

RESOLUTION NO. 3181, AS AMENDED

A RESOLUTION of the Port Commission of the Port of Seattle Adopting a Master Policy Directive on the Administrative Authority of the Executive Director and His Designees and Repealing all Prior Resolutions Dealing with the Same Subject Matter.

WHEREAS, the Port Commission of the Port of Seattle has adopted policy directives delegating administrative authority to the Executive Director and his designees 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 the administrative authority of the Executive Director and his designees and to repeal all prior resolutions dealing with the same subject matter:

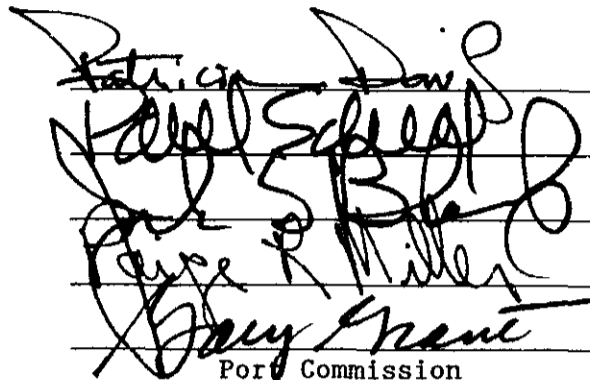
NOW THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle as follows:

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 for the purpose of establishing administrative authority for the Executive Director and his designees.

Section 2. Resolution No. 3023, as Amended, previously adopted by the Port Commission and dealing with the same subject matter is hereby repealed.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 to the Executive Director, by resolution, the authority to sell and convey port district personal property as outlined in Exhibit "A," Section XXI. 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is authorized to accomplish the same by motion; provided, however, that in the event this authority is amended or repealed, such amendment or repeal must be by resolution adopted by the Port Commission.

ADOPTED by the Port Commission of the Port of Seattle this 8th
day of November 1994 and duly authenticated in open session by the signatures
of the Commissioners voting in favor thereof and the Seal of the Commission duly
affixed.


Patricia Dowd
Paul Schlegel
Royce R. Miller

Gary Grant
Port Commission

EXHIBIT "A" TO RESOLUTION NO. 3181, AS AMENDED

PORT OF SEATTLE

COMMISSION POLICY DIRECTIVES ADMINISTRATIVE

AUTHORITY OF EXECUTIVE DIRECTOR AND

HIS/HER DESIGNEES

The Commission shall retain an Executive Director to implement the mission, goals, objectives and policy guidelines of the Port, which shall be established by the Port Commission. The Executive Director derives authority from the Commission acting as the governing body. The following policy is adopted by the Port Commission for the purpose of establishing the administrative authority of the Executive Director who is responsible for normal Port operations. The phrase "normal Port operations" as used herein, means regular day-to-day business transactions involving personnel, money, facilities, real and personal property, and other assets. The Executive Director shall retain professional staff, which shall operate and manage according to directives and policies from the Executive Director. The Executive Director shall regularly inform and consult with the Commission regarding significant information, and business transactions and policies, by a method mutually agreeable to the Commission and the Executive Director. The Executive Director shall serve as the primary spokesman for management. The Executive Director shall be responsible for the day-to-day direction and conduct of business transactions of the Port.

With the exception of the limitations identified in the specific policies which follow, the Executive Director shall be responsible for the operation, maintenance, administration and use of the Port's marine terminals, airport and other properties and facilities; for the development of industrial districts; the implementation of construction work and alterations and improvements to the Port's real estate and physical facilities and necessary planning incidental thereto; the administration of the day-to-day operations which include personnel administration (salary, wage and benefit matters, wage contract negotiations, task and project assignments, hiring, firing, training, grievance procedures, diversity training and enhancement programs, employee enrichment and improvement, etc.); execution of contracts, interlocal agreements with other governmental agencies, and other documents related to the normal conduct of Port business (releases, indemnification agreements, facilities or construction permit or license applications, applications for and acceptances of grants or other funds from federal, state or local governments, disclosure statements, etc.); the delivery of services essential to the Port's mission; financial and accounting related matters; legal matters and all other administrative matters. Further, the Executive Director is hereby authorized to publish notice of any and all public hearings which are required by law or are necessary for Port Commission action.

