



# Port of Seattle Regular Commission Meeting

July 8, 2025



## COMMISSION REGULAR MEETING AGENDA

July 8, 2025

To be held virtually via MS Teams and in person at Port of Seattle Headquarters Building, Commission Chambers, located at 2711 Alaskan Way, Seattle Washington. You may view the full meeting live at [meetings.portseattle.org](https://meetings.portseattle.org). To listen live, call in at +1 (206) 800-4046 or (833) 209-2690 and Conference ID 358 233 669#

### ORDER OF BUSINESS

10:30 a.m.

#### 1. CALL TO ORDER

2. **EXECUTIVE SESSION** – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

#### ▶ 12:00 a.m. – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. **APPROVAL OF THE AGENDA** (*at this time, commissioners may reorder, add, or remove items from the agenda*)

#### 4. SPECIAL ORDERS OF THE DAY

#### 5. EXECUTIVE DIRECTOR'S REPORT

#### 6. COMMITTEE REPORTS

7. **PUBLIC COMMENT** – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

During the regular order of business, those wishing to provide public comment (in accordance with the Commission's bylaws) on Commission agenda items or on topics related to the conduct of Port business will have the opportunity to:

**1) Deliver public comment via email:** All written comments received by email to [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) will be distributed to commissioners and attached to the approved minutes. Written comments are accepted three days prior to the meeting and before 9 a.m. on the day of the meeting. Late written comments received after the meeting, but no later than the day following the meeting, will be included as part of the meeting record.

**2) Deliver public comment via phone or Microsoft Teams conference:** To take advantage of this option, please email [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) with your name and agenda item or topic related to the conduct of Port business you wish to speak to by 9:00 a.m. PT on Tuesday, July 8, 2025. ***(Please be advised that public comment is limited to agenda items and topics related to the conduct of Port business only.)*** You will then be provided with instructions and a link to join the Teams meeting.

**3) Deliver public comment in person by signing up to speak on your arrival to the physical meeting location:** To take advantage of this option, please arrive at least 15 minutes prior to the start of any regular meeting to sign-up on the public comment sheet available at the entrance to the meeting room to speak on agenda items and topics related to the conduct of Port business.

**For additional information**, please contact [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org).

**8. CONSENT AGENDA** (*consent agenda items are adopted by one motion without discussion*)

- 8a. Approval of the Special Meeting Minutes of June 16 and 17, 2025, and the Regular Meeting Minutes of June 24, 2025. **(no enclosure)**
- 8b. Monthly Notification of Prior Executive Director Delegation Actions June 2025. **(memo enclosed)** – For Information Only.
- 8c. Approval of the Claims and Obligations for the Period of June 1, 2025, through June 30, 2025, Including Accounts Payable Check Nos. 958346 through 958748 in the Amount of \$7,668,006.04; Accounts Payable ACH Nos. 074791 through 075600 in the Amount of \$133,386,342.45; Electronic Fund Transfer Nos. 069454 through 069472 in the Amount of \$26,420,379.77; Payroll Check Nos. 229071 through 229173 in the Amount of \$134,545.59; and Payroll ACH Nos. 1254646 through 1259760 in the Amount of \$20,726,529.10, for Total Payments of \$188,335,802.95. **(memo enclosed)**
- 8d. Authorization for the Executive Director to Authorize Design and Preparation of Construction Bid Documents for the Biffy Facility Improvements Project; to Advertise, Award, and Execute a Major Works Construction Contract; to Execute Related Project Change Orders, Amendments, Work Authorizations, Purchases, Contracts and Take Other Actions Necessary to Support and Deliver the Project within the Approved Budget; and to Authorize Use of Port of Seattle Crews to Support Design and Construction Activities, in the Requested Amount of \$6,000,000, for a Total Estimated Cost of \$6,300,000. (CIP #C801411). **(memo and presentation enclosed)**
- 8e. Adoption of Resolution No. 3836: A Resolution Amending Resolution No. 3737 and the Diversity in Contracting Policy Directive to Increase Women and Minority Business Opportunities. **(memo, resolution, and previously adopted resolution 3737 enclosed)**
- 8f. Authorization for the Executive Director to Execute a New Collective Bargaining Agreement Between the Port of Seattle and the International Brotherhood of Electrical Workers, Local 46, Representing Five Utility Workers Assigned to the Port of Seattle Aviation Maintenance Department, Covering the Period from June 1, 2023, through May 31, 2026. **(memo and agreement enclosed)**
- 8g. Authorization for the Executive Director to Execute a Memorandum of Understanding Related to the 2018 Project Labor Agreement Between the Port of Seattle and Seattle/King County Building and Construction Trades Council and Western States Regional Council of Carpenters. **(memo and agreement enclosed)**
- 8h. Authorization for the Executive Director to Approve Additional Funding to Award and Execute the Validation Period of the Major Public Works Progressive Design Build Contract for the T91/P66 Cruise Shore Power Extension Project, in the Requested Amount of \$1,100,000, for a Total Project Authorization of \$10,450,000. (CIP #C801983) **(memo and presentation enclosed)**

## 10. NEW BUSINESS

- 10a. Authorization for the Executive Director to Advertise and Execute a General Contractor, Construction Manager Construction Contract and Authorize Pre-Construction Services for Concourse HVAC Infrastructure Renewal Replacement Project at Seattle-Tacoma International Airport, in the Requested Amount of \$11,000,000, for a Total Project Authorization of \$18,250,000 (CIP # C801265) **(memo and presentation enclosed)**

## 11. PRESENTATIONS AND STAFF REPORTS

- 11a. 2026 Budget Development Briefing. **(memo and presentation enclosed)**

## 12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

## 13. ADJOURNMENT

Minutes for Approval  
To Be Distributed Under Separate Cover



**COMMISSION  
AGENDA MEMORANDUM  
FOR INFORMATION ONLY**

**Item No.** 8b  
**Date of Meeting** July 8, 2025

**DATE:** June 30, 2025  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Karen R. Goon, Deputy Executive Director

**SUBJECT: Monthly Notification of Prior Executive Director Delegation Actions June 2025**

**APPROVAL SUMMARY**

Notification of the following Executive Director delegated approvals that occurred in June 2025

<b>Category of Approval</b>	<b>Request#</b>	<b>Description of Approvals June 2025</b>	<b>Category Amount</b>
Projects & Associated Contracts	2067-2025	Pumphouse Valve and Vent Replacement	\$1,700,000.00
Projects & Associated Contracts	2039-2025	Budget and Procurement Authorization for Up to Three Buses for Employee Parking	\$1,650,000.00
Projects & Associated Contracts	2108-2025	Shilshole Bay Marina Dock A Rehab 30% Design Funding	\$500,000.00
Projects & Associated Contracts	2079-2025	MIC Drainage Improvements	\$1,325,000.00
Projects & Associated Contracts	2017-2025	2025 Purchase of Telehandler for Marine Maintenance Operations	\$325,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2085-2025	POSPD Rifle Purchase	\$350,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2104-2025	Revised Letter of Agreement with SEA FAA Air Traffic Control Tower SEA-003 v2025-06	\$0.00
Real Property Agreement		No Approvals in June	\$0.00
Utilization of Port Crews		No Approvals in June	\$0.00
Sale of Surplus Port Property		No Approvals in June	\$0.00
<b>Total Value of Executive Director Approvals</b>			<b>\$5,850,000.00</b>

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**TRANSPARENCY:**

In approving the delegations for the Executive Director, the Commission requested that staff ensure transparency is built into the process. As a result, staff will make approvals visible to the public in two ways. First, these types of approvals will be made visible in public Commission meetings via monthly reporting like this one. Approvals are both timed and designed to be visible in a similar manner to the monthly Claims and Obligations reporting. Second, staff will publish these delegations in a PeopleSoft formatted report on the Port website in the same manner that all procurements, contracts, and other opportunities are made available to public communities.

**BACKGROUND:**

On January 24, 2023, the Commission approved and adopted Resolution No. 3810 that repealed related prior resolutions and increased the previously delegated Commission authority to the Executive Director and provided clarity in process directives to port staff. The approval made the Delegation of Responsibility and Authority to the Executive Director (DORA) effective on April 3, 2023.

The foundation for Resolution No. 3810 included significant data analysis, employee surveys, and internal audit recommendation. Resolution No. 3810 also aligns with the Port Century Agenda in that it helps make the Port a more effective public agency. Considerations and checks and balances have been built into the associated processes of Executive Director approvals including a high bar of transparency.

Following significant analysis and multiple Commission reviews, the Commission approved the DORA on January 24, 2023. That reporting memo is available for review on the Port website under the January 24, 2023, Commission public meeting, and it provides detailed reasoning and explanation of Resolution No. 3810.

**COMMISSION  
AGENDA MEMORANDUM**

Item No. 8c

**ACTION ITEM**

Date of Meeting July 08, 2025

**DATE:** June 30, 2025  
**TO:** Steve Metruck, Executive Director  
**FROM:** Eloise Olivar, AFR Assistant Director Disbursements  
**SUBJECT:** **Claims and Obligations – June 2025**

**ACTION REQUESTED**

Request Port Commission approval of the Port Auditor's payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period June 01 through 30, 2025 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	958346	958748	\$7,668,006.04
Accounts Payable ACH	074791	075600	\$133,386,342.45
**Accounts Payable Electronic Fund Transfer (EFT)	069454	069472	\$26,420,379.77
Payroll Checks	229071	229173	\$134,545.59
Payroll ACH	1254646	1259760	\$20,726,529.10
<b>Total Payments</b>			<b>\$188,335,802.95</b>

*\*\* This line item includes one wire transfer totaling \$8250*

Pursuant to RCW 42.24.180, "the Port's legislative body" (the Commission) is required to approve in a public meeting, all payments of claims within one month of issuance.

**OVERSIGHT**

All these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port's operating and capital budget is approved by resolution in December for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port's budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract - if they are below the thresholds the Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.

Meeting Date: July 08, 2025

Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor's Office and the Port's independent auditors.

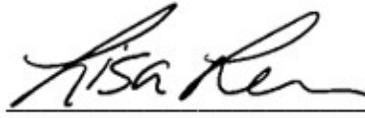
For the month of June 2025, over \$167,474,728.26 in payments were made to nearly 656 vendors, comprised of 2,807 invoices and over 16,882 accounting expense transactions. About 97 percent of the accounts payable payments made in the month fall into the Construction, Payroll Taxes, Employee Benefits, Leasehold Taxes, Contracted Services, Utility Expenses, Environmental Remediation, Janitorial Services, Sales Taxes and Maintenance Inventory. Net payroll expense for the month of June was \$20,861,074.69.

**Top 10 Payment Category Summary:**

<b>Category</b>	<b>Payment Amount</b>
Construction	110,477,456.47
Payroll Taxes	13,231,468.91
Employee Benefits	10,976,400.06
Leasehold Taxes	8,318,552.63
Contracted Services	7,997,482.40
Utility Expenses	3,134,926.46
Environmental Remediation	2,389,705.39
Janitorial Services	2,280,355.96
Sales Taxes	1,528,724.31
Maintenance Inventory	1,363,222.94
Other Categories Total:	5,776,432.73
Net Payroll	20,861,074.69
<b>Total Payments</b>	<b>\$188,335,802.95</b>

Meeting Date: July 08, 2025

Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.

  
\_\_\_\_\_  
**Lisa Lam/Port Auditor**

At a meeting of the Port Commission held on July 08, 2025, it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor's payment of the above salaries and claims of the Port:

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**Port Commission**



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

8d

**ACTION ITEM**

**Date of Meeting**

July 8, 2025

**DATE:** June 26, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Keri Stephens, Director, Aviation Facilities and Capital Programs  
Eileen Francisco, Director, Aviation Project Management

**SUBJECT: Biffy Facility Improvements Project (CIP #C801411) - Design & Construction Authorization**

**Amount of this request:** \$6,000,000

**Total estimated project cost:** \$6,300,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to 1) authorize design and preparation of construction bid documents for the Biffy Facility Improvements project, 2) advertise, award, and execute a major works construction contract, 3) execute related project change orders, amendments, work authorizations, purchases, contracts, and take other actions necessary to support and deliver the Biffy Facility Improvements project within the approved budget, 4) authorize use of Port of Seattle crews to support the design and construction activities. The amount of this request is \$6,000,000 for a total estimated project cost of \$6,300,000.

**EXECUTIVE SUMMARY**

The Biffy Facility located near the North Concourse serves as a dump station for aircraft sewage. Lavatory waste trucks are utilized to transfer aircraft waste to the Biffy Facility which then flows into Seattle-Tacoma International Airport’s (SEA) sewer system. The Biffy Facility consists of two main elements: a structure that collects airplane lavatory sewage from lavatory vehicles and a pump station that sends sewage into the conveyance system.

The current Biffy Facility has a porous wooden enclosure which cannot be sanitized, lacks freeze protection, ventilation, does not comply with National Fire Protection Association (NFPA) 820 guidelines, and has received citations from the Food and Drug Administration (FDA). King County has issued noncompliance notifications due to multiple backflow and sewage overflows onto surface streets; these overflows resulted from operational failure of the Biffy Facility. The current facility consists of only one vacuum pump system and this lack of redundancy leads to an inability to service airplane lavatory waste trucks during failure. The project will provide significant architectural, structural, electrical, mechanical, and civil improvements to extend the useful life

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and provide improved operational readiness of the Biffy Facility. The new facility will comply with current codes, standards, FDA guidelines, and ensure permit compliance, while improving reliability and operations of this critical facility.

**JUSTIFICATION**

The Biffy Facility is the only location at SEA that services airplane lavatory waste vehicles. During the notebook and preliminary design phase of this project, a comprehensive study took place to evaluate the scope of work, survey the existing facility deficiencies, coordinate with stakeholders, system experts, and designers to prepare scoping narrative and preliminary design drawings. There have been releases of sewage onto surface streets due to facility operational failures. Following a release in October 2024, several other improvements (wet well mixing system, alarming, level sensors, VFD pumps, etc.) were identified to be added to this project to bring resiliency to the facility operations and avoid such incidents in the future that could lead to citations and fines by external authorities.

The original Status 2 document was preliminary in nature and the project scope was only based on making regulatory improvements to bring the facility up to code and providing redundancy. Increase in the project scope of work and cost escalation have resulted in an increase to the budget estimate of \$1.6M, bringing the project from the original Status 2 estimate of \$4.7M to \$6.3M. Airport leadership approved the additional scope of work and budget in Q2, 2025.

The project will replace the current infrastructure and provide 10+ years of useful life for the associated equipment. Failure of the vacuum tank or pump system will result in loss of operation servicing the airplane waste truck and require mobile units on-site during repair. The project will provide sanitizable, clean-in-place enclosure that meets FDA and NFPA 820 guidelines along with ventilation, freeze protection, lighting, space heating, redundant pump system with Variable Frequency Drives (VFD), permanent wet well mixing system, and other electrical improvements.

***Diversity in Contracting***

The design services will be completed using an existing IDIQ contract (FSI Engineers – P00320721) that was established in 2022 which has a 16% WMBE participation utilization requirement. WMBE construction aspiration goal will be established after the completion of the design phase.

**DETAILS**

The tables below provide a breakdown of the requested increase in budget.

<b>Description</b>	<b>Original Budget (Status 2)</b>	<b>New Budget</b>	<b>Total Change</b>
Design	\$ 1,100,000	\$1,500,000	\$400,000
Construction	\$ 3,600,000	\$4,800,000	\$1,200,000
<b>Total Estimated Cost</b>	<b>\$4,700,000</b>	<b>\$6,300,000</b>	<b>\$1,600,000</b>

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**Scope of Work**

The project occurs at the Biffy Facility located east of the North Satellite ramp adjacent to the Air Cargo Road.

The key elements of the project’s scope of work include, but are not limited to, the following:

- (1) Demolishing the existing wood enclosure, retaining the existing vacuum pump and other associated components.
- (2) Construction of a new non-combustible, intrinsically safe Class 1, Division 1, site-built structure with interior and exterior lighting, ventilation, fire extinguisher, space heating for freeze protection, cameras, doors to access equipment, sanitizable per NFPA 820 and FDA guidelines.
- (3) Upgrade the pump system to include a duplicate back-up pump system and biffy tank to ensure redundancy in the event of a pump failure and backflow prevention.
- (4) Freeze protection to keep the structures at a minimum temperature of 40°F extending to the existing vacuum pump exhaust to the exterior of the new enclosure.
- (5) Emergency eyewash and emergency shower station with tempered water (American National Standards Institute (ANSI) compliant).
- (6) Upgrading and relocating the electrical components, sensors, Programmable Logic Controller controls, motor controls, cameras, and emergency disconnects to a new shed with roll up generator provision.
- (7) Upgrading the channel drain and replacing the junction boxes to a new manhole for the sewer lift station pump.
- (8) Upgrading to two VFD operated submersible solid handling pumps along with new panels and conductors.
- (9) Adding a permanent mixing system in the lift system wet well.

**Schedule**

Design start	2025 Quarter 3
Construction start	2026 Quarter 4
In-use date	2027 Quarter 4

**Cost Breakdown**

	This Request	Total Project
Design	\$1,200,000	\$1,500,000
Construction	\$4,800,000	\$4,800,000
Total	\$6,000,000	\$6,300,000

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Status Quo. Do not proceed with this project.

Cost Implications: Expenses incurred for project notebook development and 30% preliminary design drawings - \$300,000 will need to be expensed.

Pros:

- (1) Further capital investment not required.

Cons:

- (1) The Biffy Facility will be prone to failure resulting in overflow incidents.
- (2) The operation will be impacted in case the single vacuum pump or tank fails.
- (3) The facility will not meet regulatory infrastructure requirements leading to fines or citations from external authorities.

This is not the recommended alternative.

**Alternative 2** – Proceed with the original Status 2 project scope and budget.

Cost Implications: Capital investment of \$4,700,000.

Pros:

- (1) The Biffy Facility will meet the necessary codes and standards required by FDA and NFPA.
- (2) Redundant pumps and vacuum tank systems will increase operational efficiency.
- (3) Adequate freeze protection, ventilation, and lighting will be available at the facility.

Cons:

- (1) The Biffy Facility will lack resiliency which increases the risk of future overflow and backflow incidents.
- (2) Possibility of getting fines and citations from FDA, King County, City of SeaTac if overflow issues are repeated.
- (3) VFD pumps, level sensors, and permanent wet well mixing system will not be provided causing operational inefficiency.

This is not the recommended alternative.

**Alternative 3** – Proceed with the additional scope of work and budget.

Cost Implications: Capital investment of \$6,300,000.

Pros:

- (1) The Biffy Facility will have resiliency, reliability, code compliance, and improved infrastructure which will extend its useful life.
- (2) The additional improvements will eliminate the possibility of overflow and backflow incidents.
- (3) The additional improvements will enhance operational efficiency resulting in reduced Operations & Maintenance costs and maintenance burden.

Meeting Date: July 8, 2025

- (4) Provide uninterrupted service to airline waste trucks by reducing the risk of equipment failure.

**Cons:**

- (1) Increased capital cost.

*This is the recommended alternative.*

**FINANCIAL IMPLICATIONS**

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$4,700,000	\$0	\$4,700,000
Current change	\$1,600,000	0	\$1,600,000
Revised estimate	\$6,300,000	0	\$6,300,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$300,000	0	\$300,000
Current request for authorization	\$6,000,000	0	\$6,000,000
Total authorizations, including this request	\$6,300,000	0	\$6,300,000
Remaining amount to be authorized	\$0	\$0	\$0

***Annual Budget Status and Source of Funds***

This project #C801411 was included in the 2025-2029 capital budget and plan of finance with budget of \$4,700,000. A budget increase of \$1,600,000 was transferred from the Aeronautical Allowance<sup>1</sup> CIP C800753 resulting in zero net change to the Aviation capital budget. This project will be funded by the Airport Development Fund (ADF) and revenue bonds.

