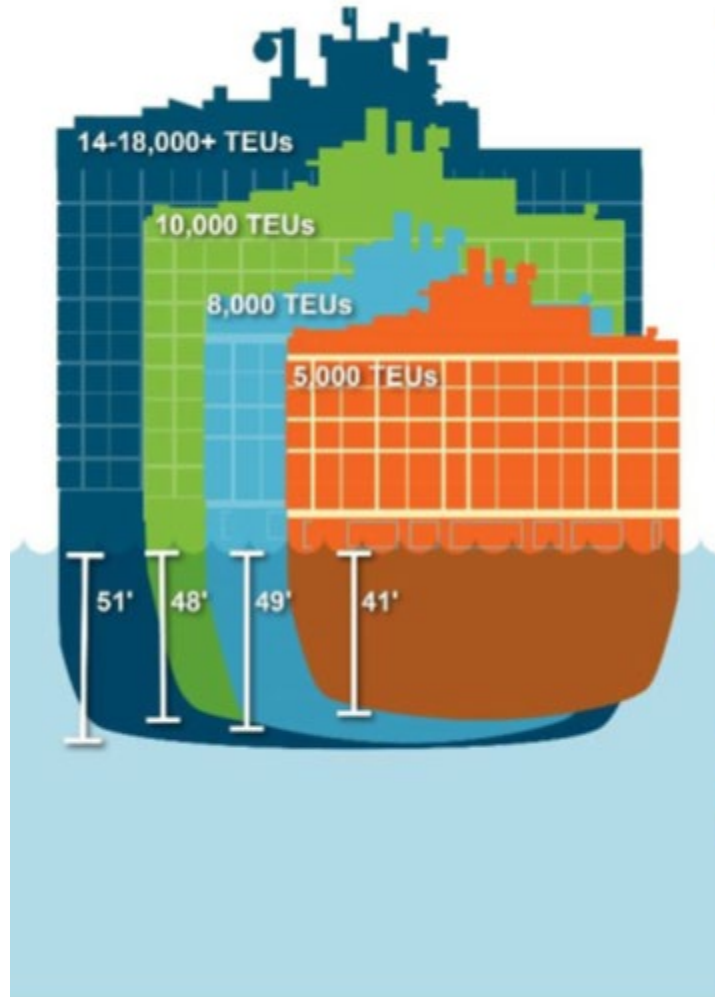
- Design Agreement commits the Port of Seattle as non-federal sponsor to share 50% of design with cash and/or work-in-kind (WIK)
- USACE will manage PED phase including environmental permitting, engineering, and lead overall design.
- Port will be responsible for sediment characterization, geotechnical engineering, and participation in ship simulations.
  - Payment will be made to make up the difference between WIK & 50/50 split.
  - Some Port costs will not be eligible for WIK credit.



# Why Deepen the West Waterway?

- Seattle Harbor is a major gateway for regional & national exports/imports.
  - Will lose container market share to other ports.
- Container ships are increasing in size needing deeper navigation channels or risk causing operational delays.
  - Without deepening largest ships need to wait until high tide.
- Terminal 5 Berth Modernization is deepening berth for the largest ships.

# Ability to Berth the Largest Ships



# Schedule

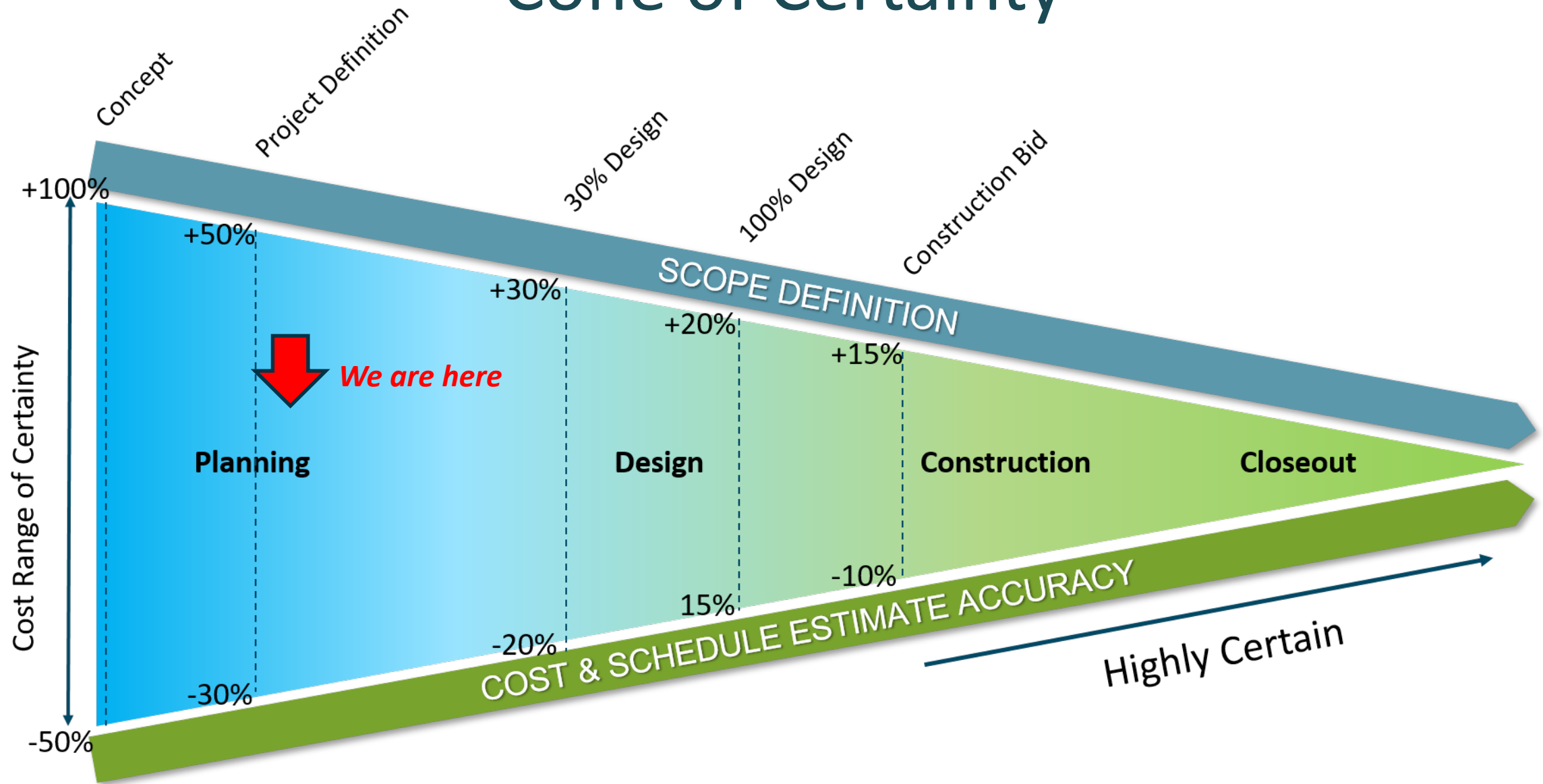
| POS Commission Design Authorization | September 2023 |
|-------------------------------------|----------------|
| Design Agreement Execution          | Q3 2023        |
| Design Kickoff                      | Q4 2023        |
| Procure WIK Consultant              | Q2 2024        |
| Design Completion                   | Q3 2026        |

# Budget and Authorization

| AUTHORIZATION                      | Capital (POS) | Expense (NWSA) | Total        |
|------------------------------------|---------------|----------------|--------------|
| Previous Authorizations            | \$150,000     | \$1,500,000    | \$1,650,000  |
| Current Request for Authorization  | \$4,000,000   | \$0            | \$4,000,000  |
| Total Authorizations               | \$4,150,000   | \$1,500,000    | \$5,650,000  |
| *Remaining Amount to Be Authorized | \$23,850,000  | \$0            | \$23,850,000 |

*\*Remaining Amount to Be Authorized is based on a 2017 estimate & will be revised during design.*

# Cone of Certainty



# Authorization Request/Next Steps

Total amount of this request: \$4,000,000

## Next Steps:

- Execute Design Agreement and associated documents.
- Begin design with USACE.
- Advertise and award project specific service agreement.



Questions?