The Executive Director may delegate to appropriate Port staff such of his/her administrative authority or reporting requirements herein established as, in his/her discretion, is necessary and advisable in the efficient exercise of such authority. To implement delegations of authority to Port staff, the Executive Director shall promulgate Port of Seattle Policy and Procedure Manuals, monetary delegations, authority to execute contracts, and other

documents such as employee position descriptions, affirmative action plans, office manuals, etc., which shall include such delegations as appropriate. Commission directives or initiatives shall be made through the Executive Director and shall be made only by the Port Commission acting as a body. The Commission acting as a body may at any time rescind or suspend all or any portion of the delegated authority conferred upon the Executive Director under this Resolution and the attached Exhibit A by further resolution or by motion acted on in a public meeting.

**PORT OF SEATTLE COMMISSION
SPECIFIC POLICY DIRECTIVES OF
ADMINISTRATIVE AUTHORITY OF EXECUTIVE DIRECTOR
AND HIS/HER DESIGNEES**

REAL PROPERTY AGREEMENTS:

A. Types of Agreements:

The following directives of this Article I apply to all agreements or transactions for use of Port real property, including but not limited to leases, concession agreements, rental agreements, operating agreements, licenses, easements, access permits, rights of entry and other use agreements (all hereinafter referred to as "Real Property Agreements" or "Agreements") or the Port's use of real property owned by others.

B. General Real Property Agreement Policy

Except as provided in Paragraph I.C., all real property of the Port shall be used pursuant to an appropriate written instrument approved and executed by the Port Commission and accompanied by security in accordance with law.

Prior to the execution of such instrument, the Executive Director shall have authority to enter negotiations and shall apprise the Port Commission of the progress of such negotiations; obtain appropriate appraisals; provide for proper security; submit the Agreement to Port Counsel for approval; and follow all other applicable laws and Port Commission created Real Estate Policies and Procedures.

C. Real Property Agreement Procedures:

The Executive Director is authorized to perform the following actions without Port Commission approval, but must semi-annually provide the Port Commission a report summarizing such actions:

1. Agreements having a term (including any options) of five years duration or less may be approved and executed by the Executive Director provided the Port's standard Agreement form is used or, if no standard form exists, in a form approved by Port Counsel; Agreement provisions conform to the Port's Real Estate Policies and Procedures; and any financial obligation to the Port does not exceed Two Hundred Thousand Dollars (\$200,000) and is within Authorized Budget Limits.

2. To the extent assignments, subleases, approvals, or options are permitted in a basic Agreement, the same may be approved and executed by the Executive Director, provided other substantive provisions of the Agreement are unchanged (except rental increases); any new option or options do not result in an extension of the original term of the Agreement (including original options) of more than five years; appropriate rental adjustments consistent with Port Real Estate Policies and Procedures are made; and any new financial obligation to the Port does not exceed Two Hundred Thousand Dollars (\$200,000) and is within Authorized Budget Limits. Other amendments to a basic Agreement may be approved by the Executive Director if the scope of the amendment meets the criteria set forth in this Section I.C.1. and I.C.2.

3. Easements, licenses, access permits or other rights of entry or use agreements ancillary to the normal operation of the Port may be granted by the Executive Director provided there is no new financial obligation to the Port. Permanent easements which deprive the Port of substantial use of Port property require Commission approval.

4. The Executive Director may approve reimbursements to Airport tenants for work performed by such tenants to improve Airport premises provided that the cost of such reimbursement does not exceed Two Hundred Thousand dollars (\$200,000) and is within Authorized Budget Limits; the

improvement shall not substantially alter the scope or structure of the premises; the plans and specifications for such improvements have been approved by the Port and the work as completed is acceptable to the Port. The Executive Director shall be responsible for implementing appropriate procedures for ensuring that the costs of such improvements are reasonable. In all cases in which tenant improvements substantially alter the premises or the scope of the premises, an appropriate lease amendment shall be executed.

5. The Executive Director may approve agreements for the Port to use property of others, including leases, rental agreements, operating agreements, licenses, easements, access permits, street use permits, rights of entry and other use agreements; provided that funding for rental or other resulting monetary obligation is within Authorized Budget Limits, the term of such agreement does not exceed five years (including options), and the total monetary commitment of the Port over the term of any such agreement (including options) does not exceed Two Hundred Thousand Dollars (\$200,000).