***Financial Analysis and Summary***

Project cost for analysis	\$6,300,000
Business Unit (BU)	Industrial Waste System (IWS)
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.02 in 2028

***Future Revenues and Expenses (Total cost of ownership)***

The scope of the project is to replace some of the existing equipment and also introduce additional assets to achieve operational efficiency. The overall operating and maintenance costs

<sup>1</sup> The Aeronautical Allowance is included in the Capital Improvement Plan to ensure funding capacity for unspecified projects, cost increases for existing projects, new initiatives, and unforeseen needs. This ensures funding capacity for unanticipated spending within the dollar amount of the Allowance CIP.

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for the new facility will be slightly less than the current corrective and emergency maintenance costs for the existing facility.

**ADDITIONAL BACKGROUND**

This project will be coordinated with the adjacent Compactor Capacity project which will be constructed ahead of the Biffy Facility project. The Compactor Capacity project will be providing electrical infrastructure for the incoming power feed to the Biffy Facility.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

N/A

# Biffy Facility Improvements Project

C801411 | M03417

Trevor Emtman  
AV-PMG



# Introduction

*Purpose:* Designed to receive and process wastewater/sewage from aircraft lavatories

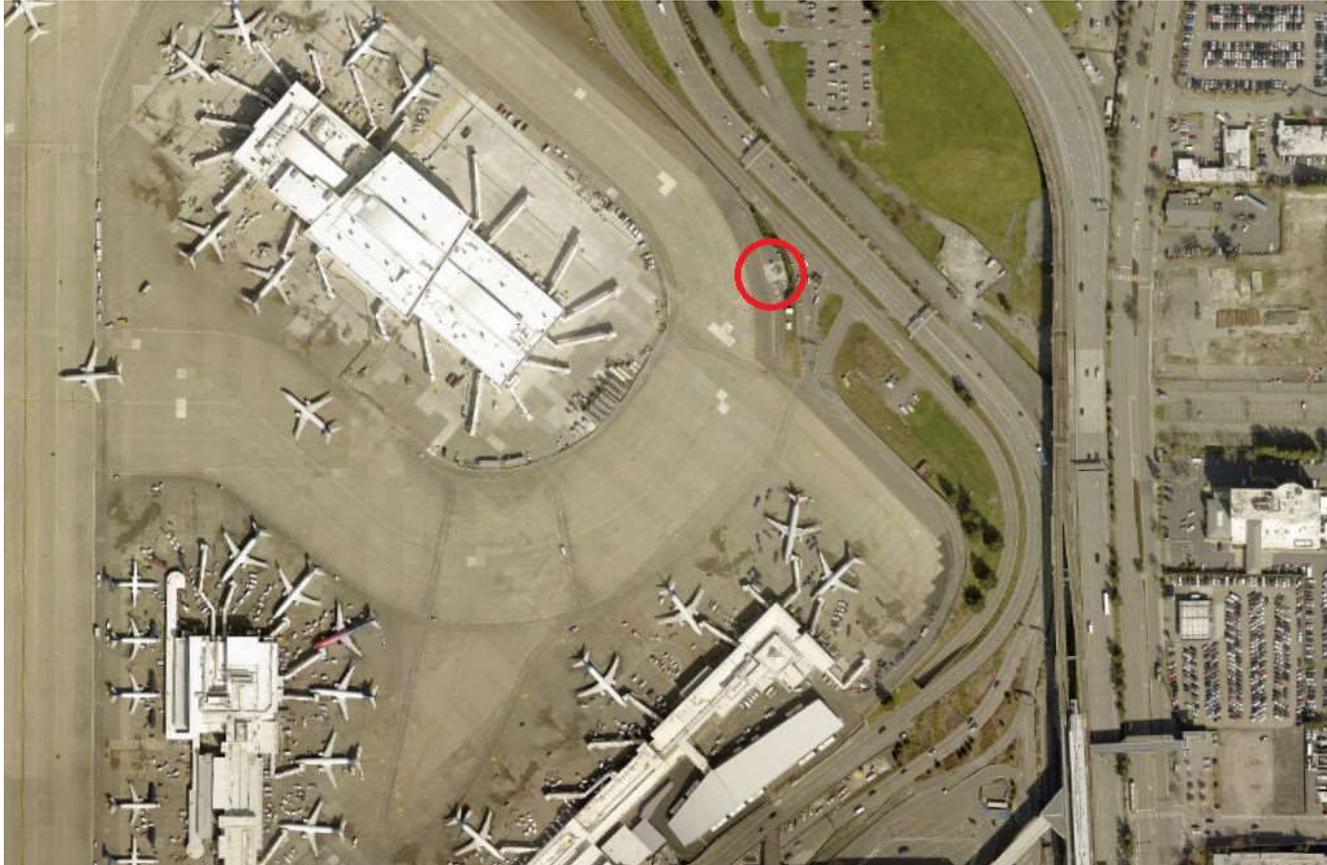
*Process:* Collected from aircraft using specialized carts (biffy trucks) then transported to the Biffy Facility

*Discharge:* From the Biffy Facility into the airport's sanitary sewer system.

This is the only facility at SEA managing waste from aircraft operations.



# Project Location



Biffy Facility is located east of North Satellite adjacent to Air Cargo Road

# Project Scope



- Extend useful life of Biffy Facility
- Improve infrastructure, reliability, and operations
- Bring facility up to fire codes, standards, FDA & NFPA guidelines
- Provide redundant pump system and vacuum tank
- Space heating for freeze protection, ventilation

# Project Justification

- Porous wooden frame enclosure, does not meet NFPA guidelines
- Inadequate freeze protection, lacks ventilation
- Single pump system and vacuum tanks – End of life and prone to failure.
- Multiple overflow/backflow incidents reported due to failures

# Schedule

	2025				2026				2027				2028			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>PLANNING</b>			CX Design													
<b>SD EXECUTED</b>																
<b>DESIGN</b>																
<b>CONSTRUCTION</b>																

CX Construction

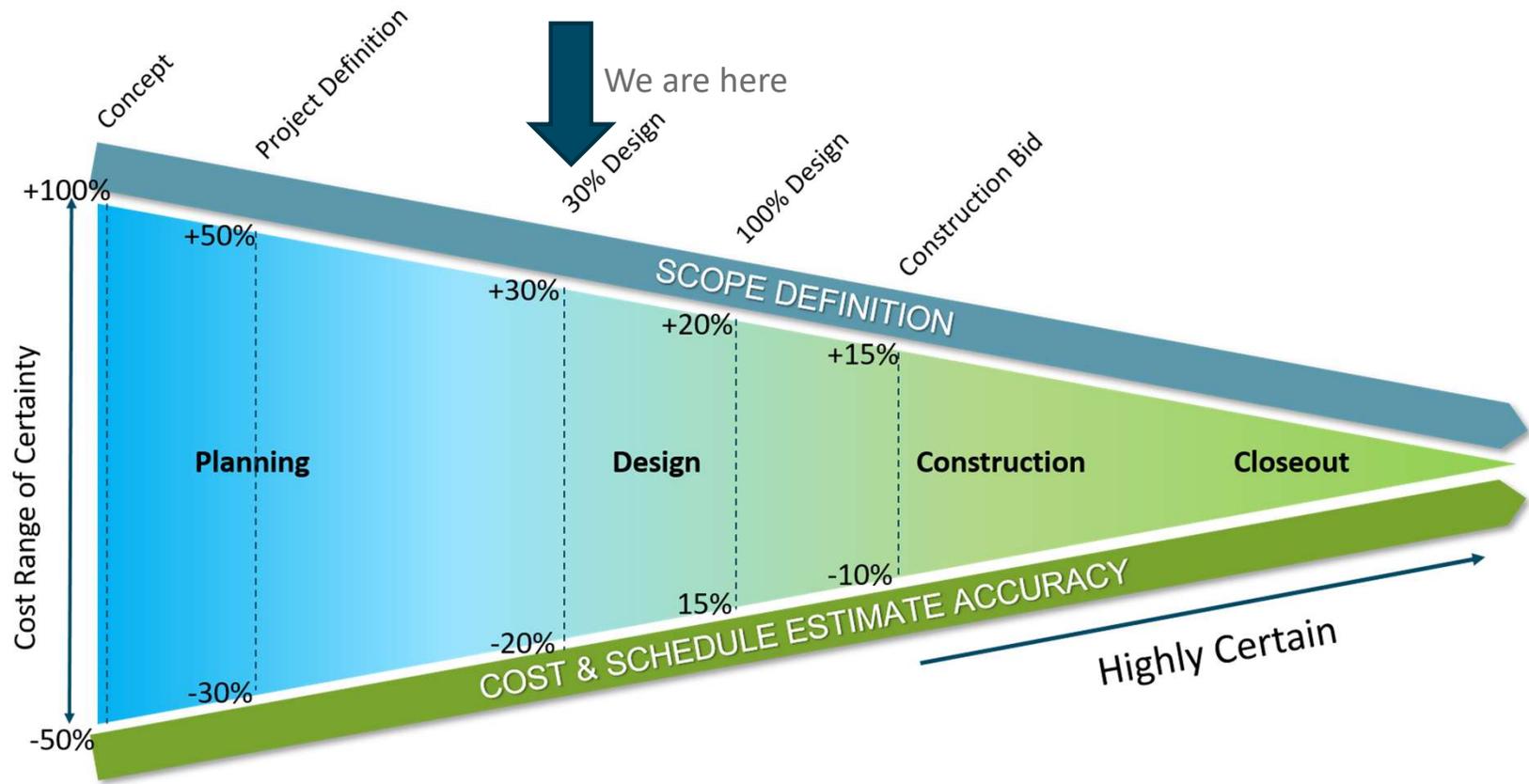
Substantial Completion

# Risks

● = High   ● = Medium   ● = Low

Risk	Impact	Probability	Mitigation Plan
Lead Time to Delivery: VFDs, pumps, vacuum tank lead times are expected to be 6-12 weeks	●	●	Track delivery times and request contractor to get long lead time equipment submittals approved first.
Facility Assembled Structure (FAS) Permit may be required if a prefabricated structure is proposed for the facility	●	●	Coordinate with design team to identify the applicable permit and inspection requirements and note them on the plans for the contractor.
Equipment cost escalation due to tariffs	●	●	Track equipment costs thru design cost estimates to understand tariff impacts with certainty. Evaluate sourcing domestic equipment locally.

# Cone of Certainty



# Requesting

- Commission authorization for \$6,000,000 to complete design, construction, and closeout phases of this project.
- Total estimated project cost \$6,300,000.

# Requested Authorization

Authorization	Project Phase	Amount
Previous Authorizations	Notebook + 30% Design	\$300,000
Current request for Authorization	100% Design + Construction + Closeout	\$6,000,000
Total authorizations, including this request	Notebook + Design + Construction + Closeout	\$6,300,000
Remaining amount to be authorized	N/A	\$0

**QUESTIONS?**





**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8e

**ACTION ITEM**

**Date of Meeting** July 8, 2025

**DATE:** July 1, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Mian Rice, Director, Diversity in Contracting  
Vy Nguyen, Strategic Advisor, Commission Office

**SUBJECT: Adoption of Resolution 3836, Updating the Diversity in Contracting Directive**

**ACTION REQUESTED**

Request Commission adoption of Resolution No. 3836: A Resolution of the Port of Seattle Commission amending Resolution No. 3737 and the Diversity in Contracting Policy Directive to increase women and minority business opportunities.

**SUMMARY**

Adoption of this resolution will update and amend the Port of Seattle’s Diversity in Contracting program to reflect growth of the program established by Resolution No. 3737, adopted by the Port of Seattle Commission in January 2018.

The overall program goals remain the same: to increase women and minority business enterprises (WMBE) participation and utilization in Port of Seattle contracting opportunities through the Diversity in Contracting program of the Port.

In preparation of the future goals, Port staff conducted 3 Round Tables, 2-2-1’s, executive leadership briefings, with WMBE committee supporting and advancing new goals.

This resolution seeks to establish goals and objectives for the Diversity in Contracting program; updated goals include: an increase of the percentage of dollars spent on WMBE, SBE, and VBE contracts, increase in the utilization of WMBE, SBE, and VBE firms portwide, and creates a new baseline for WMBE utilization in construction. There are additional programmatic shifts to increase knowledge and transparency of payment timelines, project labor agreements and expectations and requirements of firms that it applies to; strategies such as leveraging alternative delivery methodologies or lowering risk to increase WMBE, SBE, and VBE participation, and additional data collection in support of the program evaluation. The proposed updates would apply to the Diversity in Contracting program through 2030.

**Attachments/References**

1. Draft Resolution No. 3836
2. Resolution No. 3737

**Resolution No. 3737**

A RESOLUTION of the Port of Seattle Commission establishing a Diversity in Contracting Policy Directive to increase women and minority business opportunities and to repeal Resolutions No. 3506 and No. 3618.

WHEREAS, the Port of Seattle mission is committed to create economic opportunity for all, steward our environment responsibly, partner with surrounding communities, promote social responsibility, conduct ourselves transparently, and hold ourselves accountable; and

WHEREAS, the economic vitality of a community is strengthened and more resilient when opportunity is inclusive across our diverse communities; and

WHEREAS, the Port of Seattle is uniquely positioned among public agencies to lead in efforts of justice and equity by providing a level platform to all businesses including women and minority business Enterprise (WMBE) firms to compete and succeed; and

WHEREAS, the 1998 passage of Initiative 200 by Washington state voters prohibited racial and gender preferences by state and local government led to an underutilization of WMBE's at the Port and many other public agencies; and

WHEREAS, In 2003, in response to I-200, the Port passed Resolution No. 3506, a race neutral approach "establishing a program to develop mutually advantageous business relationships with small businesses, and firms owned and operated by minorities, women and disabled"; and

WHEREAS, In 2010, the Port of Seattle passed Resolution No. 3618, a race neutral approach to develop "a program to develop mutually advantageous business relationships with small businesses including those owned and operated by people of color, women, people with disabilities, veterans, and the socio-economically disadvantaged"; and

WHEREAS, the Port of Seattle's efforts and programs as a result of Resolutions 3506 and 3618 have increased small business participation but have not increased WMBE participation; and

WHEREAS, it is a priority for the Port of Seattle to affirmatively expand its efforts to increase WMBE participation in port contracts and ensure that WMBEs are afforded fair and equitable opportunity to compete for port contracts, succeed as subcontractors, and do not face unfair and unnecessary barriers when seeking and performing on port contracts; and

WHEREAS, current data and the 2014 disparity study show that WMBE participation in Port of Seattle opportunities has been and continues to be disparately low; and

44 WHEREAS, this policy will strengthen Port of Seattle efforts to eliminate this disparity  
45 and result in more equity, diversity, and inclusion for WMBEs in Port opportunities; and  
46

47 WHEREAS, the Port of Seattle seeks to identify and change internal Port processes and  
48 standards to clearly establish program goals and create accountability; and  
49

50 WHEREAS, the Port of Seattle values a diverse workforce and has engaged in improving  
51 diversity and inclusion focused on race and expects to develop a new equity process tool  
52 designed to integrate explicit consideration of racial inequities and identification of  
53 interventions for use in policy, program, and budget planning and implementation; and  
54

55 WHEREAS, the Port of Seattle is committed to its values of conducting business with the  
56 highest ethical standards and our business practices shall reflect integrity, accountability,  
57 honesty, fairness and respect at all levels;  
58

59 NOW, THEREFORE, BE IT RESOLVED by the Port of Seattle Commission as follows:  
60

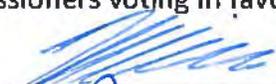
61 SECTION 1. Resolution 3506 adopted May 27, 2003, is hereby repealed.  
62

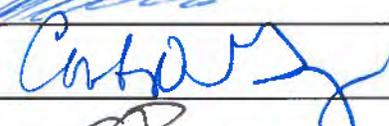
63 SECTION 2. Transition from Resolution 3618. The Executive Director may continue to operate  
64 under Resolution No. 3618, as needed, to allow for transition to Resolution 3737, until  
65 September 1, 2018, at which time Resolution No. 3618 will be repealed and replaced with  
66 Resolution 3737.  
67

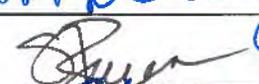
68 SECTION 3. The Diversity in Contracting Policy Directive as shown in Exhibit A is hereby  
69 established.  
70

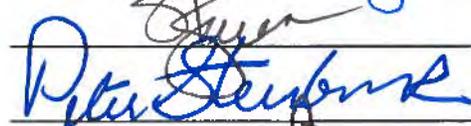
71 SECTION 4. This policy directive shall be labeled and catalogued as appropriate, together with  
72 subsequent policy directives, and shall be made readily available for use by Port staff and  
73 members of the public as a governance document of the Port of Seattle.  
74

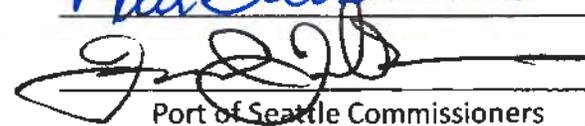
75 ADOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting  
76 thereof, held this 9<sup>th</sup> day of January, 2018, and duly authenticated in open session by  
77 the signatures of the Commissioners voting in favor thereof and the seal of the Commission.  
78

79  **RYAN CALKINS**

80  **COURTNEY GREGOIRE**

81  **STEPHANIE BOWMAN**

82  **PETER STEINBRUECK**

83  **FRED FELLEMAN**

84  
85  
86  
87  
88 Port of Seattle Commissioners

89 EXHIBIT A

90 Diversity in Contracting Policy Directive

91  
92 **SECTION 1. Purpose.**

93  
94 The Port finds that minority and women businesses are under-represented and have been  
95 under-utilized on Port contracts. The purpose of this policy directive is to provide the maximum  
96 practicable opportunity for increased participation by minority and women owned and  
97 controlled businesses in Port contracting for public works, consulting services, supplies,  
98 material, equipment, and other services to create the opportunity to leverage Port spend to  
99 increase WMBE utilization.

100  
101 **SECTION 2. Definitions.**

102  
103 For the purposes of this chapter:

104  
105 “Affirmative efforts” means documented reasonable attempts in good faith to contract with  
106 women and minority businesses.

107  
108 “Availability” or “available” as used in this chapter means a business that is interested in and  
109 capable of performing the work within the time frame required and to the quality specified in  
110 the solicitation and contract.

111  
112 “Capability” or “capable” as used in this section means that a business appears able to perform  
113 a commercially useful function in performance of the work.

114  
115 “Commercially useful function” means the performance of real and actual services in the  
116 discharge of any contractual endeavor.

117  
118 “Contract” means an agreement for public works, consulting services, supplies, material,  
119 equipment, or other services.

120  
121 “Contract awarding authority” means any individual, office, or division that is receiving the  
122 benefit of the contract.

123  
124 “Contractor” means a business that has a contract with the Port.

125  
126 “Division” means any Port of Seattle organization structure that has a director that reports to  
127 the Executive Director.

128  
129 “Women or minority business” (WMBE) means a business that is at least 51 percent owned and  
130 controlled by women and/or minority (including, but not limited to African Americans, Native  
131 Americans, Asians, and Hispanics) group members.

133 “Central database” means an electronic database that collects, aggregates, and tracks monthly  
134 Port-wide, division, and department-level utilization of small business, women and minority  
135 owned business, and other classifications across various categories and contract types and  
136 promotes transparency for the public.

137  
138 “Relevant demographic data” is defined as, but not limited to, Asian-Pacific Americans, Black  
139 Americans, Hispanic Americans, Native Americans, Asian, and Women, and other characteristic  
140 information related to a business owner’s sexual orientation, sex/gender, race, ethnicity, or  
141 veteran status as self-reported and/or certified by another government entity, as deemed  
142 necessary or relevant to eliminating disparity in Port contracting.

143  
144 “Utilization” is defined as both the percent of contracting dollars paid to WMBE firms as well as  
145 the number of WMBE firms under contract.

