

**Seaport Alliance
Resolution 2015-XX
Delegation of Administrative Authority to the
Chief Executive Officer**

August 1, 2015

FINAL DRAFT AS OF 5/5/2015

DRAFT

A Resolution establishing the administrative authority of The Northwest Seatport Alliance (“Alliance”) Chief Executive Officer (“CEO”) (“Delegation of Authority Master Policy”), delegating from the Alliance Managing Members’ administrative authority to the CEO.

WHEREAS, the Port of Seattle (“POS”) and Port of Tacoma (“POT”), (collectively, “Ports”), are public port districts , organized under provisions of the laws of the State of Washington, codified under Title 53 RCW and

WHEREAS, the Ports, pursuant to Federal law (46 USC Section 40301(b)(1-2)), have filed a discussion agreement (“Discussion Agreement”) with the Federal Maritime Commission (“FMC”) for permission to operate certain marine cargo facilities jointly under the Alliance, and the Discussion Agreement became effective on (date); and

WHEREAS, the Ports have formed the Alliance, pursuant to the Discussion Agreement and subject to FMC oversight, and entered into an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint operation and investment outside of a port’s district, and pursuant to RCW 39.34.030, the Interlocal Cooperation Act, and pursuant to Title 53.XX RCW, which authorizes the Ports to create a Port Development Authority (“PDA”) to operate certain marine facilities jointly as the Alliance; and

WHEREAS, the operations and affairs of the PDA are managed by the port districts as members of the PDA and the charter (“Charter”) for the PDA and each port district member (“Managing Member”) acts in such capacity through its own elected commissioners;

NOW, THEREFORE, be it resolved by the Managing Members of the Alliance:

That the Delegation of Authority Master Policy, as set forth in Exhibit “A” attached to this Resolution and by this reference incorporated herein, is adopted for the purpose of delegating from the Managing Members to the CEO the administrative authority of the CEO.

Adopted by the Managing Members of the Alliance at a public meeting held on _____ day of _____, 2015.

Table of Contents

1. Preamble	5
a. Roles and Responsibilities of the Alliance	5
b. Relationship between the Alliance Managing Members and the Alliance Executive (CEO)	5
2. Overview of the Administrative Authority of the Alliance CEO	6
a. Roles and Responsibilities of the CEO.....	6
3. CEO Powers Delegated by Charter.	7
a. Article 1.5(a). Filing of Certificates.....	7
b. Article 1.5(e) Actions Required to Do Business.....	7
c. Article 3.1(a)(i) Regular Distributions.....	7
d. Article 4.2(a). Accounting, Tax, and Record Keeping.....	7
e. Article 4.6 Tax Reports	7
f. Article 4.8 Elections	8
g. Article 4.9 Tax Audits and Litigation	8
h. Article 5.4 CEO Authority.....	8
i. Article 9. 3(a) and (b). Dissolution/Termination.	8
4. Definitions	9
a. Alliance.....	9
b. Annual Capital Investment Plan	9
c. Approval	9
d. Authorization	9
e. Chief Executive Officer (CEO).....	9
f. Claim	9
g. Emergency	10
h. Goods and Services	10
i. Homeport.....	10
j. Indefinite Delivery Indefinite Quantity Contract.....	10
k. Interlocal Agreement	10
l. Managing Members.....	10
m. Normal Alliance Operations.....	10
n. Normal Operating Expense	11
o. Personal Services	11
p. Project.....	11
q. Professional Services	11
r. Public Work	12
s. Service Agreements	12
5. General Provisions	12
6. Planning and Budget Implementation	12
a. Long-Range Business Plans	12

b.	Administering Normal Alliance (Day-to-Day) Operations.....	12
c.	Funding of Projects	12
7.	Policies Governing Real Property	13
a.	General Provisions for Real Property and Non-Real Property Agreements	13
b.	Rental/Leasing Agreements	13
c.	Alliance Grants of Covenants and Easements	15
d.	Easements for the Alliance Use of the Property of Others	15
e.	Agreements (Other than Easements) for the Alliance Use of Real Property Owned by Others	15
8.	Policies Governing Authorization for Projects, Contracting, Procurement and Emergencies.....	16
a.	Interlocal Agreements.....	16
b.	Public Works Projects.....	16
c.	Non-Public Works Projects.....	17
d.	State and Federal Environmental Remediation Agreements.....	17
e.	Project and Contract Reporting	18
f.	Professional Services Contracts.....	18
g.	Personal Services Contracts	19
h.	Purchased Goods and Services	20
i.	Contracting Authority for Entering Agreements with Utilities and Annual Software Fees and Licenses.....	20
j.	Authorization for Emergency Work.....	20
9.	Policies Governing Financial Activities	21
a.	Management of Alliance Funds	21
b.	Alliance Expenditures for Travel, Hosting, and Memberships	21
c.	Managing Uncollectable Accounts	22
d.	Acceptance of Grant Funding.....	22
e.	Insurance Programs	23
f.	Sale of Personal Property.....	23
g.	Payment of Statutory Expenditures	23
10.	Legal Services, Claims and Other Representation	24
a.	Litigation Policy and Procedures	24
b.	Retaining Independent Counsel/Experts/Investigators.....	24
c.	Settlement of Claims	24
11.	Issuance of Tariffs	24
12.	Policies and Procedures	24
13.	Actions Previously Approved By The Commissioners And Executives Of The Ports Of Tacoma And Seattle	25
14.	Non-Discrimination and Equal Opportunity.....	25

