

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
STAFF BRIEFING

Item No.	5
Date of Meeting	October 27, 2023

DATE: October 10, 2023

TO: Managing Members

FROM: John Wolfe, CEO

Sponsors: David Morrison, CFO & Tong Zhu, Chief Commercial and Strategy Officer

SUBJECT: **2024 & Future Year Cargo Forecast, 2024 Operational Budget and 2025-2028 Forecast, 2024-2028 Capital Investment Plan, and 2024 Service Level Agreements**

A. SYNOPSIS

The study session will review the 2024 and future year cargo forecast, the proposed 2024 Northwest Seaport Alliance (NWSA) operating budget, the 2025-2028 operating forecast, the proposed 2024-2028 Capital Investment Plan (CIP), and the 2024 Service Level Agreements.

B. BACKGROUND

The NWSA operating budget and CIP implement the business plan and are important components of each Homeport budget. This session will review the cargo forecast, the proposed 2024 operating budget, the 2025-2028 operating forecast, the 2024-2028 CIP, and the 2024 Service Level Agreements in preparation for the budget adoption meeting.

C. ATTACHMENTS TO THIS REQUEST

- Draft 2024 and Future Year Cargo Forecast
- Draft 2024 NWSA Budget Study Session Presentation
- Draft 2024 NWSA Budget Document
- Draft 2024-2028 CIP list by location
- Draft 2024-2028 CIP list by required/other
- Draft 2024 Port of Seattle (POS) Service Level Agreements
- Draft 2024 Port of Tacoma (POT) Service Level Agreements

D. NEXT STEPS

- POT Budget Study Session Wednesday, November 2nd
- NWSA Budget Adoption Monday November 7th
- POS Budget Public Hearing Tuesday November 14th
- POT Budget Adoption Tuesday November 21st
- POS Budget Adoption Monday November 21st

Item No.: 5B_Supp
Date of Meeting: October 27, 2023

2024 Budget Study Session



THE NORTHWEST
SEAPORT ALLIANCE

SEATTLE + TACOMA

David Morrison, CFO
Calum Tasker, Sr. Financial Analyst
Lien Dam, Sr. Financial Analyst

Agenda

- Budget Schedule
- 2023 Forecast and 2023 Capital Investment Plan spending
- 2024 Budget with Details
- 2024 Budget and 2025-2028 forecast
- 2023-2028 Capital Investment Plan
- Potential Additional Funding Sources

Budget Schedule

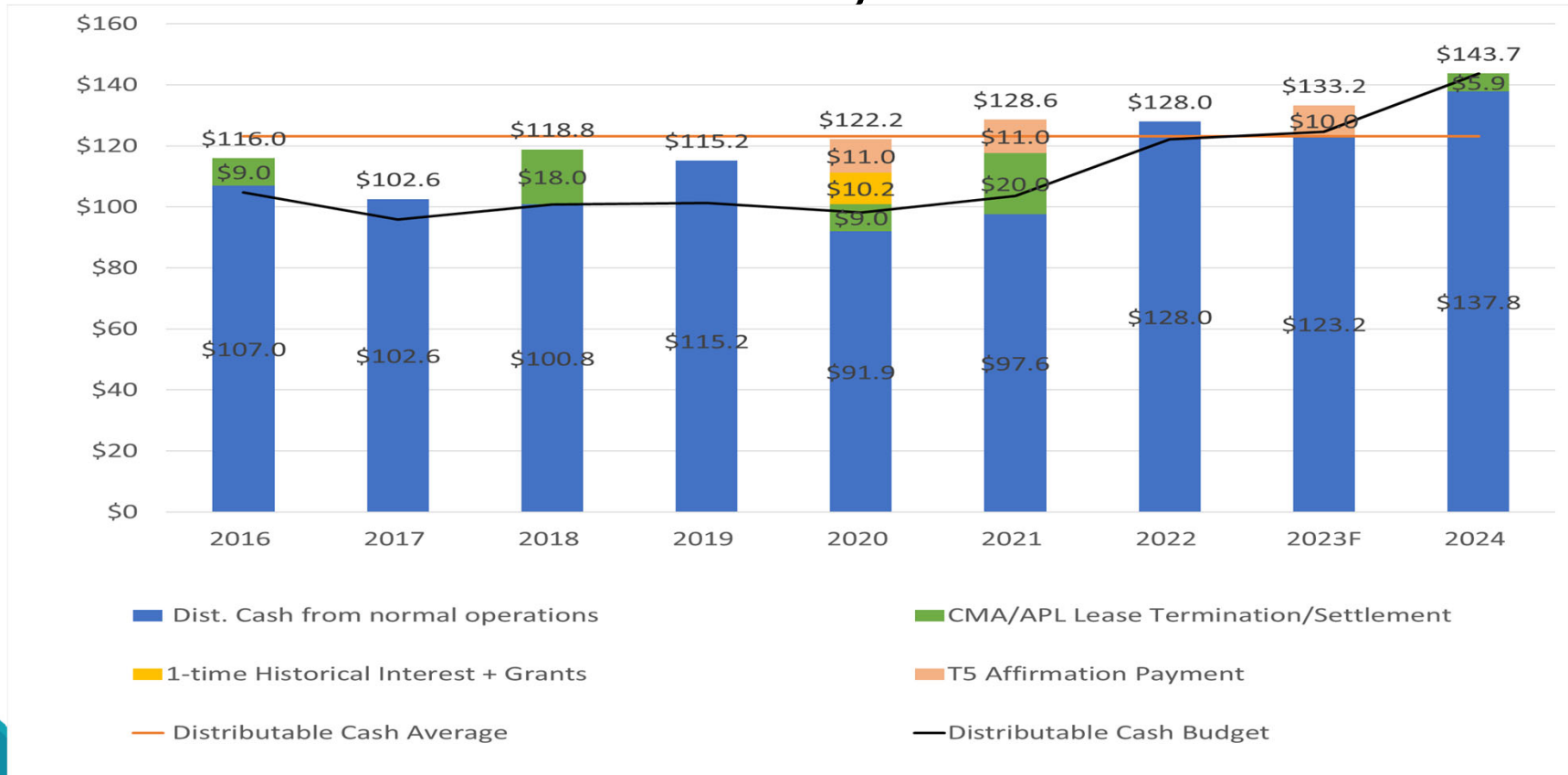
- October 27
 - Cargo Forecast
 - Budget study session

- November 7
 - Vote on the 2024 operating budget
 - Vote on the 2024-2028 Capital Investment Plan
 - Vote on the 2024 Service Level Agreements

NWSA Budget Constraints

- The NWSA staff manages to a “triple bottom line”:
 - Financial performance
 - Economic development and Jobs
 - Environmental impact and sustainability
- Improvements/focus on one area may impact the other two areas
 - Increased financial performance may result in lower investments in environmental impact or economic development
 - Increased focus on economic development and jobs may reduce financial performance and impact the environment
 - Increases investment in environmental issues may result in lower financial performance and impact economic development
- Staff has developed the 2024 budget to balance these three areas

Distributable Cash History (excluding HMT) (\$ million)



Net Cash provided by NWSA (\$000s)

NWSA Providing Cash	2016-2024 Total	
Distributable cash		1,076,190
Affirmation Distribution		32,000
SIM Rent reduction		4,173
HMT/ WRDA 2106 Received		23,252
Total	\$	1,135,616

Cash from Home Ports (excluding HMT from Gov't)	2016-2024 Total	
Working Capital		51,000
Capital Construction		871,171
Affirmation Contribution		32,000
Total	\$	954,171

NWSA Provide/(Accept) Cash \$ 181,445

- Over 9-year period, NWSA + projected HMT/WRDA 2106 funds will provide \$181.4 million more in cash than received by the home ports (16% return on provided cash).
- Section 2106 funds are estimated at \$6.1M in 2024 and flat for the five-year period.
- HMT in 2024 is not included due to pending Congressional Action
 - We may collect funds in a year, but won't spend it all that year
 - We discuss additional potential funding sources for projects later in the CIP portion of the presentation
- Staff will request MM's approval to commit to providing the equivalent of any Section 2106/HMT funds received to the NWSA. Same as 2023.

2023 Forecasted Operating Results Preview

(\$ millions)

	2023 Budget	2023 Forecast	Better / (Worse)
Total Operating Revenues	233.5	225.6	(8.0)
Total Operating Expense	136.9	129.6	7.3
Income from Operations	\$96.6	\$96.0	(\$0.7)
<i>Return on Revenue</i>	41.4%	42.5%	
Non Operating Income (Expense)	4.0	5.1	1.1
Distributable Income before Special Item	100.6	101.1	0.4
Distributable Income	\$100.6	\$101.1	\$0.4
Distributable Cash	\$124.6	\$123.2	(\$1.3)

2023 Forecast vs budget

Revenue

- Decrease in intermodal revenue, (\$7M)
- No container operation at T46, (\$1.2)

Expenses

- Reduced project expenses, \$4M
- Reduced maintenance expense of \$1.7M
- Components of T5 still under construction reduced depreciation, \$1.1M

Expect to receive a \$10M T5 affirmation payment in addition to the calculated distributable cash (not included above)

2023 Forecasted Project Spending *(\$ million)*

Project	Amount	Description
T5 Berth Modernization Construction	\$60.5	Phase 2 South berth, stormwater system, gate complex, reefers & mgt reserves projects
Terminal 3/4 Shorepower	6.3	
T106 CBP Office & Facility Renovation	5.5	(NWSA 87%, POS 13%)
EB1 Yard Reconfiguration	3.7	
NWSA Unallocated Capital Improvements (placeholder)	3.6	
PCT Fender Replacement (HMT eligible)	3.0	
T30 Central Substation Replacement	2.7	
T46 Storm Vault Reconfiguration	1.9	
T18 Shore Power Design	1.8	
PCT Operating Pavement Repair (2023-27)	1.5	
Others	21.2	
Total	\$111.6	

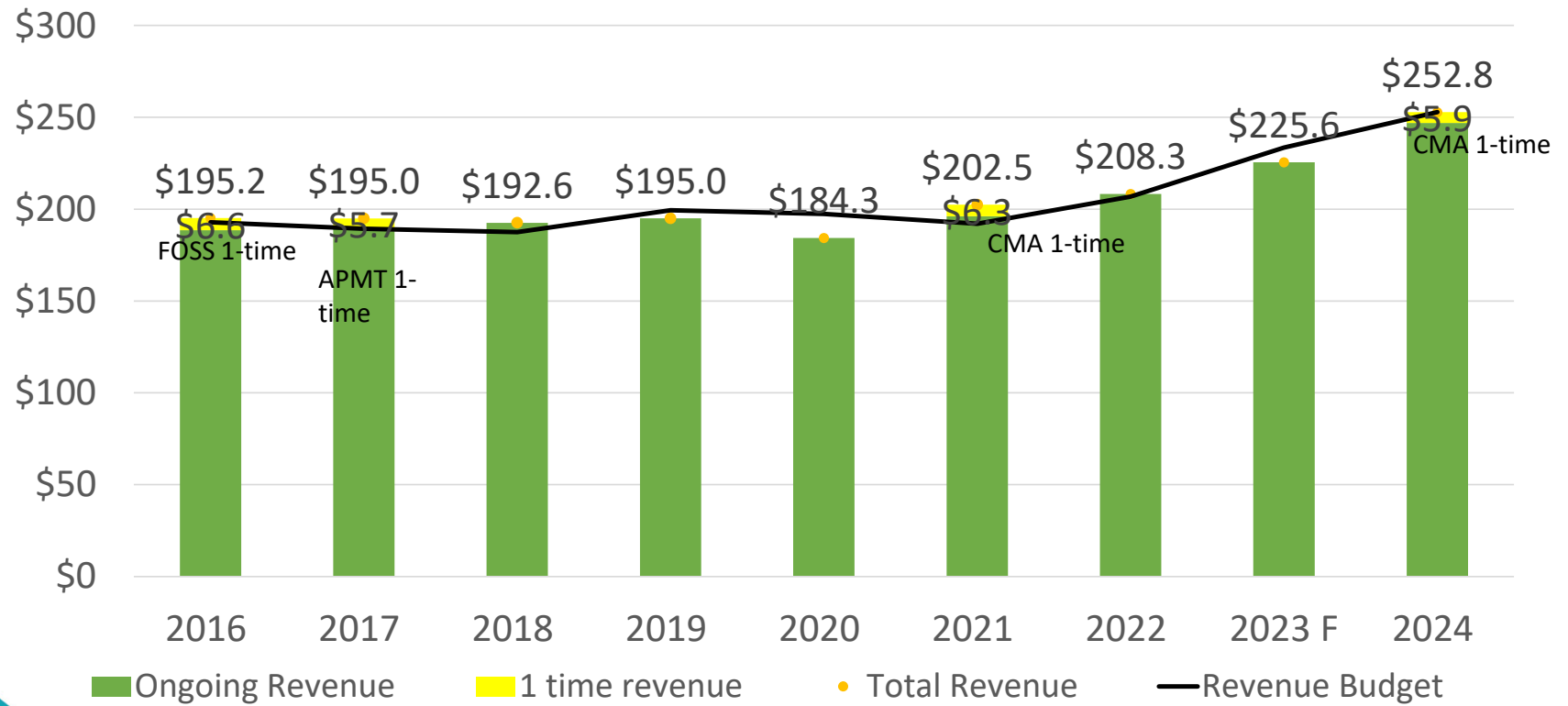
2023 Original budget was \$174.8M. Difference driven primarily by some T5 phase 2 projects moving to 2024.

2024 Budget Preview *(\$ million)*

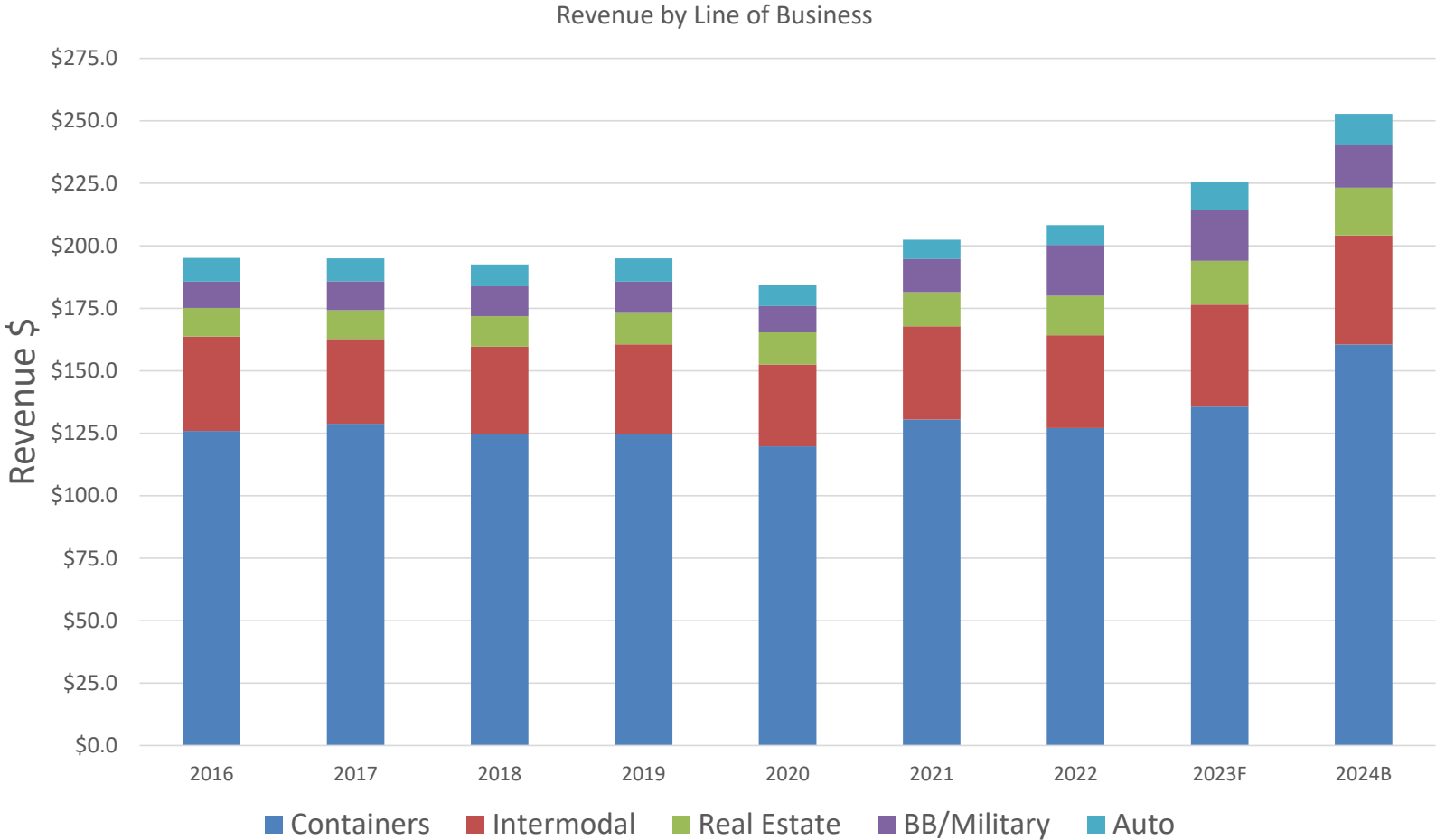
<i>(\$ millions)</i>	2022 Actual	2023 Forecast	2024 Budget
Total Operating Revenues	208.3	225.6	252.8
Total Operating Expense	112.1	129.6	153.6
Income from Operations	\$96.2	\$96.0	\$99.3
<i>Return on Revenue</i>	46.2%	42.5%	39.3%
Non Operating Income (Expense)	14.5	5.1	15.0
Distributable Income before Special Item	110.7	101.1	114.3
Distributable Income	\$110.7	\$101.1	\$114.3
Distributable Cash	\$131.3	\$123.2	\$143.7
HMT Funds (not in NWSA P&L)	\$5.5	\$6.1	\$6.1
Total Distributable + HMT	\$136.8	\$129.3	\$149.8

2023: Expect to receive a \$10M T5 affirmation payment in addition to the calculated distributable cash (not included above)

8-year Revenue (\$ million)

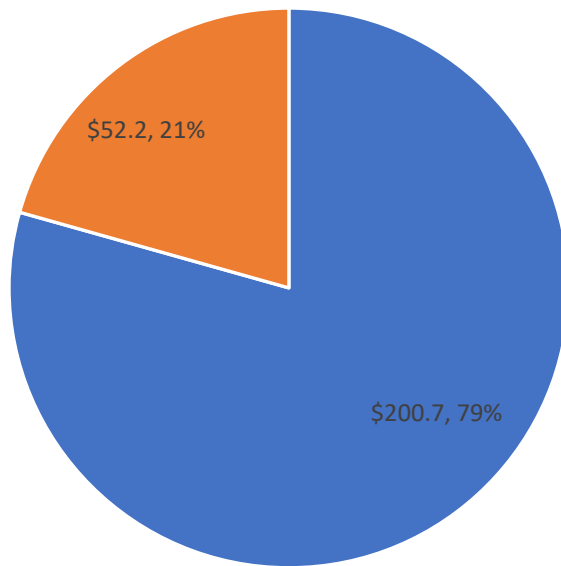


Revenue by Line of Business *(\$ million)*



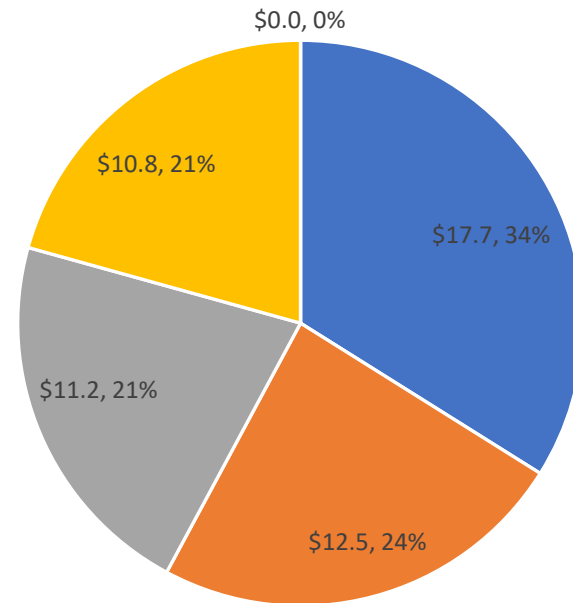
2024 Fixed vs Variable Revenue (\$million)

Revenue



■ Fixed ■ Variable

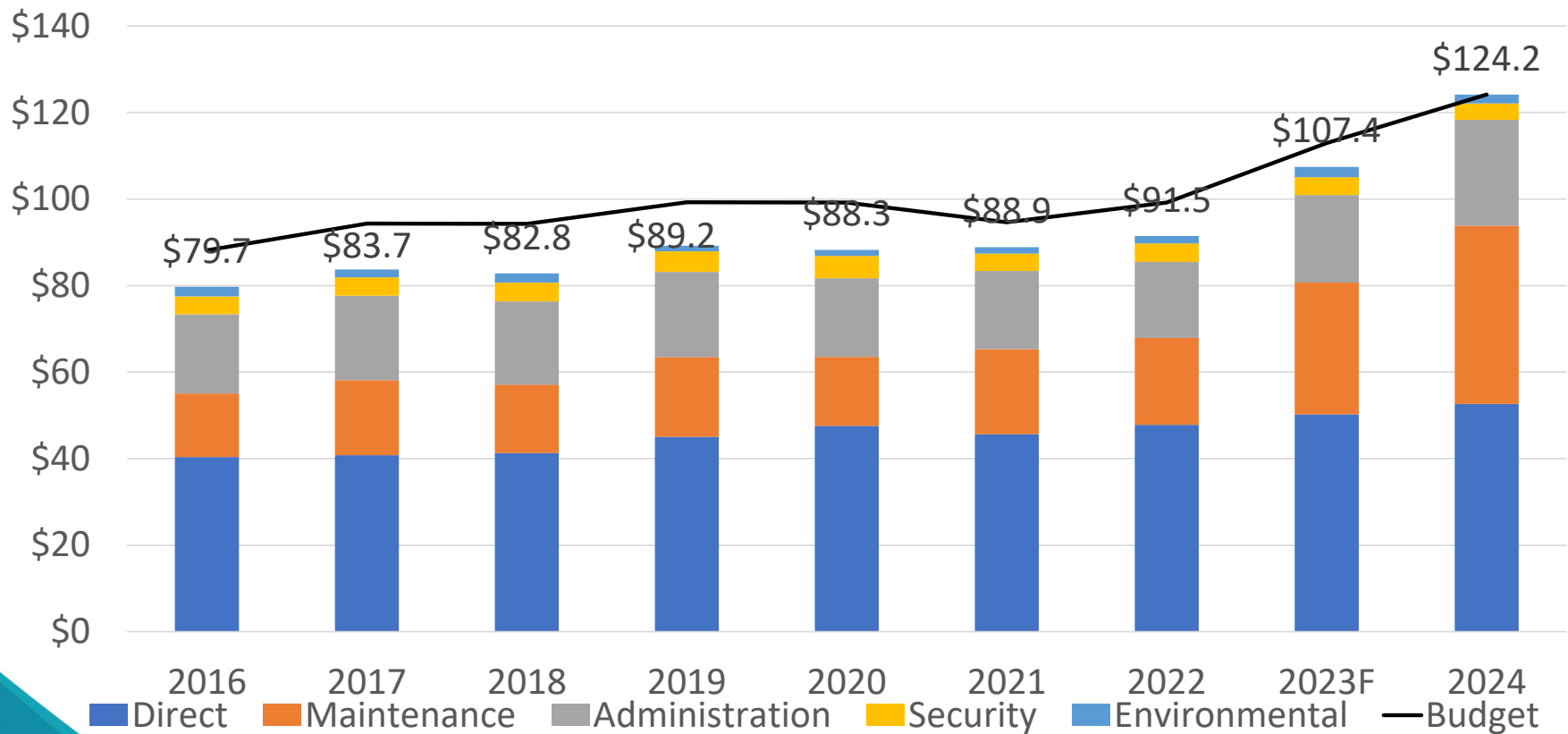
Variable Revenue by Source



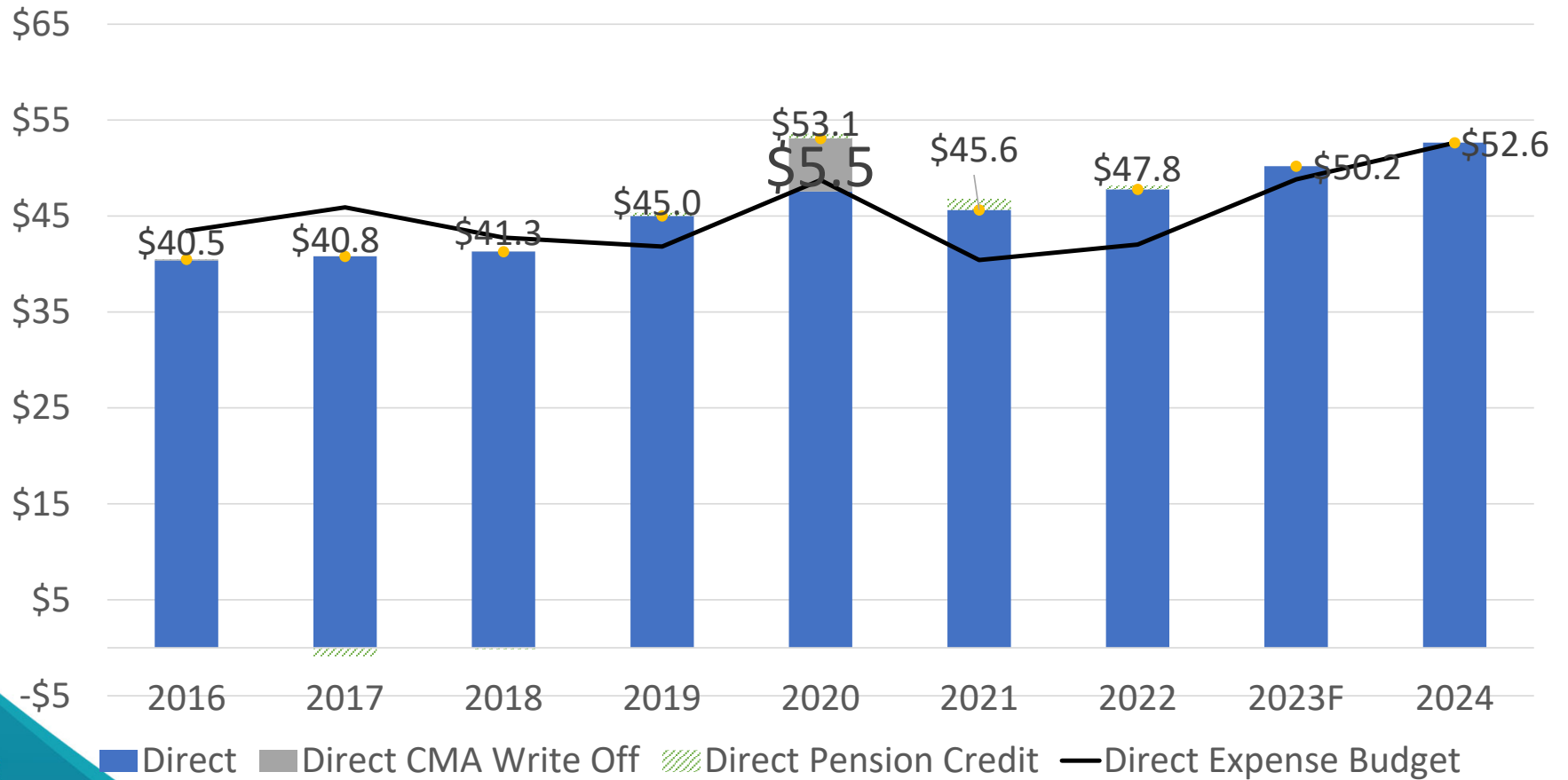
■ Breakbulk ■ International Container and Intermodal
■ Domestic Intermodal ■ Auto
■ Real Estate

Total Operating Expense before Depreciation

(\$ million)



8-Year Direct Expense *(\$ million)*



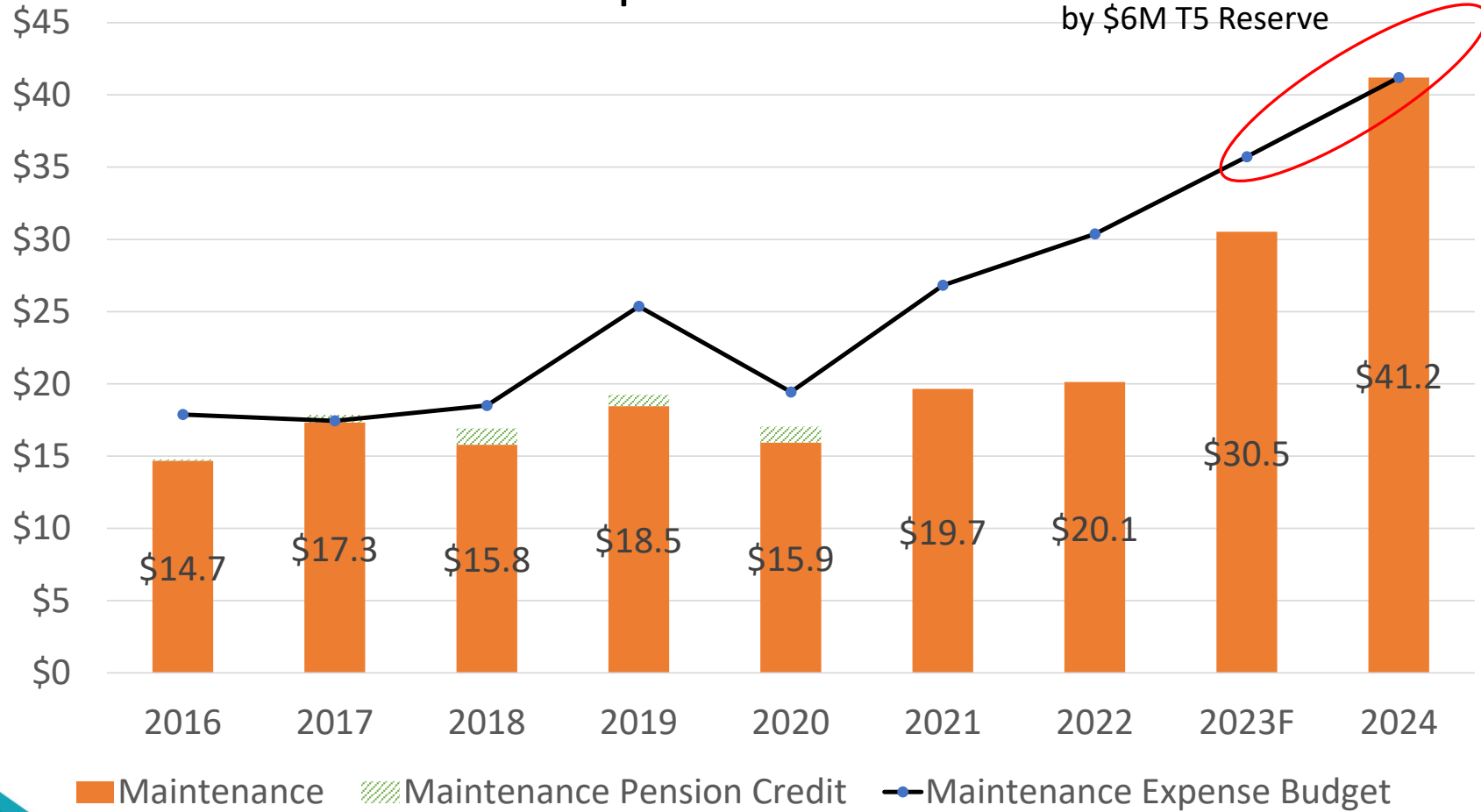
Direct Expense

	2023 Budget	2023 Forecast	2024 Budget	2023 Forecast vs 2024 Budget	% Change
Direct Expense	48,828,986	50,205,604	52,641,977	2,436,373	4.9%

- 2023 Forecast vs 2024 Budget
 - Increase in rent to support auto business, \$2.6M
 - Full year rail incentive, \$1.5M
 - Filling open headcount, \$0.8M (flat at 62 heads total for NWSA)
 - Reduction in auto drayage, (\$1.1M)
 - Lower longshore labor, (\$1.6M)

8-Year Maintenance Expense *(\$ million)*

Budget to budget
increase explained
by \$6M T5 Reserve



Maintenance

	2023 Budget	2023 Forecast	2024 Budget	2023 Forecast vs 2024 Budget	% Change
Maintenance Expense	35,717,128	30,527,778	41,201,031	10,673,253	35.0%

- **2023 Forecast vs 2024 Budget**

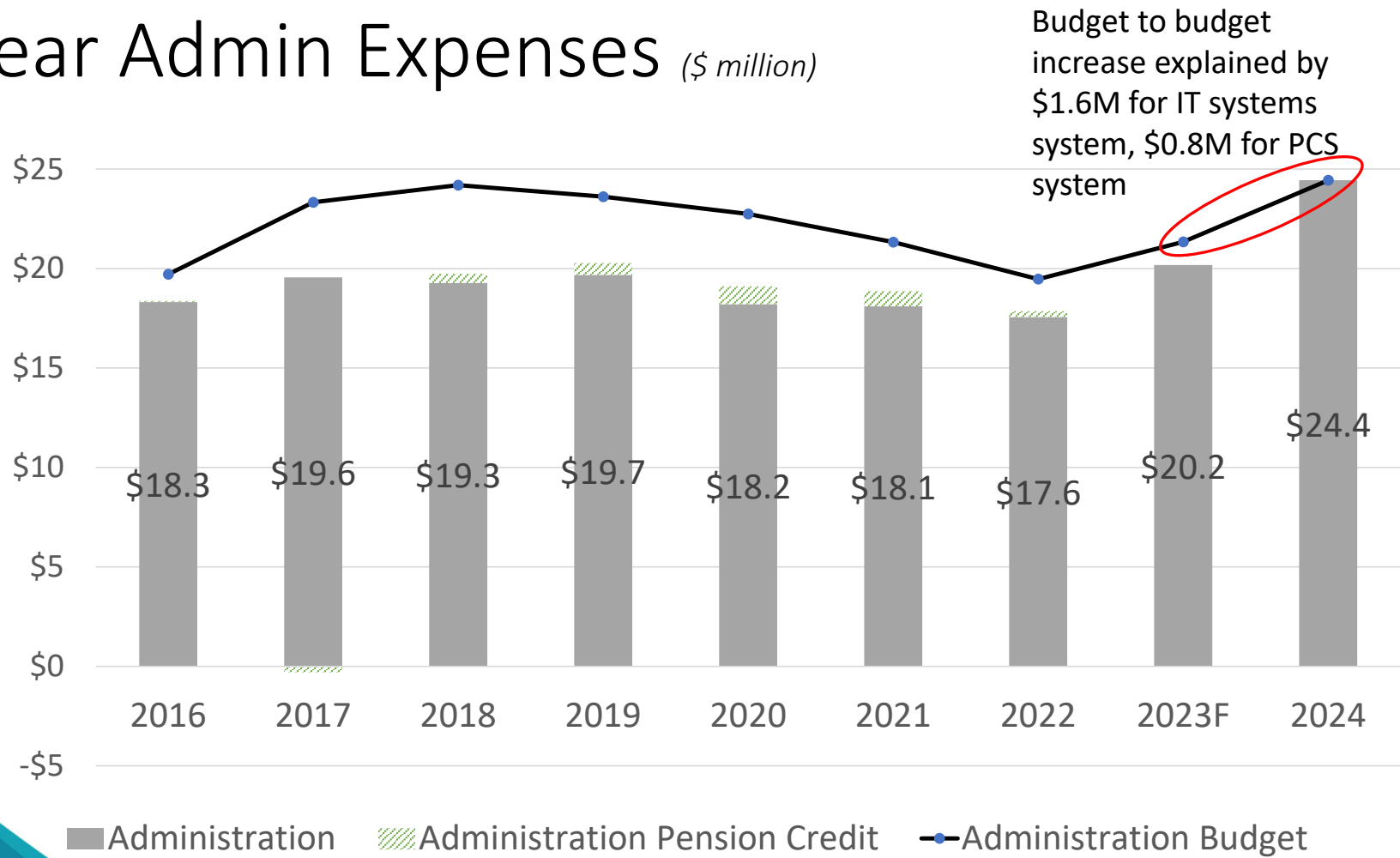
- 2024 includes increased CIP expense, \$11.3M (details in CIP section of this presentation)
- Offset by many insignificant reductions totaling (\$0.7M)

2024 Maintenance expense projects

(Excluding HMT funded dredging and T5 permit conditions)

- 2024 Incremental project expenses vs forecast
 - \$5.5M for T5 Management Reserve (was \$0.5M in 2023, \$6M in 2024)
 - \$3M NWSA unanticipated Repairs
 - \$1.5M PCT maintenance dredge
 - \$1M for E. Sitcum Pile Cap Repairs
 - \$1M for T46 SPU Storm sewer Pipe Repair

8-Year Admin Expenses (\$ million)



NWSA BARS Administration

	2023 Budget	2023 Forecast	2024 Budget	2023 Forecast vs 2024 Budget	% Change
Admin Expense	21,344,588	20,179,630	24,438,567	4,258,937	21.1%

- **2023 Forecast vs 2024 Budget**
 - NWSA share of Next Gen implementation support, \$1.25M
 - POT Commission Approved implementation of new financial software
 - Port Community System, \$0.84M
 - Increase in allocated IT cost, \$0.65M
 - Finance department fully staffed and able to support Next Gen, \$0.3M
 - Offshore wind study, \$0.3M
 - NWSA share of HR system implementation, \$0.3M
 - NWSA Exec Department fully staffed, \$0.14M
 - Increase in legal expense, \$0.13M

NWSA Payroll

	2022	2023 Budget	2023 Forecast	2024 Budget	Var from Forecast	% Var	Var from Prior Budget	%Var
Salary Wages	6,652,387	8,089,211	7,326,361	8,481,974	1,155,614	16%	392,764	5%
Hourly Wages	134,215	143,559	132,680	146,799	14,119	11%	3,240	2%
OT Wages	3,443		3,690		(3,690)	-100%	0	N/A
Total Wages	6,790,044	8,232,770	7,462,731	8,628,773	1,166,043	16%	396,004	5%
F.I.C.A.	485,366	578,086	573,725	598,358	24,632	4%	20,272	4%
S.U.I.	10,147	34,134	25,627	34,311	8,684	34%	177	1%
Medical Benefits	1,593,736	1,866,636	1,703,152	1,894,620	191,468	11%	27,984	1%
Employee Pension	699,271	845,250	728,915	770,229	41,314	6%	(75,021)	-9%
Other Benefits	(919,178)	355,689	339,143	365,576	26,433	8%	9,887	3%
Total Benefits	1,869,343	3,679,794	3,370,563	3,663,093	292,531	9%	(16,701)	-0%
<i>Benefits % of Total</i>	<i>27.5%</i>	<i>44.7%</i>	<i>45.2%</i>	<i>42.5%</i>				
Port Salaries & Benefits	8,659,387	11,912,564	10,833,293	12,291,867	1,458,573	13%	379,303	3%

- \$367,639 for annual pay increases for salaried employees starting April. (5% increase)
- \$20,424 for annual recognition paid to salaried employees in April.
- \$163,395 for marketplace adjustment for salaried employees during the year.
- Average Salary of \$133,930. Benefits of 43%
- NWSA assumes a 6% vacancy rate (4 positions)

MEMBERSHIPS

MM approval of NWSA Memberships over \$10,000 required per NWSA Master Policy

Organization	2023 Budget	2023 Forecast	2024 Budget
American Association of Port Authorities	\$78,000	\$79,080	\$78,000
Pacific Northwest Waterways Association	33,500	33,250	34,500
WA Council on International Trade	20,000	20,000	20,000
International Association of Ports and Harbors *	14,000	0	0
Green Marine	11,000	11,016	11,000
Clean and Prosperous Washington			10,000
All Other Memberships under \$10,000	65,355	47,960	63,822
Total NWSA Memberships	\$221,855	\$191,306	\$217,322

Actual amounts paid may vary slightly as some dues are calculated based on fiscal year financial results.