146  
147 **SECTION 3. Scope and Applicability.**

148  
149 This policy shall apply to all contracts and other activities at the Port, including construction and  
150 consulting contracts, purchased goods, and services.

151  
152 **SECTION 4. Responsibilities.**

153  
154 The Executive Director shall pursue the Century Agenda goal to increase WMBE utilization in all  
155 Port contracts and shall:

- 156  
157 A. Achieve the Century Agenda goal to triple the number of WMBE firms that contract with the  
158 Port and increase to 15 percent the percentage of dollars spent on WMBE contracts, within  
159 five years of the Diversity in Contracting Program implementation;  
160  
161 B. Within 120 days of passage of this policy directive, develop a Diversity in Contracting  
162 Program that identifies affirmative efforts to afford women and minority businesses the  
163 maximum practicable opportunity to meaningfully participate on Port contracts and to  
164 achieve the Port-wide goals;  
165  
166 C. Incorporate these WMBE goals into the Port’s Long Range Plan to the fullest extent  
167 reasonable, including incorporation into Long Range Plan scorecards, reports, and Long  
168 Range Plan updates. Further, the Executive Director shall prepare and publish an annual  
169 report each year titled Diversity in Contracting Annual Report;  
170  
171 D. Improve inclusion and outreach to sustain and improve WMBE participation and to reduce  
172 disparity in Port contracting;  
173  
174 E. Take affirmative efforts to assure equality of contracting opportunity through the  
175 development and application of Inclusion Plans or other tools as necessary; and  
176

177 F. Expand opportunities for WMBE firms across Port functions, wherever practicable.

178

179 **SECTION 5. Policy.**

180

181 A. The Diversity in Contracting Program shall include:

182

183 (1) Responsibilities, policies, practices, and processes that can change the Port procurement  
184 and contracting processes and provide a more receptive environment for the utilization  
185 of WMBE firms, and to ensure that businesses and contractors of all tiers working on  
186 Port contracts and subcontracts utilize WMBE firms, wherever feasible or as required.

187

188 (2) Development of a standard procedure for the Port-wide WMBE goal setting, and  
189 collection and reporting of relevant demographic data to be stored in a central  
190 database.

191

192 (3) Identify categories of contracts that will require WMBE inclusion plans and other tools  
193 that will be applied to other categories of contracts Port-wide.

194

195 (4) Clear lines of responsibility and accountability for implementation of the WMBE  
196 program and a designated WMBE liaison for each division.

197

198 (5) Make WMBE goal setting and affirmative implementation efforts part of the annual  
199 performance evaluation for each Port division director and their staff and require  
200 standardized WMBE program training, implementation, and coordination for all division  
201 leaders and their WMBE representatives.

202

203 B. The Diversity in Contracting Annual Plan shall include:

204

205 (1) Specific measures the contract-awarding authority will undertake to increase the  
206 utilization of WMBEs and to reduce disparity in Port contracting; and

207

208 (2) Specific goals by division for WMBE utilization:

209

210 (a) Each Port division will review future procurements to identify available firms on  
211 upcoming contracts to create a utilization goal that is justifiable, bold, and  
212 challenging.

213

214 (b) Construction goals, other than small works, based on historic utilization plus two  
215 percent, until such time that a disparity study or other valid internal data can  
216 demonstrate a reasonable level of utilization.

217

218 C. To improve inclusion and outreach to sustain and improve WMBE participation and to  
219 reduce disparity in Port contracting, the Port shall:

220

- 221 (1) Support training and assistance to Port staff to increase participation in outreach and to  
222 learn about the internal and external resources available to include WMBE firms in their  
223 procurement and contracting;  
224
- 225 (2) Improve and expand technical assistance, including WMBE certification, business  
226 development, training, and mentoring programs for WMBE firms to enhance bidding  
227 expertise and promote greater coordination with advocacy organizations, businesses,  
228 individuals, and public agencies and other Port departments;  
229
- 230 (3) Create opportunities for members of the contracting and vendor community, Port, and  
231 other stakeholders to work collaboratively on recommendations for how the Port can  
232 more effectively use the directives in this policy directive;  
233
- 234 (4) Assist contractors desiring to bid on Port covered contracts to comply with the  
235 affirmative efforts provisions for such contract, and offer information as to  
236 organizations and agencies available to assist such contractor in recruiting, mentoring,  
237 training, or otherwise preparing potential subcontractors; and  
238
- 239 (5) Cooperate and establish formal and/or informal partnerships and mutual cooperation  
240 with the Office of Minority and Women’s Business Enterprises and other public agencies  
241 to carry out the purposes of this policy directive, as needed.  
242

243 D. Affirmative efforts to assure equality of contracting opportunity required:  
244

- 245 (1) Develop procurement tools, such as WMBE inclusion plans, and require bidders and  
246 proposers to comply with the WMBE solicitation requirement in order to sustain and  
247 improve participation of WMBE in Port covered contracts;  
248
- 249 (2) Prepare and require that Port covered contracts include specifications pertaining to  
250 equal opportunity affirmative efforts to assure equality in contracting opportunity, and  
251 goals for subcontracting to women and minority businesses. Any goals established  
252 under this chapter shall be reasonably achievable; however, no utilization requirements  
253 shall be a condition of contracting, except as may be allowed by RCW 49.60.400;  
254
- 255 (3) Identify and implement a Port-wide method to regularly monitor and measure the Port  
256 WMBE program and attainment of the goals by contractors;  
257
- 258 (4) May establish aspirational goals for the participation of women and minority businesses  
259 in a particular Port contract on a case-by-case basis;  
260
- 261 (5) Work closely with other divisions and departments to ensure all policies, practices, and  
262 processes are consistent and complementary and make it easier for WMBE firms to  
263 pursue Port contracts;  
264

265 (6) Define, implement, and monitor appropriate processes and procedures to ensure  
266 prompt payments and change order processing to address timely payment of  
267 contractors, suppliers, and subcontractors at all tiers. Review and recommend potential  
268 for including prompt pay in performance goals.  
269

270 E. Affirmative efforts in subcontracting:  
271

272 (1) All contractors, including WMBE firms, shall actively solicit bids for subcontracts to  
273 qualified, available, and capable WMBE to perform commercially useful functions;  
274

275 (2) Contractors shall consider the grant of subcontracts to women and minority bidders on  
276 the basis of substantially equal proposals in the light most favorable to women and  
277 minority businesses;  
278

279 (3) At the request of the relevant Port department, when inclusion plans are required,  
280 contractors shall furnish evidence of the contractor's compliance with these  
281 requirements of women and minority solicitation and will submit evidence of  
282 compliance with this section as part of any bid. Contractors shall provide records  
283 necessary to document affirmative efforts to subcontract with women and minority  
284 businesses on Port contracts;  
285

286 (4) Compliance with all requirements and past performance under this policy directive may  
287 be included in the evaluation of future procurements; and  
288

289 (5) In applying the provisions of this Policy Directive to contracts funded in whole or in part  
290 with federal funds and subject to 49 CFR Part 23, Subpart D, regarding Airport  
291 Concessions Disadvantaged Business Enterprises (ACDBE) or 49 CFR 26, Subpart C,  
292 regarding Disadvantaged Business Enterprises (DBE), references to Women and Minority  
293 Businesses shall also include federally recognized ACDBEs or DBEs. In the event of a  
294 conflict between the provisions of this chapter, or the rules implementing this policy  
295 directive, and the requirements of 49 CFR 26, Subpart C, or 49 CFR Part 23, Subpart D, or  
296 any other superseding applicable federal statute or regulation, the provisions of the  
297 federal statute or regulation shall control.  
298

299 F. Expanding Opportunity.  
300

301 (1) The Port shall review and recommend how to expand opportunities for WMBE firms in  
302 other Port enterprise opportunities, for example real estate leases, to encourage and  
303 promote access to Port facilities by September 1, 2018.  
304

305 (2) The Port shall develop a baseline utilization number for veteran owned businesses and  
306 propose a reasonable Port-wide goal and division goals to the Commission for inclusion  
307 in the Century Agenda by September 1, 2019.  
308

309 **SECTION 6. Program Evaluation.**

310

311 A. Benchmarks and metrics to evaluate the Diversity in Contracting Program shall include:

312

313 (1) Incorporation of these WMBE goals into the Port's Long Range Plan to the fullest extent  
314 reasonable, including incorporation into Long Range Plan scorecards, reports, and Long  
315 Range Plan updates.

316

317 (2) Specific measures the contract awarding authority will undertake to increase the  
318 participation of women and minority businesses and to reduce disparities, including the  
319 number of events or outreach activities conducted to ensure responsiveness to bid  
320 opportunities.

321

322 (3) Progress towards specific division WMBE utilization goals, including the number of  
323 opportunities a division has available, the goals established for those opportunities and  
324 the actual utilization, including periodic review of disparity study results to determine  
325 reasonableness of goals.

326

327 (4) Data reporting using the standard procedure identified in the WMBE program for the  
328 Port-wide collection and reporting of relevant demographic data including percent of  
329 spend, number of businesses, and type of procurements.

330

331 (5) Preparation and publication of an annual report titled Diversity in Contracting Annual  
332 Report.

333

334 B. The Internal Audit Director shall include the Diversity in Contracting Program in Internal  
335 Audit Department's 2019 work plan to determine adherence to this policy and include in  
336 future years as the Commission Audit Committee deems appropriate.

337

338 **SECTION 7. Fiscal Implications.**

339

340 Fiscal implications shall be reviewed by the Executive Director annually, at a minimum, to ensure  
341 the implementation of the policy directive is adequately resourced and shall submit a budget  
342 request as appropriate.

**Diversity in Contracting Sample Disaggregated Data Dashboard**

	Race							Total
	Black American	Hispanic American	Native American	Asian Pacific American	Caucasian	Other	Not Known	
<b>Number of Firms</b>								
• Minority Certified								
• Women & Minority Certified								
• Women Certified								
• Veteran certified								
<b>Total Certified (non-duplicated)</b>								
• Minority Self-Identified								
• Women & Minority Self-Identified								
• Women Certified Self-Identified								
<b>Total Self- Identified (non-duplicated)</b>								
<b>Amount and Percent of Spend</b>								
• Minority Certified								
• Women & Minority Certified								
• Women Certified								
• Veteran Certified								
<b>Total Certified (non-duplicated)</b>								
• Minority Self-Identified								
• Women & Minority Self-Identified								
• Women Self-Identified								
<b>Total Self-Identified (non-duplicated)</b>								
<b>DBE (All Certified)</b>								
Minority and Non-Minority								
Number of Firms								
Amount & Percent of Federal Spend								
Amount & Percent of Non-Federal Spend								
Amount & Percent of Total Spend								



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**PORT OF SEATTLE  
RESOLUTION NO. 3836**

A **RESOLUTION** of the Port of Seattle Commission amending Resolution No. 3737 and the Diversity in Contracting Policy Directive to increase women and minority business opportunities.

**WHEREAS**, the Port of Seattle works to create, improve, and grow economic opportunities for all, including through supporting Women Minority Business Enterprises (WMBE) and Small Business Enterprises (SBE) through contracting opportunities with the Port; and

**WHEREAS**, the Port of Seattle created its Diversity in Contracting program via Resolution 3737 (Res3737) adopted in January 2018. Res3737 formally adopted the Diversity in Contracting Directive as an actionable way to meet the Century Agenda goal of increasing WMBE utilization in Port contracts; and

**WHEREAS**, the Diversity in Contracting Directive, via Res3737, established goals for the program to achieve in five years from 2019 to 2023. Res3737 set goals to increase the number of WMBE firms contracted with the Port of Seattle, to increase dollars spent on WMBE contracts to 15% over the implementation period of the Diversity in Contracting program, and increase overall WMBE utilization in Portwide contracting opportunities; and

**WHEREAS**, the Port of Seattle established additional goals in the Diversity in Contracting program to incorporate WMBE goals into Division and COEs strategic business plans, budget and resource allocations, Century Agenda goals and objectives, prepare and publish annual reports, improve inclusion and outreach to grow WMBE participation, and actively work to reduce disparities in contracting; and

**WHEREAS** Res3737 detailed strategies to support WMBEs, knowledge, and expertise to bid on Port contracting opportunities, as well as strategies and support from the Port's Executive Director and Commission for the Port to be flexible and responsive to achieve goals set by the Diversity in Contracting Directive; and

**WHEREAS**, programmatic data collection and disparity studies have been essential to understanding challenges and successes of implementation of the Diversity in Contracting program; and

**WHEREAS**, the Port has partnered with a total of 392 WMBE businesses in 2023, exceeding its policy goal of working with 354 WMBE firms annually. From 2019-2023, the Port partnered with 791 unique WMBE firms; and

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**WHEREAS**, the Diversity in Contracting program has made significant progress in expanding economic opportunity. In 2016, WMBEs held 5.3% of Port contracts for a total of 118 firms; WMBE utilization more than doubled by 2021, seeing a high of 14% utilization and 392 WMBE firms contracting with the Port; and

**WHEREAS**, as the Diversity in Contracting program grows, small business and veteran-owned businesses have been identified as opportunities for inclusion to achieve program goals while growing diverse businesses that can compete for Port contracts; and

**WHEREAS**, the Diversity in Contracting program works to achieve an environment of parity for all businesses and competitiveness; and

**WHEREAS**, for 2025-2030, the Diversity in Contracting program seeks to expand businesses eligible for programmatic support, improve processes such as prompt payments, collect additional data, increase outreach and education, and continue to lower barriers to increase access to Port contracting opportunities in fulfillment of the Port’s mission to promote economic opportunities and quality of life in the region by advancing trade, commerce, and job creation in an equitable, accountable, and environmentally responsible manner.

**NOW, THEREFORE, BE IT RESOLVED** by the Port of Seattle Commission as follows:

SECTION 1. Resolution No. 3737 is hereby amended to read as appearing in Exhibit A to this resolution.

SECTION 2. The Diversity in Contracting Policy Directive as shown in the attached Exhibit A is hereby amended to read as follows.

SECTION 3. This policy directive shall be labeled and catalogued as appropriate, together with subsequent policy directives, and shall be made readily available for use by Port staff and members of the public as a governance document of the Port of Seattle.

**ADOPTED** by the Port of Seattle Commission at a duly noticed public meeting thereof, held this \_\_\_\_\_ day of \_\_\_\_\_, 2025, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof and the seal of the commission.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Port of Seattle Commission

## **EXHIBIT A to Resolution No. 3836**

### **Diversity in Contracting Policy Directive**

As proposed July 8, 2025

#### **SECTION 1. Purpose.**

The Port finds that minority, women -owned businesses are under-represented and have been under-utilized on Port contracts through disparity studies and other reports. The purpose of this policy directive is to provide the maximum practicable opportunity for increased participation by minority, women - owned and controlled businesses in Port contracting for public works, consulting services, supplies, material, equipment, and other services by increasing a diverse, competitive pool of potential contractors to meet the Port's Diversity in Contracting goals of Port spend and increase of WMBE, Small Business, and Veteran Business utilization.

#### **SECTION 2. Definitions.**

For the purposes of this chapter:

“Affirmative efforts” means documented reasonable attempts in good faith to contract with women, minority, and veteran owned businesses.

“Availability” or “available” as used in this chapter means a business that is interested in and capable of performing the work within the time frame required and to the quality specified in the solicitation and contract.

“Capability” or “capable” as used in this section means that a business appears able to perform a commercially useful function in performance of the work.

“Central database” means an electronic database that collects, aggregates, and tracks monthly Port-wide, division, and department-level utilization of small business, women and minority owned business, and other classifications across various categories and contract types and promotes transparency for the public.

“Commercially useful function” means the performance of real and actual services in the discharge of any contractual endeavor.

“Construction Business” means any person, firm, corporation or other entity who or which, in the pursuit of an independent business undertakes to, or offers to undertake, or submits a bid to, construct, alter, repair, add to, subtract from, improve, develop, move, wreck, or demolish any building, road, excavation or other structure, project, development, or improvement attached to real estate or to do any part thereof including structures or works in connection therewith, the installation of roofing or siding, or cabinet or similar installation; and/or employes members of more than one trade upon a single job or project or under a single

building permit.

“Contract” means an agreement for public works, consulting services, supplies, material, equipment, or other services.

“Contract awarding authority” means any individual, office, or division that is receiving the benefit of a Contract.

“Contractor” means a business that has a Contract with the Port.

“Division” means any Port of Seattle organization structure that has a director that reports to the Executive Director.

“Relevant demographic data” is defined as, but not limited to, Asian-Pacific Americans, Black Americans, Hispanic Americans, Native Americans, Asian, and Women, and other characteristic information related to a business owner’s sexual orientation, sex/gender, race, ethnicity, or veteran status as self-reported and/or certified by another government entity, as deemed necessary or relevant to eliminating disparity in Port contracting.

“Small Business” (SBE) means a business that is certified by OMWBE as either a Small Business Enterprise (SBE) or Public Works Small Business Enterprise (PWSBE).

“Utilization” is defined as both the percent of contracting dollars paid to WMBE firms as well as the number of WMBE firms under contract.

“Veteran owned business” (VBE) means a business that has been certified by Washington State Department of Veteran Affairs as veteran owned.

“Women or minority business” (WMBE) means a business that is at least 51 percent owned and controlled by women and/or minority (including, but not limited to African Americans, Native Americans, Asians, and Hispanics) group members.

### **SECTION 3. Scope and Applicability.**

This policy shall apply to all Contracts and activities at the Port.

### **SECTION 4. Responsibilities.**

The Executive Director shall pursue the Century Agenda goal to increase WMBE, VBE and SBE utilization in all Port contracts and shall:

- A. Achieve the Century Agenda goal to achieve 16 percent of dollars spent on WMBE contracts, and 500 WMBE firms utilized annually, within the next five years (2025 – 2029) of the Diversity in Contracting Program.

B. Incorporate WMBE, and the tracking of SBE, and VBE utilization into the Port's Century Agenda Objectives and KPIs. Further, the Executive Director shall prepare and publish an annual report each year titled Diversity in Contracting Annual Report;

C. Improve inclusion and outreach to sustain and improve WMBE, SBE, and VBE participation and to reduce disparity in Port contracting;

D. Take pro-active efforts to assure equity in contracting opportunities through the development and application of inclusion plans or other tools as necessary; and

E. Expand opportunities for WMBE, SBE, and VBE firms across Port functions, wherever practicable.

*(Res. 3737, §3, 2018)*

#### **SECTION 5. Policy.**

A. The Diversity in Contracting Program shall include:

- (1) Responsibilities, policies, practices, and processes that can change the Port procurement and contracting processes and provide a more receptive environment for the utilization of WMBE, SBE, and VBE firms, and to ensure that businesses and contractors of all tiers working on Port contracts and subcontracts utilize WMBE, SBE, and VBE firms, wherever feasible or as required.
- (2) Develop and refine a standard procedure for the Port-wide WMBE aspirational goal setting, and collection and reporting of relevant demographic data to be stored in a central database.
- (3) Identify categories of contracts that will require WMBE inclusion plans and other tools that will be applied to other categories of contracts Port-wide.
- (4) Clear lines of responsibility and accountability for implementation of the Diversity in Contracting Program and a designated WMBE liaison for each division.
- (5) Make WMBE aspirational goal setting and affirmative implementation efforts part of the annual performance evaluation for each Port division director and their staff and require standardized Diversity in Contracting program training, implementation, and coordination for all division leaders and their WMBE representatives.

B. The Diversity in Contracting Annual Plan shall include:

- (1) Specific measures the contract awarding authority will undertake to increase the utilization of WMBEs to reduce disparity in Port contracting; and
- (2) Specific aspirational goals by division for WMBE utilization:
  - (a) Each Port division will review future procurements to identify available firms on upcoming contracts to create a utilization goal that is justifiable.
  - (b) Construction goals, other than small works, based on disparity studies or other valid internal data can demonstrate a reasonable level of utilization.