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 10e

**ACTION ITEM**

**Date of Meeting** September 12,2023

**DATE:** July 26, 2023

**TO:** Stephen P. Metruck, Executive Director

**FROM:** David McFadden, Managing Director, Economic Development Division  
Kyra Lise, Director of Real Estate Development  
Stefan Wynn, Capital Project Manager IV

**SUBJECT: T91 Trail Bridge Removal and Segment Widening (CIP# C801192)**

**Amount of this request:** \$1,475,000

**Total requested project cost:** \$1,525,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to proceed with design and construction for the T91 Trail Bridge Removal and Segment Widening. This single authorization is for \$1,475,000 of a total estimated project cost of \$1,525,000.

**EXECUTIVE SUMMARY**

This project will remove the existing pedestrian/bicycle bridge and replace with an on-grade path, widen the existing pinch point south of the pedestrian/bicycle bridge and upgrade the existing rail crossing.

**JUSTIFICATION**

- 1) Improve Public Safety - This project improves public safety by upgrading these trail segments to American Association of Highway and Transportation Officials (AASHTO) design standards where applicable to allow for two-way traffic and reduce risk of collisions.
- 2) Improve Accessibility - This project addresses accessibility challenges at the pedestrian/bicycle bridge and the rail crossing to expand the number of users who can enjoy and utilize this unique non-vehicular route between Interbay and Downtown.

***Diversity in Contracting***

Design is being executed through an existing IDIQ with preestablished contracting goals of 25%. With the small nature of this project, it presents a great opportunity to have high WMBE



Meeting Date: September 12, 2023

participation. The Diversity in Contracting Department will be engaged as part of the Bid Document preparation to establish these goals.

**DETAILS**

***Scope of Work***

Work included to widen the two trail segments, about 750 feet of trail in total.

- (1) Remove the existing pedestrian/bicycle bridge and replace with an on-grade path to meet standard design criteria of a ten-foot paved trail (10'-0") with two-foot (2'-0") buffers areas consistent with existing tree planting wherever possible.
- (2) Widen the existing pinch point south of the pedestrian/bicycle bridge to a paved width of 8-feet 6-inches (8'-6") with no buffer by moving the east fence per an easement with BNSF railroad. This is an acceptable alternate when existing fixed elements like train tracks and buildings exist.
- (3) Upgrade the rail crossing in the south pinch point segment to AASHTO or National Association of Transportation Officials (NACTO) design standards address safety and accessibility issues, which ever is the higher standard.
- (4) Revise grading to direct flow to existing stormwater conveyance system. Coat new and existing fences within the project boundary to reduce zinc runoff.
- (5) Install new fencing where required and paint existing fence in segment areas to remain.
- (6) Install conduit sleeves under the trail for future lighting opportunities.

***Schedule***

*Activity*

|                                       |                |
|---------------------------------------|----------------|
| Commission design authorization       | 2023 Quarter 3 |
| Design start                          | 2023 Quarter 3 |
| Commission construction authorization | 2023 Quarter 3 |
| Construction start                    | 2024 Quarter 3 |
| In-use date                           | 2024 Quarter 4 |

***Cost Breakdown***

|              | This Request       | Total Project      |
|--------------|--------------------|--------------------|
| Design       | \$525,000          | \$575,000          |
| Construction | \$950,000          | \$950,000          |
| <b>Total</b> | <b>\$1,475,000</b> | <b>\$1,525,000</b> |

Meeting Date: September 12, 2023

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Maintain the current condition.

Cost Implications: None.

Pros:

- (1) No additional cost to the Port.
- (2) No trail closure during construction.

Cons:

- (1) Existing safety issues remain which could present the Port with potential Liabilities.
- (2) Existing accessibility issues remain which limit usability and access to some users.

This is not the recommended alternative.

**Alternative 2** – In addition to the proposed alternative, move the west fence three feet six inches (3'-6") at the southern pinch point to achieve a full 10-foot (10'-0") paved width with 2-foot (2'-0") buffers on each side.

Cost Implications: \$4,000,000 - \$7,000,000

Pros:

- (1) Trail segments will meet minimum design standards to the full extent, including at the southern pinch point.

Cons:

- (1) The rail spur would need to be shifted which would add considerable cost, extend the construction duration, and cut off all rail access to the Port during construction.

This is not the recommended alternative.

**Alternative 3** – Remove the existing pedestrian/bicycle bridge and replace with an on-grade path meeting minimum design standards and widen the existing pinch point south of the pedestrian/bicycle bridge as much as feasible per an easement with BNSF Railways.

Cost Implications: \$1,525,000

Pros:

- (1) Improves safety and accessibility.
- (2) Limited project scope will facilitate a shorter construction period and impact to daily users from the trail closure.

Cons:

- (1) Due to the existing constraints of the existing rail lines on both sides of the trail, the full standards design width with buffers cannot be achieved at the southern pinch point and therefore tree planting is limited.
- (2) Does not include time-intensive sustainability and equity elements, lighting installation, or waste receptacles.

***This is the recommended alternative.***

Meeting Date: September 12, 2023

**FINANCIAL IMPLICATIONS**

| <i>Cost Estimate/Authorization Summary</i>   | Capital     | Expense | Total        |
|--|-------------|---------|--------------|
| <b>COST ESTIMATE</b>                         |             |         |              |
| Original estimate                            | \$1,525,000 | \$0     | \$1,525,000  |
| <b>AUTHORIZATION</b>                         |             |         |              |
| Previous authorizations                      | \$50,000    | 0       | \$50,000     |
| Current request for authorization            | \$1,475,000 | 0       | \$1,1475,000 |
| Total authorizations, including this request | \$1,525,000 | 0       | \$1,525,000  |
| Remaining amount to be authorized            | \$0         | \$0     | \$0          |

***Annual Budget Status and Source of Funds***

This project was included in the 2023 Capital Plan under C801192 T91 Trail Improvements with a total estimated cost of \$1,200,000. The current total project estimate is \$1,525,000. The additional cost will be covered by management reserves.

The project will be funded by the General Fund.

A separate easement deal with BNSF includes a land transfer that will net cash proceeds to the Port.

***Financial Analysis and Summary***

|   |  |
|---|--|
| Project cost for analysis                               | \$1,525,000  |
| Business Unit (BU)                                      | Portfolio Management/Parks   |
| Effect on business performance (NOI after depreciation) | This project is expected to increase annual depreciation by approximately \$50K. |
| IRR/NPV (if relevant)                                   | NA   |
| CPE Impact  | NA   |

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

# Terminal 91 Trail Bridge Removal and Segment Widening

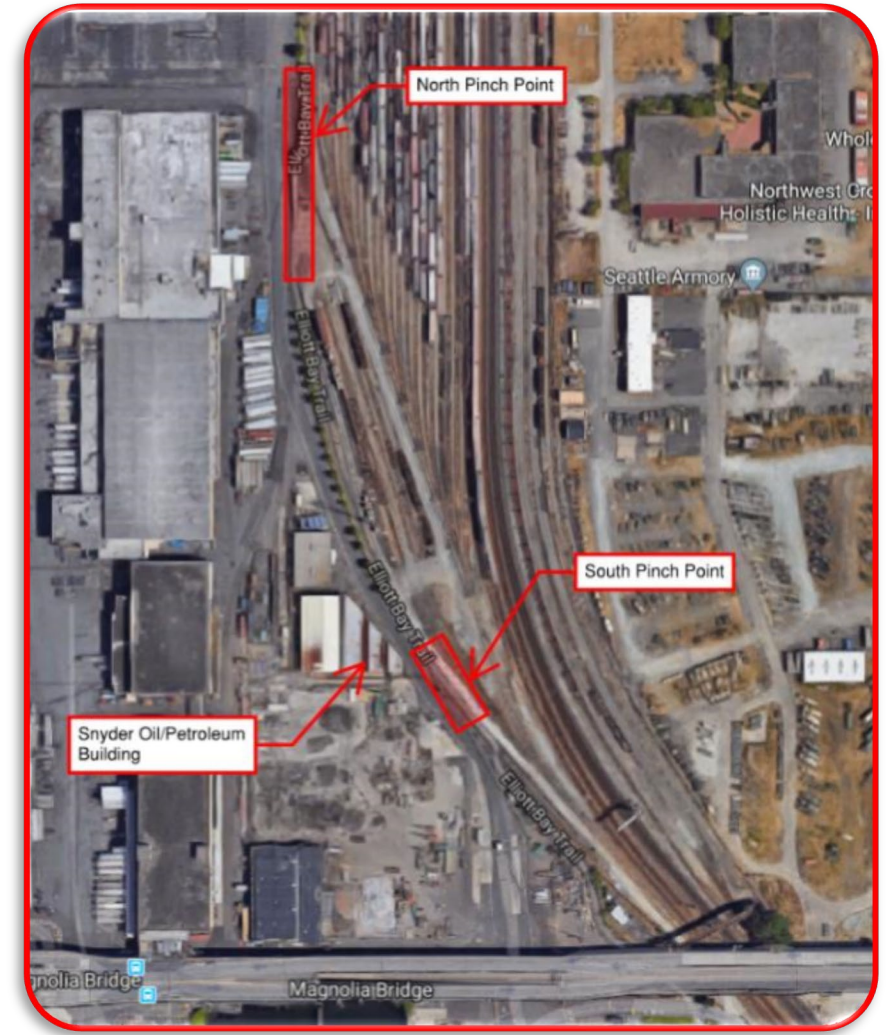
Kyra Lise, Director of Real Estate Development  
Stefan Wynn, Capital Project Manager IV