* IAPH membership is \$1,400 and included in “All Other Memberships under \$10,000”.

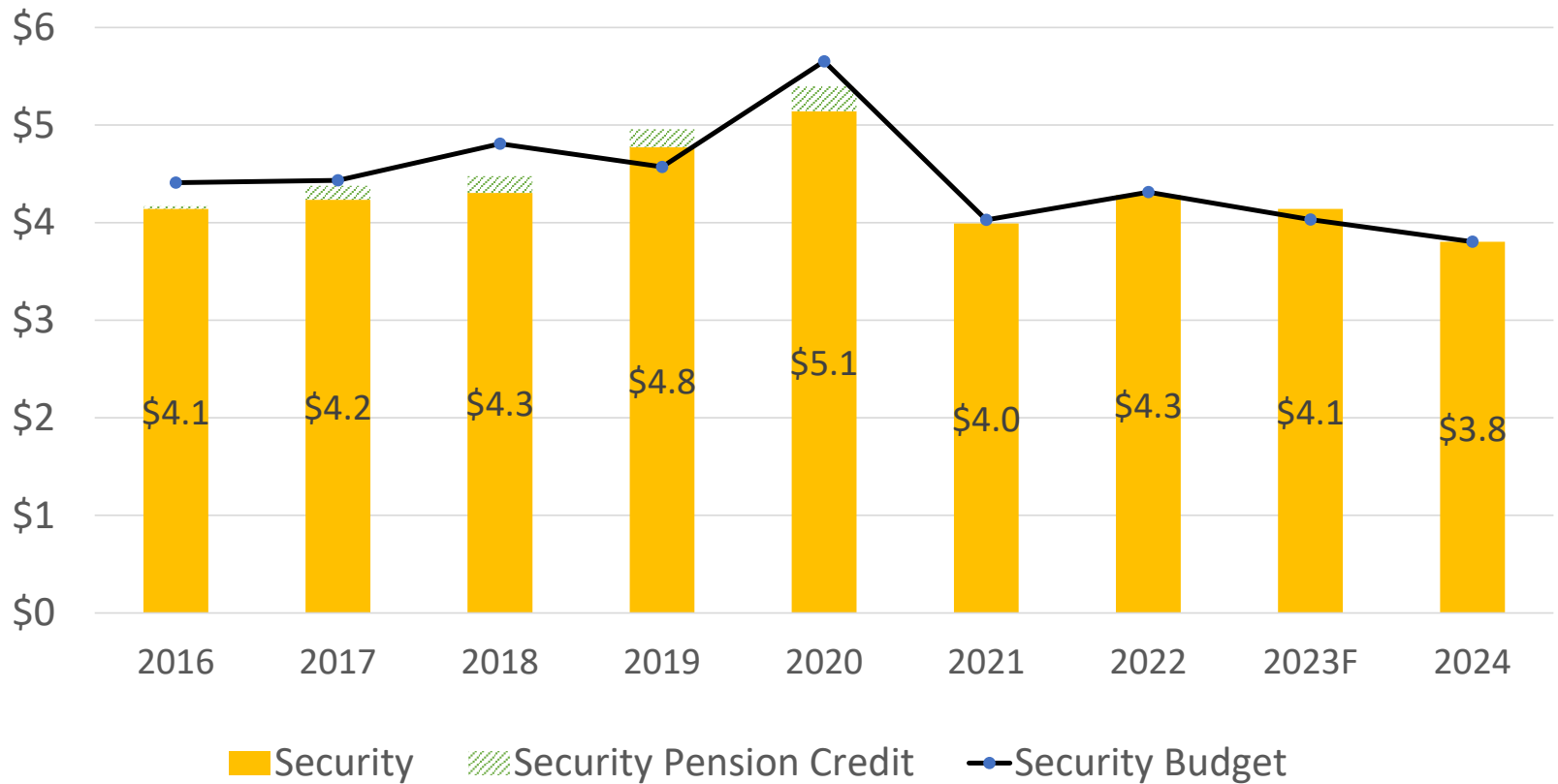
Promotional Hosting

- RCW 53.36.120 & 130 requires that Port expenditures for Industrial Development, Trade Promotion, and Promotional hosting be specific budgeted items
- Promotional hosting is “Furnishing customary meals, refreshments, lodging, transportation or any combination of those items in connection with: Business meetings, social gatherings, and ceremonies honoring persons or events relating to the authorized business promotion activities of the port”

	2022 Actual	2023 Forecast	2024 Budget
Hosting	\$76,208	\$152,842	\$193,939

2024 Statutory limit is \$657,061

8-Year Security Expenses (\$ million)

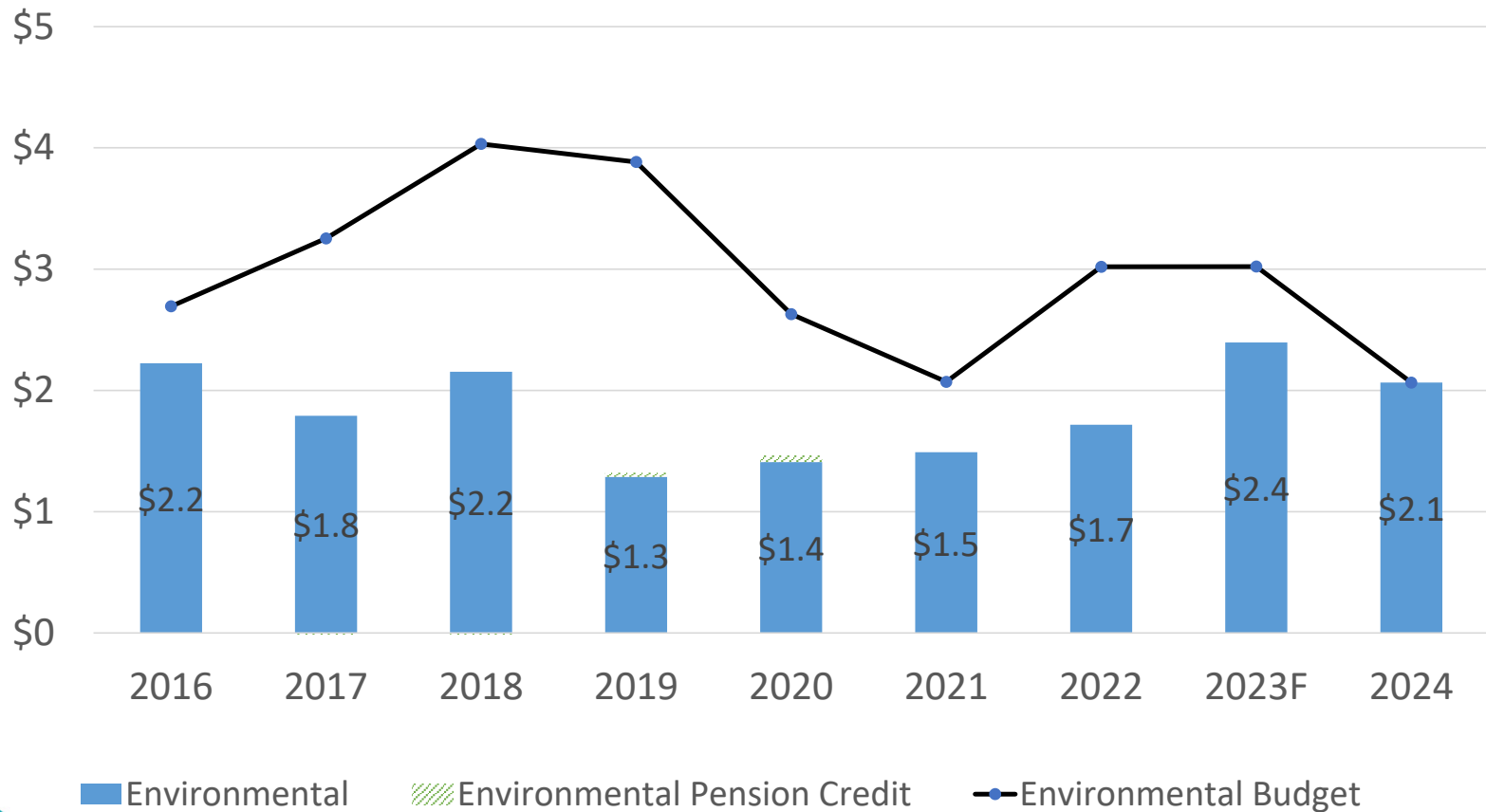


Security

	2023 Budget	2023 Forecast	2024 Budget	2023 Forecast vs 2024 Budget	% Change
Security Expense	4,032,827	4,141,635	3,804,791	(336,844)	-8.1%

- 2023 Forecast vs 2024 Budget
 - Decrease in allocation percentage from the POT security department, (\$375K)

8-Year Environmental Expenses (\$ million)

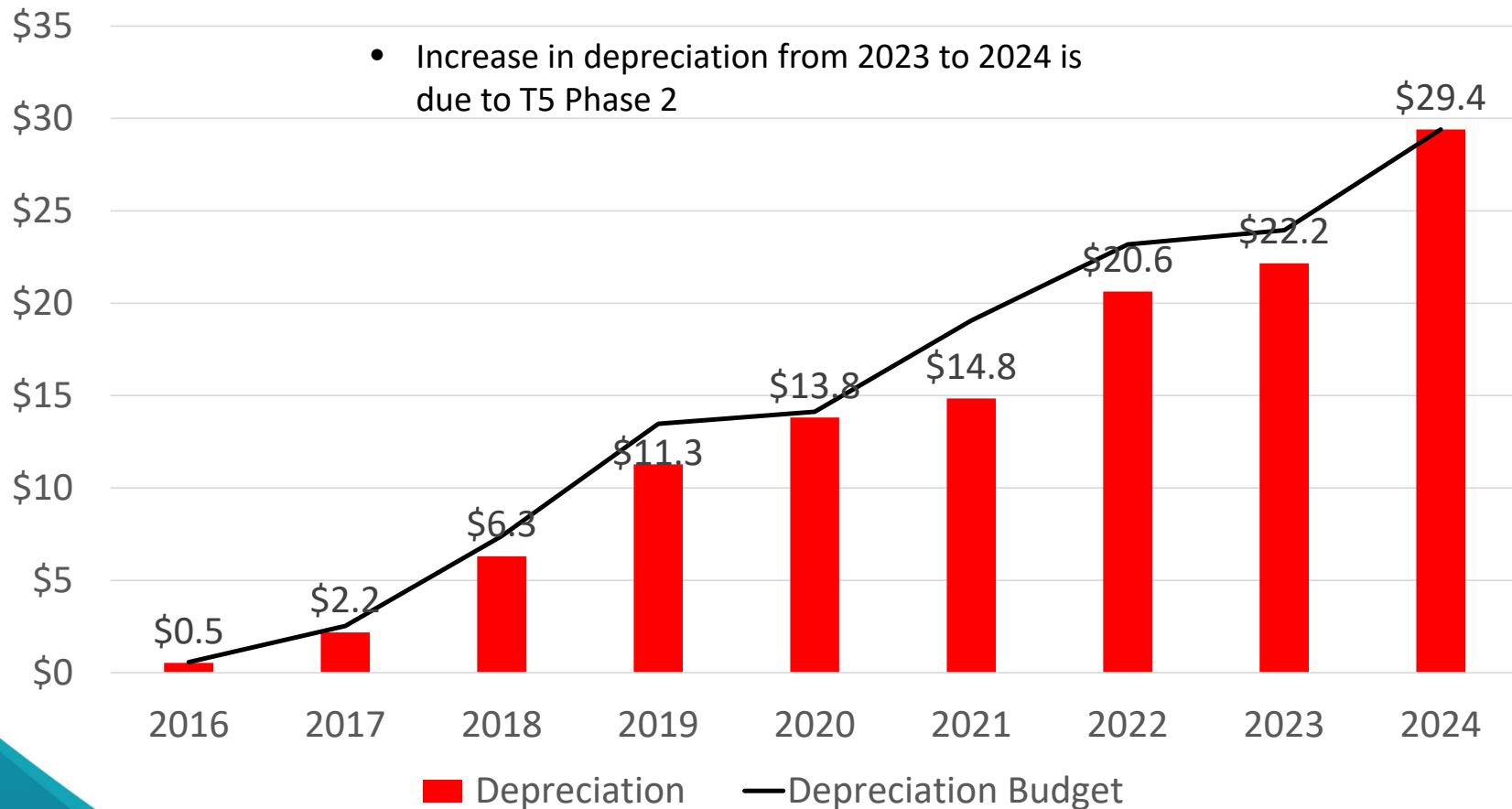


Environmental

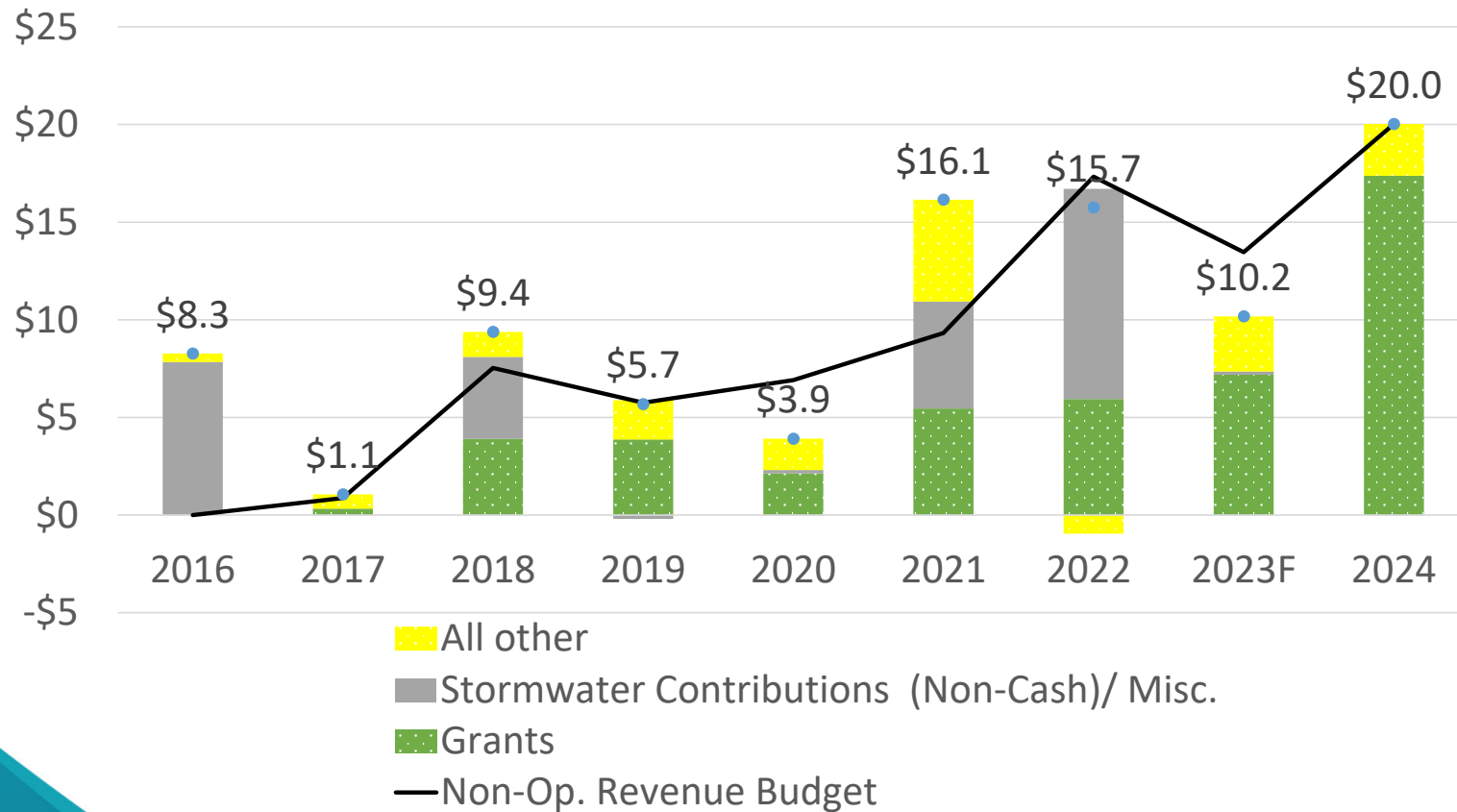
	2023 Budget	2023 Forecast	2024 Budget	2023 Forecast vs 2024 Budget	% Change
Environmental Expense	3,021,727	2,395,094	2,064,717	(330,377)	-13.8%

- 2023 Forecast vs 2024 Budget
 - PSEI Inventory project coming to an end, (\$.37M)
 - Electrification Roadmap project complete, (\$0.23M)
 - Increased spend on NW Port Clean Air Strategy, \$0.15M
 - Clean Cargo Handling Equipment Incentive Program, \$0.1M

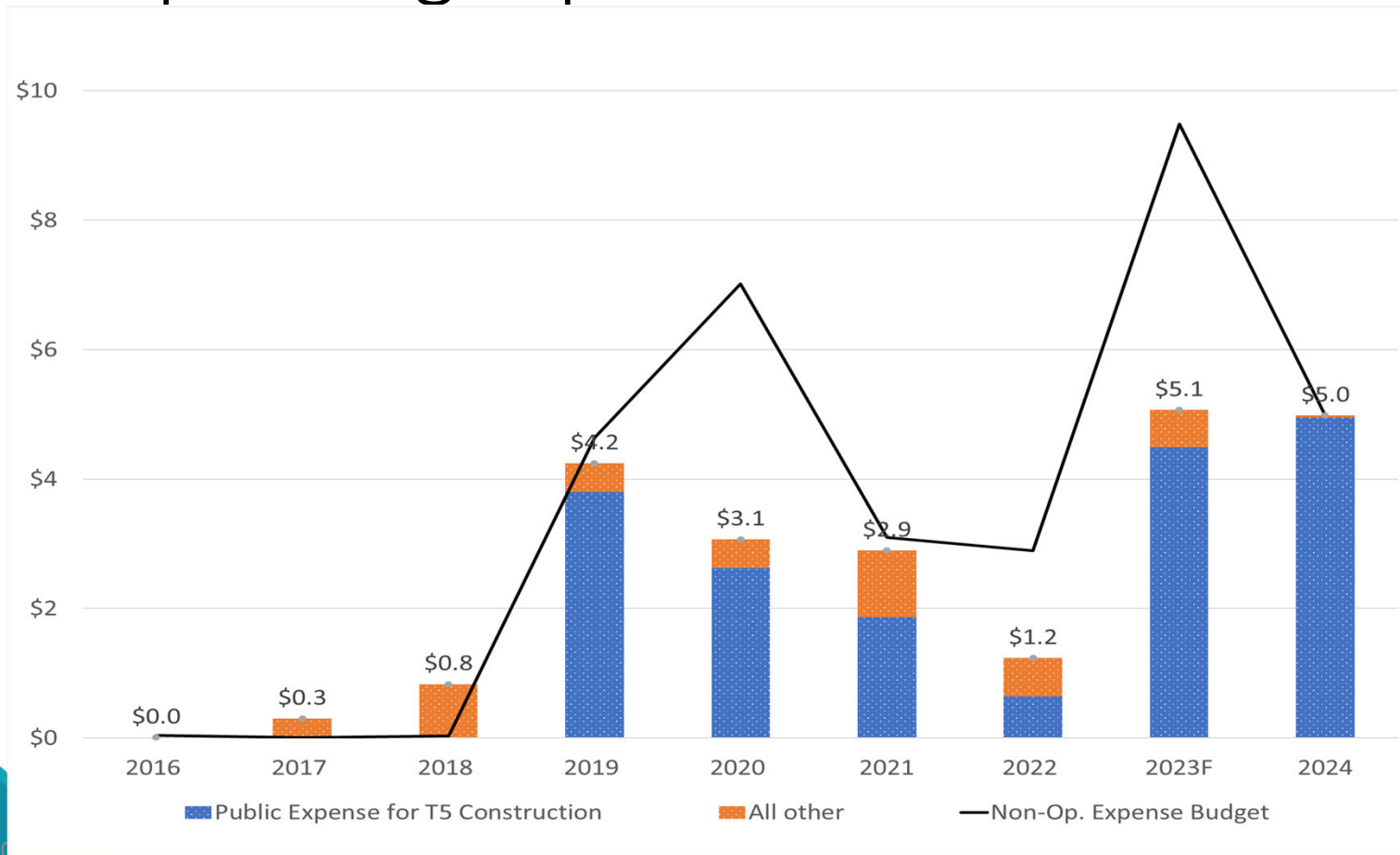
8-Year NWSA Depreciation (\$million)



Non-Operating Revenue (\$million)



Non-Operating Expense (\$million)



2024 Grants and Public expenses

- 2024 Grants \$17.3M {Totals past, present, future} {\$48.2M}
 - T5 Gate Complex \$6.3M {\$11.9M}
 - T5 Reefer Power \$3.9M {\$4.3M}
 - T5 Phase 2 Paving \$2.9M {\$3.3M}
 - T5 Reefer Demarcation \$1.3M {2.0}
 - T5 IY \$1.1M {\$1.3M}
 - T5 stormwater \$0.6M {\$3.2M}
 - T5 Container Yard Expansion \$0.3M {\$6.7M}
 - T5 Reefer and Contract Admin \$0.2M {\$0.5M}
 - T18 Shore power \$0.8M {\$1.0M design}
 - Husky Shore Power \$0.1M {\$1.0M}
- Public Expenses \$5.0M related to T5 development
 - Rail quiet zone, W. Marginal Way, Pedestrian Pathway

NWSA 2024 Budget and Four Year Forecast

(\$million)

(\$ millions)	2024	2025	2026	2027	2028
Operating Revenue	\$252.8	\$259.3	\$270.5	\$277.1	\$284.0
Total Operating Expenses before Dep.	(124.2)	(120.7)	(118.1)	(115.2)	(116.0)
Depreciation & Amortization	(29.4)	(35.6)	(40.7)	(42.5)	(42.6)
Operating Income	99.3	103.0	111.7	119.4	125.5
Grant Income	17.4	13.1	1.2	0.0	0.0
Other Non Operating Income	(2.3)	2.2	2.6	2.6	2.6
Net Distributable Revenue	114.3	118.4	115.5	122.0	128.1
Distributable Cash (calculated)	\$143.7	\$154.0	\$156.2	\$164.5	\$170.7
HMT Funds (not in NWSA P&L)	\$6.1	\$6.1	\$6.1	\$6.1	\$6.1
Total Distributable + HMT	149.8	160.1	162.3	170.6	176.8

- 2024 expenses increase due to dredging in both harbors to be offset by HMT funds and management contingency for unplanned T5 expenses.

Capital Investment Plan

Although funds for a project are included in the CIP, the project is not automatically authorized to proceed. Managing Member approval is required for all projects over \$350,000 regardless of budget inclusion

2023 - 2028 CIP Net *(\$ thousand)*

Home Port	Total 2023-2028	2023-2028 Net less External Funding	Total 2023-2028 Net less External Funding and Amortization
POS	95,265	93,333	89,333
POT	92,616	89,906	89,906
Both	207,935	207,898	207,898
T5	217,120	182,990	152,729
Grand Total	\$ 612,936	\$ 574,127	\$ 539,867

All projects capitalized and expensed
We will provide a detailed list later in the presentation

Discussion

- **\$612.9 Million total**
- **\$38.8M of grants reduces the cash the NWSA spends on these projects**
- **\$34.3M of projects will be directly recovered by additional charges to customers**
- **Net of \$540 Million before any HMT funding**

2023 - 2028 CIP by Year by Harbor (\$ thousand)

Home Port <input type="button" value="v"/>	2023Forecast	2024	2025	2026	2027	2028	Total 2023-2028
Both	6,110	7,851	10,444	47,667	62,724	73,140	207,935
POS	18,069	32,684	16,680	17,012	9,820	1,000	95,265
POT	22,907	35,732	26,500	4,161	2,456	860	92,616
T5	64,548	97,910	48,502	6,160	-	-	217,120
Grand Total	\$ 111,634	\$ 174,177	\$ 102,126	\$ 75,000	\$ 75,000	\$ 75,000	\$ 612,936

All projects capitalized and expensed
We will provide a detailed list later in the presentation

Discussion

- T5 project spending of \$218.6 will be offset by \$34M in grants and \$30.3M of direct payments from SSA for improvements for a total of \$154.3M
- \$311M of CIP spending is in the North Harbor (50%)
- \$95M of CIP spending is in the south harbor (15%)
- \$208M of CIP spending location is to be determined.(35%)

Major projects excluded from Budget

Project	Rough Estimate +/- 100% \$M	Years	External funding
Tacoma harbor development/redevelopment	\$150	2027	
T46 Major Projects	\$90	2024-28	HMT
T18 Full Dock Rehabilitation Construction	\$59	2025-27	HMT
WUT / Husky berth dredge and toe walls	\$47	2025-27	HMT
T18 shorepower construction	\$41	2025-27	Grants
T25 south dock rehabilitation	\$33	2028	HMT
East Sitcum pile cap repairs	\$26	2026	HMT
T18 water main replacement	\$23	2025–26	
WUT shorepower construction	\$17	2027-28	Grants
T30 S Water Main Replacement	\$5	2027-28	
Total projects for future budgets	\$491		

- Projects excluded because of lack of commercial agreement or further design efforts required to solidify scope and cost estimate. Staff not ready to make a recommendation to move forward.
- Numbers shown are gross estimates. Not offset by grants / external funding

2023 - 2028 “Other” CIP by Harbor *(\$ thousand)*

Home Port	Sum of 2023 Forecast	2024	2025	2026	2027	2028	Sum of 2023-2028 Total
Both	5,652	7,416	10,019	47,242	62,299	72,715	205,342
POS	6,462	10,090	4,483	4,531	4,250	-	29,817
POT	7,089	15,519	17,282	21	-	-	39,911
T5	223	720	125	-	-	-	1,068
Grand Total	\$ 19,427	\$ 33,745	\$ 31,909	\$ 51,794	\$ 66,549	\$ 72,715	\$ 276,138

All projects capitalized and expensed
We will provide a detailed list later in the presentation

Discussion

- “Both” includes the placeholder to get to \$75 million per year in outer years.
- Required projects are excluded from this view. Required includes:
 - Lease commitments
 - Asset & revenue preservation projects.
 - Statutory or legally required

2016-2023 Project spending split including Capital Grants

Location	2016-2022		2023	2024	2023-2024		2016-2024	
South Harbor	264,525,140	46%	20,501,976	28,980,000	49,481,976	21%	314,007,116	39%
North Harbor	312,585,163	54%	72,773,950	115,577,473	188,351,423	79%	500,936,586	61%
Total	\$577,110,303	100%	\$93,277,949	\$144,559,497	\$237,837,446	100%	\$814,947,749	100%

- Some of the expensed attributed to south harbor cover both harbors (clean air projects)

2023 - 2028 CIP by Category *(\$ thousand)*

Group	2023Forecast	2024	2025	2026	2027	2028	Total 2023-2028
T5	63,367	93,955	46,491	5,363	-	-	209,176
Maintenance	19,983	44,281	28,085	19,468	8,110	1,760	121,686
Operational Upgrades	11,809	17,572	16,786	45,847	64,113	71,369	227,496
Support Systems	5,501	1,241	-	-	-	-	6,742
Environmental	10,974	17,128	10,764	4,322	2,777	1,871	47,836
Grand Total	\$ 111,634	\$ 174,177	\$ 102,126	\$ 75,000	\$ 75,000	\$ 75,000	\$ 612,936

Definitions

- **Maintenance = repair of existing asset**
- **T5 = \$454M authorized project plus intermodal improvements**
- **South Harbor Terminal expansion per 2035 Vision**
- **Environmental=ongoing clean air and clean water projects**
- **Operational Upgrades = Added capacity or improved functionality.**
 - **Includes placeholder to have a minimum project spend of \$75M per year (capital + expense projects)**
- **Husky – Improvements to the terminal including 8 cranes, T4 wharf, tenant improvements, shore power, maintenance berth dredging and toe wall**
- **Support Systems = CBP improvements**

2023 CIP Spending- Projects over \$1M *(\$ thousand)*

Project Name	Amount
T5 Berth Construction - Phase 2 (1,450' south)	28,847
T5 Stormwater Treatment System	9,597
Terminal 3/4 Shorepower	6,267
T106 CBP Office & Facility Renovation (NWSA 87%, POS 13%)	5,477
T5 Reefer High Voltage Distribution (SSA will do work)	4,996
T5 Marine Building South	4,766
EB1 Yard Reconfiguration	3,655
NWSA Unallocated Capital Improvements (placeholder)	3,595
T5 Management Reserve (Excludes PH 2 Premises)- capital	3,000
PCT Fender Replacement (HMT eligible)	2,980
T5 Rail Quiet Zone (public exp)	2,771
T30 Central Substation Replacement	2,691
T5 Transtainer Runs (SSA will do work)	2,652
T46 Crane Maintenance	1,873
T46 Storm Vault Reconfiguration	1,781
T18 Shore Power Design	1,544
T5 Ph 2 Premises Container Yard Paving (SSA will do work) (WAS)	1,510
PCT Operating Pavement Repair (2023-27)	1,500
T5 Reefer Demarcation Infrastructure (SSA will do work)	1,300
T5 Gate Complex (SSA will do work)	1,077
Subtotal projects over \$1M	\$91,878
Total Forecast	\$111,634
% of Forecast	82%

**All these projects have been authorized by the MMs
except the unallocated capital placeholder**

2024 CIP Spending- Projects over \$1M *(\$ thousand)*

Project Name	Total
T5 Reefer High Voltage Distribution (SSA will do work)	17,650
T5 Gate Complex (SSA will do work)	13,650
T5 Ph 2 Premises Container Yard Paving (SSA will do work) (was 2023-35NH)	13,472
T5 Berth Construction - Phase 2 (1,450' south)	9,000
T5 Reefer Demarcation Infrastructure (SSA will do work)	7,850
T18 Shore Power Design	7,000
T5 Management Reserve (Excludess phase 2- expense	6,000
Terminal 3/4 Shorepower	5,722
T46 N. Substation #1 Replacement (NWSA 80%, POS 20%)	4,871
T5 Intermodal Yard Improvements	4,748
T18 Transtainer Runs (no stage 1 or stage 2) (SSA will do work)	4,000
T5 Stormwater Treatment System	3,732
T5 Rail Quiet Zone (public exp)	3,677
Wooden Light Pole Replacement Program	3,588
T5 Phase 2 Premises Management Reserve - capital	3,500
T5 Transtainer Runs (SSA will do work)	3,338
T18 Full Dock Rehabilitation Design Only (HMT eligible)	3,040
NWSA Unallocated Capital Improvements (placeholder)	3,000
NWSA Unanticipated Repairs/Misc Expenses (placeholder)	3,000
T5 Management Reserve (Excludess phase 2- capital	3,000
PCT LED Lighting Upgrade	2,840

2024 CIP Spending- Projects over \$1M - Conclusion (\$ thousand)

Project Name	Total
WUT Berth Area Dredge/ToeWall Dsgn (only ToeWall HMT eligible)	2,033
T30 Central Substation Replacement	1,884
PCT Fender Replacement (HMT eligible)	1,850
Husky Berth Area Dredge/ToeWall Dsgn (only ToeWall HMT eligible)	1,613
PCT Operating Pavement Repair (2023-27)	1,500
T46 SPU StormSewer Pipe Repair	1,496
T7 Berth B-D Ship Service Water Line Replacement	1,394
T5 Marine Building South	1,300
T106 CBP Office & Facility Renovation (NWSA 87%, POS 13%)	1,241
T46 M&R Building Roof Replacement	1,240
Infrastructure for Electric Straddle Carriers (no stage 2)	1,200
PCT Maintenance Dredging (HMT eligible)	1,065
T18 Water Main & Valve Replacement North (Design)	1,000
AWC Asphalt Replacement and Stormwater	1,000
T106 Roof Replacement (55% NWSA, 45% POS) became U00701	1,000
E. Sitcum Pile Caps Repair (Berth D) Design (HMT eligible)	1,000
Subtotal projects over \$1M	\$151,152
Total 2024 Budget	\$174,177
% of Budget 10/10/2023	87%

2023/2024 Projects to be authorized – over \$350k

(\$ thousand)

Location	Project Name	Type of Request	2024-2028	
			2023/2024 Total	Budget Total
Infrastructure	Infrastructure for Electric Straddle Carriers	(blank)	1,200	1,200
	PCS: Truck Experience Measurement - Pilot	(blank)	600	600
	Zero Emission Truck Collaborative	(blank)	514	300
Infrastructure Total			2,314	2,100
1615	3701 Taylor Way Lighting Enhancements	Construction	600	0
1615 Total			600	0
Auto	AWC Asphalt Repair	Construction	480	2,350
	AWC Asphalt Replacement and Stormwater	Construction	1,000	1,350
Auto Total			1,480	3,700
E Sitcum	E. Sitcum Pile Caps Repair (Berth D) Design (HMT eligible)	Design	1,000	1,000
	T7 Berth B-D Ship Service Water Line Replacement	Construction	1,394	1,394
E Sitcum Total			2,394	2,394
Jack Block	Jack Block Park Pier & Plaza Replacement	Design	500	6,500
Jack Block Total			500	6,500
PCT	PCT LED Lighting Upgrade	Construction	2,840	2,840
	PCT Maintenance Dredging (HMT eligible)	Design	1,224	1,065
	PCT Mnt Bldg Strad Bay Roof Insulation	Design	600	550
	T18 Water Main & Valve Replacement South	Design	775	3,220
T18 Total			7,319	11,002

2023/2024 Projects to be authorized – over \$350k (conclusion)

(\$ thousand)

			2024-2028	
Location	Project Name	Type of Request	2023/2024 Total	Budget Total
T46	T46 M&R Building Roof Replacement	Construction	1,315	1,540
	T46 SPU StormSewer Pipe Repair	Construction	1,996	1,496
	T46 Substations and Switchgear Testing, Cleaning a	Construction	350	350
T46 Total			3,661	3,386
T5	T5 Roof Replacement & Canopy Painting - M&R Bui	Construction	2,734	2,659
T5 Total			2,734	2,659
T7	T7-Infrastructure repairs and improvements - Design	Design	500	1,400
	Terminal 7ABC Maintenance Dredging (Design) (Po	Design	350	400
T7 Total			850	1,800
TOTE	Terminal Building repairs or replacements - TOTE	Construction	500	500
	TOTE Berth Maintenance Dredging (HMT eligible)	Design	733	550
	TOTE Terminal Pavement Maintenance & Repair	Construction	550	550
W Sitcum Total			400	500
WUT	WUT Shore Power Design	Design	541	837
WUT Total			541	837
Grand Total			\$29,686	\$41,299

Potential Federal Funds not in Budget or Forecast

- Likely Sources
 - Port Infrastructure Development Program (PIDP)
 - Diesel Emission Reductions Act (DERA)
 - Inflation Reduction Act (IRA)
 - Congestion Management Air Quality (CMAQ)
- Potential Sources
 - Consolidated Rail Infrastructure and Safety Improvements (CRISI)
 - Rebuilding American Infrastructure with Sustainability and Equity (RAISE)
 - Maritime Highway (MARAD)

Potential State Funds not in Budget or Forecast

- Likely Sources
 - Climate Control Act
 - Clean Energy Fund
 - Clean Water Fund
- Potential Sources
 - Clean fuel standards

Grants Update – Future Grant Opportunities (From October 3rd MM meeting Grant presentation)

CIP Projects >\$1M	Est Project Cost	Potential Grants
Husky Terminal Berth Dredge	\$2,113,000	PIDP
Washington United Terminal (WUT) Berth Dredge	\$2,533,000	PIDP
Pierce County Terminal (PCT) LED Light Upgrade	\$2,840,000	WA Ecology grants
PCT Reefer Expansion	\$5,718,000	MARAD PIDP
Terminal 18 Shore Power Design	\$8,744,000	EPA DERA EPA Clean Ports program FHWA CMAQ WA Ecology
Terminal 18 Lift Station Replacement	\$2,189,000	MARAD PIDP
Clean Cargo Handling Equipment Program	\$4,400,000	EPA DERA EPA Clean Ports
Clean Truck Program	\$1,276,000	WA DERA
Electric Straddle Carriers	\$5,000,000	EPA DERA EPA Clean Ports Program
Industrial Stormwater (ISGP) Strategic Initiative	\$1,316,000	Local Grant Programs
Jack Block Park Pier and Plaza replacement	\$6,500,000	NOAA Grant Programs
Wooden Light Pole Replacement Program	\$7,756,000	PIDP
Northwest Ports Clean Air Strategy	\$4,933,000	EPA DERA, CMAQ, WA Ecology

CIP Budget Summary

- 2024-2028 5-year CIP totals \$501.3 million
- 2023-2028 6-year CIP totals \$612.9 million
- 2024 MM requests primarily include design for future maintenance and upgrades and some maintenance and operational upgrades
- Significant maintenance and operational upgrades could be requested in the years between 2025-2028

CIP Budget Adoption Meeting

- Managing Member Actions on November 7:
 - Vote on 2024 Operating Budget including Memberships over \$10,000 and Promotional hosting
 - Vote on 2024-2028 Capital Investment Plan
 - Not authorizing any projects. Each project still requires authorization per delegation or by MM vote
 - Vote on the Service Level Agreements (SLAs) between the NWSA and POT, POT and NWSA, and POS and NWSA

Budget Summary

- 2023 Net Distributable Income is projected to be \$101.1 million, \$0.4 million above budget level of \$100.6 million. Distributable cash is calculated to be \$123.2 million, \$1.4 million below budget.
- 2024 Net Distributable Income is projected to be \$114.3 million. Distributable cash of \$143.7 million.
- 2023 and 2024 are years impacted with investments to support future growth
- Both years are projected to provide over \$120M in cash to be split by the two homeports



THE NORTHWEST
SEAPORT ALLIANCE

The Northwest Seaport Alliance 2024 Budget



Operating Budget and Capital Investment Plan adopted:
November 7, 2023



In June 2023, Inbound Logistics magazine named The Northwest Seaport Alliance in its annual list of “Green 75” supply chain partners. This is the seventh consecutive year that the NWSA has been recognized for its environmental programs and commitment to sustainability.



The Northwest Seaport Alliance joined Green Marine in 2016 and has maintained its continued improvement every year since becoming a member. Green Marine is a voluntary marine industry initiative with the goal of achieving levels of environmental performance that exceed regulatory requirements in areas such as air emissions, greenhouse gases, cargo waste management, community impacts (noise, dust, odors, and light), water and land pollution prevention and environmental leadership. There are currently more than 100 ship owners, port authorities, terminals, and shipyards from coast to coast, in Canada and the United States, participating in the program.



Northwest Seaport Alliance (NWSA) is proud to be selected as the leading West Coast port in the 40th Annual Quest for Quality Awards by Logistics Management. The NWSA received the highest overall rating among West Coast ports with top scores in the Ease of Doing Business and Value categories.

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To: Managing Members

Date: November 7, 2023

Subject: The Northwest Seaport Alliance Operating Budget and Five-Year Capital Investment Plan

Staff is pleased to present the 2024 Northwest Seaport Alliance (NWSA) Budget. This document informs interested parties about the NWSA's overall goals and strategies, as well as the business environment in which we operate. It highlights the strategic investments that will deliver competitive financial results, build infrastructure in an environmentally sustainable manner, and create jobs and economic wealth in the Puget Sound region.

In 2023, the global supply chain faced a new set of challenges driven by increased interest rates, reduced consumer demand, and broad slowing of economic activity. While 2021 and 2022 challenged ports with increased cargo volumes, in 2023 west coast ports faced declining containerized cargo volumes.

The NWSA is proud to have a diversified business portfolio to offset these challenges and provide financial stability. In 2023, the consolidation of GLOVIS Logistics' automobiles continued to drive high auto imports. While breakbulk cargo volumes reduced from 2022's record-breaking levels, volumes remained high when compared to pre-pandemic years.

