



Date of Meeting: August 1, 2017
Item No.: 5A

Extended Service Hours Program

Dustin Stoker, Chief Operations Officer

Fund Authorization

2017 Extended Service Hours Program

Request authorization to fund the Extended Service Hour Program to expand gate hours at the NWSA's international container terminals during the 2017 peak season, not to exceed \$2,000,000.00.



NWSA Strategic Goal

Goal 1.B of the NWSA's strategic business plan:

Enhance the competitive position of the Alliance through improving efficiency and cost competitiveness of the supply chain.

Drive best-in-class service delivery to make the gateway the easiest to do business with.

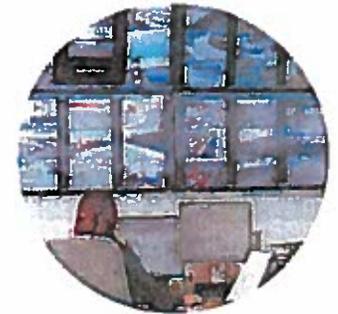


Striving for Operational Excellence

Key
Performance
Indicators



Operations
Service Center



Goal 1B2 and 1B3 of the Alliance's strategic business plan:

The Operations Service Center (OSC) provides both day-to-day operational engagement and strategic improvements initiatives to drive 'best in class' service delivery to make the PNW Gateway the easiest to do business with.

Executive
Advisory Council



THE NORTHWEST
SEAPORT ALLIANCE

Executive Advisory Council

Vessel/Terminal Performance Team

Drayage Performance Team

Intermodal Performance Team

Key Performance Indicators

On-time vessel arrival & departure



Vessel production



Truck visit turn-time



Import rail transit time



KPI - Crane Productivity

2-Year Look: Average of North and South Harbors



Goal: 30 MPH



THE NORTHWEST
SEAPORT ALLIANCE

KPI – Intermodal Dwell/Transit Time

KPI	2016 2 nd Half	2017 1 st Half
Average Dwell	3.6	3.0
Average Rail Transit		
St Paul	3.2	2.4
Chicago	5.0	4.1
Total Transit		
St. Paul	6.6	5.4
Chicago	8.6	7.1