1. PREAMBLE

a. Roles and Responsibilities of the Alliance

- i. The primary mission of the The Northwest Seaport Alliance (Alliance) is to promote and assist economic development of the Managing Members (Port of Seattle and Port of Tacoma) Marine Cargo operations with an emphasis on unified business retention and recruitment, coordinated enhancement of the value of Marine Cargo properties, improved intermodal rail service, improved freight capabilities, and the general promotion of maritime economic development and other related Port business activity.
- ii. The Alliance oversees with unified management the operations, investments and capital investments to optimize the value of Marine Cargo properties; grow cargo volumes and protect market share for the benefit of the region and state; manage overall terminal capacity, through coordinated investment strategies; provide enhanced job prospects for the Managing Members' labor and business partners; and achieve overall financial returns that not only enable reinvestment but also provide additional financial returns for each Managing Member.
- iii. The Managing Members are committed to shared core objectives of financially viable business models that support customer success, value the port-labor partnership, protect and increase regional jobs, benefit the citizens of Pierce and King counties, promote the Pacific Northwest corridor's role in US trade strategies and the greater North American economy, and ensure the ability of each Managing Member to reinvest in terminal assets and infrastructure.

b. Relationship between the Alliance Managing Members and the Alliance Executive (CEO)

- i. It is the Managing Members' responsibility to establish Alliance policies, hold the CEO responsible for the implementation of such policies, and to authorize the expenditures of public funds to implement those policies. It is the CEO's responsibility to implement the policies and to inform the Managing Members on how the policies will be implemented.
- ii. The operations and affairs of the Alliance are managed by the two port districts as members of the Port Development Authority and via the Charter for the Alliance. Each port district member shall act in such capacity through its own elected commissioners. All statutory powers and authority of the Alliance not delegated herein are retained by the Managing Members.

- iii. The Managing Members and the CEO shall regularly inform and consult each other on the execution of Alliance policies, operations, and information relevant to Managing Members oversight. Public oversight is inherent in the Managing Members' role. Oversight cannot be delegated away, and nothing in this Delegation of Authority Master Policy shall be construed as doing so.
- iv. The Managing Members may at any time rescind or suspend all or any portions of the delegated authority conferred upon the CEO under this Resolution by further resolution passed in a public meeting.

2. OVERVIEW OF THE ADMINISTRATIVE AUTHORITY OF THE ALLIANCE CEO

a. Roles and Responsibilities of the CEO

- i. The CEO derives authority from the Managing Members, and is responsible for carrying out the Managing Members' policies.
- ii. The CEO serves as primary spokesperson for Alliance operations and management.
- iii. The CEO retains professional staff, and will promulgate policies and procedures that create administrative, monetary, and contractual delegations of Managing Member-granted authority as may be appropriate.
- iv. Subject to the limitations identified in this Delegation of Authority Master Policy, the CEO shall be responsible for:
 - 1. Operation, maintenance, administration, and use of the Alliance's terminals, properties, and facilities;
 - 2. Implementation of construction work and alterations, repairs and improvements to real estate and physical facilities controlled and operated by the Alliance;
 - 3. Administration of day-to-day normal Alliance operations which may include personnel administration, task and project assignments, hiring, firing, discipline, and training;
 - 4. Applying for permits associated with Alliance facilities or projects;
 - 5. Application for and acceptance of grants or other funds from federal, state, or local governments, subject to the approval of Managing Members if required per Sections 9.d. herein;
 - 6. Delivery of services essential to the Alliance's mission; financial and accounting related matters; legal matters; and all other administrative matters.

3. CEO POWERS DELEGATED BY CHARTER.

Pursuant to the below-referenced Articles/sections of the Charter, the Managing Members acknowledge the following delegations to the CEO. In the event of any lawful modification to the Charter which affects the Articles/sections below, the Charter provision shall take precedence and this Delegation of Authority Master Policy shall be amended to be consistent with such Charter revisions.

a. Article 1.5(a). Filing of Certificates.

- i. The CEO is authorized to execute, file, and record (or direct the execution, filing, and recording of) all certificates and documents as may be appropriate to comply with all requirements for the continuation and operation of a port development authority, the ownership of property, and the conduct of business by the PDA under the laws of the State of Washington and any other jurisdiction in which the PDA may own property or conduct business.

b. Article 1.5(e) Actions Required to Do Business.

- i. The CEO is authorized to execute, deliver, and file, any certificates (and any amendments and/or restatements thereof) necessary for the PDA to qualify to do business in any jurisdiction in which the PDA may wish to conduct business. The CEO is authorized to cause the PDA to be qualified, formed, or registered in any jurisdiction in which the PDA transacts business in which such qualification, formation, or registration is required or desirable.

c. Article 3.1(a)(i) Regular Distributions.

- i. The PDA through the CEO will make not less than quarterly distributions of Distributable Cash from the Working Capital Fund (as defined in PDA Charter Section 2.11) to the Managing Members at least quarterly. Prior to executing any distribution, the CEO shall provide a report of the planned distribution to the Managing Members, such report to include a description of how that distribution complies with the PDA Charter Article III.

d. Article 4.2(a). Accounting, Tax, and Record Keeping.