Key infrastructure investments continue with Terminal 5 Phase Two construction expected to be complete in early 2024. In 2023, terminals in our gateway added four new Super-post panamax cranes. Both Terminal 5 in the North harbor and Washington United Terminals in the South harbor added two new cranes to increase operational efficiency and cargo capacity in our gateway.

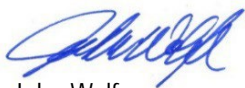
The NWSA is an environmental leader in reducing maritime-related air emissions in the Puget Sound. While we create significant economic activity and family wage jobs across the state, we do so while maintaining a focus on environmental stewardship, installing shore power on our terminals, launching a zero-emissions truck collaborative, and utilizing state-of-the-art stormwater systems at our facilities.

Together, NWSA and our customers' business activities generate more than 21,000 direct jobs and \$0.8 billion of business output based on the most recent study released in 2021 from 2020 data.

The current NWSA's Strategic Business Plan includes:

- Improve the efficiency and cost competitiveness of the supply chain
- Enhance NWSA, local and regional transportation infrastructure
- Advance the NWSA's market position in the international and domestic shipping industry
- Increase revenue through growth and diversification
- Advance environmental stewardship

The NWSA is well positioned to grow market share and will continue to invest in the infrastructure necessary to keep our position as a leading North American port. Our team is focused on promoting responsible financial and environmental stewardship, fostering operational excellence, and increasing business and employment across the region.



John Wolfe
Chief Executive Officer

Budget Document Overview

The Budget Document consists of these major sections:

I. Overview: This section provides information about the NWSA's facilities and customers. It examines the economic context of the NWSA's operating environment and outlines the NWSA's organizational structure.

II. Budget Message: This includes an overview of the budget challenges and opportunities, revenue types and expenditures. The Budget Message outlines the priorities and issues for the budget year and describes changes from the previous year.

III. Business Outlook: This section describes the NWSA's overall goals and strategies. It includes assumptions, potential obstacles and trends that staff used to develop the forecast. These serve as the foundation for the Operating Budget.

IV. Operating Budget: This section provides a summary of the assumptions that form the basis for the NWSA's operating budget. This section includes the operating budget with revenue and expenses by line of business, and details of expected operating costs. This section also provides a five-year financial forecast for the alliance.

V. Five-Year Capital Investment Plan (CIP): The CIP consists of all capitalized and expensed projects that the NWSA plans to complete in the next five years. Capitalized projects affect the NWSA's Profit and Loss statement through depreciation while expensed projects flow directly to the NWSA's net income in the year the expenses are incurred. This section provides details on the CIP including the impact of the capital spending on profitability.

VI. Environmental Stewardship and Planning: This section provides a historical context for the environmental challenges facing our gateway and the surrounding communities. This section also discusses the role of the NWSA Planning and Logistics department and its work to integrate land use, transportation and facilities planning into the alliance.

I The Northwest Seaport Alliance Overview

Marine Cargo Operating Partnership

The Northwest Seaport Alliance (NWSA) was formed when the ports of Seattle and Tacoma joined forces in August 2015 to unify management of marine cargo facilities and business to strengthen the Puget Sound gateway and attract more marine cargo and jobs to the region.

NWSA Strengths and Advantages

Located in the Pacific Northwest in Washington state, the NWSA offers short transit times between the US and Asia, and the terminal and landside infrastructure necessary to quickly move cargo to the U.S. Midwest. NWSA strengths and advantages include:

- One gateway, two harbors and multiple terminal facilities offering more choices for shippers using the gateway.
- Naturally deep-water harbors and marine terminals with big-ship handling capabilities.
- Vessel service from the three international container shipping alliances and all major international container carriers. In all, fourteen international and four domestic container carriers make regular port calls at NWSA facilities.
- Dual service from the two West Coast transcontinental railroads (UP, BNSF) with competitive transit times to Chicago and other major Midwest markets.
- Excellent on-dock rail facilities and inland rail service. Two domestic rail operators.
- Close proximity to the second largest concentration of warehousing on the West Coast.
- Over 100 transload warehouses supplying logistics services to shippers using the gateway, many rail-served.

International & Domestic Trade

The NWSA ranked 58th among the world's top container gateways and was the seventh-largest gateway for containerized cargo in North America in 2022. Retention and growth of cargo volumes

shipped between Asia and major distribution points in the Pacific Northwest, Midwest, Ohio Valley, and the East Coast is a primary focus for the alliance. The NWSA also has a very active trade with Alaska and Hawaii.

The NWSA is a major center for bulk, breakbulk, and project cargoes. The NWSA is also the Northwest home port for processing Kia, Mazda, and Mitsubishi automobiles and trucks while The Port of Tacoma has a separate facility, managed by the NWSA, that processes Hyundai, Nissan, and Volvo vehicles.

The value of NWSA's two-way international trade totaled more than \$70 billion in 2022. Imports were \$55.4 billion, and exports were \$14.9 billion. Through June 2023, the two ports handled roughly \$33.2 billion of international trade. Based on dollar value, China (including Hong Kong) was the NWSA's largest trading partner. Other major international trading partners include:

- Japan
- Vietnam
- South Korea
- Taiwan
- Thailand
- Indonesia
- Malaysia
- Philippines

Seattle-Tacoma is recognized as "The Gateway to Alaska"; with more than 80 percent of trade between Alaska and the lower 48 states handled at the two harbors. In 2022, 2.9 million metric tons of domestic cargo were shipped between Alaskan ports and NWSA terminals. Matson, TOTE Maritime Alaska, Northland, and Alaska Marine Lines are the primary shipping lines plying the Alaska trade. Trade with Alaska is estimated at \$5.4 billion, making it NWSA's fifth largest trading partner based on value of trade. The NWSA also provides connections to Hawaii with service from Matson and Aloha Marine Lines.

Port of Seattle & Port of Tacoma

The Port of Seattle was created September 5, 1911, in an effort by citizens to ensure public ownership of the Seattle harbor. The Port of Seattle was the first autonomous municipal corporation in the United States specifically tasked to develop harbor and port facilities to encourage commerce. The Port

opened Fishermen's Terminal in 1914, its first warehouse in 1915 and began working on the creation of Harbor Island.

The Port of Tacoma was created on November 5, 1918, by the voters of Pierce County to create job opportunities through trade, as well as promote economic development in Pierce County and the state of Washington.

The Port of Seattle and the Port of Tacoma's geographic boundaries lie within King and Pierce counties, respectively. They are situated on Elliott and Commencement bays in Puget Sound. Because of this strategic location, they offer efficient connections to sea, rail, highway, and air transportation networks.

King and Pierce Counties

King and Pierce counties are the first and second most populous metropolitan areas in the state of Washington. The two counties represent a combined population of approximately 3.2 million or 41% of the population of the state of Washington.

Located about halfway between the Oregon and Canadian borders, King and Pierce counties cover 3,916 square miles.

Ports' Economic Impact

The ports serve as a major economic engine for Pierce County, King County, and the state of Washington, creating thousands of family-wage jobs and serving as a catalyst for economic development.

In 2021, the NWSA updated results from a joint economic impact study of the marine cargo activities of the North and South Harbor. According to the updated study ranging from 2017 to 2020, in 2020 the marine cargo activities directly supported 21,800 jobs in Washington state and contributed \$7.8 billion in total business output, down from 2019 volumes due to the pandemic. On average, cargo-handling and leasing activities generated more than \$136 million in local and state taxes in Washington each year.

NWSA Facilities and Services

The ports have licensed to the NWSA facilities related to maritime commerce, including facilities for handling of containerized cargo, automobiles, logs, breakbulk cargo, heavy-lift and project cargoes, as

well as intermodal rail operations. The NWSA's four major waterways – two in Seattle and two in Tacoma – provide 33 ship berths on waterways that are about 51 feet deep. The NWSA facilities are located near I-5 and I-90, providing highway access to the Puget Sound market and beyond.

BNSF Railway and the Union Pacific Railroad serve the NWSA's nine on-dock and near-dock intermodal rail yards. The NWSA's intermodal rail facilities help save shippers and shipping lines both time and money for cargo destined for Midwest locations.

In Tacoma, Tacoma Rail, a division of Tacoma Public Utilities, provides switching and terminal rail service. Arrival and departure tracks help ensure efficient and reliable access to the mainline railroads.

The NWSA is both a landlord and an operating port. The NWSA's maritime marketing efforts focus on attracting cargo and additional shipping lines to its facilities. The NWSA also works with charter shippers and others to move their cargoes through both NWSA and customer-operated facilities in the Puget Sound.

Many of the two home ports' efforts are focused on industrial development and real estate. They each work to attract major manufacturers and warehouse/distribution centers to King and Pierce counties.

See Figures 1-1 and 1-2 for an overview of The Northwest Seaport Alliance facilities located in Seattle and Tacoma, respectively.

The Northwest Seaport Alliance governance

The NWSA was established as a Port Development Authority (PDA), separate from the two home ports, similar to Public Development Authorities formed by cities and counties. In 2015, the ports successfully sought and received an amendment to Washington law RCW 53 that allows the ports of Tacoma and Seattle to form a PDA for management of maritime activities.

The NWSA is governed by the two ports as equal members, with each port acting through its elected commissioners. Each Port Commission is a Managing Member of the NWSA, with each Managing Member being represented by its Port Commission. Votes by the Managing Members require a simple majority from each commission.

Each port remains a separate legal entity, independently governed by its own elected commissioners. Each port has granted to the PDA a license for the PDA's exclusive use, operation, and management of certain facilities, including the collection of revenues. Ownership of the licensed facilities remains with the ports, not the PDA.

The ports remain responsible for their own debt and debt service; the PDA will not borrow funds.

The ports set up an initial 50/50 investment in the PDA; operating income is reported, and cash is distributed back to the ports on a monthly basis. The PDA has its own annual operating budget and five-year capital investment plan.

The ports contribute to capital construction subject to Managing Members approval; capital funding does not come from working capital generated by the NWSA.

NWSA Managing Members

The Managing Members are the commissions for each of the two home ports. The citizens of Pierce and King counties each elect a five-member Port Commission to govern the ports of Tacoma and Seattle. Each Commission seat is elected every four years, on a staggered basis.

The Managing Members are the final authority for approval of the NWSA's annual budget, long-term leases, policies, long-range development plans, and all construction projects and spending in amounts exceeding the authority of the Chief Executive Officer.

The members of the commissions at the time of this publication are:

Port of Seattle

- Ryan Calkins
- Sam Cho
- Fred Felleman
- Toshiko Hasegawa
- Hamdi Mohamed

Port of Tacoma

- Kristin Ang
- Deanna Keller
- Dick Marzano
- John McCarthy
- Don Meyer

NWSA Managing Members Meetings

Managing Member meetings are open to the public and are held at various locations in both King and Pierce counties and online.

For the location and agenda for upcoming Managing Member meetings, as well as minutes for previous Managing Member meetings, visit www.nwseaportalliance.com.

The NWSA streams all Managing Member meetings live on the website, which are archived for future viewing.

Citizens may contact the Managing Members by calling 800-657-9808. Correspondence may be mailed to:

The Northwest Seaport Alliance
P.O. Box 2985
Tacoma, WA 98401-2985

Organizational Structure

The NWSA's daily operations are led by the Chief Executive Officer and the NWSA Executive Team. See the Organizational Chart (Figure I-3 on page I-8).

Executive Team

The Executive Team is comprised of the following positions:

- Chief Executive Officer (CEO)
- Deputy CEO
- General Counsel
- Chief Commercial and Strategy Officer
- Chief Financial Officer
- Chief Operations Officer
- Director of Engineering
- Director of Environmental/Planning Programs
- Director of Communications
- Director, Government Affairs, Public Affairs
- Director, Business Development
- Director, NWSA Real Estate

The Executive Team oversees all business activities and departments, and with the Managing Members,

provides long-term strategic direction. The Executive Team ensures compliance with all regulations relevant to NWSA and port activities, including public meetings and information, environmental protection, labor relations, procurement, security, financial management and other issues. The Chief Operations Officer, Director of Engineering and Director of Environmental Programs provide day-to-day management of some port staff working on both Port and NWSA-related items.

Commercial Group

Led by the Chief Commercial and Strategy Officer, the Commercial Group is comprised of the Business Development team, the Marketing & Business Services team, and the Real Estate team.

Business Development: International and domestic container, breakbulk, and bulk cargo are core business segments for the NWSA. The Business Development team is responsible for cargo and terminal business development and management, and delivering customer service to ocean carriers, marine terminals, and shippers. The Business Development team plays an important role coordinating efforts across the entire supply chain, including customers, terminal facilities, railroads, and trucking companies. This team, in cooperation with the Operations Team and our customers, identifies and implements operational improvements to enhance the overall efficiency at the NWSA's terminals.

The gateway's on-dock and near-dock intermodal rail yards, along with international and domestic rail services to the U.S. Midwest, are key assets and an integral part of the NWSA business. Relationship management with Tacoma Rail, BNSF, and Union Pacific (UP) and other rail stakeholders is a key function of this team.

While a significant portion of the Business Development team is focused on the container and associated intermodal business, the NWSA also has a robust non-container business. Comprised of breakbulk (Roll-on/Roll-off, also known as RoRo), bulk and auto cargoes, these non-container segments make a significant contribution to revenue and further diversify the gateway's business portfolio. Additionally, the NWSA's Tacoma Harbor is designated as a strategic military port for transport of military cargoes.

Auto customers of the NWSA include Kia, Mazda,

and Mitsubishi. Automobile imports are processed on property leased by Auto Warehousing Company (AWC), the largest auto processor on the U.S. West Coast. The Port of Tacoma has a separate auto facility leased by Wallenius Wilhelmsen Solutions, which processes Hyundai, Nissan and Volvo imports.

Exports of petroleum products and molasses add to the diversified cargo mix.

The NWSA offers competitive rates and full service to all customers. To help facilitate and grow the cargo business, the NWSA has trade and business development representation in China and Korea.

Marketing and Business Services Team: This team supports the Business Development team and is responsible for market research and business intelligence and analysis, marketing, and advertising activities. It also supports the goals of the Commercial Group with cargo volume tracking and volume forecasting services.

Real Estate Team: Non-terminal industrial and commercial properties and facilities in the Seattle and Tacoma harbor are included in the assets assigned to the NWSA. These properties are a significant source of revenue for the NWSA. Real estate personnel are responsible for leasing, divesting and managing the Port's real estate portfolio.

Located in an industrial zone with room for growth, tenants offer a broad range of services for the NWSA's international and domestic customers including warehousing and distribution, manufacturing and marine services.

Operations Group

The Operations Group, which is responsible for the daily operations of NWSA facilities at both ports, consists of two departments.

The Operations Service Center Department coordinates vessel arrivals and departures, and with the associated stevedores monitors cargo flow in the container terminals. The major focus is to ensure the proper processing of all vessels and freight shipments moving through the Puget Sound gateway.

The Port Operations Department manages labor at the North Intermodal Yard and breakbulk terminal, both of which are located in Tacoma. This

department is also responsible for providing customer service to non-container customers. The NIM is the only port-operated intermodal yard on the U.S. West Coast with dedicated rail services personnel. Both harbors offer competitive rail service via BNSF Railway and the UP Railroad and are a major gateway for handling discretionary cargo destined for the Midwest.

Support Services

Support services such as maintenance, security, government affairs, communications, engineering, environmental programs, planning and financial services are provided by NWSA staff and / or service agreements between the alliance and the two ports. Costs for these services are charged by the ports to the alliance based on agreed upon methodologies including direct charge and purchased services.

Commitment to Fiscal Stewardship

The NWSA is intended to support the credit profiles of both ports, and its financial framework is intended to preserve both ports' commitment to financial strength and fiscal stewardship.

Both ports have a solid track record of prudent financial management and strong financial results, including solid debt service coverage and ample liquidity balances.

The ports are committed to ensuring that existing bond pledges and covenants will not be negatively affected. Outstanding bonds will remain obligations of each individual port.

To maintain the rights of each port's existing bondholders, the charter prohibits the NWSA from issuing debt.

Figure I-1.... Northwest Seaport Alliance Facilities – Seattle Harbor



Figure I-2.... Northwest Seaport Alliance Facilities – Tacoma Harbor

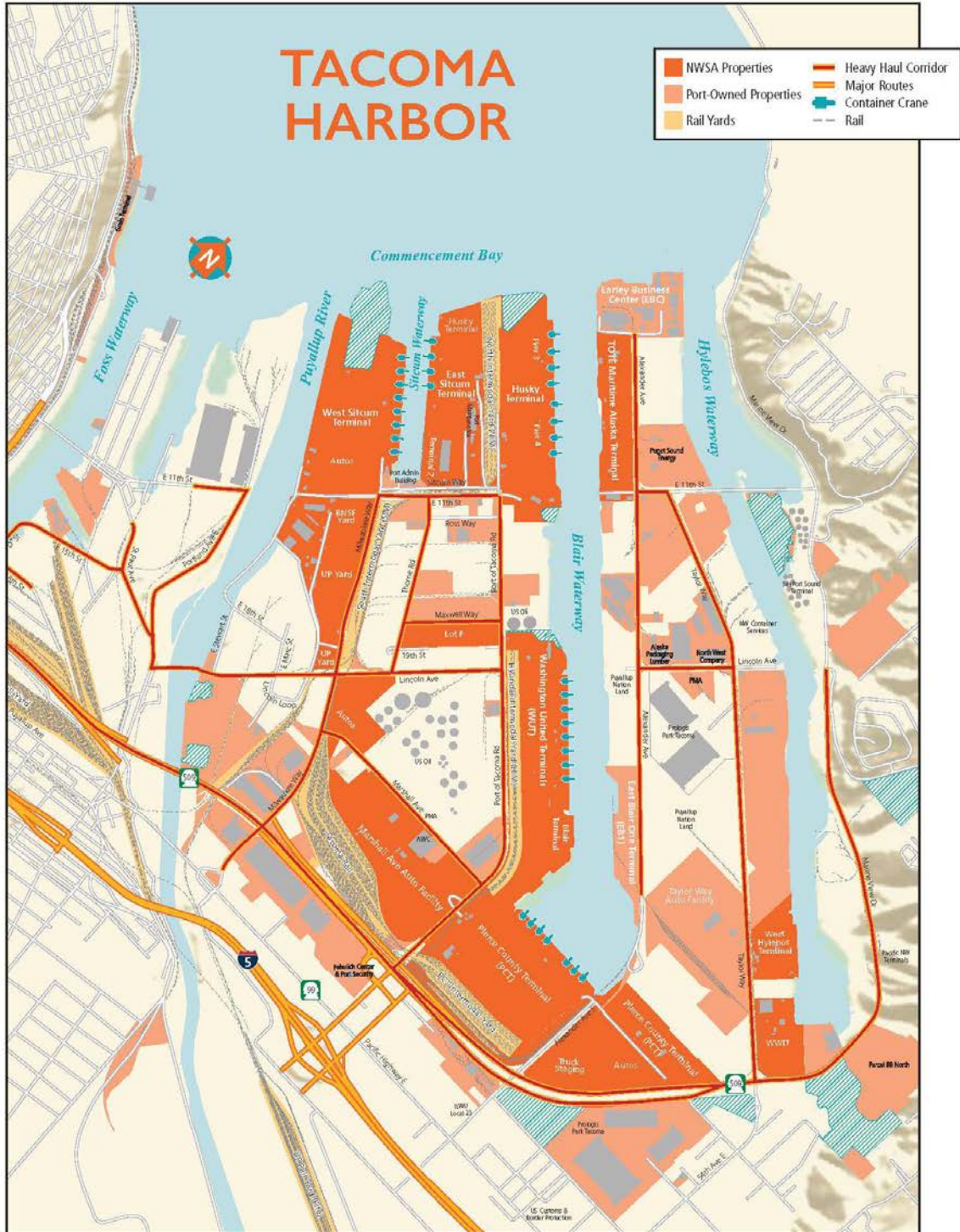
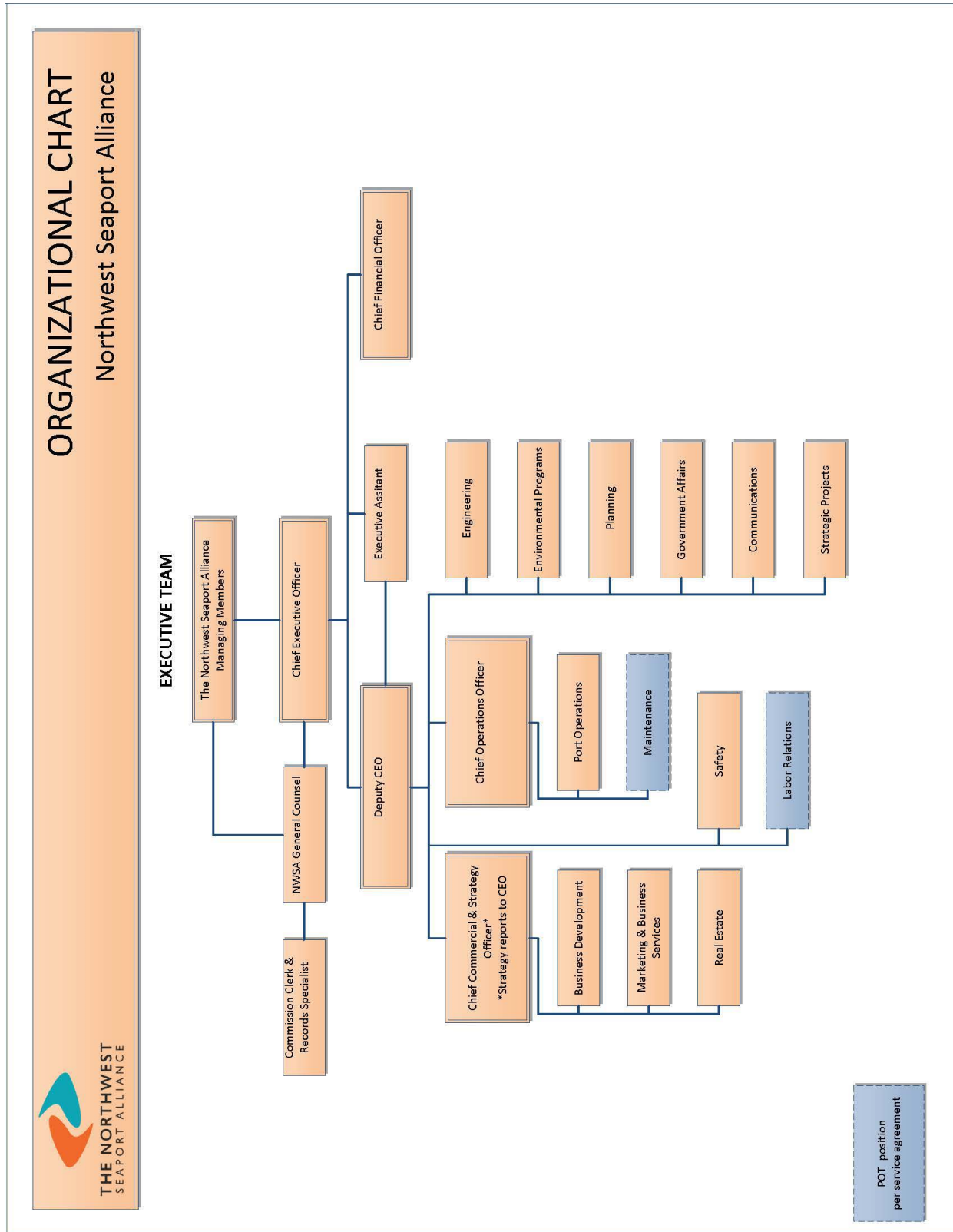


Figure I-3.... The Northwest Seaport Alliance Organizational Chart



II Budget Message

NWSA Goals

The NWSA has identified strategic initiatives to maintain and grow the maritime business in the Puget Sound. The high-level strategic initiatives, and supporting priorities are listed below:

1. **Commercial Initiatives**
 - a. Complete modernization of T5 dock, berth and power infrastructure in the Seattle Harbor to meet future container industry demand, increase throughput, and position the gateway strategically.
 - b. Maximize gateway cargo potential and diversification and enhance supply chain networks. Facilitate terminal densification to increase cargo throughput.
 - c. Evaluate incentive programs to increase market share.
 - d. Engage in US Coast Guard expansion decision to maximize industrial lands in the Seattle harbor.
2. **Gateway Operations**
 - a. Enhance cargo and transportation (waterway, roadway and rail) efficiencies within the gateway to drive improved service delivery.
 - b. Enhance and improve service delivery key performance indicators (KPIs) with a move toward real-time reporting and analytics.
 - c. Support port-area infrastructure investments that support the efficient flow of cargo to and from NWSA facilities.
 - d. Work with third party vendors and key stakeholders to enhance data visibility in a sustainable and fiscally responsible manner.
 - e. Explore NWSA operations of off-dock terminal.
3. **Financial Performance**
 - a. Effectively manage operating activities to deliver expected financial results.
 - b. Maximize use of grants and other external funding.
4. **Environmental Stewardship**
 - a. Continue to implement the NW Ports Clean Air Strategy
- b. Continue and strengthen efforts to work with marine terminal operators, drayage service providers, railyard operators, and other supply chain partners to reduce air and climate emissions from vessels, vehicles, equipment, and seaport operations.
- c. Continue to engage in international efforts to advance cleaner shipping, including the creation of “green corridors” with major trade partners.
- d. Continued focus on water quality at NWSA and tenant run facilities. Provide input regarding 2025 Industrial stormwater General Permit (ISGP) requirements.
5. **Facilities Development**
 - a. Effectively manage completion of all development projects on-time and within budget.
 - b. Support emergent business opportunities requiring facilities improvements.
 - c. Advance redevelopment strategies for existing terminals, including rehabilitation and shore power.
6. **Government Affairs**
 - a. Continue to pursue Harbor Maintenance Tax reform.
 - b. Contribute to improvements in Federal permitting to support NWSA objectives.
7. **Planning and Logistics**
 - a. Continue engagement and advocacy in regional transportation and land use planning.
 - b. Complete vulnerability assessment and response framework for NWSA facilities
 - c. Leverage grant opportunities to fund strategic cargo related facilities and infrastructure.
 - d. Support harbor deepening and maintenance dredging in both harbors
8. **Organizational Performance**
 - a. Engage and participate in Diversity, Equity and Inclusion (DEI) training.
 - b. Continue development and implementation of human resource applications that enhance the business and provide a competitive advantage.

Budget Environment

The NWSA operates principally in two industries: terminal services and property rentals. Terminal services involve marine-oriented services including dockage, cargo-handling, storage and related activities. Property rentals include facilities and land used for container terminals, industrial activities, and storage.

As described in further detail in Section III, increased competition from Canadian ports as well as ports located on the U.S. West, Gulf and East coasts, has negatively impacted container market share for the Puget Sound gateway. The expansion of the Panama Canal and access via the all-water route to the Gulf and East coasts offers an alternative for US-bound shipments. While the pandemic driven market demand resulted in high utilization of our terminals, NWSA staff continue to work on future projects to retain and grow our market share.

Revenues

The NWSA has both fixed and variable revenue streams. The majority of NWSA's revenue comes from fixed revenue streams, primarily from leased properties. The leased properties are mainly container terminals, buildings, and industrial and commercial land. The NWSA's container terminal leases with shipping carriers can last 20 years or longer depending on carrier requirements. Building and land leases with more than one-year remaining are considered fixed. Minimum crane hours and minimum intermodal lift requirements specified in certain terminal leases are considered fixed.

The balance of NWSA revenue comes from variable services provided to customers. These services include intermodal lifts for railcar loading above specified minimums and per unit charges for automobile unloading and breakbulk cargo. Variable revenues also include equipment rental on an hourly basis for crane hours above specified minimums and on straddle carriers used by terminal leaseholders, and month-to-month building or land leases.

GASB 87: GASB 87 move a significant amount of revenue from Operating Revenue to non-operating revenue. For clarity and to avoid confusion, the impact of GASB 87 will not be incorporated into this budget document.

2024 Budget

The NWSA has developed an overall operating budget with projected revenue of \$252.8 million. Operating income is budgeted to be \$99.3 million, resulting in an operating margin of 39.3 percent. The NWSA net distributable revenue of \$114.3 million, which includes grant and interest. Distributable Cash of \$143.7 million will be shared evenly between the two home ports. Each port's portion of net income will be included as revenue in their financial reports.

NWSA financial performance reflects the investments it is making to successfully complete our customer commitments while meeting the NWSA financial goals. The operating and capital budgets are based on the cargo forecast in Section III.

Capital Investment Plan Highlights

NWSA projects for the next five years reflect a focus on strategic container terminal development in both harbors. With this focus the NWSA has reviewed potential assets for revenue generation to ensure that financial and economic growth goals are met.

Major 2024 – 2028 capital projects include:

Seattle Harbor

- Completion of the 2nd berth and other improvements at Terminal 5
- Design of Terminal 18 shore power installation and wharf rehabilitation

Tacoma Harbor

- Husky shore power installation
- Design of Berth deepening at 2 terminals
- PCT reefer expansion and fender replacement
- Ongoing maintenance of facilities

Both Harbors

- Clean air and stormwater investments
- Asset preservation projects such as paving and fender repairs
- Maintenance dredging at multiple terminals in both harbors

The NWSA's 2024 Capital Investment Plan of \$174.2 million represents the first year of the NWSA's 2024 - 2028 CIP – a package totaling \$501.3 million in new projects and investments. See Section V for additional details on the Capital Investment Plan.

Financial Measures

Financial measures for the NWSA have been developed to monitor financial performance. The two measures are (1) Net Distributable Cash and (2) Return on Revenue (operating income divided by revenue). These measures help ensure that the NWSA is providing the necessary financial performance required by each home port.

Legislative Impact

Transportation Funding

The NWSA relies on an efficient and well-maintained road and rail network to ensure the smooth movement of cargo to and from its facilities.

The Washington Legislature made a significant commitment to infrastructure in 2015, passing the 16-year, \$16 billion statewide *Connecting Washington* transportation package. An estimated \$3.3 billion of those funds will be invested in projects benefiting NWSA terminals. In 2022, the Legislature passed the *Move Ahead WA* transportation package, which contained an additional \$468 million to address financial shortfalls in some of the port-related projects contained in *Connecting Washington*.

In 2021 Congress passed the Infrastructure Investment and Jobs Act (IIJA), a \$1.2 trillion infrastructure funding bill. The IIJA includes over \$5 billion over five years exclusively for port projects and \$20.5 billion for three other major discretionary grant programs to help fund multimodal infrastructure.

The IIJA funds will assist the NWSA in making strategic investments in mission-critical freight infrastructure, such as marine terminals, roads and rail. In 2020 the NWSA received our first award under the Port Infrastructure Development Program (PIDP), a \$10.7 million grant for the final phase of the T5 modernization program. In 2021, Port of Tacoma received \$15.7 million for the Off-Dock Container Support Facility, which will support cargo movement through NWSA terminals. NWSA received a \$17 million PIDP grant in 2022 for gate improvements and a yard expansion at Terminal 5. The NWSA also submitted a PIDP grant application for \$56.6 for the Husky Terminal Expansion project.

In addition, in 2022 Congress passed the Inflation Reduction Act. The bill includes \$3 billion over five years to establish a new grant program for zero-

emissions port projects that will support the NWSA's clean air programs.

NWSA hired additional grant support staff and has a substantial planning process to identify additional candidate projects for these new funding opportunities.

Shore Power Infrastructure Funding

Through the 2020 update to the Northwest Ports Clean Air Strategy, the NWSA established an aspirational goal to install shore power at its major international container terminals by 2030. In support of this goal, shore power has previously been installed at TOTE Terminal and Terminal 5. The NWSA has also begun construction on a shore power system at Husky Terminal, with construction completion estimated for mid-2024, and is designing a shore power system for Terminal 18 and Washington United Terminal.

The NWSA has leveraged a number of sources of external funding to support the shore power installations that are underway. The NWSA has accepted a \$1 million DERA grant from the EPA, a \$1 million grant from the TransAlta Coal Transition grant fund, and a \$1.1 million state Volkswagen settlement grant from the Washington State Department of Ecology to support the Husky shore power project. Additionally, the NWSA has received a \$2 million grant from the Washington State Department of Ecology to support design and construction of a shore power system at Terminal 18. The alliance also secured \$14 million in a state transportation budget proviso for construction of the project, relying on revenue generated by the state's Climate Commitment Act.

The NWSA continues to plan for future shore power installations, ensure that terminal designs and redevelopments include shore power, and pursue additional opportunities to leverage external funding to support shore power installations. Planning work associated with future shore power projects will allow the NWSA to accurately account for them in the Capital Investment Program and position the organization well to apply for external funding. NWSA staff expect the number and magnitude of external funding opportunities to increase in the coming years, given recent legislation that has been passed at the state and federal level. Some of these emerging opportunities are the Washington Climate Commitment Act, the federal Infrastructure Investment and Jobs Act and the federal Inflation Reduction Act. NWSA staff will aggressively pursue all funding avenues to advance the shore power program.

Navigation Improvement Projects

The largest container vessels calling West Coast ports today have over two times the capacity of those that called just five years ago. While channels serving Seattle and Tacoma are mostly -51 feet or deeper, some shallower spots present navigational and safety challenges for these larger vessels. To remain a competitive trade gateway, the NWSA is deepening berth areas and working with the ports of Seattle and Tacoma to deepen the navigation channels that serve its facilities in both harbors. These projects will enable the NWSA to handle fully laden ships larger than 18,000 TEUs.

In 2018, the U.S. Army Corps of Engineers (USACE) completed a chief's report recommending deepening in specific areas adjacent to the NWSA's container terminals in Seattle Harbor. Congress subsequently authorized the project in 2018 and the full amount required to deepen the West Waterway portion of the project has been appropriated. Design will commence in earnest when the Port of Seattle signs the design agreement with USACE, which is expected in Fall 2023.

Additionally, after completion of a feasibility study in 2022, Congress authorized a project to deepen the Blair Waterway, which serves NWSA's three international container terminals in Tacoma. Congress funded the first year of design in FY23. Funding for the second year has been included in the Senate's FY24 spending proposal.

The ports of Seattle and Tacoma have included funding needed to complete the design phase for both projects in 2026. When the deepening projects move to construction it also will require a local financial match of federal dollars, which will come from the Port of Seattle and Port of Tacoma.

Harbor Maintenance Tax (HMT)

The HMT is assessed on ocean-going international imports that land at U.S. ports to pay for maintenance dredging of waterways through the Harbor Maintenance Trust Fund. It is not, however, assessed on importers who route cargo through non-U.S. ports and afterwards move the cargo into U.S. markets by land. Moreover, the NWSA has received little, if any, benefit from the fund because its facilities are located on natural deep-water harbors that do not require significant maintenance dredging. Since 1986 the ports

of Seattle and Tacoma have sought reform of the HMT to provide a greater return to donor ports, such as the NWSA, and to ensure U.S. tax code does not disadvantage U.S. ports and maritime cargo.

A longstanding goal was achieved in December 2020 when Congress passed comprehensive HMT reform legislation as part of the Water Resources Development Act (WRDA) of 2020. The bill sets aside 8% of annual HMT collections for donor ports like Seattle and Tacoma. Unfortunately, the donor port provision was not implemented as it was intended in the USACE FY23 Work Plan. Efforts are underway to ensure this funding is distributed in FY24. If implemented as drafted, the NWSA estimates that between them the two home ports of Seattle and Tacoma could receive approximately \$40 million in 2024 for eligible projects. Annual amounts will vary based on the amount of HMT received and the amount collected over a three-year time period.

In 2023 the Port of Seattle received \$2.714 million, and the Port of Tacoma received \$3.364 million from the federal government through the existing WRDA Section 2106 HMT donor port program. These funds will be used by the NWSA or home ports to fund eligible infrastructure projects to enhance the competitiveness of our cargo operations.

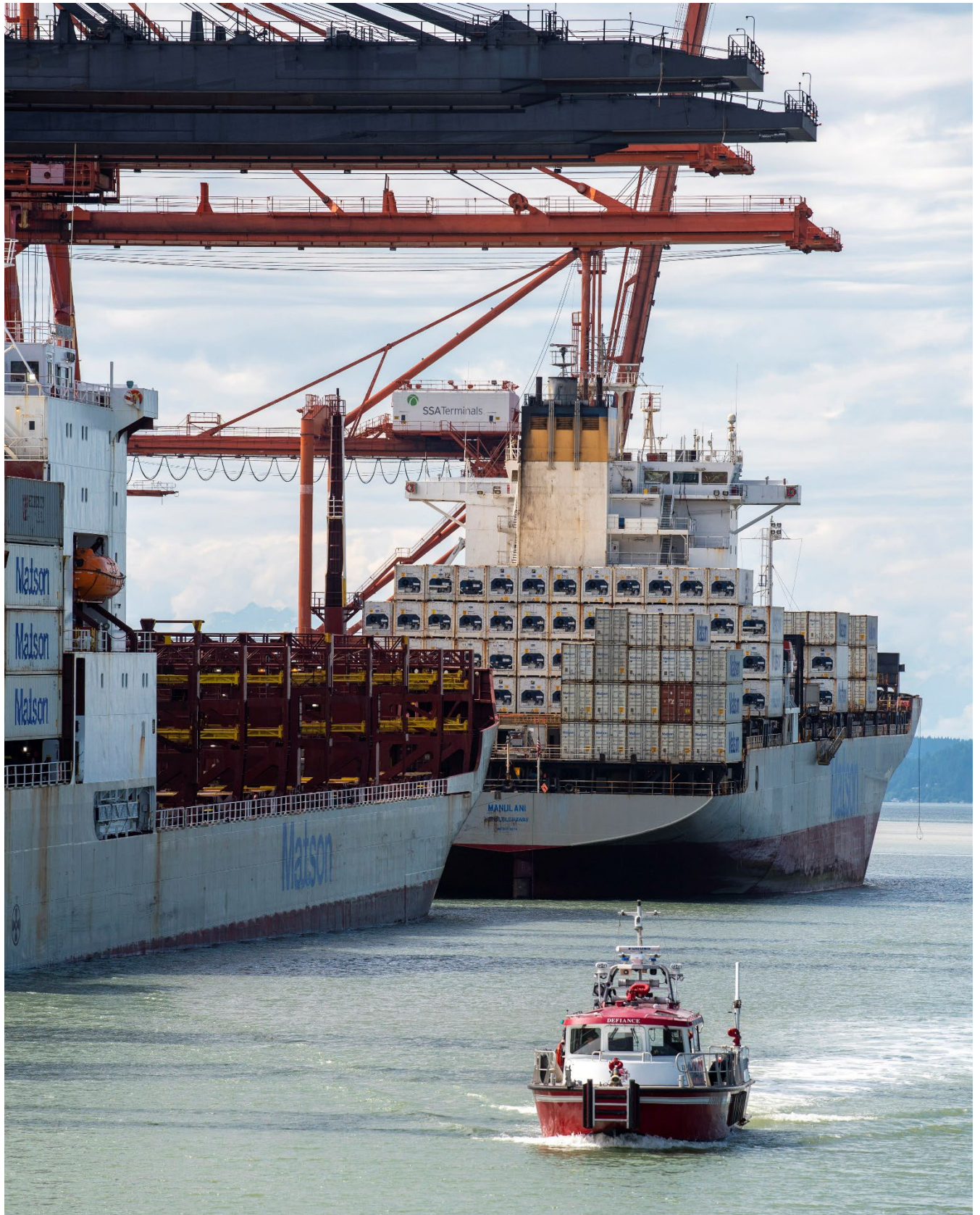
Conclusion

The realities of the drastic changes in the global economy have led all ports to examine business and operational strategies.

The NWSA is focused on maximizing the use of existing facilities, working with existing customers to keep them competitive and successful, attracting new business and making strategic infrastructure investments such as the construction of world class terminals in both harbors that position the gateway for long-term growth. Through coordinated investments in maritime assets, the NWSA will help ensure the growth in the flow of cargo throughout the Puget Sound.

