

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No. 8C
Date of Meeting May 2, 2023

DATE: April 19, 2023

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: David Morrison, Chief Financial Officer

SUBJECT: POS-NWSA and POT-NWSA Service Level Agreement (SLA)
Amendments for travel expenses and scope of services

A. ACTION REQUESTED

Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to approve revisions to the 2023 Port of Seattle – NWSA and Port of Tacoma – NWSA Commission SLAs to clarify that Commissioner travel expenses for NWSA travel paid for by the home ports can be charged to the NWSA and to make the SLAs consistent in provided Commission services.

Request Port of Seattle Commission authorization for the Executive Director or their delegate to approve a revision to the 2023 Port of Seattle SLA to clarify that Commissioner travel expenses for NWSA travel paid for by POS can be charged to the NWSA and specify the scope of Commission provided services as the POT SLA.

Request Port of Tacoma Commission authorization for the Executive Director or their delegate to approve a revision to the 2023 Port of Tacoma SLA to clarify that Commissioner travel expenses for NWSA travel paid for by POT can be charged to the NWSA.

B. SYNOPSIS

The 2023 Port of Seattle – NWSA Commission SLA specifies a set allocation of \$250,000 to the NWSA for Commission Support. The Directive does not specifically allow travel expenses paid for by the POS to be passed through to the NWSA. The Port of Tacoma - NWSA SLA explicitly states that NWSA travel costs be paid by the NWSA. This revision allows the POS to charge NWSA travel expenses paid by POS to the NWSA and makes the two SLAs consistent where necessary in terms of

services provided. The POT SLA has been updated to be consistent with the new POS SLA in format.

C. BACKGROUND

In 2021, the homeport to NWSA SLAs for Commission services were modified to charge a consistent \$250,000 from each home port to the NWSA. The POT – NWSA SLA includes a provision that allows any Commission travel for NWSA business paid for by the POT to be charged to the NWSA. The POS- NWSA SLA does not have that provision.

During the recent NWSA trip to Asia, a POS commissioner paid approximately \$1,300 for hotel rooms with a POS credit card. The rest of the travel expenses were paid for directly by the NWSA. To ensure compliance, the POS- NWSA SLA needs to be revised to allow future expenses to be charged to the NWSA. The POT-NWSA SLA was updated for consistency with the changes to the POS-SLA.

During the review of the two SLAs, staff identified that the POT-NWSA scope of services contained four clauses that were omitted from the POS-NWSA scope of services. To be consistent, the POS-NWSA SLA was updated to reflect consistent scope of services where necessary. The POT-NWSA SLA expense table was updated to be consistent with the revisions to the POS-NWSA SLA.

D. FINANCIAL IMPLICATIONS

No material impacts.

E. ATTACHMENTS TO THIS REQUEST

- Revised POS-NWSA Service Level Agreement – red line version
- Revised POT-NWSA Service Level Agreement – red line version

F. PREVIOUS ACTIONS OR BRIEFINGS

November 8, 2022 – POS Commission approval of 2023 SLAs
November 7, 2022 - NWSA approval of Delegation to the CEO to approve the 2023 SLAs.

**EXHIBIT POS - 10 - Service Directive:
Managing Member/Commission Support Services**

**EXHIBIT POS - 10
Service Directive for Managing Member/Commission Support Services
by and between
Port of Seattle and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Seattle (POS) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Seattle with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2023.

3) Scope of Services to be provided by POS to The NWSA

a) Managing Member/Commission Support

- i) The PDA shall be governed by its Managing Members who will carry out the provisions of RCW 53.08 by overseeing the business of the PDA, setting policy and strategic direction for the NWSA in both internal and external matters and provide for their implementation.
- ii) The Managing Members shall meet at least quarterly and may hold executive sessions to consider matters enumerated in RCW 42.30 or privileged matters recognized by law.
- iii) Oversee The Northwest Seaport Alliance Charter and other formation documents. (1) Costs include commission salary, benefits, and major community memberships.
- iv) Commission travel for NWSA business will be included in the NWSA Commission Department budget and actuals
- v) POS Commission staff will coordinate closely with NWSA staff to provide support for NWSA Managing Member meeting coordination.
- vi) POS Commission staff will coordinate closely with NWSA staff to provide weekly support for issues management, scheduling, travel arrangements and production of briefings, outreach materials, event support, document signatures and other emergent activities as necessary.

b) NWSA specific travel

ii) Commission travel for NWSA business not paid for directly by the NWSA will be direct charged to the NWSA

4) Cost for Service and Charge Methodology – POS to The NWSA:

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2023 Budgeted Amount ²
Commission Office Dept #1200	3.a	Fixed Amount	Based upon agreed amount of \$250,000 per year.		\$250,000
	<u>3.b</u>	<u>Direct</u>	<u>NWSA specific travel expenses paid by POS</u>	<u>Actual</u>	<u>TBD</u>

5) Scope of Services to be provided by The NWSA to POS

a) None.