- i. The Managing Members authorize the CEO to oversee the accounting, tax, and record keeping matters of the PDA, which shall be kept in compliance with GAAP.

e. Article 4.6 Tax Reports

- i. The CEO is authorized to have prepared at his/her direction all tax returns and reports of the PDA.

f. Article 4.8 Elections

- i. Except as otherwise provided in the Charter, all decisions as to accounting principles, whether for the PDA's books or for tax purposes (and such decisions may be different for each such purpose) and all elections available to the PDA under applicable tax law, shall be made by the CEO.

g. Article 4.9 Tax Audits and Litigation

- i. **(b) Designation of Tax Matters Person.** The CEO is hereby designated as the tax matters person ("Tax Matters Person") with respect to the PDA. In such capacity the Tax Matters Person shall have all of the rights, authority, and power, and shall be subject to all of the obligations, analogous to those of a tax matters partner to the extent provided in the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated there under; provided, that the exercise of such rights, authority, and power shall be consistent with all PDA elections and provided further that if any exercise of such rights has an adverse impact on a Member, the consent of such Member shall be required.
- ii. **(b) Foreign, State, and Local Tax Law.** If any foreign, state, or local tax law provides for a tax matters partner or person having similar rights, powers, authority, or obligations as described in Section 3.g.i, the CEO is authorized to also serve in such capacity and shall represent the PDA in all tax audit contest or settlement matters to the extent allowed by law.

h. Article 5.4 CEO Authority

- i. The CEO is the principal executive officer of the PDA, has general charge and supervision of the business of the PDA, and shall see that all orders, actions, and resolutions of the Managing Members are carried out. The CEO will be responsible for the executive management of the PDA, and shall report directly to the Managing Members acting in their governing capacity. The CEO has the authority to establish the reporting structure within the PDA and to take such actions, subject to the Charter, as are in accordance with this Delegation of Authority Master Policy, and shall have such other authority and shall perform such other duties as set forth in the Charter or this Delegation of Authority Master Policy, or, to the extent consistent with the Charter, such other authorities and duties as prescribed by the Managing Members.

i. Article 9. 3(a) and (b). Dissolution/Termination.

- i. Upon dissolution, the CEO is authorized to recommend and present to the Managing Members for approval, the distribution of assets as is required by PDA Charter Article 9.3(a) and the payment of liabilities and maintain such reserves for contingencies as is required by PDA Charter Article 9.3(b).

4. DEFINITIONS

a. Alliance

Refers to (i) The joint operating and management agreement, created by POS and POT pursuant to an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint management, operation and investment outside of a port's district, and pursuant to RCW 39.34.030, the Interlocal Cooperation Act, expected to be effective from August 1, 2015 through December 31, 2015 and (ii) the PDA beginning January 1, 2016.

b. Annual Capital Investment Plan

Means the five-year projection of capital and expense projects and associated expenditures which is developed and maintained as a planning tool for Alliance capital investment and which is reviewed by the Managing Members annually as part of a plan of finance and budget review process, or as subsequently amended by the Managing Members during the budget year.

c. Approval

A recommendation to move work forward for analysis and development of data and documents to support potential authorization. Approval does not denote authority to expend funds (see "Authorization" below).

d. Authorization

Authorizes spending, entering agreements, administrative actions, and real estate actions, and other items as outlined in this resolution. Authorization is given by the Managing Members to the CEO per the Delegation of Authority Master Policy. Authorization implies an action item in public session if the required level is beyond CEO delegation level per the Delegation of Authority Master Policy.

e. Chief Executive Officer (CEO)

The person hired by the Managing Members to manage and oversee day-to-day operations of the Alliance.

f. Claim

"Claim" means the assertion of any position, right or responsibility by or against the Alliance, excluding "uncollectible accounts" and any claims asserted by or against the Alliance that have or may reasonably become the subject of litigation.

g. Emergency

Unforeseen circumstances beyond the control of the Alliance that either presents a real, immediate threat to the proper performance of essential functions; or may result in a material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. (see RCWs 39.04.020, 39.04.280 and 53.19.010(04)). Emergencies allow for the waiver of state procurement requirements.

h. Goods and Services

Means natural resources; equipment; materials; supplies; or other finished goods or products, utilities and utilities-related services (including services provided by public agencies); maintenance; security; and other miscellaneous services.

i. Homeport

For the purposes of this Delegation of Authority Master Policy “Homeport,” when used in connection with specific Alliance assets, means the port where the asset is located.

j. Indefinite Delivery Indefinite Quantity Contract

Indefinite delivery, indefinite quantity contracts (“IDIQ”) provide for an indefinite quantity of services for a fixed time. They are used when the precise quantities of supplies or services required during the contract period cannot be determined.

k. Interlocal Agreement

A binding agreement between the Alliance and other local governmental agencies, including the Managing Members, that allows for the provision of services or facilities between those agencies.

l. Managing Members

The Ports of Seattle and Tacoma, acting through their own elected commissioners.

m. Normal Alliance Operations

Administration of day-to-day Alliance operations which may include personnel administration, task and project assignments, hiring, firing, discipline, and training.

n. Normal Operating Expense

Means the Alliance budgeted operating and non-operating revenues and expenses reviewed, approved, and authorized by the Managing Members as part of the budget process, or as subsequently amended by the Managing Members during the budget year.

o. Personal Services

Personal services are generally professional or technical expertise that are necessary to accomplish a specific study, project, task or other work statement, which may not reasonably be required in connection with a public works project meeting the definition of RCW 39.04.010(4). Personal services do not include purchased services as defined in RCW 53.19.010(8) or professional services procured using the competitive selection requirements in Chapter 39.80 RCW (A&E).