The NWSA is placing increased emphasis on the importance of developing and strengthening relationships with labor partners, industry stakeholders, customers, local, state and tribal governments and near-port communities to collaboratively achieve its future vision. This vision includes the road and rail infrastructure that ties the whole supply chain system together.

Despite the challenging realities of today's global economy, NWSA management is confident that the plans outlined in this budget will help the gateway remain financially strong, competitive, and successful.



Domestic cargo ships in the Sitcum waterway, with a City of Tacoma fire boat passing by

III Business Outlook

U.S. Economy

According to the Department of Commerce Bureau of Economic Analysis (BEA), real gross domestic product (GDP), defined as the value of the production of goods, increased 4.7 percent in the second quarter of 2023 and 6.1 percent in the first quarter of 2023. BEA said, *"The increase in real GDP reflected increases in consumer spending, nonresidential fixed investment, state and local government spending, private inventory investment, and federal government spending that were partly offset by decreases in exports and residential fixed investment."*

TTX, a railcar and freight management company, reports GDP as 2.4% in the second quarter and 2% in the first quarter. TTX cites, *"Solid economic fundamentals in the form of consistent consumer spending, a strong labor market, persistent business investment and improving inflation have offset headwinds from elevated interest rates, weaker trade activity and tighter financial conditions,"* as the causes for the increase.

Inflation levels in the second quarter of 2022 were the highest since 1981. By the end of the second quarter of 2023, personal consumption expenditures (chain-weighted CPI) had fallen to 3.0% year-over-year and the core inflation rate reached 4.1%. According to TTX, real disposable income grew at a faster annual rate than headline inflation.

In addition, inflation-adjusted retail inventories are around 1% higher than pre-pandemic levels. Excluding motor vehicle and parts inventories, retail inventories were around 14% higher than the pre-pandemic peak and almost 24% higher than the 20-year average.

Western economies are showing a softening in their inflation metrics due to declines in commodity prices, the normalization of supply chains, and the effects of increased interest rates. Interest rate trends in Latin America are showing signs of deceleration. In Asia, inflation is easing in India, South Korea, and the Philippines. China is close to experiencing deflation due to a slowdown in domestic consumer demand. Most major economies are showing signs of slowing.

TTX is forecasting North American containerized
The Northwest Seaport Alliance Budget

imports will decline 12.9% and intact intermodal volumes will decline 8.2%.

The U.S. unemployment rate was at 3.5 percent in July 2023 with 187,000 jobs added for the month. According to the Bureau of Labor Statistics, *"Job gains occurred in health care, social assistance, financial activities, and wholesale trade."*

According to the National Association of Realtors (NAR), existing home sales fell 2.2% in July. Lawrence Yun, NAR's chief economist, suggested that two factors are driving current sales activity – inventory availability and mortgage rates. Unfortunately, both have been unfavorable to buyers.

The Conference Board reported July 2023 Consumer Confidence Index at 117.0, up from 110.1 in July, reaching its highest level since July 2021. The Conference Board's Chief Economist Dana Peterson attributed the improvement to consumers sentiment about both current conditions and expectations for the future.

Shipping Industry

Uncertainty created by the protracted U.S. West Coast labor contract negotiations that began in 2022 resulted in many shippers diverting cargo to the east coast to mitigate supply chain risk. There was limited impact to Port operations during negotiations, but a six-year contract was eventually reached and ratified. Negotiations between longshore labor and management in British Columbia also impacted NWSA to a limited extent as several ocean services call at terminals in both British Columbia and Seattle-Tacoma. Eventually, ILWU labor in British Columbia ratified a four-year contract.

Due to strong import demand in 2022, carriers launched niche services. Import demand has softened versus last year as BCOs focus on reducing their inventory, so the niche services have been terminated until demand increases again.

The U.S.-China trade war and the pandemic caused importers to accelerate efforts to shift sourcing and production to countries in SE Asia or use a "China + 1" strategy to diversify the risk associated with being

solely reliant on China. There has been a corresponding increase in manufactured imports from Vietnam and other SE Asian economies. In many cases, origin and transshipment ports in SE Asia are geographically closer (and transits shorter) to the U.S. East Coast, which may result in a partial shift of Asian import volume away from west coast ports. With that said, it will take some time before these countries can meet the infrastructure and skilled labor China offers. Russian's invasion of the Ukraine has added to geopolitical uncertainty. The Panama Canal experienced drought in 2023, which caused vessel back up.

In 2023, the composition of carriers that make up the various shipping alliances:

- Ocean Alliance – CMA CGM, COSCO Shipping, Evergreen, OOCL
- THE Alliance – Hapag Lloyd, Yang Ming, Ocean Network Express (ONE), HMM

Major Independent Carriers – Maersk, MSC, Westwood, Swire, Hamburg Sud, and SM Line.

Alliances have concentrated capacity in fewer hands allowing ocean carriers to exercise greater control over capacity on major trade lanes through coordinated changes to vessel sailings, schedules, and transit times.

Northwest Seaport Alliance Activity

Containers:

Through July 2023, the NWSA has handled nearly 1.6 million TEUs (twenty-foot equivalent units), a 21.1 percent decrease year-to-date. Year-over-year comparisons continue to reflect the pandemic-driven conditions of 2022 and ongoing soft import demand relative to 2022.

NWSA container volume is projected to increase in 2024 once Terminal 5 Phase 2 (North Harbor/Seattle) is complete. In addition, some volume diverted to East Coast ports during the West

Coast labor negotiations are expected to return now that the labor situation has settled. Negotiations between longshore and management for a new labor contract for East and Gulf Coast ports is underway, but similarly may result in a shift in volume to the West Coast until an agreement can be reached. However, continued inflation and high interest rates, which reduce consumer spending, could negatively impact the forecast. Competition from ports in British Columbia, Canada and other North American gateways or a protracted decline in global trade due to increased trade friction or other geopolitical events could limit container volume.

Breakbulk:

Breakbulk cargo is comprised of commodities that are either too large or heavy for containerized shipment. In the case of The Northwest Seaport Alliance, this consists largely of building materials, heavy machinery, boats, and agricultural and construction equipment. 2022 was a record-breaking year for NWSA-operated terminals. Breakbulk tonnage (both harbors) is estimated to reach approximately 465K metric tons in 2023, followed by growth in 2024.

Autos:

NWSA/POT auto units for 2023 are forecasted to reach 331K units, due to new business. 2024 volumes are expected to grow more modestly to 360k units.

Logs:

The Log business was suspended due to the tariffs and has not been included in the forecast or budget.

Molasses & Petroleum:

Petroleum volumes are forecasted to be 761K metric tons in 2024 with conservative growth thereafter. Molasses volumes are forecasted to be 29K metric tons in 2024 with slight growth thereafter.

Table III-1.... Cargo Activity Five-Year Forecast

THE NORTHWEST SEAPORT ALLIANCE CARGO ACTIVITY 5-YEAR FORECAST											
	2018	2019	2020	2021	2022	Forecast					
					Actual	2023	2024	2025	2026	2027	2028
Non-Container Forecast (Thousands of Metric Tons)											
Breakbulk	249	246	292	366	478	466	469	478	488	497	507
Autos	228	306	245	262	288	514	555	561	566	572	578
Logs	117	76	0	0	0	0	0	0	0	0	0
Petroleum	666	636	677	524	709	757	761	765	769	773	776
Molasses	46	47	42	33	32	29	29	29	29	29	30
Total Tonnage	1,305	1,311	1,256	1,186	1,507	1,766	1,814	1,833	1,852	1,871	1,891
<i>Year over Year change</i>	-10.9%	0.4%	-4.2%	-5.6%	27.1%	17.2%	2.7%	1.0%	1.0%	1.0%	1.1%
Container Forecast (Thousands of TEUs)											
International	3,111	3,058	2,636	2,992	2,650	2,028	2,108	2,138	2,180	2,246	2,313
Domestic	686	717	685	744	734	701	703	710	717	724	731
Total TEUs	3,798	3,775	3,320	3,736	3,384	2,730	2,811	2,848	2,897	2,970	3,045
<i>Year over Year change</i>	3%	-0.6%	-12.1%	12.5%	-9.4%	-19.3%	3.0%	1.3%	1.8%	2.5%	2.5%
Intermodal Yard Lifts*											
Hyundai Intermodal Yard	112,731	124,778	85,401	125,228	101,828	123,071	123,071	125,532	128,043	130,604	133,216
North Intermodal Yard	177,380	178,205	147,269	159,023	91,583	88,831	88,831	90,608	92,420	94,268	96,154
South Intermodal Yard	99,954	86,271	89,529	102,168	121,561	130,178	130,178	133,842	137,612	141,489	145,478
Pierce County Intermodal Yard	62,959	71,310	45,684	27,856	33,926	34,330	34,330	35,017	35,717	36,431	37,160
Total Intermodal Lifts	453,024	460,564	367,883	414,275	348,898	376,410	376,410	384,999	393,791	402,793	412,008
<i>Year over Year change</i>	-4.3%	1.7%	-20.1%	12.6%	-15.8%	7.9%	0.0%	2.3%	2.3%	2.3%	2.3%
Log Board Feet	23,161,000	15,192,000	0	0	0	0	0	0	0	0	0
<i>Year over Year change</i>	-56.1%	-34.4%	-100%	0%	0%	0%	0%	0%	0%	0%	0%
Vehicle Units (NWSA+POT)	146,147	191,822	156,205	162,484	172,979	331,774	360,459	364,064	367,704	371,381	375,095
<i>Year over Year change</i>	-0.5%	31.3%	-18.6%	4.0%	6.5%	91.8%	8.6%	1.0%	1.0%	1.0%	1.0%

* Intermodal Lifts Reported for South Harbor only



Washington United Terminals welcomes new cranes to their terminal

IV Operating Budget

Overview

The NWSA operating budget revenue is based on cargo volume forecasts (see Table III-1), existing terminal and property leases and contractual and tariff-generated revenue. Operating budget expenses were projected based on historical information, as well as levels of expenditures required to support the increases in revenue.

From this information, NWSA staff prepared a realistic budget that supports both the strategic priorities and financial goals of the NWSA.

Departmental budgets estimate expenses that will be generated in support of the NWSA and its businesses. Expenses fall into one of five categories: Administration, Operations, Security, Environmental or Maintenance. Administration expenses are incurred in the day-to-day management of the NWSA. Operations and Maintenance expenses support the day-to-day management of business activities. Security support is provided by each home port. Environmental expenses are a subset of overall environmental spending, and include clean air and clean water activities, and close coordination with each home port on compliance and monitoring activities.

Business budgets are projections of revenues earned and expenses incurred in the operation of a particular business line. In addition, the NWSA expects to receive funds from other sources including user fees, and investment earnings.

Although capital project spending is planned within the capital budget, capital projects will impact operating budgets for future years through new sources of revenues and increased operating expenses and depreciation costs.

Nature of Business

Washington law authorizes ports to provide and charge rents, tariffs and other fees for docks, wharves, and similar harbor facilities, including associated storage and traffic-handling facilities for waterborne commerce. Ports also may provide freight and passenger terminals and transfer and storage facilities for other modes of transportation, including air, rail and motor vehicles. Finally, ports may acquire and improve lands for sale or lease for industrial or commercial purposes and may create industrial development

districts.

The NWSA is a joint venture that operates with the two ports as enterprise funds, allowing the NWSA and the ports to operate in much the same manner as a private business. Operating revenues are comprised of charges to its customers to cover costs associated with the service provided and to support investment in future projects.

Balanced Budget

Based on the Government Finance Officers Association (GFOA) Recommended Budget Practices, a balanced budget "is a basic budgetary constraint intended to ensure that a government does not spend beyond its means."

The NWSA defines "balanced budget" in the following way: Total revenues are sufficient to cover operating expenses for the budget year and to offset the cost of capital investments (depreciation) and anticipated debt costs for any planned future capital investments.

The NWSA uses the full-accrual basis for budgeting, consistent with the basis for accounting. This method recognized the financial effect of events that impact the Port during the accounting period, regardless of whether cash was received or spent.

Budget Process

The NWSA budget is a guideline used by management to direct strategic and tactical operations. Typically, more projects and spending are budgeted than may actually occur. This conservative approach ensures that the NWSA's financial goals are still met if business conditions support the full budgeted spending.

The NWSA operates on a calendar year budget cycle that must integrate the budget schedule needs of both home ports. The operating budget and the capital budget are the NWSA's plan for meeting the current needs of its customers, and for implementation of the strategic goals.

The annual budget development begins in June and continues through November. The process begins with the development of strategic objectives and initiatives, which are reviewed by the Managing Members and the Chief Executive Officer. The Managing Members and Chief Executive Officer communicate any strategy changes or policy concerns and gather additional input.

Cargo forecasts, available at the beginning of the budget

process, are used to develop the variable portion of the operating budget. During a study session, the Managing Members are presented with a draft budget.

In November, a public hearing is held by each home port to allow for public comment, and to adopt the statutory budget and approve the property tax levy for the home ports. The NWSA's operating income is split evenly between the ports and is shown as revenue to the home ports. After the home port Commission approves and adopts its statutory budget, it is submitted, with the related home port resolutions, to the respective County Councils and Assessor Treasurer offices.

Major Assumptions

Major drivers of the 2024 operating budget are a result of economic and industry trends represented in the cargo forecast.

Revenue

- Existing leases continue per existing lease terms and contracts
- Cargo volumes drive equipment and intermodal revenues and expenses
- Auto and breakbulk imports continue to provide revenue diversity
- Tariff rates are projected to increase between 3% and 5%
- Property lease rental rates will increase as specified in contracts

Direct Expenses

- The NWSA has direct headcount of 62 positions. Salaries are expected to increase by between 5% and 7%
- Major operating expenses include construction of non-NWSA owned infrastructure needed for the development of Terminal 5, and ongoing maintenance of terminal paving, bulkheads and fender systems
- Depreciation for licensed assets at the time of the formation of the NWSA will remain on the books of the home ports. Depreciation of any new investments that are jointly funded will be charged against the NWSA

Home port services provided

Each home port is providing services to the alliance, and some NWSA personnel are providing services

back to the home ports. These services are provided either by direct charge or purchased services through Inter-local Agreements.

Table IV-4 shows the approximate value of Operating, Maintenance, Environmental, Security and Administrative services purchased by the NWSA from each of the home ports and the services purchased by the Port of Tacoma from the NWSA. This table does not include the value of services provided for capitalized and expensed projects.

Estimating Revenues and Expenses

The NWSA uses several different methods of projecting revenues, depending upon the nature and materiality of the revenue item and the projection period. Specific revenue projection techniques include:

- **Historical Data:** Future revenues are based on historical trends with the assumption that they will continue in the future. When using historical data as a means for projecting revenues, the NWSA analyzes as many as 10 years of data to estimate a rate of growth
- **Business Operations:** Terminal lease/rental agreements, grant agreements, and service contracts provide information for this projection method. These projections may be adjusted to reflect the probable impacts of anticipated changes in the economy, legislation and inflation
- **Judgment Estimates:** This method relies on a person knowledgeable in the field, often a department director, who prepares a revenue projection based on awareness of past and present conditions including fee changes, development plans, marketing campaigns, usage activity, frequency, volume, weight and similar determinations
- **Current Data:** This method predicts future revenue based on actual or annualized current year revenues and often is used when historical data and trends are not available, or if used, would result in an inaccurate revenue projection
- **Volume:** The NWSA uses the five-year cargo forecast to project volume related revenues

Financial Practices

The NWSA manages its operations to maximize its financial capacity - to provide adequate cash flow to the home ports to support debt service coverage ratios.

Financial Tools

- **Cargo Forecasts:** The NWSA maintains a cargo estimate for each of the next five years. (See Table III-1)
- **Five-Year Financial Forecast:** A portion of the operating budget is driven by volumes from the cargo forecast while the majority of the revenue comes from major lease contracts. Planned revenue-generating capital projects are aligned with new revenues and expenses in the five-year operating forecast. The operating budget is monitored throughout the year, noting any variances that may require corrective action. The Managing Members, Chief Executive Officer and Executive Team review these semi-annually
- **Five-Year Capital Investment Plan:** This plan ties directly to the strategy developed during the budget process. Updated semi-annually, it identifies all proposed projects. Some projects are capitalized and impact future year forecasts through depreciation, while others are expensed in the current year
- **Home Port Plan of Finance:** The financial output of the NWSA will be shared evenly between the home ports and is an input into each home port's five-year plan that identifies each port's ability to fund their business objectives
- **Financial Analysis of Investments:** The NWSA reviews significant capital investments and their related assumptions prior to acceptance into the planned capital budget. Revenue-generating projects are expected to earn a return on investment that meets or exceeds the standards
- **Financial Reporting:** The NWSA creates a variety of reports available electronically or in hard copy

For additional information on accounting policies, see each home port's budget and annual financial reports.

Table IV-1...Statement of Revenue, Expenses and Distributable Income by Business*

<i>(\$ millions)</i>	2022 Actual	2023 Budget	2023 Forecast	2024 Budget
Operating Revenues				
Container	164.2	185.5	176.5	204.2
Non Container	29.5	30.6	32.8	31.0
Real Estate	14.6	17.5	16.2	17.7
Other	0.0	0.0	0.0	0.0
Total Operating Revenues	208.3	233.5	225.6	252.8
Direct and Maintenance Expenses				
Container	37.5	45.5	42.3	51.5
Non Container	15.9	17.7	19.8	20.8
Real Estate	0.9	1.3	1.9	1.3
Other	13.6	20.1	16.7	20.3
Total Direct & Maintenance Expenses	67.9	84.5	80.7	93.8
Administration	17.6	21.3	20.2	24.4
Security	4.3	4.0	4.1	3.8
Environmental	1.7	3.0	2.4	2.1
Total Operating Expense before Depreciation	91.5	112.9	107.4	124.2
<i>Operating Income before depreciation</i>	<i>116.8</i>	<i>120.6</i>	<i>118.1</i>	<i>128.7</i>
Depreciation & Amortization	20.6	24.0	22.2	29.4
Total Operating Expense	112.1	136.9	129.6	153.6
Income from Operations	\$96.2	\$96.6	\$96.0	\$99.3
<i>Return on Revenue</i>	<i>46.2%</i>	<i>41.4%</i>	<i>42.5%</i>	<i>39.3%</i>
Non Operating Income (Expense)	14.5	4.0	5.1	15.0
Distributable Income before Special Item	110.7	100.6	101.1	114.3
Special Item				
Distributable Income	\$110.7	\$100.6	\$101.1	\$114.3
Distributable Cash	\$131.3	\$124.6	\$123.2	\$143.7

* Amounts may not foot due to rounding.

Table IV-2 Operating Revenue and Expense Detail*

(\$ millions)	2022	2023	2023	2024
	Actual	Budget	Forecast	Budget
Property Rental	\$57.0	\$60.4	\$61.8	\$74.2
Sale of Utilities	1.7	1.8	2.1	1.8
Services Marine Terminals	135.6	153.7	144.6	159.1
Equipment Rentals	13.0	17.6	16.8	17.7
Other Revenue	1.0	0.1	0.2	0.1
Operating Revenue	208.3	233.5	225.6	252.8
Home Port Services Provided	19.0	22.0	21.7	24.8
Port Salaries & Benefits	8.7	11.9	10.8	12.3
Outside Services	5.3	3.0	3.7	4.2
Longshore Labor & Fringe	13.2	12.5	13.1	11.5
Direct Expenses	15.4	19.4	20.3	24.5
Marketing & Global Outreach	0.6	0.7	0.6	0.8
Travel & Hosting	0.3	0.9	0.8	0.9
Maintenance	20.2	33.3	27.3	37.4
Office Equipment & Supplies	0.2	0.3	0.2	0.3
Utilities	5.9	5.9	5.4	5.3
Other Employee Exp	0.1	0.2	0.2	0.2
Other Expenses	1.1	0.1	0.9	0.1
Environmental	1.6	2.8	2.4	2.0
Total Operating Expenses before Dep.	91.5	112.9	107.4	124.2
<i>Operating Income before Depr.</i>	<i>116.8</i>	<i>120.6</i>	<i>118.1</i>	<i>128.7</i>
Depreciation & Amortization	20.6	24.0	22.2	29.4
Total Operating Expenses	\$112.1	\$136.9	\$129.6	\$153.6
Operating Income	\$96.2	\$96.6	\$96.0	\$99.3
<i>Return on Revenue</i>	<i>46.2%</i>	<i>41.4%</i>	<i>42.5%</i>	<i>39.3%</i>
Non Operating Revenue and Expenses	14.5	4.0	5.1	15.0
Net Assets Before Special Items	110.7	100.6	101.1	114.3
Increase in Net Assets	\$110.7	\$100.6	\$101.1	\$114.3
Distributable Cash (calculated)	\$131.3	\$124.6	\$123.2	\$143.7

* Amounts may not foot due to rounding.

Table IV-3.... Statement of Revenues, Expenses and Changes in Net Position*

	2022 Actual	2023 Forecast	2024 Budget	Change from Prior Year Forecast
<i>(\$ Millions)</i>				
Operating Revenue	\$208.3	\$225.6	\$252.8	12.1%
Total Operating Expenses before Dep.	(91.5)	(107.4)	(124.2)	15.5%
Depreciation & Amortization	(20.6)	(22.2)	(29.4)	32.7%
Operating Income	96.2	96.0	99.3	3.5%
Non Operating Revenues (Expenses)				
Interest Income	1.1	2.6	2.8	4.4%
Premium Discount	(0.1)	(0.1)	(0.1)	-2.0%
Market Value Adjustments	(1.9)	0.3	0.0	-100.0%
Non-Capital Grant Income	0.0	0.9	2.8	216.8%
Capital Grant Contributions	5.9	6.3	14.6	131.3%
Other Non Operating Revenue (Expense)	9.5	(4.9)	(5.0)	1.6%
Total Non Operating Income (Expense)	14.5	5.1	15.0	194.4%
Net Distributable Revenue (Net Income)	110.7	101.1	114.3	13.1%
Distributable Cash				
Net Distributable Revenue (Net Income)	110.7	101.1	114.3	13.1%
Add Depreciation and Amortization	20.6	22.2	29.4	32.7%
Distributable Cash*	131.3	123.2	143.7	16.6%
Net Position				
Net Position beginning of year	537.6	578.7	649.8	12.3%
Add Contributions and Expected Capital Construction**	58.4	93.2	144.6	55.1%
Add Net Distributable Revenue (Net Income)	110.7	101.1	114.3	13.1%
Less Cash Distributions	(128.0)	(123.2)	(143.7)	16.6%
Net Position end of year	\$578.7	\$649.8	\$764.9	17.7%

* Per charter section 5.3 and charter definition 1.1 (p)

** Contributions include any Harbor Maintenance Tax Received

* Amounts may not foot due to rounding.

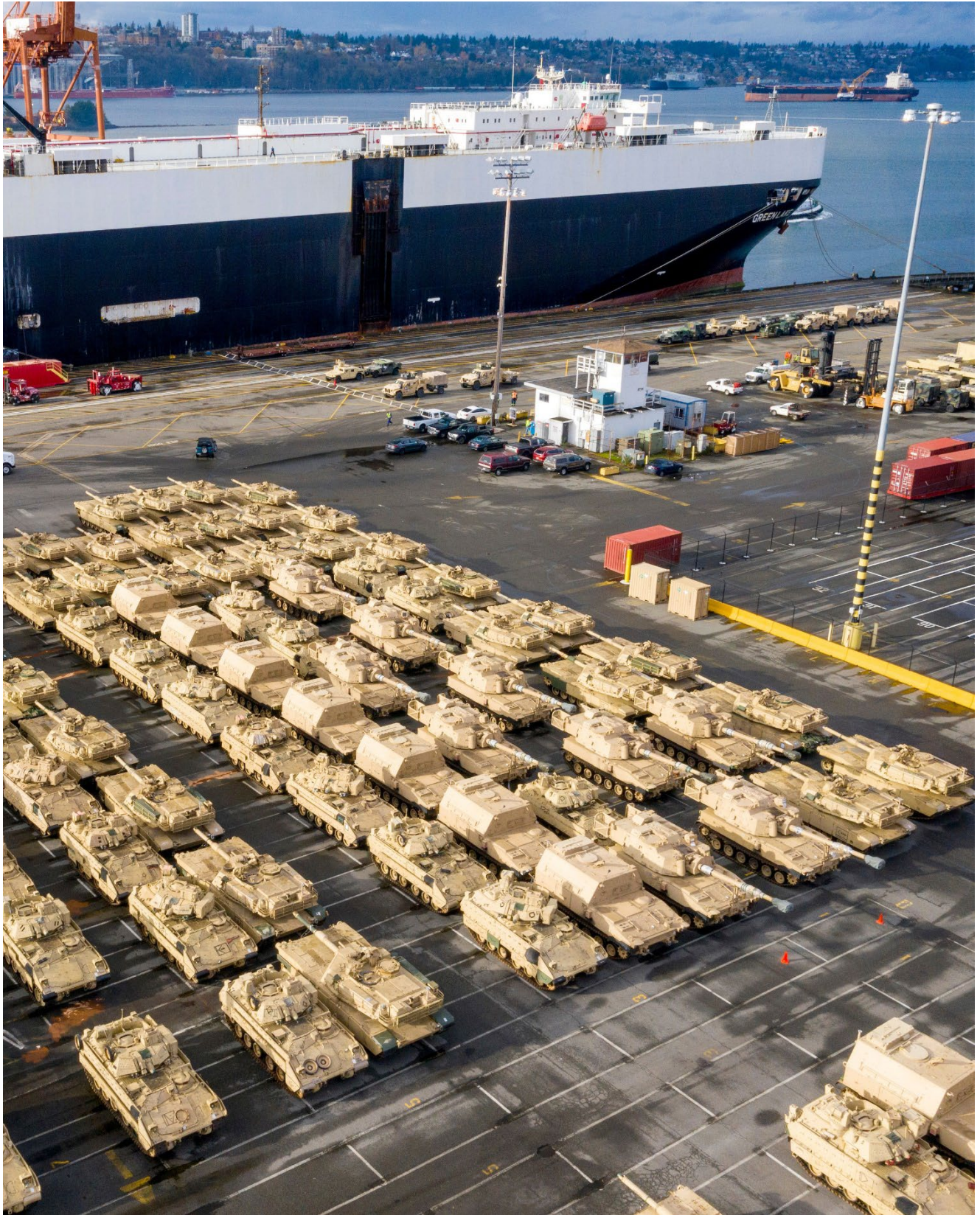
Table IV-4.... Allocations and Direct Charges Summary*

<i>(\$ Millions)</i>	2022 Actual	2023 Budget	2023 Forecast	2024 Budget
Port of Tacoma to NWSA	\$27.7	\$31.9	\$29.4	\$32.8
Port of Seattle to NWSA	\$9.9	\$12.0	\$12.0	\$12.2
NWSA to Port of Tacoma	\$0.9	\$0.9	\$0.9	\$0.8

Table IV-5.... Six-year Statement of Revenue, Expenses and Change in Assets*

<i>(\$ millions)</i>	2024	2025	2026	2027	2028
Operating Revenue	\$252.8	\$259.3	\$270.5	\$277.1	\$284.0
Total Operating Expenses before Dep.	(124.2)	(120.7)	(118.1)	(115.2)	(116.0)
Depreciation & Amortization	(29.4)	(35.6)	(40.7)	(42.5)	(42.6)
Operating Income	99.3	103.0	111.7	119.4	125.5
Grant Income	17.4	13.1	1.2	0.0	0.0
Other Non Operating Income	(2.3)	2.2	2.6	2.6	2.6
Net Distributable Revenue	114.3	118.4	115.5	122.0	128.1
Distributable Cash (calculated)	\$143.7	\$154.0	\$156.2	\$164.5	\$170.7

* Amounts may not foot due to rounding.



Military Cargo. The Tacoma harbor is one of 21 Strategic Ports for the US Military

V Capital Investment Plan

Overview

The Northwest Seaport Alliance invests in projects to increase the capacity, extend the life or improve the safety or efficiency of alliance-managed property and equipment.

New projects on the Capital Investment Plan that are \$100,000 or greater have been vetted through the Investment Decision and Development Process (IDDP). The IDDP is a two-stage planning development.

- Stage 1 (Opportunity Assessment) is to document new investment opportunities, identify any conflicts and receive input from all potentially affected departments/teams. The leadership management makes decision to pursue the opportunity to next stage.
- Stage 2 (Alternatives Analysis) is to assess the initial viability of a project, consider and evaluate alternatives, conduct a project screening, and consider long-range capital planning.

The five-year Capital Investment Plan (CIP) identifies all projects planned or underway. The CIP provides a mechanism for tracking and managing project budgets and cash flows for five years into the future. Table V-1 shows planned spending on capitalized projects for the five-year time frame. Projects are associated with a program that fall under one of the businesses or under a category called "Infrastructure."

Although funds for a project are included in the CIP, the project is not automatically authorized to proceed. The alliance Managing Members review and approve each project individually. Projects must have the necessary permitting before proceeding.

To achieve its goals, the alliance continues to invest in revenue-generating capital projects that support its businesses. Although the home ports are responsible for the general infrastructure in each respective county, the alliance may also invest in infrastructure projects that support the NWSA's maritime business, as well as increasing rail and road transit of cargo within boundaries between the ports of Seattle and Tacoma. Often, these infrastructure projects are expensed versus capitalized due to accounting requirements.

In addition, environmental projects are planned for meeting or maintaining regulatory requirements, including the development of mitigation and remediation projects. Projects may be expensed or capitalized according to accounting rules.

Summary of Major Projects

During 2023, the NWSA worked on the following capital projects:

- Phase two berth modernization construction at Terminal 5 and stormwater treatment system
- Renovated CBP office at Terminal 106
- Replaced fender system at Pierce County Terminal
- Reconfigured yard at E. Blair Terminal
- Install shore power at Husky Terminal

The 2024 - 2028 Capital Investment Plan focuses on the following strategic and maintenance projects:

Strategic investments:

- Construct and improve of gate complex, container yard, intermodal yard and reefer demarcation associated with the modernization project at Terminal 5
- Replace wooden light poles at several terminals in the South Harbor
- Design shore power at T18

Maintenance investments:

- Replace fender system at WUT and PCT terminals
- Replace water lines and valve at Terminal 18
- Maintenance dredging at several container terminals of both harbors
- Berth dredging and toe wall at Husky and WUT terminals
- Maintenance and rehabilitation of assigned assets

The alliance has a strong commitment to the protection and improvement of the environment. Examples of this commitment include the Clean Truck Program, the Northwest Ports Clean Air Strategy, and significant investment in storm-water improvements.

Strategic development efforts focus on serving existing customers, attracting new customers, and building a diverse, dynamic and resilient business base.

Table V-1....Planned Capitalized Project Spending

(\$ Millions)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Historical Capital	93.4	134.4	90.6	58.8						
Planned Capital					93.2	144.6	80.8	59.2	66.9	69.4
Grand Total	\$ 93.4	\$ 134.4	\$ 90.6	\$ 58.8	\$ 93.2	\$ 144.6	\$ 80.8	\$ 59.2	\$ 66.9	\$ 69.4

Capital Investment Plan Priorities

To efficiently allocate human and financial resources, the alliance uses a capital project prioritization methodology. For internal management, the alliance uses two categories:

- **Open:** These are ongoing projects or projects ready to move forward that have customer commitment or a high degree of certainty. Only open projects are included in the budget.
- **Estimate:** These are projects based on an identified business need or opportunity but have not been fully developed in scope and cost.

Capital Investment Plan Projects by Purpose

The alliance classifies CIP projects into three types, (as shown below in Table V-2):

- **Revenue Renewal:** Projects developed to renovate or replace obsolete or aging revenue-producing assets. These projects serve to extend existing revenue streams or ensure existing streams are not lost and may offer additional revenue if replacements enhance the efficiencies of operations or offer additional capabilities or value.
- **Infrastructure:** Projects developed to enhance infrastructure, support multiple or future customers or to enhance public infrastructure. Sometimes, other public agencies may participate in funding. Infrastructure projects are often complex in nature, with multiple public agencies involved in the planning process and execution.
- **Revenue-Generating:** Projects developed for a specific customer that will result in a new revenue stream.

Table V-3 shows Open (excludes estimate) project expenditures during the five-year planning horizon as categorized by accounting treatment.

Accounting rules require some spending to be capitalized and depreciated over time, while

other spending is expensed as incurred.

The alliance’s policy is to capitalize all asset additions greater than \$20,000 and with an estimated life of more than three years. Depreciation is computed on the straight-line method. The economic lives of capitalized assets range from three years to 20 years for machinery and equipment while economic lives of buildings and improvements range from 10 years to 75 years.

Table V-3 shows that the NWSA intends to implement \$501.3 million worth of planned projects (capitalized and expensed) in the next five years, with \$174.2 million of that total earmarked for 2024.

Non-operating and operating projects will be expensed as incurred and are included in the operating budget.

Table V-4 shows the five-year CIP by Line of Business.

Table V-5 shows the expected increase in depreciation when planned projects are completed. The CIP is the total expected spending of 159 projects, 87 of which are capitalized and 72 expensed as incurred.

The expensed projects are captured as expenses in the current year budget and four-year operating forecast as incurred. The costs of the capitalized projects are captured as depreciation expense over the estimated life of the projects that may extend beyond three years. Depreciation expense will increase when the redevelopment of Terminal 5 phase 2 is complete.

Funding

Capitalized projects are funded by the two homeports and grants or other 3rd party funds if available. Expensed projects are funded by cash generated by the NWSA and grants, homeport funds, or other 3rd party funds if available.

Table V-2....Five-Year Planned Capital Investment Plan by Purpose

(\$ Millions)

	2024	2025	2026	2027	2028	Total
Infrastructure	\$6.4	\$10.7	\$44.7	\$59.8	\$70.1	\$191.7
Renewal	91.7	60.4	24.8	15.2	4.9	197.1
Revenue	76.0	31.0	5.5	0.0	0.0	112.5
Grand Total	\$174.2	\$102.1	\$75.0	\$75.0	\$75.0	\$501.3

Amounts may not foot due to rounding

Table V-3....Five-Year Planned Capital Investment Plan by Accounting Treatment

(\$ Millions)

	2024	2025	2026	2027	2028	Total
Capitalized	\$144.6	\$80.8	\$59.2	\$66.9	\$69.4	\$420.9
Operating Expense	24.7	20.9	15.8	8.1	5.6	75.0
Non-Operating Expense	5.0	0.4	0.0	0.0	0.0	5.4
Grand Total	\$174.2	\$102.1	\$75.0	\$75.0	\$75.0	\$501.3

Amounts may not foot due to rounding

Table V-4....Five-Year Planned Projects by Line of Business

(\$ Millions)

	2024	2025	2026	2027	2028	Total
Container Business	\$151.2	\$78.3	\$26.4	\$11.6	\$1.3	\$268.9
Non Container Business	4.6	4.4	0.5	0.5	0.5	10.5
Real Estate	1.3	0.9	0.3	0.1	0.1	2.6
Infrastructure	17.2	18.5	47.7	62.8	73.1	219.3
Grand Total	\$174.2	\$102.1	\$75.0	\$75.0	\$75.0	\$501.3

Amounts may not foot due to rounding

Table V-5....Depreciation Impact Due To Capitalized Projects

(\$ Millions)

	2024	2025	2026	2027	2028	Total
Container Business	\$ (8.1)	\$ (14.0)	\$ (18.1)	\$ (20.1)	\$ (20.3)	\$ (80.7)
Non Container Business	(0.5)	(0.5)	(0.7)	(0.7)	(0.8)	\$ (3.1)
Real Estate	(0.0)	(0.1)	(0.2)	(0.2)	(0.2)	\$ (0.7)
Infrastructure	-	-	-	-	-	\$ -
Grand Total	\$ (8.6)	\$ (14.6)	\$ (18.9)	\$ (21.0)	\$ (21.3)	\$ (84.5)

Amounts may not foot due to rounding

Capital Investment Plan Project Descriptions

The NWSA's five-year CIP has been categorized on a business basis, as shown in Figure V-1. The following section provides details of major planned improvements within each business and only includes major projects and equipment.

Container Terminals Business

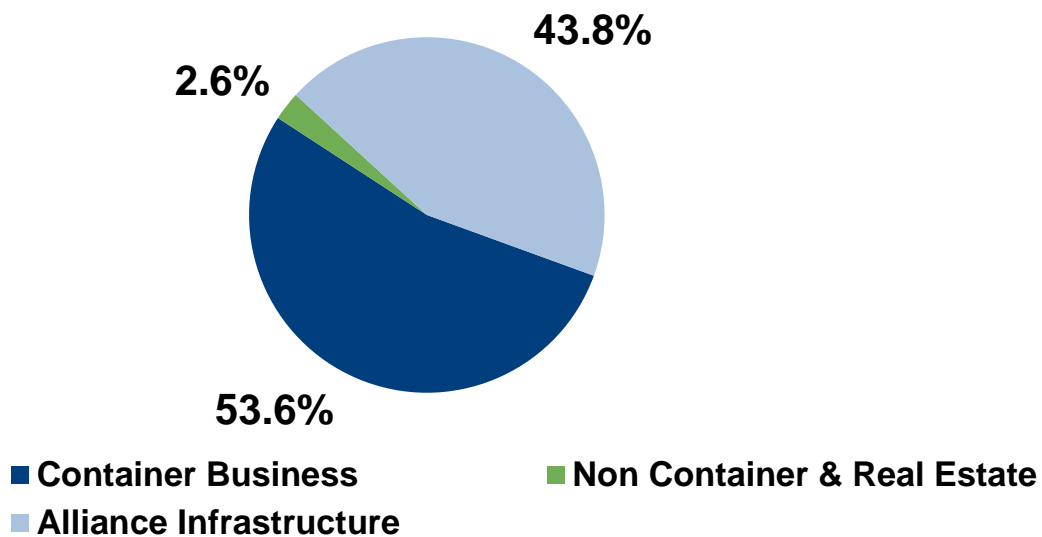
Planned capital expenditures for container terminals will total approximately \$269 million over the next five years. The CIP for this business will provide the

funds necessary to complete the remaining projects to support the modernization at the North Harbor Terminal 5; shore power design at Terminal 18; maintenance and berth dredging at several container terminals; expand reefer plugs at PCT; replace and repair fenders at PCT and WUT terminals; install LED lightings at several terminals in the South Harbor.

Non-Container Business & Real Estate

Approximately \$13 million will be spent on facility improvement for terminal operations, auto and real estate businesses.

Figure V-1...Five-Year Capital Investment Plan by Line of Business



Alliance Infrastructure

This section includes capital expenditures that are not specific to a single business and are in support of the alliance's infrastructure or environmental improvements.

- Environmental Programs: These projects include reduction and monitoring of emissions, and ongoing cleanup projects. This also includes purchase of electric straddle carriers for its operations. The Clean Truck Program and the Clean Cargo Handling Equipment Incentive Program provide matching funds and incentives to help cover the cost of replacing older trucks or handling equipment with cleaner new ones.

- Technology: The alliance continues to invest in an operations service center that will allow customers and cargo owners to track their cargo as it moves through the gateway.

Capital Investment Plan Revisions

The CIP is an integral part of the budget planning process and is reviewed and revised semi-annually. Adjustments in amount and timing are made as required to meet changes in customer or infrastructure requirements.

VI Environmental Stewardship and Planning

Environmental stewardship and sustainable practices are a high priority for the NWSA. The NWSA Environmental Stewardship Framework has been put into action. Specifically, working with our stakeholders, the NWSA developed a Best-In-Class approach built on a foundation of the following:

- Environmental, economic and financial business decision planning/making are fully integrated;
- Responsive to market and community; and,
- Drives innovative, cost-effective and sustainable solutions.

Program areas of emphasis include:

- Water Quality
- Air Quality and Sustainable Practices
- Planning and Logistics
 - Transportation
 - Land Use
 - Facilities

In 2024, the NWSA plans to focus its environmental efforts on water and air quality and greenhouse gas reductions, with the bulk of that work on NWSA licensed properties. The NWSA plans to develop additional sustainability strategies to help shape future leasing strategies, green corridors, green fuels and explore green building initiatives.