C. To improve inclusion and outreach to sustain and improve WMBE, SBE, and VBE participation and to reduce disparity in Port contracting, the Port shall:

- (1) Support training and assistance to Port staff to increase participation in outreach and to learn about the internal and external resources available to include WMBE, VBE, and SBE firms in their procurement and contracting.
- (2) Improve and expand technical assistance, including WMBE, SBE, and VBE certification, business development, training, and mentoring programs for WMBE, SBE, and VBE firms to enhance bidding expertise and promote greater coordination with advocacy organizations, businesses, individuals, and public agencies and other Port departments.
- (3) Create opportunities for members of the contracting and vendor community, Port, and other stakeholders to work collaboratively on recommendations for how the Port can more effectively use the directives in this policy directive.
- (4) Assist contractors desiring to bid on Port Contracts to comply with the affirmative efforts provision for such Contracts and offer information as to organizations and agencies available to assist such contractor in recruiting, mentoring, training, or otherwise preparing potential subcontractors.
- (5) Cooperate and establish formal and/or informal partnerships and mutual cooperation with the Office of Minority and Women's Business Enterprises and other public agencies to carry out the purposes of this policy directive, as needed.
- (6) Leverage opportunities as authorized by the Executive Director to increase WMBE, SBE, and VBE firm participation if attainment goals are not being met.
- (7) Improve contracting in support of WMBE, SBE, and VBEs through developing a proposed process for prompt payments to subcontractors and proposing this

process to the Commission for Commission consideration and/or action by the end of the second quarter 2026. This may include (but are not limited to) developing recommendations to increase efficiencies with prompt payments to subcontractors, this process shall contemplate using every resource and approaches available to the Port to ensure prompter pay provisions to subcontractors. The Port shall also consider adjusting competitive thresholds for professional services.

- (8) To support small business participation by reviewing project risk and adjusting bonding and insurance levels, when possible, to increase participation on Public Works projects.
- (9) Leverage the use of Alternative Delivery Methodology contracts to support increased WMBE, SBE, VBE participation, where applicable.
- (10) Increase education and outreach to WMBEs, SBEs, and VBEs to understand PLA terms.
- (11) Collect data on timely dispatch of workers on contracted jobs with the Port.

D. Affirmative efforts to assure equality of contracting opportunity required:

- (1) Require bidders and proposers to comply with the Diversity in Contracting solicitation requirements in order to sustain and improve participation of WMBE, SBE, and VBEs in Port Contracts.
- (2) Prepare and require that Port Contracts include specifications pertaining to equal opportunity affirmative efforts to assure equality in contracting opportunity, and aspirational goals for WMBE subcontracting. Any goals established under this chapter shall be reasonable; however, no utilization requirements shall be a condition of contracting, except as may be allowed by RCW 49.60.400.
- (3) Regularly monitor and measure the Port Diversity in Contracting program and attainment of aspirational goals by contractors.
- (4) May establish aspirational goals for the participation of women, minority, veteran, and small businesses in a particular Port contract on a case-by-case basis.
- (5) Work closely with other divisions and departments to ensure all policies, practices, and processes are consistent and complementary and make it easier for WMBE, SBE, and VBE firms to pursue Port Contracts.

- (6) Define, implement, and monitor appropriate processes and procedures to ensure prompt payments and change order processing to address timely payment of contractors, suppliers, and subcontractors at all tiers. Review and recommend potential improvements to the existing prompt pay processes and procedures.

E. Affirmative efforts in subcontracting:

- (1) All contractors, including WMBE, SBE, and VBE firms, shall actively solicit bids for subcontracts to eligible, available, and capable WMBE, SBE, and VBE firms to perform commercially useful functions.
- (2) At the request of the relevant Port department, when inclusion plans are required, contractors shall furnish evidence of the contractor's compliance with such requirements and will submit evidence of compliance when requested. Contractors shall provide records necessary to document affirmative efforts to subcontract with WMBE businesses on Port contracts.
- (3) Compliance with all requirements and past performance under this policy directive may be included in the evaluation of future procurements.
- (4) Contracts funded in whole or in part with federal funds or that are otherwise subject to federal contracting or other federal legal requirements (collectively "Federally-Regulated Contracts"). Federally-Regulated Contracts shall comply with all applicable federal laws, regulations, and orders, including those related to DBEs, ACDBEs, WMBEs, SBES, and VBEs. To the extent permitted by those federal laws, regulations, and orders, and only to that extent, the provisions of this Policy Directive shall also be applied to Federally-Regulated Contracts. In contracts subject to 9 CFR 26. Subpart C, regarding Disadvantaged Business Enterprises (DBE), references to Women and Minority Businesses shall also include federally recognized ACDBEs or DBEs. In the event of a conflict between the provisions of this chapter, or the rules implementing this policy directive, and the requirements of 49 CFR 26, Subpart C, or 49 CFR Part 23, Subpart D, or any other superseding applicable federal statute or regulation, the provisions of the federal statute or regulation shall control.

F. Expanding Opportunity.

- (4) The Port shall review and expand opportunities for WMBE, SBE, and VBE firms in other Port enterprise opportunities, for example real estate leases, to encourage and promote access to Port facilities.

(Res. )

## **SECTION 6. Program Evaluation.**

A. Benchmarks and metrics to evaluate the Diversity in Contracting Program shall include:

- (1) Incorporation of WMBE goals to the fullest extent reasonable, including incorporation into Century Agenda Key Performance Indicators (KPI), reports, and updates.
- (2) Specific measures the contract awarding authority will undertake to increase the participation of women, minority, veteran-owned, and small businesses and to reduce disparities, including the number of events or outreach activities conducted to ensure responsiveness to bid opportunities.
- (3) Progress towards specific division WMBE utilization goals, including the number of opportunities a division has available, the goals established for those opportunities and the actual utilization, including periodic review of disparity study results to determine reasonableness of goals.
- (4) Data reporting using the standard procedure identified in the Diversity in Contracting program for the Port-wide collection and reporting of relevant demographic data including percent of spend, number of businesses, and type of procurements. This also includes all relevant data systems to comply with United States's Department of Transportation's Disadvantage Business Enterprise (DBE) program requirements.
- (5) Preparation and publication of an annual report titled Diversity in Contracting Annual Report.

## **SECTION 7. Fiscal Implications.**

Fiscal implications shall be reviewed by the Executive Director annually, at a minimum, to ensure the implementation of the policy directive is adequately resourced and shall submit a budget request as appropriate.

## Revision History

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July 8, 2025

Resolution No. 3836, increasing women and minority business opportunities.

January 9, 2018

Resolution 3737, establishing the Diversity in Contracting Policy Directive, was adopted.



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8f

**ACTION ITEM**

**Date of Meeting** July 8, 2025

**DATE:** June 2, 2025  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Greg Gauthier, Labor Relations Manager

**SUBJECT: New collective bargaining agreement with the International Brotherhood of Electrical Workers, Local 46, representing Utility Workers in the Aviation Maintenance Department**

**Total Port Cost Increase for the Duration of the Agreement: \$220,224.38**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a new collective bargaining agreement (CBA) between the Port of Seattle and the International Brotherhood of Electrical Workers, Local 46, representing five (5) Utility Workers assigned to the Port of Seattle Aviation Maintenance department, covering the period from June 1, 2023, through May 31, 2026.

**EXECUTIVE SUMMARY**

Good faith bargaining between the International Brotherhood of Electrical Workers, Local 46, and the Port of Seattle resulted in a fair collective bargaining agreement consistent with the Port’s priorities.

The five (5) Utility Workers are responsible for lighting replacement at SEA, including cleaning lenses, fixtures and diffusers.

This agreement is for three years covering the period from June 1, 2023, through May 31, 2026. The estimated total additional cost for wage and benefit increases is \$220,224.38. The estimated cumulative cost per year of the contract is: year one, \$40,123.26; year two, \$74,306.58; and year three, \$105,794.54.

The cost is based upon the following:

- Annual wage set at 53.1% of the journey level Electrician rate
- Enhanced pension contributions
- Increased healthcare premiums
- Safety shoe stipend increase

Meeting Date: July 8, 2025

Other changes include the following:

- Port and Union commitment to promoting equity, diversity and inclusion in the workplace language.
- Amend job titles to support inclusivity (e.g. Foreman to Supervisor, or journeyman to journey level)
- An additional floating holiday (Designated by Port as the day before or after Christmas)
- Utilization of vacation as service time
- Grievance language alignment

**JUSTIFICATION**

RCW Chapter 41.56 requires the Port of Seattle to collectively bargaining wages, hours and conditions of employment with the exclusive bargaining representative designated by the employees.

**DETAILS**

Term of the Agreement

Retroactive to June 1, 2023, through May 31, 2026.

**FINANCIAL IMPLICATIONS**

**Pension:**

Contribution	Current	Year 3
PSEW Pension	\$4.65	\$4.75

**Medical/Dental/Life Plan (per month employer contribution)**

Current	Year 3
\$1350	\$1400

**Wages:**

Classification	Current	6/1/2023	6/1/2024	6/1/2025
Utility Worker	\$30.70	\$33.77	\$36.30	\$38.48
Supervisor	\$33.77	\$37.14	\$39.93	\$42.32
General Supervisor	\$36.84	\$40.52	\$43.56	\$46.17

Meeting Date: July 8, 2025

**Safety Shoe Stipend**

<b>Current</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$175	\$200	\$200	\$200

**Other Changes**

**ATTACHMENTS TO THIS REQUEST**

(1) Collective Bargaining Agreement between the Port of Seattle and IBEW Local 46.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

July 14, 2020      Authorization for Executive Director to Execute new CBA

**COLLECTIVE BARGAINING AGREEMENT**

**BY**

**AND**

**BETWEEN**

**THE PORT OF SEATTLE**

**AND**

**INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS, LOCAL 46**

**REPRESENTING UTILITY WORKERS**

**June 1, 2023 — May 31, 2026**

**COLLECTIVE BARGAINING AGREEMENT BETWEEN  
THE PORT OF SEATTLE AND  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 46  
REPRESENTING UTILITY WORKERS**

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The purpose of this Agreement, made and entered into by and between Local Union No. 46, International Brotherhood of Electrical Workers (hereinafter referred to as “the Union”), and the Port of Seattle (hereinafter referred to as “the Port”), is to establish and clarify conditions, wages, and benefits for Utility Workers at the Port. These articles constitute a maintenance agreement, the terms of which have been negotiated in good faith between the Port and the Union. This Agreement shall be subject to approval by the Commissioners of the Port of Seattle.

The scope and classification of work to be performed by employees covered under this Agreement shall include:

Lighting replacement at the Seattle Tacoma International Airport or Seaport, including cleaning of all types of lighting fixtures, lenses, and diffusers in luminous ceilings and all types of diffused ceiling or area lighting installations; and the replacement of lamps, tubes, diffusers, lenses, and similar equipment. Other work will include the reading of electrical meters and material handling and CUSE paper delivery. Utility Workers may also be responsible for audio/visual duties (setup of podiums, screens, LCD projectors, and TV/VCR combination units) as well as assisting Electricians in all duties not requiring an electrical license or an electrical trainee license.

### **ARTICLE 1: PURPOSE**

The purpose of this Agreement is to promote the continued improvement of the relationship between the Port and its employees through their Union. The articles of this Agreement set forth the wages, hours, and working conditions for the bargaining unit employees.

### **ARTICLE 2: NON-DISCRIMINATION**

The Port and the Union will not tolerate discrimination against any persons on the grounds of age, race, color, national origin/ancestry, ethnicity, religion, disability, Family Medical Leave Act, (FMLA) use, pregnancy, sex/gender, sexual orientation, whistleblower status, military affiliation, marital status, worker’s compensation use, transgender status, political beliefs, or any other protected status as guaranteed by local, state, and federal laws.

The Port and the Union are committed to promoting equity, diversity, and inclusion in the workplace. The Port refers to equity as the fair treatment, access, opportunities, and advancement for all people while striving to identify and eliminate barriers that have prevented the full participation of historically oppressed communities.

### **ARTICLE 3: UNION RECOGNITION AND MEMBERSHIP**

3.1 **Recognition** - The Port recognizes the Union as the exclusive bargaining representative of all employees whose job classifications are in the work units listed

in this agreement.

- 3.2 **Membership Rights** - All employees working in the bargaining unit shall have the right to become a union member upon hire. When possible, the Port will strive to refer questions from employees about union membership directly to the union.
- 3.3 **Notice** - The Port shall advise the Union of the names and addresses of new Port employees covered by this Agreement within seven (7) calendar days following the date of employment.
- 3.4 **Automatic Payroll Deduction** - Upon receipt of written authorization individually signed by the employee, the Port will deduct from the pay of such employee the amount of dues and initiation fees as certified by the union. The Port shall transmit such fees to the Union once each month on behalf of the members involved.
- 3.5 **Dues Deduction Cancellation** - An employee may cancel their payroll deduction of dues and fees by written notice to the Union and to the Employer. The Port will make every effort to end the automatic dues deduction effective on the first pay period but no later than the second pay period after receipt of the written cancellation notice.
- 3.6 **Indemnification** - The Union will indemnify and hold the Port harmless against any claims made and against any suit instituted against the Port on account of any check-off of dues and initiation fees for the Union. The Union agrees to refund to the Port any amounts paid to it in error upon presentation of proper evidence thereof.
- 3.7 **Hiring Procedure** - The Port of Seattle is a public employer subject to the requirements of Chapter 53.18 RCW and Chapter 41.56 RCW regarding employment relations, collective bargaining, and ability to hire personnel. In accordance with Chapter 53.18.060 the parties agree that this labor agreement does not restrict the right of the Port of Seattle in its discretion to secure its regular or steady employees from the local community, according to the Port's internal hiring procedures. All new employees hired in this manner are subject to the terms and conditions of this Agreement.

#### **ARTICLE 4: MANAGEMENT RIGHTS**

- 4.1 **General** - The Union recognizes the prerogatives of the Port to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority, subject to the terms and conditions of this Agreement.
- 4.2 **Rights Enumerated** - Unless modified by this Agreement, the Port shall have the right to determine staffing levels and work locations; determine any given employee's job classification consistent with this Agreement; recruit, examine, hire, appoint, promote, demote, train, transfer, assign, layoff, and discipline and discharge seniority employees for just cause; direct and assign the work; develop and modify classification specifications consistent with this Agreement; allocate positions to those classifications; allocate employees to those positions; determine work shifts and work schedules; schedule and assign overtime work; establish the methods, means and processes and

personnel by which work is performed; establish rules; secure its seniority and Limited Duration Employees from the local community, specify certain employees as seniority employees, subcontract work as allowed by this agreement, allow tenants and leaseholders doing business with the Port to do the work covered by this agreement on their leased premises only, and the right to take whatever actions are necessary in emergencies in order to assure the proper functioning of the work unit.

Due to the unique nature of the operations of the Port, the demands for skilled Utility Workers are highly variable in specific skills and equipment, numbers of crew and required response time. The parties have negotiated in good faith on the subject of subcontracting, with the interest of the Union being maintaining job security and the interest of the Port being the ability to adapt to the ever changing maintenance requirements of the complex systems maintained by the Port as well as public statutes and policies regarding purchasing of goods and services as a public entity. To this end the parties have recognized the difficulty of adopting specific language limiting the right of the Port to subcontract, if the need arises, work traditionally performed by employees covered by this Agreement. No employee working under this Agreement shall be laid off, transferred, or suffer loss of regular work hours due to subcontracting or transferring of the work performed under this Agreement. Limited Duration Employees may be terminated without just cause and without recourse to the grievance procedure regarding termination.

## **ARTICLE 5: CLASSIFICATIONS AND RATES OF PAY**

### **5.1 Rates of Pay**

Effective June 1, 2023, the Utility Worker pay rate will 53.1% of the Port Journey level Electrician hourly wage rate.

Effective June 1, 2024, the Utility Worker pay rate will be 53.1% of the Port Journey level Electrician hourly wage rate.

Effective June 1, 2025, the Utility Worker pay rate will be 53.1% of the Port Journey level Electrician hourly wage rate.

**General Supervisor** – The General Supervisor differential shall be twenty percent (20%) above the Utility Worker rate, effective February 1, 2018.

**Supervisor** - The Supervisor's differential shall be ten percent (10%) above the Utility Worker's rate.

**Utility Assistant to Electrical Worker General Supervisor** – Employees in this classification shall be paid 10% above the Utility Worker rate, effective February 1, 2018.

**High Time** – The High Time differential shall be ten percent (10%) above the Utility Worker's rate. (See Section 6.11).

## 5.2 **Definitions**

5.2.1 **Division** – This Agreement applies to those two divisions of the Port of Seattle known as Seaport Division and Aviation Division.

5.2.2 **Seniority Employee** - A seniority employee is an employee employed by the Port who has worked in the bargaining unit at least 1,560 hours in a twelve (12) month continuous period of time. Once an employee attains seniority employee status, seniority shall be retroactive to their date of hire in the classification.

5.2.3 **Limited Duration Employee** - A Limited Duration Employee (LDE) is an employee employed by the Port who has not worked in the bargaining unit at least 1,560 hours in a twelve (12) month continuous period of time. Limited Duration Employees are at will and do not accrue seniority. A Limited Duration Employee is eligible to take vacation, sick leave and other approved leave after six months of service.

5.2.4 **General Supervisor** – When the Port of Seattle determines that a General Supervisor is needed for the management of operations, the Utility Worker General Supervisor shall receive a 20% premium above the Utility Worker rate. The General Supervisor may also perform the duties of a Supervisor and a Utility Worker.

## **ARTICLE 6: HOURS OF WORK & OVERTIME**

6.1 **Standard Five-Eight (5x8) Work Schedule** – The standard workweek shall be five (5) consecutive days Monday through Friday on the basis of eight (8) consecutive hours per day, or by mutual agreement four (4) consecutive ten (10) hour days (4x10) within the standard workweek, exclusive of the unpaid thirty (30) minute meal period.

### 6.2 **Shifts and Shift Differentials**

**First Shift** - An employee assigned to work on a shift beginning between the hours of 6:00 A.M. and 8:00 A.M. will be considered to be on first shift.

**Second Shift** - An employee assigned to work on a shift beginning between the hours of 2:00 P.M. and 5:00 P.M. will be considered to be on second shift. The pay rate for an employee assigned to second shift will be their base hourly rate of pay plus ten (10) percent. An employee who is regularly assigned to the second shift will have all compensable time paid at the higher rate of pay.

**Third Shift** - An employee assigned to work on a shift beginning between the hours of 10:00 P.M. and 1:00 A.M. will be considered to be on third shift. The pay rate for an employee assigned third shift will be their base hourly rate of pay plus fifteen (15) percent. An employee who is regularly assigned to the third shift will have all compensable time paid at the higher rate of pay.