# Action Requested

Request Commission full project authorization for the Executive Director to execute an IDIQ design service directive, and advertise, award, and execute a major works construction contract to complete the bridge removal and segment widening of Terminal 91 Trail. This authorization is \$1,475,000 for a project total estimated project cost of \$1,525,000.

(CIP# C801192)

# Project Location



# Current Condition-North Pinch Point Bridge



# Current Condition – South Pinch Point





# Project Objectives

- 1) Improve Public Safety - This project improves public safety by upgrading these trail segments to American Association of Highway and Transportation Officials (AASHTO) design standards where applicable to allow for two-way traffic and reduce risk of collisions.
- 2) Improve Accessibility - This project addresses accessibility challenges at the pedestrian/bicycle bridge and the rail crossing to expand the number of users who can enjoy and utilize this unique non-vehicular route between Interbay and Downtown.













# Project Scope

- This project will remove the existing pedestrian/bicycle bridge and replace with an on-grade path.
- Widen the existing pinch point south of the pedestrian/bicycle bridge and upgrade the existing rail crossing.



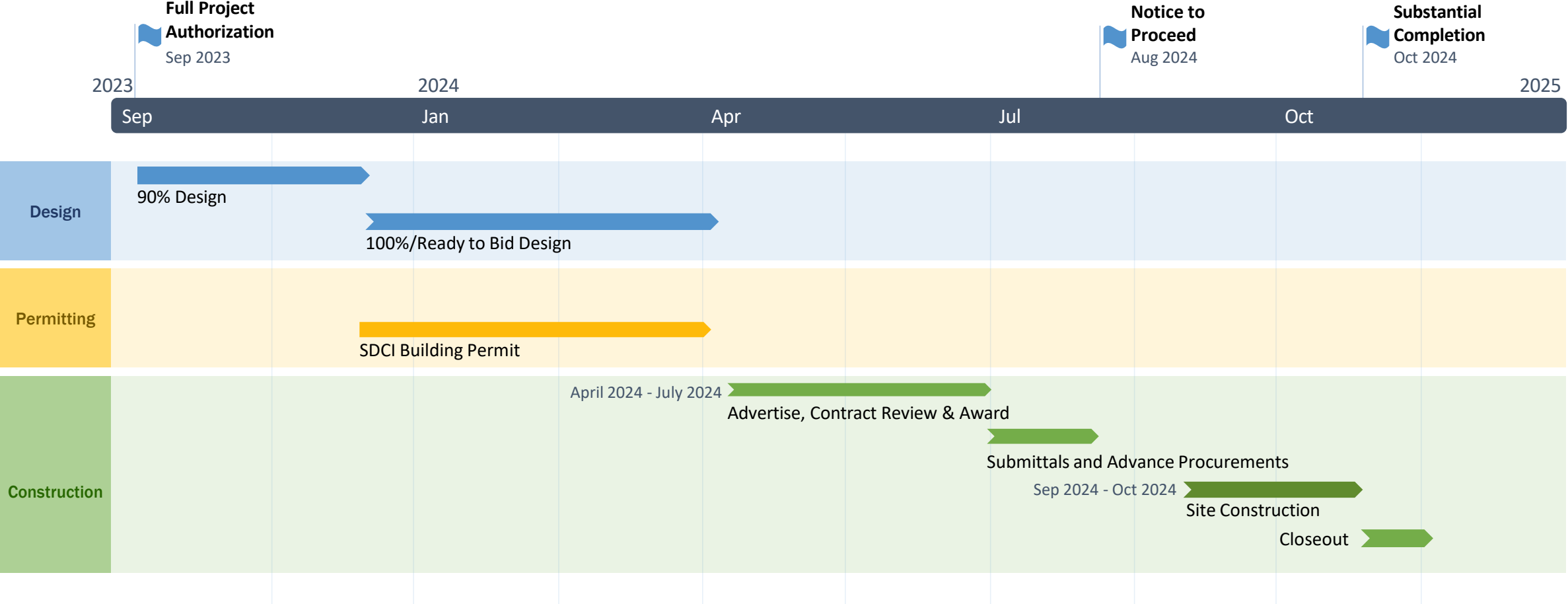
# Remaining Project Risk

| RISK  | DESCRIPTION   | PROBABILITY   | IMPACT  | MITIGATION   |
|---|---|---|---|--|
| Permit Issuance   | Grading permit with Demo - review times estimate range from 4-6 months.                       | High   | High   | Consider Advertise before permit if first round of corrections have been addressed and potential to scope change is evaluated to be low.         |
| Unforeseen Hazardous materials in building/Site                 | Industrial site carries risk of contaminated soils and regulated building materials           | Low    | Low    | Excavation to be limited to trail base with minimal to no disturbance of underlying soil. Regulated material surveys will performed as required. |
| Weather related project delay                                   | Paving may not be able to be placed during a rain event increasing the construction duration. | Med    | Med    | Bid work as soon as possible to target early fall construction.  |
| Increased Public response to detour from extended trail closure | The project requires a completed closure of the trail. Schedule delays may increase this.     | Med    | Med    | Build clear execution deliverables into contract documents and budget for addition swing or night shifts to maintain schedule.                   |
| Bids Significantly Over Estimate                                | Continued volatility and escalation in construction markets, specialized work                 | Low  | Med  | Carry additional contingency..   |