In addition, the NWSA has partnered with the Ports of Seattle and Tacoma along with other key industry, environmental, state and federal stakeholders to develop a large commercial vessel Quiet Sound program. This program will be managed by Maritime Blue and will study and promote ways to reduce noise impacts to Orca and other marine mammals in Washington State Waters. The Ports of Seattle, Tacoma and the NWSA have committed a total of \$100,000 in 2023 towards this effort to sustain the program.

Water Quality Program

NWSA's Water Quality (WQ) team is comprised of professionals with experience in site inspection, monitoring, project development and delivery, and policy analysis. The goal of this program is to work with internal and external stakeholders to design highly effective, low-cost treatment and

compliance solutions that meet or exceed Washington State's high water quality standards.

Industrial Stormwater Management Program

The WQ team manages an industrial stormwater program that is a collaborative effort engaging customers, agencies, and environmental organizations in both the Seattle and Tacoma harbors. The goal of the program is to discover and create solutions for emerging stormwater issues, solve common problems and provide stormwater technical assistance to our customers at their request. Staff engage in extensive stakeholder outreach that includes customers, regulators, and environmental organizations.

During 2023 Staff have been participated in settlement agreement meetings with Ecology to discuss the 2025 Industrial Stormwater General Permit (ISGP) and how proposed changes may affect ports.

Accomplishments in 2023 include:

- Completing industrial, and outfall site inspections early ahead of schedule,
- Working with maintenance to complete maintenance on treatment systems ahead of first flush to insure we are prepared for the rainy season,
- Coordinating business inspections with the City of Tacoma.

Research and Develop Cost-Effective Means to Manage Stormwater

The NWSA continues previous work initiated separately by the two ports. The NWSA implements innovative cost-effective treatment methods in the field and focuses on practical, effective stormwater Best Management Practices (BMPs). This includes conducting pilot studies of new and existing treatment infrastructure and sharing the results with tenants and stakeholders. During 2023, the WQ Team started the process to treatment systems designed for use at the Tacoma and Seattle harbors included on Ecology's General Use Level Designation (GULD) website. This includes taking current designed treatment systems to Ecology through the Emerging Stormwater Technologies (TAPE) Program. Successful inclusion of our treatment systems in on Ecology's GULD website will allow ports and other permittees to use the information when installing industrial stormwater treatment on their sites and may help to expedite permit approvals from local jurisdictions when

installing treatment on North and South Harbor properties.

Source Control

Controlling pollutants at or near the source is the most cost-effective way to reduce pollution in stormwater runoff, manage the risk of costly corrective actions for treatment, and reduce the cost of operations and maintenance of installed stormwater treatment systems. NWSA WQ staff work with customers (as requested) to identify pollutants close to the source and eliminate the source where possible. The WQ team assists customers with effective, low-cost solutions.

Seattle Harbor Focus

Most Seattle Harbor tenants have installed stormwater treatment at their facilities. The challenge going forward is to reduce the cost of operating and maintaining these systems. The WQ team continues to focus on maintaining relationships with tenants/customers and working with them to implement at-source and near-source BMPs with these goals in mind.

Accomplishments include:

- Coordination with Seattle Harbor stormwater staff on projects including pipe repair at T46,
- Assistance with tenant SWPPPs,
- Continue to coordinate with Marine Maintenance and Stormwater utility on water quality issues in the North Harbor.

Tacoma Harbor Focus

The WQ team continues to work with tenants/customers to implement at-source and near-source BMPs to facilitate cost-effective and successful solutions, and to focus on customers that may face site challenges to meet water quality criteria or regulatory policy issues. In the Tacoma Harbor, WQ will work through the development of a Stormwater Infrastructure Comprehensive Plan that will detail the status of all the Port's MS4 infrastructure. WQ will use those details to develop a 10-year infrastructure maintenance, repair, and replacement plan.

Accomplishments in 2023 include:

- New source control/pre-treatment for EB-1 terminal which are helping to meet permit

The Northwest Seaport Alliance Budget

required benchmarks,

- Continue to assist Husky with finding cost effective solutions to for their treatment system,
- Assisting with tours to other Ports, Green Marine, WPPA and representatives,

Stormwater Development/Redevelopment

Coordination with each home ports' stormwater permit programs ensures site-specific stormwater requirements are met. This includes the design of appropriate treatment systems and/or system selection based on proposed land use and typical discharges associated with site-specific activities. Projects include redevelopment of terminals in both harbors.

Accomplishments in 2023 include:

- Completed grant acceptance on Thorne Road Container Facility,
- Continue to support and coordinate permitting issues with the City of Tacoma,
- Permitting support for EB-1 restrooms and paving project, support of PCT truck queue erosion repair work,
- Stormwater treatment design and City of Tacoma permitting support for 11th Street Demo project,
- Completed construction of T7 Oil Water Separator that supports military operations,
- Supported Portac Phase I cleanup with stormwater permitting and management,
- Provided design support for the potential redevelopment of Arkema site,
- Provided design support for Parcel 86 pipe realignment.

2024 Goals

In 2024, the WQ team will

- Assist SSA in completing the construction of the Phase 2 stormwater treatment system at Terminal 5 for the southern 55 acres.
- Continue to work with Port of Seattle to complete the reconfiguration of the T-46 Stormwater Treatment vaults to comply with maintenance

standards.

- Continue to support emerging projects including outfall repair at Husky Terminal, ditch maintenance in the Tacoma Harbor, and the Thorne Road Off-Dock Container Expansion yard for which Ecology funded a \$4.37M grant.
- Continue productive conversations with Ecology regarding the 2025 Industrial Stormwater General Permit (ISGP)
- Continue work on TAPE program.
- Use various tools including surveys, newsletters, site visits, and water quality workshop to assist tenants with stormwater management issues and share information on 2025 ISGP.
- Complete Stormwater Infrastructure Comprehensive Plan Report
- Initiate Drone program for outfall inspections, derelict vessel investigations, and shoreline mapping
- Continue to work on systemic flooding issues around Port of Tacoma
- Continue to be a leader in the stormwater section of Green Marine Certification.
- Begin ILA negotiations with City of Tacoma

Air Quality & Sustainable Practices Program

The Air Quality & Sustainable Practices Program jointly serves the Port of Tacoma and The Northwest Seaport Alliance and focuses on two goals: 1) reducing – and, ultimately, phasing out -- air and climate pollution from seaport related activities; and 2) promoting environmentally sustainable corporate practices. The program collaborates with a wide range of internal and external partners to develop, find funding for, and implement a suite of initiatives to advance the 2020 Northwest Ports Clean Air Strategy (NWPCAS) and implement the NWSA's 2021-2025 Clean Air Implementation Plan. Key initiatives include the Clean Truck Program (including the newly formed Zero Emission Truck Collaborative); the Clean Vessels Program (including shore power installations at major

container terminals); and the Clean CHE Program.

Key 2023 Accomplishments

- Continued to coordinate and lead implementation of the NWSA's 2021-2025 Clean Air Implementation Plan to advance the 2020 NWPCAS;
- In collaboration with the Port of Seattle, Port of Tacoma, Seattle City Light, Tacoma Public Utilities, and others, neared completion of two major energy planning studies – the Seattle Waterfront Clean Energy Strategic Plan and the South Harbor Electrification Road Map (SHERM) – to assess the infrastructure needs associated with transitioning to zero-emission vehicles, equipment, and operations;
- Collaborated with a railyard operator and Tacoma Power to complete implementation of the first deployment of zero-emission cargo-handling equipment in the NWSA gateway: six electric yard tractors at the South Intermodal Yard in the Tacoma Harbor;
- Supported completion of the shore power infrastructure installation at Terminal 5, initiation of construction at Husky Terminal, and initiation of design at Terminal 18;
- Led the formation of the Puget Sound Zero Emission Truck Collaborative and initiated development of the Decarbonizing Drayage Roadmap. Also initiated planning for a Zero Emission Drayage Demonstration Program, and ramped up the scrap-and-replace incentive program, incentivizing the scrapping of about 30 pre-2007 trucks and replacing them with newer trucks that are 90% cleaner;
- Led the NWSA's engagement in the US-Korea Green Corridor Study, in partnership with the U.S. Government, the Republic of Korea, and the Busan Port Authority.
- Continued planning for a new Clean CHE Incentive Program aimed at encouraging marine terminal operators to scrap old diesel equipment and replace it with zero-emission technologies;
- Initiated an update to the Puget Sound Maritime Emissions Inventory (PSEI).
- In collaboration with the ports of Seattle and Tacoma, strengthened efforts to communicate and engage with near-port communities and other external stakeholder and partners, for example by publishing the Ports Clean Air Quarterly (a quarterly newsletter) and developing NW Clean Ports (a new web portal on port-related clean air and climate solutions).

- Continued to identify, pursue; and secure state and federal grants and other external financial and technical assistance to help advance NWSA clean air, climate, and sustainability goals. For example, the AQSP Team helped secure \$6.3M in state transportation funding to support the transition to zero-emission drayage trucking at the Port of Tacoma and throughout the NWSA gateway;
- Continued to staff the joint Port of Tacoma/NWSA Clean Air & Climate Action Team (C-CAT) to guide implementation of the NWPCAS and the Port's associated implementation plan.
- Complete the update to the Puget Sound Maritime Emissions Inventory (PSEI)

Planning & Logistics

Planning and Logistics provides a range of services intended to support NWSA Charter goals from strategic to site planning. Some primary services include planning for marine terminals and supporting infrastructure, advocating for multi-modal freight related transportation systems, facilitating port visioning. Planning also coordinates baseline studies to facilitate decision making about investments and operations.

Key 2024 Goals

- Continue to lead and coordinate implementation of the NWSA 2021-2025 Clean Air Implementation Plan;
- Continue to explore NWSA engagement in "green corridors" between the U.S. and Korea.
- Support installation of shore power infrastructure at Husky Terminal, design work at Terminal 18, and initiation of design at Washington United Terminal;
- Continue to support and participate on the Puget Sound Zero Emission Truck Collaborative and the development of a Decarbonizing Drayage Roadmap – including leveraging the Port of Seattle's Office of Equity, Diversity and Inclusion to support the program being effective for all trucking stakeholders.
- Launch the Zero Emission Drayage Demonstration Program;
- Begin implementation of the new Clean CHE Incentive Program;
- In collaboration with the ports of Tacoma and Seattle, launch a new web portal on port-related clean air and climate solutions (nwcleanports.org);
- Finalize and implement on-going, clean air-focused community engagement programs in both harbors;
- Complete the Seattle Waterfront Clean Energy Strategic Plan and the South Harbor Electrification Roadmap (SHERM) and pivot to development of a gateway-wide zero emission infrastructure development strategy; and

Planning Overview:

- **Facility Planning:** Services include facility design, facility resilience assessment and planning, assessment of infrastructure needs for operational efficiency, and documentation of current and planned facilities.
- **Transportation Planning and Advocacy:** Support for optimizing gates and terminals, analyzing off-terminal traffic flow, truck parking, and circulation, and preservation of freight and heavy haul routes.
- **Project Feasibility Development:** Support development by maintaining a general understanding of all focus areas within the organization. With this overall perspective, the team assists with opportunity assessment reviews and strategic port planning.
- **Strategic Planning and Visioning:** Support long-range visioning and planning for NWSA operations and facilities. Services also include developing land use plans and supporting the development of organizational strategic plans. Review and comment on new and updated local, state, and federal policy and regulatory documents, advocating for NWSA goals.
- **Grant Program Coordination:** Ensure a unified and proactive approach to grant procurement. Grants are sought to help offset the cost of infrastructure, technology, design, and planning, whenever feasible. Coordination encompasses tracking projects, tracking grant programs, staffing the Grant Steering Committee, and providing commission updates.

2023 Planning & Logistics Key Accomplishments

- Completed the Resilient Gateway Program – Vulnerability Assessment and Response Framework.
- Submitted a \$56M PIDP grant application for Husky Expansion – Part One.
- Supported the Maritime Industrial Lands update process in Seattle.
- Hosted a WA Sea Grant Hershman Fellow

2024 Planning & Logistics Goals

- Advance Resilient Gateway Program policies
- Provide technical support for Sound Transit Link extensions and Sounder expansion.
- Advocate for NWSA priorities at Puget Sound Regional Council staff committees
- Manage the NWSA/POT Grant Program
- Support the Tideflats Subarea Plan, Earley Business Center Master Plan, and Port Maritime Center
- Review and provide feedback on the Seattle Transportation Plan update.
- Complete bathymetric surveys for each harbor



The MSC Virgo at berth at the newly modernized Terminal 5 in the North Harbor

Appendix A: NWSA Full Time Personnel

	NWSA			
	2022 Actual	2023 Budget	2023 Actual	2024 Budget
Executive	9	9	9	9
External Affairs (Public Affairs & Communications)	4	4	4	4
Finance And Administration	-	2	2	2
Commercial Business	17	20	20	21
Operations	8	12	10	10
Facilities Development	10	15	16	16
Total	48	62	61	62

*2023 Actual is 2023 forecasted ending headcount

Northwest Seaport Alliance Average Compensation (excluding CEO)

The 2024 staffing budget of \$12,291,867 includes the following:

- \$8,481,974 for salaried employees and \$146,799 for hourly employees which includes:
 - \$367,639 for annual pay increases for salaried employees starting April.
 - \$20,424 for annual recognition program paid to salaried employees in April.
 - \$163,395 for marketplace adjustment for salaried employees during the year.
 - Hourly employees will receive a 3.0% raise in April per tentative agreement.
 - Average salary of \$133,930.
- Total benefits of \$3,663,093

Changes in NWSA Full Time Personnel from prior budget

- Commercial Business: 1 position added.
- Operations: 2 open positions eliminated.
- Facilities Development: 1 position added.

Appendix B: NWSA Memberships

Overview

The NWSA and alliance staff are members of several organizations. The NWSA believes that participating in these partnership organizations plays a key role in advancing the NWSA's business objectives and ensures NWSA staff is knowledgeable and productive. These memberships are in addition to or supplement the home port memberships.

Port Authority Organizations

These memberships assist the NWSA's lobbying efforts on both the state and national levels and keep staff informed about major issues and developments that affect NWSA operations. Membership with the Washington State Public Ports Association remains with the home ports.

Economic Development Organizations

Economic development is a major part of the NWSA's mission. For that reason, the NWSA maintains memberships and works closely with a variety of economic development groups. These memberships help strengthen the NWSA's visibility throughout the world through trade missions and trade shows.

Regional Organizations

Memberships in regional organizations demonstrate the NWSA's commitment to trade on a statewide and regional basis.

Industry Associations and Professional Organizations

These associations and organizations ensure that staff obtains the latest in technical development by taking advantage of meetings, networks and special programs offered by them.

Trade Promotion Organizations

These memberships give the marketing and sales staff important contacts and current industry trade information that enhances the NWSA's overall marketing efforts.

Community Service Groups

The NWSA maintains memberships in these groups as part of its effort to build better community relations, to work more effectively with businesspeople and to ensure that the NWSA's interests and concerns are addressed in the community.

Annual NWSA Memberships & Personnel Memberships (estimated)

Organization	Annual Dues
American Association of Port Authorities	\$78,000
Pacific Northwest Waterways Association	34,500
Washington Council on International Trade	20,000
Green Marine	11,000
Clean and Prosperous Washington	10,000
All Other Memberships	63,822
Total NWSA Memberships	\$217,322

American Association of Port Authorities

AAPA is an alliance of leading ports in the Western Hemisphere that protects and advances the common interests of its diverse members through advocacy, professional development, relationship-building, and public awareness.

Pacific Northwest Waterways Association

The Association advocates for funding for navigation projects around the region, including those on the Columbia Snake River System, in the Puget Sound and along the Oregon and Washington coasts.

Washington Council on International Trade

The Council is dedicated to advocating for public policies that increase Washington State's international competitiveness.

Green Marine

Green Marine is an environmental certification program for the North American marine industry.

Clean and Prosperous Washington

A team of business leaders working with labor, tribes, environmental organizations, and social justice advocates to in Washington state to enact smart climate policies.

The Northwest Seaport Alliance

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PORT OF TACOMA

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DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)

Location/ Dept	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
Air	Air Pollutant Emissions Inventory (parent MID)	0	0	0	450	150	600
	Annual Emissions Inventory & GHG (parent MID)	0	0	0	80	20	100
	GHG Inventory 2022	20	0	0	0	0	20
	Green Marine Certification	0	10	0	10	0	20
	NWSA Clean Truck Program	0	345	379	417	0	1,141
	PSEI 2021 Inventory	21	0	0	0	0	21
	Zero Emission Truck Collaborative	300	0	0	0	0	300
	NWSA Environmental Sustainability Initiatives (general)	80	97	106	117	129	529
	NW Ports Clean Air Strategy	715	787	865	952	1,047	4,365
Air Total		1,136	1,239	1,350	2,026	1,346	7,096
Air Quality	Clean Cargo Handling Equipment Incentive Program	100	2,200	2,200	0	0	4,500
Air Quality Total		100	2,200	2,200	0	0	4,500
AWC	AWC Asphalt Repair	480	300	520	540	510	2,350
	AWC Asphalt Replacement and Stormwater	1,000	350	0	0	0	1,350
	Marshall Ave Auto Warehousing Paving Repairs (2021-2024)	340	0	0	0	0	340
AWC Total		1,820	650	520	540	510	4,040
Blair	Blair Dock Cleat Replacement (HMT eligible)	50	0	0	0	0	50
	Blair Terminal Deepening (Design) HMT Eligible??	200	0	0	0	0	200
	Blair dock LED Lighting Retrofit Program	0	100	0	0	0	100
Blair Total		250	100	0	0	0	350
Contribution	Zero Emission Drayage Demonstration Program	0	420	0	0	0	420
Contribution Total		0	420	0	0	0	420
E. Sitcum	E. Sitcum Pile Caps Repair (Berth D) Design (HMT eligible)	1,000	0	0	0	0	1,000
	T7 Berth B-D Ship Service Water Line Replacement	1,394	0	0	0	0	1,394
E. Sitcum Total		2,394	0	0	0	0	2,394
EB1	EB1-Loading Ramps for RO-RO Cargo.	200	0	0	0	0	200
	ISGP EB1 Terminal	25	20	20	20	0	85
EB1 Total		225	20	20	20	0	285
Environmental	Environmental Compliance Program	60	40	40	40	0	180
	NWSA Environmental Analysis for Potential Port Development	120	120	120	120	0	480
Environmental Total		180	160	160	160	0	660

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)

Location/ Dept	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
Jack Block	Jack Block Park Pier & Plaza Replacement	500	2,550	3,450	0	0	6,500
Jack Block Total		500	2,550	3,450	0	0	6,500
Husky	Husky Berth Area Dredge/ToeWall Dsgn (only ToeWall HMT eligible)	1,613			0		1,613
	Husky pier LED Lighting Retrofit Program	191	0	0	0	0	191
	T3 Cranes 1-4 Climate Control System	275	0	0	0	0	275
	Terminal 3/4 Shorepower	5,722	0	0	0	0	5,722
Husky Total		7,801	0	0	0	0	7,801
IT	PCS: Appointment Efficiency Dataset	40	0	0	0	0	40
	PCS: Empty Return Instructions Dashboard	200					200
	PCS: Truck Experience Measurement - Pilot	600		0	0	0	600
	PCS: Truck Experience Measurement- Implementation	0	3,000	0	0	0	3,000
IT Total		840	3,000	0	0	0	3,840
Placeholder	NWSA Unallocated Capital Improvements (placeholder)	3,000	3,000	40,532	57,113	68,369	172,014
	NWSA Unanticipated Repairs/Misc Expenses (placeholder)	3,000	3,000	3,000	3,000	3,000	15,000
Placeholder Total		6,000	6,000	43,532	60,113	71,369	187,014
NIM	ISGP NIM Yard	22	30	30	30	0	112
NIM Total		22	30	30	30	0	112
PCT	PCT Fender Replacement (HMT eligible)	1,850	0	0	0	0	1,850
	PCT LED Lighting Upgrade	2,840	0	0	0	0	2,840
	PCT Maintenance Dredging (HMT eligible)	1,065	0	0	0	0	1,065
	PCT Mnt Bldg Strad Bay Roof Insulation	550		0	0	0	550
	PCT Operating Pavement Repair (2023-27)	1,500	1,500	1,500	1,500	0	6,000
	PCT Reefer Expansion	258	5,460	0	0	0	5,718
	Terminal Building repairs or replacements - PCT	250					250
	Wapato Creek Culvert Outfall & Interceptor Pipe Repair	313	0	0	0	0	313
	PCT IY LED Lighting Retrofit Program	0	232	0	0	0	232
PCT Total		8,626	7,192	1,500	1,500	0	18,818
Pier 16/17	Pier 17 Dolphin Replacement	159	280	200	0	0	639
	Pier 17 HVAC Controls	190	25	0	0	0	215
Pier 16/17 Total		349	305	200	0	0	854

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)

Location/ Dept	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
Pony Lumber	CanAm Warehouse Fire System Dry Valve Replacement	54	0	0	0	0	54
	Parcel 86 Pipe Realignment	532	0	0	0	0	532
	Pony Environmental Cap Repair (parcel 86) (parent MID)	0	50	50	50	50	200
	Pony Lumber Dock Repairs (HMT eligible)	459	0	0	0	0	459
Pony Lumber Total		1,045	50	50	50	50	1,245
SIM	BNSF LED Lighting Retrofit Program	164	0	0	0	0	164
	ISGP SIM Yard	17	16	16	16	0	65
	SIM LED Lighting Retrofit Program	215	0	0	0	0	215
	SIM/Milwaukee Wy Crossing Paving Repairs	366	0	0	0	0	366
SIM Total		762	16	16	16	0	810
SIM UP	SIM UP LED Lighting Retrofit Program	231	0	0	0	0	231
SIM UP Total		231	0	0	0	0	231
Stormwater	2020 ISGP Permit Appeal	10	0	0	0	0	10
	NWSA MS4 Projects	208	208	208	208	208	1,040
	NWSA ISGP Strategic Initiative Projects	217	217	217	217	217	1,085
Stormwater Total		435	425	425	425	425	2,135
Strads	Electric Straddle Carriers (no stage 2)	0	5,000	0	0	0	5,000
	Infrastructure for Electric Straddle Carriers (no stage 2)	1,200	0	0	0	0	1,200
Strads Total		1,200	5,000	0	0	0	6,200
T106	T106 CBP Office & Facility Renovation (NWSA 87%, POS 13%)	1,241	0	0	0	0	1,241
	T106 Roof Replacement (55% NWSA, 45% POS) became U00701	1,000	0	0	0	0	1,000
T106 Total		2,241	0	0	0	0	2,241
T115 Barge/Tug	T115 Routine Condition Assessments	0	0	70		0	70
T115 Barge/Tug Total		0	0	70		0	70
T115 General	T115 Arc Flash Study	250	0	0	0	0	250
	T115 Clean Truck Program RFID (Domestic Terminals)	116	214	0	0	0	330
	T115 Roof Replacement Analysis - M&R Shop	45	200	0	0	0	245
	T115 - Roof Replacement Analysis Administration Building	0	146	0	0	0	146
	T115 South Substation - Electrical Maintenance Assessment	0	424	0	0	0	424
T115 General Total		411	985	0	0	0	1,396
T18	T18 Deepening (Design) - HMT eligible?	120	430	500	250	0	1,300

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)

Location/ Dept	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
T18	T18 Full Dock Rehabilitation Design Only (HMT eligible)	3,040	300	0	0	0	3,340
	T18 Lift Station Replacement	551	243	750	570	0	2,114
	T18 Main Substation N2 - Electrical Maintenance Assessment	344	0	0	0	0	344
	T18 Maintenance Dredging (HMT eligible)	67	4,399	4,000	0	0	8,466
	T18 North Fender Replace (HMT eligible)	910	460	0	0	0	1,370
	T18 Routine Asset Condition Assessment	0	0	150	0	0	150
	T18 Substation N1 - Electrical Maintenance	324	0	0	0	0	324
	T18 Transtainer Runs (no stage 1 or stage 2) (SSA will do work)	4,000					4,000
	T18 Water Main & Valve Replacement North (Design)	1,000	0	0	0	0	1,000
	T18 Water Main & Valve Replacement South	715	1,500	1,005	0	0	3,220
T18 Shore Power Design	7,000	200	0	0	0	7,200	
T18 Total		18,071	7,532	6,405	820	0	32,828
T25	T25 Dock Rehabilitation (HMT eligible) -Design	0	0	1,054	4,000		5,054
	T25 Piping/Ship Water Box Replacements	50	75	522	0	0	647
T25 Total		50	75	1,576	4,000	0	5,701
T30	T30 Central Substation Replacement	1,884	0	0	0	0	1,884
	T30 Dock Rehabilitation (HMT eligible)	0	555	2,000	5,000	1,000	8,555
	T30 Maintenance Dredging (HMT eligible)	65	2,613	2,000	0	0	4,678
	T30 North Fire Main Premise Isolation	115	0	0	0	0	115
	T30 Ship Dock Water Boxes and Underdock Supply Piping	50	75	522	0	0	647
T30 Main Substation (North) - Electrical Maintenance Assessment	0	424	0	0	0	424	
T30 Total		2,114	3,667	4,522	5,000	1,000	16,303
T46	T46 Clean Truck Program	216	0	0	0	0	216
	T46 Fire Alarm Control System Replacement (66.5% NWSA, 33.5% POS)	113	0	0	0	0	113
	T46 M&R Buildng Roof Replacement	1,240	300	0	0	0	1,540
	T46 Maintenance Dredging (HMT eligible) Design Only	65	636		0	0	701
	T46 N. Substation #1 Replacement (NWSA 80%, POS 20%)	4,871	595	754	0	0	6,220
	T46 NW Bulkhead Maintenance	35	35	35	0	0	105
	T46 Routine Assessment	80	0	0	0	0	80
	T46 Sewer Lift Station Controller Relocation	84	0	0	0	0	84
	T46 Storm Vault Reconfiguration	25	0	0	0	0	25
	T46 Substations and Switchgear Testing, Cleaning and Repairs	350	0	0	0	0	350
	T46 Water System Replacement Study	144	0	0	0	0	144

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)

Location/ Dept	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget	
T46	T46S Routine Condition Assessments	20	0	0	0	0	20	
	T46W Routine Condition Assessments	65	0	0	0	0	65	
	T46 SPU StormSewer Pipe Repair	1,496	0	0	0	0	1,496	
T46 Total		8,804	1,566	789	0	0	11,159	
T5	T5 Access Road Improvements	188	0	0	0	0	188	
	T5 Administration Building Cooling Tower Replacement	133	30	0	0	0	163	
	T5 Administration Building HVAC Controls Replacement	130	30	0	0	0	160	
	T5 Approach Overpass Bridge - W Maringinal Way SW	200	0	0	0	0	200	
	T5 Berth Construction - Phase 2 (1,450' south)	9,000	7,970	0	0	0	16,970	
	T5 Container Yard Expansion	648	10,759	363	0	0	11,770	
	T5 Gate Complex (SSA will do work)	13,650	8,921	0	0	0	22,570	
	T5 Hydrant Replacement (31)	0	300	540	0	0	840	
	T5 Lift Station & Sewer Line Condition Assessment	140	0	0	0	0	140	
	T5 Marine Building South	1,300	0	0	0	0	1,300	
	T5 Pedestrian Pathway	188	0	0	0	0	188	
	T5 Ph 2 Premises Container Yard Paving (SSA will do work) (WAS 2023-35NH)	13,472	0	0	0	0	13,472	
	T5 Phase 2 Premises Management Reserve - capital	3,500	5,000	5,000	0	0	13,500	
	T5 Rail Bungalow Upgrade	242	0	0	0	0	242	
	T5 Rail Quiet Zone (public exp)	3,677	0	0	0	0	3,677	
	T5 Rebuild Breakers for Spares (became N10278)	200	0	0	0	0	200	
	T5 Reefer Demarcation Infrastructure (SSA will do work)	7,850	5,650	0	0	0	13,500	
	T5 Reefer High Voltage Distribution (SSA will do work)	17,650	6,679	0	0	0	24,329	
	T5 Roof Replacement & Canopy Painting - M&R Building	2,659	0	0	0	0	2,659	
	T5 Roof Replacements - Gatehouse	100	1,082	0	0	0	1,182	
	T5 Routine Condition Assessments	0	125	0	0	0	125	
	T5 Stormwater Treatment System	3,732	0	0	0	0	3,732	
	T5 Transtainer Runs (SSA will do work)	3,338	0	0	0	0	3,338	
	T5 W Marginal Way SW Closure	901	0	0	0	0	901	
	MARAD 2020 PIDP T5 Grant Admin	241	241	257	0	0	739	
	T5 Roof Replacements - Arrival and Security Building	50	203	0	0	0	253	
	T5 Management Reserve (EXCLUDES PH 2 PREMISES)- expense	6,000	1,512	0	0	0	7,512	
	T5 Management Reserve (EXCLUDES PH 2 PREMISES)- capital	3,000	0	0	0	0	3,000	
	T5 Total		92,188	48,502	6,160	0	0	146,850
	T5 IM	T5 Intermodal Yard Improvements	4,748	0	0	0	0	4,748

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)

Location/ Dept	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
T5 IM	T5 Intermodal Yard Repairs	63	0	0	0	0	63
	T5 IY Compressor Replacement	191	0	0	0	0	191
	T5 IY Improvement RESERVE - capital	709	0	0	0	0	709
	T5 IY Improvement RESERVE - expense	11	0	0	0	0	11
T5 IM Total		5,722	0	0	0	0	5,722
T7	T7 Administration Building HVAC System Replacement	150	0	0	0	0	150
	T7 Berth C Cleat Replacement (HMT eligible)	50	0	0	0	0	50
	T7 Security Building NIM Tower Relocation (Design)	250	500		0	0	750
	T7-Infrastructure repairs and improvements - Design(Potential HMT Eligible)	500	900			0	1,400
	Terminal 7ABC Maintenance Dredging (Design) (Potential HMT Eligible)	350	50	0	0	0	400
	Terminal 7D Maintenance Dredging (Design)	200	50	0	0	0	250
	T7 Berth Lift Station Replacement	40	0	0	0	0	40
	T7 yard and pier LED Lighting Retrofit Program	0	853	0	0	0	853
T7 Total		1,540	2,353	0	0	0	3,893
TOTE	Terminal Building repairs or replacements - TOTE	500	0	0	0	0	500
	TOTE Berth Maintenance Dredging (HMT eligible)	550	0	0	0	0	550
	TOTE Clean Truck Program RFID (Domestic Terminals)	277	153	0	0	0	430
	TOTE Terminal Pavement Maintenance & Repair	550	0	0	0	0	550
	TOTE LED Lighting Retrofit Program	0	0	711	0	0	711
TOTE Total		1,877	153	711	0	0	2,741
Miscellaneous	NH Roof Inspections	144	0	0	0	0	144
	Wooden Light Pole Replacement Program	3,588	3,587	0	0	0	7,175
Miscellaneous Total		3,732	3,587	0	0	0	7,319
W. Hylebos	West Hylebos Log Dock Repairs	250	1,250	0	0	0	1,500
W. Hylebos Total		250	1,250	0	0	0	1,500
W. Sitcum	W Sitcum (SSA) Clean Truck Program RFID (Domestic Terminals)	274	179	0	0	0	453
	W Sitcum Terminal Electrical Substation Replacement	147	2,112	700	0	0	2,959
	West Sitcum Terminal Maintenance Dredging (Design)	400	100	0	0	0	500
W. Sitcum Total		821	2,391	700	0	0	3,912
WUT	Cascade Timber Environmental Cap Repair (parcel 30) (parent MID)	0	50	50	50	50	200
	Murray Pacific Environmental Cap Repair (parcel 25) (parent MID)	0	250	250	250	250	1,000
	WUT Shore Power Design	408	408	21			837
	WUT IY LED Lighting Retrofit Program	0	0	293	0	0	293
	WUT Berth Area Dredge/ToeWall Dsgn (only ToeWall HMT eligible)	2,033					2,033
WUT Total		2,441	708	614	300	300	4,363
Grand Total		\$ 174,177	\$ 102,126	\$ 75,000	\$ 75,000	\$ 75,000	\$ 501,302

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)

required/other

required/other	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
required	CanAm Warehouse Fire System Dry Valve Replacement	54	0	0	0	0	54
	2020 ISGP Permit Appeal	10	0	0	0	0	10
	AWC Asphalt Repair	480	300	520	540	510	2,350
	AWC Asphalt Replacement and Stormwater	1,000	350	0	0	0	1,350
	Blair Dock Cleat Replacement (HMT eligible)	50	0	0	0	0	50
	Blair Terminal Deepening (Design) HMT Eligible??	200	0	0	0	0	200
	BNSF LED Lighting Retrofit Program	164	0	0	0	0	164
	Cascade Timber Environmental Cap Repair (parcel 30) (parent MID)	0	50	50	50	50	200
	Husky pier LED Lighting Retrofit Program	191	0	0	0	0	191
	ISGP EB1 Terminal	25	20	20	20	0	85
	ISGP NIM Yard	22	30	30	30	0	112
	ISGP SIM Yard	17	16	16	16	0	65
	Jack Block Park Pier & Plaza Replacement	500	2,550	3,450	0	0	6,500
	Marshall Ave Auto Warehousing Paving Repairs (2021-2024)	340	0	0	0	0	340
	Murray Pacific Environmental Cap Repair (parcel 25) (parent MID)	0	250	250	250	250	1,000
	NH Roof Inspections	144	0	0	0	0	144
	NWSA MS4 Projects	208	208	208	208	208	1,040
	PCT Fender Replacement (HMT eligible)	1,850	0	0	0	0	1,850
	PCT Maintenance Dredging (HMT eligible)	1,065	0	0	0	0	1,065
	PCT Mnt Bldg Strad Bay Roof Insulation	550		0	0	0	550
	PCT Operating Pavement Repair (2023-27)	1,500	1,500	1,500	1,500	0	6,000
	Pier 17 HVAC Controls	190	25	0	0	0	215
	Pony Environmental Cap Repair (parcel 86) (parent MID)	0	50	50	50	50	200
	Pony Lumber Dock Repairs (HMT eligible)	459	0	0	0	0	459
	SIM LED Lighting Retrofit Program	215	0	0	0	0	215
	SIM UP LED Lighting Retrofit Program	231	0	0	0	0	231
	SIM/Milwaukee Wy Crossing Paving Repairs	366	0	0	0	0	366
	T106 CBP Office & Facility Renovation (NWSA 87%, POS 13%)	1,241	0	0	0	0	1,241

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)

required/other

required/other	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
required	T106 Roof Replacement (55% NWSA, 45% POS) became U00701	1,000	0	0	0	0	1,000
	T115 Arc Flash Study	250	0	0	0	0	250
	T18 Full Dock Rehabilitation Design Only (HMT eligible)	3,040	300	0	0	0	3,340
	T18 Lift Station Replacement	551	243	750	570	0	2,114
	T18 Main Substation N2 - Electrical Maintenance Assessment	344	0	0	0	0	344
	T18 Maintenance Dredging (HMT eligible)	67	4,399	4,000	0	0	8,466
	T18 North Fender Replace (HMT eligible)	910	460	0	0	0	1,370
	T18 Substation N1 - Electrical Maintenance	324	0	0	0	0	324
	T18 Transtainer Runs (no stage 1 or stage 2) (SSA will do work)	4,000					4,000
	T18 Water Main & Valve Replacement North (Design)	1,000	0	0	0	0	1,000
	T18 Water Main & Valve Replacement South	715	1,500	1,005	0	0	3,220
	T3 Cranes 1-4 Climate Control System	275	0	0	0	0	275
	T30 Central Substation Replacement	1,884	0	0	0	0	1,884
	T30 Dock Rehabilitation (HMT eligible)	0	555	2,000	5,000	1,000	8,555
	T30 North Fire Main Premise Isolation	115	0	0	0	0	115
	T30 Ship Dock Water Boxes and Underdock Supply Piping	50	75	522	0	0	647
	T46 Fire Alarm Control System Replacement (66.5% NWSA, 33.5% POS)	113	0	0	0	0	113
	T46 M&R Buildng Roof Replacement	1,240	300	0	0	0	1,540
	T46 N. Substation #1 Replacement (NWSA 80%, POS 20%)	4,871	595	754	0	0	6,220
	T5 Access Road Improvements	188	0	0	0	0	188
	T5 Administration Building Cooling Tower Replacement	133	30	0	0	0	163
	T5 Administration Building HVAC Controls Replacement	130	30	0	0	0	160
	T5 Approach Overpass Bridge - W Maringinal Way SW	200	0	0	0	0	200
	T5 Berth Construction - Phase 2 (1,450' south)	9,000	7,970	0	0	0	16,970
	T5 Container Yard Expansion	648	10,759	363	0	0	11,770
	T5 Gate Complex (SSA will do work)	13,650	8,921	0	0	0	22,570
	T5 Hydrant Replacement (31)	0	300	540	0	0	840
	T5 Intermodal Yard Improvements	4,748	0	0	0	0	4,748
	T5 Intermodal Yard Repairs	63	0	0	0	0	63
	T5 IY Compressor Replacement	191	0	0	0	0	191
	T5 Lift Station & Sewer Line Condition Assessment	140	0	0	0	0	140

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)
required/other

required/other	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
required	T5 Marine Building South	1,300	0	0	0	0	1,300
	T5 Pedestrian Pathway	188	0	0	0	0	188
	T5 Ph 2 Premises Container Yard Paving (SSA will do work) (WAS 2023-35NH)	13,472	0	0	0	0	13,472
	T5 Phase 2 Premises Management Reserve - capital	3,500	5,000	5,000	0	0	13,500
	T5 Rail Bungalow Upgrade	242	0	0	0	0	242
	T5 Rail Quiet Zone (public exp)	3,677	0	0	0	0	3,677
	T5 Rebuild Breakers for Spares (became N10278)	200	0	0	0	0	200
	T5 Reefer Demarcation Infrastructure (SSA will do work)	7,850	5,650	0	0	0	13,500
	T5 Reefer High Voltage Distribution (SSA will do work)	17,650	6,679	0	0	0	24,329
	T5 Roof Replacement & Canopy Painting - M&R Building	2,659	0	0	0	0	2,659
	T5 Roof Replacements - Gatehouse	100	1,082	0	0	0	1,182
	T5 Stormwater Treatment System	3,732	0	0	0	0	3,732
	T5 Transtainer Runs (SSA will do work)	3,338	0	0	0	0	3,338
	T5 W Marginal Way SW Closure	901	0	0	0	0	901
	T7 Berth C Cleat Replacement (HMT eligible)	50	0	0	0	0	50
	Terminal 3/4 Shorepower	5,722	0	0	0	0	5,722
	Terminal Building repairs or replacements - PCT	250					250
	Terminal Building repairs or replacements - TOTE	500	0	0	0	0	500
	TOTE Terminal Pavement Maintenance & Repair	550	0	0	0	0	550
	W Sitcum Terminal Electrical Substation Replacement	147	2,112	700	0	0	2,959
	Wapato Creek Culvert Outfall & Interceptor Pipe Repair	313	0	0	0	0	313
	Wooden Light Pole Replacement Program	3,588	3,587	0	0	0	7,175
	MARAD 2020 PIDP T5 Grant Admin	241	241	257	0	0	739
	NWSA ISGP Strategic Initiative Projects	217	217	217	217	217	1,085
	T5 Roof Replacements - Arrival and Security Building	50	203	0	0	0	253
	T115 Roof Replacement Analysis - M&R Shop	45	200	0	0	0	245
	T7 Berth Lift Station Replacement	40	0	0	0	0	40
	T115 - Roof Replacement Analysis Administration Building	0	146	0	0	0	146
	TOTE LED Lighting Retrofit Program	0	0	711	0	0	711
	WUT IY LED Lighting Retrofit Program	0	0	293	0	0	293
	Blair dock LED Lighting Retrofit Program	0	100	0	0	0	100

