

Long Range Plan 2018-2022 Update (2 of 2) for Commission

September 26, 2017

Outline

- Long Range Plan (LRP) Recap
- Century Agenda Objectives 1, 4, 10, 12, and 14
- High Performance Org Objectives 1 and 2
- Next Steps

LRP Recap

- LRP Review 1 of 2 held July 25th
 - Provided LRP key accomplishments to date
 - Shared 20 of 27 LRP Objectives for 2018 - 2022
- Commission feedback from July 25th applied to latest 2018 – 2022 LRP Draft Document

LRP SCORECARD



CENTURY AGENDA

STATUS	Strategy 1: Logistics Hub
<ul style="list-style-type: none"> 	<p>Objective 1 - Grow seaport annual container volume to more than 3.5 million TEUs</p> <p>Objective 2 - Optimize infrastructure investments & financial returns w/ Washington Ports</p> <p>Objective 3 - Triple air cargo volume to 750,000 metric tons</p> <p>Objective 4 - Triple the value of our outbound cargo to over \$50 billion</p> <p>Objective 5 - Double the economic value of the fishing and maritime cluster</p>
STATUS	Strategy 2: Tourism & Business Gateway
<ul style="list-style-type: none"> 	<p>Objective 6 - Make Sea-Tac Airport the West Coast "Gateway of Choice" for international travel</p> <p>Objective 7 - Double the number of international flights and destinations</p> <p>Objective 8 - Meet the region's air transportation needs at the Airport for the next 25 years & encourage the cost effective expansion of domestic and int'l PAX & cargo service</p> <p>Objective 9 - Double the economic value of cruise traffic to Washington state</p>
STATUS	Strategy 3: Small Business & Workforce Development
<ul style="list-style-type: none"> 	<p>Objective 10 - Increase the proportion of funds spent by the Port w/qualified small business firms on construction, consulting, goods and services to 40 percent of the eligible dollars spent</p> <p>Objective 11 - Increase workforce training, job and business opportunities for local communities in maritime, trade, travel and logistics</p>
STATUS	Strategy 4: Greenest & Most Efficient Port
<ul style="list-style-type: none"> 	<p>Objective 12 - Meet all increased energy needs through conservation and renewable</p> <p>Objective 13 - Meet or exceed agency requirements for storm water</p> <p>Objective 14 - Reduce air pollutants and carbon emissions</p> <p>Objective 15 - Anchor the Puget Sound urban industrial land use to prevent sprawl</p> <p>Objective 16 - Restore, create, & enhance 40 additional acres of habitat in the Green/Duwamish watershed and Elliott Bay</p>



HIGH PERFORMANCE ORGANIZATION

STATUS	Strategy 1: Customer Satisfaction
<ul style="list-style-type: none"> 	<p>Objective 1 - Improve Customer Service and Public Engagement</p> <p>Objective 2 - Improve process efficiencies & effectiveness</p>
STATUS	Strategy 2: Safety
<ul style="list-style-type: none"> 	<p>Objective 3 - Reduce occupational injury rate & severity rate</p> <p>Objective 4 - All managers will lead safety performance</p>
STATUS	Strategy 3: One Port
<ul style="list-style-type: none"> 	<p>Objective 5 - Strengthen the culture and act as a single organization with a shared vision</p> <p>Objective 6 - Increase Port-wide common & standardized language, business processes, tools, & measures</p>
STATUS	Strategy 4: Diversity & Inclusion
<ul style="list-style-type: none"> 	<p>Objective 7 - Increase management accountability for diversity & inclusion (D&I)</p> <p>Objective 8 - Increase percentage of employees who agree that the Port is committed to D&I</p> <p>Objective 9 - Increase awareness internally and actively share D&I programs externally</p>
STATUS	Strategy 5: Talent Development
<ul style="list-style-type: none"> 	<p>Objective 10- Develop our employees' capabilities</p> <p>Objective 11 - Foster employee development and leverage talent</p>

Status Key

- Not Started
- Completed
- On Track
- Mitigation to be developed..
- In Progress

Obj. for 9/12 review

Proposed Key Updates 2018-2022 LRP

Century Agenda Strategy 1: Position the Puget Sound region as a premier international logistics hub

OBJ 1: GROW SEAPORT ANNUAL CONTAINER VOLUME TO MORE THAN 6 MILLION TEUs

Priority Actions

- Implement Safe and Swift Corridors program
- Deepen internal supply chain partnerships to grow container volume
- Develop T106 to maximize trans-load & supply chain benefits
- Increase public outreach of comprehensive transportation system

Key 2018 Milestones

- Finalize 1990's street vacation to support development of T5
- Carry out interim fixes for the East Marginal Way improvement projects
- Advance the South Spokane Street Corridor planning, including approval of Federal Quiet Zones designations
- Release Request for Proposal for T106

OBJ 4: TRIPLE THE VALUE OF OUR OUTBOUND CARGO TO OVER \$50 BILLION

Priority actions dependent on completion of marine cargo economic impact study. Assessment needed to determine measurement value of this Century Agenda objective.