6) Cost for Service and Charge Methodology – NWSA to POS

a) None.

7) Service Level Expectations:

a) Will provide any necessary services to the NWSA.

b) Performance Measures and Metrics:

¹ Method Options: Costs associated with support services will be charged to the Alliance as follows:

- Standard Fixed Percentage allocation – Set by Corporate F&B. Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project/Direct Charges – Charged to specific projects based on current procedures.
- Special Fixed Percentage allocation – Variable by department methodology but fixed for the year. Charges will be tracked and based on a fixed percentage as determined by the level of service.
- Flat/Fixed Amount – Charged as a fixed or flat amount agreed upon by all parties for the year.

² Preliminary budget amount – subject to final budget approval.

**EXHIBIT POS - 10 - Service Directive:
Managing Member/Commission Support Services**

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Seattle activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Seattle and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Managing Member Support	Other	Managing Member administrative support such as calendaring, briefings, materials dissemination, travel, policy and media coordination.	Weekly coordination
Managing Member – Meeting Frequency	Other	Managing Member shall meet at least quarterly and may hold executive sessions to oversee the business of the PDA, set policy and strategic direction for the NWSA.	At least Quarterly
Managing Member – Compliance	Other	Managing Member will carry out the provisions of the PDA in RCW 53.08 and RCW 42.30.	100% compliance
Managing Member – Meeting Attendance	Other	Three or more commissioners from each homeport present at Managing Member meetings.	100% of MM Meetings

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above

8) Primary Contacts:

- a) NWSA – Lindsay Wolpa
- b) POS – Aaron Pritchard

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

**EXHIBIT POT – 12 - Service Directive:
Commissioners Support Services**

**EXHIBIT POT – 10B
Service Directive for Commissioners Support Services
by and between
Port of Tacoma and The Northwest Seaport Alliance**

This document is an Exhibit to the Inter-Local Agreement for Support Services By and Between the Port of Tacoma (POT) and The Northwest Seaport Alliance (NWSA).

1) Purpose:

The purpose of this exhibit is to identify the services provided by the Port of Tacoma with regard to Support Services listed above for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level expectations to include performance measures and monitoring. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2023.

3) Scope of Services to be provided by POT to The NWSA

a) Commission Support

- i) The PDA shall be governed by its Managing Members who will carry out the provisions of RCW 53.08 by overseeing the business of the PDA, setting policy and strategic direction for the NWSA in both internal and external matters and provide for their implementation.
- ii) The Managing Members shall meet at least quarterly and may hold executive sessions to consider matters enumerated in RCW 42.30 or privileged matters recognized by law.
- iii) Oversee The Northwest Seaport Alliance Charter and other formation documents.
(1) Costs include commission salary, benefits, ~~travel~~ and major community memberships.
- iv) Commission travel for NWSA business will be included in the NWSA Commission Department budget and actuals

4) Cost for Service and Charge Methodology – POT to The NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2023 Budgeted Amount ²
Commission Support Dept # 60	3.a	Fixed Total	POS and POT charge same amount	Fixed	\$250,000
	<u>3.b</u>	<u>Direct</u>	<u>NWSA specific travel expenses paid by POS</u>	<u>Actual</u>	<u>TBD</u>

5) Scope of Services to be provided by The NWSA to POT

a) None.

6) Cost for Service and Charge Methodology – The NWSA to POT:

a) None.

7) Service Level Expectations:

a) Performance Measures and Metrics:

This section outlines the performance measures and metrics upon which service under this SLA will be assessed. Shared Service Centers and Customers will negotiate the performance metric, frequency, customer and provider service responsibilities associated with each performance measure.

Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how these activities will be assessed.

¹ Method Options: Fixed, Project Charges, Fee for Service/Variable. Costs associated with support services will be charged to the Alliance as follows:

- Fixed allocation – Charged as a fixed allocated percentage or formula that will be applied monthly to the actual expenditures.
- Project Charges – Charged to specific projects based on current procedures.
- Fee for Service/Variable – Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

² Preliminary budget amount – subject to final budget approval.

Service Area	Type of Measure³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Managing Members – Meeting Frequency	Other	The Managing Members shall meet at least quarterly and may hold executive sessions to oversee the business of the PDA, set policy and strategic direction for the NWSA.	At least Quarterly
Managing Members – Compliance	Other	Managing Members will carry out the provisions of the PDA in RCW 53.08 and RCW 42.30.	100% compliance
Managing Members – Meeting Attendance	Other	Three or more commissioners present at Managing Member meetings.	100% of MM Meetings

1) Primary Contacts:

- a) NWSA – Lindsay Wolpa
- b) POT – Eric Johnson

It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

³ Type of Measure Options:

- Time Based – measure is time bound – duration, frequency, by a specific date, etc...
- Management – measure dealing with or controlling issues, communications, or staff
- Accuracy – measure to have a specified level of accuracy to be measurable
- Other – measure that doesn’t fit into category above