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)

required/other

required/other	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
required	T7 yard and pier LED Lighting Retrofit Program	0	853	0	0	0	853
	T5 Management Reserve (EXCLUDES PH 2 PREMISES)- expense	6,000	1,512	0	0	0	7,512
	T30 Main Substation (North) - Electrical Maintenance Assessment	0	424	0	0	0	424
	T5 Management Reserve (EXCLUDES PH 2 PREMISES)- capital	3,000	0	0	0	0	3,000
	T115 South Substation - Electrical Maintenance Assessment	0	424	0	0	0	424
required Total		140,433	70,217	23,206	8,451	2,285	244,591
other	Air Pollutant Emissions Inventory (parent MID)	0	0	0	450	150	600
	Annual Emissions Inventory & GHG (parent MID)	0	0	0	80	20	100
	Clean Cargo Handling Equipment Incentive Program	100	2,200	2,200	0	0	4,500
	E. Sitcum Pile Caps Repair (Berth D) Design (HMT eligible)	1,000	0	0	0	0	1,000
	EB1-Loading Ramps for RO-RO Cargo.	200	0	0	0	0	200
	Electric Straddle Carriers (no stage 2)	0	5,000	0	0	0	5,000
	Environmental Compliance Program	60	40	40	40	0	180
	GHG Inventory 2022	20	0	0	0	0	20
	Green Marine Certification	0	10	0	10	0	20
	Husky Berth Area Dredge/ToeWall Dsgn (only ToeWall HMT eligible)	1,613			0		1,613
	Infrastructure for Electric Straddle Carriers (no stage 2)	1,200	0	0	0	0	1,200
	NWSA Clean Truck Program	0	345	379	417	0	1,141
	NWSA Unallocated Capital Improvements (placeholder)	3,000	3,000	40,532	57,113	68,369	172,014
	NWSA Unanticipated Repairs/Misc Expenses (placeholder)	3,000	3,000	3,000	3,000	3,000	15,000
	Parcel 86 Pipe Realignment	532	0	0	0	0	532
	PCS: Appointment Efficiency Dataset	40	0	0	0	0	40
	PCS: Empty Return Instructions Dashboard	200					200
	PCS: Truck Experience Measurement - Pilot	600		0	0	0	600
	PCS: Truck Experience Measurement- Implementation	0	3,000	0	0	0	3,000
	PCT LED Lighting Upgrade	2,840	0	0	0	0	2,840
	PCT Reefer Expansion	258	5,460	0	0	0	5,718
	Pier 17 Dolphin Replacement	159	280	200	0	0	639
	PSEI 2021 Inventory	21	0	0	0	0	21
	T115 Clean Truck Program RFID (Domestic Terminals)	116	214	0	0	0	330
	T115 Routine Condition Assessments	0	0	70		0	70

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)

required/other

required/other	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
other	T18 Deepening (Design) - HMT eligible?	120	430	500	250	0	1,300
	T18 Routine Asset Condition Assessment	0	0	150	0	0	150
	T25 Dock Rehabilitation (HMT eligible) -Design	0	0	1,054	4,000		5,054
	T30 Maintenance Dredging (HMT eligible)	65	2,613	2,000	0	0	4,678
	T46 Clean Truck Program	216	0	0	0	0	216
	T46 Maintenance Dredging (HMT eligible) Design Only	65	636		0	0	701
	T46 NW Bulkhead Maintenance	35	35	35	0	0	105
	T46 Routine Assessment	80	0	0	0	0	80
	T46 Sewer Lift Station Controller Relocation	84	0	0	0	0	84
	T46 Storm Vault Reconfiguration	25	0	0	0	0	25
	T46 Substations and Switchgear Testing, Cleaning and Repairs	350	0	0	0	0	350
	T46 Water System Replacement Study	144	0	0	0	0	144
	T46S Routine Condition Assessments	20	0	0	0	0	20
	T46W Routine Condition Assessments	65	0	0	0	0	65
	T5 IY Improvement RESERVE - capital	709	0	0	0	0	709
	T5 IY Improvement RESERVE - expense	11	0	0	0	0	11
	T5 Routine Condition Assessments	0	125	0	0	0	125
	T7 Administration Building HVAC System Replacement	150	0	0	0	0	150
	T7 Berth B-D Ship Service Water Line Replacement	1,394	0	0	0	0	1,394
	T7 Security Building NIM Tower Relocation (Design)	250	500		0	0	750
	T7-Infrastructure repairs and improvements - Design(Potential HMT Eligible)	500	900			0	1,400
	Terminal 7ABC Maintenance Dredging (Design) (Potential HMT Eligible)	350	50	0	0	0	400
	Terminal 7D Maintenance Dredging (Design)	200	50	0	0	0	250
	TOTE Berth Maintenance Dredging (HMT eligible)	550	0	0	0	0	550
	TOTE Clean Truck Program RFID (Domestic Terminals)	277	153	0	0	0	430
	W Sitcum (SSA) Clean Truck Program RFID (Domestic Terminals)	274	179	0	0	0	453
	West Hylebos Log Dock Repairs	250	1,250	0	0	0	1,500
	West Sitcum Terminal Maintenance Dredging (Design)	400	100	0	0	0	500
	WUT Shore Power Design	408	408	21			837
	Zero Emission Drayage Demonstration Program	0	420	0	0	0	420
	Zero Emission Truck Collaborative	300	0	0	0	0	300

DRAFT NWSA 2024 - 2028 CIP BUDGET (\$ thousand)
required/other

required/other	Project Name	2024	2025	2026	2027	2028	Total 2024-28 Budget
other	NWSA Environmental Sustainability Initiatives (general)	80	97	106	117	129	529
	NW Ports Clean Air Strategy	715	787	865	952	1,047	4,365
	T25 Piping/Ship Water Box Replacements	50	75	522	0	0	647
	NWSA Environmental Analysis for Potential Port Development	120	120	120	120	0	480
	T18 Shore Power Design	7,000	200	0	0	0	7,200
	T46 SPU StormSewer Pipe Repair	1,496	0	0	0	0	1,496
	PCT IY LED Lighting Retrofit Program	0	232	0	0	0	232
	WUT Berth Area Dredge/ToeWall Dsgn (only ToeWall HMT eligible)	2,033					2,033
other Total		33,745	31,909	51,794	66,549	72,715	256,711
Grand Total		\$ 174,177	\$ 102,126	\$ 75,000	\$ 75,000	\$ 75,000	\$ 501,302

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

THIS INTER-LOCAL AGREEMENT (“Agreement”) is entered into by and between the Port of Seattle, a Washington municipal corporation, (“POS”) and The Northwest Seaport Alliance, a Washington Port Public Development Authority (“NWSA”) (referred to herein individually as “Party” and collectively as the “Parties”).

WHEREAS, the Port of Tacoma and the Port of Seattle have entered into an agreement to establish The Northwest Seaport Alliance pursuant to the following federal and state authorities: (1) the FMC Discussion Agreement, (2) an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint operation and investment outside of a port’s district, (3) RCW 39.34.030, the state Interlocal Cooperation Act, and (4) pursuant to ESHB 1170, WA Session Laws of 2015-6, (Chapter 53.57 RCW), which authorizes the Ports to create a port development authority to use, operate and manage certain marine facilities jointly, to be known as the NWSA;

WHEREAS, in order to improve efficiency in obtaining, the services necessary for the development, redevelopment, repair and maintenance of new and existing facilities, and providing for the operation of The Northwest Seaport Alliance, NWSA and POS desire to retain support services from one another pursuant to the terms and conditions contained herein; and

WHEREAS, the Parties are authorized, pursuant to Chapter 39.34 RCW (the Inter-local Cooperation Act), to enter into this Inter-local agreement.

NOW, THEREFORE, the Parties agree as follows:

I. General Provisions for Support Services

A. Duration of this Agreement. Services to be provided under the terms of this Agreement will be provided during Calendar Year 2024. This Agreement and attached Service Directive exhibits are effective between January 1, 2024 and December 31, 2024. Subsequent Inter-Local Agreements for Support Services, if any, will be executed on an annual basis.

B. Services Provided. The NWSA and POS have agreed to provide support services to one another as defined in the Service Directive exhibits attached to this Agreement. Each Service Directive exhibit defines the scope of services, cost for services, charge methodology, and service level expectations for each service area to be provided. The NWSA and POS, in their respective sole discretion, may obtain the services under this Agreement from entities other than the Parties to this Agreement.

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

C. Communications. Each Service Directive exhibit identifies the contact people for the Parties that will coordinate the work for each service area. 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.

D. Employment, Policies and Procedures. During the term of this Agreement, individuals providing support services will remain full-time employees of their respective employer, who shall continue to be responsible for salary, benefits and retirement contributions. Nothing contained herein shall be construed as creating an employer/employee relationship between the individuals providing support services and the entity receiving the services. Staff providing support services will follow the policies and procedures of their respective employer in conducting the work.

E. Billing Rate and Procedures. The charge for services will be determined during the budget cycle for the coming fiscal year. Based on the type of support service and as reflected on each specific Service Directive exhibit, costs will be allocated in one of the following ways: (1) monthly based on a fixed charge or formula, (2) charged to projects based on developed charge out rates or (3) performed as a fee for service based on predetermined charged out rates.

F. Independent Municipal Governments. The Parties hereto are independent governmental entities and nothing herein shall be construed to limit the independent government powers, authority or discretion of the governing bodies of each Party. It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of any Party shall be deemed, or represent themselves to be, employees of any of the other Party.

G. Legal obligations. This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law.

H. Timely Performance. The requirements of this Agreement shall be carried out in a timely manner according to a schedule negotiated by and satisfactory to the Parties.

I. Recording. Copies of this Agreement shall be posted to the web sites of the Parties.

J. Audit of Records. During the term of this Agreement, and for a period not less than six (6) years from the date of termination, records and accounts pertaining to the work of this Agreement and accounting therefore shall be kept by each Party and shall be available for inspection and audit by representatives of either Party and any other entity with legal entitlement to review said records. If any litigation, claim, or audit is commenced, the records

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

and accounts along with supporting documentation shall be retained until all litigation, claims, or audit finding has been resolved, even though such litigation, claim, or audit continues past the six-year (6) retention period. This provision is in addition to and is not intended to supplant, alter or amend records retention requirements established by applicable state and federal laws.

II. Dispute Resolution

A. Process. The Parties' designated representatives under Paragraph III herein shall use their best efforts to resolve disputes between the Parties. If the designated representatives are unable to resolve a dispute, then each Party's responsible Project Directors shall review the matter and use their best efforts to resolve it. If the Project Directors are unable to resolve the dispute, the matter shall be reviewed by the department director or chief executive officer of each Party or his or her designee. The Parties agree to exhaust each of these procedural steps before seeking to further resolve the dispute in any other forum. Any controversy or claim arising out of or relating to this Interlocal Agreement, or the breach thereof, which is not settled by agreement between the Parties, shall be settled by mediation in the State of Washington, in Pierce or King Counties. In the event either Party reasonably believes mediation will not result in a solution to the disagreement, mediation may be waived.

B. Controlling law & Venue. This Agreement shall be construed and enforced according to the laws of the State of Washington.

III. Notices

A. Contact Persons. Any notice, demand, request, consent, approval or communication that either Party desires or is required to give to the other Party shall be in writing addressed to the other Party at the addresses as follows unless otherwise indicated by the Parties to this Agreement:

NWSA:	David Morrison, Chief Financial Officer PO Box 2985 Tacoma, WA 98401-2985 egaleno@portoftacoma.com
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Port of Seattle:	Dan Thomas, Chief Financial Officer PO Box 1209 Seattle, WA 98111 thomas.d@portseattle.org
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B. Receipt. Notice shall be deemed "received" on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

Service by certified mail, return receipt requested, otherwise receipt if presumed three days after deposit of mail into US Mail, or by receipt of email.

IV. Indemnification and Hold Harmless

A. The Parties release each other from, and shall defend, indemnify, and hold each other and agents, employees, and/or officers harmless from and against all claims, demands, suits at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, made by or on behalf of the other Party and/or its agents, employees, officers, and/or subcontractors, arising out of or in any way related to this Agreement, unless and except to the extent the same be caused in whole or in part by the negligence of a Party or its agents, employees, and/or officers.

B. This Agreement includes a waiver of subrogation against all losses sustained by either Party and/or its agents, employees, officers, subcontractors, and/or insurers, arising out of or related to this Agreement except to the extent the Parties' losses are caused in whole or in part by the negligence of the other Party or its agents, employees, and/or officers.

C. Each Party specifically assumes liability for actions brought by its own employees against the other Party and for that purpose each Party specifically waives, as respects the other Party only, any immunity under the Worker's Compensation Act, RCW Title 51.

D. Both Parties recognize that this waiver was the subject of mutual negotiation. In the event any Party incurs attorney's fees, costs or other legal expenses to enforce the provisions of this Agreement against the other Party, all such fees, costs and expenses shall be recoverable by the prevailing Party.

E. No liability shall attach to any of the Parties by reason of entering into this Agreement except as expressly provided herein.

F. Each Party agrees that it will include in any contract which is related to the work of this Agreement a provision requiring the contractor to defend, indemnify and hold harmless all the Parties to this Agreement against any claims arising out of or related to the work of the contractor.

G. The provisions of this Article shall survive any termination or expiration of this Agreement.

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

V. Severability

If any term or provision of this Agreement, or its application to any person or circumstance is ruled invalid or unenforceable, the remainder of this Agreement will not be affected and will continue in full force and effect.

VI. Limits of Financial Obligations/Property ownership.

Except as provided above, each Party shall finance its own conduct of responsibilities under this Agreement. No ownership of property will transfer as a result of this Agreement.

VII. Entire Agreement/Amendment

This Agreement, together with any documents incorporated by reference shall constitute the entire agreement between the Parties with respect to the Services to be provided and shall supersede all prior agreements, proposals, understandings, representations, correspondence or communications relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid and effective unless approved by both parties in writing.

WHEREFORE, the parties have executed this Agreement this _____ day of _____, _____.

Northwest Seaport Alliance

Port of Seattle

John Wolfe
Chief Executive Officer

Stephen P. Metruck
Executive Director

Date _____

Date _____

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF SEATTLE AND THE NORTHWEST SEAPORT ALLIANCE**

**Attached Support Service Directives for Calendar Year 2023
Support Service Agreement between NWSA and POS:**

- Exhibit 1 – Accounting, Finance, Treasury & Risk Management Support Services
- Exhibit 2 – Legal and Public Records Support Services
- Exhibit 3 – Information & Communication Technology and Security Support Services
- Exhibit 4 – External Relations Support Services
- Exhibit 5 – Portfolio Management Support Services
- Exhibit 6 – Capital Development Support Services
- Exhibit 7A – Port of Seattle Police Support Services
- Exhibit 7B – Security Support Services
- Exhibit 8 – Marine Maintenance Support Services
- Exhibit 9 – Central Procurement Office Support Services
- Exhibit 10 – Managing Member and Executive Support Services
- Exhibit 11 – Pier 69 Facilities Management Support Services
- Exhibit 12 – Environment and Sustainability Support Services
- Exhibit 13 – Tribal Coordination Support Services
- Exhibit 14 – Labor Relations Support Services
- Exhibit 15 – Additional Support Services as Needed
- Exhibit 16 – Equity, Diversity and Inclusion
- Exhibit 17 – Municipal, County, and State Use of NWSA-Licensed Property
- Exhibit 18 – North Harbor Customs and Border Patrol Facilities

EXHIBIT POS - 02
Service Directive for Legal 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 2024.

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

a) Legal Services

- i) Provide legal services to The NWSA associated with NWSA-licensed properties, contracts, projects managed in the North Harbor, NWSA legal matters and workplace responsibility. Coordinate with NWSA legal support and outside counsel. The major areas POS attorneys will possibly cover include: public works, construction, contracts, leasing, land use, and environmental matters for the NWSA.
- ii) Provide legal services for project-specific environmental matters, litigation, specific claims, focused contract negotiations, etc.
- iii) Coordinate services of outside counsel as appropriate.
- iv) Provide POS portion of state-mandated NWSA records management, and support for NWSA PDR requests.

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 Charges¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount, or Formula	2024 Budgeted Amount²
Attorney Services Dept# 1310	3.a.i-iii	Standard	Charge based on the standard allocation.	2.75%	\$126,689
		Direct Charge	NMFS, Trademarks, ESA, Compliance, T5 Construction (Dock Upgrade) including potential litigation, T5 Permitting.		\$94,000

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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.

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) To Be Determined.
- b) 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 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

8. Primary Contacts:

- a) NWSA – Dana Henderson
- b) POS – Pete Ramels

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

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.

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EXHIBIT POS - 03

**Service Directive for Information & Communication Technology and Security 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 2024.

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

a) Information Technology

- i) Provide technology for the POS support service groups that will be providing services to the NWSA. This may include (but is not limited to): MAXIMO, CAD, Police Systems (including 911 dispatch), Financial Systems, Project Delivery System, Construction Document Management System, Contractor Management Systems, Debt Management System, Emergency Communications, Engineering Archives, Access Control ID Badge, and GIS, as well as PC, desktop software and technology infrastructure support for those groups that are providing support to the NWSA.
- ii) Miscellaneous service requests or new Port owned equipment or software outside of services specifically listed in (i) will be charged on a time and materials basis.

b) Information Security

- i) Provide cyber security protection, detection, and response services and business continuity and disaster recovery programs for the POS support service groups that will be providing services to the NWSA. This may include (but is not limited to): MAXIMO, CAD, Police Systems (including 911 dispatch), Financial Systems, Project Delivery System, Construction Document Management System, Contractor Management Systems, Debt Management System, Emergency Communications, Engineering Archives, Access Control ID Badge, and GIS, as well as PC, desktop

**EXHIBIT POS - 03 - Service Directive:
Information & Communication Technology and Security Support Services**

software and technology infrastructure support for those groups that are providing support 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	2024 Budgeted Amount ²
Indirect Technology Support. Charges for POS service providers using technology while working for NWSA. Dept# 1910	3.a.i	Special. ICT costs are allocated to subclasses of POS service groups which are then reallocated to NWSA as appropriate.	PC Counts for Infrastructure, PC Support and Service Desk. Systems Support Costs for Business Applications.	2.74%	\$308,092
Dept# 1936		Special. (see above)	See above.	2.33%	\$135,898
Dept# 1970		Special. (see above)	See above.	3.04%	\$390,027
Direct Support Dept# 1910	3.a.ii	Direct Charge	Service requests or additional equipment requested from NWSA staff for miscellaneous IT services while they are at P69, or accessing Port of Seattle systems.	Time and materials	\$0

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 - 03 - Service Directive:
Information & Communication Technology and Security Support Services**

Indirect Information Security Support. Charges for POS service providers while working for NWSA. Dept #1980	3.b.i	Special. Costs are allocated to subclasses of POS service groups which are then reallocated to NWSA as appropriate.	PC Counts	2.82%	\$77,752
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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) To Be Determined
- b) 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. The POS technology ticketing system, Freshservice, should be used to ensure visibility regarding an outage or service issue.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

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 – David Morrison
- b) POS Information Technology – Matt Breed / Krista Sadler

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.

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EXHIBIT POS - 04
Service Directive for External Relations 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 2024.

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

a) Government Relations

- i) Represents the NWSA's legislative and transportation planning interests with local officials and staff and tribal governments in King County in collaboration with NWSA Government Affairs and Planning staff.

Commented [MR1]: Still need to discuss with Jason and Don

b) Community Relations

- i) Establish and maintain NWSA relationship with community organizations in King County to build support for the NWSA's mission and activities.

c) Communications

- i) Helps represent the NWSA to media.

**EXHIBIT POS - 04 - Service Directive:
External Relations Support Services**

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	2024 Budgeted Amount ²
External Relations Dept# 1420	3.a	Special	External Relations will provide services to The Northwest Seaport Alliance (NWSA) on issues and projects where the unique knowledge, capabilities and relationships of the POS homeport staff are essential to advancing NWSA business priorities and the Port of Seattle's Century Agenda objectives. The cost allocation is based on the estimated staff time supporting each operating division and the NWSA.	2.62%	\$260,883

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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 - 04 - Service Directive:
External Relations Support Services**

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) External Relations will provide any necessary services to the NWSA.

b) 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 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
Government Relations	Management	Develop annual legislative agenda for MM to approve and make sufficient progress toward achieving goals within.	Sufficient Progress
Community Relations	Management	Develop annual community outreach plan and make sufficient progress toward achieving goals within. NWSA staff will serve as the lead for the NWSA Annual Breakfast as well as any unplanned NWSA events in the North harbor.	Sufficient Progress

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

**EXHIBIT POS - 04 - Service Directive:
External Relations Support Services**

Communications	Management	Assist in response to media requests in timely and professional manner. The POS maritime media officer will work alongside NWSA Communications on issues residing in the North harbor. POS staff will provide maritime clips to all commissioners and appropriate staff.	Timely
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8) Primary Contacts:

- a) NWSA – Ryan McFarland/Melanie Stambaugh
- b) POS – Pearse Edwards

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. Port of Seattle Government Relations staff performing transportation planning service also will coordinate directly with NWSA’s Senior Planning Manager, as appropriate.

Commented [MR2]: Still need to discuss with Jason and Don

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EXHIBIT POS - 05

Service Directive for Portfolio Management 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 and between the Port of Seattle and The Northwest Seaport Alliance with regard to the Support Services listed above. 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 2024.

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

a) Utility, Street Use Permit & Miscellaneous Charges:

- i) For NWSA-licensed properties in King County, POS staff will coordinate with utility billing/invoicing, and current routine reporting for accounts that may not be put in the NWSA's name and must remain in the name of the property owner. Such accounts include but are not limited to street use permits, King County noxious weed and environmental charges associated with property taxes, water, and sewer accounts.
- ii) For NWSA-licensed properties in King County, for utility meters and sub-meters managed by POS but also servicing NWSA licensed property read meters and provide tenant and/or NWSA reimbursements as necessary.
- iii) Additional utility administration to include, calculate utility rates including service charges and communicate revised rates to the NWSA, assistance with utility account transitions and on-going utility account coordination, upon receipt of electronic copy of any new NWSA lease, license agreement or amendment, set-up or amend the Stormwater utility billing to be direct billed by the POS Stormwater Utility to NWSA tenants.

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

a) Utility and Lease and Data Reporting Services:

- i) Provide electronic copies of all NWSA leases, license agreements and their amendments to POS to set-up or revise stormwater billing rules and collection assistance for delinquent stormwater utility accounts servicing NWSA tenants.
- ii) Provide utility account information to POS upon request for purposes of, but not limited to, calculating annual rates, tracking property accounts and any utility data required for energy management reporting as necessary and assistance with utility account transitions and on-going utility account coordination.
- iii) Provide cargo reporting services related to the POS grain terminal lease billing terms and conditions including monthly tracking and reporting of actual grain volumes by vessel reported to POS and research on crop and trade assumptions used for forecasting.

b) Third-party Agreements:

- i) Provide management of NWSA third-party agreements located within the Terminal 46 POS premises.

Note: these services are not new and have been ongoing since the inception of the NWSA.

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

There shall be no charge for the services contemplated in this Service Directive. POS and NWSA agree that the scope of services provided to each entity is of comparable time and value. Therefore, POS and NWSA will exchange these services in lieu of a monetary cost.

6) Service Level Expectations:

a) Timely and accurate.

b) 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 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.

**EXHIBIT POS - 05 - Service Directive:
Portfolio Management Support Services**

Service Area	Type of Measure ¹	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Utilities and Lease Administration	Time-Based	Utility providers, SDOT and tax related fees are paid in a timely manner. Rate changes are provided to the NWSA in a timely manner.	N/A
Cargo Volume Reporting, Utilities, Lease Management	Time-Based	Provide reports relied upon by POS to confirm budget, billings and utility data. Lease Management of NWSA third-party Agreements. Agreements and utility documentation transmitted to the POS in a timely manner.	N/A

7) Primary Contacts:

- a) NWSA – Tong Zhu, NWSA Real Estate Director
- b) POS – Joe Pelonio

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.

POS and NWSA agree to swap the services. No financial transaction is expected for this service agreement – confirmed by Jenn on August 11th, 2023.

¹ 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

EXHIBIT POS - 06

Service Directive for Capital Development 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 2024.

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

a) Engineering (ENG)

i) POS staff may support The NWSA with engineering services for projects in King County. Services include Engineering Design, Tenant Improvement Request reviews, Construction Management & Construction Labor/Workforce, Construction Safety, Survey, Mapping & Utility Locating, and support for professional and public works contract procurement.

b) Port Construction Services (PCS)

i) NWSA may contract with Port Construction Services for small works construction services at NWSA-licensed properties in King County.

c) Waterfront Project Management (WPM)

i) POS staff may support The NWSA with project delivery and program management for NWSA projects in King County. Services for projects start with capital planning and budgeting of new projects. WPM project delivery processes include the following phases: initiation, planning, design, execution, any grant related work, grant administration, and closeout. Changes in 2024 include adding use of consultants for project management services and hiring several new staff members to handle increasing project workload.

**EXHIBIT POS - 06 - Service Directive:
Capital Development Support Services**

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	2024 Budgeted Amount ²
Engineering Dept# O1600	3.a	Project Charge	Expense Projects, Direct Charge & Project Costing overhead		\$135,885
	3.a	Special	Based on support services and activities provided by staff to each operating division and NWSA.	9.45%	\$586,386
Port Construction Services Dept #1700	3.b	Project Charge	Expense Projects, Direct Charge & Project Costing overhead		\$0
	3.b	Special	Based on support services and activities provided by staff to each operating division and NWSA.	1.70%	\$69,965
Waterfront Project Management Dept #6260	3.c	Project Charge	Expense Projects and Direct Charges & Direct Charge Markup Exp		\$685,369
	3.c	Special	Based on support services and activities provided by staff to each operating division and NWSA.	45.06%	\$612,658

**Amounts identified in this table reflect only the Operating Budget and do not include the Capital Budget spending.*

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.

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) Approval: All services provided by POS for the NWSA shall be approved and authorized by the NWSA. The NWSA Master Policy (Delegation of Authority) is the controlling document for authorization of projects.

c) 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 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
Conformance with appropriate and applicable policies and procedures	Management	Projects appropriately authorized and work completed in accordance with appropriate policies and procedures	0 Deficiencies reported on the Compliance Report

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

**EXHIBIT POS - 06 - Service Directive:
Capital Development Support Services**

Scope	Accuracy	Project definitions, as defined in the basis of design or 30% design documents, are accurate and complete	Properly documented
Budget	Accuracy	Projects are completed within authorized amounts	Project spending does not exceed current authorization
Schedule	Accuracy	Work is delivered on time	Schedules are developed and agreed to by all parties

8) Primary Contacts:

- a) NWSA – Thais Howard
- b) POS:
 - i) Engineering – Janice Zahn & Vy Donnelly
 - ii) Project Management – Tin Nguyen & Renu Patten
 - iii) Port Construction Services – Jermaine Murray & Christopher Clemetson

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 POS – 07A

Service Directive for Port of Seattle Police 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 2024.

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

a) Port of Seattle Police

i) The NWSA will contract with POS Port Police for services at NWSA-licensed properties in King County, which include:

- (1) Terminal 5
- (2) Terminal 10
- (3) Terminal 18
- (4) Terminal 46
- (5) Terminal 30
- (6) Terminal 25
- (7) Terminal 103
- (8) Terminal 104
- (9) Terminal 106
- (10) Terminal 107
- (11) Terminal 108
- (12) Terminal 115

ii) Services include, but are not limited to:

- (1) General Patrol
- (2) Traffic Management

- (3) Incident Response
- (4) Crowd Management
- (5) Community Participation
- (6) Itinerant trespassing

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	2024 Budgeted Amount ²
Police Dept# 4300	3.a	Special	The overall Allocation was based on hours assigned to particular units. Hours are provided from the Police scheduling system and Police CAD system from June 30, 2022 through June 30, 2023. Breakdown of allocation to Maritime units was determined from calls for service to specific properties.	1.96%	\$755,287

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.

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) Port of Seattle Police will provide any necessary services to the NWSA.

b) 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 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
General Patrol	Time Based	Daily frequency	3x / day
Traffic mgmt	Management	On Call	Until trucks clear
Incident response	Management	On Call	Until resolved
Crowd Mgmt	Management	On Call	Until resolved
Community mtg participation	Management	On Call	Attend
Itinerant	Time Based	Contact and referral to City	Within 24 hours

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

Intervention			
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8) Primary Contacts:

- a) NWSA – Tom Bellerud
- b) POS – Michael Villa, Mark Thomas

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.

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EXHIBIT POS – 7B

Service Directive for Security 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) for Calendar Year 2024.

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 2024.

3) Scope of Services and Costs for Service:

a) Security Support Services to be provided by POS to The NWSA include the following:

- i. POS will manage contract security services as needed at NWSA-licensed properties in King County. Those contract security charges will be billed to NWSA.
- ii. Maintain compliance with the Maritime Transportation Security Act (MTSA) at all properties.
- iii. Maintain security personnel services for properties to provide for the protection of the asset from theft, vandalism, and other criminal activities.
- iv. Maintain security personnel services and U.S. Coast Guard required Facility Security Plan (FSP) for properties to maintain compliance with MTSA and applicable laws, regulations, policies, and procedures.

- v. Provide emergency management services to ensure continuity of operations, mitigation of hazards and coordinated responses to planned and unplanned emergent/emergency events.
- vi. Maintain liaison with Federal, State, County, City and other governmental and law enforcement agencies for legal/regulatory compliance and emergency management, to include act as representative for Maritime Security Committees.
- vii. Maintain the ability of the facilities to communicate effectively on the Port of Seattle Radio System through radios provide by the Port of Seattle and operated through a Memorandum of Agreement with the tenants as part of the emergency management and security program.
- viii. Coordinate drills and exercises of security plans and emergency management activities with all Port of Seattle Maritime Properties and the appropriate federal, state, and local authorities in order to maintain regulatory/legal requirements and operational readiness.
- ix. Represent the Port of Seattle and all Maritime properties and activities at the U.S. Coast Guard Area Maritime Security Committee.
- x. Represent Washington State Public Ports on the Puget Sound Harbor Safety Committee.
- xi. Where appropriate, maintain Port of Seattle access control program and infrastructure for access to facilities in compliance with U.S. Coast Guard regulations.
- xii. Where appropriate, maintain Port of Seattle video surveillance program and infrastructure for video surveillance of Port of Seattle properties.
- xiii. Maintain Port of Seattle 24 hour a day, 7 day a week Duty Officer response telephone number for security and emergencies (206) 787-3688.
- xiv. Where appropriate, provide safety, security and emergency management training for Port of Seattle personnel, contractors, vendors, and tenants.
- xv. Where appropriate, maintain the Port of Seattle TWIC program for maritime facilities.

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	2024 Budgeted Amount ²
Contract Security Services (Maritime Security) Dept# 6910	3.a	Direct Charges	Budget/Actual expenditures for contract security at NWSA-licensed properties.		\$450,874
	3.a	Special	Variable Driven Charge allocation for department expense	26.82%	\$131,647

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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.

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

- a) Contract security guard services at Terminal 46 to provide for perimeter security, deterrence of theft, vandalism, criminal activity in the preservation of the value of the asset, and compliance with USCG MTSA requirements.
- b) Contract security guard services at other NWSA facilities not occupied by a tenant to prevent theft, vandalism, and criminal activity in the preservation of the value of the asset, and compliance with USCG MTSA requirements as applicable.

6) Service Level Expectations:

- a) Monthly billing statements for security personnel to be provided by the Port of Seattle Maritime Security program to the NWSA for services provided.
- b) The Port of Seattle provides 24 hour a day, 7 days a week security and emergency response via the Maritime Duty Officer telephone number (206) 787-3688.
- c) Other service level expectations to be determined as needed.

7) Primary Contacts:

- a) NWSA – Tom Bellerud
- b) POS – Russ Read

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.

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EXHIBIT POS - 08
Service Directive for Marine Maintenance 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 2024.

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

a) Marine Maintenance

- i) The NWSA will contract with POS Marine Maintenance for facility maintenance services at NWSA license properties in King County.
- ii) Other to be determined.

b) POS Vehicle Use by NWSA Approved Staff

- i) The NWSA shall indemnify the Port of Seattle for all damages, claims, or injuries resulting from the use of a Port vehicle. The Port self-insures its fleet for liability (damages for property or bodily injury we owe to an injured party) and physical damage to the fleet. All damages, whether to the vehicle itself or paid to an injured third party - that result from when a NWSA driver is using a Port vehicle, shall be indemnified back to the Port, by the NWSA. If a third-party driver (not the NWSA driver) is liable for damages to the Port (i.e. Port is injured party), the Port will recover damages that it's owed from the liable third party to the extent possible. However, any damages not recovered will be reimbursed to the Port from the NWSA. The Port recognizes that the NWSA has vehicle or auto insurance however that insurance applies on an excess basis to all vehicles other than those owned by the NWSA. The vehicles who NWSA will be driving are Port owned and self-insured by the Port. However, regardless of whether the NWSA has insurance that applies to pay for

damages, it's the responsibility of the NWSA to indemnify the Port for any and all damages incurred while a NWSA driver is driving a Port vehicle. The lack of insurance or an exclusion in a NWSA auto/vehicle policy of insurance does not override the NWSA's responsibility to pay for all damages that result from use of a Port vehicle.

- ii) All NWSA staff who operate POS vehicles assigned to Terminal 46 shall meet the following criteria and conform to the following processes. NWSA drivers shall:
1. Have passed scrutiny of the POS Risk Management department (Driving Abstract, EX-14 read and sign) prior to using POS vehicles.
 2. Maintain a valid Washington State driver license.
 3. Notify POS Risk Management and POS Marine Maintenance Fleet and Transportation Manager in the event of any collision, vandalism/damage, or any moving or parking violations, as they occur.
 4. Use POS vehicles only for NWSA business purposes, no personal use is permitted.
 5. Not use POS vehicles overnight, out of state, or park overnight anywhere other than Terminal 46 without prior written approval by POS Risk Management.
 6. Log every use of POS vehicles, and provide those logs to the MM Fleet and Transportation Manager monthly.
 7. Report any vehicle defects immediately to the MM Fleet and Transportation Manager or their identified support staff.
 8. Not operate any POS vehicle that is suspected of having a mechanical or safety issue, or that has warning lights illuminated in the dashboard.
 9. Not loan POS vehicles to contractors, sub-contractors, interns, or other staff who have not been approved to operate POS vehicles by POS Risk Management.

**EXHIBIT POS - 08 - Service Directive:
Marine Maintenance Support Services**

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	2024 Budgeted Amount ²
Marine Maintenance Dept# O6280	3.a	Project Charges	Project and other work as budgeted in 2024 Operating Budget. Actual charges will be for actual projects and work performed.		\$1,417,771
	3.a	Special	To be based on historical 5Y proportion of actual spending of work performed for NWSA, Maritime, Stormwater, and Economic Development Divisions.	16.08%	\$3,144,352
NWSA Mitigation Parks Dept# 6114	3.a	Special	Project and other work as budgeted in 2024 Operating Budget. Actual charges will be for actual projects and work performed.	100%	\$168,041

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.

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

- a) None.

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

- a) None.

7) Service Level Expectations:

- a) To be determined.
- b) 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 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

8) Primary Contacts:

- a) NWSA – Tom Bellerud
- b) POS – Delmas Whittaker

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

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.

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EXHIBIT POS - 09

Service Directive for Central Procurement Office 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 2024.

3) **Scope of Services to be provided by POS to The NWSA in the North Harbor**

a) **Central Procurement**

- i) Provide procurement services associated with NWSA projects managed through POS system in King County.

**EXHIBIT POS - 09 - Service Directive:
Central Procurement Office Support Services**

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	2024 Budgeted Amount ²
CPO Construction (purchasing/consulting if related to projects) Dept# 1680	3.a	Standard	Use Project Costing Charge first. The vast amount of our work is Capital with some Expense.	2.75%	\$20,829
Central Procurement Office Dept# 9205	3.a	Standard	Charge based on the standard allocation.	2.75%	\$214,169

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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.

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) Service will be provided as needed where POS Central Procurement Office can aid and assist Alliance efforts through direct procurements, allowing use of POS contracts or working collectively on mutual procurements, and emergent needs.

b) 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 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	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Services (includes Professional, Personal, and Purchased services as well as the purchase of goods) related to Public Works Projects	Provide services related to Public Works based on a mutually agreed upon schedule where staffing availability, existing contracts, and procurement efficiencies can be realized in both Harbors regarding Alliance initiatives impacting both Harbors. Prior to engaging in work in either Harbor, the home port shall have first right of refusal.	Meet mutually agreed upon schedule 80% of the time.
Services (includes Professional, Personal, and	Provide services based on a mutually agreed upon schedule where staffing availability, existing contracts, and	Meet mutually agreed upon

**EXHIBIT POS - 09 - Service Directive:
Central Procurement Office Support Services**

Purchased services as well as the purchase of goods)		procurement efficiencies can be realized in both Harbors. This does not include normal MRO and routine warehouse stock replenishment conducted by Storekeepers and Maintenance staff.	schedule 80% of the time.
Public Works Projects		Provide Public Works based on a mutually agreed schedule. Construction will remain the responsibility of the Home Port.	Meet mutually agreed upon schedule 80% of the time.

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Nora Huey

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.

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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 2024.

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

**EXHIBIT POS - 10 - Service Directive:
Managing Member/Commission Support Services-Revised effective May 2, 2024**

briefings, outreach materials, event support, document signatures and other emergent activities as necessary.

b) NWSA specific travel

- i) 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	2024 Budgeted Amount ²
Commission Office Dept #1200	3.a	Fixed Amount	Based upon agreed amount of \$250,000 per year.		\$250,000
	3.b	Direct	NWSA specific travel expenses paid by POS	Actual	TBD

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.

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:

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	At least Quarterly

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

**EXHIBIT POS - 10 - Service Directive:
Managing Member/Commission Support Services-Revised effective May 2, 2024**

		PDA, set policy and strategic direction for the NWSA.	
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

8) Primary Contacts:

- a) NWSA – Leilani Berinobis
- 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.

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EXHIBIT POS - 11

Service Directive for Pier 69 Facilities Management 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 2024.

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

a) Pier 69 Facilities Management

- i) POS will provide fully serviced office space, conference space and common use space for those POS service groups housed at Pier 69 that provide services to NWSA.
- ii) POS will provide the NWSA with use of the commission chambers, conference center, and common use space at Pier 69.
- iii) POS will provide NWSA employees visiting Pier 69 with parking access at the Bell Street Garage.

**EXHIBIT POS - 11 - Service Directive:
Pier 69 Facilities Management Support Services**

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	2024 Budgeted Amount ²
Pier 69 Facilities Management Dept #2510	3.a	Special	Allocation based on corporate allocations for some larger departments, and default corporate allocations for others, of office space occupied by Central Services groups.	3.69%	\$66,961

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

- Standard Corporate Percentage (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.
- Special Fixed Percentage (Variable by budget organization but fixed for the year)– Charges will be tracked and charged based on a fixed percentage as determined by the level of service.

² Preliminary budget amount – subject to final budget approval.

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) Pier 69 Facilities Management will provide NWSA with the same high level of service it provides to the POS.
- b) POS employees and NWSA employees visiting Pier 69 will be subject to the same policies and procedures with respect to requesting and receiving facility management services.
- c) 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 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

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 – David Morrison
- b) POS – Nick Milos

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.

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EXHIBIT POS - 12
Service Directive for Environment & Sustainability 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 Maritime Environment and Sustainability department staff (POS staff) with regard to Support Services listed in the title for The Northwest Seaport Alliance. This exhibit defines the mutually agreed upon scope of services, cost for services, charge methodology, and service level. Refer to the governing Inter-Local Agreement for terms under which these services are provided.

2) Time period:

This agreement is for calendar year 2024.

