

Resolution No. 2590

A RESOLUTION of the Port Commission of the Port of Seattle adopting a master policy directive on the administrative authority of the General Manager and department heads; repealing all prior resolutions dealing with the same subject matter.

WHEREAS, the Port Commission of the Port of Seattle has in the past adopted policy directives delegating administrative authority to the General Manager and department heads for the purpose of expeditious administration of the Port; and

WHEREAS, the Port Commission has from time to time found it necessary to amend and revise such directives due to changes in law and/or operations of the Port; and

WHEREAS, the Port Commission now wishes to provide an updated master policy directive on administrative authority of the General Manager and department heads and to repeal all prior resolutions dealing with the same subject matter:

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle as follows.

Section 1. The master policy directive of the Port Commission of the Port of Seattle as set forth in Exhibit "A" attached to this Resolution and by this reference incorporated herein, is adopted for the purpose of establishing the administrative authority of the General Manager and department heads.

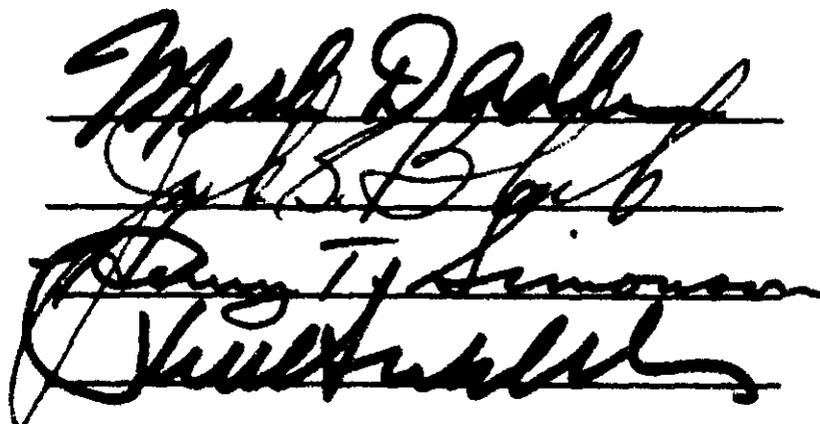
Section 2. Resolution No. 2520 previously passed by the Port Commission and dealing with the same subject matter is hereby repealed.

Section 3. The Revised Code of Washington

53.08.090 authorizes the Port Commission to delegate by resolution to the General Manager the authority to sell and convey port district personal property as outlined in Exhibit "A", paragraph XVI, attached hereto and by this reference incorporated herein.

Inasmuch as state law requires that this authority be renewed from year to year, the Port Commission is authorized to accomplish the same by motion; provided, however, that in the event this authority is amended in any fashion or repealed, such amendment or repeal must be by resolution passed by the Commission.

ADOPTED by the Port Commission of the Port of Seattle this 15th day of August, 1975, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.



The block contains four handwritten signatures, each written over a horizontal line. The signatures are: 1. Mark D. Dally, 2. Jack B. Dally, 3. Perry T. Simonson, and 4. [Illegible signature].

Port Commissioners

PORT OF SEATTLE
COMMISSION POLICY DIRECTIVE ON ADMINISTRATIVE AUTHORITY
OF GENERAL MANAGER AND DEPARTMENT HEADS

The following policy is adopted by the Commission of the Port of Seattle for the purpose of establishing the administrative authority of the General Manager and department heads. The General Manager may delegate to department heads and appropriate personnel such of his administrative authority herein established as, in his discretion, is necessary and advisable in the efficient exercise of such authority. The phrase "normal Port operations", as used herein, means the regular day-by-day business of the Port in operating its terminals and Airport properties and facilities and in developing industrial districts; the implementing of construction work and alterations and improvements to the Port's real estate and physical facilities and necessary planning incidental thereto; the performance of routine maintenance and repairs with respect to the Port's physical properties; the conduct of financial and legal matters as they relate to the Port's day-to-day operation; and the performance of necessary incidental services in connection with the business herein specified including without limitation administrative, clerical, and professional work.

