

Review of Proposed Amended Resolution 3605:

- Explain Follow –up to the Resolution's passage.
- Explain main elements of the new document.
- Explain how elements differ from the previous Resolution.

Resolution No.3605 passed

- On August 26, 2008, Port of Seattle Commission passed Resolution 3605.
 - Strengthened the Commission's relationship with the Chief Executive Officer
 - Provided improved oversight of the Port's capital construction programs
 - Clarified when and how staff members must gain the body's approval on Port projects

Resolution No. 3605 Implementation

- •Ensure new Resolution understood and implemented:
 - Presentations to Port departmental working groups
 - Formation of a “Wizards” group for questions and issues involving implementation
 - Frequently Asked Questions (FAQ) web page on the Port’s Compass Page

Resolution 3605 Changes for Review

- Replacing and clarifying the term “Authorized Budget Limits”
- Increasing the level of purchased goods requiring Commission approval from \$200,000 to \$500,000
- Authorizing maintenance work up to \$500,000
- Raising all other authorization levels for Commission scrutiny to \$300,000
- Language changes for clarity

Section 1.5: Removal/replacement of “within Authorized Budget Limits”

- Section 1.5: Removal and replacement of “within Authorized Budget Limits” passage. Term was a holdover from Res. #3181, and undefined.
- New Section 1.8: Enables CEO to exercise his authority “in a manner consistent with the Port’s Annual Operating Budget, Annually Approved Capital Budget and Annually Approved Capital Improvement Plan.”
- Grants the CEO specific authority to reallocate amounts and incur variances from the Annual Operating Budget.

Section 1.5: Removal/replacement of “within Authorized Budget Limits”

- Quarterly Reports to Commission on actual results versus budgeted amounts for both revenues and expenses.
- More frequently if there is “a material, negative variance from the Annual Operating Budget, Annually Approved Capital Budget or Annually Approved Capital Improvement Plan.”
- When seeking project approval, staff indicates whether project is within Annually Approved Capital Budget and Annually Approved Capital Improvement Plan and, if not, what is funding source.

Purchased goods and Purchased services

- Gives CEO authority to procure “Goods and Other Services and Purchased Services” up to \$500,000. The current amount set that gives CEO authority up to \$200,000.
- Provision reflects the necessity at times to make major bulk purchases of materials for the day-to-day operation of the Port.
- This is a cost-savings measure because it will allow Port to buy in bulk the goods and services it needs for day-to-day operations.

Authorizing maintenance work up to \$500,000.

- **Gives CEO authority for expense maintenance work, whether performed by Port crews or by contract, that is not a public work or non-public work project, up to a value of \$500,000.**
- **Provides consistency for maintenance work that can't be considered as a capital project or does not fall under the state statute of maintenance.**
- **A project, would not be included under this section, nor would this include any kind of public or non-public work.**

Raising all authorization levels for Commission approval to \$300,000.

- Current language allows CEO to approve Small Works Construction contracts up to the monetary limit set by R.C.W 53.08.120, which was \$200,000.
- Last legislative session, dollar amount for Small Works projects raised from \$200,000 to \$300,000.
- If left unchanged, it leaves major works, public and non-public, approved by Commission at the current \$200,000 level, while Small Works contracts, normally of smaller scale, being approved at a higher level.
- This change would propose all project and contract approvals be raised to \$300,000, thereby providing across-the-board consistency for all project approvals.

LANGUAGE CHANGES FOR CLARITY

- Non-public Work Projects
- Change Orders
- Small Works and Small Works Change Orders
- Best Bid” definition

LANGUAGE CHANGES FOR CLARITY

- Project Changes
- Personal Services
- Audit and Accounting Services
- Affirmative Action

Next Steps

- Receive Commission feedback on proposed changes to Resolution 3605
- Receive Staff and Executive feedback on proposed changes to Resolution 3605
- Make final edits to Resolution 3605
- Return to the Commission on September 17th for First Reading, and introduce any final edits
- Return sometime in October for Second Reading/Final Passage of the amended Resolution