p. Project

- i. For the purposes of this Delegation of Authority Master Policy, a “Project” creates or modifies a capital asset or creates a cost outside of Normal Operating Expenses. A Project may be classified as a capital or expense.
 - 1. Public Works Projects – As defined in RCW 39.04.010, public work projects include construction, alteration, repair or improvement other than ordinary maintenance executed at the cost of the Port. Work associated with public work projects includes planning, scoping, engineering, design, permitting, construction and contract solicitation and administration.
 - 2. Non Public Works Projects – Generally includes defined work that the CEO has determined will be managed as a Project. Projects do not, however, include regular, recurring or routine work associated with normal Alliance operations. This category also includes projects by the information and technology departments that may require a major upgrade or replacement of an information or communication hardware or software system.
 - 3. Environmental Projects – Include pollution investigations, cleanups, and habitat restoration. Environmental projects may also involve regulatory direction, oversight, and agreements, extended periods of investigation and study prior to construction, and continuing monitoring and maintenance after clean-up and construction. As these projects usually produce no assets, costs are expense rather than capital.

q. Professional Services

Means (a) those services within scope of RCW 39.80.020(5) or (b) professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement which is reasonably required in connection with public works projects.

r. Public Work

Means construction, alteration, repair and improvement other than ordinary maintenance meeting the definition of RCW 39.04.010.

s. Service Agreements

An agreement, such as an interlocal agreement between the Alliance and Managing Members or between Managing Members that allows for the provision of services related to normal Alliance or port operations or projects.

5. GENERAL PROVISIONS

Regardless of the provisions and delegations contained in this Resolution, the CEO shall bring forward to the Managing Members for consultation or approval any action of a sensitive nature as identified by the Managing Members or the CEO.

The CEO shall provide financial analysis for real estate transactions and planned investments to Alliance managed properties.

6. PLANNING AND BUDGET IMPLEMENTATION

a. Long-Range Business Plans

- i. The Managing Member-approved Strategic Business Plan shall be the basis for the development of all Alliance programs, Projects, initiatives, and the Capital Improvement Plan, Annual Operating Budgets, and Plan of Finance, collectively known as Annual Plans.
- ii. The CEO will develop Annual Plans for consideration and approval.
- iii. This Delegation of Authority Master Policy shall be reviewed annually by the Managing Members.

b. Administering Normal Alliance (Day-to-Day) Operations

- i. In administering day-to-day Alliance operations, the CEO may reallocate amounts within and otherwise incur variances from the annually approved Operating Budget so long as such reallocations are consistent with the Managing Members' established policies and delegated authorities.

c. Funding of Projects

- i. When seeking the Managing Members' authorization for any Project, the CEO shall clearly indicate whether such Project was within the Annual Plans and, if not, how it is to be funded.

7. POLICIES GOVERNING REAL PROPERTY

The CEO is authorized to take all necessary actions in connection with agreements or transactions for use of all real property owned by the Ports and managed by the Alliance as designated herein. The Managing Members delegation of authority to the CEO extends to all types of transactions and agreements including acquisitions, divestitures, rental agreements, leases, operating agreements, easements, franchises, permits, rights of entry and other user agreements as provided herein. Except where otherwise provided in this Delegation of Authority Master Policy, all real property transactions will be subject to an appropriate written agreement authorized by the Managing Members and executed by the CEO.

a. General Provisions for Real Property and Non-Real Property Agreements

- i. The CEO is delegated the authority to:
 1. Enter into operating agreements, including vessel service agreements, with a value up to and not exceeding \$300,000 annually;
 2. Enter into amendments to existing real property agreements previously authorized by the Managing Members, valued up to and not exceeding \$300,000 annually;
 3. Accept a bond or other rental security for real property agreements in compliance with RCW 53.08.085 and Alliance policy. Other acceptable rental security may be cash or cash equivalent such as Letter of Credit, Lease Bond, or other prior approved rental security instruments in a form approved by Alliance General Counsel.
 4. Sign, on behalf of the Managing Members all harbor area and waterway leases between the Alliance and other public entities that have been authorized by the Managing Members.

b. Rental/Leasing Agreements

- i. The CEO is authorized to approve month-to-month real property rental/ lease agreements. These agreements shall require a minimum security deposit of three months rental (plus leasehold tax amounts) to be posted in advance of the occupancy, and to be held by the Alliance as a rental security for the full duration of a month-to-month occupancy and to insure compliance with the terms of the lease agreement. Adjustments or modifications which decrease the minimum required rental deposit will require Managing Member authorization.
- ii. The CEO is authorized to approve real property rental/leasing agreements with a term up to one year when the associated expenditures of the Alliance are also less than \$300,000. The intended use of rented/leased real property must be expressly stated in writing.