# T91 Trial - Schedule

Sustainable Design Strategy Complete

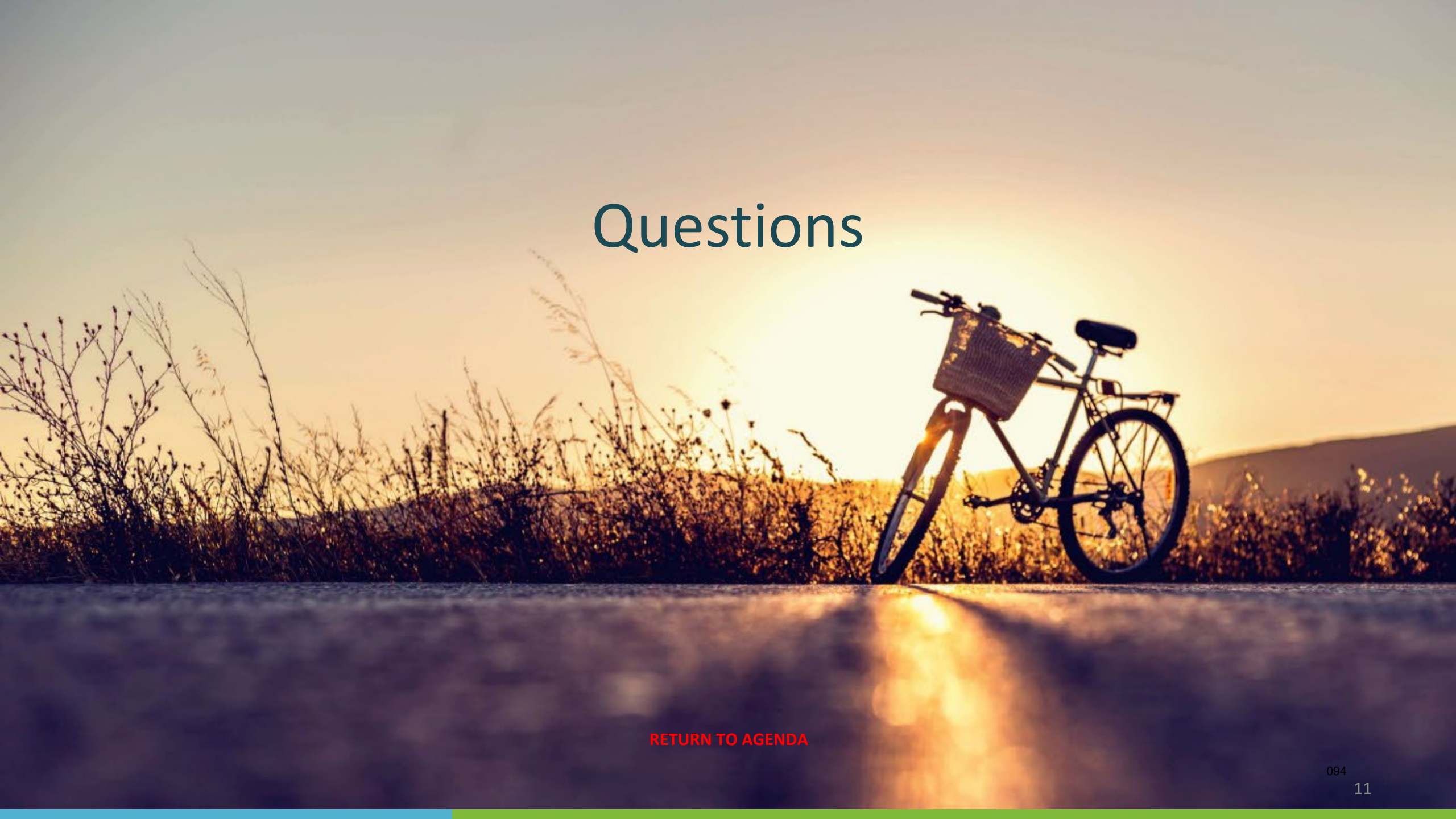
Apr 2023



# Project Estimate

| <b>Cost Estimate/Authorization Summary</b>          | <b>Capital</b>     | <b>Expense</b> | <b>Total</b>       |
|---|--------------------|----------------|--------------------|
| <b>COST ESTIMATE</b>                                |                    |                |                    |
| <b>Current estimate</b>                             | \$1,525,000        | 0              | <b>\$1,525,000</b> |
| <b>AUTHORIZATION</b>                                |                    |                |                    |
| <b>Previous authorizations</b>                      | \$50,000           | 0              | <b>\$50,000</b>    |
| <b>Current request for authorization</b>            | <b>\$1,475,000</b> | 0              | <b>\$1,475,000</b> |
| <b>Total authorizations, including this request</b> | \$1,525,000        | 0              | <b>\$1,525,000</b> |
| <b>Remaining amount to be authorized</b>            | \$0                | \$0            | <b>\$0</b>         |

# Questions



[RETURN TO AGENDA](#)



**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.** 11a

**BRIEFING ITEM**

**Date of Meeting** September 12, 2023

**DATE:** September 1, 2023  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Rick Duncan, Director Airline Affairs & Aviation Properties  
Eileen Francisco, Director, Aviation Project Management Group  
**SUBJECT: Post IAF Airline Realignment Program Status Briefing (CIP #C801158)**

**EXECUTIVE SUMMARY**

The purpose of this project briefing is to communicate the program progress, provide a budget and schedule update and highlight key risks and challenges.

The project is facilitating the relocation of United Airlines’ (UA) domestic only operations from Concourse A to Concourse B. This allows for airlines with international flights to use the vacated international capable gates on Concourse A. Associated office and support spaces to support both relocations will be delivered as part of the project. As a separate, discreet scope of work, ticket counters in the central main terminal will be reconfigured and expanded to support airline operations.

Since the Commission action in February 2023, the project has progressed the majority of the design to 60% completion and accelerated the enabling work through 100% completion. These 100% design documents support the procurement of enabling construction needed to support airline relocations. The project team will be returning at the September 26 Commission meeting to request authorization for construction for the enabling work procurement based on the Maximum Allowable Cost for Construction negotiations between the Port and General Contractor/Construction Manager.

**Program Status**

Since February 2023 the project team has continued to develop the multiple design packages. The Estimate at Completion budget and GCCM construction milestone schedule continues to be updated with the progression of design and verification of existing conditions. The project will gain greater cost and schedule certainty as we deliver 100% design documents and procure all project scope by Q4 2023.

To facilitate the relocation of UA’s operations and passenger services from Concourse A to B, scope has been split between both the Airline Realignment Project and the forthcoming UA Lounge Project. As Airline Realignment is the larger parent project, all funding requests for the

Meeting Date: September 12, 2023

UA project will be brought forward under the Airline Realignment umbrella, with the discrete scopes of work separated under each project.

Currently, the Port anticipates completing the new operational ramp prior to the opening of the new lounge on Concourse B. Presently, the UA project is tracking to request Commission authorization for construction in Q2 2024 with a substantial completion in Q3 2025.

| <b>Design Package</b> | <b>Description</b>                      | <b>Contract Document Status</b>  |
|-----------------------|---|--|
| Package 1             | Enabling Work Package                   | 90% Complete now, Issue for Construction Q4 2023                       |
| Package 2             | Mechanical System Upgrades              | 60% Complete now, Issue for Construction Q4 2023                       |
| Package 3             | Concourse B Ramp Renovation & Expansion | 60% Complete now, Issue for Construction Q4 2023                       |
| Package 4             | Zone 4 Ticket Counter Reconfiguration   | 60% Complete now, Issue for Construction Q1 2024                       |
| TBD                   | United Airlines Lounge                  | Design contract executed June 2023, anticipate 30% complete by Q4 2023 |

**Program Budget and Schedule**

The 30% design development documents, with the enabling work package accelerated to 60% design development, were delivered in April. This initiated an estimate and reconciliation of the airline realignment scope, along with preparation of an independent cost estimate. The resulting effort informed the revised estimate range of \$102M to \$140M, refined from projected range of \$98M - \$172M previously shared with the Commission in February. Note that the costs being carried for the United Airlines Lounge are from a conceptual estimate performed in December 2022. The project team is expecting revised budget estimates from UA in Q4 2023.

Since April 23, 2023, the project team, including the GCCM and its subcontractors, have been evaluating the milestone schedule to identify areas for efficiency. The Electrical and Mechanical subcontract trade partners contracted during preconstruction are now included in this effort to inform the schedule updates based on their detailed understanding of the complex infrastructure phasing required. This early engagement also includes coordination with Port stakeholders, and jurisdictional authorities to ensure functional continuity with existing airport systems and operations throughout the project’s phased construction.

Key Project Milestone Current Delivery Dates:

- (1) United Airlines Gates to be allocated on Concourse B – September 2025
- (2) United Airlines Lounge on Concourse B – Q4 2025



Meeting Date: September 12, 2023

A key goal for the project team is to improve the project schedule such that United Airlines will be operating on B Concourse sooner.

**Key Risks & Mitigation Strategies**

- (1) Existing Conditions verification: The project team is approximately 70% complete with existing conditions verification and 3D modeling. At the beginning of the design effort in January 2023, approximately 10% of the existing conditions had been verified and modeled. The existing condition verification effort will be complete in October 2023 and mitigate the risk of future design changes or cost impacts due to unforeseen conditions during construction.
- (2) Complex Phasing: Through the design development, durations to account for safe construction and to reduce downtime of existing systems have been incorporated, requiring additional phasing not initially anticipated. The project team and stakeholders continue to collaborate to identify and validate opportunities in an effort to advance the move of United Airlines to Concourse B gates in January 2025. Coordination meetings to review schedule durations and identify opportunities for efficiency are facilitated weekly.
- (3) Operational Constraints: Additional construction phasing and temporary facilities are required to maintain tenant ramp operations throughout the project premise. The project team continues to collaborate with Port Stakeholders to confirm and account for all operational constraints in contract documents.
- (4) Final Program Budget: The program will have the highest level of cost certainty when the design has progressed through Issue for Construction documents and all elements of the program are publicly procured. The full airline realignment scope is currently scheduled to be procured by the end of 2023. The project team is scheduled to request authorization for the enabling work package on September 26, 2023, and follow on with the balance of the authorization in Q4 of 2023. The schedule for United Airlines lounge procurement is still to be determined. This risk is being coordinated and tracked by the project team.