- 6.3 **Overtime During the Regular Workweek** – All work performed outside of the regularly scheduled working hours shall be considered overtime. During the regular five-eight (5x8) workweek, the first two (2) hours of overtime shall be at one and one-half (1 ½) times the regular shift rate. All other work performed outside the regularly scheduled working hours and after ten 10 hours on a four-ten (4x10) schedule shall be paid at double the shift rate.
- 6.4 **Meal Periods During Overtime** – When employees are required to work more than three (3) hours of overtime beyond their established shift, the employee shall be allowed a paid thirty (30) minute meal period prior to or during the overtime period. The paid meal period shall be scheduled by the Employer.
- 6.5 **Weekend Overtime** – All work performed on the employee’s normally scheduled weekend days off shall be considered overtime.
- 6.5.1 **Time and One-Half Overtime (1.5x) Rates** – During the first eight (8) hours of work on the employee’s normally scheduled first weekend day off, all work performed shall be paid at one and one-half (1.5x) the employee’s regular shift rate of pay.
- 6.5.2 **Double Time (2x) Overtime Rates** – All other overtime during the employee’s normally scheduled weekend, beyond the hours specified in Section 6.5.1 shall be paid at double (2x) the employee’s regular shift rate of pay.
- 6.6 **Scheduled Overtime Work** – Scheduled overtime work will be offered to seniority employees prior to all other employees on the same shift except in those instances where seniority employees are not readily available. Readily available is defined as the employee not being on a leave status and is present at work or at home when called at the time the overtime work is being scheduled and is in the division in which the overtime will be worked. When Limited Duration Employees are used as part of a crew involved in a specific work task, they will be allowed to work the overtime that is involved with that specific work task.
- 6.7 **Unscheduled Emergency Overtime Work** – In the event of unscheduled emergency overtime work, work management is not aware of in advance, management may offer overtime to whoever is most available. However, when possible, management will make a good faith attempt to offer this overtime to seniority employees, who are in the same division in which the overtime will be worked, prior to Limited Duration Employees.
- 6.8 **Overtime Authorization** – All overtime will be authorized in advance by the manager/designee in writing, except in emergencies.
- 6.9 **Callout Premium** – A “callout” will be defined as a circumstance where an employee has left the work premises and is subsequently requested to report back to work prior to their normally scheduled shift. A minimum of four (4) hours at the double time (2X) rate will be paid for each callout. Where such overtime exceeds four (4) hours, the actual hours worked will be paid at the double time rate.



Labor Day	
Thanksgiving Day	
Native American Heritage Day	Designated as the Day after Thanksgiving Day
Christmas Day	
Port Designated Floating Holiday	Designated as the Day before or after Christmas Day by the Port Human Resources Department
Employee's Birthday	An employee designated floater to be taken during the contract year.

Effective January 1, 2023, seniority employees shall be awarded one Personal Day each calendar year. The Personal Day must be used during the year awarded and is not subject to cash out or carry over.

- 7.2 **Other Holiday Observance Considerations** – Whenever any of the above holidays fall on an employee's normal day off, either the last scheduled workday of the employee's previous workweek or the first scheduled workday of the following week shall be observed as the holiday and paid for accordingly. In such an instance, the Port shall decide whether the last preceding workday or the first workday of the following week is to be observed.
- 7.3 **Holiday Pay Rate and Qualifications** – Each employee after thirty days of continuous service shall be eligible to receive eight (8) hours or ten (10) hours holiday pay at their hourly shift rate of pay for the holidays designated in 7.1 above.
- 7.4 **Holidays and Vacations** – If a holiday falls within the vacation period of an employee, the employee shall be paid as set forth above for such holiday.
- 7.5 **Pay for Time Worked on Holidays** - Employees who perform work on any of the above holidays shall be paid, in addition to holiday pay, the actual time worked at double (2x) the employee's regular shift rate; however, the minimum shall be four (4) hours at the double (2x) time rate of pay.

**ARTICLE 8: VACATION**

- 8.1 Effective the first day of the month following execution of this agreement vacation leave is accrued as follows:

**Three Weeks Vacation** - An employee with one (1) month and through eighty-four (84) months of continuous service shall accrue leave at the rate of .05769 per straight time hour compensated or up to three (3) weeks per year (.05769 x 2080 hours= 120 hours per year).

**Four Weeks Vacation** - An employee with eighty-five (85) months and through one hundred forty-four (144) months of continuous service shall accrue leave at the rate of .07693 per straight time hour compensated, or up to four (4) weeks per year (.07693 x 2080 hours= 160 hours per year).

**Five Weeks of Vacation** - An employee with one hundred forty-five (145) months and through two hundred sixteen (216) months of continuous service shall accrue leave at the rate of .096154 per straight time hour compensated, or up to five (5) weeks per year (.096154 x 2080 hours= 200 hours per year).

**Six Weeks of Vacation** – An employee with two hundred seventeen (217) months of continuous service shall accrue leave at the rate of .11538 per straight time hour compensated, or up to six (6) weeks per year (.11538 x 2080 hours = 240 hours per year).

- 8.2 **Limits on Accumulating Vacation Leave** – The maximum accumulation of vacation is 480 hours. Accruals will cease when the limit is reached and will resume only when the balance is below 480 hours. Accruals over the limit are not cashed out.
- 8.3 **Voluntary Cash-out of Vacation Hours** - Employees may cash-out any amount of their accrued vacation hours, provided the employee has a minimum balance of two work weeks of vacation hours remaining immediately following the cash out. Cash-outs shall be processed at the employee's current hourly rate of pay as recorded in the payroll system. A "Paid Time Off Cash-Out Request and Waiver" form must be submitted to Payroll by the payroll deadline. Effective January 1, 2019, employees will follow the cash-out of vacation hours in accordance with the Port PTO Cash Out Policy. If the Port desires a change/modification the Port agrees to provide the Union with advance notice of any change. The same benefit shall be extended to this bargaining unit as provided to other bargaining units and non-represented employees, as may be changed, at the discretion of the Port.
- 8.4 **Scheduling of Vacation** – Vacation assignments will be made at the Port's discretion, following six (6) months of continuous service. A reasonable method for giving due consideration to the employee's requests will be developed by management for vacation schedules. Any time taken prior to six months of continuous service shall be considered leave without pay.
- 8.5 **Unscheduled Use of Vacation** – After six (6) months of continuous service, vacation leave may be used for unscheduled purposes such as sick leave with management approval. However, a doctor's note may be required for absences lasting three days or more. Any unscheduled time taken prior to six months of continuous service shall be considered leave without pay.
- 8.6 **Lay off** - Employees who are laid off or without work through no fault on the part of the employee will not suffer a break in length of service for vacation purposes provided they are rehired within six (6) months of the date of the layoff. However, no vacation will accrue during that period of time.
- 8.7 **Vacation Vesting** – Vacation vests after six (6) months of continuous service.
- 8.8 **Vacation Cash Out at Termination**- Upon termination, an employee who has successfully completed their first six (6) months of continuous Port of Seattle

employment will receive 100% of their accrued vacation balance at the employee's hourly rate at termination. Employees who have not been terminated for cause have the option of receiving their Vacation hours:

- (a) as a lump sum (all rights to insurance benefits, pension benefits and leave accruals during the period in which vacation leave would have been used as service time are waived).
- (b) as service time after their last day worked (this includes healthcare benefits, continuation of Vacation and Sick Leave accruals, and service credit time).
- (c) as a combination of cash and service time.

NOTE: PTO cannot be used as service time in the year following the employees last Port of Seattle workday.

## **ARTICLE 9: SICK LEAVE**

9.1 **Accrual** - Employees shall accrue sick leave at the rate of .025 per hours compensated.

Sick Leave shall continue to accrue in two banks.

Bank 1) Protected Sick Leave .025 per hour worked will accrue as Washington Protected Sick Leave. Employees may utilize this leave in accordance with the minimum requirements of the Washington State Sick Leave Law, RCW 49.46.210. Employees shall be notified on each paystub of the amount of Protected Sick Leave they are entitled to use for authorized purposes as defined by the law. There is no limit on the amount of Protected Sick Leave that may be accrued in a calendar year

Bank 2) Paid Sick Leave .025 will accrue as Paid Sick Leave per hour compensated, but not worked.

On January 1st of every calendar year Protected Sick Leave in excess of forty (40) hours will be transferred to Bank 2.

Limited Duration Employees shall accrue Paid Sick Leave, but may not use sick leave from bank 2 until after employment of at least 30 days.

Sick leave will be used as provided by law. For absences exceeding three (3) days, management may require verification that an employee's use of paid sick leave is for an authorized purpose.

9.2 **Pay Rate** – Sick leave pay shall be at the shift straight-time hourly rate.

9.3 **Eligibility** – Sick leave will be used only in instances of bona fide employee, immediate family, or others' (as required by law) illness, injury or disability resulting in absence from work as normally scheduled.

- 9.4 **Payment for Sick Leave On Termination** – Any unused sick leave benefits shall be accumulated into a sick leave bank to be used for future illness of an employee as their needs may require, but may not in any event be converted to additional vacation, or time off with pay. Sick leave used shall be deducted from the accumulated bank. Unused sick leave may not be converted to cash payment except under termination or retirement following five (5) continuous years of active employment in a permanent position. Qualified employees shall be compensated for fifty percent (50%) of their unused sick leave at the employee’s current rate of pay upon termination. This payment is not subject to benefits/pension contributions or leave accrual.
- 9.5 **Payoff** – The following provisions establish the methods for application of sick leave benefits in conjunction with other benefits:
- 9.5.1 In no case shall the combined effect of sick leave and/or other benefits be applied so that compensation exceeds the employee’s normal rate of pay.
- 9.5.2 An employee who is collecting Worker’s Compensation temporary occupational disability benefits may draw sufficient sick leave benefits from their disability benefits, provided the total daily or weekly amount of benefits does not exceed their daily or weekly base wage rate, until such time as their leave bank is depleted.
- 9.6 **Shared Leave** - Employees covered by this agreement are eligible to participate in the Port’s Shared Leave program under the same terms and conditions as non-represented employees. The Port’s Shared Leave program shall not be a bargainable issue. However, the Port agrees to provide notice to the Union in advance of changes to the program.

## **ARTICLE 10: LEAVE OF ABSENCE**

- 10.1 **General** – The Port shall comply with the Family Medical Leave Act (FMLA) and State Family Care Act (FCA). These benefits shall be available to domestic partners of employees as well as those persons required by these statutes. For purposes of this Article, domestic partnership shall mean a heterosexual or same sex couple as defined by Port of Seattle Policy.
- 10.2 **Paid Family and Medical Leave** - The Port shall comply with the requirements of the Washington Paid Family and Medical Leave Act and shall have full discretion on meeting those requirements (e.g. Voluntary Plan), which shall not be subject to the grievance procedure or to any other provision of this Agreement or to negotiation by the Union. However, the Port agrees, that for the term of this agreement, the Port shall make contributions to the chosen plan (i.e. State, Approved Voluntary) on the employee’s behalf.
- 10.3 **Paid Parental Leave** – The Port shall continue to provide Paid Parental Leave to members of the bargaining unit. Eligibility, participation, and terms of the Paid Parental Leave shall be as provided to non-represented employees. The Port, at its discretion, may change or modify its Paid Parental Leave policy and/or procedure. The Port agrees to

provide the Union with advance notice of any change. The same benefit will be extended to this bargaining unit as provided to other bargaining units and non-represented employees, as may be changed, at the discretion of the Port.

- 10.4 **Failure to Return to Work** - Failure to return to work from an approved Medical or Family leave of absence by the expiration date of the leave of absence may be cause for termination of employment.
- 10.5 **Bereavement Leave** – Any employee who suffers a death in their immediate family shall be allowed three (3) days off with pay compensated at the employee’s straight-time rate as a result of the employee’s absence. The employee may request up to two (2) additional paid days leave for employees working 5/8s, and one (1) additional day of paid leave for employees working 4/10s, but no employee shall be eligible for more than a maximum of 40 hours per incident. Individual circumstances such as the distance to the funeral and the extent of employee involvement with the arrangements for the deceased shall be considered in determining the number of days to be granted an employee. Immediate family shall be defined as wife, husband, daughter, son, mother, father, sister, brother, grandparents, grandchildren, stepmother, stepfather, stepchildren, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, and son-in-law. Immediate family shall also include domestic partners and their respective relatives listed above.
- 10.6 **Jury Duty** - An eligible employee who serves on jury duty shall receive full regular compensation.

Employees on swing or graveyard shifts shall receive jury duty pay (in lieu of working) for their shift immediately preceding the start of jury duty. If the employee's next scheduled Port of Seattle work shift starts less than 12 hours after the end of jury duty, and jury duty is not scheduled for the next day (e.g., on a weekend or at the completion of jury duty), the employee shall receive jury duty pay (in lieu of working) for the number of hours required to provide the employee with a 12-hour break. For example, if jury duty ends at 4:00 p.m. and the employee's work shift begins at 10:00 p.m., the employee may receive jury duty pay in lieu of working from 10:00 p.m. to 4:00 a.m.

**ARTICLE 11: BENEFITS**

- 11.1 **Puget Sound Electrical Workers Pension Trust** - The Port agrees to contribute the following amounts for each Employee performing work covered by this Agreement, except as provided for Apprentices, to the Puget Sound Electrical Workers Pension Trust Fund, a jointly trusted pension trust created pursuant to Section 3.02(c) of the Labor-Management Relations Act of 1947 (Taft-Hartley).

Effective June 1, 2023                      \$ 4.65 per hour COMPENSATED

Effective on the first day of the first payroll period after the execution of this agreement  
the rate shall increase to                      \$4.75 per hour COMPENSATED

- 11.2 **Annuity – Puget Sound Electrical Workers Annuity** - The Port shall contribute the following amounts for all Employees working under the several job classifications described by this Agreement to the defined contribution plan of the Puget Sound Electrical Workers Retirement Annuity Trust Fund. The contribution amounts are:

Effective January 1, 2023, the Employer shall contribute 7.3% of gross wages each month to the PSEW Pension Trust for the Annuity contribution.

- 11.3 **National Electrical Benefit Fund**

It is agreed that in accord with the Employees Benefit Agreement of the National Electrical Benefit Fund (NEBF), as entered into between the National Electrical Contractors Association and the International Brotherhood of Electrical Workers on September 3, 1946, as amended, and now delineated as the Restated Employees Benefit Agreement and Trust, that unless authorized otherwise by the NEBF the Port will forward monthly three percent (3%) of gross monthly labor payroll paid to, or accrued by the Employee in this bargaining unit and a complete payroll report prescribed by the NEBF.

The payment shall be made by check or draft and shall constitute a debt due and owing to the NEBF on the last day of each calendar month, which may be recovered by suit initiated by the NEBF or its assignee. The payment and the payroll report shall be mailed to reach the office of the appropriate local collection agent not later than fifteen (15) calendar days following the end of each calendar month.

The Port hereby accepts, and agrees to be bound by, the Restated Employees Benefit Agreement and Trust. If the Port fails to remit as provided above, it will additionally be subject to having this Agreement terminated upon seventy-two (72) hours' notice in writing upon being served by the Union, provided the Port fails to show satisfactory proof the required payment has been paid to the appropriate local collection agent.

The failure of the Port to comply with the applicable provision of the Restated Employees Benefit Agreement and Trust shall also constitute a breach of the Labor Agreement.

- 11.4 **Payment Due Date** - Payment shall be due on the fifteenth (15) of the month following the month in which the hours were worked. Each remittance shall be accompanied by a form, which will be made available for this purpose.

- 11.5 **Trust Terms** - The Port agrees to be bound by the terms and provisions of the Trust Agreement governing the Puget Sound Electrical Workers Pension Trust effective June 1, 1973, and all amendments or revisions hereafter adopted and further agrees as its representatives the current Employer Trustees and their lawfully appointed successors.

The failure of the Port to comply with the applicable provisions of the Trust Agreement governing the Puget Sound Electrical Workers Pension Trust shall also constitute a breach of this labor Agreement.

- 11.6 **Effective June 1, 2023** – Fringe benefit pension and annuity contributions shall be made on all hours compensated.
- 11.7 **Deferred Compensation** - Employees shall be eligible for participation in the Port of Seattle’s Deferred Compensation Plan. Eligibility and participation of employees shall be subject to the terms and conditions of such plan including any plan amendments, revisions, or possible cancellation. It is further agreed that content of the plan itself, plan administration, and any determinations made under the plan shall not be subject to grievance or arbitration procedures or to any other provisions of this Agreement or to negotiation by the Union.

## **ARTICLE 12: MEDICAL, DENTAL AND LIFE PLAN**

The employees covered by this Agreement shall be eligible for benefits under the Puget Sound Electrical Workers Healthcare Trust Fund.  
Effective January 1, 2023, the Employer will contribute a lump sum amount of \$1350 per month on behalf of each employee covered by this Agreement.

Effective January 1, 2024, the Employer will contribute a lump sum amount of \$1350 to the Healthcare Trust Fund.

Effective June 1, 2025, the Employer will contribute a lump sum base rate amount of \$1400 to the Healthcare Trust Fund.

Contributions shall not be made for employees on LWOP exceeding one month, unless required by law (e.g., FMLA) or Port Policy (e.g., HR-5 addendum 2). For employees on medical disability, contributions shall continue for employees on LWOP but not exceeding 6 months, after FMLA is exhausted.

Increases above the Employer’s maximum monthly contribution above the rate specified above shall be shared by the employee and the Port in the following way: The Employee and the Port will contribute 50%-50% of the increase up to an employee’s share of 10% of the total monthly base rate. Once the employee’s contribution has reached 10% of the monthly base rate, future increases shall be split 10% by the employee and 90% by the Port for the duration of this Agreement.

The Parties agree should a material change take place in regards to Medical and Dental benefits costs, the parties will meet as soon as practicable to bargain.

## **ARTICLE 13: SENIORITY – SHIFT SELECTION**

- 13.1 **Division Seniority Rights** - Seniority employees will be afforded the right to utilize their division seniority as hereinafter defined for the purposes of shift selection.
- 13.2 **Layoffs/Reductions in Force** – Any layoffs of Seniority employees shall be done by reverse seniority within the division. When layoffs occur, all Limited Duration Employees shall be laid off before any Seniority employees within the division. After all

Limited Duration Employees have been laid off then layoffs of Seniority employees if need be shall be laid off in reverse seniority order within the division.

- 13.3 **Recall from Layoff** – In the event of a layoff, Seniority employees shall be placed on a preferential hire list for six months from date of layoff. Openings in a division shall first be filled in seniority order from the employees on the preferential hire list from that division at the time the opening is posted.
- 13.4 **Retention of Seniority Status** – In the event a Seniority employee is hired or recalled to another division, seniority shall begin from date of hire in the new division. However, that employee shall retain seniority status and will not be reverted to Limited Duration status.
- 13.5 **Bid Postings** - All newly established on-going work schedules (days of work), shifts (hours of work) and vacant positions in the division work unit will be posted. Employees within the specific classification in the division will have the opportunity to bid by division seniority for the work schedule, shift or vacancy. Absent adequate interest, employees will be assigned in reverse seniority order.
- 13.6 **Seniority Lists** - The Port will transmit to the Union a current listing of all division employees in June of each contract year. Such list will indicate the name of the employee, job classification, and division seniority date. The Port and the Union shall mutually agree on a seniority list.
- 13.7 The parties agree to meet to discuss the concept of merging this bargaining unit with another IBEW Local 46 represented bargaining unit at the Port.

#### **ARTICLE 14: MISCELLANEOUS**

- 14.1 **Election to Union Office** - An employee elected or appointed to a position in the Union that requires a part or all of their time will be given an unpaid leave of absence up to one (1) year upon written application.
- 14.2 **Port of Seattle Labor-Management Committee(s)** - The Port and the Union recognize the importance of a collective bargaining and employee relations climate in the Port that encourages cooperative efforts and joint problem-solving amongst all involved parties to better serve the public, increase productivity, reduce waste, improve safety, improve morale, and recruit, train and retain quality employees. In the interest of meeting these challenges, the Port and the Union agree to establish labor-management committee(s) where mutually agreed.
- 14.3 **Biweekly Payroll** – Payroll checks shall be issued on a biweekly basis consistent with the payroll procedures for non-represented employees.
- 14.3.1 **Direct Deposit** - As a condition of continued employment, all employees are required to participate in the Port’s direct deposit program for payroll purposes.