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

a) Environmental Services Administration

- i) Overall administration of environmental programs that support coordination with and delivery of services to NWSA.

b) Environment & Sustainability Services

Core Services to be provided by POS to NWSA

POS staff provides a range of tactical environmental, and sustainability services to NWSA that are necessary for maintaining our collective "license to operate." These services include:

- i) Programmatic permit development and administration. Develop and secure programmatic permits that benefit NWSA projects. These include programmatic permits for pile systems repair and maintenance, shoreline stabilization, maintenance dredging, etc.
- ii) General compliance. Prepare required permit compliance manuals and establish protocol and triggers for project reporting. Maintain SharePoint workflows and permit compliance tracking system.
- iii) Agency and stakeholder communication/consultations. Respond to calls and requests

**EXHIBIT POS - 12 - Service Directive:
Environment & Sustainability Services**

- for information outside of a specific capital project (bill time to project).
- iv) Tribal relationships, engagement, negotiations. Maintain excellent working relationships with Treaty-tribes and support negotiations related to in-water work for NWSA projects (talk with LW-vessel coordination discussions need JS's time).
 - v) Contract Procurement/Management. Procure and manage contracts needed to ensure that a full range of environmental services are available to support NWSA projects as needed.
 - vi) WRDA coordination. Meet with USACE staff regularly to review status of all current and future NWSA projects in the North Harbor and maintain relationships that ensure a high level of service under WRDA.
 - vii) Nuisance wildlife management. Provide on-call service for NWSA properties to address wildlife related problems and respond to and addresses issues that include but are not limited to osprey nests on utility poles, racoons in catch basins, peregrine falcons in warehouses, removal of deceased marine mammals, and terns nesting on rooftops.
 - viii) Spill response. Provide 24/7 on-call spill response for NWSA properties.
 - ix) Derelict vessel response. Provide 24/7 on-call service to respond to derelict vessels that exist at or threaten NWSA facilities.
 - x) Hazardous material response. Provide hazardous material assessment, illicit discharge response, and manage hazardous material disposal on NWSA projects when needed.
 - xi) Regulatory expertise and relationships. Provide expertise and relationships related to regulations, policies, procedures and staff at the following agencies/tribes: Seattle Department of Construction and Inspection; Seattle Office of Planning and Community Development; Seattle Department of Transportation; Seattle City Light; Seattle Public Utilities; Seattle City Council; Seattle Office of the Waterfront; Seattle Mayor's Office; King County Department of Permitting & Environmental Review; U.S. Army Corps of Engineers; Washington State Departments of Ecology, Natural Resources, and Fish & Wildlife; NOAA/National Marine Fisheries Service; US Fish & Wildlife Service; Environmental Protection Agency; Dredged Material Management Office; Suquamish Tribe; Muckleshoot Indian Tribe. (talk with RM/LW)
 - xii) Common coordination. If requested by the NWSA, and agreed to by POS additional POS staff time could be spent on NWSA actions for work outside of the common strategy development and beyond requirements. The actual costs (based on analysis of work activities, staff and consultant contracting time) will be covered by NWSA, applied to the project with approvals by the project lead. (No additional costs in this ILA)
 - xiii) Project delivery. All project costs including permit fees, staff time, and outside services required for permit acquisition will be tracked and charged to the individual project. Non-capital project environmental services will be covered by the allocation in the table below. (No additional costs in this ILA)

**EXHIBIT POS - 12 - Service Directive:
Environment & Sustainability Services**

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

Service Area and Department (Acct if appropriate)	Service Item (from SD title)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage, Fixed Amount or Formula	2024 Budgeted Amount ²
Environment & Sustainability Dept# O1350 Dept# 2710		Fixed Amount	Percentage of committed amount		\$100,000

- 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.

*** The Port of Seattle and the NWSA agreed that the total fixed amount for Environment & Sustainability is \$100,000. The actual direct charges and allocation among the two orgs can change, but the total will remain \$100,000 for 2024.**

*** Amounts identified in this table reflect only the Operating Budget and do not include the Capital Budget spending.**

Payment for services

POS and NWSA acknowledge that services described in the scope of services entail direct and indirect costs to provide. These costs will be transacted between POS and NWSA in a manner that is proportionate to the level of service provided by either entity, as follows:

- In 2024 and going forward, NWSA will provide a fixed amount to POS for the core environmental services identified in item (3). This reflects an accurate accounting of the services received by NWSA in relation to the actual cost to provide them. This does not include direct charges to capital programs or projects. In future years, if NWSA consistently requires additional services not included in item (3), POS and NWSA will work collaboratively to estimate the cost of the additional services and adjust the fixed fee accordingly through a new or amended agreement.

**EXHIBIT POS - 12 - Service Directive:
Environment & Sustainability Services**

- b. In 2024 and going forward, POS will provide funding for any services requested of NWSA on a case-by-case basis. Such services and the method of payment will require mutual agreement, transacted either through direct charges to POS subclasses or projects, or through special agreements for that purpose, based on current billable rates for NWSA.
- c. Specific service requests made pursuant to item (5) will be negotiated on a case-by-case basis. Such services and the method of payment will require mutual agreement, transacted either through direct charges to POS or NWSA subclasses or projects (depending on who is receiving service), or through special agreements for that purpose, based on current billable rates.

Coordination of activities which are of mutual interest but outside of the core services

In addition to activities in item (3) above, POS and NWSA routinely coordinate activities related to regional environmental initiatives, strategies, and programs, at their own cost. This coordination includes sharing of data, collaborative strategy development, and ensuring alignment between NWSA and POS environmental programs. Time spent on these coordinated activities is typically staffed and funded individually by POS and NWSA. These activities include but are not limited to:

- Northwest Ports Clean Air Strategy implementation
- Seattle Waterfront Clean Energy Strategy planning and implementation
- Emissions accounting and joint reporting
- Grant funding and public and private partnerships
- Southern Resident Killer Whale (SRKW) Orca Recovery efforts
- International and domestic engagement on shared policy issues
- Resiliency and hazard mitigation planning
- Negotiation/coordination with Muckleshoot Indian Tribe and Suquamish Tribe
- Land use planning such as feasibility studies, development proposals, city and regional regulatory or policy changes

**EXHIBIT POS - 12 - Service Directive:
Environment & Sustainability Services**

POS or NWSA may request additional staff time and resources to be allocated to the above-mentioned (or other) activities that exceeds normal “coordination.” In such case, if mutually agreed, the costs of the additional staff time and resources will be borne by the entity receiving the additional services.

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

- a) It is anticipated that the following support will be provided by the NWSA environmental team:
 - i) NWSA has common interest in meeting POS and NWSA environmental goals established by the individual ports and the commonly managed properties under the NWSA. NWSA, POT & POS staff agree to coordinate closely on regional programs, sharing data, strategy development, and alignment of programs. Time spent on these programs are staffed and paid for by each organization, although collaboration and coordination of tasks will be required and cost sharing may be agreed to. Programs of common coordination include, but are not limited to:
 - Northwest Ports Clean Air Strategy update
 - Emissions accounting
 - Awards programs including POS Environmental Excellence Awards and NWSA North Star Awards
 - SRKW Orca Recovery efforts

If requested by POS, and agreed to by NWSA, additional staff time could be spent on POS actions for work outside of the common strategy development and beyond requirements. The actual costs (based on analysis of work activities, staff and consultant contracting time) will be covered by POS, applied to the project with approvals by the project lead.

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

Service Area and Department (Acct if appropriate)	Service Item (from SD title)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2021 Budgeted Amount
Environment & Sustainability Dept# O1350 Dept# 2710	5.a.i		As mutually agreed to per text	Based on current billable rate	Undetermined – as needed basis

7) Partnership Expectations:

- a) POS and NWSA agree to:
 - i) Work cooperatively to share information
 - ii) Communicate on a regular basis via phone and meetings to keep each other apprised of issues of mutual interest
 - iii) Jointly decide level of engagement and participation
 - iv) Respond to each other's requests in a timely manner
 - v) Raise any concerns or issues in a timely manner and work cooperatively to resolve

8) Primary Contacts:

- a) NWSA – Jason Jordan (Secondary: Mindi Kellar, Deirdre Wilson, Steve Nicolas)
- b) POS – Sarah Ogier (Secondary: Jon Sloan, Alex Adams, Jane Dewell, Mike DeSota)

It is expected that the identified contact people will communicate frequently to coordinate the work, to confirm that services are provided, and to evaluate financial performance.

Commented [MD1]: @Jordan, Jason do these lists change given the changes in services provided?

**EXHIBIT POS - 13
Service Directive for Tribal Coordination 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 2024.

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

a) Tribal Coordination

- i) POS and NWSA staff will coordinate closely on tribal coordination, permits and negotiations affecting marine cargo projects.
- ii) POS staff will provide administrative and technical services in connection with Tribal Coordination activities to The NWSA.
- iii) Other to be determined.

**EXHIBIT POS - 13 - Service Directive:
Tribal Coordination Support Services**

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	2024 Budgeted Amount ²
Tribal Coordination Dept #0101	3.a	Fixed Amount	Agreements with Muckleshoot Indian Tribe and Suquamish Tribe. Actuals based on CPI increase during following year.		\$1,200,096 (for the tribal payments)

Commented [sp1]: The annual for 2023 was \$1,165,141.84. Increase for 2024 will be CPI up to a max of 5%. Looks like you've used 4% but it will likely be 5% again this year.

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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 - 13 - Service Directive:
Tribal Coordination Support Services**

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

- a) Regular engagement with POS and recognized Tribal Communities concerning items of mutual interest to resolve problems, communicate ports development plans, receive tribal concurrence necessary for issuance of ACOE permits for port projects, coordinate vessel access to port facilities with tribal treaty fishing access needs, identify government to government opportunities that could result in mutual benefits and other reasons for maintaining and growing strong relationships between the ports and federally recognized tribes.
- b) See Exhibit POS-12 for additional relevant environmental services.

6) Cost for Service and Charge Methodology – 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 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
Tribal Coordination Agreements	Management	Receive tribal concurrence on ACOE permits.	Receipt within project schedule.

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

**EXHIBIT POS - 13 - Service Directive:
Tribal Coordination Support Services**

8) Primary Contacts:

- a) NWSA – Lindsay Wolpa
- b) POS – Jon Sloan

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.

Commented [sp2]: We've moved to have @jonSloan be the primary but I'm still showing as administrator. Might want to change this to him. (though Vicki on my team process the payments still.)

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**EXHIBIT POS - 13 - Service Directive:
Tribal Coordination Support Services**

Additional Information

The Muckleshoot Indian Tribe, the Suquamish Tribe, POS, and NWSA share a common area of operations, including bay and channel areas throughout north and south Elliott Bay. Since 1995, Treaty tribes and the port have cooperated through a series of agreements, with the objective to avoid and minimize potential negative effects on Treaty-protected fishing access, in conjunction with cargo and passenger activities and infrastructure improvements at port marine terminal (and other) facilities.

Background

The Port of Seattle conducts government-to-government relations with the Muckleshoot Indian Tribe and Suquamish Tribe as federally recognized, Treaty-protected native sovereign nations.

POS long-term commitment to the Muckleshoot Indian Tribe and Suquamish Tribes relates to maintenance of usual and accustomed treaty fishing access adjacent to port marine terminal sites throughout Elliott Bay, the East and West waterways, and the Duwamish River.

Treaty tribe authority: The Muckleshoot Indian Tribe and the Suquamish Tribe have authority to exercise treaty-reserved fishing rights within their “usual and accustomed hunting and fishing areas” (U&A) in Elliott Bay, the East and West waterways in south Elliott Bay, and the Duwamish River. This includes two elements affecting port marine terminal facilities: (1) direct fishing access at marine terminal locations and (2) participation in federal decision-making for proposed port development that might affect treaty fishing access.

The tribes have treaty-reserved fishing rights in all areas required for navigational access to port facilities, so navigational and berth access to all port marine terminal facilities during fishing periods (generally August through January) must be accomplished without substantially impeding fishing activities.

Treaty tribes have equal decision-making authority with federal agencies, including the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, National Marine Fisheries Service, and Environmental Protection Agency, regarding authorizations required by the port for development, operation, and maintenance of marine cargo infrastructure. This authority also extends to federal Superfund cleanup determinations and natural resource damage and restoration requirements.

The Muckleshoot Indian Tribe and Suquamish Tribe and the port have worked to manage successful Treaty fishing access with marine cargo and passenger vessel access for many years. Experience indicates that pro-active actions taken to design, construct, and operate port facilities in a manner that avoids conflicts with Treaty fishing improves safety, reduces damage to fishing gear and vessels, allows for effective harvest, reduces the potential for delays in vessel arrivals

**EXHIBIT POS - 13 - Service Directive:
Tribal Coordination Support Services**

and departures, and reduces uncertainty for port-sponsored marine terminal development actions.

Since 1995 all capital Port of Seattle development and marine facility improvement projects, including Terminal 5, Terminal 18, Terminal 30, Terminal 91, and Terminal 115, have included agreements to compensate Treaty tribes for adverse “in-water” effects on Treaty fishing, in instances where displacement of fishing access could not be avoided or minimized. Compensation measures in most cases consisted of payments to the Muckleshoot Indian Tribe and Suquamish Tribe.

In addition, recent agreements with the Muckleshoot Indian Tribe and Suquamish Tribe have provided for coordination of fishing activities with marine terminal operations. During fishing periods, the tribes and the port have agreed on measures and funding for twenty-four-hour monitoring and management, to minimize potential disruption of net fishing, while allowing for movement of cargo and passenger vessels.

The POS and NWSA have a shared interest in continuing close coordination with both Tribes, including frequent engagement and careful attention to their treaty rights.

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EXHIBIT POS - 14
Service Directive for Labor Relations 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 2024.

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

a) Labor Relations

- i) Management and negotiation of CBA and other labor relations activities for represented employees working for POS under service agreements to NWSA (eg: Marine Maintenance, Port Construction Services).

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	2024 Budgeted Amount ²
Labor Relations Dept# 1810	3.a		Support for NWSA has been discontinued for 2024.		\$0

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

- a) None.

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

- a) None.

7) Service Level Expectations:

- a) Labor Relations will provide any necessary services to the NWSA.

b) 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 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.

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.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Labor Relations	Management	Collective Bargaining Agreements are negotiated in a timely manner so as to avoid contract expiration (and potential lost productivity)	Agreements reached prior to contract expirations

8) Primary Contacts:

a) NWSA – Don Esterbrook

b) POS – Mikel O’Brien

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.

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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

EXHIBIT POS - 15
Service Directive for Additional Support Services as Needed
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, and vice versa. 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 2024.

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

a) POS and The NWSA will provide miscellaneous additional support services as requested by one to the other. The specific scope of those services will be determined at the time of the request. These are services that are not covered by one of the other service agreement exhibits. Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined.

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	2024 Budgeted Amount ²
	3.a	Fee for Service/Special	Level of use monthly at agreed to rates	Agreed to when need for service is determined	TBD

5) Service Level Expectations:

a) To be determined for each individual service to be provided at the time of request

b) 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 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.

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.

6) Primary Contacts:

- a) NWSA – David Morrison
- b) POS – Dan Thomas/Michael Tong

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.

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EXHIBIT POS - 16

Service Directive for Equity Diversity and Inclusion Project Support

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, and vice versa. 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 2024.

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

- a) Provide high-level, strategic advice to NWSA staff and primary consultants to support the development of the long-term strategy for transitioning to zero-emission drayage trucking. Strategic advice will focus on approaches for incorporating necessary equity considerations into the strategy, including prioritizing stakeholder outcomes among those who have been disproportionately impacted by poorer environmental health and economic prosperity related to the trucking industry.
- b) POS will work closely with NWSA staff and the primary consultant, to provide strategic advice on best practices related to equitable community engagement.

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	2024 Budgeted Amount ²
Office of EDI Dept# 1460	3.a	Direct Charges	Estimated costs related to Truck Collaboration		\$50,000 for Truck Collaboration support services

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

- Standard Corporate Percentage (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.
- Special Fixed Percentage (Variable by budget organization but fixed for the year)– Charges will be tracked and charged based on a fixed percentage as determined by the level of service.

² Preliminary budget amount – subject to final budget approval.

5) Service Level Expectations:

Provide guidance and facilitation to incorporate Equity, Diversity and Inclusion (EDI) into trucker engagement strategies. Primarily work with the Puget Sound Zero Emission Truck Collaborative by supporting the NWSA staff and their primary consultants as they develop ways to incorporate equity, diversity, and inclusion into the strategy for transitioning to zero-emission drayage trucking by 2050.

6) 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 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.

- a) Provide on-going, strategic advice and support to NWSA staff and the consulting team/backbone organization to help ensure that equity goals are effectively integrated into the formation and work of the PS-ZETC, especially the development of the “Decarbonizing Drayage: Roadmap 2050” – the long-term strategy for facilitating and accelerating the transition to zero-emission drayage in the NWSA gateway.
 - i) Monthly 1.5-hour meetings with NWSA and consulting team/backbone organization, and additional as necessary
 - ii) Bi-monthly 3.5 hour meetings with the Truck Collaborative stakeholders
 - iii) Monthly Collaborative sub-committee meetings focused on “just and equitable transition”, and other sub-committee meetings, as necessary. Cadence of sub-committee meetings may vary.
 - iv) Meetings with Managing Members and the Environmental Working Group when zero emission drayage trucking topics are addressed
 - v) Other meeting as necessary and appropriate
 - vi) Review/comment on draft materials produced by the PS-ZETC (especially the Decarbonizing Drayage: Roadmap 2050)

7) Primary Contacts:

- a) NWSA – Jason Jordan
- b) POS – Bookda Gheisar

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.

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**EXHIBIT POS - 17 - Service Directive:
Municipal, County, and State Use of NWSA-Licensed Property Support Services**

**EXHIBIT POS - 17
Service Directive for Municipal, County, and State
Use of NWSA-Licensed Property
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 and between The Northwest Seaport Alliance and the Port of Seattle with regard to Support Services listed above. 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 2024.

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

- a) Municipal, county, and state organizations (collectively “Third-Party Users”) occasionally have need for temporary use of property licensed to The NWSA for lay-down, staging, and other activities in support of major capital improvement projects. Such use is formalized via a written agreement typically in the form of a Temporary Construction Easement (TCE). Depending upon the duration, scope of use, and agreement terms, payment by the Third-Party Users for use of the property may be made directly to the POS as the property owner. In such cases, these payment funds should be transferred to The NWSA as licensee/agent for the property. In the year ahead, POS expects to receive funds from the City of Seattle relating to a Memorandum of Understanding (MOU) between POS and the City of Seattle for the East Marginal Way Corridor Project. The MOU establishes the amount that the City will pay for TCEs on related POS properties including those licensed to NWSA, and NWSA participated in the negotiations. In the event other TCEs are paid directly to POS for use of NWSA licensed-property, payment for such TCEs shall be transferred by POS to NWSA pursuant to the terms of this exhibit.

**EXHIBIT POS - 17 - Service Directive:
Municipal, County, and State Use of NWSA-Licensed Property Support Services**

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 or Formula	2024 Budgeted Amount ²
Real Estate Dept #08	5	Project	The charge will be the fair market value for use of the property by the Third-Party Users as determined by an independent appraiser based upon the property attributes and characteristics (\$290,600 for the EMW Corridor Project). Such amount will be incorporated into the use agreement for the property.	100% of actual amount received for use of NWSA-licensed property	\$290,600 Plus any associated amounts in the event other TCEs are paid directly to POS for use of NWSA licensed-property.

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

- a) NWSA Real Estate will negotiate and draft, unless drafted by the Third-Party Users, the agreement by which the Third-Party Users may take temporary occupancy of NWSA-licensed property. The agreement shall state the fee for use of the property to be paid by the Third-Party Users.

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

- a) None

7) Service Level Expectations:

- a) NWSA Real Estate will provide any necessary services to the POS for these transactions regarding the drafting and negotiation of use agreements.
- b) POS will provide any necessary services to the NWSA to transfer any fee to the NWSA paid directly to the POS for use of NWSA-licensed property.

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

**EXHIBIT POS - 17 - Service Directive:
Municipal, County, and State Use of NWSA-Licensed Property Support Services**

c) 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 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
NWSA Real Estate	Management	NWSA Real Estate will negotiate and draft, unless drafted by the Third-Party Users, the agreement by which the Third-Party Users may take temporary occupancy of NWSA-licensed property. The agreement shall state the fee for use of the property to be paid by the Third-Party Users.	Agreement(s) finalized prior to commencement date for property use.
POS Finance	Management	POS Finance to transfer funds to NWSA for use of NWSA-licensed property that has been formalized via a use agreement with the Third-Party Users.	Funds transferred prior to commencement date for property use.

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 –Erin DeBroux
- b) POS – Jennifer Maietta

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.

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EXHIBIT POS -18
Service Directive for North Harbor Customs and Border Patrol Facilities
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 and between the Port of Seattle with regard to Support Services listed above for or by 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 2024, effective June 1, 2024.

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

a) None.

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

a) None.

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

Facility costs for Customs and Border Patrol in the North Harbor/ Port of Seattle.

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

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2024 Budgeted Amount
North Harbor Customs and Border Patrol facility costs Dept# 11	5	Fixed Percentage of Actual Costs	Percentage of budget based on analysis of work activities	13% of ALL actual spending related to North Harbor CBP Facility excluding Depreciation	TBD

7) Service Level Expectations:

- a) To be determined for each individual service to be provided at the time of request
- b) 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 NWSA 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 POS's business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ¹	Performance Measure (SMART – Specific, Measurable, Achievable, Relevant, Time Bound)	Target
CBP facility costs	Percent of time supporting homeport business	CBP time spent supporting homeport activities vs NWSA.	

8) Primary Contacts:

- a) NWSA – Tong Zhu
- b) POS – Jennifer Maietta

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.

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¹ 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

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

THIS INTER-LOCAL AGREEMENT (“Agreement”) is entered into by and between the Port of Tacoma, a Washington municipal corporation, (“POT”) and The Northwest Seaport Alliance, a Washington Port Public Development Authority (“NWSA”) (referred to herein individually as “Party” and collectively as the “Parties”).

WHEREAS, the Port of Tacoma and the Port of Seattle have entered into an agreement to establish The Northwest Seaport Alliance pursuant to the following federal and state authorities: (1) the FMC Discussion Agreement, (2) an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint operation and investment outside of a port’s district, (3) RCW 39.34.030, the state Interlocal Cooperation Act, and (4) pursuant to ESHB 1170, WA Session Laws of 2015-6, (Title 53.XX RCW), which authorizes the Ports to create a port development authority to use, operate and manage certain marine facilities jointly, to be known as the NWSA;

WHEREAS, in order to improve efficiency in obtaining, the services necessary for the development, redevelopment, repair and maintenance of new and existing facilities, and providing for the operation of The Northwest Seaport Alliance, NWSA and POT desire to retain support services from one another pursuant to the terms and conditions contained herein; and

WHEREAS, the Parties are authorized, pursuant to Chapter 39.34 RCW (the Inter-local Cooperation Act), to enter into this Inter-local agreement.

NOW, THEREFORE, the Parties agree as follows:

I. General Provisions for Support Services

A. Duration of this Agreement. Services to be provided under the terms of this Agreement will be provided during Calendar Year 2024. This Agreement and attached Service Directive exhibits are effective between January 1, 2024 and December 31, 2024. Subsequent Inter-Local Agreements for Support Services, if any, will be executed on an annual basis.

B. Services Provided. The NWSA and POT have agreed to provide support services to one another as defined in the Service Directive exhibits attached to this Agreement. Each Service Directive exhibit defines the scope of services, cost for services, charge methodology, and service level expectations for each service area to be provided.

C. Communications. Each Service Directive exhibit identifies the contact people for the Parties that will coordinate the work for each service area. It is expected that the identified contact people will communicate frequently, to coordinate the work, to confirm that services are

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

being provided in a manner that meets service level expectations, and to evaluate monthly financial performance of actual vs. projected spending.

D. Employment, Policies and Procedures. During the term of this Agreement, individuals providing support services will remain full-time employees of their respective employer, who shall continue to be responsible for salary, benefits and retirement contributions. Nothing contained herein shall be construed as creating an employer/employee relationship between the individuals providing support services and the entity receiving the services. Staff providing support services will follow the policies and procedures of their respective employer in conducting the work.

E. Billing Rate and Procedures. The charge for services will be determined during the budget cycle for the coming fiscal year. Based on the type of support service and as reflected on each specific Service Directive exhibit, costs will be allocated in one of the following ways: (1) monthly based on a fixed charge or formula, (2) charged to projects based on developed charge out rates or (3) performed as a fee for service based on predetermined charged out rates.

F. Independent Municipal Governments. The Parties hereto are independent governmental entities and nothing herein shall be construed to limit the independent government powers, authority or discretion of the governing bodies of each Party. It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of any Party shall be deemed, or represent themselves to be, employees of any of the other Party.

G. Legal obligations. This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law.

H. Timely Performance. The requirements of this Agreement shall be carried out in a timely manner according to a schedule negotiated by and satisfactory to the Parties.

I. Recording. Copies of this Agreement shall be posted to the web sites of the Parties.

J. Audit of Records. During the term of this Agreement, and for a period not less than six (6) years from the date of termination, records and accounts pertaining to the work of this Agreement and accounting therefore shall be kept by each Party and shall be available for inspection and audit by representatives of either Party and any other entity with legal entitlement to review said records. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall be retained until all litigation, claims, or audit finding has been resolved, even though such litigation, claim, or audit continues past the six-year (6) retention period. This provision is in addition to and is not intended to supplant, alter or amend records retention requirements established by applicable state and federal laws.

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

K. Delegations and Authorizations. Authority for NWSA expenditures reside with the Managing Members except where delegated to the CEO or his delegate. The NWSA Master Policy Delegation of Authority Resolution and the NWSA internal Delegation Policies and Procedures shall govern authorizations when support services are provided to the NWSA, including contracting and procurement activities performed by the Port of Seattle on behalf of the NWSA. Under this structure, the NWSA Deputy CEO & Chief Facilities Development shall be accountable to the NWSA CEO to manage Projects via the attached Service Directives, and The Port of Tacoma Facilities Development department shall be accountable to execute the Service Directives Project(s) on behalf of the NWSA CEO through the Deputy CEO.

II. Dispute Resolution

A. Process. The Parties' designated representatives under Paragraph III herein shall use their best efforts to resolve disputes between the Parties. If the designated representatives are unable to resolve a dispute, then each Party's responsible Project Directors shall review the matter and use their best efforts to resolve it. If the Project Directors are unable to resolve the dispute, the matter shall be reviewed by the department director or chief executive officer of each Party or his or her designee. The Parties agree to exhaust each of these procedural steps before seeking to further resolve the dispute in any other forum. Any controversy or claim arising out of or relating to this Inter-Local Agreement, or the breach thereof, which is not settled by agreement between the Parties, shall be settled by mediation in the State of Washington, in Pierce or King Counties. In the event either Party reasonably believes mediation will not result in a solution to the disagreement, mediation may be waived.

B. Controlling law & Venue. This Agreement shall be construed and enforced according to the laws of the State of Washington.

III. Notices

A. Contact Persons. Any notice, demand, request, consent, approval or communication that either Party desires or is required to give to the other Party shall be in writing addressed to the other Party at the addresses as follows unless otherwise indicated by the Parties to this Agreement:

NWSA:	David Morrison, Chief Financial Officer PO Box 1837 Tacoma, WA 98401 dmorrison@nwseaportalliance.com
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Port of Tacoma:	Erin Galeno, Chief Financial and Admin Officer PO Box 1837 Tacoma, WA 98401 egaleno@portoftacoma.com
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**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

B. Receipt. Notice shall be deemed “received” on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested, otherwise receipt if presumed three days after deposit of mail into US Mail, or by receipt of email.

IV. Indemnification and Hold Harmless

A. The Parties release each other from, and shall defend, indemnify, and hold each other and agents, employees, and/or officers harmless from and against all claims, demands, suits at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, made by or on behalf of the other Party and/or its agents, employees, officers, and/or subcontractors, arising out of or in any way related to this Agreement, unless and except to the extent the same be caused in whole or in part by the negligence of a Party or its agents, employees, and/or officers.

B. This Agreement includes a waiver of subrogation against all losses sustained by either Party and/or its agents, employees, officers, subcontractors, and/or insurers, arising out of or related to this Agreement except to the extent the Parties’ losses are caused in whole or in part by the negligence of the other Party or its agents, employees, and/or officers.

C. Each Party specifically assumes liability for actions brought by its own employees against the other Party and for that purpose each Party specifically waives, as respects the other Party only, any immunity under the Worker’s Compensation Act, RCW Title 51.

D. Both Parties recognize that this waiver was the subject of mutual negotiation. In the event any Party incurs attorney’s fees, costs or other legal expenses to enforce the provisions of this Agreement against the other Party, all such fees, costs and expenses shall be recoverable by the prevailing Party.

E. No liability shall attach to any of the Parties by reason of entering into this Agreement except as expressly provided herein.

F. Each Party agrees that it will include in any contract which is related to the work of this Agreement a provision requiring the contractor to defend, indemnify and hold harmless all the Parties to this Agreement against any claims arising out of or related to the work of the contractor.

G. The provisions of this Article shall survive any termination or expiration of this Agreement.

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

V. Severability

If any term or provision of this Agreement, or its application to any person or circumstance is ruled invalid or unenforceable, the remainder of this Agreement will not be affected and will continue in full force and effect.

VI. Limits of Financial Obligations/Property ownership.

Except as provided above, each Party shall finance its own conduct of responsibilities under this Agreement. No ownership of property will transfer as a result of this Agreement.

VII. Entire Agreement/Amendment

This Agreement, together with any documents incorporated by reference shall constitute the entire agreement between the Parties with respect to the Services to be provided and shall supersede all prior agreements, proposals, understandings, representations, correspondence or communications relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid and effective unless approved by both parties in writing.

WHEREFORE, the parties have executed this Agreement this _____ day of _____, 2022.

Northwest Seaport Alliance

Port of Tacoma

John Wolfe
Chief Executive Officer

Eric Johnson
Executive Director

Date _____

Date _____

**INTER-LOCAL AGREEMENT FOR SUPPORT SERVICES BY AND BETWEEN
THE PORT OF TACOMA AND THE NORTHWEST SEAPORT ALLIANCE**

**Attached Support Service Directives for Calendar Year 2022
Support Service Agreement between NWSA and POT:**

- Exhibit 1A – Accounting, Financial Analysis & Treasury Support Services
- Exhibit 1B – Strategic Operations Projects and Risk Management Support Services
- Exhibit 2 – Public Records Management Support Services
- Exhibit 3 – Information Technology and Business Process Support Services
- Exhibit 4 – Government Affairs Support Services
- Exhibit 5 – Communications Support Services
- Exhibit 6 – Commercial Real Estate Support Services
- Exhibit 7 – Engineering Support Services
- Exhibit 8 – Security Support Services
- Exhibit 9 – Equipment and Facilities Maintenance Support Services
- Exhibit 10 – Contracts and Purchasing Support Services
- Exhibit 11 – Executive Management Support Services
- Exhibit 12 – Commissioners Support Services
- Exhibit 13 – Portwide Infrastructure, Sitcum Office Support Services
- Exhibit 14 – Human Resources Support Services
- Exhibit 15 – Environmental and Planning Support Services
- Exhibit 16 – Marketing and Business Support Services
- Exhibit 17 – Railcar and Freight and Operations Coordinators Support Services
- Exhibit 18 – Business Development Support Services
- Exhibit 19 – Additional Support Services as Needed
- Exhibit 20 – Customs and Border Patrol Support Services

EXHIBIT POT – 01A

Service Directive for Accounting, Financial Analysis and Treasury 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 between the Port of Tacoma and 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 2024.

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

a) Accounting

- i) Customer invoicing, accounts receivable, collections and cash application for NWSA customers.
- ii) Accounts payable services for NWSA activity. (note: North Harbor (NH) Accounts Payable remains in the NH).
- iii) Payroll services for NWSA employees.
- iv) Project accounting services to support project delivery for the NWSA (note: NH project procurement and project tracking remains in the NH).
 - (1) Project cost tracking and review of project costs for proper classification.
 - (2) Capitalization policy analysis and application to projects for projects in the South Harbor (SH).
 - (3) Capital Project Spending reporting and comparison to budget, coordinate Cash Reimbursement for 50% of total project spending on monthly basis.
- v) General accounting services for SH financial transactions associated with The NWSA.

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

- (1) In conjunction with POS, provide information, resources and expertise to ensure The NWSA is in compliance with Generally Accepted Accounting Principles, Government Accounting Standards and specific Accounting policies as developed by The NWSA.
 - (2) Manage and maintain General Ledger for NH and SH activity for the recording of actual and budget data. Direct financial transactions of the NWSA to proper databases.
 - (3) Manage the capitalization of SH fixed assets by reviewing and classifying project spending into appropriate fixed asset categories.
 - (4) Services to prepare consolidated NH and SH external financial reports, support the annual financial audit, single audit in compliance with GAAP and state and federal grant guidance.
 - (5) Services to prepare consolidated NH and SH internal financial reports and monthly report packages. Review and analyze actual vs budget and prior variances and prepare explanations in the monthly financial reporting package.
 - (6) WA Leasehold and B&O excise tax reporting and filing.
- vi) Grant accounting services for SH federal and state grants.
- vii)
- (1) Grant Accounting compliance requirements with NWSA accounting in accordance with 2 CFR 200.331.
 - (2) Manage grant accounting audit and reporting.
- viii) Compliance Services
- (1) Provide guidance on compliance with policies and procedures and state statutes.
- ix) Risk Management
- (1) Provide risk management services to The NWSA for NWSA-licensed properties in support of its business operations, activities and assets. Scope includes, but is not limited to:
 - (a) processing and adjusting of claims and/or coordination of legal services.

- (2) Provide workers' compensation insurance (or equivalent State-approved self-insurance), and associated claims processing services, for NWSA and all POT employees providing support services to the NWSA.

b) Finance & Budget

- i) Finance & Budget; NWSA and POT budget staff collaborate on POT and NWSA budget tools, processes and documents as well as financial analysis as necessary to support both organizations.
- ii) Working with NWSA staff to provide Operating Budget services to include:
 - (1) NWSA depreciation forecasts for SH assets.
 - (2) Compiling budget/ forecast for POT & NWSA and house the system of record.
- iii) Working with NWSA staff to provide Capital Budget services
 - (1) Work with NWSA finance staff on North and South Harbors Capital Improvement Plan budgets, working with project teams for both harbors.
- iv) Support Financial Analysis Services to include:
 - (1) Policy
 - (a) Work collaboratively on final policy issues as initiated by any of the three entities.
 - (2) Funding.
 - (a) Assess fundability and funding options for NWSA decision on investments.

c) Treasury

- i) Provide Banking services, including but not limited to:
 - (1) Daily cash management, allowing cash functions such as payroll, accounts payable and accounts receivable.
 - (2) Manage cash balance to minimize fees and maximize interest earnings.
- ii) Provide Investment services, including but not limited to:
 - (1) Manage working capital reserve fund for NWSA.
 - (2) Manage NWSA lease security deposit.
 - (3) Manage working capital liquidity funds for South Harbor projects.

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

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ¹	Basis for Charge	Hourly Rate, Fixed Percentage for the year or Formula	2024 Budgeted Amount ²
Accounting Dept # 72	3.a	Fixed allocation %	Percentage of POT department budget based on analysis of work activities. This is net of NWSA finance services back to POT.	78.07%	\$2,835,188
Finance Dept # 72	3.b	Incl above	Incl above	Incl above	
Treasury Dept # 72	3.c	Incl above	Incl above	Incl above	

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

- a) Finance & Budget; NWSA and POT budget staff collaborate on POT and NWSA budget tools, processes and documents as well as financial analysis as necessary to support both organizations.
 - i) Working with POT staff to provide Operating Budget services to include :
 - (1) Work with POT staff to provide POT budgets.
 - (2) Provide POT depreciation forecasts for new assets.
 - (3) Compile budget/ forecast for entire NWSA & POT and support housing and managing the system of record.

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.

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

- ii)
- b) Provide Capital Budget services
 - i) Responsible for North and South Harbors, working with project teams for both harbors.
- ii) Provide Financial Analysis Services to include:
 - (1) Business Development
 - (a) Responsible for North and South Harbor analyses.
 - (b) Review NWSA analyses with POS and POT finance teams.
 - (2) Policy
 - (a) Work collaboratively on final policy issues as initiated by any of the three entities.
 - (3) Funding.
 - (a) Assess fundability and funding options for NWSA decision on investments.

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

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ³	Basis for Charge	Hourly Rate, Fixed Percentage for the year or Formula	2024 Budgeted Amount ⁴
Finance Dept # 72	5.a	Fixed allocation %	Percentage of NWSA department budget based on analysis of work activities	xx% of NWSA Finance staff costs to POT. Netted in POT allocation to NWSA	Netted in figure above

³ 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.

⁴ Preliminary budget amount – subject to final budget approval.

7) Service Level Expectations:

- a) Before January 1, 2024, agreements will be made on desired standard report formats and frequencies.
- b) Accounting services will be provided on standard schedules consistent with, and coordinating with, POT and POS accounting schedules.
- c) Retention of key financial reports and information in compliance with state requirements.
- d) 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 & NWSA 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 POT and NWSA’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ⁵	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Accounting – Accounts Receivable, Claims Processing and Receivables	Accuracy	<ol style="list-style-type: none"> 1. Revenue recognized (invoiced/ accrued) in proper periods 2. Collection procedures consistently applied to past due accounts. 	<ol style="list-style-type: none"> 1. 100% 2. 100%

⁵ 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

**EXHIBIT POT – 01A - Service Directive:
Accounting, Financial Analysis and Treasury Support Services**

Accounting – Accounts Payable, Payroll	Management	<ol style="list-style-type: none"> Public works contracts paid within statutory period. Open payables over 60 days Rec'd not invoiced report reconciled weekly Payroll checks, tax and benefit deductions and third party payments are accurate and timely processed. 	<ol style="list-style-type: none"> 100% \$0 Resolved within 1 month
Accounting – Projects	Accuracy	<ol style="list-style-type: none"> Project costs accurately reflected in the project subledger and reconciles to GL. Project reviewed and analyzed for capital vs. expense accounting before spending begins. 	
Accounting - General	Time Based	<ol style="list-style-type: none"> Monthly Fin'l package (Jan. – Nov.) – distribution date. Annual (Dec.) audited financial statements avail. 	<ol style="list-style-type: none"> 13th bus day April 30th
Accounting – Grants	Accuracy	<ol style="list-style-type: none"> Audit Findings 	<ol style="list-style-type: none"> None
Finance – Budget	Time Based	<ol style="list-style-type: none"> Complete budget by agreed upon date 	<ol style="list-style-type: none"> (date updated annually)
Finance – Financial Analysis	Time Based	<ol style="list-style-type: none"> Provide timely response and communication regarding all requested analyses. Adhere to agreed upon financial practices Review and communicate analyses in timely fashion with POS 	<ol style="list-style-type: none"> Timely 100% compliance Timely
Treasury - Banking	Management	<ol style="list-style-type: none"> Number of major banking errors, to include overdrafts and late payment release resulting in fees Maintain cash levels consistent with banking guidelines 	<ol style="list-style-type: none"> 0 errors Maintain cash levels to minimize fees
Treasury – Investments	Management	<ol style="list-style-type: none"> Maintain investments consistent with investment guidelines, prioritizing Safety, Liquidity and Return of Principle, in that order. 	<ol style="list-style-type: none"> Maximize investment subject to prudent investing.

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POT – Darren Arakaki/ Erin Galeno

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.

DRAFT

EXHIBIT POT – 01B
Service Directive for Risk Management 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/ between 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 2024.

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

a) Risk Management

- i) Provide risk management services to the NWSA for licensed properties in support of its business operations, activities and assets. Scope includes, but is not limited to:
 - (1) evaluation of risks and insurance coverage needs
 - (2) procurement of insurance
 - (3) processing and adjusting of claims and/or coordination of legal services
 - (4) consultation on risk management issues related to contracting and procurement
- ii) Provide workers' compensation insurance (or equivalent State-approved self-insurance), and associated claims management services.

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

Included in the POT to NWSA executive Department allocation

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

- a) None

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

*None.

7) Service Level Expectations:

a) Maintain cost effective property and casualty (including workers' compensation) insurance coverage, and claims management, as respects the operations and activities of The NWSA on-licensed properties.

b) 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 NWSA 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.