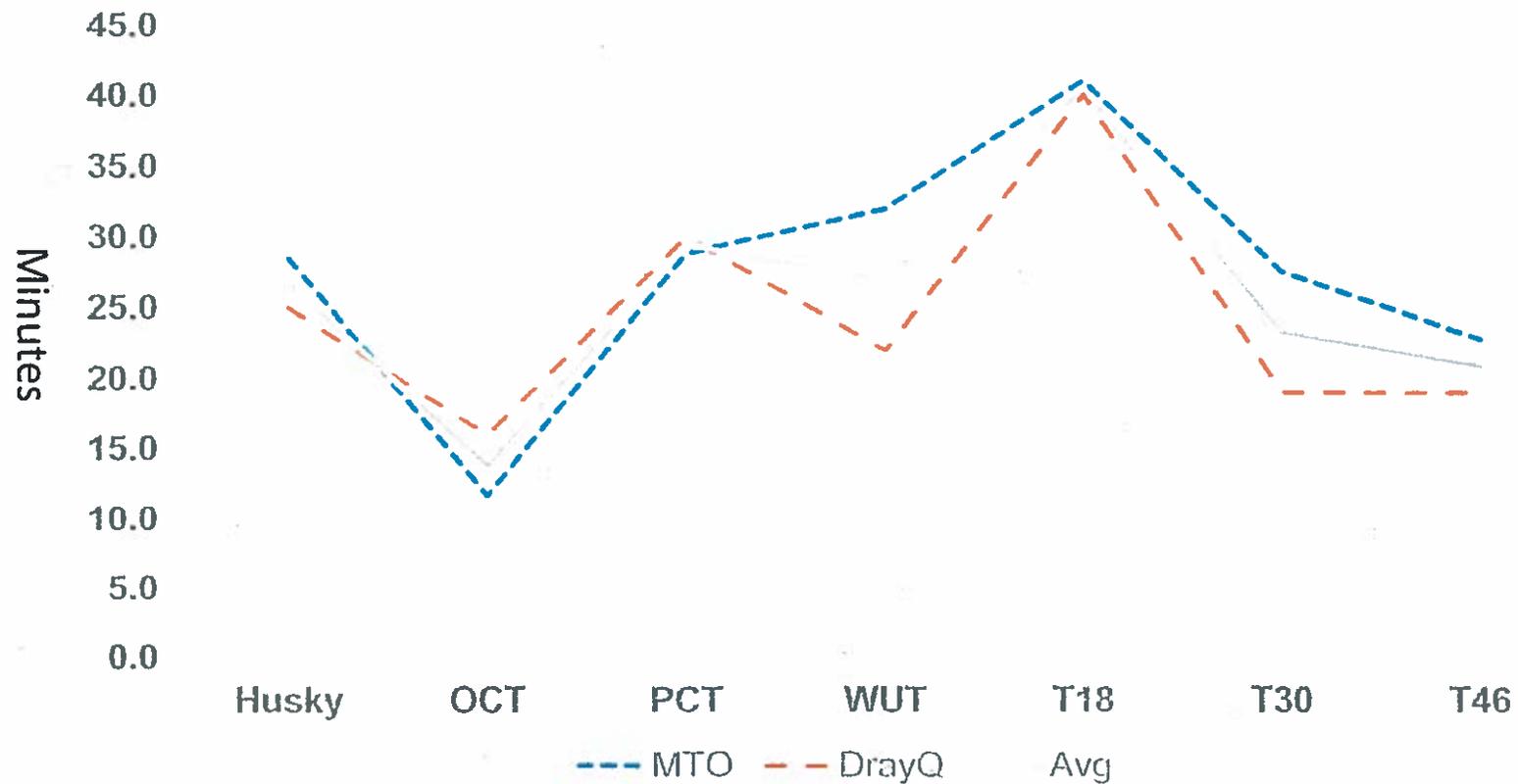
**All figures shown as days with goal of 6 days to Chicago*