- 14.4 **Bulletin Boards** - The Port agrees to permit the Union shop stewards and business representatives to post on designated Port bulletin boards the announcement of meetings, election of officers, and other Union approved material.
- 14.5 **Shop Stewards** - The Union shall appoint a shop steward for each division. Shop stewards may conduct representational responsibilities including, but not limited to, attending grievance, Weingarten and Loudermill meetings during their regular scheduled shift, without a loss of regular compensation, if excused from work by the employee's manager/designee. Port management must approve use of Port facilities for Union business outside of these processes in advance and employee attendance will be on unpaid time.
- 14.6 **Safety** - The Port, Union and employees agree to comply with all applicable safety laws and regulations. In the event an employee discovers or identifies an unsafe condition s/he will immediately notify the manager/designee. No employee will be disciplined for reporting an unsafe condition. No employee will be required to use unsafe equipment or work in an unsafe environment.
- 14.7 **Posting of Vacant Positions** - Prior to the initiation of any open competitive process to fill a vacant bargaining unit position, the Port will provide notice of the vacancy to all employees within the bargaining unit and to the Union. Posting on the Port's Website satisfies this requirement of notice to the Union. Any member of the bargaining unit holding a position within the same classification as that of the vacant position will be given the opportunity to apply for the position. The appointment will be made to the applicant whom the Port determines has the knowledge, skills and ability to fill the position. Where the knowledge, skills and ability of the applicants are equal, the position will be awarded on the basis of division seniority.
- 14.8 **Use of Limited Duration Employees** – The Port will notify the Union when it hires a Limited Duration Employee. The notice will include the classification, division hired, basis for the hire and expected length of employment.
- 14.9 **Parking** – In the event employees are not allowed to park in the parking garage or park free of charge, the Port agrees to negotiate such impact on the employees.
- 14.10 **Flexible Spending Account** - Employees shall be eligible for participation in the Port of Seattle's Flexible Spending account program. Eligibility and participation of employees shall be subject to the terms and conditions of such plan including any plan amendment, revision or possible cancellation. It is further agreed that content of the plan itself, plan administration and any determination made under the plan shall not be subject to the grievance or to any other provision of this Addendum or to negotiation by the Union.

### **Commute Trip Benefits**

All Full time, part-time, on-call, and Limited Duration Employees, shall be eligible for the following benefits:

14.11.1 **The One Regional Card for All ("ORCA Card") Program** - The Port offers ORCA cards to eligible employees at a substantially reduced cost for transportation on multiple regional transit systems. Employees who participate in the ORCA card program may also be eligible for additional subsidized transportation services. The availability of the ORCA program, annual cost, potential tax consequences for employees, and other provisions are subject to change based on guidelines provided by agencies with whom the Port contracts for the ORCA program benefits, IRS requirements, as well as the Port's discretion.

14.11.2 **Ferry Reimbursement** - Employees who use the Washington State Ferry System for all or part of their work commute are eligible for reimbursement of ferry commuting costs up to a monthly maximum. This monthly maximum reimbursement amount is determined by the Port. Amounts and procedures can be found on the Total Rewards Compass Page and may be subject to tax;

The Port shall maintain full discretion to modify, change, amend, and/or discontinue either and/or both the ORCA program and the Ferry Reimbursement benefit.

## **ARTICLE 15: GRIEVANCE PROCEDURE**

It is the Port and the Union's goal that all employer/employee disputes be addressed as quickly as possible. With this goal in mind, the parties agree to attempt to settle employer/employee disputes prior to filing an official written grievance.

- 15.1 **Grievance Procedure** - Disputes between employees and management arising during the term of this Agreement shall be referred to a Business Representative of the Union and to the Port within the timelines established. A grievance not brought within the time limit prescribed in this Article, shall not be considered timely and shall be void. The time limits may be waived at each step by mutual agreement, in writing, by the Union and the appropriate management representative.

**Step 1** - The Union's business representative shall present the grievance in writing to the Employer Representative. The written grievance shall contain a statement of the relevant facts, the specific section(s) of the Agreement allegedly violated and the remedy sought. Any complaint, dispute or grievance not filed in writing by the complaining party within twenty (20) calendar days from the date either party knew or reasonably should have known of the alleged violation shall be waived. The Union Business Representative and the Employer Representative shall meet to resolve the grievance within five (5) working days from date of filing. The Employer shall provide a written response to the Union within fourteen (14) calendar days after the Step 1 meeting. In the event settlement is not reached, the grievance shall proceed to Step Two (2).

**Step 2** - If a settlement is not reached in the manner above described, the dispute shall be referred to a Joint Conference Committee that shall be set up under this Agreement and shall consist of two (2) representatives of management and two (2) representatives of the Union. This committee shall select its own chairman and secretary from within the

committee, one from the Union and the other from Management and shall meet at such times and places as it may decide. It must meet within five (5) working days after a dispute is referred to it for resolution. However by mutual consent, the parties may extend the meeting deadline. If the grievance is not resolved by the Step 2 Committee, the Employer shall provide a written response to the Union within fourteen (14) calendar days after the Step 2 meeting. The grievance will continue to Step 3.

**Step 3** - In the event the grievance is not resolved in Step Two (2), Representatives of the Labor-Management Committee, one from each side, shall meet within five (5) working days of the completion of Step Two (2) and select an arbitrator by alternately striking from a list of five (5) names supplied by the Federal Mediation and Conciliation Service (FMCS). The arbitrator shall not have the right to add to or subtract from any terms of this Agreement and all decisions must be within the scope and terms of this Collective Bargaining Agreement. The Labor-Management Representatives shall meet with the arbitrator and present their cases. They shall have the right to override the arbitrator during this meeting. In the event they cannot reach a decision, the decision of the arbitrator shall be final and binding.

Each party will bear its own costs of presenting grievances under this agreement, including attorney's fees. The Arbitrator's fee shall be shared equally by the Union and the Port.

## **ARTICLE 16: WORK STOPPAGES AND EMPLOYER PROTECTION**

- 16.1 **Work Stoppages** - There shall be no stoppage of work either by strike or lockout because of any proposed changes in this Agreement or dispute over matters relating to this Agreement. All such matters shall be handled using the grievance/arbitration procedure in this Agreement.
- 16.2 **Discipline** - Any employee participating in such work stoppage or in other ways committing an act prohibited in this Article may be subject to disciplinary action up to and including discharge, suspension, or other disciplinary action as may be deemed applicable to such employee.

## **ARTICLE 17: SAVINGS CLAUSE**

Should any part hereof or any provisions herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction, such invalidation of such part or portions of this Agreement will not invalidate the remaining portions hereof; provided however, upon such invalidation the parties will meet and negotiate such parts or provisions affected. The remaining parts or provisions will remain in full force and effect.

## **ARTICLE 18: FOOTWEAR**

The Port shall pay a stipend the first full pay period of each contract year to employees who on June 1 of each contract year have accrued at least six months of service for

purchase price or repair of footwear meeting the standards of ASTM-2413-05 as shown below.

Effective June 1 of 2023, the stipend shall be \$200.

Effective June 1 of 2024, the stipend shall be \$200.

Effective June 1 of 2025, the stipend shall be \$200.

**ARTICLE 19: DURATION**

19.1 **Duration** – This Agreement will become effective upon full and final approval by the Union and the Port of Seattle Commission and will cover the period from June 1, 2023 through May 31, 2026.

19.2 **Modification and Re-opener Clause** – Either party desiring to change or modify this agreement shall notify the other, in writing, at least sixty (60) days in advance. Contract negotiations for the succeeding contract may be initiated by either party by providing to the other written notice of its intention to do so at least sixty (60) days prior to the expiration date.

**ARTICLE 20: EMERGENCY SITUATION**

In the event of a “regional catastrophic event” as declared by the state or federal government, contract compliance issues shall be held in abeyance until such time as the situation is declassified as such by state and/or federal government. Examples: Nisqually Earthquake, Hurricanes Katrina/Sandy, 9/11, tsunami.

IN WITNESS WHEREOF, the aforementioned have executed this Collective Bargaining Agreement on \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**PORT OF SEATTLE**

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 46**

\_\_\_\_\_  
**Stephen P. Metruck, Port of Seattle Executive Director**

*Sean L. Bagsby*  
\_\_\_\_\_  
**Sean Bagsby, IBEW Local 46 Business Manager and Financial Secretary**

Date: \_\_\_\_\_

Date: **06/27/2025** \_\_\_\_\_



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8g

**ACTION ITEM**

**Date of Meeting** July 8, 2025

**DATE:** June 23, 2025  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Janice Zahn PE., CCM, Chief Engineer  
Greg Gauthier, Labor Relations Manager

**SUBJECT: Memorandum of Understanding between the Port of Seattle and Seattle/King County Building and Construction Trades Council and Western States Regional Council of Carpenters**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a Memorandum of Understanding (MOU) related to the 2018 Project Labor Agreement (PLA) between the Port of Seattle and Seattle/King County Building and Construction Trades Council (SBT) and Western States Regional Council of Carpenters.

**EXECUTIVE SUMMARY**

The purpose of this MOU is to standardize the working conditions provisions between the 2019 PLA and the 2024 PLA. In December 2024 the Port and SBT entered into a 5-year Project Labor Agreement to replace the prior version. The 2024 PLA eliminated the Substance Abuse Section which mandated drug testing by the Port and specified the responsibility for drug testing was with the Contractor. The Port will be verifying the Contractor’s Drug Free workplace policies.

The 2018 PLA included a Substance Abuse Section and drug testing by the Port continues as part of that provision. This MOU will allow the Port to contractually modify the 16 current Port projects operating under the 2018 PLA to match the provisions of the 2024 PLA regarding drug testing responsibility. The Port will then terminate the drug testing contract.

**JUSTIFICATION**

One of the primary goals of the Project Labor Agreement is to standardize working conditions on Port of Seattle capital projects. This MOU provides consistent working conditions for all Port including all PLA and non-PLA projects.

Currently contractors already have drug-free workplace programs, which include testing. This MOU will remove the duplication of efforts by the Port and contractors saving the Port the cost

Meeting Date: July 8, 2025

of its current drug testing program. Finally, the MOU will result in the Port being consistent with all other public owners in the region, none of whom do their own drug testing.

**DETAILS**

Currently there are 16 capital projects working under the 2018 PLA that remains in effect until those projects are completed in Q4 2026. Six (6) capital projects under the 2024 PLA are in construction.

**FINANCIAL IMPLICATIONS**

From 2019 through 2024 an average of just over 1,520 drug tests per year were administered by the Port. Elimination of Port drug testing will save \$152,000 per year for the cost of the testing service. Additional savings will occur by eliminating the labor cost associated with drug testing. Labor savings are estimated to be 2,280 construction labor hours per year and \$285,000 per year. In total cost savings are estimated to be \$437,000 per year.

**ATTACHMENTS TO THIS REQUEST**

- (1) Memorandum of Understanding between the Port of Seattle and Seattle/King County Building and Construction Trades Council and Western States Regional Council of Carpenters

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

MEMORANDUM OF UNDERSTANDING  
by and between  
PORT OF SEATTLE  
And  
SEATTLE/KING COUNTY BUILDING & CONSTRUCTION  
TRADES COUNCIL, AFL-CIO,  
And  
WESTERN STATES REGIONAL COUNCIL OF CARPENTERS

**Re: Substance Abuse**

This Memorandum of Understanding (MOU), made effective as of the date of signing, is entered into by and between the SEATTLE/KING COUNTY BUILDING & CONSTRUCTION TRADES COUNCIL, AFL-CIO, And the NORTHWEST CONSTRUCTION ALLIANCE II (Unions) and the Port of Seattle (Port), referred to herein as the Parties.

WHEREAS, the Parties executed a Project Labor Agreement (“PLA I”) effective December 1, 2018, for projects commencing after that date and extended to cover projects commencing through October 31, 2024. In that PLA, the parties agreed to allow amendments or modifications by mutual agreement.

BY MUTUAL AGREEMENT THE PARTIES AGREE TO THE FOLLOWING:

WHEREAS, PLA I contains a Substance Abuse Program that is administered by the Port’s Substance Abuse Program Administrator with oversight by the Port’s Substance Abuse Coordinator;

WHEREAS, the subsequent PLA (“PLA II”) covering projects that commenced on or after January 1, 2025, has a substance abuse program that is administered by the signatory contractors;

WHEREAS, the parties agree that for projects covered by PLA I and subsequent extension, which commenced between December 1, 2018, and October 31, 2024, and that remain ongoing as of the date of this Memorandum:

1. Appendix A to PLA I is hereby removed as well as Article 15;
2. As PLA I will now be silent on the issue, drug testing may be performed in accordance with the applicable Master Labor Agreements;
3. To the extent consistent with Section 2, above, or as required by state and federal law, the Port may elect to address drug testing in its contract documents with contractors working on projects identified above and ongoing under PLA I.

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Stephen P. Metruck, Executive Director  
Port of Seattle

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Date

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Seattle/King County Building Trades Council  
Monty Anderson, Executive Secretary

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Western States Regional Council of Carpenters  
Antonio Acosta, Regional Manager



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8h

**ACTION ITEM**

**Date of Meeting** July 8, 2025

**DATE:** June 16, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Linda Springmann, Director Cruise Business & Elliot Bay Operations  
Kelly Purnell, Capital Project Manager

**SUBJECT: Terminal 91/ Pier 66 Cruise Shore Power Extension – Additional Funding Authorization (CIP #801983) (Short Form)**

**Amount of this request:** \$1,100,000

**Total estimated project cost:** \$33,000,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to approve additional funding to award and execute the Validation Period of the major public works Progressive Design Build contract for T91/P66 Cruise Shore Power Extension (C801983) project. Total requested for this action is \$1,100,000 for a total project authorization of \$10,450,000.

**SUMMARY**

This request is for additional funding authorization to proceed with awarding and executing the Validation Period of the Progressive Design Build (PDB) contract for the Terminal 91/Pier 66 Cruise Shore Power Extension project. A single proposal was received from Skanska USA Building Inc. in response to the project Request for Proposals. The sole proposal was deemed responsible. The proposal received for the initial contract amount for validation was \$1,277,000, which is 30% over an anticipated \$900,000 for the Validation Period. This amount exceeds the remaining authorized budget for procurement, validation and preliminary design, necessitating the need for additional funding. The additional funds requested in this action will be used to cover the difference in the proposal amount against the remaining authorized budget and to ensure funds are available for the required soft costs for early PDB development, project contingency, and taxes.

The recommendation is to accept the proposal received. The proposal received is comprehensive and the design-builder team is fully qualified with the requisite experience to successfully deliver this project within the time constraints of the project to have the shore power in service by cruise season of 2027 per Commission Order No. 2024-08. Rejecting this proposal would significantly delay the project and it would not be possible to implement shore power for all homeported

Meeting Date: June 24, 2025

cruise ships by 2027. Acceptance of this proposal would meet the project goal of 6% WMBE participation.

There were thirteen (13) prime plan holders for the project with only one firm submitting a Statement of Qualifications and Proposal. The project team determined the following concerns may have discouraged proposers: very aggressive timeline to achieve in service date, site congestion during cruise operations and commercial fishing operations seasons, constraints due to other construction projects, and permitting complexities.

As a PDB project, a robust validation period and preliminary design work are required to determine the full scope of the project in partnership with the Port of Seattle project team. At the end of Validation, the Port and the design-builder will negotiate to establish target scope, schedule, and budget for the project. Following Validation and with Commission authorization of additional funding, the project will proceed to the next period of the contract to further advance the design and develop a Guaranteed Maximum Price (GMP).

In July 2024, the Port passed Commission Order No. 2024-08 mandating all homeport cruise ships to connect to shore power by 2027, three years earlier than the 2030 goal set in the Port’s adopted Maritime Climate and Air Action Plan. The existing shore power systems at Pier 91 and Pier 66 need to be extended at both locations to maximize flexibility to enable shore power connections for all homeport cruise ships by the end of 2027. The target in-service date for completion is Q1/2027 and closeout scheduled for Q3/2027.

**Cost Estimate/Authorization Summary**

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$4,000,000	\$0	\$4,000,000
Previous changes – net	\$29,000,000	0	\$29,000,000
Revised estimate	\$33,000,000	0	\$33,000,000
<b>AUTHORIZATION</b>			
<b>Previous authorizations</b>	<b>9,350,000</b>	<b>0</b>	<b>9,350,000</b>
Pier 91	\$850,000*		\$850,000*
Pier 66	\$500,000*		\$500,000*
Watts Marine Sole Source Contract	\$8,000,000		\$8,000,000
<b>Current request for authorization</b>	<b>\$1,100,000</b>	<b>0</b>	<b>\$1,100,000</b>
Pier 91	\$770,000	0	\$770,000
Pier 66	\$330,000	0	\$330,000
Watts Marine Sole Source Contract	\$0		\$0
<b>Total authorizations, including this request</b>	<b>\$10,450,000</b>	<b>0</b>	<b>\$10,450,000</b>
Pier 91	\$1,620,000		\$1,620,000
Pier 66	\$830,000		\$830,000
Watts Marine Sole Source Contract	\$8,000,000		\$8,000,000
<b>Remaining amount to be authorized</b>	<b>\$22,550,000</b>	<b>\$0</b>	<b>\$22,550,000</b>

Meeting Date: June 24, 2025

\* Current authorization in the amount of \$1,350,000 includes \$350,000 transferred from CIP # C801293 (funds previously authorized by Commission August 8, 2023 when T91 Shore Power Extension was coupled with the purchase of the mobile cable positioning devices (CPDs)) to CIP# C801983 when the T91 shore power extension scope was consolidated under CIP #C801983 with P66 Shore Power extension. An additional \$1,000,000 was authorized via DORA Request 1418-2024 in September 2024 to provide funding for the procurement, Validation phase, and preliminary design of the shore power extension projects. The proposal received for Validation phase and preliminary design exceeds the remaining authorized budget, exclusive of the Watts Marine contract funding.

**ATTACHMENTS**

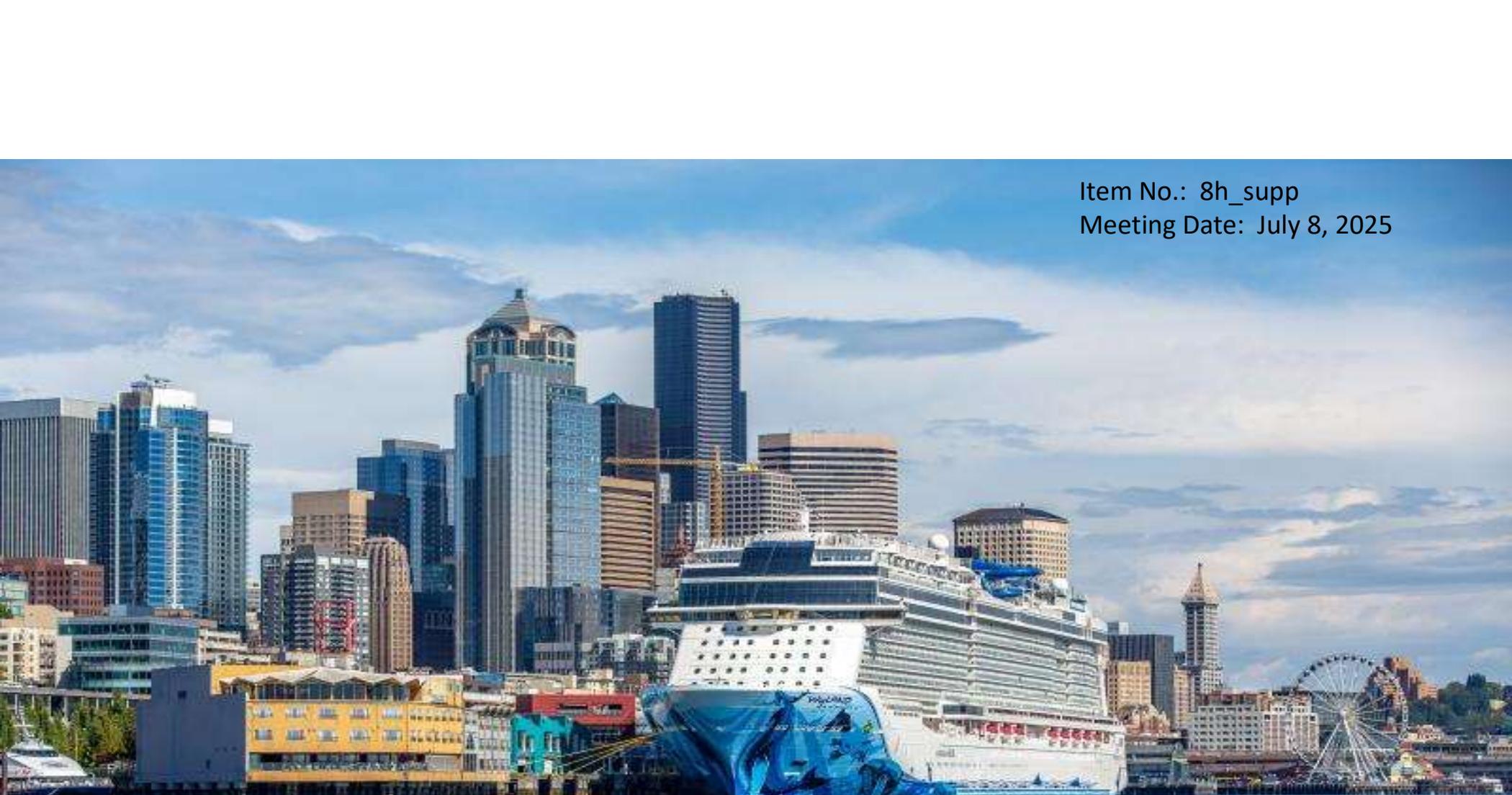
(1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

April 22, 2025 – Funding authorization in the amount of \$8M for Watts Marine contract to purchase shore power equipment.