8) Primary Contacts:

a) NWSA – David Morrison

b) POT – Erin Galeno

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 - 02
Service Directive for Public Records Management 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 2024.

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

a) **Public Records**

- i) Coordinate overall public records management for The NWSA. Erin Galeno will serve as The NWSA Public Records Officer.
- ii) Provide management of POT portion of state-mandated NWSA records management.
- iii) Provide support for and coordinate the production of responsive records for PRR requests for the NWSA.
- iv) Meet State of Washington mandated JLARC annual reporting requirements.
- v) Coordinate with POS records/PRR management staff on management of NWSA records.
- vi) Coordinate with POS on Public Records Requests that involve records in the custody of POS.

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	2024 Budgeted Amount ²
Public Records Mgmt Dept #	3.a	Fixed amount	Fixed fee based on a percentage of time to service the NWSA for the above scope of work	n/a	Included in Executive Department Service Agreement

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

- a) Erin Galeno will service as Public Records officer for the NWSA (this is included in the POT Executive Management services agreement)

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

- a) Fully burden staff time.

7) Service Level Expectations:

- a) At NWSA formation, Public Records Management policy and procedures for The NWSA were be adopted by the Managing Members.
- b) Public Records Management activities will follow The NWSA Public Records Management policy and procedures.

c) 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.

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 POT - 02 - Service Directive:
Public Records Management Support Services**

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.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Records	Time Based	<ul style="list-style-type: none"> - Initial acknowledgment of Public Records Request sent to requester - Initial response due date communicated to requester within 5 days 	<ul style="list-style-type: none"> - 5 working days - 100%
Records	Time Based	<ul style="list-style-type: none"> - Fullfill state JLARC annual Public Records Response reporting due July 1 	<ul style="list-style-type: none"> - 100%
Records	Management	<ul style="list-style-type: none"> - Records coordinators are trained on state records retention, reporting and disclosure laws - All commissioners and records staff meet current Open Public Meetings and Open Public Records training requirements 	<ul style="list-style-type: none"> - 100% - 100%
Records	Accuracy	<ul style="list-style-type: none"> - All responsive records are identified, gathered and delivered pursuant to the request 	<ul style="list-style-type: none"> - 100%

8) Primary Contacts:

- a) NWSA – Dana Henderson
- b) POT – Erin Galeno

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

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

expectations, and to evaluate monthly financial performance of actual vs. projected spending.

DRAFT

EXHIBIT POT - 03

Service Directive for Information Technology 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 2024.

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

- a) **Information Technology** - Provide IT services directly to NWSA staff and to POT support service groups providing services to the NWSA.
 - i) Provides Information Technology **Strategic Planning** services, in alignment and partnership with NWSA stakeholders, to support NWSA business technology goals and strategies.
 - ii) Provides **Management and Administrative support**, including but not limited to: licensing; vendor management; contract management; procurement (in partnership with contracts); and IT Governance facilitation.
 - iii) Provide support for **enterprise software applications**, including but not limited to: technical support services; design and implementation of system enhancements; system selection, design and architecture; application and support vendor selection and relationship management; system roadmap/life-cycle management; system documentation; system level disaster recovery management; application project resource and SME services. Enterprise applications include, but are not limited to, systems for Core Financials, Budgeting, Payroll, Treasury, HR, Real Estate, Maintenance, Contracts, Collaboration, Records Management, Customer Relationship

Management, Breakbulk Terminal Operations, Rail Terminal Operations, Security, and Business Intelligence.

- iv) Provide support for enterprise data and databases, including but not limited to: database administration and management; volume data storage management; data quality management; integration management; Enterprise Report development; managed file transfer; managed data services; database disaster recovery management.
- v) Provide IT Project Management services, including but not limited to: IT Project Portfolio Management, including project intake, IT steering committee authorization and prioritization; IT project planning including development of budgets, resources plans and schedules; management of project scope, schedule, budget, quality, risk and communications; management of competitive vendor and product selection; IT PMO management and administration; recruitment and management of temporary Project Management and Business Analyst resources.
- vi) Provide Geographic Information System (GIS) services, including but not limited to: GIS system support and training; geospatial data management; geospatial mapping services; geospatial server and user application management; CAD services including CAD drawing management.
- vii) Provide a single point of contact Service Desk for all IT related issues, including but not limited to: computer hardware; mobile devices; video and audio conferencing; end user software and enterprise applications; data; databases; asset and lifecycle management; user account provisioning; new user IT orientation and associated services for NWSA staff.
- viii) Provides IT support for all managing members meetings that are held at the Port of Tacoma.
- ix) Provide infrastructure services, including but not limited to: hybrid cloud/physical environment management; hardware installation and maintenance; managed power distribution; backup power systems; data backup and archiving; managed load balancing; server and storage virtualization; controlled internet access; diverse firewalls and anti-malware solutions; managed email and messaging; managed authentication and authorization; managed data storage; managed cloud storage and services; managed data encryption; system selection, design and configuration; documentation and datacenter diagrams; life-cycle management; datacenter disaster recovery management; support vendor selection; service contract management.

**EXHIBIT POT – 03 - Service Directive:
Information Technology Support Services**

- x) Provide cybersecurity services, including but not limited to: end-user training; network cybersecurity monitoring; governance, risk and compliance monitoring; ongoing managed cybersecurity services; incident response, disaster recovery and business resiliency testing; development and updating of policies and procedures; risk assessments and audits; support vendor selection; service contract management.
- xi) Provide support for network services, including but not limited to: managed LAN devices; managed WAN devices; managed wired and wireless LANs; fiber and cable plants; system selection, design and configuration; documentation and network diagrams; life-cycle management; network level disaster recovery management; support vendor selection; service contract management.

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

POT IT does not charge-back or allocate costs to POT departments for services, all costs are budgeted and expensed within the Information Technology department. As such, the costs of providing these services indirectly to the NWSA should be included in the NWSA cost allocation.

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	2024 Budgeted Amount ²
Information Technology Dept #70	3.a	Fixed percentage		62.27%	\$8,899,384

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

- a) None.

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

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.

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.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Cybersecurity	Other	IT Service Availability	99.99%
Bellerophon	Other	IT Service Availability	99.90%
SharePoint/OneDrive/Teams Collaboration	Other	IT Service Availability	99.90%
Teams Communications	Other	IT Service Availability	99.90%
Desktop	Other	IT Service Availability	99.00%
PowerBI	Other	IT Service Availability	99.00%
Office Suite (Outlook)	Other	IT Service Availability	99.00%

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 – David Morrison
- b) POT – Mark Miller

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.

DRAFT

EXHIBIT POT – 04
Service Directive for Government Affairs 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 2024.

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

- a) Represents the NWSA’s legislative interests with state officials, staff and agency representatives.
- b) Represents the NWSA’s legislative interests as requested with local officials and staff and tribal governments in Pierce County.

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	2024 Budgeted Amount ²
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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.

Gov't Affairs Dept # 86	3.a,b	Fixed Percentage Allocation of actual expenses.		9.02%	\$144,608
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5) Scope of Services to be provided by The NWSA to POT

a) None.

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

a) None.

7) Service Level Expectations:

- a) Legislative issues are consistently and successfully achieved.
- b) NWSA customers receive value through active engagement on issues that impact their business operations
- c) 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.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
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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

Government Relations	Management	Develop annual legislative agenda and make sufficient progress toward achieving goals within.	Sufficient Progress
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8) Primary Contacts:

- a) NWSA – Ryan McFarland
- b) POT – Sean Eagan

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.

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EXHIBIT POT – 05

**Service Directive for Communications 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 support services (listed below) provided by the POT to NWSA. 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 2024.

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

- a) Internal communications issued by POT that includes all NWSA staff (e.g., staff newsletter, staff surveys, All-Hands mtgs, events, and other notifications.)
- b) NWSA website support functions that includes serving as liaison with website vendor on issues and requests; conduct testing of required security updates; providing support for webpage updates/postings; participating in quarterly meetings with IT to update website roadmap plan; and trouble shooting and repairing issues with the GovDelivery platform and providing data reports as requested.

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	2024 Budgeted Amount ²
Communications Dept #88	3 a, b			Fixed	\$25,000

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.

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

a) None.

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

a) None.

7) Service Level Expectations:

a) Support in the areas described above will be provided to NWSA, as needed, for the year 2024.

Measurements of the POT activities are critical to improving services and are **the basis for cost recovery** for services provided. The POT and NWSA 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
Communications	Time Based; Management	Services in the areas listed in 3) above are provided as requested by NWSA	Projects completed

8) Primary Contacts:

- a) NWSA: Melanie Stambaugh, Director of Communications
- b) Port: Carol Bua, Communications Director

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

EXHIBIT POT - 06
Service Directive for Real Estate 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 regarding 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 2024.

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

(1) Work related to street vacations supporting NWSA customers.

Per email confirmation from Debbie Shepack dated August 22nd, 2023. 10 % of Gloria's cost and 5% of the cost of the new property manager. Fixed cost of \$28,575 in 2024.

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	2024 Budgeted Amount ²
Commercial Real Estate Dept # 08	3.a	Fixed Amount	Fixed		28,575

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

a) None

6) Cost for Service and Charge Methodology – 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 Measure ³	Performance Measure	Target
Lease admin	Accuracy, Time Based	Accurate and timely billing of utilities	<i>Billed by the 20th of the month</i>
			n/a

8) Primary Contacts:

- a) NWSA – Tong Zhu NWSA Real Estate Director
- b) POT – Debbie Shepack

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.

DRAFT

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

EXHIBIT POT - 07
Service Directive for Engineering 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 regarding 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 2024.

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

a) Project Delivery

(1) Contacts

- (i) NWSA – Don Esterbrook
- (ii) POT Engineering – Thais Howard

ii) POT staff will provide The NWSA with project delivery administration.

iii) POT staff will provide The NWSA with project delivery for NWSA projects in Pierce County. Services for projects start from the initial phase of project initiation to the last phase of project closeout. Engineering project delivery processes include the following phases: initiation, planning, design, execution, any grant related work and closeout. Changes in 2024 include adding use of consultants for project management services and hiring several new staff members to handle increasing project workload.

iv)

b) Construction Inspection (NWSA: Don Esterbrook, POT: T. Howard)

i) POT staff will provide construction inspection services for NWSA projects in Pierce County.

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	2024 Budgeted Amount ²
Project Delivery, Administration, Construction Inspection Services Dept #50	3.a,b	Project Charges	Project-Specific Agreements	Hourly Rate Schedule \$210.24	Costs for “Expense” project are included in operating expenses. Capital Projects will be authorized in accordance with the applicable Master Policy.

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

- a) POT Engineering Department Management**
 - i) Provide management of POT engineering staff**
 - ii) Provide engineering advice to POT Executive**
 - iii) Provide oversight and management of POT projects.**

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

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.

**EXHIBIT POT - 07 - Service Directive:
Engineering Support Services**

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges ³	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2024 Budgeted Amount ⁴
Project Delivery, Administration, Construction Inspection Services Dept #50	5.a	Project Charges	Project-Specific Agreements	Fixed Fee	30% of NWSA Director of Engineering charged to POT Executive Department via NWA executive Department

7) Service Level Expectations:

- a) Project Delivery: Project delivery and construction inspection will be provided in accordance with the authorization for projects.
- b) Approval: All services provided by POT for the NWSA shall be approved and authorized by the NWSA. The NWSA Master Policy is the controlling document for authorization of projects. Execution of work shall be consistent with relative policies and procedures for each organization.
- c) Request for Services: All requests for services shall be documented and include scope of work, period of performance, cost of service, and any other information necessary for describing the work and how it shall be completed. Any changes to the agreed to terms of services shall be documented and agreed to by all parties.
- d) 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.

³ 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.

⁴ Preliminary budget amount – subject to final budget approval.

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.

Service Area	Type of Measure ⁵	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Conformance with appropriate and applicable policies and procedures	Management	Projects appropriately authorized and work completed in accordance with appropriate policies and procedures	0 deficiencies reported on the Compliance Report
Scope	Accuracy	Project definitions, as defined in the basis of design or 30% design documents, are accurate and complete	Properly documented
Schedule	Accuracy	Work is delivered on time	Schedules are developed and agreed to by all parties
Budget	Accuracy	Projects are completed within authorized amounts	Project spending does not exceed current authorization

8) Primary Contacts:

- a) NWSA – Don Esterbrook
- b) POT – Thais Howard

⁵ 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

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.

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EXHIBIT POT - 08

**Service Directive for Security 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 2024.

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

a) Security

- i) The NWSA will contract with POT for Port Patrol and Security associated with NWSA-licensed properties in Pierce County.
- ii) POT security employs a proprietary IWLU security workforce. Security services will be provided as needed at NWSA properties. These security charges will be billed to NWSA.
- iii) Maintain compliance with the Maritime Transportation Security Act (MTSA) at all properties.
- iv) Maintain security personnel services for properties to provide for the protection of the asset from theft, vandalism and other criminal activities.
- v) Maintain security personnel services and U.S. Coast Guard required Facility Security Plan (FSP) for properties to maintain compliance with MTSA and applicable laws, regulations, policies and procedures.

b) Emergency Management & Preparedness

- i) Provide emergency management services to ensure continuity of operations, mitigation of hazards and coordinated responses to planned and unplanned emergent/emergency events.

- ii) Maintain liaison with Federal, State, County, City, United States Coast Guard, DOD, MARAD, other governmental and law enforcement agencies for legal/regulatory compliance and emergency management, to include act as representative for Maritime Security Committees.
- iii) Maintain the ability of the facilities to communicate effectively on the Port of Tacoma 800 MHz Radio System through radios provide by the Port of Tacoma and operated through a Memorandum of Agreement with the tenants as part of the emergency management and security program.
- iv) Coordinate drills and exercises of security plans and emergency management activities with all Port of Tacoma Maritime Facilities and the appropriate federal, state and local authorities in order to maintain regulatory/legal requirements and operational readiness.
- v) Represent the Port of Tacoma and all Maritime properties and activities at the U.S. Coast Guard Area Maritime Security Committee General and Executive.
- vi) Provide representation to the Puget Sound Harbor Safety Committee, along with Port of Tacoma operations staff
- vii) Where appropriate, maintain Port of Tacoma access control program and infrastructure for access to facilities in compliance with U.S. Coast Guard regulations.
- viii) Where appropriate, maintain Port of Tacoma video surveillance program and infrastructure for video surveillance of Port of Tacoma properties.
- ix) Maintain Port of Tacoma 24 hour a day, 7 day a week security services.
- x) Where appropriate, provide safety, security and emergency management training for Port of Tacoma personnel, contractors, vendors and tenants as required.
- xi) Where appropriate, maintain the Port of Tacoma TWIC program.

c) ICT Information Security

- i) Cyber Security protection, detection and response support services.
- ii) Cyber security Training as required for all Port of Tacoma Security personnel

2) Cost for Service and Charge Methodology – POT to the NWSA:

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2024 Budgeted Amount²
Security Dept # 40	3.a	Fee for Service	Direct hourly Charge per Officer by classification:	\$112	\$1,097,606
Security Dept # 40	3.a,b,c	Fixed percentage	Percentage of POT department budget based on NWSA licensed property	48.23% of actual spending	\$1,815,456

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

a) None.

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

a) None.

5) Service Level Expectations:

a) 24/7/365 Port Patrol Security Force in Pierce County

b) Protection of Port of Tacoma and the NWSA personnel and licensed properties in Pierce County

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.

- c) Focus on physical security ensuring compliance with the Port of Tacoma Security Facility Plan as mandated by MTSA and CFR 33 Part 105.
- d) Coordinate Yearly and quarterly Strategic MARAD reports and associated work
- e) Sustaining a safe and secure free flow of commerce
- f) Coordinate with local and regional safety and security organizations.
- g) 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.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Coast Guard	Management	Maintain Coast Guard requirements.	No audit findings.
Crime Rates	Management	Maintain lowest crime rate in Tacoma within Port of Tacoma jurisdiction, as measured on Tacoma Police Department's quarterly report.	
Liaison with other government agencies Liaison with MARAD and DOD	Management	Maintain close partnerships with other law enforcement agencies in the Puget Sound and the USCG Maintain Strategic Port Status	Notice to be given within 30 days if there are any significant issues to report relative to the NWSA or the POT

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

			Consistent Reporting to MARAD and DOD
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6) **Primary Contacts:**

- a) NWSA – Tom Bellerud
- b) POT – Louis Cooper

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.

DRAFT

EXHIBIT POT - 09

Service Directive for Equipment and Facilities Maintenance 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 anthe 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 2024.

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

a) Equipment Maintenance

i) The POT will provide mechanical and electrical maintenance services, which include, but are not limited to, the maintenance of cranes, strads, vehicles, forklifts and generators used by NWSA activities.

b) Facilities Maintenance

i) The POT will provide facilities maintenance to NWSA licensed properties, which includes, but is not limited to, plumbing, carpentry, electrical, buildings and grounds maintenance, environmental maintenance and track maintenance.

c) Special administrative projects that are above and beyond the day-to-day services will be charged at the Equipment or Facilities rate depending on the scope of the project.

**EXHIBIT POT - 09 - Service Directive:
Equipment and Facilities Maintenance Support Services**

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	2024 Budgeted Amount ²
Equipment Dept # 54	3.a	Hourly Rate	Time, Materials, and Overhead	Hourly Rate \$187.76 Allocation – Charged as a percentage or formula, applied monthly to the actual expenditures	Direct charges included in operating expenses
Facilities Dept # 58	3.b	Hourly Rate	Time, Materials, and Overhead	Hourly Rate \$158.91 Allocation – Charged as a percentage or formula, applied monthly to the actual expenditures	Direct charges included in operating expenses

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

a) None.

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.

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

- a) None.

7) **Service Level Expectations:**

- a) Customer input regarding prioritization of work will be discussed on a regular basis.
- b) **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.

DRAFT

**EXHIBIT POT - 09 - Service Directive:
Equipment and Facilities Maintenance Support Services**

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Equipment Maintenance	Management	Crane Uptime	99.6%
Equipment Maintenance	Management	Strad Availability	100%
Equipment Maintenance	Management	Preventative & Corrective Maintenance Work Order - Monthly	WO Completed-80% WO in Progress-17% WO Cancelled-3%
Facilities Maintenance	Management	Preventative & Corrective Maintenance Work Order - Monthly	WO Completed-80% WO in Progress-17% WO Cancelled-3%
Facility Maintenance	Management	Service Request Completion	100%
Facility Maintenance	Management	Stormwater Compliance <ul style="list-style-type: none"> • Source Control • ISGP • MS4 	100%

8) Primary Contacts:

- a) NWSA – Tom Bellerud
- b) POT – Erin Galeno

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

EXHIBIT POT - 10

Service Directive for Contracts and Purchasing 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 2024.

3) **Scope of Services to be provided by POT to The NWSA in the South Harbor**

a) Procurement of Public Works services and products, Consulting Services (Personal and Professional), and the Purchase of Goods and Purchased Services, and grant administration.

**EXHIBIT POT - 10 - Service Directive:
Contracts and Purchasing Support Services**

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

Service Area and Department # (Acct if appropriate)	Service Item (from list above)	Method of Charges¹	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2024 Budgeted Amount²
Contracts Dept# 74	3.a	Fixed Percentage	Percentage of POT department budget based on analysis of work activities	50% of actual spending	\$740,921
Purchasing Dept# 74	3.a	Incl Above	Incl Above	Incl Above	Incl Above
Grant Administration Dept# 74	3.a	Incl Above	Incl Above	Incl Above	Incl Above

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

- a) None. Chief Financial Officer services for POT Homeport business are included in the Executive Management Support Service Directive.

5) Cost for Service and Charge Methodology – NWSA to POT

- a) None.

6) Service Level Expectations:

- a) Procurement timelines will be mutually developed and managed. The customer will be informed of any changes.
- b) Administration of contracts will be in compliance with POT policies and procedures as well as with federal, state and local requirements.
- c) Performance Measures and Metrics:

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.

**EXHIBIT POT - 10 - Service Directive:
Contracts and Purchasing 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 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.

Service Area	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Services (includes Professional, Personal, and Purchased services as well as the purchase of goods) related to Public Works Projects	<i>Provide services related to Public Works based on a mutually agreed upon schedule where staffing availability, existing contracts, and procurement efficiencies can be realized in both Harbors regarding Alliance initiatives impacting both Harbors. Prior to engaging in work in either Harbor, the home port shall have first right of refusal.</i>	<i>Meet mutually agreed upon schedule 80% of the time.</i>
Services (includes Professional, Personal, and Purchased services as well as the purchase of goods)	<i>Provide services based on a mutually agreed upon schedule where staffing availability, existing contracts, and procurement efficiencies can be realized in both Harbors. This does not include normal MRO and routine warehouse stock replenishment conducted by Storekeepers and Maintenance staff.</i>	<i>Meet mutually agreed upon schedule 80% of the time.</i>
Public Works Projects	<i>Provide Public Works based on a mutually agreed schedule. Construction will remain the responsibility of the Home Port</i>	<i>Meet mutually agreed upon schedule 80% of the time.</i>

7) Primary Contacts:

- a) NWSA – David Morrison

b) POT – Erin Galeno / Director of Contracts and Purchasing

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.

DRAFT

EXHIBIT POT – 11
Service Directive for Executive Management 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 2024.

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

- a) Services for the Chief Financial and Administration Officer to manage the Finance, Accounting, Treasury, budgeting, contracts and procurement and public records activities on behalf of the NWSA.
- b) Public Records process for the NWSA.
- c) POT will make available Diversity, Equity and Inclusion (DEI) training to NWSA Staff

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

- a) A fixed fee for 10% of the Chief Financial and Administration Officer and 20% of Public Records staff salary and fringe costs based on historical analysis of work activities.
- b) Fixed cost of \$25,000 for DEI based on total HC

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

- a) Services of the identified NWSA Executive Management Team members to manage POT Homeport business. Positions are Deputy CEO (5%), and Chief Operations Officer (20%), and Director of Engineering (30%). The NWSA CFO will continue to provide support to POT Financial Analysis & Treasury team at 5%.
- b) Services of NWSA commission administrative support staff will not provide support for POT Commission activities.

6) Cost for Service and Charge Methodology – NWSA to POT and POT to 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	2024 Budgeted Amount ²
No charges for 2024					

7) Service Level Expectations:

a) Executives/staff effectively prioritize and manage business activities associated with the NWSA and Port of Tacoma.

b) 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.

**EXHIBIT POT – 11 - Service Directive:
Executive Management Support Services**

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Executive Management/ Staff	Other	Establish annual goals and expectations.	Quarterly progress reports on status
Public Records	Timely and complete	All NWSA Public Records requests are processed by state requirements.	Acknowledge recent of request within 5 business days. 100% compliance with all NWSA public records.
POT Commission materials	Timely and complete	Commission meeting materials are complete and timely.	

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POT – Erin Galeno

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

EXHIBIT POT – 12
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 2024.

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, 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	2024 Budgeted Amount ²
Commission Support Dept # 60	3.a	Fixed Total	POS and POT charge same amount	Fixed	\$250,000
	3.b	Direct	NWSA specific travel expenses paid by POS	Actual	TBD

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.

**EXHIBIT POT – 12 - Service Directive:
Commissioners Support Services-Revised effective May 2, 2024**

Service Area	Type of Measure ³	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 – Leilani Berinobis
- b) POT – Alisa Praskovich

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

EXHIBIT POT - 13

Service Directive for Portwide Infrastructure, Sitcum Office

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 2024.

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

a) Sitcum Office

- i) POT will provide fully serviced office, conference room space and common area space at 1 Sitcum Plaza for staff in Tacoma that provide services to NWSA and NWSA staff who have their primary office in the South Harbor.

b) Fabulich Building (or alternative facilities for MM Meetings)

- i) POT will provide fully serviced commission chambers, conference room space and common area space at 1 Sitcum Plaza for staff in Tacoma that provide services to NWSA.

c) Portwide Infrastructure

- i) POT will maintain infrastructure – roads, entrances, exits common areas as required by regulatory agencies and maintain a safe working environment at Port of Tacoma facilities.

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	2024 Budgeted Amount ²
Sitcum Dept 90	3.a-b	Fixed sq ft rate	Department Headcount Allocation including depreciation	Fixed amount	\$851,765
Portwide Infrastructure Dept 30	3.c	Fixed Percentage of costs excluding depreciation		75%	\$744,121

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

- a) None

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

- a) None

7) Service Level Expectations:

- a) Office and conference room spaces are available and fully functional with the same high level of service it provides to the POT.
- b) Infrastructure – common areas, entrances, exits, roads are in maintained and functional with the same high level of service it provides to the POT.
- c) 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.

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.

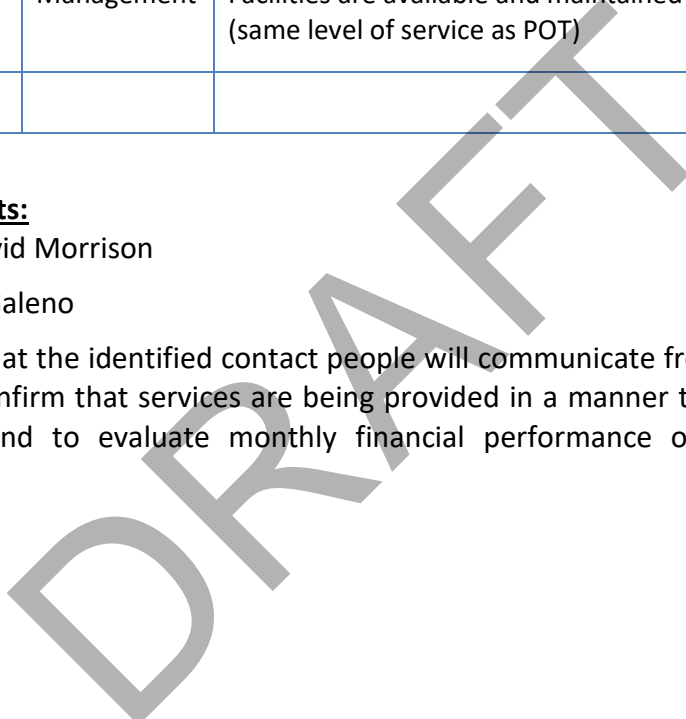
Measurements of the Port of Tacoma activities are critical to improving services and are **the basis for cost recovery** for services provided. The Port of Tacoma and The Northwest Seaport Alliance have identified activities critical to meeting The NWSA’s business requirements and have agreed upon how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

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Portwide Infrastructure	Management	Facilities are available and maintained (same level of service as POT)	100%

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POT – Erin Galeno

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

EXHIBIT POT - 14
Service Directive for Human Resources 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 2024.

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

a) Human Resources

- i) Provide services to evaluate and implement salary and benefits for NWSA employees.
- ii) Provide services to support NWSA employee relations, professional development, compensation/classification, leave administration, retention, recruiting and hiring.
- iii) Provide services to support NWSA organizational development and team building.
- iv) Work closely with benefits broker to insure cost competitive rates with vendors.

b) Labor Relations

- i) Management and negotiation of CBA and other labor relations activities for represented employees working for POT under service agreements to NWSA.

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	2024 Budgeted Amount ²
Human Resources Dept# 76	3.a-b	Fixed Percentage	Percentage of POT department budget based on analysis of work activities	62.27% of actual spending. Based on existing methodology adjusted for HC changes	\$1,012,628

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

a) None.

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

a) None.

7) Service Level Expectations:

- a) Employee information is handled in compliance with all applicable laws.
- b) Salary and benefit programs are designed based on competitive market data.
- c) 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.

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.

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.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Human Resources - Recruitment	Time Based	- Respond to all parties as it relates to recruitment, clearly communicating process and status thereof	- 48 hour response in most circumstances
Human Resources – Employee Relations	Time Based	- Respond to all questions and requests, clearly communicating process and status thereof	- 48 hour response in most circumstances
Human Resources – Performance Management	Time Based	- Complete performance management process to allow for on time pay increase	- Pay increase effective 4/1
Human Resources - Leave Administration	Time Based	- Administer leaves in compliance with federal, state, local regulations and Port/NWSA policies	- In compliance with regulations and policies

8) Primary Contacts:

- a) NWSA – David Morrison
- b) POT – Jean West

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

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

expectations, and to evaluate monthly financial performance of actual vs. projected spending.

DRAFT

EXHIBIT POT - 15
Service Directive for Environmental and Planning 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 2024.

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

a) Environmental and Planning

i) POT Permitting and Remediation staff will provide The NWSA with project delivery for NWSA projects. Services include planning, permitting, SEPA/NEPA, environmental remediation and habitat mitigation.

(1) POT Permitting staff, at the request of the NWSA, may manage NWSA federal service liaison positions.

(2) POT staff, at the request of the NWSA, may assist with NWSA lease reviews and associated property management.

ii) POT staff will fill key roles for NWSA environmental program management. NWSA, POT & POS staff will coordinate closely on regional air quality, land use, transportation and facility planning and water quality (stormwater) management programs.

iii) For projects completed in King County or of regional significance, POT and NWSA staff will coordinate with Port of Seattle Maritime Division staff, including but not limited to permitting, SEPA/NEPA, project management, land use, transportation and facility planning, construction management, regional environmental policies and programs (e.g. ORCA/Underwater Noise, mitigation banking, and federal/state regulatory policy) and design services as requested.

**EXHIBIT POT - 15 - Service Directive:
Environmental and Planning Support Services**

Note: This does not restrict staff from working on NWSA projects in King County, but for budgeting purposes, the assumption is that, project delivery will be within each homeport geography.

- iv) POT Environmental Services staff will provide oil and hazardous material cleanup response, hazardous material cleanup, illicit discharge response and management of hazardous material disposal on NWSA projects as needed.

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	2024 Budgeted Amount ²
Environmental Project/Program/Initiative/Lease Support Dept# 48	3.a.i-iii	Project Charges	Project-Specific Agreements; allocation based on where work occurs (licensed/non-licensed properties) shoreline or land area or as otherwise agreed to.	Hourly Rate Schedule \$188	Costs for “Expense” project are included in operating expenses
Oil and Hazardous Material Cleanup Response Dept# 48	3.a.iv	Project Charges	Already budgeted in POT, no charge.	Included above	Included above

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.

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

- a) Planning and Environmental Programs (POT: E. Johnson, NWSA: J. Jordan)
- i) NWSA staff will provide services to POT for port facility planning, land use planning, transportation planning, strategic planning, air quality and water quality (stormwater) management programs, and grant management coordination related to POT Non-Alliance properties.
 - ii) NWSA, POT, & POS staff will collaborate and share information on land use plans and projects and environmental initiatives and programs.
 - iii) NWSA staff will provide project-specific planning and environmental support to POT as requested, for POT Non-Alliance properties.
 - iv) NWSA Environmental Services staff will provide hazardous material cleanup response, hazardous material cleanup, illicit discharge response and management of hazardous material disposal on POT projects if requested.

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

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula	2024 Budgeted Amount
Planning Programs Dept# 80	5.a.ii	Fixed	Percentage of NWSA department costs based on analysis of work activities	36% of actual spending	\$-Needs to be recalculated
Air, Water Quality Environmental Project/Program/initiative Support Dept# 48	5.a.i	Project Charges	Project-Specific Agreements	Hourly Rate \$188	Costs for "Expense" project are included in operating expenses
Oil and Hazardous Material Cleanup Response Dept# 48	5.a.iii	Project Charges	Already budgeted in NWSA, no charge.	Included above	Included above

7) Service Level Expectations:

**EXHIBIT POT - 15 - Service Directive:
Environmental and Planning Support Services**

- a) Approval: All services provided by POT for the NWSA shall be approved and/or authorized by the NWSA or their designated representative. The NWSA Master Policy is the controlling document for authorization of projects. Execution of work shall be consistent with relative policies and procedures for each organization.
- b) Request for Services: All requests for services shall be documented. Any changes to the agreed to terms of services shall be documented and agreed to by all parties.
- c) 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.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Environmental & Planning	<i>Time Based</i>	- <i>Timely response to request</i>	- <i>w/in 24 hrs</i>
Planning	<i>Time Based</i>	- <i>Timely notice of change in scope, schedule or budget</i>	<i>Within 24 hours of change</i>
Oil and Hazardous Material Clean up	<i>Time Based</i>	- <i>Manage clean up</i> - <i>Notification to reg agencies</i> - <i>Future preventon plan</i>	- <i>w/in 24 hrs</i> - <i>w/in 48 hrs</i> - <i>w/in 72 hrs</i>

8) Primary Contacts:

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

- a) NWSA – Jason Jordan
- 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.

DRAFT

EXHIBIT POT - 16
Service Directive for Marketing and Business 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 Northwest Seaport Alliance with regard to Support Services listed below for The Port of Tacoma. 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 2024.

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

a) None.

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

a) None.

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

a) Provide market intelligence, research, reporting, data and support services to various POT departments including Finance, Environmental, Public Affairs etc.

b) Provide monthly tracking and reporting on the POT grain terminal and yearly forecasting including research on crop and business assumptions.

(Eric – After our conversation a week or so ago, I learned that we have been doing this for POT since the inception of NWSA. Thought I should include it in the service agreement?)

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

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	2024 Budgeted Amount ²
<u>Marketing & Business Support</u> Dept #82	3.a-d	Fixed Amount	Negotiated amount	Fixed Fee	\$60,000

7) Service Level Expectations:

- a) Effectively prioritize and manage business activities associated with the NWSA and Port of Tacoma.
- b) Provides timely strategic planning and commercial support for Port of Tacoma businesses.
- c) 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 Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target

8) Primary Contacts:

- a) NWSA – Tong Zhu
- 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.

Suggested changes to Eric 8/10/2023

DRAFT

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

EXHIBIT POT - 17

Service Directive for Railcar and Freight and Operations Coordinator 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 2024.

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

a) Customer Service

- i) The NWSA will contract with POT for railcar coordinators and freight coordinators and Operations support for work associated with NWSA-licensed properties in Pierce County.

**EXHIBIT POT - 17 - Service Directive:
Railcar and Freight and Operations Coordinator Support Services**

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	2024 Budgeted Amount ²
<u>Customer Service Dept 16</u>	3.a	Fixed Percentage	Percentage of POT department budget based on analysis of work activities	100 % of actual spending	\$1,814,772

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

a) None.

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

a) None.

7) Service Level Expectations:

- a) Operations resources are available for efficient operations and timely service delivery.
- b) Manage operating costs using best operational best practices to maximize profitability.
- c) 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

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.

**EXHIBIT POT - 17 - Service Directive:
Railcar and Freight and Operations Coordinator Support Services**

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
Customer Service	Accuracy	Deliver billing information to billing department	5 days after vessel
		Dock Receipt copy to shipping line	Daily
		Customs Clearance	Daily
		Damage Reporting	Daily
		Accurate OSD Reporting	Daily
		Manifest Reception and Accuracy	Daily
		Yard inventory	Daily
Railcar Coordinators	Accuracy	Order rail cars into NIM yard (switch request)	Daily
		Performance Reporting	Daily/Weekly
		Accountability Reports	Daily
		Planning Container loading	Daily
		Receiving Rail cars into the NIM yard	Daily
		Coordinating Rail car inspections with TTX	Daily
Freight Coordinators	Accuracy	Track and Tracing Rail cars and containers	Daily
		Customs Clearance Paperwork	Daily

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

**EXHIBIT POT - 17 - Service Directive:
Railcar and Freight and Operations Coordinator Support Services**

		Accurate inputs for containers (DIMS, Weights, ETC)	Daily
		Customer interaction via phone call, email	Daily
		Ensure destinations are accurate in all systems	Daily
		Track and Tracing Rail cars and containers	Daily

8) Primary Contacts:

- a) NWSA – Tom Bellerud/Bob Meyer
- b) POT – Erin Galeno

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.

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EXHIBIT POT - 18

Service Directive for AUTO Business Development Support Services (Taylor Way Auto Facility)

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 Northwest Seaport Alliance with regard to Support Services listed below for The Port of Tacoma . 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 2024.

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

a) None.

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

a) None.

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

a) Management of Taylor Way Auto Facility business

b) Marketing of Taylor Way Auto Facility business

c) Quarterly update meetings between the primary contacts (Eric Johnson/Tong Zhu)

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

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2023 Budgeted Amount
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**EXHIBIT POT - 18 - Service Directive:
Business Development Support Services**

Business Development Dept# 20	5.a	Fixed Percentage	Percentage of budget based on analysis of work activities	12% of actual spending	\$243,323
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7) Service Level Expectations:

- a) To be determined for each individual service to be provided at the time of request
- b) 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 NWSA 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 POT's business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ¹	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Revenue management	Management	Monitor auto volumes to ensure that minimum payment is accurately identified and invoices	Estimated \$2.9 million revenue

8) Primary Contacts:

- a) NWSA – Tong Zhu
- 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

¹ 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

expectations, and to evaluate monthly financial performance of actual vs. projected spending.

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EXHIBIT POT - 19
Service Directive for Additional Support Services as Needed
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 2024.

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

- a) POT will provide miscellaneous additional support services as requested by The NWSA. The specific scope of those services will be determined at the time of the request. These are services that are not covered by one of the other service agreement exhibits. Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined

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	2024 Budgeted Amount ²
	3.a	Fee for Service/Variable	Level of use monthly at agreed to rates	Agreed to when need for service is determined	

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

- a) NWSA staff will provide miscellaneous support services to POT if requested by POT. The specific scope of those services will be determined at the time of the request. These are services that are not covered by one of the other service agreement exhibits. Charges will be tracked and charged based on level of use monthly at rates agreed to when need for service is determined

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

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2024 Budgeted Amount
	5.a	Fee for Service/Variable	Level of use monthly at agreed to rates	Agreed to when need for service is determined	\$XXX,XXX.XX

7) Service Level Expectations:

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.

- a) To be determined for each individual service to be provided at the time of request
- b) 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.

Service Area	Type of Measure ³	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
Example - Accounting	<i>Time Based</i>	- <i>Days to complete monthly close</i> - <i>Days to complete quarterly close</i>	- <i>X days</i> - <i>X days</i>
Example - Finance	<i>Time Based</i>	<i>Meet budget deadlines:</i> - <i>Complete Prelim Budget Document</i> - <i>Present Prelim Budget in Study Session</i> - <i>Present Final Budget to MM</i>	<i>10/2/2019</i> <i>10/30/2019</i> <i>11/13/2019</i>
Example - Treasury	<i>Management</i>	<i>Maintain Cash on Hand consistent with policy</i>	<i>(input calculation here)</i>
Example - Payroll	<i>Accuracy</i>	- <i># payments requiring manual intervention</i> - <i>Number of out of cycle payments</i>	<i>___ pmts</i> <i>___ pmts</i>
Example – Planning	<i>Time Based</i>	- <i>Days to complete an assigned project</i>	- <i>X days</i>

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 – David Morrison
- b) POT – Erin Galeno

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.

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EXHIBIT POT -20

Service Directive for Tacoma Harbor Customs and Border Patrol Facilities

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 and between the Port of Tacoma with regard to Support Services listed above for or by 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 2024 (no change proposed)

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

a) None.

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

a) None.

5) Facility costs for Customers and Border Patrol in the South Harbor/ Port of Tacoma.

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

Service Area and Department (Acct if appropriate)	Service Item (from list above)	Method of Charges	Basis for Charge	Hourly Rate, Fixed Percentage or Formula & Dept	2024 Budgeted Amount
Tacoma Harbor Customs and Border Patrol facility costs Dept# 11	5	Fixed Percentage of Actual Costs	Percentage of budget based on analysis of work activities	10.5% of ALL actual spending related to Tacoma Harbor CBP Facility	\$63,779

7) Service Level Expectations:

- a) To be determined for each individual service to be provided at the time of request
- b) 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 NWSA 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 POT’s business requirements and have agreed upon how these activities will be assessed.

Service Area	Type of Measure ¹	Performance Measure (SMART - Specific, Measurable, Achievable, Relevant, Time Bound)	Target
CBP facility costs	Percent of time supportin homeport business	CBP time spent supporting homeport activities vs NWSA.	

8) Primary Contacts:

- a) NWSA – Tong Zhu
- 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.

¹ 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

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