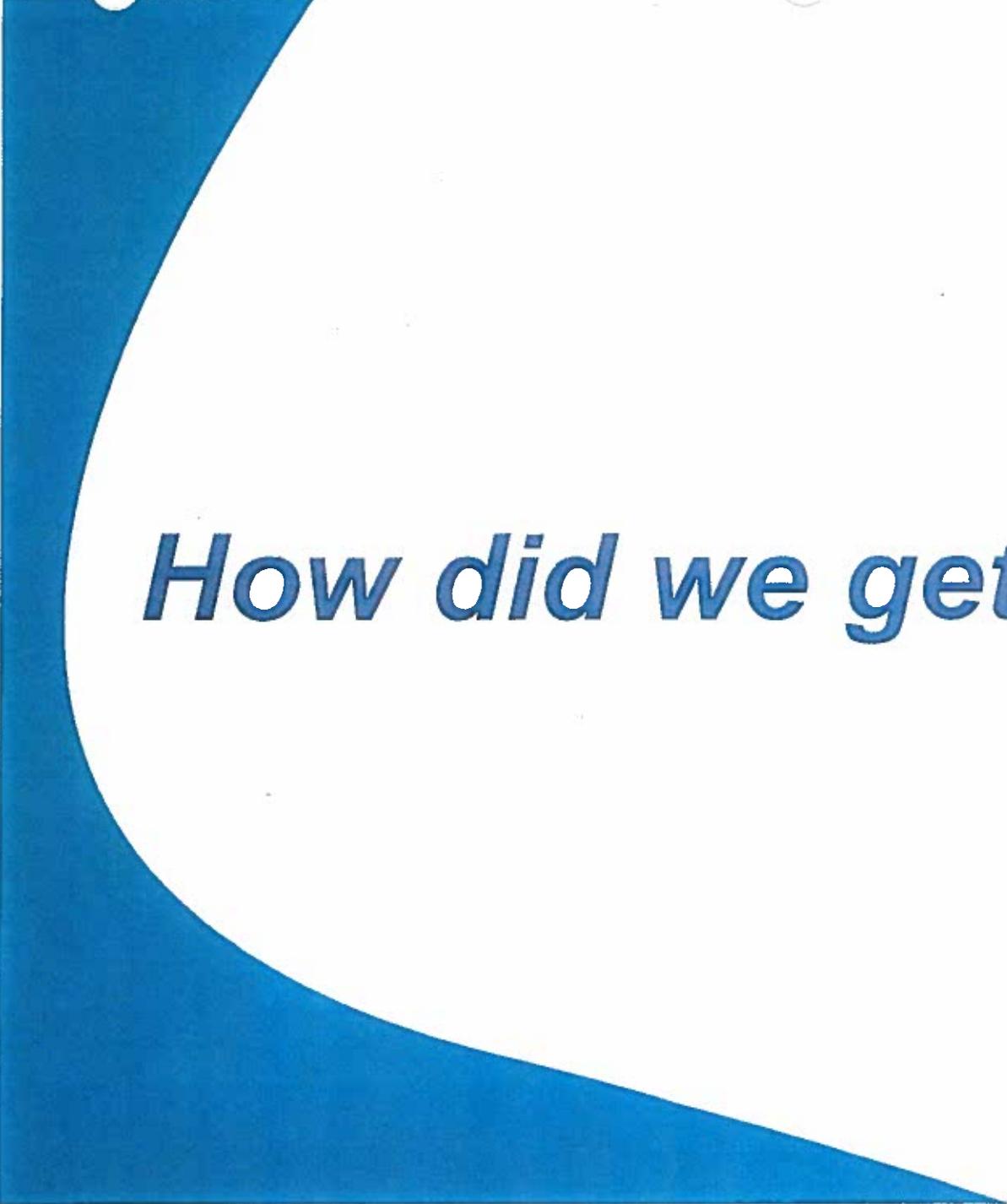


KPI - Truck Visit Turn Times

Truck Turn Times Pedestal to Pedestal

June 2017

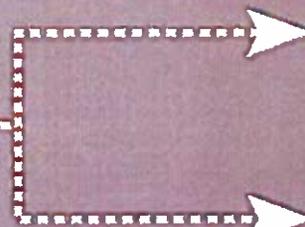


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How did we get here?

LAND BRIDGE MODEL

(1980-2005)



Inland Delivery

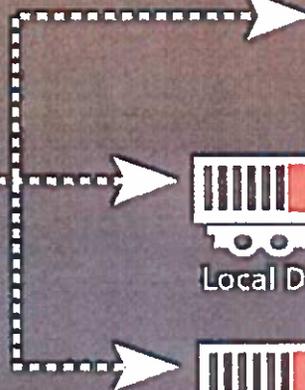


Local Delivery

CURRENT MODEL (MORE TRUCKS, LONGER LINES)



Bigger Ships



Inland Delivery



Local Delivery



IPI



Transload Facility



53'



Domestic

CONTRACTUAL RELATIONSHIPS

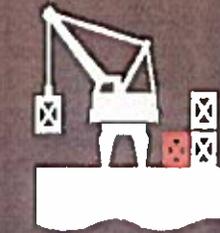


Terminal Lease



Carrier

Service Agreement



Marine Terminal
(MTOs)

Gate service is provided by the MTO to the drayage provider. No contractual arrangement currently exists in this relationship

