

Commissioners

Bill Bryant
Chair and President
John Creighton
Patricia Davis
Lloyd Hara
Gael Tarleton



Tay Yoshitani
Chief Executive Officer

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An audio of the meeting proceedings and meeting materials are available on the Port of Seattle web site -

<http://www.portseattle.org/about/organization/commission/commission.shtml>

(The approximate point in the audio recording for the specific item is identified by minutes and seconds; example: 01:30.)

**APPROVED MINUTES
COMMISSION SPECIAL MEETING APRIL 21, 2009**

The Port of Seattle Commission met in a special meeting at 1:00 p.m., Tuesday, April 21, 2009 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Creighton, Davis, Hara and Tarleton were present.

Commissioner Bryant was absent.

1. CALL TO ORDER

The special meeting was called to order at 1:05 p.m. by Gael Tarleton, Vice-Chair and Vice-President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

None.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

None.

4. SPECIAL ORDER OF BUSINESS

(00:01:24) Sustainability Month

Presenter: Stephanie Jones Stebbins, Seaport Environmental Manager

Ms. Jones Stebbins reported on activities that the Port is making available to celebrate not only Earth Day, but an entire month devoted to ‘Sustainability,’ and stated that there had been enough interest among staff to warrant the extra level of information provided. She noted that all activities throughout the month were being done without use of Port budget funds, and recognized Port staff members who contributed to ‘Sustainability Month.’

5. UNANIMOUS CONSENT CALENDAR

None.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

a. (00:08:08) Authorization for the Chief Executive Officer to approve all work and contracts including: Advertise, award, administer, prepare, execute and amend any and all necessary service agreements for the Enterprise Project Cost Management System Project in an amount Not to Exceed \$1,975,000 and for an ongoing annual support and software license fees in an amount estimated at \$110,000 per year for five years.

Request document: Commission agenda [memorandum](#) dated April 3, 2009 from Ralph Graves, Managing Director, Capital Development and Peter Garlock, Chief Information Officer

Presenter: Mr. Garlock

Mr. Garlock provided background on the proposed project, noting that it came about as a result of the State Auditor’s Office (SAO) audit, which recommended implementing a centralized Enterprise Project Cost Management System for improved visibility and timeliness of project cost management.

Responding to a question from Commissioner Hara, Mr. Garlock stated that this system will integrate with the upcoming upgrade of PeopleSoft.

Following Commission discussion, it was recommended that the program be vetted with the SAO, with Moss-Adams, and with the Audit Committee.

Motion for approval of Item 6a – Creighton

Second – Hara

Motion carried by the following vote:

In Favor: Creighton, Davis, Hara, Tarleton (4)

Commissioner Bryant was absent for the vote

b. (00:15:34) Authorization for the Chief Executive Officer to approve all work and contracts including: Advertise, award, administer, prepare, execute and amend any and all necessary service agreements for the implementation of PeopleSoft HRMS 9.0 Project, including additional funding of \$550,000 for a total project amount Not to Exceed \$4,300,000.

Request document: Commission agenda [memorandum](#) dated March 31, 2009 from Peter Garlock, Chief Information Officer

Presenter: Mr. Garlock

Responding to a question from Commissioner Hara, Mr. Garlock stated that this system will integrate with the other PeopleSoft systems.

Motion for approval of Item 6b – Hara

Second – Davis

Motion carried by the following vote:

In Favor: Creighton, Davis, Hara, Tarleton (4)

Commissioner Bryant was absent for the vote

c. (00:21:45) Authorization for the Chief Executive Officer to execute three professional services indefinite delivery indefinite quantity (IDIQ) contracts for electrical design services of upcoming electrical system capital improvement projects at Seattle-Tacoma International Airport (Airport) for a total estimated cost of \$5,200,000 where each design contract will be the result of a public advertisement and a competitive review process to select the design team.

Request document: Commission agenda [memorandum](#) dated March 6, 2009 from Richard Ottele, General Manager, Aviation Facilities and Bob Riley, Director, Airport Capital Improvement Program

Presenter: Mr. Riley

Commissioner Hara expressed appreciation for the staff splitting up the contract into multiple contracts, as it allows more opportunity for small businesses to participate.

Responding to Commissioner Davis's question as to whether splitting up the contract add to cost, Mr. Riley stated that it would be only a minimal amount.