- iii. Member authorization is required for real property rental/leasing agreements with a term greater than one year. The intended use of rented/leased real property must be expressly stated in writing.
- iv. All rental/lease rates shall be based upon market rates established for the specific use under consideration and the condition of such facility.
- v. Summaries of new rental agreements shall be reported quarterly to the Managing Members by the CEO.
- vi. All real property rental/leasing agreements one year or greater shall require a minimum security deposit equal to twelve months rent (including leasehold tax amounts) to be posted in advance of occupancy, and held by the Alliance as rental security for the full duration of the term occupancy and to insure compliance with all terms and conditions of the lease agreement and in accordance with RCW 53.08.085. Adjustments or modifications which decrease the minimum required rental deposit will require Managing Members authorization.
- vii. Payment of Real Estate Commissions.
 - 1. The CEO is authorized to retain licensed real estate brokers for the purpose of marketing for lease of Alliance controlled properties.
 - 2. Commissions may be paid to licensed real estate brokers that actually initiate bona fide leases for the Alliance upon satisfactory proof being submitted to the Alliance that the broker actually initiated and completed the lease transaction for which they claim commission. In addition thereto, the broker shall file with the Alliance within ten days from broker's appointment as their client's agent for the purpose of aiding in the leasing of the real property a statement under oath that the broker actually initiated the bona fide transaction together with the name of the broker's client and the date of their first contact with said client. Unless this provision is strictly complied with, the Alliance will not pay a claimed commission.
 - 3. For properties the Alliance "exclusively lists" with brokers to lease, a commission based on market rates that consider transactions of similar size, but no more than five percent (5%) shall be paid of the net rental to the Alliance for up to five (5) years of the approved lease agreement. For approved leases initiated and completed by licensed brokers in compliance with this Master Delegation Policy a maximum of up to three percent (3%) commission shall be paid for properties not exclusively listed for lease with a broker. Net rent shall mean rent net to the Alliance with Lessee paying taxes, utilities, maintenance and insurance. Costs for Alliance paid tenant improvements, utilities, and other services specific to the lease will be subtracted from the net rent amount for calculations of commissions paid.

4. Commissions shall not be paid on leases involving existing tenants for new leases, expansions, new space rentals, renewals or options exercised or repayment to the Alliance for tenant improvements made by the Alliance on behalf of the Tenant, payments made to the Alliance from security deposits, or any escalation of the net rent.
5. Commissions shall be paid as the net rents are collected by the Alliance.

c. Alliance Grants of Covenants and Easements

- i. Easements, Licenses, Access Permits or Other Rights of Entry
 1. The CEO is authorized to sign easements and covenants up to one year in duration where the impairment does not substantially interfere with the Alliance's intended use or reasonably future intended use. "Substantially interfere" shall mean when Fair Market value is not reduced more than \$300,000 in any one year. The form of any easement and or covenant shall be approved by Alliance or Homeport legal counsel.
- ii. Easements – Port Owned Property
 1. Easements and covenant agreements beyond one year shall require respective Home Port Commission authorization. Routine utility easements required to provide service to Port-owned real property shall not require Managing Members or respective Homeport Commission approvals.

d. Easements for the Alliance Use of the Property of Others

- i. The CEO is authorized to enter into easements for the Alliance use of the real property owned by others for agreements up to one year.
- ii. Real property easements, excluding utility easements for Alliance use that are greater than one year require the authorization of the Managing Members.

e. Agreements (Other than Easements) for the Alliance Use of Real Property Owned by Others

- i. The CEO is authorized to enter into agreements for the use of real property owned by others if the term of the use is one year or less and the Alliance paid cost for the use is less than \$300,000 annually.

8. POLICIES GOVERNING AUTHORIZATION FOR PROJECTS, CONTRACTING, PROCUREMENT AND EMERGENCIES

a. Interlocal Agreements

- i. The Managing Members' authorization is required for Interlocal Agreements with other public agencies. Interlocal Agreements shall comply with the requirements of RCW 39.34 except that the CEO is authorized to approve and authorize all Interlocal Agreements (Service Agreements) between the Alliance and the Homeport(s).
- ii. The CEO is authorized to approve non-binding agreements with other governmental agencies and non-governmental entities in situations where the agreement does not create any financial obligation for the Alliance, any binding contractual obligation, or impair any Alliance or Port-owned assets, and have been reviewed by Alliance Legal Counsel.

b. Public Works Projects

- i. Actions authorized by the Managing Members or delegated to the CEO by this Delegation of Authority Master Policy may be executed either directly with Alliance staff, by contract with vendors, or by agreement through either Homeport subject to the requirements contained in this Delegation of Authority Master Policy.
- ii. Authorization for Preliminary Project Work. Preliminary work includes such activities as review of project feasibility, development of Project definition, design, geotechnical investigations, regulated material assessment, environmental assessment, environmental permitting, or market analysis and is inclusive of all costs related to the work. The CEO may authorize preliminary work in-house or by contract without prior Managing Members approval, so long as the cumulative cost for all such Project work does not exceed \$300,000.
- iii. The CEO may authorize Projects where the estimated Project cost, inclusive of all costs related to the work, does not exceed \$300,000.
- iv. For all Projects where the estimated total Project cost exceeds \$300,000 Managing Members' authorization is required.
 1. Presentations to the Alliance which request Managing Members' authorizations will disclose Project spending previously authorized by the CEO and spending previously authorized by the Managing Members.
 2. Depending on the overall estimated Project costs and complexity the CEO may request authorization at key stages in the Project (i.e., design, execution of work, remediation, etc.).
 3. Projects shall not be broken into units or accomplished in phases to avoid Managing Members' authorization.