6. The Executive Director is charged with the responsibility to ensure that all Agreement terms are complied with and is authorized to take necessary measures to cause compliance or to protect the Port's legal position, including but not limited to termination of an Agreement and the giving of all notices provided for in an Agreement.

REAL PROPERTY AGREEMENT SECURITY AND INSURANCE:

The Executive Director is authorized to take all necessary actions on behalf of the Port Commission in connection with Agreement surety bonds, Letters of Credit, cash deposits or other legal security (hereinafter referred to as "Agreement Security") and insurance coverage required pursuant to any Agreements of the Port, including any of the following actions:

- A. Where the Agreement is not in default, to release any Agreement Security where an adequate substitute Security has been provided.
- B. When an Agreement has been terminated (and all Agreement obligations fulfilled) to release any Agreement Security.
- C. To approve any Agreement Security or insurance submitted in fulfillment of the requirements of any Agreement, including substitute or replacement coverage for any terminated or expired Agreement Security or insurance.
- D. To approve any substitute or modification of insurance, and to release any insurance company when substitute or replacement insurance coverage has been provided.

REAL PROPERTY ACQUISITIONS AND DISPOSITIONS:

- A. The Executive Director is authorized to obtain appropriate appraisals for use in evaluating or negotiating any proposed Port acquisition, sale or lease of real property or any lesser interest therein.
- B. After the Port Commission authorizes the acquisition of real property by negotiated purchase or condemnation, the Executive Director shall take all necessary steps, including executing all required closing documents, to secure title of such property for the Port. The acquisition price of individual properties (or ownerships) shall in no case exceed the Port's appraisal by more than ten percent (10%) without further specific Commission approval. When several parcels are authorized for purchase by the Port Commission, the total price paid for all such properties shall not exceed the Port's appraisal by more than ten percent (10%) without further specific Commission approval.
- C. When the Port Commission authorizes the sale of Port real property in accordance with RCW 53.08.090, the Executive Director shall be empowered to take all other necessary steps, including executing all required closing documents, and executing and delivering conveyance instruments, to finalize the sale.

D. The Executive Director is authorized to make application for vacation of City or county streets or roads, and to take all other steps necessary to acquire a fee interest in street or road ends ancillary to Port development, if the estimated acquisition costs do not exceed Two Hundred Thousand Dollars (\$200,000) and are within Authorized Budget Limits.

CAPITAL PROJECTS/CONTRACTS FOR PERFORMANCE OF WORK: Work for capital projects may be authorized on a project-wide basis or by individual contract, utilizing the procedures outlined below.

A. Capital Project Authorization

1. Preliminary Work on Projects Within Authorized Budget Limits

For projects which are within Authorized Budget Limits, the Executive Director is authorized to conduct project planning; scoping; permitting; and preliminary engineering and environmental testing necessary to the projects(s) without prior Commission approval, so long as the cost of such activities does not exceed Two Hundred Thousand Dollars (\$200,000), and the selection and payment requirements referenced in Section VI are followed.

2. Final Commission Capital Project Authorization

After preliminary planning, scoping and engineering has been performed, and before funds in excess of Two Hundred Thousand Dollars (\$200,000) are expended on a project, additional Commission approval shall be required. Such additional Commission authorization may also constitute final project authorization if, at the time of request for such further Commission approval, the request includes sufficient information necessary for the Commission to give final project approval, and if the Commission gives final approval. The information in such a request for final approval shall include, but is not limited to: how the project accomplishes established organizational objectives, anticipated community or customer impacts, expected financial return or other appropriate financial analyses, the anticipated schedule for project completion, estimated project costs, (including planning, architectural and engineering, staff, construction contract and project contingency costs) and project funding sources.

If it becomes apparent at any time that the project cannot be completed within the authorized amount (including contingency); that project delays will have negative financial, community or business implications; or that there has been a substantial change in project scope; additional Commission authorization shall be required.

3. Reporting on Capital Projects

Unless the Commission requests more frequent reporting at the time of final Commission authorization, the Executive Director shall report quarterly to the Commission on the progress and status of all capital projects (and major contracts awarded therefor) approved under the procedure set forth in this paragraph IV.