Motion for approval of Item 6c – Davis

Second – Creighton

Motion carried by the following vote:

In Favor: Creighton, Davis, Hara, Tarleton (4)

Commissioner Bryant was absent for the vote

- d. (00:30:20) Authorization for the Chief Executive Officer to Authorization for the Chief Executive Officer to advertise for construction bids for the Lora Lake Demolition, Des Moines, Nursery Mitigation and Third Runway Permanent Stormwater Detention Facilities Projects at Seattle-Tacoma International Airport (Airport).**

Request document: Commission agenda [memorandum](#) dated March 10, 2009 from Michael Ehl, Director, Airport Operations and Robert Riley, Director, Aviation Capital Improvement Program

Presenter: Mr. Riley

Mr. Riley clarified the connection of the three mentioned projects, noting that they were all projects related to the Third Runway, needing to be completed to fulfill the Port's obligation to the Third Runway permits. He stated that no funding was being requested, as the full Runway program had previously been authorized.

Commissioner Creighton raised the question as to whether there was currently any course of action that would be proposed for the Lora Lake property itself. Mr. Yoshitani stated that staff has been negotiating with the Department of Ecology (DOE) and he would return to the Commission to provide an update.

Motion for approval of Item 6d – Davis

Second – Creighton

Motion carried by the following vote:

In Favor: Creighton, Davis, Hara, Tarleton (4)

Commissioner Bryant was absent for the vote

- e. (00:37:17) Authorization for the Chief Executive Officer (CEO) to complete demolition of the burned building at [Angle Lake School](#), including foundation and debris removal, ancillary cleanup, grading and restoration of the site by Port Construction Services and/or authorization for the CEO to advertise and execute a construction contract to complete the work.**

Request document: Commission agenda [memorandum](#) dated April 15, 2009 from James R. Schone, Director, Aviation Business Development and Management; Robert F. Riley, Director, Aviation Capital Improvement Program; and W. Allan Royal, Manager, Port Real Estate Development

Presenter: Mr. Riley

Motion for approval of Item 6e – Creighton

Second - Hara

Motion carried by the following vote:

In Favor: Creighton, Davis, Hara, Tarleton (4)

Commissioner Bryant was absent for the vote

- f. (00:46:08) Resolution No. [3615](#), Second Reading and Final Passage. Approval of Agreements with the Cities of [Seattle](#) and [Kent](#), and direct contribution to FAST Corridor Phase 2 Projects in those Cities, including the Duwamish Intelligent Transportation Systems (ITS) Phase 3 Project for \$500,000 and the City of Kent's 228th Street Grade Separation Project for 1,190,000.**

Request document: Commission agenda [memorandum](#) dated March 27, 2009 from Eric Hanson, Manager, Seaport Planning and Christine Wolf, Regional Transportation Program Planner, Seaport

Presenter: Ms. Wolf

Ms. Wolf noted a typo in the Commission agenda, which stated the Port contribution to the City of Kent's Project would be \$1,900,000. She clarified for the record that the amount should read \$1,190,000.

Motion for Resolution No. [3615](#), Second Reading and Final Passage – Davis

Second – Hara

Motion carried by the following vote:

In Favor: Creighton, Davis, Hara, Tarleton (4)

Commissioner Bryant was absent for the vote

7. STAFF BRIEFINGS

- a. (00:48:21) Terminal 30 and Terminal 91 Smith Cove Cruise Terminal Update**

Presentation documents: Commission agenda [memorandum](#) dated March 27, 2009; [attachment](#), [table](#), and computer slide [presentation](#) from Dakota Chamberlain, Director, Seaport Project Management.

Presenters: Mr. Chamberlain and Mike McLaughlin, Senior Manager, Cruise and Industrial Properties

Mr. Chamberlain noted that the Cruise Lines, Cruise Terminal of America, and Customs and Border Protection have moved into the new Smith Cove Cruise Terminal. He also commented on finishing work currently being done at the facility. He noted that the terminal would be receiving its first cruise ship on Friday, a Holland America cruise ship.

Mr. Chamberlain and Mr. McLaughlin expressed their appreciation for assistance provided by both Seaport Maintenance and Port Construction Services (PCS) at the facility.