4. Where personal, professional, or purchased goods and services are part of a Project, authorization of expenditures will be managed as part of the Project authorization and additional authorization is not required.
5. Public works contracts not part of a Project and not a part of Normal Alliance Operating Expenses are subject to the same authorization process as Projects.
- v. Authorization for Alternative Public Works Contracting Procedures. Managing Member authorization is required to perform public work under procedures alternative to design-bid-build, as defined in RCW 39.10, for design-build and general contractor/construction manager. For such contracts, staff will propose for Managing Members' approval a sequence of authorization steps.
- vi. IDIQ contracts for Public Works and job order contracts (authorized in RCW 39.10) may be approved by the CEO and all work falling under the IDIQ contract is to be authorized per this Delegation of Authority Master Policy as a Project subject to the limits set-forth.
- vii. Project Changes. Projects that have been authorized by the Managing Members and have a change in the scope, schedule or cost require the following actions:
 1. Managing Member's authorization will be required if a material scope change occurs in the Project. For purposes of this event, material is defined as any scope change with major financial, community or business impacts, and is additionally defined as any scope change (increase or decrease) that exceeds \$300,000 or 20% of the contract value, whichever is less.
 2. The Managing Members will be notified if a Project schedule delay has an anticipated financial impact on a customer or other affected stakeholders.
 3. Managing Members will be notified and authorization at the next available public meeting is required as soon as it is determined that the project cannot be completed for the previously authorized amount.

c. Non-Public Works Projects

- i. The CEO may authorize spending only to the same limits as outlined above in the Public Works Project section of this Master Delegation Policy.
- ii. On-going environmental stewardship, monitoring, and compliance activities, where the costs have been authorized as Normal Operating Expense through the budgeting process do not require an independent Project authorization.

d. State and Federal Environmental Remediation Agreements

- i. Environmental Remediation Liability Projects

1. For environmental projects the CEO may authorize spending only to the same limits as outlined above in the Public Works section of this Delegation of Authority Master Policy.
2. For environmental projects with a total estimated cost that exceeds \$300,000. Staff will seek project-specific Managing Members authorization as soon as the cost for an environmental project is anticipated to exceed \$300,000.
 - a. An estimate or range of estimated costs for the overall future environmental remediation associated with the agreement and future anticipated agreements will be reviewed at the time of the request for authorization.

e. Project and Contract Reporting

- i. The CEO shall report quarterly to the Managing Members for all projects authorized by the Managing Members. The report shall include Project schedule, current estimate, authorized amount, cost to date, summary of any changes to scope, and any other significant developments with respect to the Project. Selected environmental Projects that have moved into long-term (5 years plus) monitoring (or maintenance) programs shall be exempt from Project reporting.
- ii. The CEO shall report quarterly to the Managing Members all project and contract authorizations equal to or greater than \$50,000 authorized through the delegated authority contained in this resolution. The report shall include the type of authorization, a brief description of the authorization, the amount of the authorization, and if a contract for goods, services or public works the name of the vendor.
- iii. At the Managing Members direction the CEO shall report on any project of a sensitive or critical nature.

f. Professional Services Contracts

- i. The CEO is authorized to approve and execute Professional Services Contracts associated with normal Alliance operations and non-Project work not associated with normal Alliance operations up to \$300,000.
- ii. Where professional service contracts are formally approved by the Managing Members, increases in the approved contract amount may be approved and executed by the CEO without prior Managing Members authorization for cumulative amounts not to exceed \$300,000 or 20% of the contract value, whichever is less.
- iii. IDIQ contracts for professional services may be approved and executed by the CEO and all work falling under the IDIQ contract is to be authorized per this Delegation of Authority Master Policy as a Project or contract subject to the limits set-forth.

g. Personal Services Contracts

- i. The CEO is authorized to approve and execute personal services contracts associated with normal Alliance operations and non-Project work not associated with normal Alliance operations up to \$300,000.
 - 1. Where personal service contracts are formally approved by the Managing Members, increases in the approved contract amount may be approved by the CEO without prior approval of the Managing Members for cumulative amounts not to exceed \$300,000 or 20% of the contract value, whichever is less. Substantial changes in contract scope or substantial additions to the scope specified in the formal solicitation documents shall be authorized by the Managing Members. The Managing Members shall determine whether the scope change warrants the work to be awarded as a new contract.
- ii. When an amendment to a Personal Services Contracts, individually or cumulatively will exceed 50% of the original amount, then the amendment must be filed with the Managing Members and made available for public inspection prior to the proposed starting date of services under the amendments per RCW 53.19.060.
- iii. All personal service contracts will be entered into pursuant to competitive solicitation as required by law, except for:
 - 1. Emergency contracts in compliance with section 8.k.i.below.
 - 2. Sole source contracts; provided however, that sole source service contracts, regardless of the amount, shall be filed with the Managing Members for three days and made available to the public prior to starting the work per RCW 53.19.040.
 - 3. Any other specific contract or classes as exempted by RCW 53.19.070 as it now exists or may be in the future amended, and which currently exempts the following:
 - a. Contracts specifying a fee of less than fifty thousand dollars;
 - b. Contracts awarded to companies that furnish a service where the tariff is established by the utilities and transportation commission or other public entity;
 - c. Intergovernmental agreements awarded to any governmental entity, whether federal, state, or local and any department, division, or subdivision thereof;
 - d. Contracts awarded for services to be performed for a standard fee, when the standard fee is established by the contracting agency or any other governmental entity and a like contract is available to all qualified applicants;