B. Individual Work Contract Authorization:

1. The Executive Director may, without prior Commission approval, execute small works roster contracts where the total estimated contract price does not exceed the amount authorized by R.C.W. 53.08.120, and so long as all statutory procedures are followed and the work is within Authorized Budget Limits. This includes the authority to issue change orders up to the maximum contract amount authorized by R.C.W. 53.08.120.

2. The Executive Director may, without Port Commission approval, prepare plans and specifications, issue notice calling for bids, award and accept contracts for work where the total estimated cost of the project work does not exceed Two Hundred Thousand Dollars (\$200,000), provided all

requirements of R.C.W. 53.08.120-135 are met, provided the Commission shall be informed semi-annually as to such contracts, and further provided that the project is within Authorized Capital Budget Limits.

3. On contracts for work where the estimated cost of total project work exceeds Two Hundred Thousand Dollars (\$200,000), Commission approval shall be required prior to the preparation of final plans and specifications for any of such work. Request for authorization to prepare plans and specifications shall include an estimate as to the total cost of the project work and funding sources.

4. When any emergency shall require the immediate execution of a contract for work, the Executive Director, pursuant to the procedures of R.C.W. 39.04.020, is authorized to make a finding of the existence of such emergency and execute any contracts necessary to respond to the existing emergency, provided that the Executive Director shall, at the first Port Commission meeting following the Executive Director's finding of the existence of an emergency, request Port Commission ratification of the finding of emergency and any contracts awarded and/or executed pursuant to that finding. The Executive Director shall keep the Port Commission informed of the development of the emergency situation and the progress of any contracts executed to remedy the emergency.

5. Change Orders:

Where contracts for the performance of work have been individually awarded and under which the work is in progress, and changes in plans and/or specifications are necessitated in order to properly accomplish the work, the Executive Director is authorized to execute change orders to the contract provided the following conditions are met:

- a. The estimated cost of the changes in plans and/or specifications will not exceed Fifty Thousand Dollars (\$50,000.00) or 15% of the contract price whichever is less. However, 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.
- b. The contract provides for issuance of change orders.
- c. The individual change order has been approved and certified by the project architect or engineer as being appropriate.
- d. Any time extension for completion of said contract which accompanies said change order does not exceed forty-five (45) days.

- e. A change order extending the contract time beyond forty-five (45) days where it is determined to be a result of fire and other casualties not the fault of the contractor; strikes, riots and other civil disorders; unsuitable weather, or other act of God which results in suspension of work by order of the Chief Engineer.

V. CONTRACT ADMINISTRATION/BID IRREGULARITIES

- A. Except as provided otherwise, for all contracts for work for which Commission approval has been obtained, (either on a project-wide or individual contract basis), or for which the Executive Director is authorized to contract without prior Commission approval, the Executive Director is authorized to take all further steps necessary for completion of the work, including but not limited to publication of notice calling for bids, award of contract, administration of contract (including execution of contract change orders on projects which have received project-wide authorization), acceptance of work and contract closeout, provided that all requirements of R.C.W. 53.08.120-135 and all other applicable laws and Port policies are met.

- B. In the event that the lowest responsible bid on any contract for work in excess of Two Hundred Thousand Dollars (\$200,000) exceeds the Engineer's estimate by more than ten percent (10%), an award is to be to other than the lowest responsible bidder, there is

material deviation from the Port's General Conditions, or a bid is the subject of dispute, the Port Commission shall be notified prior to award of contract. Port Commission approval shall be required for the rejection of all bids. The Port Commission shall be provided with a report summarizing contracts awarded under this paragraph IV.A.3. on a semi-annual basis.

VI. ARCHITECTURAL, ENGINEERING AND TECHNICAL SERVICES:

The Executive Director is authorized to contract with qualified architectural, engineering, environmental and technical testing and inspection firms licensed in the State of Washington to provide such services as required for maintenance; preliminary engineering, planning or project scoping; small projects of the Port; or for similar purposes; so long as the fees for any single project or closely related work do not exceed Two Hundred Thousand Dollars (\$200,000) and are within Authorized Budget Limits; provided, however, for any such services not ancillary to capital projects included in the Port's Annually Reviewed Capital Improvement Plan, such fees shall not exceed Fifty Thousand Dollars (\$50,000). Selection and payment for all such services shall follow all required statutory procedures and shall be consistent with normal established fees paid for such services. The Executive Director will endeavor to use a variety of firms (including minority and women business firms) based on the nature of the work and the expertise of the firms.