Challenges Ahead

1. Resources and stakeholder focus needed for implementation
2. Rapid growth of Seattle adds element of competition with evolving supply chain needs

Proposed Key Updates 2018-2022 LRP

Century Agenda Strategy 3: Use our influence as an institution to promote small biz growth & workforce dev.

OBJ 10: INCREASE THE PROPORTION OF FUNDS SPENT W/ QUALIFIED SMALL BUSINESSES ON CONSTRUCTION, CONSULTING, GOODS & SERVICES TO 40% OF THE ELIGIBLE \$s SPENT

Priority Actions

- Expand training and engagement
- Further build a more versatile and active supplier base
- Assess and implement best practice

Key 2018 Milestones

- Develop Commission policy to increase Minority Women Business Enterprise (MWBE) utilization
- Develop framework for collaboration with public sector partners
- Conduct 10 PortGen training workshops
- Publish supplier list to internal buying audience
- Create data tracking and compliance processes
- Implement key elements of the City of Seattle model
- Advance policy to achieve goals and process alignment
- Establish division level goals and process for accountability
- Address integration of internal systems

Challenges Ahead

1. Authorization of funds to support the Center for Public Sector Contracting
2. Improved procurement forecasting / coordination to focus education and engagement opportunities
3. Prioritization of technology deployment projects and availability of data for supplier database
4. Commission support needed for policy updates that advance priorities
5. Leadership commitment needed to ensure Port-wide application of small business LRP objective and priority actions

Century Agenda Strategy 5: Be the greenest, and most energy efficient Port in North America

OBJ 12: MEET ALL INCREASED ENERGY NEEDS THROUGH CONSERVATION & RENEWABLES

Priority Actions

- Develop an integrated One-Port baseline of energy use
- Source renewable natural gas (RNG)
- Deploy solar energy panels
- Implement energy efficiency projects

Key 2018 Milestones

- Develop smart metering plan for airport properties
- Develop smart metering plan for Fisherman's Terminal
- Find common elements among Aviation & Maritime plans
- Evaluate total project costs to source RNG
- Execute on a key solar project for Maritime & Aviation
- Implement Stage 3 Mechanical Initiative at Airport
- Begin design on lighting projects for Airport terminal
- Upgrade lighting at Bell Street Parking Garage

Challenges Ahead

1. Metering plans subject to budget approval
2. Uncertainty with RNG costs and project risks
3. Solar projects benefits should be optimized
4. Increase in energy use expected with upcoming capital programs at airport

Century Agenda Strategy 5: Be the greenest, and most energy efficient Port in North America

OBJ 14: REDUCE AIR POLLUTANTS AND CARBON EMISSIONS

Priority Actions

- Provide sustainable aviation fuel at Airport
- Source renewable natural gas (RNG)
- Implement Northwest Ports Clean Air Strategy (NWPCAS)
- Optimize maritime habitat restoration sites to sequester carbon

Key 2018 Milestones

- Develop funding strategies to reduce the incremental cost to airlines
- Evaluate total project costs to source RNG
- Complete the Draft Fuel Efficiency Plan for Maritime operations
- Implement cargo handling equipment efficiency for cruise operations
- Incorporate NWPCAS clean construction practices into Port procedures
- Complete baseline analysis to determine carbon sequestered in existing PORTfolio habitat sites and parks

Challenges Ahead

1. Achieving significant biofuel use will take time and stakeholder coordination
2. Uncertainty with RNG costs, timing, and project risks
3. NWPCAS provides significant air quality benefits, but less carbon benefits
4. Carbon sequestration methodology and results highly uncertain

Proposed Key Updates 2018-2022 LRP

High Performance Org Strategy 1: Increase Customer Satisfaction

OBJ 1: IMPROVE CUSTOMER SERVICE & PUBLIC ENGAGEMENT

Priority Actions

- Execute the airport's multi-layered customer service plan approach
- Utilize system to track & improve external customer satisfaction for corporate properties and maritime
- Develop public awareness & engagement survey

Key 2018 Milestones

- The airport's Customer Experience Partners Council (CEPC) will develop and adopt service standards for appearance, employee engagement, and knowledge of airport staff
- Develop and adopt airport-wide customer service recognition program
- Implement airport-wide customer experience training
- Conduct 2018 Maritime annual survey, analyze results, and identify areas of improvement
- Conduct update of 2016 county-wide public perception survey to measure progress on public awareness of the Port