- e. Contracts for services that are necessary to the conduct of collaborative research if prior approval is granted by the funding source;
 - f. Contracts for professional services which are entered into under chapter [39.80](#) RCW; and
 - g. Contracts for the employment of expert witnesses for the purposes of litigation or legal services to supplement the expertise of port staff.
4. Other specific contracts or classes or groups of contracts exempted from the competitive solicitation process by the Managing Members when the Managing Members have determined that a competitive solicitation process is not appropriate or cost effective per RCW 53.19.020.

h. Purchased Goods and Services

- i. The CEO is authorized to approve purchased goods and services associated with normal Alliance operations and for work not associated with Normal Alliance operations up to \$300,000.
- ii. The CEO is authorized to approve sole source contracts; provided however, that sole source contracts, regardless of the amount, shall be filed with the Managing Members for three days and made available to the public prior to starting the work
- iii. Where the purchase is formally authorized by the Managing Members, increases may be authorized by the CEO for cumulative amounts not to exceed \$300,000 or 20% of the contract value, whichever is less.

i. Contracting Authority for Entering Agreements with Utilities and Annual Software Fees and Licenses

- i. The CEO is authorized to enter into contracts with utility providers in order to establish connections, conduct repair or maintenance and to purchase utility services as needed.
- ii. The CEO is authorized to enter into contracts with providers for annual software fees and licenses as needed.

j. Authorization for Emergency Work

- i. When any Emergency requires immediate response, the CEO is authorized to make a finding of the existence of such Emergency and commit Alliance resources, waive competition and execute contracts necessary to respond to the existing Emergency in accordance with RCW 39.04.020 and 39.04.280.
- ii. The Managing Members shall be notified within 24 hours of the declaration and of the execution of any contracts.

- iii. A request for the Managing Members to ratify any contracts executed during an Emergency shall be presented at the next scheduled public meeting following the award of the contract.
- iv. The CEO shall comply with any legal requirements related to any contracts or agreements issued under the declaration of the Emergency.

9. POLICIES GOVERNING FINANCIAL ACTIVITIES

The CEO is authorized to oversee the financial matters for the Alliance in accordance with applicable laws and subject to Managing Members' delegations in this section.

a. Management of Alliance Funds

- i. The Alliance Treasurer, who must be appointed by the Managing Members per RCW 53.36.010, may designate one or more Deputy Treasurer(s) without Managing Members' action. The Treasurer is accountable for all financial transactions executed by Deputy Treasurer(s).
- ii. The Alliance Treasurer and Deputy Treasurer(s) are authorized to oversee the investment of Alliance funds in accordance with applicable law relating to the type of investments authorized per RCW 39.59, RCW 43.84.080, and referenced RCW's within, including sale of such investments and necessary inter-fund transfers.
- iii. The Alliance Treasurer is authorized to oversee the management of the Alliance's cash reserves. Minimum cash reserve has been established as six months direct operating expenses and any reserves required by agreements.

b. Alliance Expenditures for Travel, Hosting, and Memberships

- i. Travel Expenditures for Employees and Other Authorized Representatives of the Alliance.
 - 1. Pursuant to RCW 53.08.176, the CEO is authorized to establish Alliance policies and procedures to regulate and audit travel expense and reimbursement.
 - 2. The CEO is authorized to approve travel and other reimbursable expenses, excluding Managing Members, incurred on behalf of the Alliance.
 - 3. Managing Member international travel, when representing the Alliance, requires prior authorization the Managing Members.
 - 4. The Alliance's Auditor will be responsible for ensuring the full compliance with applicable statutes, regulations and Alliance policies and procedures governing expense reimbursement by employees, Managing Members and representatives of the Alliance.
- ii. Expenditures for Trade Promotion and Promotional Hosting

1. The CEO will report proposed expenditures covering trade promotion and promotional hosting as provided in RCW 53.36.120 to Managing Members as part of the annual budget adoption. Expenditures proposed for promotional hosting shall be limited as provided in RCW 53.36.130.
2. Alliance officials and agents holding positions responsible for trade promotion are authorized to make expenditures for promotional hosting of all appropriate Alliance activities subject to all of the provisions of this master delegation policy. Managing Member hosting, for Alliance related trade promotions, requires prior authorization by the Managing Members.
- iii. The CEO is authorized to approve membership in port authority, economic development, regional trade, tourism, industrial associations, facility, trade promotions organizations, and professional organizations up to \$10,000 per organization or individual membership. Managing Members' authorization is required for membership greater than \$10,000. Memberships greater than \$10,000 shall be included in Normal Operating Expense as part of the annual budget process.

c. Managing Uncollectable Accounts

- i. The CEO is authorized to establish policies and procedures for the write off of any uncollectible accounts.
- ii. Prior to writing off any account receivable the CEO shall be satisfied that every reasonable effort has been made by the Alliance to accomplish the collection of the account.
- iii. If appropriate, the CEO shall authorize the Alliance's attorney to bring action in courts of law or, if more appropriate in the case of small amounts, to assign the same to collection agencies for the purpose of attempting to finally collect such accounts.
- iv. If after attempting all normal account collection procedures the account is still uncollectible after 180 days or more, the CEO is delegated the authority to provide for the writing off of such account.
- v. Any account in excess of \$50,000 which is deemed to be uncollectible shall be reported to the Managing Members.

d. Acceptance of Grant Funding

- i. The CEO is authorized to approve the Alliance's application for grant funds.
- ii. The CEO is authorized to accept grants where the grant award obligates the Port to provide a cash match of no more than \$150,000.
- iii. In cases where the grant award obligates or has the potential to obligate the Alliance to provide a cash match equal to or greater than \$150,000, Managing Members' authorization is required prior to grant acceptance.

