

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	5B
Date of Meeting	January 3, 2017

DATE: December 14, 2016

TO: Managing Members

FROM: **Sponsor:** Sean Eagan, Government Affairs Director
Project Manager: Ryan McFarland, NWSA Federal Relations

SUBJECT: **NWSA federal lobbying services**

A. ACTION REQUESTED

Request authorization for the CEO or his delegate to enter into a Personal Services Agreement with Signal Group Consulting, LLC, for federal lobbying services in the amount of \$720,000.

B. SYNOPSIS

This contract would be for federal lobbying services on the behalf of The Northwest Seaport Alliance.

C. BACKGROUND

The ports of Seattle and Tacoma have had a history of contracting with firms for federal lobbying services to supplement their in-house government relations staff. Both ports' contracts for federal lobbying services expired in December 2015. In January 2016 the Port of Seattle entered into a three-year contract for federal lobbying services to cover issues unrelated to the Alliance. At that same time, the NWSA also entered into a one-year contract with McBee Strategic for federal lobbying services to cover alliance issues.

Earlier this year, McBee Strategic changed their name to Signal Group Consulting.

RCW 53.19 requires competitive solicitations for personal service agreements. "Competitive solicitation" means a documented formal process providing an equal and open opportunity to qualified parties and culminating in a selection based on criteria, in which criteria other than price may be the primary basis for consideration. The criteria may include such factors as the consultant's fees or costs, ability, capacity, experience, reputation, responsiveness to time limitations, responsiveness to solicitation requirements, quality of previous performance, and compliance with statutes and rules relating to contracts or services.

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On August 8, staff provided Managing Member with a memo outlining this year's request for proposal (RFP) process as well as a copy of the RFP itself for Managing Member comment. Notice of the pending RFP was also referenced in Managing Member memos on June 28 and July 8.

In updating the RFP process, staff reviewed the processes used by other local governments in Washington state, including the ports of Tacoma and Seattle, cities of Seattle and Tacoma, and Sound Transit. It is worth noting that two of the jurisdictions rely on RFPs for soliciting lobbying services; one uses a Request for Qualifications (RFQ) with cost an evaluated factor (essentially making it an RFP); and one requires prices be submitted with their RFQ. Please see chart below for more detail.

To determine the top firm, staff developed a point method that takes into account qualifications of the firm, a project narrative, communication skills and price. This use of a point system is consistent with three of the four jurisdictions staff examined and would provide the best value to the alliance. Please see chart below for more detail.

Interviews were optional with the top ranked firms and scored. The optional nature of the interviews is consistent with all four jurisdictions examined. Two jurisdictions only bring in the top ranked firms; one firm only brings in firms within the competitive price range, regardless of the points earned. Please see chart below for more detail.

	Port of Seattle	City of Tacoma	City of Seattle	Sound Transit	Port of Tacoma
Solicitation Vehicle	RFQ with cost required and evaluated (traditional RFP process)	RFP	RFQ with cost required	RFP	RFP
Award Method	Point method, best value	Advisory committee screening without points. Finalist determined during screening	Point method, best value	Point method, best value	Point method, best value

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Interview Structure	Optional. Only those in the competitive price range regardless of point ranking. Electeds not on interview panel.	Optional with one or more firms. Electeds not on interview panel.	Optional with top ranked firms and scored. Electeds not on interview panel.	Optional with the top ranked firms and not scored. Could result in a revised proposal. Or BAFO. Electeds not on interview panel.	Optional with the top ranked firms and scored. Could result in a BAFO. Electeds not on interview panel.
Gov. Body involvement	Up front authorization of the solicitation.	Approve the contract	Approval not required but do work with the Mayor's office and Council President. The office does coordinate with the Mayor and Council; albeit informal.	If over 200K, Board approves contract.	Approval of contract

Attached is a copy of the RFP, which was issued on August 29. On September 22 the Managing Members were briefed in writing on the three firms that submitted proposals.

A panel of five staffers with representatives from three departments and both harbors reviewed and scored the submitted proposals and recommends the Signal Group (formerly doing business as McBee Strategic) as providing the best value to the NWSA. The Signal Group scored exceptionally high in the following areas:

1. Qualifications and experience;
2. Project narrative; and
3. Communications.

In October 2016, the Deputy CEO individually briefed commissioners verbally on the staff recommendation.

