

**COMMISSION
AGENDA MEMORANDUM**

Item No. 8a

ACTION ITEM

Date of Meeting February 26, 2019

DATE: January 18, 2019

TO: Stephen P. Metruck, Executive Director

FROM: David McFadden, Managing Director
Joe Meyer, Economic Development Manager

SUBJECT: Contract to educate and assist workers and employers at Sea-Tac International Airport about labor and employment laws

Amount of this request: \$531,000

Total estimated contract cost: \$531,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise and execute a contract to provide services to educate and assist workers and employers at Seattle-Tacoma International Airport about labor and employment laws for two years and an amount not to exceed \$531,000.

EXECUTIVE SUMMARY

The Port of Seattle is planning to implement a two-year pilot program to operate a Career Support and Advancement (CSAC) center that would educate and assist workers and employers at Sea-Tac International Airport about labor and employment laws. This initiative would be funded by the Port property tax levy.

The Port will issue an RFP to start providing the following services later this year at a location accessible to Sea-Tac International airport employees:

- Develop and deliver a training curriculum for employers and employees that covers SeaTac Municipal Code 7.45 (Minimum Employment Standards for Hospitality and Transportation Industry Employers); and
- Provide timely and convenient assistance to workers with questions regarding relevant labor and employment law.

The passage of the City of SeaTac Ordinance 13-1020 (Prop 1) created a network of benefits and rights unique to the City of SeaTac and different from state statute. The lack of understanding of employment rights and responsibilities under the new ordinance has led to an increase in grievances. This pilot program will be designed to help mitigate some of the complaints from Prop-1-impacted employers and workers concerning wage and other employment compliance matters.

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JUSTIFICATION

The Port of Seattle would like to emphasize the purpose for action. There are thousands of employees working at the airport on shifts covering all hours of the day. As the operator of this regional asset, we have a responsibility to see that it is run as efficiently as possible. One of the issues that impedes this efficiency is the confusion that many employees have with respect to the wage and benefits laws that govern the airport. This confusion has led to erroneous application of the required standards, leading to workers feeling that they are not receiving what they are entitled to, and in turn leading to disputes that are costly in time and resources for both employers and employees.

Approving this authorization will allow the Port to establish a more stable workplace environment at the airport by educating employees and employers with respect to the rules and regulations applicable to the airport. This will reduce friction between employers and employees, and foster an environment where workers can focus on their jobs and not be distracted by confusion as to their rights. This is especially important in a time when worker retention is important in a competitive hiring environment. The benefits the employers will reap from this improved situation will make the Airport an even more attractive place to do business, furthering the Port's economic development goals of growing our businesses for the benefit of the community and our customers at the Airport.

At the Port of Seattle, a strong workplace is built upon workers understanding their rights, the ability to raise issues with their employers and work together to address them.

Strategy 3 of the Port's Century Agenda directs that we "use the port's influence as an institution to promote women and minority business enterprise (WMBE) growth, small business growth, and workforce development." As part of the Port's commitment to workforce development, this pilot program aims to educate and assist workers and employers at Sea-Tac International Airport about labor and employment matters and provide complementary efforts to our other initiatives such as Port Jobs and Airport University.

DETAILS

The Port seeks to enhance knowledge about and compliance with SeaTac Municipal Code 7.45 and other local, state, and federal employment standards at Sea-Tac International Airport during a two-year pilot program to:

- Increase worker retention and reduce employee complaints related to SeaTac Municipal Code 7.45 and other local, state, and federal employment standards;
- Help employees facing linguistic, cultural, social, or economic barriers learn about and understand their rights and responsibilities under SeaTac Municipal Code 7.45 and other local, state, and federal employment standards;
- Connect to stakeholders and other community-based organizations serving business and employee groups to conduct outreach, training, and education related to employment matters; and

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- Promote knowledge and understanding of SeaTac Municipal Code 7.45 and other local, state, and federal employment standards among the airport’s business owners, managers, and compliance professionals;
- Coordinate with labor partners who represent airport workers.

The Port of Seattle will encourage community-based organizations, business associations, chambers of commerce, municipalities, and other entities to develop partnerships to compete for this contract.

Scope of Work

Task 1: Employee and Employer Outreach and Education

- 1.1. Consultant shall develop a training curriculum for employees and employers that cover SeaTac Municipal Code 7.45 and other local, state, and federal employment standards focusing on what these laws do and do not provide.
- 1.2. Consultant shall develop curriculum and produce materials for “know your rights” and health and safety training for employees.
- 1.3. Consultant shall conduct outreach, training, and education to employees working at Sea-Tac International Airport to promote awareness and understanding of their employment rights under SeaTac Municipal Code 7.45 and other local, state, and federal employment standards. The consultant shall develop and produce all outreach and education materials.
- 1.4. Consultant shall conduct outreach and education to employers operating at Sea-Tac International Airport to promote awareness and understanding of SeaTac Municipal Code 7.45 and other local, state, and federal employment standards and to build a “culture of compliance” among employers. The consultant shall provide outreach and education activities to new Port tenants and new employers operating at Sea-Tac International Airport. The consultant shall develop and produce all outreach and education materials.
- 1.5. Consultant shall continue to partner with community-based organizations and labor unions to identify workers and issues that need to be raised and addressed.