VII. UTILIZATION OF PORT CREWS:

- A. The Executive Director is authorized to use necessary workers for operations and maintenance of facilities pursuant to Port Commission approved labor agreements and the Pacific Coast Longshoremen's and Warehousemen's, Clerks', and Foremen's agreements (provided: longshore labor may be hired through stevedoring contractors to provide services offered in Port tariffs.) The Executive Director is authorized to apply for Port membership in the Pacific Maritime Association.
- B. The Executive Director shall be responsible for obtaining prior Port Commission approval for work projects which are new construction or major modifications of Port facilities to be carried out by Port crews when the total estimated cost exceeds Two Hundred Thousand Dollars (\$200,000).

VIII. CONTRACTS FOR ACQUISITION OF UTILITIES, MATERIALS, EQUIPMENT AND SUPPLIES:

The Executive Director shall have the responsibility for following all statutory requirements and procedures in connection with all contracts for the acquisition of goods and services. Goods and services may be acquired on the open market, pursuant to published tariffs, or by competitive bidding when required, for the normal maintenance and operations of the Port without prior Port Commission approval so long

as, where appropriate, such acquisitions shall be approved as a part of normal monthly expenses and shall be within Authorized Budget Limits. The Executive Director may execute contracts for such acquisitions, subject to the following conditions:

- A. The contract or purchase order price for one year does not exceed Two Hundred Thousand Dollars (\$200,000) or, the amount specifically included in the Port's Annually Approved Capital Budget or current annual operating budget and the contract provides for no more than four (4) options to extend the contract term for one (1) year periods, provided that the cost associated with any contract extensions must be within Authorized Budget Limits.
- B. Where competitive bidding is applicable, 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.
- C. Where competitive bidding is applicable, the successful bidder has provided, where required, a performance bond with sureties which comply with the requirements of the applicable law.

IX. REIMBURSABLE SERVICES:

The Executive Director is authorized to enter into agreements under which the Port will provide reimbursable services to others and for which the Port will receive reimbursement, when such services are part of normal Port operations or incident thereto.

X. PROFESSIONAL AND CONSULTANT SERVICES:

Except as provided in Section VI of this Exhibit A, the Executive Director shall be responsible for obtaining professional and consultant services where deemed necessary in carrying out normal Port operations and provided all applicable legal requirements are met. The Executive Director may arrange for such services where the estimated cost of the proposed service does not exceed the amount of One Hundred Thousand Dollars (\$100,000) provided all such arrangements shall be reported to the Port Commission semi-annually.

XI. LEGAL SERVICES AND OTHER REPRESENTATION:

The Executive Director or the General Counsel shall be responsible for management and supervision of all legal services required by the Port and for 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 (or in which the Port may have an interest) which has been filed in any court of general jurisdiction, be it state or federal, or any quasi-judicial or administrative forum.

A. Legal Services:

The Executive Director is authorized to retain, or to cause to be retained through the General Counsel, attorneys or law firms, or other appropriate legal representatives as necessary, to provide (or assist in the provision of) legal services. Retained legal counsel may act solely on behalf of the Port or jointly with other interested parties under appropriate agreements. Payment for legal or related services generally shall be by fixed annual retainers or by reimbursement not to exceed established hourly rates plus expenses. Fixed annual retainers shall be set by the Executive Director based on the level of services required and the current cost of legal services in this area; provided that any such annual retainer or total annual payment for services in any legal matter which exceeds Two Hundred Thousand Dollars (\$200,000) shall be reported to the Commission.

B. Engagement of Experts:

The Executive Director may engage, or cause to be engaged through the General Counsel, such experts as may be necessary to the orderly preparation of litigation or evaluation of legal matters in which the Port has a direct or indirect interest, without limitations otherwise prescribed in Section X above. Such engagement shall be upon authorization given by the General

Counsel after having been satisfied that such expenditure is necessary to the adequate evaluation, preparation and representation of the Port's position in such litigation or other legal matters and shall wherever practicable include an estimate of the probable cost of such experts.

