

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>5B</u>
Date of Meeting	<u>May 1, 2018</u>

DATE: April 18, 2018

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Sean Eagan, Government Affairs Director

Project Manager: Sean Eagan, Government Affairs Director

SUBJECT: NWSA state lobbying services PSA- execute option

A. ACTION REQUESTED

Request authorization for the Chief Executive Officer or his delegate to execute the two-year option contained in personal services agreement number 070384 with Lisa Thatcher, Inc., for state lobbying services.

B. SYNOPSIS

This request would execute the two-year option included in the personal services agreement with Lisa Thatcher, Inc., for state lobbying services approved by the Managing Members in October 2016. 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 5, 2016 The Northwest Seaport Alliance (NWSA) issued a request-for-proposals for state lobbying services. On October 4, 2016, the Managing Members authorized the Executive to enter into a personal services agreement with Lisa Thatcher, Inc. The contract was for two years, with a two-year option at the NWSA's discretion.

Ms. Thatcher performance under the contract has been exemplary. Notable accomplishments by the alliance's state government affairs team over the last two years include:

- avoidance of new legislation harmful to the alliance including, but not limited to, new taxes on the supply chain including a proposed ship tax;
- a funding solution for the *Washington State Board of Pilotage vs. Catherine Sweeney* settlement that did not result in a tariff increase for carriers calling on Puget Sound;
- accelerated funding for Puget Sound Gateway right-of-way acquisition;
- passage of SB 6207, authorizing ports to invest in clean air technology;
- securing \$1.2 million in Volkswagen funds for the Clean Truck Fund;
- earmarking \$11 million from the Clean Air Fund for transportation electrification, including shore power, providing a potential source of funds for Terminal 5 electrification should the NWSA proceed with the project;
- ensuring the Port Community Technology System is included in the WSDOT freight plan, positioning it to receive \$1.5 million in 2019;
- securing sufficient Remedial Action Grant funding to allow for \$8.1 million worth of state investments in homeport remediation projects;
- passage of SJM 8008 calling on Congress to reform the federal Harbor Maintenance Tax;
- passage of SB 6519 reforming the pilotage tariff setting process; and
- passage of SB 6363 preserving the Milwaukee Road rail corridor.

These successes are team successes, dependent on a variety of actors both in and out of the alliance. With that said, Ms. Thatcher is an integral part of that larger team.

D. PROJECT DESCRIPTION AND DETAILS

Scope of Work

The scope of work remains unchanged from the original contract approved by the Managing Members in October 2016:

1. Provide strategic advice and planning in the development of a comprehensive state government affairs strategy for the NWSA, including but not limited to:
 - i. Contribute proactive and creative suggestions for state 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 state government affairs strategy, including but not limited to:
 - i. Collaborate with government relations staff to advance state priorities and interests.
 - ii. Proactively engaging with state lawmakers, staff and agencies in pursuit of the NWSA's state priorities and interests.

- iii. Identify key legislative and state agency relationships for the NWSA and assist in creating opportunities to build and strengthen.
 - iv. Strategically contacting Washington state legislative 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 Olympia on behalf of the NWSA.
 - ii. Track key state legislation and state agency regulations relevant to the NWSA.
 - iii. Monitor and/or participate in meetings of Olympia-based port groups (e.g. Washington Public Ports Association, Association of Washington Business, etc.).
 4. Be knowledgeable of how state activities impact the NWSA:
 - i. Understand how state activities impact operations and competitiveness.
 - ii. Develop ability to communicate the NWSA's views with state audiences effectively and accurately both orally and in writing.
 - iii. Write correspondence for state 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 September 30, 2018, through September 30, 2020.

E. FINANCIAL IMPLICATIONS

This contract is paid as a monthly retainer of \$5,000 (\$60,000 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
State lobbying services	\$240,000	\$120,000	\$120,000
TOTAL	\$240,000	\$120,000	\$120,000

Source of Funds

The NWSA 2018 operating budget includes the full annual expenditure of \$60,000 in the Government Affairs department budget. the 2019 operating budget will include the \$60,000 expenditure for the final 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 Olympia. Staff believes an on-the-ground presence is critical for maintaining relationships with lawmakers, their staffs and agency personnel so as to influence state 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 state 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 Ms. Thatcher under contract.

G. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation

H. PREVIOUS ACTIONS OR BRIEFINGS

- October 4, 2016 Approval of personal services agreement number 070384