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

February 14, 2023 – The commission authorized \$7,000,000 to facilitate the following actions: (1) amend a project-specific design contract, and (2) execute a Change Order to the General Contractor/Construction Manager Pre-Construction Services contract.

Meeting Date: September 12, 2023

March 23, 2021 – The Commission authorized \$26,000,000 to facilitate the following actions: (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.

# Post IAF Airline Realignment Briefing

September 12, 2023

# Briefing Purpose

- Update Commission on design development progress
- Provide a budget schedule and risks overview
- Provide schedule for Commission actions and briefing

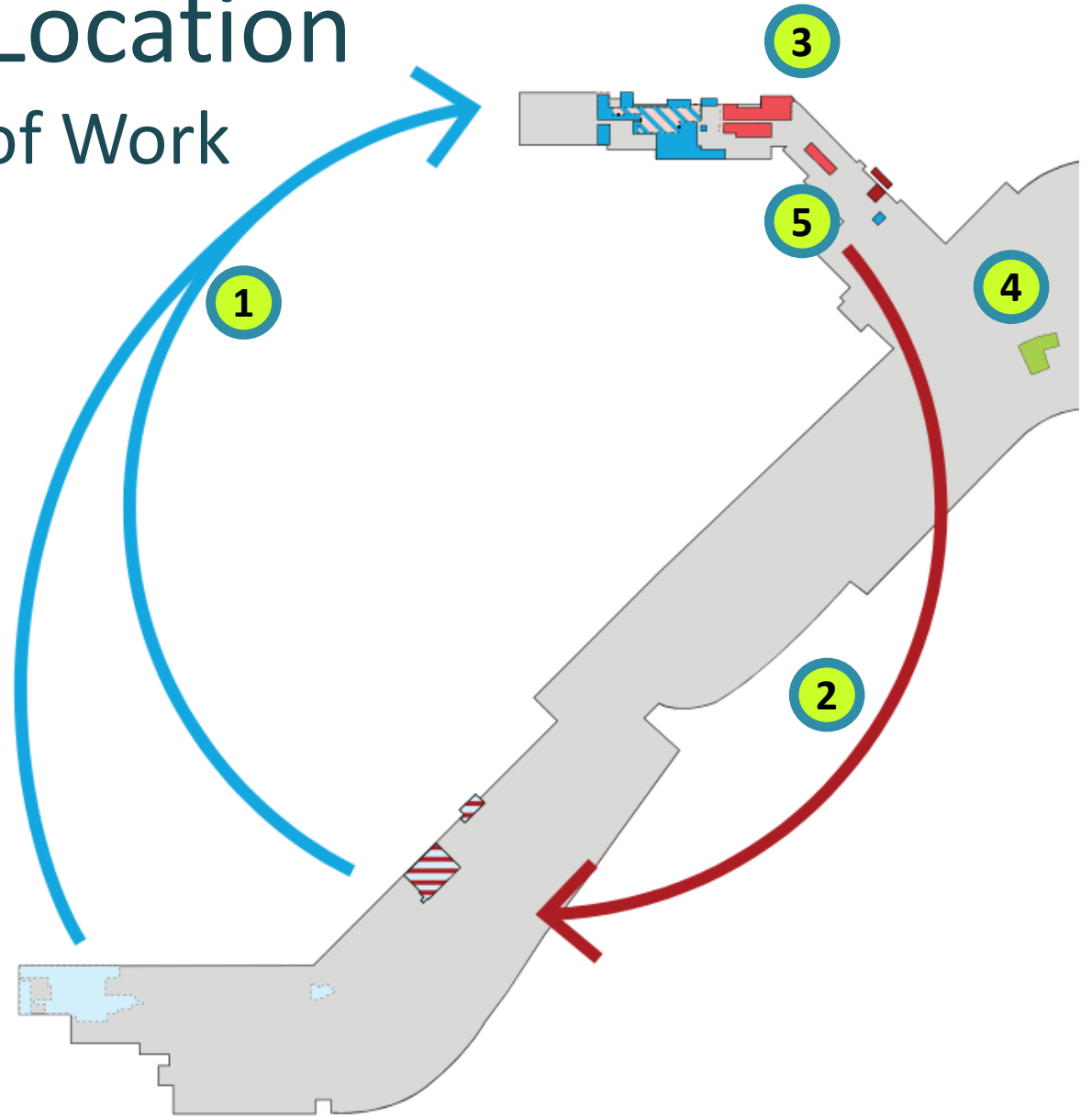
# Project Purpose

- The project is facilitating the relocation of United Airlines' domestic only operations from Concourse A to Concourse B providing international gate capacity on Concourse A. Associated office and support spaces to support both relocations will be delivered as part of the project.
- Ticket counters in the center of the main terminal will be reconfigured and expanded to support airline operations.
- United Airlines will self-perform the construction of their new lounge on Concourse B under a Memorandum of Agreement with the Port.

# Project Location

## Scope of Work

- 1 Relocates United Airlines (UA) operational space to renovated and expanded space on Concourse B.
- 2 Relocates Delta Air Lines into UA vacated gates on Concourse A.
- 3 Replaces two Air Handling Units in 2 new penthouses and upgrades mechanical system infrastructure on Concourse B.
- 4 Reconfigures Zone 4 leasable space to accommodate common use, flow-through ticket counters.
- 5 Relocates United Airlines to renovated lounge on Concourse B in a “Like for Like” move from Concourse A.



# Design Development Status

| DESCRIPTION  | STATUS  |
|--|---|
| Port Package 1 - Enabling Work                           | Design 100% complete, construction start Q4 2023        |
| Port Package 2 - Mechanical System Upgrades              | Design 60% complete, construction start Q1 2024         |
| Port Package 3 - Concourse B Ramp Renovation & Expansion | Design 60% complete, construction start Q1 2024         |
| Port Package 4 - Ticket Counter Reconfiguration          | Design 60% complete, construction start Q1 2024         |
| United Airlines MOA - Lounge                             | Design 30% complete Q4 2023, construction start Q3 2024 |

# Sustainability Framework

- Environmental Regulatory Compliance **Tier 2 Project**
- Sustainable Project Assessment and Review Collaborative (SPARC) process confirmed Sustainability Strategies

## EQUITY STRATEGIES

- Gender Neutral Restrooms
- Improved interior accessibility
- Employee Breakrooms

## CARBON/ENERGY STRATEGIES

- Fossil-fuel free heating (heat pumps)
- Reduce energy load with low carbon sources
- Energy Modeling

## MATERIALS STRATEGIES

- Polyvinyl chloride (PVC) material removed from specifications
- Low volatile organic compound (VOC) materials specified



# Budget Overview

| <b>C801158 Post IAF Airline Realignment</b>                       |                         |
|---|-------------------------|
| <b>Current Budget</b>   | <b>\$ 102M</b>          |
| <b>Estimated Project Cost Range – February Commission Meeting</b> | <b>\$ 98M - \$172M</b>  |
|   |                         |
| <b>CURRENT ESTIMATE RANGE</b>                                     | <b>\$ 102M - \$140M</b> |

