

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 7c

Date of Meeting April 21, 2009

DATE: April 17, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development
Tom Barnard, Research and Policy Analyst

SUBJECT: Resolution 3605 Briefing

BACKGROUND

Resolution 3605, passed on August 26, 2008, made sweeping changes in how the Port of Seattle Commission delegates its authority throughout the organization. The new framework strengthens the Commission's relationship with the Chief Executive Officer, provides improved oversight of the Port's capital construction programs and clarifies when and how staff members must gain the body's approval on Port projects. The Resolution required a "review in twelve (12) to eighteen (18) months after it enters into force..." This memo and the accompanying PowerPoint is the first step in that review process.

RESOLUTION 3605 IMPLEMENTATION

Since its passage, there have been a number of steps taken to ensure that the new Resolution was understood and correctly implemented. These include:

- **Presentations to Port of Seattle departmental working groups.** Both Commission staff and Port staff made several presentations outlining the most important changes in oversight and contract management. Departments and groups briefed included Senior Managers; Senior Aviation Management; the Airport Investment Committee; the Seaport Core Team; the Real Estate Division; the Information, Communications and Technology Department, and others. These presentations served not only to familiarize staff with new requirements but were highly useful in indicating where the new Resolution would need further clarification and possible future changes and additions.

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- **The formation of a “Wizards” group to consider ongoing questions and issues involving implementation.** Soon after the Resolution was passed, it became clear that a group of Senior Port staff would need to monitor and assist initial implementation of the Resolution. This group is composed of Deputy CEO Linda Strout, General Counsel Craig Watson, CDD Director Ralph Graves, CPO Director Nora Huey, Commission Policy Analyst Tom Barnard, Seaport Project Management Group Director Dakota Chamberlain, with assistance from other Port staff. It has been instrumental in both fielding questions coming in from Port staff on the new Resolution, creating a FAQ page (see below), as well as suggesting language for future clarification and additions to the Resolution during the present review phase.

- **The creation of a Frequently Asked Questions (FAQ) web page on the Port’s Compass Page** As questions came in to the “Wizards” group from staff, it became apparent that there were certain basic questions whose answers could be used to further clarify implementation of the new Resolution. The creation of an FAQ page, posted to the internal Port web site, was deemed the most useful way of circulating that information. FAQ topics include:
 - A clearer definition of Public Works projects.
 - Transfers of budget funds from one project to another.
 - Commission authorization for PCS projects, utility invoices and purchases of goods and services.
 - A clarification of the differences between Personal and Professional Services.

- **A list of issues we are currently reviewing for clarification, or new language.** As Port staff have implemented the Resolution, they have encountered areas where wording is unclear or additional language is needed to provide improved guidance and indicate Commission intent. These areas include:
 - Adding a section on how to handle expense-funded goods and/or services purchases over \$200,000 in value.
 - Defining more clearly what constitutes “Ordinary” Maintenance, in line with current state law.
 - Replacing and clarifying the term “Authorized Budget Limits.”
 - Authorizing Sub-projects over \$200,000 that are within approved Projects.

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- Adding language needed on Small Works and Small Works Change Orders.
- Adding language on Commission review or approval for “planning projects.”
- Folding most of Section 6 on the administration of contracts and procurements into Section 7, which covers personal, professional and purchased goods and services agreements.
- Increasing the level of purchased goods requiring Commission approval from \$200,000 to \$500,000.
- Defining more clearly the term “Best Bid” - currently the only project category not contained in the current state law.
- Clarifying non-public works projects, for example our ICT projects.

NEXT STEPS

- Work with “Wizards” group on amendments to Resolution 3605.
- Submit changes to Port staff for review.
- Review suggested changes from individual Commissioners.
- Return to the Commission this summer for briefing on approved changes.
- Return subsequently for First and Second Readings of the amended Resolution.

Resolution 3605 attached for reference.