

# ILWU Local 22 Terminal Security Officers CBA & Security Services Agreement



**Action I** - Request Commission approval for the Port of Tacoma to enter into a five-year labor agreement with ILWU Local 22 Terminal Security Officers.

**Action II** – Request Commission approval to execute a five-year Security Services Agreement between SSA Terminals (Tacoma) LLC and the Port of Tacoma.

# Background



- October of 2009, the Commission approved a contract to provide APMT with security services in exchange for APMT payment, through December 31, 2017.
- APMT provided notice to POT of its lease termination effective October 2, 2017.
- SSA Terminals (Tacoma) began operating the terminal on October 2, 2017, in accordance with the Lease and Operating Agreement with the Port of Tacoma.
- October 19, 2017 Commission approved the transfer of the Security Services Agreement, from APMT to SSA Terminals (Tacoma) the agreement was extended through April 30, 2018.

# Background



- Under the authority of the Chief Executive Officer the security services contract agreement was extended through July 17, 2018 via the first and second amendment.
- Commission later approved the 3<sup>rd</sup> and 4<sup>rd</sup> Amendment to the Security Services Agreement which extended the agreement through December 31, 2018.
- The Port has an established labor workforce which consists of represented Terminal Security Officers (Regular and Relief TSOs).
- All Officers are covered by the Local 22 Terminal Security Officers CBA.

## Action I - ILWU Local 22 Terminal Security Officers Labor Agreement

- Contract Length – five years, from November 1, 2018 through October 31, 2023
- All TSOs will receive an annual across-the-board wage increase of \$1.00
- In addition to the annual wage increases, the Port will pay the 11/1/2018 \$1.00 increase retroactive to 11/1/2017.

# CBA Contract Provisions



- Maintain existing medical and dental insurance coverage for all eligible employees in the ILWU Local 22 TSO bargaining unit with no out of pocket employee premiums for the duration of the CBA.
- ILWU Local 22 TSO eligible employees will receive vision insurance coverage
- Additional eight (8) days of PTO, for a total of 32 days per year.

## Action II - Security Service Agreement with SSA Terminals (Tacoma) LLC

- Five year Service Agreement between SSA Terminals (Tacoma) LLC - November 1, 2018 through October 31, 2023
- The Port of Tacoma will provide, manage, and maintain a uniformed protective port security and response force for the physical protection of the SSAT Terminals (Tacoma).
- SSAT shall be liable for all costs associated, for the services provided

# Financial Summary



<u>Estimated Cost/Revenue</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total for Contract</u>
Est. Contract Revenue	\$1,531,989	\$1,616,593	\$1,704,862	\$1,797,154	\$1,893,861	<b>\$8,544,458</b>
Est. TSO Total Cost	(\$1,372,784)	(\$1,449,148)	(\$1,528,569)	(\$1,611,725)	(\$1,698,975)	<b>(\$7,661,202)</b>
Est. Operating Margin	\$159,205	\$167,444	\$176,293	\$185,429	\$194,885	<b>\$883,256</b>

\*\*\*Estimated Return on Revenue 10%

## Next Step



Following approval by the Commission, the Chief Executive Officer or his designee will enter into a five-year labor agreement with ILWU Local 22 Terminal Security Officers and execute a five-year Security Services Agreement between SSA Terminals (Tacoma) LLC and the Port of Tacoma.