- iv. The CEO is authorized to accept and manage any grant funding that is secured for projects that have previously been authorized by the Managing Members.

e. Insurance Programs

- i. The CEO shall be authorized to work with the Alliance's designated insurance broker(s) to negotiate and obtain appropriate policies of insurance to manage the Alliance's property and casualty risks, provide employee benefits, and other coverage appropriately included within a comprehensive insurance program. All related contracts shall be authorized consistent with the delegations included in this resolution.

f. Sale of Personal Property

- i. The CEO is authorized, pursuant to the RCW 53.08.090, to sell and convey surplus personal property of the Alliance subject to the following conditions:
 - 1. When the net book value of such personal property does not exceed \$18,102 (adjusted annually), the CEO will itemize the property to be sold and will certify that such property is no longer needed for Alliance purposes.
 - 2. Managing Members approval is required when the net book value of such personal property exceeds eighteen thousand one hundred two dollars (\$18,102). The CEO will itemize the property to be sold and will certify that such property is no longer needed for Alliance purposes and seek Managing Members' authorization.
 - 3. Personal property can be disposed of through competitive bids by publicly advertising the sale, contract for a licensed auctioneer to publicly auction property, or consign property to a licensed auction or consignment service for public sale.
 - 4. No large block or lot of personal property having a net book value in excess of eighteen thousand one hundred two dollars (\$18,102) will be broken into components of lesser value. These items can be sold individually by public competitive bid after Managing Members' authorization is obtained.
 - 5. The sale of surplus personal property to Alliance or Homeport officials or employees will be restricted to public auctions, or consignment for bid, where the process is managed by a third party vendor and all interested parties have equal opportunity in the bidding process.

g. Payment of Statutory Expenditures

- i. The CEO is authorized to approve statutory expenditures incurred during normal business operations. Types of expenditures include, but are not limited to, excise, payroll and leasehold taxes, and State Auditor's audit(s).

10. LEGAL SERVICES, CLAIMS AND OTHER REPRESENTATION

a. Litigation Policy and Procedures

- i. The CEO shall be responsible for the Alliance policies and procedures necessary to oversee all legal services and litigation, in which the Alliance has an interest, direct or indirect. For purposes of this section, "litigation" shall mean the assertion of any position, right or responsibility by or against the Alliance which may reasonably lead to or has been filed in any court of general jurisdiction, be it state or federal, or any quasi-judicial or administrative forum.

b. Retaining Independent Counsel/Experts/Investigators

- i. The CEO may engage legal representation for the Alliance and such experts, investigators and/or independent counsel as may be necessary to the orderly preparation of potential and/or actual litigation in which the Alliance has a direct or indirect interest, without limitations otherwise prescribed in section 8 (Personal Services) of this Delegation of Authority Master Policy.

c. Settlement of Claims

- i. The CEO is delegated to oversee Alliance policies and procedures for adjusting the final settlement of all claims either against or on behalf of the Alliance.
- ii. Any claim arising from normal Alliance operations and not exceeding \$150,000 for a single claim may be adjusted and settled by the CEO.
- iii. The Alliances' attorney shall be consulted prior to settlement of any claim in excess of \$50,000.
- iv. Claims exceeding \$50,000 shall be reported to the Managing Members upon receipt.
- v. Nothing herein contained shall preclude administrative approval of settlements made by the Alliances' insurers of claims by or against the Alliance, where such settlement is payable by such insurer.

11. ISSUANCE OF TARIFFS

The CEO is authorized to request the Homeports to issue tariffs and tariff amendments as necessary, provided the Managing Members will be provided notice of adjustments prior to implementation.

12. POLICIES AND PROCEDURES

The CEO is authorized to adopt any administrative policies and procedures necessary to implement the delegations contained in this Resolution.

13. ACTIONS PREVIOUSLY APPROVED BY THE COMMISSIONERS AND EXECUTIVES OF THE PORTS OF TACOMA AND SEATTLE

Actions related to property controlled by the Alliance or Alliance business that were previously approved by either Homeport and their respective Executives acting under the authority of the Port of Seattle's Resolution No. 3605, as amended, and the Port of Tacoma's Resolution 2014-05, or earlier versions of these resolutions, are exempt from the provisions of this Resolution and may be completed in accordance with the Resolutions and delegations that were in place when the actions were approved. Future actions on these previously authorized items will be completed in accordance with this resolution.

14. NON-DISCRIMINATION AND EQUAL OPPORTUNITY

It is the basic policy of the Alliance to provide equal opportunity to the users of all Alliance services and facilities and all contracting entities. Specifically, the Alliance will not tolerate discrimination against persons on grounds of age, race, color, national origin/ancestry, ethnicity, religion, disability, Family Medical Leave Act use, pregnancy, sex/gender, sexual orientation, whistleblower status, marital status, workers' compensation use, transgender status, political beliefs, or any other protected status, as guaranteed by local, state and federal laws. The equal opportunity principles described in this policy shall apply to the Alliances' employees, customers, consultants, contractors, and vendors to the extent possible and as required by law. This policy is to be implemented by the CEO as specifically set forth in Alliance policies, equal employment opportunity and small business, women, minority and disadvantaged business participation in Alliance contracts.