



**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.

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Department	2023 Budget	2024 Budget	'23 vs '24 Change	Explanations
Insurance	809,860	1,080,767	270,907	Mainly due to \$272K increase of NWSA Reimbursable Insurance Expense change to the 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.
Maritime Security	547,058	582,520	35,462	Due to a \$37K increase in security service contract, partially offset by lower allocation rate.
Environment & Sustainability	317,999	100,000	(217,999)	Agreed to \$100K limit for 2024.
Police	852,806	755,287	(97,520)	Due to lower allocation rate to the NWSA by 0.52%.
Portfolio Management	72,587	0	(72,587)	Agreed no cost allocation to the NWSA in 2024.
Waterfront Project Management	1,356,596	1,298,026	(58,570)	Due to lower allocation rate from 58.27% in 2023 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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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