August 8, 2023 - The Commission authorized funding for Pier 91 Cruise Shore Power Extension and CPDs in the amount of \$2,500,000 for the purchase of the CPDs and early design funding of the extension.

Item No.: 8h\_supp  
Meeting Date: July 8, 2025

A wide-angle photograph of the Seattle skyline across a body of water. In the foreground, a large white cruise ship is docked at a pier, with its bow partially covered by a blue tarp. The city's skyscrapers, including the Smith Tower, are visible in the background under a blue sky with scattered clouds. A Ferris wheel is also visible on the right side of the skyline.

# Pier 91/ Pier 66 Cruise Shore Power Extension Project

## Validation Period for Progressive Design Build Contract - Additional Funding

# Action Requested

Request Commission authorization for the Executive Director to approve additional funding to award and execute the Validation Period of the major public works Progressive Design Build contract for T91/P66 Cruise Shore Power Extension (C801983) project. Total request for this action is \$1,100,000 for a total project authorization of \$10,450,000.

# Project Purpose

- **In July 2024, Commission Order No. 2024-08 was passed mandating that all homeport cruise ships connect to shore power by 2027.**
- To meet the mandate, the existing shore power systems need to be extended at Pier 91 and Pier 66.
  - Currently, the shore power cables cannot reach from the berth connection point to plug-in locations on all shore power capable ships.
- This project will provide maximum flexibility in how ships with different shore power configurations berth at the pier so they can connect to shore power.



# Details and Recommendation

- A single proposal was received from Skanska USA Building Inc. in response to the project Request for Proposals.
- \$1,277,000 proposed for Validation Period
  - 30% over an anticipated \$900,000 for the Validation Period.
  - Validation Fee exceeds remaining authorized budget for procurement, validation and preliminary design.
- The additional funds requested in the amount of \$1,100,000 cover the difference of the proposal amount that exceeds the remaining authorized budget and to ensure funds are available for required soft costs for early PDB development, project contingency, and taxes.

## **Recommendation:**

- Accept the proposal received for Validation Period in the amount of \$1,277,712 (plus WSST)
  - Proposal is comprehensive and PDB team is qualified and experienced
  - Rejecting the proposal will significantly delay the project and implementation will not occur to meet deadline to plugin all homeport cruise ships by 2027 per Commission Order No. 2024-08.

# Next Steps

- Progressive Design Build contract execution July 2025
  - Validation Period Q3-Q4 2025
- Commission Authorization for Design/early work Q4 2025
  - Target scope/schedule/cost with PDB
- Commission Authorization Final design/Construction Q2 2026
  - Final GMP, scope, schedule

# Project Schedule

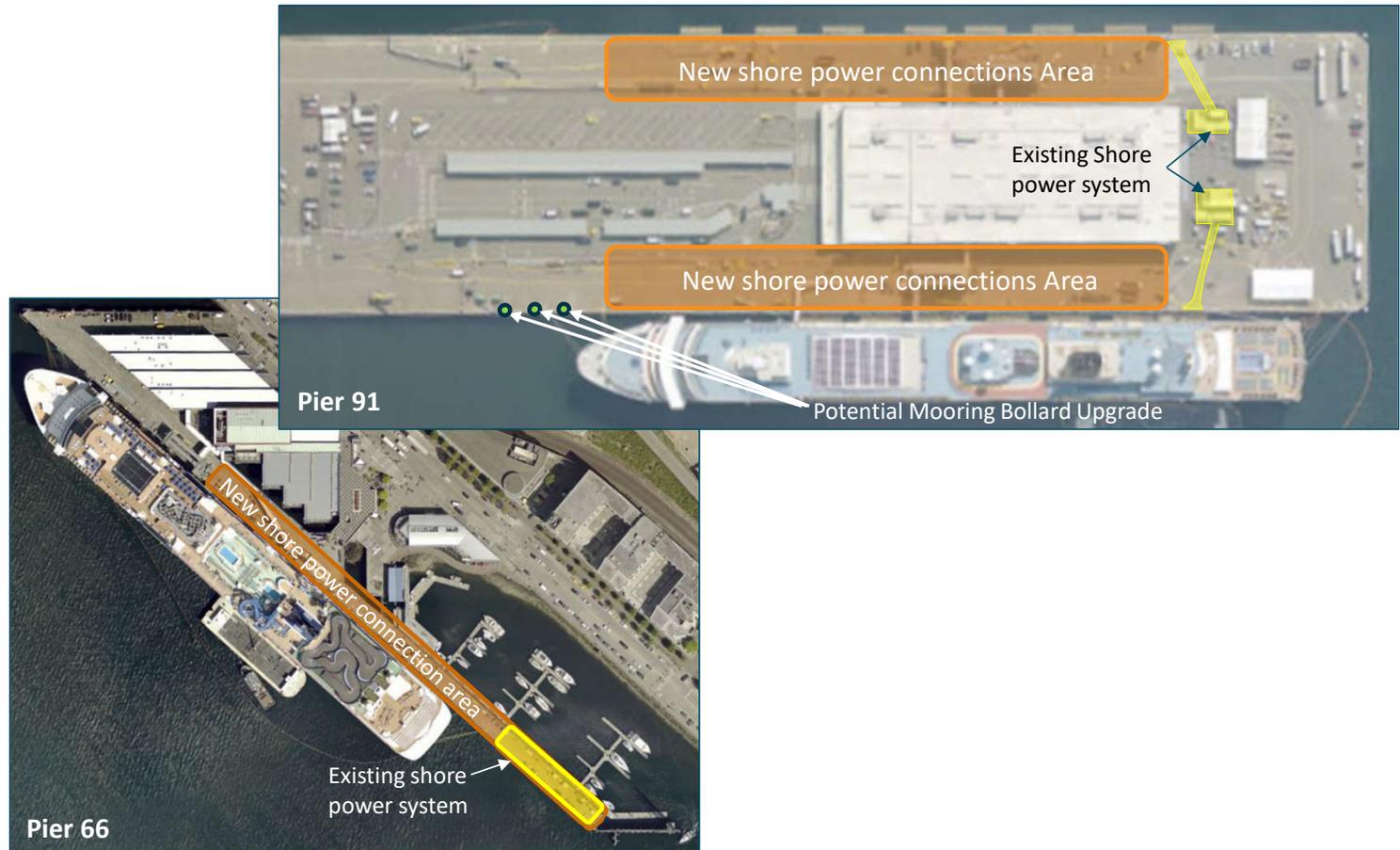
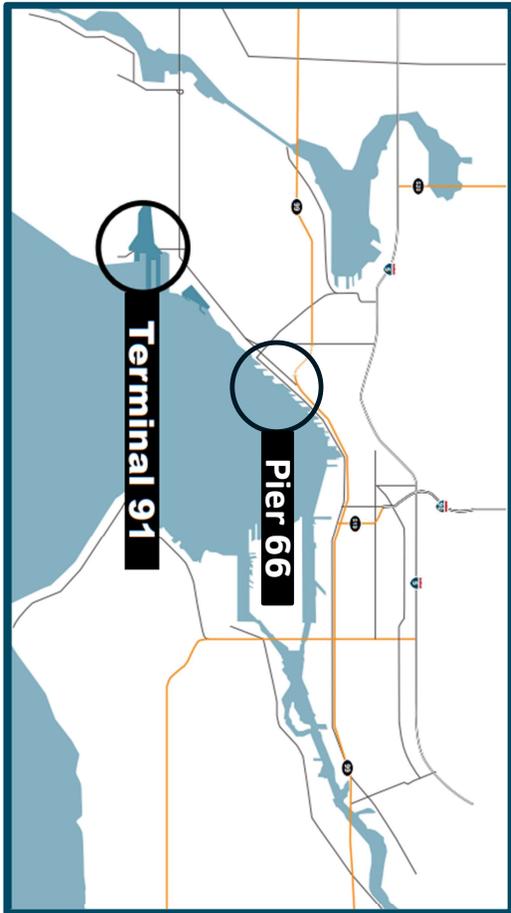
Phases	Anticipated Dates
Watts Marine Sole-Source Purchasing Contract Authorization	Q2 2025
PDB Team Selected / Validation Period of Contract Executed	Q3 2025
Validation Period	Q3 2025
Early Design Development Authorization (target GMP, schedule, scope)	Q4 2025
Final Design & Construction Authorization (final GMP, schedule, scope)	Q2 2026
Construction	Q3 2026
In-Use	2027



Questions?

# Appendix

# Project Areas – Pier 91/Pier 66



# Project Scope

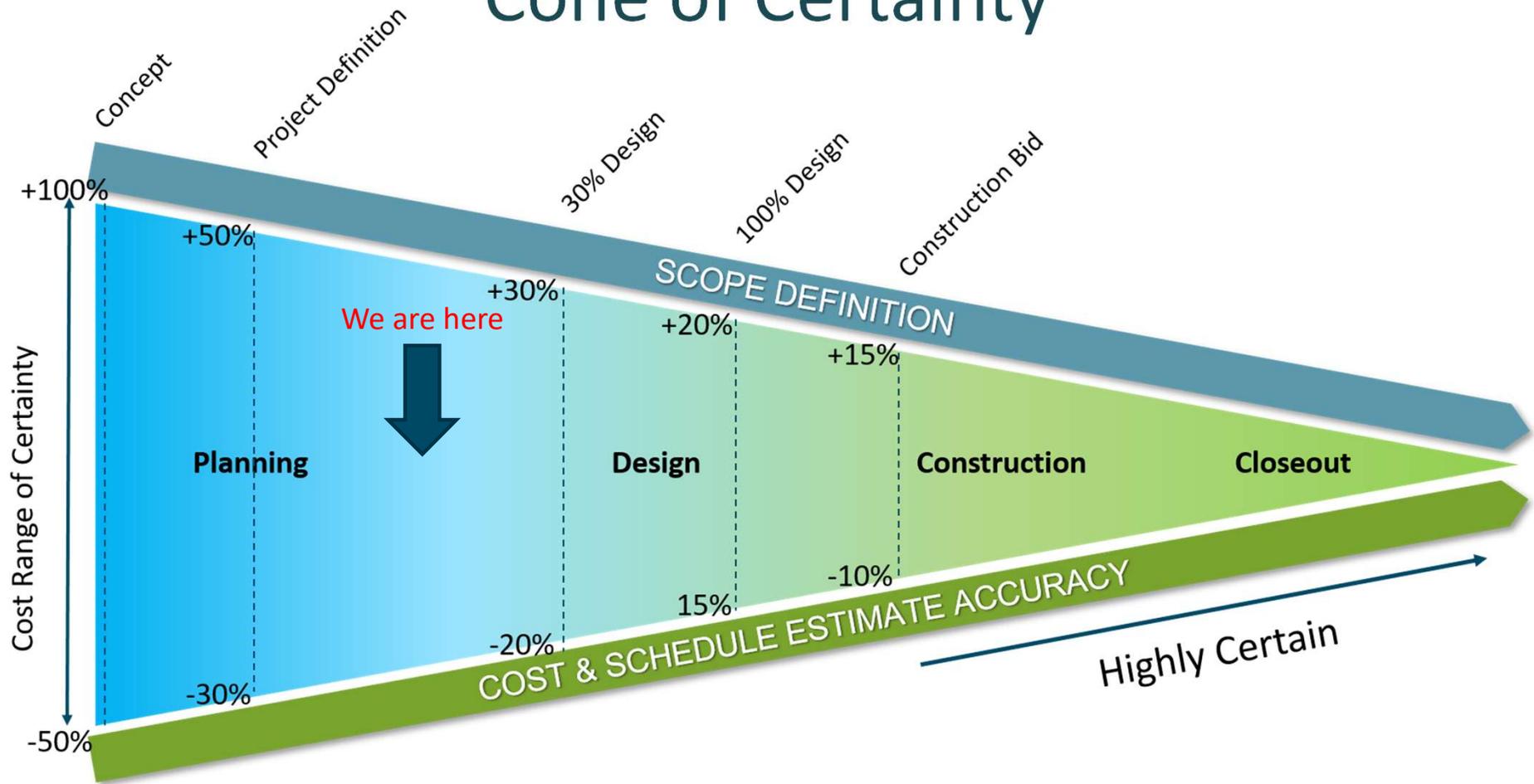
- Design and construct all necessary infrastructure upgrades to (2) Pier 91 cruise berths and Pier 66 cruise berth to meet project goals, including :
  - Conduct a berthing and mooring study for all known current and future ships to determine optimal connection locations, distribution pathways, and required mooring bollard upgrades.
  - Extend the existing shore-power system to allow all known current and future ships of different configurations to connect to shore-power
  - Ensure compatibility of the extended cruise shore power system with existing equipment and facilities, including the mobile cable positioning devices (CPD).
  - Procure all permits
  - Replacement of existing shore power equipment that has reached end of service life at Pier 91.
  - New mooring bollards at Pier 91
  - Potential limited deck panel replacements at Pier 91

# Project Funding

Cost Estimate/Authorization Summary	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$4,000,000	\$0	<b>\$4,000,000</b>
Previous changes – Net*	\$29,000,000	\$0	\$29,000,000
Revised estimate	\$33,000,000	\$0	<b>\$33,000,000</b>
<b>AUTHORIZATION</b>			
<b>Previous authorizations</b> <ul style="list-style-type: none"> <li>• Terminal 91</li> <li>• Pier 66</li> <li>• Watts Marine Sole Source Contract</li> </ul>	<b>\$9,350,000</b> \$850,000 \$500,000 \$8,000,000	\$0	<b>\$9,350,000</b> \$850,000 \$500,000 \$8,000,000
<b>Current request for authorization</b> <ul style="list-style-type: none"> <li>• Terminal 91</li> <li>• Pier 66</li> </ul>	<b>\$1,100,000</b> \$770,000 \$330,000	\$0	<b>\$1,100,000</b> \$770,000 \$330,000
<b>Total authorizations, including this request</b> <ul style="list-style-type: none"> <li>• Pier 91</li> <li>• Pier 66</li> <li>• Watts Marine Sole Source Contract</li> </ul>	<b>\$10,450,000</b> \$1,620,000 \$830,000 \$8,000,000	0	<b>\$10,450,000</b> \$1,620,000 \$830,000 \$8,000,000
<b>Remaining amount to be authorized</b>	<b>\$22,550,000</b>	<b>\$0</b>	<b>\$22,550,000</b>

\* The original estimate for this project assumed a single new shore power connection point on the west berth of Pier 91. In July 2024, Commission Order No. 2024-008 was passed requiring all homeport cruise ships to connect to shore power by 2027. To meet the mandate of this order, scope for this project was expanded to include multiple additional connection points on both the east and west berths of Pier 91, as well as adding a third connection point to the existing shore power system at Pier 66.

# Cone of Certainty



RISKS	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION
Constrained Schedule	Delivery required by 2027. Minimal work windows due to cruise season, commercial fishing season, tribal agreements, and fish window if in-water work is needed have high potential to delay in-service date past cruise season start in 2027.	High ●	High ●	Utilize Progressive Design Build project delivery to accelerate timeline. Pre-purchase of long-lead items.
Two contracts to manage	Two contracts to manage: Progressive Design Build (PDB) and Watts Marine sole-source. Scope was separated into (2) contracts to get equipment design and procurement started early to minimize long lead materials issues and due to proprietary shore power technology. Potential for conflicts between contracts causing delays	High ●	Med ●	Clearly defined scope delineation between PDB and Watts in procurement documents. Requirement of NDAs for Watts information to be signed for any interested contractors. Port will facilitate design integration for Watts shore power equipment.
Supply chain uncertainty	Supply chain logistics could delay project delivery. Tariffs could impact ability to procure long-lead electrical equipment by 2027, and create uncertainty in pricing.	High ●	High ●	Adding cost contingencies to account for tariff price impacts. Early execution of Watts contract to begin procurement of long-lead shore power equipment in advance.
Ownership of the existing cruise shore power system at T91	Ownership is still held by Carnival Cruise. Logistics of ownership transfer could drive up project costs.	Med ●	Low ●	Cruise Operations is in negotiation to transfer ownership to the Port.
Coordination with other projects at Terminal 91	There are many other projects scheduled on Pier 91 with similar timelines to the cruise shore power project: gangways, water line replacement, dock rehabilitation, west berth dredging.	High ●	Med ●	Identification of all on-going and upcoming construction work at Terminal 91. Requirement of logistics plan by PDB to account for constraints of other projects.
Permitting	Permitting assumptions are aggressive and assume no in-water work. This could change depending on how the contractor must construct the project. In-water work, or any other permitting delays will delay the project.	High ●	High ●	Progressive Design Build project delivery will allow for early collaboration on design and permitting to the extent feasible.



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 10a

**ACTION ITEM**

**Date of Meeting** July 8, 2025

**DATE:** June 26, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Eileen Francisco, Director, Aviation Project Management  
Keri Stephens, Director, Aviation Facilities and Capital Programs

**SUBJECT: Concourse HVAC Infrastructure Renewal Replacement Project (CHIRRP) – CIP# C801265 GC/CM and Pre-Construction Services**

**Amount of this request:** \$11,000,000  
**Total estimated project cost:** \$255,000,000  
\$450,000,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) advertise and execute a General Contractor, Construction Manager (GC/CM) construction contract and authorize pre-construction services for CIP# C801265. The amount requested under this authorization is \$11,000,000 for a total project authorization of \$18,250,000.

**EXECUTIVE SUMMARY**

The primary focus of the Concourse heating, ventilation, and air conditioning (HVAC) Infrastructure Renewal Replacement Program (CHIRRP) is the replacement of the existing HVAC systems and the addition of smoke control systems within concourses B, C and D. In addition, the project includes ceiling and lighting renewal as well as structural work to support the new penthouses. This project is necessary to maintain continued airport operations and correct code deficiencies that have been impacting planning efforts for the Airport Dining and Retail (ADR), Restroom Renovations, and Concourse Modernization programs. The total estimated project cost is currently \$255,000,000 - \$450,000,000. The project will return to Commission for full design authorization after 30% design is complete. Project costs and scope will be further developed and refined with the current 30% design effort. The general contractor pre-construction services authorization being requested at this time will be critical in determining the final budget and schedule.

