

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

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| Item No. | 6c |
| Date of Meeting | May 12, 2015 |

DATE: April 27, 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: Projects and Procurement Policy Committee

ACTION REQUESTED

Request adoption of a motion establishing the Projects and Procurement Policy Committee that will create policy directives codified into the new General Delegation of Authority (“General Delegation”) from the Port Commission to the Chief Executive Officer.

SYNOPSIS

Part of the process to replace the Port’s current Master Delegation of Authority (Resolution No. 3605, as amended by Resolution No. 3628) with the new General Delegation is the creation of Policy Directives that set out *how* Port staff is to carry out its work. This document and the accompanying motion details the creation and work of the Project and Procurement Committee to create Policy Directives on projects, contracts and procurements.

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, promoting industrial growth, and stimulating economic development. The Century Agenda’s strategies, objectives, and regional initiatives represent a proactive and strategic approach to the coordination of the administrative programs and operations of the Port of Seattle.

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

April 27, 2015

Page 2 of 5

Policy Directives

The new 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 Policy Committee will be the **Projects and Procurement Policy Committee:**

Objective:

- The objective of the Policy Committee on projects and procurement is to develop policies for consideration and possible adoption by the Port Commission that guide staff in project management, construction contracting, and all procurements by the Port. These include operating purchases, ongoing service agreements, and all elements of capital projects.
- The committee will develop policy recommendations that balances efficiency, cost effectiveness, oversight, and other Port values, such as small and Women and Disadvantaged Business Enterprise (W/DBE) participation. The recommendations will specifically identify appropriate spending authority and other auditable standards within the policies.
- The Policy Directive from this committee will replace Mater Delegation Sections 4, 5, 6, 7, and 8 when adopted. (Public Works Projects; Non-Public Works Projects; Contract and

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

April 27, 2015

Page 3 of 5

Procurement Administration; Personal and Professional, Purchased Goods/Services Agreements; CEO Utilization of Port Crews).

Suggested Scope:

The Policy Directive will develop procedural guidance, authorization levels, and auditable standards for the following issues:

- Efficiency in project delivery through adjusting authorization limits and procedures. Policy development will include:
 - Determining correct level for project authorization by Commission;
 - Determining the process for Commission authorization on day-to-day operations contracts.
 - Outlining a more efficient means of notifying the Commission about projects; and
 - Developing effective procedures for authorizations for alternate contracting methods.
- Process improvement for procurements necessary for day-to-day operations. Policy development will include:
 - Determining Commissioner authorization and notification levels;
 - Streamlining purchase procedures for internal staff; and
 - Strengthening methods for competitive bidding.
- Opportunities for small businesses to contract with the Port. Policy development will include:
 - Identifying constraints that keep small business from being able to compete for Port project contracts;
 - Recognizing those constraints specific minority and women-owned businesses face; and
 - Providing changes in procedures or assistance to small businesses to navigate procedures.
- Procedures for Port construction contracts. Policy development will include:
 - Determining whether procurements and contracting practices meet Port staff department needs for efficiency. Streamline procedures for staff to undertake procurement; and

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

April 27, 2015

Page 4 of 5

- Eliminating or adjusting any procurement procedures and contracting practices that hinder business with the Port.

Stakeholder Involvement

The committee intends to include stakeholder participation of 1-2 subject matter experts from the construction, contracting and small business spheres that would have direct input on early draft language. Later stakeholder involvement will ideally include 4-5 participants through a public roundtable to offer advice on the proposed draft policy.

Public Process

Public involvement with this effort will include:

- A public meeting roundtable discussion between four to five stakeholders, along with Commissioners, the CEO, to review and recommend final draft;
- 30-day comment period through mailbox between First and Second Readings; and
- Testimony by stakeholders at meeting to approve the Policy Directive through Resolution.

Repeal and Replacement of current Delegation

The Policy Directives produced will replace the following sections of the current Delegation:

- Section 4: Public Works Projects
- Section 5: Non Public Works Projects
- Section 6: Contract and Procurement Administration
- Section 7.1, 7.2, 7.3: Professional, Personal, and Purchased Goods/Service Agreements
- Section 8.2, 8.3: Utilization of Port crews

Policy Directives will be codified into the General Delegation to insure that there is one hyperlinked reference point to view all current policy directives, rather than listing them as separate policy documents.

ATTACHMENTS TO THIS BRIEFING

- Project and Procurement Committee Motion

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

April 27, 2015

Page 5 of 5

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- February 24, 2015, briefing, introducing the new General Delegation of Authority
- March 14, 2015, First Reading of the General Delegation of Authority