# Schedule Overview



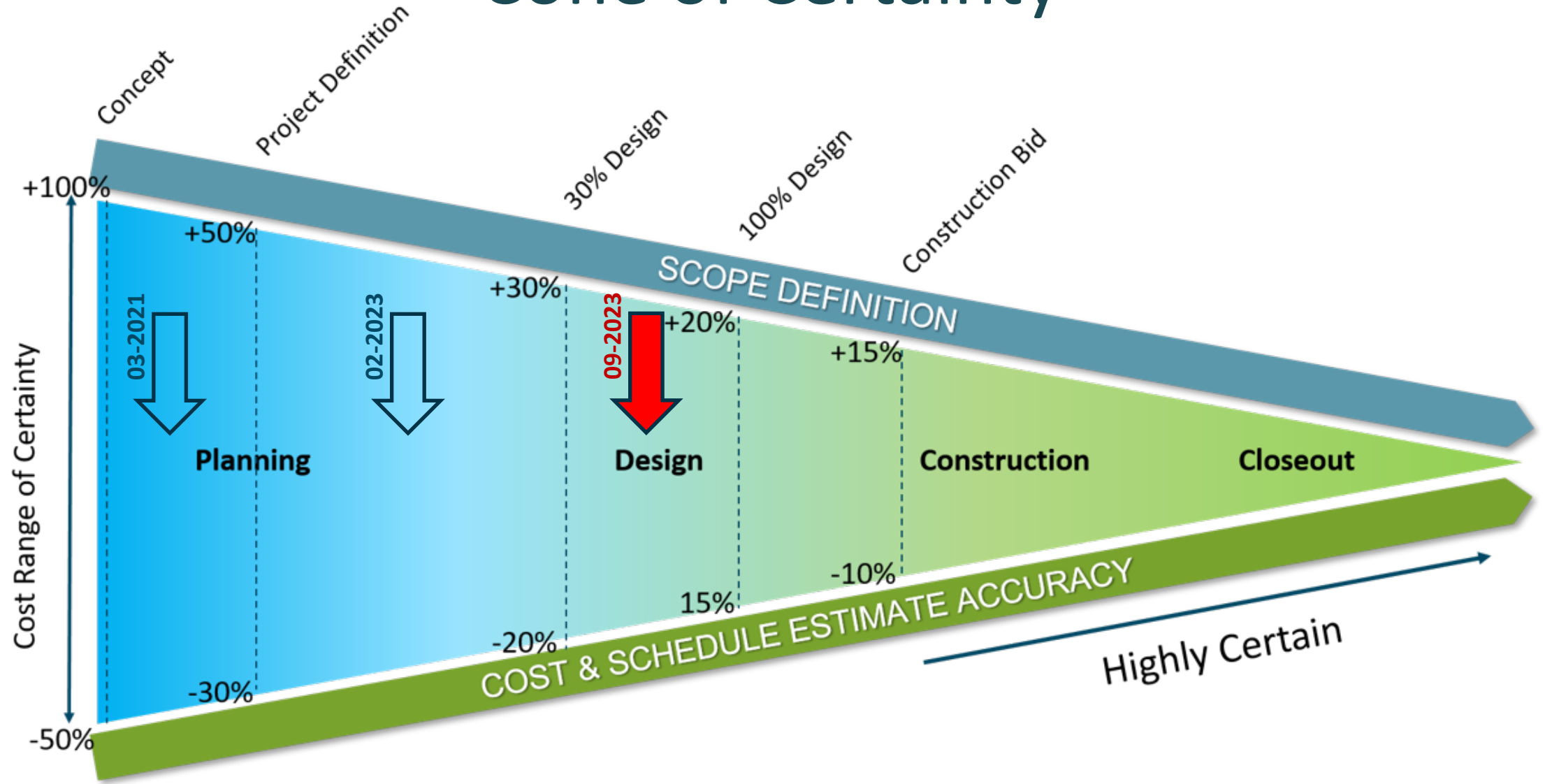
|   | 2023   |    |    |                     | 2024                |              |    |    | 2025 |    |                                 |    | 2026 |  |
|---|--------|----|----|---------------------|---------------------|--------------|----|----|------|----|---------------------------------|----|------|--|
|   | Q1     | Q2 | Q3 | Q4                  | Q1                  | Q2           | Q3 | Q4 | Q1   | Q2 | Q3                              | Q4 | Q1   |  |
| <b>Airline Realignment Enabling Scope</b> | Design |    |    | ❖ Commission Action | Construction        |              |    |    |      |    |                                 |    |      |  |
| <b>* Airline Realignment Base Scope</b>   | Design |    |    | ❖ Commission Action | Construction        |              |    |    |      |    | UA Operate at Concourse B Gates |    |      |  |
| <b>United Airlines (UA) Lounge</b>        |        |    |    | Design              | ❖ Commission Action | Construction |    |    |      |    |                                 |    |      |  |

*\* Airline Realignment Base Scope includes all scope identified in Packages 2,3, and 4.*

# Key Risks & Mitigation Strategies

| Risk                             | Mitigation Plan   |
|----------------------------------|---|
| Existing Conditions Verification | The project team is approximately 70% complete with existing conditions verification and 3D modeling. The existing condition verification effort will be complete by October 2023 and mitigate the risk of future design changes and cost impacts during construction.  |
| Complex Phasing                  | The development of the existing conditions 3D model and progression of design has allowed the GCCM and their Electrical and Mechanical subcontract trade partners to fully evaluate the extents of confirmed scope. Additional phasing, not initially anticipated, has been incorporated to account for safe construction and eliminate downtime of existing systems. Coordination meetings to review schedule durations and identify opportunities for efficiency are facilitated on a weekly basis. |
| Operational Constraints          | Most of the work within the project is occurring on Concourse B ramp level within leasable space supporting airline and tenant existing operations. Additional construction phasing and temporary facilities are required to maintain tenant operations throughout the project premise. The project team continues to collaborate with Port Stakeholders to confirm and account for all operational constraints in contract documents.  |

# Cone of Certainty



# Schedule for Commission Actions/Briefing

- September 26
  - Construction authorization for Package 1 Enabling - ~\$14M
- December 12
  - Construction authorization for Packages 2 – 4
  - Briefing on United Airlines Lounge

# Questions/Discussion

# Appendix

## BENEFITS OF POST IAF AIRLINE REALIGNMENT

Allows for increased simultaneous wide body international operations at the International Arrivals Facility (IAF).

Improves overall international to domestic minimum connect times.

Limits domestic carrier preferential lease of international capable gates.

Ensures international flights have improved access to the Concourse A and IAF connected gates.

Provides renovated and expanded leasable space on ramp level to accommodate the airline relocations required to facilitate gate allocation.

3D Model of existing conditions, code upgrades and building expansion developed during Preliminary Design and Pre-Construction.

Minimizes the operational impacts to the Airlines.

[RETURN TO AGENDA](#)





**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 11b

**BRIEFING ITEM**

**Date of Meeting** September 12, 2023

**DATE:** August 25, 2023

**TO:** Stephen P. Metruck, Executive Director

**FROM:** George Gianacakos, Affirmative Action Program Manager, Human Resources  
Cynthia Alvarez, Sr. Manager Employee Relations, Human Resources

**SUBJECT: 2023 Port of Seattle Affirmative Action Program**

**EXECUTIVE SUMMARY**

The purpose of this briefing is to present the Port Commission the key results of the Port of Seattle's 2023 Affirmative Action (AA) Program.

**2023 Key Highlights:**

- To meet the Office of Federal Contract Compliance Programs (OFCCP) AA reporting requirements, the Port creates annual AA plans for Women & Minorities (Executive Order 11246), Individuals with Disabilities (Section 503 of the Rehabilitation Act) and Protected Veterans (VEVRAA - The Vietnam Era Veterans' Readjustment Assistance Act).
- Women at the Port of Seattle represent 32% of the workforce which is a 2% decrease from 2022.
- Minorities at the Port of Seattle represent 34% of the workforce, which is a 1% decrease from 2022.
- In the 2023 AA Plan for Women & Minorities, 13.3% of employees did not self-identify race in HCM. This number decreased from 16% in our 2022 AA Plan for Women & Minorities.
- The Port's AA Plan for Individuals with Disabilities includes an aspirational goal of 7% set by OFCCP for the representation of individuals with disabilities within each of the Port's 17 EEO Job Group. The Port increased the overall representation of individuals with disabilities to 9% a 1.06% increase from last year. Twelve out of our 17 EEO Job Groups align with the 7% aspirational goal.
- OFCCP set a 5.5% benchmark for the representation of VEVRAA-protected Veterans within each EEO Job Group. Port-wide, the overall representation of VEVRAA-protected Veterans is 8.86%, which is consistent with last year's overall representation. Nine of the Port's 17 EEO Job Groups meet or exceed the 5.5% benchmark.
- The 2023 AA Plan for Women and Minorities continued to identify underutilization of women in the Technicians and Non-Commissioned Protective Services – Command EEO Job Groups. Talent Acquisition and Emerging Talent created a tracking system in workflow

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to flag job openings in both EEO groups. They will continue to conduct targeted outreach and recruitment of women for vacant positions within the Technicians and Non-Commissioned Protective Service EEO Job Groups.