Mr. McLaughlin noted that the final inspection of the facility had been approved by the U.S. Coast Guard. He stated that the “Sail Away Party,” the official ribbon-cutting event would be held on May 22, and there would be a reception in the new terminal for the industry and community partners. He also said there was a plan to have a community open house sometime in June.

Commissioner Hara wondered whether or not it would be possible for the Commissioners to look at the Terminal 30 facility prior to the official opening. Staff responded that they would work with the Commission office to see which Commissioners would be interested in doing so, and would get that scheduled.

**b. (01:15:53) Update on the Performance Audit Report of Port of Seattle
Construction Management – Lessons Learned**

Presentation documents: Commission agenda [memorandum](#) dated March 31, 2009 and computer slide [presentation](#) from Dakota Chamberlain, Director, Seaport Project Management

Presenter: Mr. Chamberlain

Prior to the presentation, Commissioner Tarleton commented that this presentation would be an opportunity to offer to the public an understanding of what has happened since the SAO audit, and changes in Port culture over the past 2-plus years.

Mr. Chamberlain provided background information on the 2007 SAO Performance Audit of the Port of Seattle Construction Management. He noted that as a result of the audit findings, there were 51 recommendations, including two overarching recommendations, which were to create the central procurement function at the Port and also to revise the

Ports delegations of authority. It was noted that of the 51 recommendations, action has been taken on 47 of them.

Within the presentation, items addressed included:

- Background
- Lessons Learned
- Preparing for an Audit
- Communication with the SAO During an Audit
- Responding to an Audit Report
- Implementing Recommendations

Staff clarified that in a need to track hours spent responding the SAO audit, a separate account had been created to document the staff time spent on the response.

Mr. Chamberlain noted that staff will return to Commission in June to bring back the annual report on the SAO audit.

c. (01:30:29) Briefing on Resolution No. [3605](#)

Presentation documents: Commission agenda [memorandum](#) dated April 17, 2009 and computer slide [presentation](#) from Ralph Graves, Managing Director, Capital Development and Tom Barnard, Research and Policy Analyst

Presenters: Mr. Graves and Mr. Barnard

Mr. Barnard provided background on Resolution No. 3605 and its implementation, which was adopted by the Commission on August 26, 2008.

Mr. Graves reviewed specific issues related to:

- Background and Implementation of the Resolution
- Issues Related to the creation of the Resolution
- Next Steps

d. (01:54:44) Briefing on New Port Procedure for Engineer's Estimates

Presentation document: Commission agenda [memorandum](#) dated April 21, 2009 from Ralph Graves, Managing Director, Capital Development and proposed Engineers Estimate Procedure

Presenter: Mr. Graves

Mr. Graves presented background information on the proposed Engineers Estimate Procedure, which resulted from both the SAO audit and the McKay Investigation. He stated the complexity of the issue, and commented that state law had been reviewed as

well as best practices and Resolution No. 3605. The proposed procedure resulted, which would both preserve the ability of the staff to update the estimate during the bid period, and would also clarify the procedures with respect to public published range of estimated cost.

e. (02:10:57) Briefing on Procedures for the Procurement of Personal and Professional Consulting Services (CPO-1)

Presentation documents: Commission agenda [memorandum](#) dated April 15, 2009 and computed slide [presentation](#) from Ralph Graves, Managing Director of Capital Development and Nora Huey, Director, Central Procurement Office

Presenter: Mr. Graves and Ms. Huey

Ms. Huey provided background of CPO-1, which came into effect in January, 2009, noting that it was implemented as a response to the SAO audit. She stated that it covers both the formation and administration of Port contracts.

It was noted that an extensive outreach had been done to provide training to staff regarding CPO-1, which also included an overlay of how it relates to Resolution 3605 and EX-2.

Specific issues reviewed included:

- Implementation
- Areas of focus
- Categories and Contract Types
- Legal and Risk Management Involvement
- Office of Social Responsibility Involvement
- Next Steps

As to the difference between Personal and Professional contracts, Ms. Huey explained that Personal Services refers to professional or technical consulting services, not related to public works, and that Professional Services are related to public works, such as design, construction management, testing, or inspection.