Shipping Contract
may include
drayage



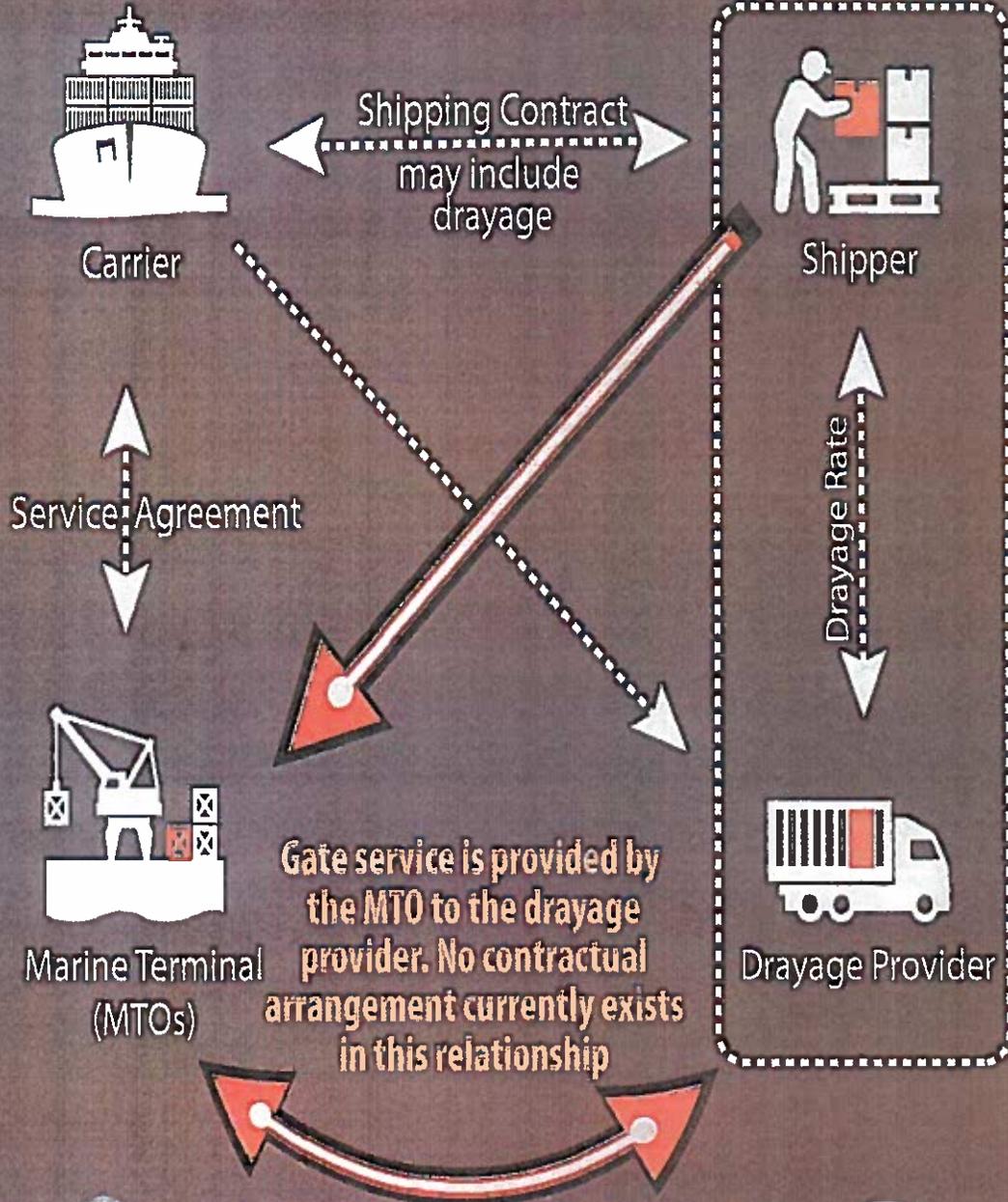
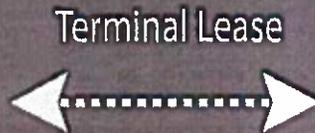
Shipper

