

Port Action Plan addresses state audit recommendations

January 28, 2008

Message from Port of Seattle CEO Tay Yoshitani

Welcome to the Accountability section of the Port of Seattle's Web site. We created this section so that the citizens of King County can see and understand the actions we are taking to retool our policies and operations. We understand that the Port must be transparent in how we conduct our business and accountable to those we serve – so we invite you to visit this section regularly for new information about how we are implementing the changes we need.

The State Auditor's Office Performance Audit of the Port of Seattle, issued in December, 2007, provided 51 recommendations for improvement. The Port Commission and I – along with the entire Port staff - take the results of this audit seriously. I believe the recommendations reflect genuine opportunities to improve our construction management and contracting practices, and we already have begun making changes.

Attached you will find a document that summarizes the Port of Seattle's Audit Response Action Plan. That response is an ongoing effort that will be conducted over the coming months in 2008. We will not rest until we have improved each area of our construction program addressed in the audit - we must do it, because that program is vital cog in the Port's economic development engine.

The audit made two overarching recommendations: First, to establish a separate and centralized procurement office (CPO); and second, to revise the Port's internal delegations of authority. We are implementing both recommendations. The CPO will be open for business in June, and the Commission will revise the policy that dictates how they delegate their authority in the spring.

The audit also made 49 other significant recommendations. We already have taken action to demonstrate our resolve on many of them, working to ensure that proper checks and balances are immediately in place. We have implemented several interim actions that will remain in place until specific analysis and work actions are completed or until the Central Procurement Office opens this summer. These interim actions include double-checking all construction contractor change order payment documentation, limiting signature authorities to only senior managers for design and construction-related professional service agreements, and moving forward to modify the delegation of authority from the Commission to staff.

In addition, the Commission has placed a moratorium on new major projects until the staff and I demonstrate significant progress in completing actions on the audit recommendations.

By making these changes as quickly as possible, we hope that we will not only be a better Port, but also will regain your trust. The Port of Seattle plays a vital role in our community, generating hundreds of thousands of jobs and millions of dollars in business activity and tax revenue throughout the county. The Port of Seattle is your port, and we want to hear from you about the progress we are making.