Ms. Huey stated that by the end of the year, she would be returning to the Commission for the passing of a required Policy on the procurement of personal services.

f. (02:30:16) Briefing on Small Works Roster Resolution

Presentation documents: Commission agenda [memorandum](#) dated April 14, 2009, computer slide [presentation](#), and [draft resolution](#) from Ralph Graves, Managing Director, Capital Development Division and Nora Huey, Director, Central Procurement Office

Presenters: Mr. Graves and Ms. Huey

Ms. Huey commented that the main reason for having a Small Works Roster process is to create a quick process by which the Port can hire construction contractors on projects that are less than \$200,000. She reviewed the current Port process as well as recent changes to the process and also reviewed current legislation regarding Small Works contracts.

Reviewing the proposed Resolution, Ms. Huey noted that it would allow the following:

- CPO to establish a process for maintaining the Small Works Roster
- Preference to expand competition
- Preference for written bids, but allowance for telephone bids

g. (02:45:32) Briefing on Port Implementation of McKay Report Recommendations

Presentation documents: Commission agenda [memorandum](#) dated April 2, 2009 from Linda Strout, Deputy CEO; Craig Watson, Port General Counsel; and Ralph Graves, Managing Director, Capital Development, and computer slide [presentation](#).

Presenters: Ms. Strout and Mr. Graves

Ms. Strout provided background information on the McKay Report (Report) and the team that was created to implement recommendations as a result of the Report. The recommendations included:

- Implement a robust compliance program
- Ensure all procurement processes comport with Port policy and state and federal law
- Increase Legal department involvement in procurement processes
- Ensure Legal department involvement is appropriately documented
- Centralize procurement document management system
- Standardize project manual provisions
- Include an enforceable audit provision in all contracts that survives termination of the contract

Ms. Strout commented on the establishment of a Code of Conduct, and noted that input would be taken from Port staff and that there would also be a targeted external outreach for input. External groups would include the Municipal League and current and past Ethics Board members. Commissioners suggested that perhaps members of the Century Agenda panels and core customers should be included. Ms. Strout stated that staff would return to the Commission in the fall to share input received over the summer.

h. (03:11:25) Update on Port of Seattle Police Department

Presentation documents: Commission agenda [memorandum](#) dated April 9, 2009 and computer slide [presentation](#) from Port Police Chief Colleen Wilson

Presenter: Chief Wilson

Chief Wilson spoke about a matrix within the department which had been created from a combination of previous reviews, including

- Judge Carroll's report on Internal Affairs Process
- Seabold Group Report
- Commission's 'Blue Ribbon Panel'
- Loaned Executive Management Assistance Program (LEMAP) Assessment

She stated that the 2009 goal of the department was to comply with all recommendations included in the matrix.

Chief Wilson commented on the development of a Policy Manual which had been created based on policies closely aligned with national police best practices.

Regarding internal affairs, it was noted that significant progress has been made and that the number of formal investigations is down.

Chief Wilson commented on the department culture change plan, which incorporates the guiding principles of Integrity, Leadership and Accountability. She also spoke about updates to the department's hiring process.

Chief Wilson introduced to the Commission the two Deputy Chiefs, Nancy McAllister and Rod Covey.

Commissioner Creighton commended the Port's Police Department, acknowledging the positive changes implemented under Chief Wilson's leadership.

8. NEW BUSINESS

Trip Reports:

Commissioner Hara reported on recent trips, including to the Clean Air and Noise Conference at University of California, Davis and the recent Airports Council International (ACI) Conference, specifically the areas related to economics and financing.

Commissioner Davis reported on a trip to the Los Angeles Trans-Pacific Maritime Conference.

Commissioner Creighton spoke about his trip to the Trans-Pacific Maritime Conference in Los Angeles as well as his recent attendance at the Trade Development Alliance Study Mission to Abu Dhabi and Dubai.

Commissioner Tarleton commented on her attendance at the Department of Homeland Security's Annual Security Summit in Washington, D.C.

Commissioner Tarleton announced that there would be a Security Summit jointly hosted by the Ports of Seattle and Tacoma, held at Bell Harbor International Conference Center on May 28-29.

9. POLICY ROUNDTABLES

None.

10. ADJOURNMENT

The special meeting was adjourned at 5:00 p.m.

(A digital recording of the meeting is available on the Port's website.)

Lloyd Hara
Secretary