Drayage Rate

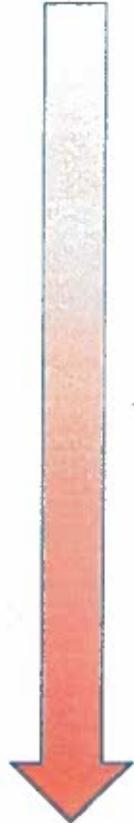


Drayage Provider

CONTRACTUAL RELATIONSHIPS



Influence



Control

- Key Performance Indicators
- Event logging
- Transportation Tracking
- Real-time monitoring
- Forecasting
- Pre-arrival
- Appointment Systems
- Virtual Street Turns

- Increased Service Offerings
 - Peel Piles
 - Quick Gates
 - Continuous Operations
- Incentive Programs
 - Clean Truck
 - Extended Gates

- Supporting Operations
 - North Intermodal Yard
 - South Intermodal Yard
 - Breakbulk
 - Off-dock Yard

**PORT COMMUNITY
SYSTEM (PCS)**

Data Sharing & Collaboration

Predictive & Learning



THE NORTHWEST
SEAPORT ALLIANCE

Initiatives

	T18	T30	T46	Husky	OCT	PCT	WUT
Initiative							
Peel Off Pile	✓		✓	✓			✓
Extra Gate Hrs	✓		✓	✓		✓	
Appointments	✓		✓				✓
Pre-Advise	✓						
RFID	✓		✓	✓			
Quick Gate	✓	✓	✓	✓			
Hay Gate			✓				
Continuous RTG	✓						
Automatic Gates	✓						
Truck Staging Lot				✓			
Text Notification	✓	✓	✓	✓	✓	✓	✓



Program Objectives

Goal 1.B of the NWSA's strategic business plan is to enhance the competitive position of the Alliance through improving efficiency and cost competitiveness of the supply chain.

- Increase gate service hours
- Improve fluidity of the supply chain
- Reduce congestion → improve safety and reduce cost
- Improve service to drayage segment
- Positively influence BCO's future cargo routing decisions



Recommendation

Implement a two phased Extended Service Program:

Phase 1: NWSA funded incentive program for extended hours during the 2017 peak season

Phase 2: Sustainable extended gate program facilitated by the NWSA and funded by the supply chain stakeholders
→ launched by June of 2018 to support next year's peak shipping season



Program Overview

- MTO reimbursement tied to actual cost for extended gate hours*
- Weekly reimbursements capped at \$15,000 per terminal
- Program to run for the duration of the 2017 peak season or until total reimbursements reach \$2,000,000
- Reimbursement contingent on NWSA receiving documentation
- NWSA reserves right to cancel, modify or extend

**Extended gate is 2nd or 3rd shift Monday – Friday, and any shift on Saturday or Sunday*



Project Schedule

Activity	Timeframe
MM Authorization	August 1, 2017
MTO/Supply Chain Outreach	August 2-11, 2017
Program Duration	August 12 th – 2017 Peak Season
Program Evaluation	Weekly – during program
Program Closeout	January 2018

Program Evaluation

Operations department will be evaluating validity of program through active monitoring of actual payroll, volume and turn times on a weekly basis.



Financial Overview

The program will be funded using working capital generated through normal NWSA operations.

The NWSA operating income as of June 30, 2017 exceeds budget by \$9.6 million.

It is expected that the NWSA will still meet or exceed its budgeted operating income for 2017 if the program is approved.



Environmental/Community Impacts

- **Reduces congestion**
- **Reduces fuel consumption and associated emissions**
- **Benefits local transportation systems and associated freight, transit and general purpose users**
- **Economically benefits drayage drivers**



Conclusion

Request authorization to fund the Extended Service Hour Program to expand gate hours at the Alliance's international container terminals during the 2017 Peak Season, not to exceed \$2,000,000.00.

