

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>4F</u>
Date of Meeting	<u>August 14, 2018</u>

DATE: July 27, 2018

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Sean Eagan, Government Affairs Director

Project Manager: Sean Eagan, Government Affairs Director

SUBJECT: NWSA federal lobbying services PSA- execute option

A. ACTION REQUESTED

Request authorization for the Chief Executive Officer to execute the two-year option contained in personal services agreement number 070409 with Signal Group Consulting, LLC for federal lobbying services.

B. SYNOPSIS

This request would execute the two-year option included in the personal services agreement with Signal Group Consulting, LLC, for federal lobbying services approved by the Managing Members on January 3, 2017. The consultant was selected through a public procurement (RFP) process. No additional changes to terms or the conditions of the contract would be made.

C. BACKGROUND

On August 29, 2016, The Northwest Seaport Alliance (NWSA) issued a request-for-proposals for federal lobbying services. On January 3, 2017, the Managing Members authorized the Executive to enter into a personal services agreement with Signal Group Consulting, Inc. The contract was for two years, with a two-year option at the NWSA's discretion.

Signal Group's performance under the contract has been exemplary. Notable accomplishments by the alliance's federal government affairs team over the last two years include:

- completion of a Chief's Report by the U.S. Army Corps of Engineers for the Seattle Harbor Deepening Project;
- inclusion of the Tacoma Harbor Deepening Project feasibility study in the U.S. Army Corps of Engineers' work plan;
- deployment of additional CBP officers to the Area Port of Seattle, which includes NWSA's Seattle and Tacoma facilities;
- repeated appropriations by Congress for the WRDA Section 2106 program, including full funding for the program in the House and Senate FY 2019 Energy and Water appropriations bills; and
- agreement on comprehensive Harbor Maintenance Tax (HMT) reform legislative language by U.S. ports within the American Association of Port Authorities (AAPA).

These successes are team successes, dependent on a variety of actors both in and out of the alliance. With that said, the Signal Group is an integral part of that larger team. Signal Group's contributions have been especially strong in our most recent efforts to reform the HMT. In recognition of their expertise on this issue, AAPA members designated Signal Group as the lead for developing legislative language around the port industry's HMT reform proposal and coordinator of our joint advocacy activities.

D. PROJECT DESCRIPTION AND DETAILS

Scope of Work

The scope of work remains unchanged from the original contract approved by the Managing Members in January 2017:

1. Provide strategic advice and planning in the development of a comprehensive federal government affairs strategy for NWSA, including but not limited to:
 - i. Contribute proactive and creative suggestions for federal policy and funding opportunities to advance the NWSA's Strategic Business Plan and legislative/business priorities, fully utilizing the firm's staff resources in strategic brainstorming on proactive initiatives.
 - ii. Developing implementation plans for how to advance strategic priorities.
 - iii. Assist in the drafting of legislative language.
2. Implement the NWSA's federal government affairs strategy, including but not limited to:
 - i. Collaborate with government relations staff to advance federal priorities and interests.
 - ii. Proactively engaging with federal lawmakers, staff and agencies in pursuit of the NWSA's federal priorities and interests.
 - iii. Identify key Congressional and federal agency relationships for the NWSA and assist in creating opportunities to build and strengthen them.

- iv. Strategically contacting Congressional officials and the administration, and provide notes from meetings.
3. Communicate regularly with the NWSA, including but not limited to:
 - i. Regular calls with the NWSA government relations team on firm's activities in Washington on behalf of the NWSA.
 - ii. Track key federal legislation and federal agency regulations relevant to the NWSA.
 - iii. Monitor and/or participate in meetings of Washington, D.C.-based trade and transportation groups (e.g. American Association of Port Authorities, Coalition for America's Gateways and Trade Corridors, etc.).
4. Be knowledgeable of how federal activities impact the NWSA:
 - i. Understand how federal activities impact operations and competitiveness.
 - ii. Develop ability to communicate the NWSA's views with federal audiences effectively and accurately both orally and in writing.
 - iii. Write correspondence for federal audiences including letters, briefing materials, testimony, public comments, or other items as requested.
5. Conduct other work as assigned, such as assisting with meetings for NWSA officials or staff.

Schedule

The two-year option would extend the contract from January 31, 2019, through January 31, 2021.

E. FINANCIAL IMPLICATIONS

This contract is paid as a monthly retainer of \$15,000 (\$180,000 annually), and is expensed at the time of payment as an outside service. The option makes no change to the monthly retainer. This type of expenditure is part of the normal operating expenses for the NWSA and has been included in the 2018 operating budget.

Project Cost Details

Item	Budget Estimate	Expenditure to Date	Anticipated Future Expenditures
Federal lobbying services	\$720,000	\$360,000	\$360,000
TOTAL	\$720,000	\$360,000	\$360,000

Source of Funds

The NWSA 2018 operating budget includes the full annual expenditure of \$180,000 in the Government Affairs department budget. the 2019 operating budget will include the \$180,000 expenditure for the next year of the contract.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

- **No Action Alternative:** The alliance could decline the option and let the contract lapse. The result would be to have no day-to-day presence in Washington, D.C. Staff believes an on-the-ground presence is critical for maintaining relationships with lawmakers, their staffs and agency personnel to influence federal legislation or regulations affecting alliance competitiveness. Moreover, the alliance would lose out on the leveraged relationships a contract lobbyist brings to bear.
- **Alternative #2:** The alliance could decline the option and issue a new request for proposals for federal lobbying services. This alternative would make sense if there were performance problems, which as noted by the results above, is not evident.
- **Recommended Alternative:** Execute the option and retain Signal Group under contract.

G. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation; and
- Personal services agreement number 070409.

H. PREVIOUS ACTIONS OR BRIEFINGS

- January 3, 2017 Approval of personal services agreement number 070409