



Exit Recommendations  
Port of Seattle  
Audit Period Ending: 12/31/2018

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We are providing the following recommendations for management's consideration. They are not referenced in the audit report. We may review the status of the following verbal and exit items in our next audit.

**Exit: Policy for Professional Services Procurement – Architectural and Engineering (A&E)**

The Port's Policy for Consulting Services section 7.3 on publication and solicitation says:

- Policy 7.3.1. For procurements with contract value(s) less than \$50,000, the Port is not obligated to publish or issue a solicitation
- Policy 7.3.2. For procurement with contract value(s) less than \$200,000, the solicitation may be in the form of a letter or email directed to specific firms.

RCW 39.80.030 states each agency shall publish in advance that agency's requirement for professional services. The announcement shall state concisely the general scope and nature of the project or work for which the services are required and the address of a representative of the agency who can provide further details. An agency may comply with this section by:

- (1) Publishing an announcement on each occasion when professional services provided by a consultant are required by the agency; or
- (2) Announcing generally to the public its projected requirements for any category or type of professional services.

We recommend the Port modify its policy regarding publication and solicitation for professional services so advanced publication requirements are included for contracts less than \$200,000.

**Exit: Procurement for Professional Service (A&E) Contracts**

We tested 17 architectural and engineering contracts and noted the Port did not follow competitive negotiation (*qualifications-based selection*) requirements for one contract for \$93,871.

We recommend the Port strengthen its internal controls over the procurement of professional service contracts to ensure compliance with state law.

**Exit: Electronic Fund Transfer (EFT) Disbursements**

In our review of the Port's policies and procedures over EFT disbursements, we noted the following opportunities for improvement:

- The Port's policy did not clearly reflect staff responsibilities over the creation of new vendors and modification of current vendor bank account information in its database.



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- The Port did not consistently document to evidence follow up procedures to confirm the validity of request for changes to vendor bank account information.

In addition, our testing of 33 additions/modifications of vendor information noted the following exception:

- Three requests to change vendor bank account information did not include evidence of a follow up by Port staff to confirm the validity of the request, such as contacting the managing department or the vendor directly.

We recommend the Port strengthen its internal controls over EFT disbursements by:

1. Ensuring policies over EFT vendor setup and changes are clearly documented and accurately reflect staff responsibilities.
2. Consistently document to evidence the Port's follow up on requests to change vendor bank account information.

**Exit: Day Labor Used for Public Works**

RCW 53.08.135 states Port districts shall determine if any construction forty thousand dollars can be accomplished less expensively by contracting out. If contracting out is less expensive, the port district may contract out such project.

The Port's process to demonstrate compliance with state law is to complete a Port Crew Analysis for self-performed work exceeding \$40,000. Our audit found the Marine Maintenance Department did not consistently complete the Port Crew Analysis for self-performed work exceeding \$40,000 as required by the Port's internal process.

We recommend the Port consistently complete a formal evaluation of self-performed work exceeding \$40,000 to demonstrate compliance with state law.