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D. PROJECT DESCRIPTION AND DETAILS

Scope of Work

- Provide strategic advice and planning in the development of a comprehensive federal government affairs strategy for NWSA, including but not limited to:
 - 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.
 - Developing implementation plans for how to advance strategic priorities.
 - Assist in the drafting of legislative language.
- Implement the NWSA's federal government affairs strategy, including but not limited to:
 - Collaborate with government relations staff to advance federal priorities and interests.
 - Proactively engaging with federal lawmakers, staff and agencies in pursuit of the NWSA's federal priorities and interests.
 - Identify key Congressional and federal agency relationships for the NWSA and assist in creating opportunities to build and strengthen them.
 - Strategically contacting Congressional officials and the administration, and provide notes from meetings.
- Communicate regularly with the NWSA, including but not limited to:
 - Regular calls with the NWSA government relations team on firm's activities in Washington on behalf of the NWSA.
 - Track key federal legislation and federal agency regulations relevant to the NWSA.
 - 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.).
- Be knowledgeable of how federal activities impact the NWSA:
 - Understand how federal activities impact operations and competitiveness.
 - Develop ability to communicate the NWSA's views with federal audiences effectively and accurately both orally and in writing.
 - Write correspondence for federal audiences including letters, briefing materials, testimony, public comments, or other items as requested.
- Conduct other work as assigned, such as assisting with meetings for NWSA officials or staff.

Schedule

The contract would last from February 1, 2017 through January 30, 2019, with an option for one two-year renewal at the NWSA's discretion, terminating on January 30, 2021. Staff would seek commission approval for the option to renew.

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E. FINANCIAL IMPLICATIONS

This contract would feature a monthly retainer of \$15,000 (\$180,000 per year), for a total amount of \$720,000, assuming the two year option is exercised and the full four years are used.

Project Cost Details

	This Request	Total Project Cost	Cost To Date	Remaining Cost
Federal lobbying services	\$720,000	\$720,000	\$0	\$720,000
Total	\$720,000	\$720,000	\$0	\$720,000

Source of Funds

Funding for the contract would come from the operating budget, Outside Services Performed, Government and Community Affairs. The NWSA has budgeted \$12,000 per month for 2017 for this contract.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1—suspend federal lobbying efforts

Pros

- Short-term financial savings.

Cons

- Loss of opportunity to influence federal policy that directly impacts the NWSA.
- Diminished opportunities to secure federal financial assistance over the long-term that likely would be greater than short-term financial savings associated with no lobbying.

Alternative 2—select one of the three alternative firms that submitted proposals

Pros

- Short-term financial savings should a cheaper firm be selected.

Cons

- Selection of a firm with lesser qualifications and experience, weaker project narrative and/or poor communication skills.
- Potential loss of opportunity to influence federal policy that directly impacts the NWSA

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- Diminished opportunities to secure federal financial assistance over the long-term that likely would be greater than short-term financial savings associated with selecting a cheaper firm of lesser value.
- This is not an option based on the RFP.

Alternative 3—rely on Washington state-based in-house staff exclusively

Pros

- Short-term financial savings

Cons

- Loss of on-the-ground presence and timely intelligence afforded by it.
- Weaker relationships with lawmakers, their staffs and agency personnel.
- Diminished capabilities (loss of multiple lobbyists and leveraged relationships offered by a contracting firm).
- Potential loss of opportunity to influence federal policy that directly impacts the NWSA.
- Diminished opportunities to secure federal financial assistance over the long-term that likely would be greater than short-term financial savings.

Alternative 4—hire a Washington, DC-based in-house employee

Pros

Cons

- More expensive.¹
- Diminished capabilities due to loss of multiple lobbyists and leveraged relationships offered by a contracting firm.
- Potential loss of opportunity to influence federal policy that directly impacts the NWSA.

G. ENVIRONMENTAL IMPACTS / REVIEW

N/A

H. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.
- RFP

¹ While the compensation and benefits of a new employee might be cheaper (using a baseline of \$172,300—the fully-burdened average cost of a NWSA employee calculated in the 2017 NWSA budget) than the \$180,000 annual cost anticipated in this contract, this does not take into account costs associated with office space or other employee expenses (such as travel).

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I. PREVIOUS ACTIONS OR BRIEFINGS

- June 28—Managing Member briefing memo alerting them to staff's intent to issue an RFP.
- July 8—Managing Member briefing memo alerting them to staff's intent to issue an RFP.
- August 8—Managing Member briefing memo outlining this year's proposed request for proposal (RFP) process as well as a copy of the RFP itself for Managing Member comment.
- September 22—Managing Member e-mail briefing alerting them to the three firms that submitted proposals.
- October 2016—Deputy CEO provided individual verbal briefings on the staff recommendation.