C. Settlement:

Unless otherwise specified herein any matter which is the subject of litigation may be compromised and settled by the Executive Director provided that the settlement amount (or, in the case of a claim being pursued by the Port, the amount of the claim to be waived, released or compromised) does not exceed Two Hundred Thousand Dollars (\$200,000) and that the General Counsel shall certify to the Executive Director that such compromise and settlement is justified on the basis of the following:

a. Claims filed against the Port:

- i) the likelihood that a judgment rendered in the case would be in the amount claimed, or higher than the amount claimed, or that there is reasonable cause to believe that there is considerable exposure of liability for the Port;
or

ii) the likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed, or the likely result.

b. Claims filed on behalf of the Port:

- i) that the determination to settle the claim outweighs the risk of resorting to litigation; or
- ii) that the settlement of the claim would provide prompt payment to the Port and eliminate extensive delays; or
- iii) the proposed offer of settlement is reasonable in light of the claim asserted.

XII. ADJUSTMENT AND SETTLEMENT OF CLAIMS

(except claims which are in litigation):

The Executive Director 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 purposes of this section, "Claim" shall mean the assertion of any position, right or responsibility by or against the Port, but not including (1) accounts receivable to the extent covered in Section XIII, or (2) claims asserted by or against the Port which are in litigation as defined in Section XI above.

- B. No claims against the Port shall be considered unless and until proper notice and credible evidence of loss or damage has been provided by the claimant to the Port.

- C. Claims which in the opinion of the Executive Director have the potential to exceed Two Hundred Thousand Dollars (\$200,000) shall be reported to the Port Commission as they arise. Any individual claim which exceeds Two Hundred Thousand Dollars (\$200,000) may be processed in all respects (except for final approval and payment) by the Executive Director or the General Counsel.

- D. Any single claim not exceeding Two Hundred Thousand Dollars (\$200,000) may be adjusted and settled and paid by the Executive Director provided that all of the following conditions are met:
 - 1. The General Counsel shall certify to the Executive Director that payment of the claim is justified on the basis of the following:
 - a. Claims against the Port:

- i) a substantial likelihood that the Port is or could be found liable; or
- ii) the likelihood that a judgment rendered in the event of litigation would be in the amount claimed, or higher than the amount claimed, or that there is reasonable cause to believe that there is considerable exposure of liability for the Port; or
- iii) The likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed, or the likely result.

b. Claims on behalf of the Port:

- i) that the determination to settle the claim outweighs the risk of resorting to litigation;
- ii) that the settlement of the claim would provide prompt payment to the Port and eliminate extensive delays;
- iii) the proposed offer of settlement is reasonable in light of the claim asserted.

2. All such claims, when paid, shall be reported to the Port Commission semi-annually.

XII. ACCOUNTING AND AUDITING SERVICES:

The Executive Director is authorized to retain necessary services from nationally recognized accounting and auditing firms. Such services shall include the annual audit, audit of leases, Federal, State or local grant funds, and the audit of passenger facility charge receipts and other funds or contracts, and other appropriate accounting services as required, at established rates for such services in this area. Additionally, the Executive Director is authorized to retain such accounting and auditing services from local accounting and auditing firms at established rates; provided the fees for all accounting and audit services do not exceed Two Hundred Thousand Dollars (\$200,000) annually for the Port's annual audit and Two hundred Dollars (\$200,000) for the total of all other such services.

XIII. ADJUSTMENT AND WRITE-OFF OF ACCOUNTS RECEIVABLE:

The Executive Director is authorized to establish procedures to:
(1) make adjustments to accounts receivable for valid business reasons which do not constitute a gift of public funds, or (2) to write off any uncollectible account which does not exceed Two Hundred Thousand Dollars (\$200,000).

Prior to adjusting or writing off of any account receivable or uncollectible, the Executive Director shall be satisfied that every reasonable effort has been made by the staff to resolve or accomplish

the collection of the account. For those accounts that fail to make payment, the Executive Director shall authorize the General Counsel to bring action in courts of law, or if more appropriate, to assign the same to collection agencies in an attempt to collect such accounts. If, after attempting all normal account collection procedures, the account is still uncollectible after 180 days or more, the Executive Director shall be authorized to provide for writing off such an account. Any account in excess of Two Hundred Thousand Dollars (\$200,000) which is deemed to be uncollectible shall be referred to the Port Commission for final approval of writing off that account.