- The Port’s 2023 EEO Compensation Analysis showed salary differences of more than 7.5% amongst some employees holding the same job. These differences impact employees regardless of race and gender. Human Resources is currently working on finalizing the pay equity methodology. Following the application of the pay equity analysis, we will create a plan to address discrepancies identified in the pay equity analysis.
- AA Program Manager conducted a program audit to ensure full compliance with CFR 41 requirements of AA Programs as well as implement improvements in data collection for the 2024 plan year.
- All Port job announcements include a statement on diversity, equity, and inclusion and Port Values. Additionally, all interviews include an equity, diversity, and inclusion question.

### **ADDITIONAL BACKGROUND**

As a federal contractor, the Port of Seattle is required meet OFCCP’s AA reporting requirements, which includes the following:

- Develop annual AA Plans for Women & Minorities, VEVRAA-Protected Veterans, and Individuals with Disabilities.
- Conduct an annual EEO Compensation Analysis.
- Monitor the effectiveness of the Port’s AA Program on a continuing basis through the development and implementation of an internal audit and reporting system that measures the program effectiveness.
- Provide annual AA compliance training to employees involved in the recruitment, selection, promotion, performance management and related processes to include review of the three AA Plans, and their roles and responsibilities in its implementation to ensure women and minorities, individuals with disabilities, and protected veterans are treated in a non-discriminatory manner in all employment practices and business decisions.

### **HOW RESULTS ARE MEASURED**

In accordance with OFCCP guidelines, on October 31st of each year the Port extracts employee data from our HRIS/Payroll system to compare the percentages of women and minorities in each of our 17 EEO Job Groups to the percentages of qualified women and minorities within the Port’s general recruitment area (King, Pierce, Snohomish, Thurston, and Kitsap counties). This type of review, comparing incumbency to availability (internal and external), is called a Utilization Analysis, and is required for only the AA Plan for Women & Minorities.

An underutilization exists when the Utilization Analysis shows the percentage of women or minorities within an EEO Job Group is less than would be reasonably expected given the availability of qualified women and minorities within the employer’s workforce and externally within the employer’s recruitment area. Placement goals are set when an employer has an

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underutilization within an EEO Job Group. A placement goal serves as target, not a quota or set-aside, that employers make good faith efforts to meet.

**MOVING FORWARD**

The Port of Seattle’s Affirmative Action Program is aligned with our Port-wide Goals to Demonstrate Strong Commitment to Equity, Diversity, and Inclusion at the Port and Across the Region and to Operate as a Highly Effective Public Agency.

The Port of Seattle will continue to improve its AA Program by doing the following:

1. Continue to ask employee to self-identify race, gender, disability status, and veteran status to reflect our workforce demographics more accurately within our 3 AA Plans.
2. Continue to partner with our colleagues in Talent Acquisition and Emerging Talent to identify recruitments for positions within the Technicians and Non-Commissioned Protective Service EEO Job Groups. Once identified, we will conduct targeted outreach and recruitment of women to ensure diverse applicant pools.
3. Continue targeted recruitment of women & minorities, individuals with disabilities, and Protected Veterans to ensure diverse applicant pools by attending job fairs and community events, offering internships/Vet-fellowships, and evaluating job descriptions to remove requirements which create artificial barriers.
4. Continue with Human Resources’ Compensation Project to address and resolve systemic pay equity issues.
5. Conduct annual audits of the 3 AA Plans to measures the program effectiveness.
6. Provide annual AA compliance training to employees to ensure women and minorities, individuals with disabilities, and protected veterans are treated in a non-discriminatory manner in all employment practices and business decisions.
7. Refresh Port-wide EEO compliance trainings, in consultation with ERGs and D&D Council, to ensure they are current with all applicable laws and regulations.
8. Continue to update HR and Code of Conduct policies to include a review of policies through an equity lens.

Human Resources will continue to partner with Office of Equity, Diversity, and Inclusion (OEDI) to address institutional racism within the Port and to infuse equity in all our programs and business practices. The important work underway with the Compensation Project and Human Resources-related work stemming from the Equity Assessment and Women of Color Assessment serves and supports the fundamental purpose of affirmative action, which is to attract, hire, develop and retain a workforce that reflects the diversity of our community at all levels of the Port.

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

**COMMISSION AGENDA – Briefing Item No. 11b**

Meeting Date: September 12, 2023

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**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 10, 2022 – 2022 AAP Commission Briefing

January 4, 2022 – 2021 AAP Commission Briefing

September 8, 2020 – 2020 AAP Commission Briefing

# 2023 Affirmative Action Program Key Results

Commission Briefing

# Affirmative Action (AA) Program Purpose

- As a federal contractor, the Port is required to create annual AA Plans for Women & Minorities, Individuals with Disabilities, and VEVRAA-Protected Veterans.
- Ensure good faith efforts are taken to recruit, hire and retain qualified women, minorities, individuals with disabilities, and VEVRAA-protected veterans.
- Ensure representation of women, minorities, individuals with disabilities, and VEVRAA-protected veterans meet standards set by Office of Federal Contract Compliance Programs (OFCCP).

# 2023 Affirmative Action Program Highlights

- No underutilization of minorities in any of our 17 EEO Job Groups.
- No underutilization of women in 15 of our 17 EEO Job Groups.
- Underutilization of women in 2 EEO Job Groups.
- The Port's 2023 EEO Compensation Analysis showed salary differences of more than 7.5% amongst some employees performing the same job. These differences impact employees regardless of race and gender.
- Data collection improvements
  - Updated EEO Job Groups, disposition codes, and data consideration
- Audited current AA Program for opportunities

# 2023 Affirmative Action Program Highlights

## Cont.

|                                      | OFCCP Goal  | 2022  | 2023  | Change        |
|--------------------------------------|-------------|-------|-------|---------------|
| <b>Individuals with Disabilities</b> | <b>7%</b>   | 7.94% | 9%    | <b>+1.06%</b> |
| <b>VEVRAA-Protected Veterans</b>     | <b>5.5%</b> | 9.52% | 8.86% | <b>-0.66%</b> |

12 of 17 EEO job groups align with, or exceed, the OFCCP goal for individuals with disabilities

9 of 17 EEO job groups align with, or exceed, the OFCCP benchmark for VEVRAA-protected veterans



# 2023 Underutilization

**2022**

| EEO JOB GROUP                                 | TOTAL NUMBER | FEMALE EMPLOYEES | AVAILABILITY / Benchmark | DIFFERENCE |
|---|--------------|------------------|--------------------------|------------|
| Technicians                                   | 150          | 54               | 48.13%                   | -18.19     |
| Non-Commissioned Protective Services, Command | 27           | 1                | 20.68%                   | -4.58      |



**2021**

| EEO JOB GROUP                                 | TOTAL NUMBER | FEMALE EMPLOYEES | AVAILABILITY / Benchmark | DIFFERENCE |
|---|--------------|------------------|--------------------------|------------|
| Technicians                                   | 134          | 49               | 65.83%                   | -16.83     |
| Non-Commissioned Protective Services, Command | 26           | 1                | 23.81%                   | -5.19      |