I. POLICY GOVERNING REAL PROPERTY RENTALS:

(a) Types of Lease Arrangements:

All real property belonging to the Port when available for leasing shall, except as otherwise provided herein below, be leased only under an appropriate written lease instrument executed by the Port Commission accompanied by a lease bond or other form of security in accordance with Port law, provided, however, in the case of a month-to-month lease, and subject to all of the following conditions the General Manager or his designee may execute the lease:

(1) A minimum of two months' rental shall be required to be paid in advance of the occupancy to cover the agreed rental for the first month and the additional sum equal to one month's rent to be held by the Port as a lease deposit for the full duration of the month-to-month occupancy and to insure compliance to lease terms.

(2) The arrangements for month-to-month occupancy shall be evidenced by the Port's standard form of month-to-month lease, (except that any clearly inapplicable provision or provisions inconsistent with the policy herein set out shall be deleted from the standard form).

(3) The amount of the monthly rental shall be in accordance with the rental revenue standards adopted by the Port for similar Port property of the same or similar class and type and devoted to similar uses.

(4) The use to which the property may be put by the tenant shall be expressly stated and shall be in accordance with the standards of use adopted by the Port for the same or similar Port property or properties.

(5) The fair rental for the premises shall not be in excess of One Thousand Dollars (\$1,000.00) per month.

(6) No lease bond shall be necessary in view of the above requirement for a full month's rent deposit to be held as cash security in lieu of a bond.

(7) An additional sum may be required for purposes of a damage and/or cleaning deposit.

(b) Lease Procedures:

The General Manager shall be responsible prior to execution by the Port Commission for carrying out the required procedural steps in effecting all other Port leases, which steps shall be as follows:

(1) Except as provided in sub-paragraph (2) below, the steps to be taken in effecting a lease shall be as follows:

(a) Submittal of information covering proposed lease to the Commission and request for authority to negotiate and transmit lease.

(b) Negotiation of lease terms and preparation of the proposed form of lease duly approved as to form by Port Counsel.

(c) Approval of an executed bond by Port Counsel and securing necessary certificate of insurance.

(2) The procedural steps designated herein above as (a), may be omitted and the lease may be submitted directly to the Port Commission following execution of lessee whenever a proposed final lease meets all of the conditions set out below:

(a) The term of the lease (including any options for renewal), shall not exceed three years.

(b) The monthly rental amount shall not exceed Two Thousand Dollars (\$2,000.00) per month.

(c) The use of the premises to be leased are within criteria approved from time to time by the Commission.

(d) All of the proposed final terms of the lease arrangement and the lease bond have been approved as to form by counsel and are generally consistent with other existing Port leases in the same or similar areas.

II. POLICY GOVERNING CONTRACTS FOR PERFORMANCE OF WORK:

(a) Work Contract Awards: The General Manager shall have the responsibility for following all required statutory procedures in connection with all contracts which require performance of work (except when the work is to be accomplished by day labor only). The General Manager is authorized to carry out without prior referral to the Commission all procedures required by applicable statutes preliminary to the acts required to be performed by the Commission at open meeting, and, in all cases where all of the following conditions are met may, without prior Commission approval, execute on its behalf contracts involving the performance of work where:

(1) The total estimated contract price does not exceed \$30,000.00.

(2) The general manager's award of such contract on behalf of the Commission conforms, as nearly as practicable, to the requirements of RCW 53.08.120, as amended by Laws, 1975, First Extraordinary Session, Chapter 47, and the contractor deemed successful has submitted a responsive proposal accompanied by a bid proposal deposit as provided in RCW 53.08.130.

(3) The successful Contractor has provided a performance bond with sureties which meet criteria established from time to time by the Commission in an amount not less than 25% of the contract price or in a higher amount if so established by the Commission in the resolution authorizing the project, the furnishing of which bond the Commission hereby finds shall establish that the bidder is responsible within the meaning of RCW 53.08 unless the General Manager concludes otherwise and shall refer the matter to the Commission for final determination.

