

**MOTION OF THE PORT OF SEATTLE COMMISSION
REGARDING ESTABLISHMENT OF THE
PROJECTS AND PROCUREMENT POLICY COMMITTEE**

ADOPTED MAY 12, 2015

TEXT OF THE MOTION

The Commission hereby establishes the Projects and Procurements Policy Committee to oversee the development of Policy Directives called for in the Port of Seattle Commission's Responsibility and Authority and Delegation to the CEO (General Delegation.) The Projects and Procurement Policy Committee shall be governed by two Commissioners to be chosen by Commission Co-Presidents and senior executives to be approved by the CEO. This group will be responsible for coordinating efforts to engage subject matter experts as appropriate.

The objective of the Projects and Procurement Policy Committee is to develop policies for consideration and possible adoption by the Port Commission that guide staff in project management, construction contracting, and all procurements by the Port. These include, but are not necessarily limited to, operating purchases, ongoing service agreements, and all elements of capital projects.

The committee will develop policy recommendations that weigh the trade-offs between efficiency, cost effectiveness, oversight, and other Port values, such as small and Women and Disadvantaged Business Enterprise (W/DBE) participation. The recommendations will specifically identify appropriate spending authority and the other auditable standards within the policies.

STATEMENT IN SUPPORT OF THE MOTION

The Port of Seattle's mission is to create jobs by advancing trade and commerce, promoting industrial growth, and stimulating economic development. The Century Agenda, adopted by the Port Commission in late 2012, sets out strategies, objectives, and regional initiatives that guide the Port's efforts in pursuit of this mission.

The Port was established under Washington law as a public agency and engages in commercial enterprises that sustain a healthy economy. It is therefore endowed with both governmental and commercial powers. These dual capabilities require institutional frameworks that foster public accountability and empower direct conduct of commercial activity. The Commission is updating the current Master Delegation of Authority for this purpose and to pursue the Century Agenda.

All authority of the Port of Seattle is vested with the Commission in its actions as a public body. Through this new General Delegation (passed under Resolution No. 3704), the Commission subsequently delegates to and vests authority with the Chief Executive Officer (“CEO”) and delineates Commission and CEO responsibilities. It sets expectations and lays the basis for the respective efforts of the Commission and CEO to be aligned, complementary, and effective.

The General Delegation calls for the development and adoption of Policy Directives to guide the Port’s efforts in pursuit of its strategic objectives and empowers the Commission, together with the CEO, to carry out this effort. The purpose of this motion is to establish the vehicle to create those Policy Directives governing projects, contracts and procurements.

Repeal and Replacement of current Master Delegation: The Directives produced from this policy committee will replace the following sections of the current Master Delegation:

- Section 4: Public Works Projects
- Section 5: Non Public Works Projects
- Section 6: Contract and Procurement Administration
- Section 7.1, 7.2, 7.3: Professional, Personal, and Purchased Goods/Service Agreements
- Section 8.2, 8.3: Utilization of Port crews

Suggested Scope: The Policy Directive will develop procedural guidance, authorization levels, and auditable standards for four sets of issues:

- Gaining efficiency in project delivery through adjusting authorization limits and procedures.
 - Determine correct level for project authorization by Commission
 - Determine the process for Commission authorization on day-to-day operations contracts.
 - Find more efficient way of notifying Commission about projects
 - Develop effective procedures for authorizations for alternate contracting methods
- Improving processes for procurements necessary for day-to-day operations.
 - Determine Commissioner authorization and notification levels
 - Streamline purchase procedures for internal staff
 - Strengthen methods for competitive bidding
- Improving opportunities for small businesses to contract with the Port.
 - Identify constraints that keep small business from being able to compete for Port project contracts

- Identify specific constraints involving minority and women-owned businesses
- Provide changes in procedures or assistance to small businesses to navigate procedures
- Streamlining procedures for construction contracts with the Port.
 - Determine whether procurements and contracting practices meet Port staff department needs for efficiency. Streamline procedures for staff to undertake procurement
 - Eliminate or adjust any procurement procedures and contracting practices that hinder the contracting community, at large, from doing business with the Port

Commissioner Involvement: Two Commissioners will meet with group at appropriate milestones to review prepared material sent in advance. Commissioners may also participate directly in creating content, per expertise and interest.

Proposed Timeline

- Week of May 25-29: First meeting of core group
- June: Meeting(s) to decide on work buckets and process
- June, July, August: Meeting to review content as it develops
- September: Meeting to review overall draft language, plan for roundtable
- October: Meeting to review final document, roundtable results, resolution

Staffing: Committee staffing will be based on expertise in particular operational areas. Members of the Committee will only participate in meetings covering areas of their expertise, but all work circulated to all members.

Stakeholder Involvement: Stakeholder participation of 1-2 subject matter experts from the construction, contracting and small business spheres that would have direct input on early draft language. Later stakeholder involvement will include 4-5 participants in public roundtable to offer advice on the proposed draft.

Public Process

- Roundtable of 4-5 stakeholders plus Commissioners, CEO, for review and buy-in on final draft
- 30-day comment period through mailbox between First and Second reading
- Appearance by stakeholders at meeting to approve Resolution on Policy Directive