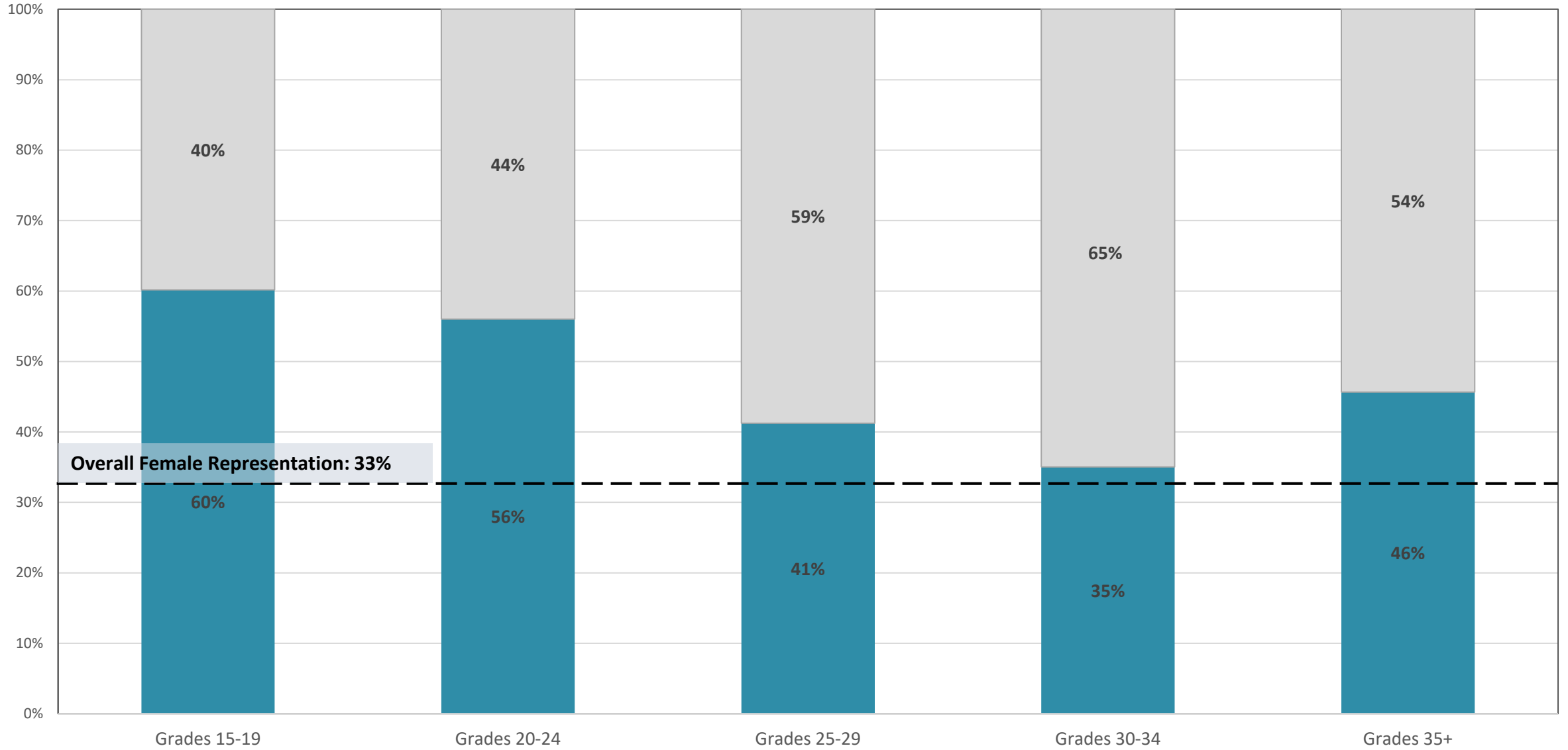


# DEMOGRAPHICS AT A GLANCE

2022 Affirmative Action Program

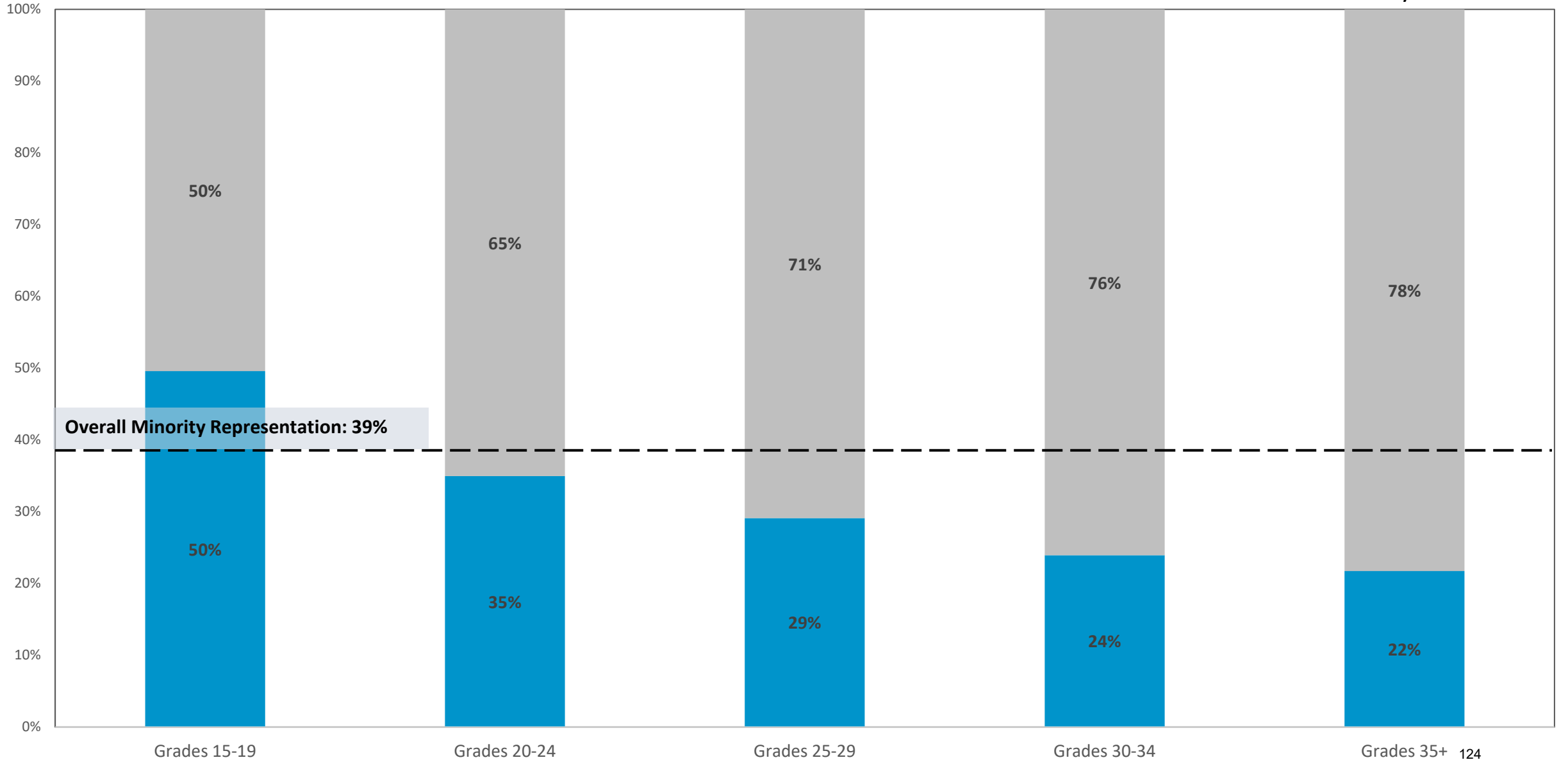
# Non-represented Gender and Pay Grades

Male  
Female



# Non-represented Race and Pay Grades

White  
Minority



Regular, Non-Represented employees as of 8-15-2023

# Port Demographics v. County

## Population Demographics (King, Pierce, Snohomish)

|        | Port of Seattle | King County | Pierce County | Snohomish County |
|--------|-----------------|-------------|---------------|------------------|
| Female | 34%             | 49%         | 50%           | 50%              |
| Male   | 66%             | 51%         | 50%           | 51%              |

|          | Port of Seattle | King County | Pierce County | Snohomish County |
|----------|-----------------|-------------|---------------|------------------|
| White    | 61%             | 54%         | 62%           | 64%              |
| Minority | 39%             | 46%         | 38%           | 36%              |

# Opportunities Moving Forward

- Partner with Talent Acquisition and Emerging Talent to identify recruitments for positions within the Technicians and Non-Commissioned Protective Service EEO Job Groups. Once identified, we will conduct targeted outreach and recruitment of women to ensure diverse applicant pools.
- Complete Workplace Responsibility and Employee Relations process improvement work.
- Continue to update HR and Code of Conduct policies to include a review of policies through an equity lens.
- Re-evaluate EEO Job groups after HR's development of new pay range structure as part of its Compensation Project.

RETURN TO AGENDA