(b) Change Orders: In instances where contracts for the performance of work have been awarded and under which the work is in progress, and individual changes in plans and/or specifications are necessitated in order to properly accomplish the work, the General Manager is authorized, without prior Commission approval, to execute on its behalf individual change orders to the contract if all of the following conditions are met:

(1) The estimated cost of the individual changes in plans and/or specifications will not exceed \$30,000.00 or 10% of the contract price, whichever is less; Provided, however, that when an individual change order issued under any contract shall cause the total cash amount of change orders to that contract to exceed a sum equal to 25% of the original contract amount, such change order shall not be issued without prior Commission approval and no future change orders to said contract may be issued without Commission approval.

(2) The contract provides for issuance of change orders.

(3) The individual change order has been approved and certified by the project architect or engineer as being necessary to the proper accomplishment of the work called for in the basic contract.

(4) Any time extension for completion of said contract which accompanies said change order will not exceed fifteen (15) days.

(c) Except as provided in subparagraph (b)(4) above, the only instances in which a change order for time extension may be granted without prior approval of the Commission are those cases of fire and other casualties not the fault of the contractor, strikes, riots and other civil disorders, and unsuitable weather which results in suspension of work by order of the chief engineer and where the sole remedy available to the contractor is extension of time for completion of contract.

III. POLICY GOVERNING PERFORMANCE OF WORK BY PORT CREWS:

The General Manager shall be responsible for the obtaining of prior Commission approval for work projects which are to be carried out by Port crews when the total estimated cost exceeds thirty thousand dollars (\$30,000.00) and the project is not within the realm of normal operations. Prior Commission approval shall not be required where the work project is for the purpose of carrying out any normal Port operation, or where the project is not within the realm of normal port operations provided the total estimated cost for that particular project does not exceed thirty thousand dollars (\$30,000.00).

IV. POLICY GOVERNING CONTRACTS FOR ACQUISITION OF MATERIALS, EQUIPMENT AND SERVICES:

The General Manager shall have the responsibility for following all required statutory procedures, where applicable, in connection with all contracts for the acquisition of utilities, materials, equipment and services: Provided, however, that where utilities, materials, equipment and services are acquired on the open market or pursuant to published tariffs and used or are necessary in normal maintenance and operations of the Port, no prior approval shall be required but shall where appropriate be approved as a part of normal monthly expenses: Provided further, however, that in all cases where a statutory requirement exists for award of contracts following competitive bidding, the General Manager may, without prior Commission approval, execute on its behalf contracts for the acquisition of utilities, materials, equipment and services where all of the following conditions have been met:

(1) the total contract or purchase order price does not exceed \$30,000.00; and

(2) the award is made to a bidder who has submitted a proposal based on the plans and specifications on file, or, where permissible, based upon his own plans and specifications and accompanied by a bid proposal deposit as may be required and which is, as nearly as practicable, in accordance with the requirements of RCW 53.08.120 as amended by LAWS, 1975 1st Extraordinary Sessions, CH. 47; and

(3) the successful bidder has provided, where required, a performance bond with sureties which comply with the requirements of applicable law.

V. POLICY GOVERNING ADJUSTMENT AND SETTLEMENT OF CLAIMS
(EXCEPTING THOSE COVERED BY PARAGRAPH XII, BELOW:

The General Manager shall be responsible for the observance of necessary procedures whereby the adjustment and final settlement of all claims, either against or on behalf of the Port, shall be carried out. Necessary procedures in the handling of such claims shall include the following:

(a) For purpose of this Paragraph V, "Claim" shall mean the assertion of any position, right or responsibility by or against the Port but not including (1) "uncollectible accounts" only to the extent as covered in Paragraph XII herein, or (2) claims asserted by or against the Port which have become the subject of litigation as defined in Paragraph XVIII herein.

