

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	<u>6b</u>
Date of Meeting	<u>May 12, 2015</u>

DATE: April 28, 2015
TO: Port of Seattle Commission
Ted Fick, Chief Executive Officer
FROM: Tom Barnard, Research and Policy Analyst
Lindsay Wolpa, Issues and Policy Manager
SUBJECT: New General Delegation from the Port of Seattle Commission to the Chief Executive Officer

ACTION REQUESTED

Request Second Reading and Final Passage of Resolution No. 3704: A Resolution of the Port of Seattle Commission repealing portions of Resolution No. 3605, as amended, and adopting the General Delegation of Authority (“General Delegation”) from the Port Commission to the Chief Executive Officer.

SYNOPSIS

The Port Commission intends to adopt the new General Delegation through Resolution No. 3704. This resolution includes the repeal of specified sections of Resolution No. 3605, as amended, (“Resolution No. 3605”) known as the Master Delegation of Authority. Upon final adoption of this resolution, the Commission further intends to develop Policy Directives to replace the remaining sections of Resolution No. 3605. These Policy Directives will be created through the work of a series of Policy Committees. The first two committees will be the Projects and Procurement Committee and the Energy and Sustainability Policy Committee.

BACKGROUND

The General Delegation

The Port of Seattle is a public agency critical to sustaining a healthy economy for the region. Adopted as part of the Century Agenda on December 4, 2012, the Port’s mission is to create jobs by advancing trade and commerce, promote industrial growth, and stimulate economic development. The Century Agenda’s strategies, objectives, and regional initiatives represent a

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proactive and strategic approach to the coordination of the administrative programs and operations of the Port of Seattle. The Century Agenda vision over the next 25 years is to add 100,000 jobs through economic growth, for a total of 300,000 port-related jobs in the region, while reducing our environmental footprint.

In order to more successfully pursue the aims of the Century Agenda, the Commission would adopt the General Delegation through Resolution No. 3704. This will include the repeal of the following sections of Resolution No. 3605:

- Preamble
- Section 1, Roles and Responsibilities of the CEO
- Section 11, Investment of Temporarily Idle Port Funds
- Section 12, Insurance Programs
- Section 13, Trade Development Programs
- Section 14, Issuance of Tariffs
- Section 15, Administration Rules and Regulations
- Section 17, Travel of Employees and Other Authorized Representatives of the Port
- Section 18, Sale of Personal Property
- Section 19, Working Funds

The new General Delegation creates clarity and alignment by clearly delineating the responsibility and authority of the Commission and the CEO as follows:

- The Commission governs the Port, leads all inter-governmental functions, and oversees the CEO.
- Together, the Commission and CEO develop the Port's overall vision, strategies, objectives, Policy Directives, long-range plans, major programs, and budgets.
- The CEO executes the long-range plans and major programs, oversees all enterprises and supporting functions, and advises the Commission.

This General Delegation emphasizes long-range plans as the means of pursuing the Century Agenda strategies and objectives. It utilizes the long-range plan approval and update processes to align the Commission and the CEO. Long-range plans will identify what work needs to be done to pursue strategies and achieve objectives, described by:

1. Strategy and objective(s) being pursued;
2. Work plan, resources, and timeline;
3. Metrics that monitor progress; and
4. Reporting frequency to the Commission.

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Long-range plans will be developed around strategies and objectives, not around operating divisions and budgeting periods.

Policy Directives

The General Delegation provides transparency and accountability through the development and adoption of Policy Directives to guide the Port's efforts in pursuit of its strategic objectives. Policy Directives will provide high-level guidance about how the Port does its work based on public values and applicable laws, rules, and regulations. Further, they will inform operational policies regarding specific functions at the Port. They also will deliver standards that support the effective use of the internal audit function to verify compliance.

- Policy Directives provide principles and guidelines that steer crucial strategic choices. Policy Directives reconcile the inherent trade-offs between enterprise effectiveness and commitments to social and environmental responsibility as a public agency.
- Policy Directives set out the limits of delegated authority and provide auditable standards that reinforce compliance and accountability.
- Policy Directives empower Port staff to develop long-range plans and execute strategies by providing a stable and clear policy environment.

Temporary Policy Committees will be created to oversee the development of Policy Directives called for in the new General Delegation. These groups will be a collaborative effort between Commissioners and Port staff, led by Commissioners appointed by the Commission Co-Presidents. Internal and external subject matter experts will be engaged as needed. Participation in these working groups will vary by topic.

The first two Policy Committees will be:

- *Projects and Procurement*: The Policy Directive from this committee will replace Sections 4, 5, 6, 7, and 8 when adopted. (Public Works Projects, and non-public Works Projects, Contract and Procurement Administration, Personal and Professional, Purchased Goods contracts, CEO Utilization of Port Crews).
- *Energy and Sustainability*

On May 12, 2015, the Commission will consider a motion to establish the Projects and Procurement Policy Committee. At a later date, a motion will be offered to establish the Energy and Sustainability Policy Committee.

Upon completion of the preceding two Policy Committees, other subject areas that will first be considered include:

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- *Economic Development*
- *Workforce Development and Small Business*

Legal Review

Since First Reading on April 14, 2015, a final legal review was conducted to ensure that language contained in the new General Delegation clearly described the delegations of authority and responsibility.

Steps to enact the new General Delegation

The process behind the enactment of the new General Delegation will take several steps. These Policy Directives will be developed over the next several months. The suggested steps include:

1. Repeal specific sections of Resolution No. 3605 and adopt the General Delegation. At that time, pass a motion approving the formation of the Projects and Procurement Policy Committees.
2. Policy Committees determine their work product, staffing needs, public involvement, and timeline.
3. Individual motions detailing that work approved by Commission for each Policy Directive.
4. Policy Committees develop draft Policy Directives, to be then adopted by the Commission through the form of resolutions.
5. Adopted resolutions are incorporated into the General Delegation, and the corresponding sections in Resolution No. 3605 are repealed.
6. Policy Committee dissolves.
7. Next Policy Committees form, process begins anew.
8. Once all Policy Directives and Resolutions are completed and adopted, officially sunset Resolution No. 3605 in its entirety.

Codification

To ensure clarity for all relevant stakeholders, the General Delegation and all adopted Policy Directives will be combined into one document. This will include the new General Delegation passed under Resolution No. 3704, and all policies developed under the Projects and Procurement and Energy and Sustainability Committees, as well as any future directives.

ATTACHMENTS TO THIS BRIEFING

- General Delegation of Authority

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- Resolution No. 3704 enacting General Delegation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- April 12, 2015, First Reading of Resolution 3704, the new General Delegation of Authority.
- February 24, 2015, briefing, introducing the new General Delegation of Authority.