

June 8, 2009

The Honorable Bill Bryant
President, Port of Seattle Commission
2711 Alaskan Way
Seattle, WA 98121

Re: Performance Audit of Port of Seattle Construction Management; transmittal of Performance Audit Annual Report

Dear Commissioner Bryant,

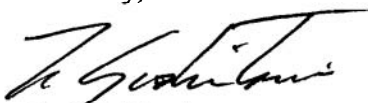
I am pleased to submit the second SAO Performance Audit Annual Report to you. As you know, it represents significant efforts throughout the organization to implement many of the **reforms** suggested in the 2007 performance audit. This report marks the completion of our Audit Response Action Plan.

To date, we have implemented the majority of the auditor's 51 recommendations:

- ◆ The Port **fully** agreed with 40 of the auditor's 51 recommendations; they have been implemented.
- ◆ The Port partially agreed with 6 of the auditor's 51 recommendations; while we did not **fully** agree with the recommendation as it was stated in the report, we agreed that the underlying intent of the recommendation had merit. The Port has implemented reforms designed to meet the underlying intent of the recommendations through a combination of the auditor's recommended steps **and/or** alternate methods.
- ◆ The Port did not agree with 5 of the auditor's 51 recommendations, either because we believe the underlying assumptions are incorrect (such as the use of a particular type of software) or because we disagreed with the auditor's interpretation of data. However, members of the organization have worked to address the intent behind the recommendations, and implement reforms designed to allay those underlying concerns.

I appreciate the Commission's support as we have worked to improve the Port's construction and contracting management practices. While the completion of this audit marks a significant milestone for the organization, our efforts to make the Port a more **efficient** and effective organization have only begun.

Sincerely,



Tay Yoshitani
Chief Executive Officer