Challenges Ahead

1. Adequate investment to support Aviation customer service plan
2. Aviation's external stakeholder capacity and schedule to commit to long range customer service efforts
3. Public Affairs reaching new audiences through social media

Proposed Key Updates 2018-2022 LRP

High Performance Org Strategy 1: Increase Customer Satisfaction OBJ 2: IMPROVE PROCESS EFFICIENCIES & EFFECTIVENESS

Priority Actions

- Develop procedures, policies, and tools to manage internal customer satisfaction
- Develop infrastructure to support continuous process improvement (CPI) efforts and promote a Port culture embracing Lean
- CPI conducted at key areas Portwide
- Execute Procurement Excellence

Key 2018 Milestones

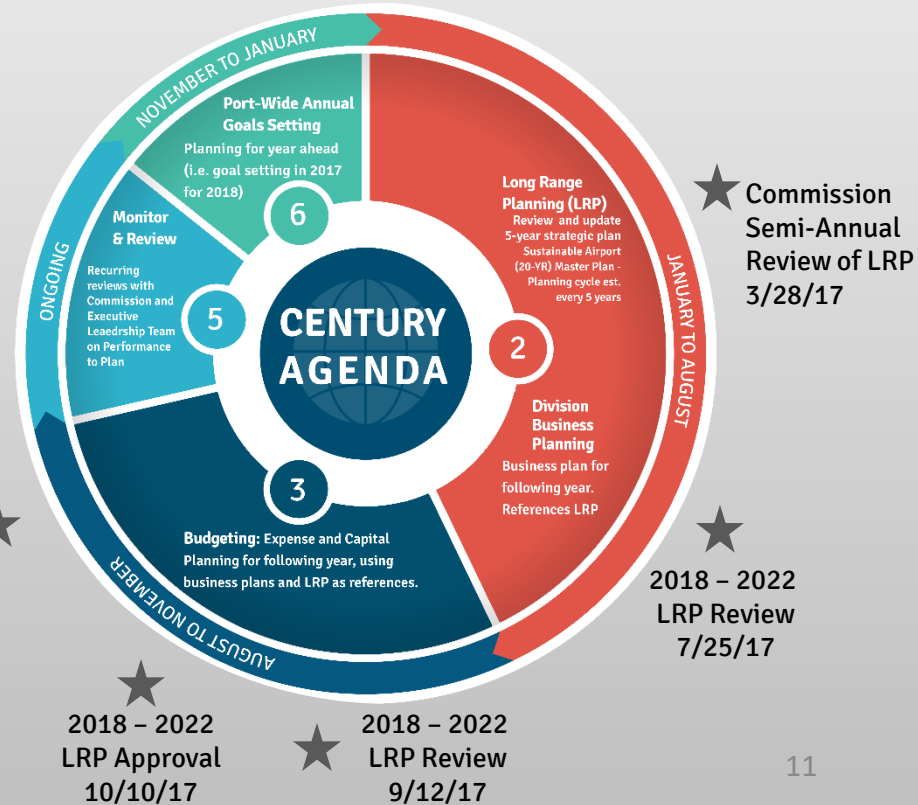
- Establish service request on-time completion metrics and targets for Aviation Maintenance and Marine Maintenance departments
- Create a formal Port Lean Specialist Certification Program
- Complete five Aviation Baggage and Passenger flow process improvement events
- Create visual systems in Aviation and Maritime Divisions to prioritize and track improvements
- Evaluate and identify improvements for Central Procurement Office (CPO) service directive and service directive modification processes

Challenges Ahead

1. The ability of Port staff to monitor key metrics and take action when targets are missed
2. Getting Port staff and partners at all levels to embrace the culture of process improvement
3. CPO staff balancing day-to-day requirements and demanding workload with Procurement Excellence efforts

Strategic Planning Cycle

Annually	Commission Approval of LRP Updates
Semi-Annually	Commission Review of LRP Implementation
Monthly	Executive Leadership Team (ELT) LRP Performance to Plan Reviews + Dashboard updates
Bi-weekly	LRP Program Implementation Review



Next Steps

<u>Date</u>	<u>Activity</u>	<u>Purpose</u>
● March - August	Development of 2018 – 2022 LRP	Evaluate and revise current LRP
● July 25th	Commission Reviews 2018 – 2022 LRP draft	Receive Commission Feedback
● September 12th	Commission Reviews 2018 – 2022 LRP draft	Receive Commission Feedback
● October 10th	Request for Commission Authorization of 2018 -2022 LRP followed by implementation	Receive authorization on LRP updates
● November 17th	Semi-Annual Performance to Plan LRP review with Commission	Review of LRP progress with Commission
● March 2018	Semi-Annual Performance to Plan LRP review with Commission	Review of LRP progress with Commission