(b) No claims against the Port shall be considered unless and until proper notice has been served by the claimant upon the Port as required by State statute.

(c) Where claims do not exceed Twenty-five Thousand Dollars (\$25,000.00) in amount, such claims may be processed in all respects (except for their final approval and payment) by the General Manager, his designee, or the Legal Officer. No such claims shall be submitted to the Commission until a tentative agreement has been reached with the parties concerned for their settlement. Claims exceeding Twenty-five Thousand Dollars (\$25,000.00) shall be reported to the Commission promptly.

(d) Except as provided under (e) below, no claims shall be finally approved for settlement except by the Commission and no claim shall be paid except as authorized by the Commission.

(e) Any claim arising from normal Port operations and not exceeding Ten Thousand Dollars (\$10,000) for a single claim may be adjusted and settled by the General Manager, his designee or the Legal Officer without prior reference to the Commission provided that all of the following conditions are met:

(1) The Legal Officer shall certify to the General Manager that payment of the claim is justified on the basis of the following:

(a) a substantial likelihood that the Port is or will be found liable;

(b) the likelihood that a judgment rendered in the case would be in the amount claimed or higher;

(c) the likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed.

(2) All such claims, when settled, shall be reported to the Commission monthly.

VI. POLICY GOVERNING ARRANGEMENTS FOR PROFESSIONAL AND CONSULTANT SERVICES:

The General Manager shall be responsible for the initiation of appropriate procedures to obtain professional and consultant services where deemed necessary in carrying out normal Port operations. Where necessary, an opinion by Port Counsel shall be obtained with respect to whether it is essential to follow the statutory procedures in connection with arranging for such services. Where necessary in the conduct of normal Port operations the General Manager may arrange to obtain such services, without prior approval of the Commission, where the cost of the proposed service will not exceed the amount of Ten Thousand Dollars (\$10,000.00), provided all such arrangements when made shall be reported to the Commission monthly. Whenever it is estimated that the cost to the Port for the proposed services will exceed this amount, arrangements for obtaining such services shall be initiated only after express authorization by the Commission.

VII. POLICY GOVERNING TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE PORT:

The General Manager is authorized to approve, without prior authorization of the Commission, travel by employees and/or other authorized representatives of the Port, in order to effectuate necessary normal Port operations, provided that reimbursable personal travel expenses shall not exceed \$5,000.00 and provided that the Commission shall be advised monthly of all such authorizations for travel made by the General Manager.

VIII. POLICY ESTABLISHING GRIEVANCE PROCEDURES FOR CERTAIN EMPLOYEES:

General grievance procedures for all Port employees, not otherwise subject to specific grievance procedures in Port labor agreements, shall be established provided that the grievance procedures may not include consideration of matters not subject to the General Manager's discretion. Such general grievance procedure may include:

- (a) Procedural steps governing the processing of grievances;
- (b) Establish the responsibilities of each supervisory level in the process;
- (c) Establish fact-finding procedures as may be required; and
- (d) Establish rules for representation of employees.

IX. POLICY ESTABLISHING SYSTEMS OF EMPLOYEE IMPROVEMENT:

The General Manager and department heads shall establish systems of employee education, training and development complementing training and development programs and activities already authorized by the Port Commission. Such programs shall promote the policy of the Port Commission to increase the skills and productivity of all Port employees. Such programs may include leave of absences in select cases and general and specific training and education aimed at improving the employee's ability to perform duties at the Port of Seattle. Programs designed for entry level employees (including apprentices) shall be included. Attendance at seminars, conferences and meetings as well as subscription and purchase of training materials, guides and other data shall be contributory to such objectives.

X. POLICY GOVERNING HARBOR AREA AND WATERWAY LEASES:

The General Manager or his designee is authorized to sign on behalf of the Port of Seattle Commission all harbor area and waterway leases between the Port and the State of Washington which are for harbor and waterway areas adjacent to Port-owned facilities; and all such leases between the Port and third parties where the rental does not exceed \$10,000 per year.