**JUSTIFICATION**

The Port recently completed preliminary conceptual design of CHIRRP, some elements of the design scope present risks to overall cost and schedule (gate closures, supplemental AHUs,

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working on the roof, cranes, etc.). The requested authorization will provide for GC/CM pre-construction services, enabling improved project cost, schedule, and phasing resolution. The plan is to utilize the GC/CM early in the design phase to further evaluate constructability concerns, as well as provide input and feedback on cost saving measures, cost estimates, and schedule. This project has potential to be very disruptive to airport operations and will require complex execution and phasing. The GC/CM early involvement in design development and decisions will help to ensure construction impacts to Airport Operations will be minimized. The 30% design is scheduled to be complete Q2, 2026. This authorization is necessary to ensure adequate participation by the GC/CM in the 30% design development.

The Port's goal for the project is to renew and replace end-of-life mechanical equipment and systems while providing adequate future capacity for Port programs. This includes integration of the Port's Sustainable Project Framework to ensure that sustainability and sustainable design alternatives and options are evaluated early in the planning and design process so the project can leverage sustainability options to the greatest extent possible, reducing maintenance requirements, and prolonging the life of the facility. The project will comply with current International Building Code (IBC) and fire code for existing structures and will enhance passenger comfort. The project will also address regulatory requirements such as compliance with Washington Clean Buildings Standards, work to reduce SEA's footprint and lowering costs, as well as compatibility with decarbonization efforts in the Central Plant.

***Diversity in Contracting***

The project team in coordination with Diversity in Contracting team has set a 17% women-and minority-owned business enterprise (WMBE) aspirational goal for the design contract for this project.

**DETAILS**

Requested funds will be used to develop/support:

- GC/CM support to prepare design and construction documents from 30% to issue for construction
- Pre-construction work packages

This commission action will provide for GC/CM contract execution and pre-construction support services through the duration of the design.

***Scope of Work***

Concourse HVAC Infrastructure Renewal Replacement Program will focus on HVAC replacement, ceiling and lighting replacement, ceiling mounted fixtures replacement and Fire code (smoke control exhaust and sprinklers).

The scope of work will include:

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- (1) Replacement of existing air handlers on concourse B, C and D.
- (2) Addition of supplemental air handlers during change outs.
- (3) Sizing adjustment of select terminal units for air distribution.
- (4) Upsizing chilled water and hydronic heating water distribution. Heat trace on chilled water line on the roof.
- (5) Emergency power system upgrades (panels, distribution gear, and step-down transformers. At a minimum, two separate power sources.)
- (6) Addition of active smoke control and/or smoke management systems.
- (7) Distribution ducting upsizing as required, including ceiling diffusers.
- (8) Ceiling replacement within the concourses (not including hold rooms).
- (9) Structural upgrade to support new Penthouses, plus seismic upgrades required by the latest building code.
- (10) Fire sprinklers and fire riser upgrades.
- (11) Refreshed exit signage.
- (12) Column cover replacements as needed.
- (13) Upgraded lighting to LED & new lighting control systems.
- (14) Waste and ventilation pipe replacement where impacted.
- (15) Security camera updates.
- (16) Demolition of abandoned conduit & utilities.
- (17) Compliance with upcoming State of Washington Clean Buildings Performance Standard will identify energy efficiency measures that may need to be added to CHIRRP’s scope for implementation.

**Schedule**

The current project schedule shows an in-use date Q3 2034. The dates shown below are based on conservative assumptions in procurement, permitting, and construction. Options to further compress the schedule will be evaluated during the planning phase.

*Activity*

Construction starts	2029 Quarter 1
In-use date	2034 Quarter 3

**Cost Breakdown**

	This Request	Total Project
Design	\$11,000,000	TBD in 30% Design
Construction	0	TBD in 30% Design
Total	\$11,000,000	\$255M-\$450M

Meeting Date: July 8, 2025

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Status Quo, Do not proceed with this project.

Cost Implications: **Approximately** \$2,108,028 would need to be expensed.

Pros:

- (1) No further capital investment required at this time.

Cons:

- (1) Passenger comfort would continue to worsen.
- (2) AHU(s) failures will lead to extended outages (months).
- (3) High risk shutdown of concourse/s due to poor air quality.
- (4) High risk of emergency repairs required to maintain airport operations.
- (5) No Smoke Control on Concourses may result in complete evacuation in the event of minor fires.

***This is not the recommended alternative.***

**Alternative 2** - Full Design – Complete concourse B, C and D.

Pros:

- (1) Improved passenger comfort.
- (2) All concourses, smoke control exhaust and sprinklers included.
- (3) All concourses, spare capacity to add additional kitchen exhaust, bathroom exhaust, etc.
- (4) Allows for the Central Plant decarbonization effort - reduces SEA carbon footprint.
- (5) Qualify for rebates for the updated AHUs and new lighting.
- (6) New lighting provides improved illumination in dark areas on the concourses.
- (7) Most structural columns will be updated with seismic.

Cons:

- (1) Large capital investment.
- (2) Construction expected to take 3 years.
- (3) Extensive coordination required during construction.

***This is the recommended alternative.***

**Alternative 3** - Build to Budget – cut/defer scope with temporary measures proposed to phase or delay capital spending.

Pros:

- (1) Better passenger comfort in the areas updated.
- (2) Fire protection, sprinklers, and smoke control would exist in those areas like Concourse A.

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Cons:

- (1) Risk shutdown of concourse due to poor air quality.
- (2) Large Capital investment is required.
- (3) Some essential scope may need to be eliminated. This may result in equipment failures and emergency repairs leading to extended outages.
- (4) Project execution would need to be highly coordinated between airlines and operations.
- (5) Requires future project to complete full scope.
- (6) Highest Life Cycle Cost.

***This is not the recommended alternative.***

**FINANCIAL IMPLICATIONS**

Following a third-party cost estimate, as part of the 30% Design, the project will update the revised estimate for total project cost.

<b><i>Cost Estimate/Authorization Summary</i></b>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$255,000,000	\$0	\$255,000,000
Current Budget Estimate	TBD	\$0	\$0
Revised estimate	TBD	\$0	\$255,000,000
			-
			\$450,000,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$7,250,000	\$0	\$7,250,000
Current request for authorization	\$11,000,000	\$0	\$11,000,000
Total authorizations, including this request	\$18,250,000	\$0	\$18,250,000
Remaining amount to be authorized	TBD	\$0	TBD

***Annual Budget Status and Source of Funds***

This project #C801265 was included in the 2025-2029 capital budget and plan of finance with budget of \$255,000,000. This project will be funded by the Airport Development Fund (ADF) and revenue bonds.

***Financial Analysis and Summary***

Project cost for analysis	\$255,000,000 - \$450,000,000
Business Unit (BU)	Terminal Building

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Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.63 to \$1.08 in 2032

***Future Revenues and Expenses (Total cost of ownership)***

Aviation Operations and Maintenance have reviewed the preliminary design of the system, and meetings have been held with leadership from each group to discuss expected additional costs of ownership. A full evaluation of the future expenses will be provided with the completed Project Notebook.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

March 14, 2023 (item 8k) – The Commission authorized the Executive Director to (1) advertise and execute a project specific contract for Architecture and Engineering (A&E) services, (2) develop a Project Definition Document and progress the overall design to 30%, (3) utilize port crews for enabling work related to the Concourse HVAC Infrastructure Renew/Replace (CHIRRP) project at Seattle-Tacoma International Airport. The amount being requested under this authorization was \$7,250,000.

# Concourse HVAC Infrastructure Renew Replace Project (CHIRRP)

Pre-Construction Services  
**CIP C801265**

Seattle-Tacoma International Airport



# Aging Infrastructure Impacting Critical Programs



Airport Dining and Retail



Restroom Renovations



Passenger Amenities

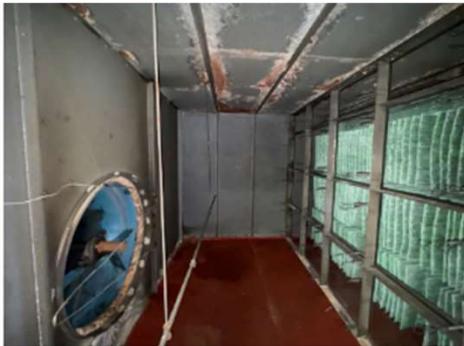
# Justification



HCC.AH06



HDC.AH07



HCC.AH04

Growing number of AHU components across B,C, and D are failing. Results in Loss of Ventilation.

- Failed components extremely difficult for Aviation Maintenance to replace due to space constraints
- Leakage at cabinet penetrations
- Leakage around doors/failed gaskets
- Rust in cooling coil drain pans
- Leaking pneumatic actuators

# Project Scope



- **Full Replacement of existing air handling units (AHUs)**
- **New penthouses to house new AHUs requiring structural and seismic upgrades to support.**
- Replace fire sprinkler heads and fire lines as require by code.
- Ceiling Replacement
- **Integrated smoke control exhaust**
- **New non-integrated smoke control exhaust units (for 2 Airline Realignment Project new AHUs - not capable of integrating)**
- AHU Programming
- Replace Pneumatic Controls
- Renew/replace utilities (ductwork, piping, Victaulic connections)
- Add Emergency Power Connection (ATS)
- Lighting Renewal (sustainability – less energy plus controls)
- **Heating coils will be sized to adjust to a lower temperature hot water**

# Project Location





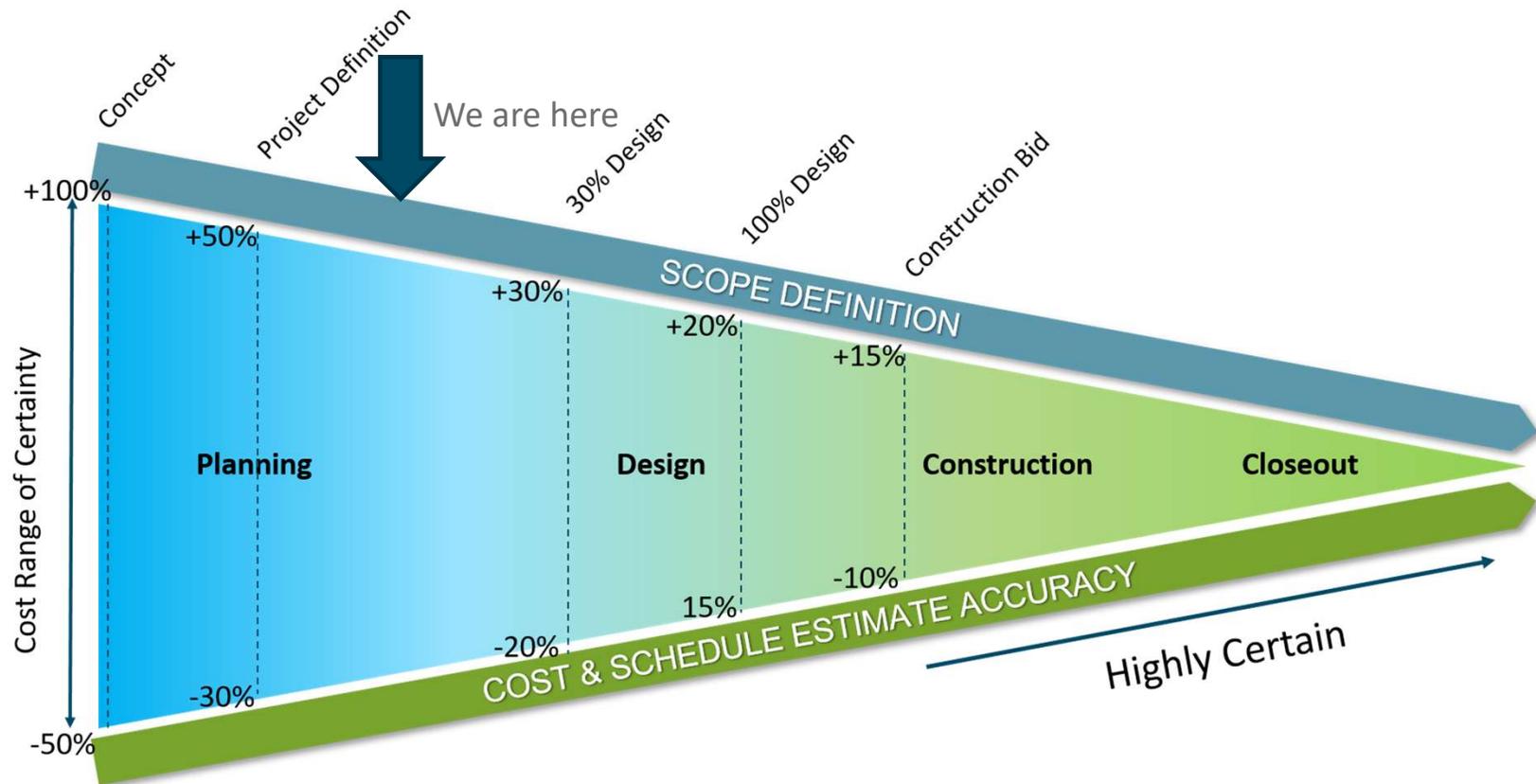
## ENERGY REDUCTION

- Opportunity for energy reduction with HVAC refresh, efficient LED lighting, and updated lighting controls.
- Compliance Evaluation with upcoming State of Washington Clean Buildings Performance Standards
- Contribute to Century Agenda goals around energy efficiency, reducing SEA's footprint and lowering costs.

# Project Schedule

Major Milestone	Estimated Date
GC/CM Advertise Date	Q3 2025
GC/CM On Board	Q1 2026
30% Design Review Complete	Q2 2026
Return To Commission – Full Design Authorization	Q2 2026
90% Design Complete - Maximum Allowable Construction Cost (MACC) Determined	Q3 2028
Return To Commission –Full Construction Authorization	Q4 2028
Construction Phase	Q1 2029 – Q3 2034

# Cone of Certainty



# Project Budget - Authorizations

CIP: C801265

Budget Estimate: \$255M-\$450M

Previous Authorization: \$7.25M

Current Request: \$ 11.00M

Total: \$18.25M (request + authorized)

# Project Risks

RISK / OPPORTUNITY	DESCRIPTION	PROB.	IMPACT	MITIGATION PLAN
(R) Conflicts w/ existing conditions due to insufficient as-builts	Concourses B, C, and D have gone through multiple renovations.	M	M	Early collaboration with the GC/CM and design team will help to expedite on-site scans / investigations and keep impacts low.
(R) Schedule elongation due to operational restrictions	Gate outages will need to be kept to a minimum due to existing outages already planned for other projects.	M	M	This requirement is being incorporated into the PDD and will be used to help phase the project.
(R) Long lead materials could impact schedule	Some materials (AHUs, penthouse assemblies, electrical components), could have extra long lead times in the current economic supply chain.	L	L	Long lead materials should be identified as early as possible and procured by GC/CM so as not to impact the project schedule.
(R) Cost escalation due to tariffs and economic instability	Cost spending on the project is several years out. Escalation could impact the projected cost range due to tariffs and economic instability.	L	M	Project is still at 15%, estimates should be refined as project design continues.

# Requesting

- Commission authorization for the Executive Director to advertise and execute a General Contractor, Construction Manager (GC/CM) construction contract and authorize pre-construction services.
- The amount requested under this authorization is \$11,000,000 for a total project authorization of \$18,250,000.

**QUESTIONS?**





**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 11a

**BRIEFING ITEM**

**Date of Meeting** July 8, 2025

**DATE:** June 24, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Elizabeth Morrison, Interim Chief Financial Officer  
Michael Tong, Director, Corporate Budget

**SUBJECT: 2026 Budget Development Briefing**

**EXECUTIVE SUMMARY**

The purpose of this briefing is to provide the Commission and the public a preview of the budget development. Staff would also like to seek the Commission’s feedback on the guidance on preparation of the 2026 budget.

This is one of a series of budget briefings to the Commission starting from July prior to the formal Commission reviews and approvals of the 2026 budget from September to November.

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

June 17, 2025 – Commission Budget Retreat

# Port of Seattle 2026 Budget Development Briefing

July 8, 2025



4

# Agenda



Environmental Scan



2026 Budget Principles & Strategies



2026 Budget Approach and Process



2026 Key Budget Dates

# Environmental Scan

- Unprecedented **political and economic uncertainty**
- Effects of **trade, immigration and other policy actions**
- Post pandemic **growth moderating**
- Multiple years of rapid expense growth
- Risk of **federal funding reductions** and **reduced operating revenues**
- **Cuts in federal climate change** programs and funding
- Impact of **increased inflation due to tariffs** on operating, capital and environmental costs
- **Rapid technological advances** including Artificial Intelligence and growing sophistication of cyber threats

# Actions Now Determine Future Success

## THE PORT FOR THE FUTURE IS



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# 2026 Budget Guiding Principles

- Take an **extremely conservative approach** to budgeting due to economic and political uncertainties and need to build capital
- Safeguard the **efficient operation of mission critical business functions** to maintain regional economic activity
- **Assess geopolitical, political and regulatory risks** on an ongoing basis
- Identify, protect and **enhance operating and capital investments** focused on **asset preservation and long-term growth and revenue production**
- Focus on **retaining key talent and developing staff** through training and upskilling
- Prioritize **implementation of current programs and initiatives**

# 2026 Budget Strategies

- Develop a **very conservative** budget and create **contingency and scenario planning** to address revenue risks
- Focus on **increasing Net Operating Income** by limiting expense growth
- **Limit new FTEs and outside services**
- Assess **affordability of capital plans** considering increased inflation and revenue risks
- Strengthen the **focus on sustainability, adaptability and resiliency** in spending and business plans
- Monitor **early warning indicators** that may trigger budget recalibration and take actions as necessary

# 2026 Budget Approach

- **Support a culture of resilient budgeting with a multi-year mindset**
- Support staff and provide for reasonable increases in payroll and benefits
- No plan on reduction of current workforce
- Limit new FTE growth
  - Review positions that are vacant and unfilled for a year
  - Consider repurpose some existing positions
- Limited growth on non-payroll operating expenses
- **New FTEs and initiatives will be rigorous evaluated**
  - Focus on prioritizing and absorbing within existing budget

# 2026 Budget Process Overview

## Environmental Assessment

- Assess business environment and needs
- Update operating and capital forecasts
- Conduct SWOT analysis

## Budget Preparation

- Develop budget assumptions and drivers
- Identify key financial metrics and budget targets
- Issue budget calendar and departmental guidelines
- Prepare operating and capital budgets in accordance with principles and guidelines

## Budget Reviews and Approvals

- Conduct internal department and division budget reviews
- Publish the preliminary budget document to the public
- Commission review and approval of budgets/capital plans

## Final Steps

- File the Statutory Budget with King county
- Publish the final budget document to the public

# 2026 Budget Calendar

(Commission Items in Blue)

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5/09 – 2026 Budget Planning Discussion with ELT

6/17– Commission Retreat – Part I

7/03 – 2026 Budget Guidelines available

7/22 – 2026 Budget Process and Schedule Commission Briefing

7/XX – Commission Budget Retreat –Part II??

8/01 – Central Services Department new budget requests due to F&B; Commission Priorities due to ED

8/13 – 08/22: Executive review of Central Services Department Budgets/New Requests

9/08 – Executive review of combined Central Services Budget

9/10 – Executive review of Maritime and EDD Operating & Capital Budgets

9/11 – Executive review of Aviation Operating & Capital Budgets

9/12 – 2026 North Harbor Budget to the NWSA

9/23 – Central Services Budget and Port wide Budget Overview Commission briefing

# 2026 Budget Calendar

(Commission Items in Blue)

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- 10/10 – POS/NWSA ILA Service Directives due to the NWSA
- 10/14 – Operating Divisions Commission Budget Study Session
- 10/21 – 2026 Preliminary Budget Document available to Commission
- 10/23 – 2026 Preliminary Budget Document available to the public
- 10/24 – NWSA Budget study session with Managing Members
- 10/28 – Tax Levy & Draft Plan of Finance Commission briefing
- 11/04 – NWSA Budget adoption by Managing Members
- 11/11 – Introduction of preliminary 2026 Budget and public hearing
- 11/18 – Adoption of 2026 Budget
- 11/28 – File the 2026 Statutory Budget with King county
- 12/05 – Publish the 2026 Final Budget to the public