Task 1 Deliverable(s): Electronically submit monthly narratives in Word format disclosing participation in community events, program orientations, presentations, and other outreach activities to increase awareness of SeaTac Municipal Code 7.45 and other local, state, and federal employment standards to employees and employers. Consultant shall manage this process and determine which methods they find most effective. Monthly narratives shall total 24 before contract expiration. Additionally, the consultant shall produce 2 program reports addressing program metrics collected during the first 12 months of the program and the second 12 months of the program.

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Task 2: Employment Assistance Services

- 1.1. Consultant shall provide employment assistance to existing employees working at Sea-Tac International Airport to help employees understand their rights under SeaTac Municipal Code 7.45 and other local, state, and federal employment standards. Assistance service hours must be focused on when employees are most likely to access services. Hours of employment assistance operations may be adjusted during the contract period based on when employees are seeking services. Basic employment assistance services will be offered to any clients that seek services. Consultant shall work with the Port of Seattle to determine how employee complaints regarding employer compliance violations will be handled.
- 1.2. Consultant shall consider providing virtual assistance options for employees seeking assistance by phone, email, or mobile device during work hours and after work hours. Virtual assistance services must focus on employee usability, language needs, access to technology, and hours which employees most frequently seek services. Hours of virtual employment assistance operations may be adjusted during the contract period based on when employees are seeking services.

Task 2 Deliverable(s): Electronically submit monthly narratives in Word format disclosing the types of employment assistance services and referrals administered for clients and the outcomes associated with the administered services. Consultant shall manage this process and determine which methods they find most effective. Monthly narratives shall total 24 before contract expiration. Additionally, the consultant shall produce 2 program reports addressing program metrics collected during the first 12 months of the program and the second 12 months of the program.

Next Steps

If the Commission authorizes the pilot program, the Economic Development Division (EDD) will work with Central Procurement Office (CPO) to develop and issue a competitive request for proposals (RFP) to provide these services.

The RFP will include a performance based scope of work that clearly defines the performance objectives and standards the Port is seeking. Proposers will provide their plan for meeting the objectives. This plan will be evaluated so that Port has the opportunity to select the plan that best meets our objectives. Specifically Proposers address how they will deliver outreach, education and counseling services – will training or counseling be in person, on the phone or on line; how the proposer will address language barriers, etc; and specific location of venue and accessibility (bidder would need to pay for space at airport per FAA regulations).

The RFP may include parameters and/or evaluation criteria around things we value (such as the location for services to ensure they are at or proximate to Sea-Tac International airport and easily accessible -- good public transportation and parking). We will select the proposer who offers the Port the best value or best solution, taking into account the contract price.

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Schedule

January 14-31	Notify Seattle-Tacoma International Airport employers and labor partners to get input on the pilot
February 4	Prep final scope of services/Commission authorization request
February 26	Commission authorizes RFP/Contract execution for services
April 1	Issue RFP for services
July	Preferred respondent selected to provide service
July	Update to Commission
Sept./Oct.	Service starts

Outreach and Employer Engagement

Staff organized two forums for employers located at Seattle-Tacoma International airport in early February to provide details about the Career Support and Advancement Center (CSAC) (one was canceled due to lack of attendance). Airport employers unable to attend these orientation sessions received forum materials. Companies attending the forum had several questions about the proposed center:

- What happens after the two-year pilot concludes?
- Will airport tenants and employers have an opportunity to provide feedback once an RFP is developed?
- How will this proposed center integrate with Port Jobs and Airport Jobs, since many airport tenants and employers use them for employee recruitment?

Staff was able to answer these questions and others raised during the meeting. Comments about the proposed services were generally favorable. One employee asked staff to establish clear “guardrails” for CSAC responsibilities, including the types of employee referrals and advice it can offer. Another forum participant emphasized that the proposed CSAC should not duplicate existing resources but complement them.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Delay or postpone service

Cost Implications: \$0

Pros:

- (1) Saves the Port funding that can be used to support other projects/initiatives
- (2) Avoids political or legal challenges from employers

Cons:

- (1) Does not address ongoing problems facing employers and employees at Seattle-Tacoma International Airport
- (2) PortJobs and other airport workforce services do not offer these services

This is not the recommended alternative.

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Alternative 2 – Provide service on a 2-year pilot basis

Cost Implications: \$531,000 over two years

Pros:

- (1) Provides valuable service especially considering SeaTac Municipal Code 7.45
- (2) Service complements other Port workforce services at Seattle-Tacoma International Airport

Cons:

- (1) Services may not be supported by all Seattle-Tacoma International Airport employees
- (2) There is no concrete plan or commitment to operate service past pilot period

This is the recommended alternative.

Alternative 3 – Offer a more minimal pilot program

Cost Implications: Approximately \$250,000 - 300,000

Pros:

- (1) Starts service at a smaller scale so it is easier to roll out
- (2) Allows Port and contracting partner to gauge what works/is most effective

Cons:

- (1) Services cannot be offered effectively on a piecemeal basis
- (2) Difficult to cover and manage all potential issues at Seattle-Tacoma International Airport

This is not the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

The cost for the two-year pilot is \$531,000. The initiative is funded within the 2019 Operating Budget. This initiative is supported by the Port's property tax levy.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides
- (2) Summary of Employer Outreach forum

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 27, 2018 – The Commission approved Motion 2018-14 – Plan of Finance that directed the Executive Director to establish a pilot program to educate and assist workers at Seattle-Tacoma International Airport.