XI. POLICY GOVERNING GENERAL MANAGER'S AUTHORITY FOR PROPERTY ACQUISITIONS:

When the Port Commission authorizes the acquisition of real property by purchase or condemnation, the General Manager, or his designee, shall take all necessary steps, including the securing of appraisals, to secure title of such property for the Port. Acquisition price of individual properties (or ownerships) shall in no case exceed the Port's appraisal by 10% (ten percent), nor shall the total price paid for all properties exceed the estimates of the Port Commission's authorization without further specific Commission authorization.

XII. POLICY GOVERNING DISPOSITION OF UNCOLLECTIBLE ACCOUNTS:

The General Manager or his designee is authorized to establish procedures for and to write off any uncollectible accounts in the amount of Five Thousand Dollars (\$5,000.00) or less subject to the following general guidelines. Prior to writing off any account receivable or uncollectible, the General Manager shall be satisfied that every reasonable effort has been made by the Port to accomplish the collection of the account and he shall, in appropriate circumstances, authorize the Legal Officer to bring action in courts of law or if more appropriate in the case of small accounts, to assign the same to collection agencies for the purpose of attempting to finally collect such accounts. If, after attempting all normal account collections procedures, the account is still uncollectible after 180 days, or more, the General Manager shall be authorized to provide for the writing off of such account. Any account in excess of Five Thousand Dollars (\$5,000.00) which is deemed to be uncollectible shall be referred to the Port Commission for final approval of writing off that account except where said account has been referred to the Legal Officer for final collection or settlement in which case it shall be processed in a manner consistent with Section V above.

XIII. POLICY AS TO THE INSURANCE PROGRAMS - PORT OF SEATTLE:

The General Manager or his designee shall be authorized to work with the Port's designated insurance broker to negotiate and obtain appropriate policies of insurance to cover Port property, liability, employee coverages, and other areas appropriately included within a comprehensive insurance program. The General Manager or his designee is authorized to approve from time to time changes or modifications within the policies of insurance including programs to provide self-insurance or deductible provisions so long as such programs are promptly and regularly reported to the Port Commission so that they are kept informed of basic changes made in the overall insurance program of the Port.

XIV. POLICY GOVERNING TRADE DEVELOPMENT PROGRAMS:

The General Manager and his designees are authorized, consistent with the limitations of RCW 56.36.120-150, to carry out programs of trade development and promotion including programs designed to provide shippers using the Port of Seattle with the lowest possible freight rates through the consolidation of traffic and prepayment of freight charges by the Port. Such programs of trade development and promotion shall be reviewed by the Port Commission from time to time so they may remain current as to changes that may occur.

XV. POLICY GOVERNING LEASE BOND RENTAL INSURANCE POLICIES:

The General Manager or his designee is authorized and authority is specifically delegated to take all necessary actions on behalf of the Port Commission and its officers in connection with lease surety bonds, lease surety, rental insurance, or other insurance coverage required pursuant to any leases of the Port, including any of the following actions:

(1) Where the lease is not in default, to release any surety bond, surety, or rental insurance where an adequate substitute bond has been provided. Whenever the General Manager or his designee releases any bond, surety or rental insurance securing any lease of the Port, they shall be acting on behalf of the Port with the full authority of the officers thereof in carrying out such release.

(2) To approve any surety bond, surety or rental insurance or insurance submitted in fulfillment of the requirements of any lease, including substitute or replacement coverage for any terminated bond, surety or rental insurance.

(3) To approve any substitute or modifications of insurance coverage, and to release any insurance company when substitute or replacement insurance coverage has been provided in connection with any outstanding lease of the Port.

