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COMMISSION

AGENDA MEMORANDUM Item No. 8m

ACTION ITEM Date of Meeting November 14, 2023

DATE: October 20, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Dan Thomas, Chief Financial Officer

Michael Tong, Director, Corporate Budget

SUBJECT: 2024 Service Agreements for Port of Seattle Staff to Provide Services to the Northwest Seaport Alliance

Amount of this request: \$0

Total estimated project cost: \$0

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an interlocal agreement (ILA) with the Northwest Seaport Alliance (NWSA) to implement a series of support service agreements to allow Port staff to provide services to the NWSA for 2024.

EXECUTIVE SUMMARY

The NWSA will require service support from different departments at the Ports of Seattle and Tacoma. The means to provide these support services is through an ILA between the NWSA and the homeports as a part of the annual budget process. The costs for these support service agreements are included in both the Port's and NWSA's 2024 budgets.

JUSTIFICATION

The NWSA will require support services from both the Ports of Seattle and Tacoma in order to carry out its functions. Each port will provide these support functions through an ILA that describes the services to be provided.

DETAILS

The NWSA needs support and services from both ports in order to carry out its various administrative functions and operations. Each port intends to execute an ILA with NWSA to allow the ports to provide those services for 2024. The Port of Seattle budget included the budgeted amounts for the proposed ILA service agreements with the NWSA.

Below is a summary of the major cost allocation changes to the NWSA from the 2023 budget to the 2024 budget.

Template revised April 12, 2018.

COMMISSION AGENDA – Action Item No. 8m Page 2 of 3

Meeting Date: November 14, 2023

2023 2024 '23 vs '24

Department Budget Budget Change Explanations

Mainly due to \$272K increase of NWSA

Reimbursable Insurance Expense change to the Insurance 809,860 1,080,767 270,907 NWSA.

Engineering 588,003 803,596 215,593 Mainly due to higher payroll costs.

Marine Maintenance (including

NWSA Mitigation Parks) 4,648,521 4,731,171 82,650 Mainly due to higher payroll costs.

Due to a \$37K increase in security service contract,

Maritime Security 547,058 582,520 35,462 partially offset by lower allocation rate.

Environment & Sustainability 317,999 100,000 (217,999) Agreed to \$100K limit for 2024.

Due to lower allocation rate to the NWSA by

Police 852,806 755,287 (97,520) 0.52%.

Portfolio Management 72,587 0 (72,587) Agreed no cost allocation to the NWSA in 2024.

Waterfront Project Due to lower allocation rate from 58.27% in 2023

Management 1,356,596 1,298,026 (58,570) to 42.60% in 2024.

Labor Relations 39,995 0 (39,995) Agreed no cost allocation to the NWSA in 2024.

All Other 2,767,998 2,837,072 69,074

Total 12,001,424 12,188,440 187,016

There are 18 support service agreements that will be implemented as part of this agreement for 2024 and are attached as exhibits to the ILA.

Scope of Work

The proposed ILA is included as Attachment A. There are 18 service directives that are attached

as exhibits to the ILA. The list of those exhibits is as follows:

- Exhibit 1: Accounting, Finance, Treasury and Risk Management
- Exhibit 2: Legal and Public Records
- Exhibit 3: Information Technology & Information Security
- Exhibit 4: External Relations
- Exhibit 5: Portfolio Management
- Exhibit 6: Capital Development
- Exhibit 7A: Port of Seattle Police
- Exhibit 7B: Security
- Exhibit 8: Maritime Maintenance
- Exhibit 9: Central Procurement Office
- Exhibit 10: Managing Member (Commission Office)
- Exhibit 11: Pier 69 Facilities Management

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COMMISSION AGENDA – Action Item No. 8m Page 3 of 3

Meeting Date: November 14, 2023

- Exhibit 12: Environment and Sustainability
- Exhibit 13: Tribal Coordination
- Exhibit 14: Labor Relations
- Exhibit 15: Additional Support Services as Needed
- Exhibit 16: Equity, Diversity and Inclusion
- Exhibit 17: Municipal, County, and State Use of NWSA-Licensed Property
- Exhibit 18 – North Harbor Customs and Border Patrol Facilities Schedule

This is a part of the annual budget process.

FINANCIAL IMPLICATIONS

The amounts required to provide the services to the NWSA are included in the Port's 2024 budget.

ADDITIONAL BACKGROUND

None

ATTACHMENTS TO THIS REQUEST

(1) Interlocal Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

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