XVI. POLICY GOVERNING SALE OF PERSONAL PROPERTY:

The General Manager or his designee is authorized, pursuant to the Revised Code of Washington 53.08.090, to sell and convey surplus personal property of the Port of Seattle subject to the following conditions:

(1) That the value of such personal property does not exceed \$2,500;

(2) Prior to any such sale or conveyance, the General Manager shall itemize and list the property to be sold and make written certification to the Commission that the listed property is no longer needed for district purposes;

(3) That offers for purchase are solicited from at least three (3) parties ~~wherever possible~~;

(4) Any large block of such property having a value in excess of \$2,500 shall not be broken down into components of a lesser value and sold unless done so by public competitive bid.

(5) No property which is part of the comprehensive plan of improvement or modification thereof shall be disposed until the comprehensive plan has been modified pursuant to the Revised Code of Washington 53.20.010 and such property is found to be surplus to Port needs.

(6) That in no case shall surplus personal property be sold to any Port official or employee or members of their families.

XVII. POLICY GOVERNING INVESTMENT OF TEMPORARILY IDLE PORT FUNDS:

For purposes of this paragraph, "Temporarily Idle Port Funds" shall mean those funds which are not required for immediate expenditure. The General Manager or his designee is authorized to direct the King County Treasurer, in accordance with applicable law relating to the investment of public funds, in the investments of temporarily idle Port funds. These directives include, but shall not be limited to, investments in authorized government securities, sale of such investments, and necessary interfund transfers. A listing of all investments, sales and interfund transfers shall be prepared and reported to the Commission each month so that they may be informed of the status of investments of temporarily idle Port funds.

XVIII. LEGAL SERVICES AND LITIGATION

The General Manager, or his designee, the Legal Officer, shall be responsible for the procedures necessary for management and supervision of all legal services required by the Port and litigation in which the Port 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 Port which has been filed in any court of general jurisdiction, be it state or federal, or any quasi-judicial or administrative forum.

(1) Retained Legal Counsel: The General Manager is authorized to retain the law firm of Bogle & Gates and Preston, Thorgrimson, Ellis, Holman and Fletcher to provide necessary legal services. Such firms shall receive fixed annual retainers for general legal services, and, in addition, reimbursement at their established hourly rates and expenses for any litigation. The total paid for fixed annual retainers shall be set by the General Manager based on the level of services required and the current cost of legal services in the area: Provided that such retainer may not in any year exceed .3% of the Port's gross operating revenues without prior commission approval.

(2) Engagement of Experts: The General Manager or his designee, as outlined above, may engage, or cause to be engaged through Port counsel, such experts as may be necessary to the orderly preparation of litigation in which the Port has a direct or indirect interest, without limitations otherwise prescribed in paragraph VI of this resolution; such engagement shall be upon authorization given by the Legal Officer after having satisfied himself that such expenditure is necessary to the adequate preparation and representation of the Port's position in such litigation and shall, wherever practicable, include evaluation of the litigation and an estimate of the probable cost of such experts.

(3) Settlement: Any matter which is the subject of litigation may be compromised and settled by the General Manager or his designees as outlined above without prior reference to the Commission provided that all of the following conditions are met:

(a) The amount in controversy, as stated in the pleadings, does not exceed \$150,000; and

(b) The actual cost to the Port, excluding the Port's attorney's fees, litigation cost and expert witness fees, of any such settlement does not exceed 50% of the amount in controversy or \$50,000 whichever is less; and

(c) The Legal Officer shall certify to the General Manager that such compromise and settlement is justified on the basis of the following:

- (i) a substantial likelihood that the Port is or will be found liable;
- (ii) the likelihood that a judgment rendered in the case would be in the amount claimed;
- (iii) the likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed.

XIX. ACCOUNTING AND AUDITING SERVICES:

The General Manager is authorized to retain the accounting and auditing services of Touche, Ross & Company. Such services shall include the annual audit, audit of leases and other contracts and appropriate accounting services as required at established rates for such services in the area: Provided payments for such services may not exceed .2% of the Port's gross operating revenues without prior approval of the Port Commission.