XIV. INVESTMENT OF TEMPORARILY IDLE PORT FUNDS:

For purposes of this section, "Temporarily Idle Port Funds" shall mean those funds which are not required for immediate expenditure. The Executive Director is authorized to direct the King County Treasurer, or Port Treasurer or financial consultant if the Port is authorized by law to perform its own treasury functions and elects to do so, 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 summary report of all investments, sales and interfund transfers shall be provided to the Port Commission semi-annually.

XV. INSURANCE PROGRAMS:

The Executive Director shall be authorized 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 Executive Director is authorized to approve changes or modifications within that program or individual policies including provision for self-insurance or deductibles. The Port Commission shall be informed of the Port's comprehensive insurance program, including any changes or modifications, as they arise.

XVI. TRADE DEVELOPMENT PROGRAMS:

The Executive Director is authorized, consistent with statutory limitations, to develop and carry out programs of trade development (which may include tourism and tourism promotion), advertising (including the use of advertising firms within budgetary authority), and promotion of the Port, including its properties, facilities and services. This may include participation in programs and agreements designed to provide shippers which use or may use the Port of Seattle with the most competitive service and lowest possible freight rates including negotiation of warehouse rates, consolidation of traffic and prepayment of freight charges by the Port, and all necessary activities related to the intermodal movement of interstate and foreign cargo. Such programs of trade development and promotion shall be reviewed by the Port Commission from time to time so it may be informed as to changes which occur.

XVII. ISSUANCE OF TARIFFS:

The Executive Director is authorized to issue tariffs and tariff amendments as necessary, provided the Port Commission will be provided notice of adjustments prior to implementation.

XVIII. RULES AND REGULATIONS:

The Executive Director is authorized to adopt any administrative rules and regulations necessary for the efficient operation of the Port so long as such rules and regulations are reported to the Port Commission prior to implementation. Resolution No. 2801, as amended, established certain rules and regulations relating to Seattle-Tacoma International Airport. All amendments to the rules and regulations established therein may hereafter be made by the Executive Director, so long as such amendments are reported to the Commission prior to implementation.

XIX. AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT:

It is the basic policy of the Port of Seattle to provide equal opportunity to the users of all Port services and facilities, all contracting entities, Port employees and applicants for employment, and to assure that there be absolutely no discrimination against any persons on grounds of race, creed, color, national origin, sex, sexual orientation, marital status, age, or the presence of any sensory, mental, or physical handicap. This policy is to be implemented

by the Executive Director as more specifically set forth by Resolution of the Port Commission or in Port policies covering affirmative action, equal employment opportunity and women, minority and disadvantaged business participation in Port contracts.

XX. TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE PORT:

The Executive Director is authorized to approve 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 for an individual trip shall not exceed Five Thousand Dollars (\$5,000) within the continental United States or Ten Thousand Dollars (\$10,000) internationally, and provided that the Commission shall be advised semi-annually of major travel made by Port staff.

XXI. SALE OF PERSONAL PROPERTY:

Within the dollar limitation set out in RCW 53.08.090, the Executive Director is authorized to sell and convey surplus personal property of the Port pursuant to the requirements of R.C.W. 53.08.090 or RCW 39.33.010. In no case shall surplus personal property of the Port be sold to any Port Commissioner or Port employee or to members of their immediate families without the specific approval of the Port Commission.

XXII. IMPREST WORKING FUNDS: (Petty Cash and Change Funds)

The Executive Director is authorized to establish various working funds, provided the total deposited to any fund shall not exceed Thirty Thousand Dollars (\$30,000). The working funds generally provide for petty cash purchases and/or change funds, and the dollar amount of outstanding funds shall be recorded on the Port of Seattle Trial Balance as General Fund Cash on Hand. The Executive Director is also authorized to establish and maintain procedures for the creation and control of petty cash and change funds.

XXIII. GENERAL INTERPRETATION

- A. Statutory References. All statutory references in this Exhibit "A" shall mean the cited statute as it existed on the date of adoption of Resolution No. 3181 or as such statute may be hereafter amended or succeeded.
- B. Within Authorized Budget Limits. With respect to capital projects, improvements or acquisitions, the term "within Authorized Budget Limits" means that the project, improvement or acquisition is:
- a. Included in the Port's Annually Approved Capital Budget, or

b. Included in the Port's Annually Reviewed Capital Improvement Plan and associated costs shall not cause the Port to exceed the total approved dollar limit of the current Annually Approved Capital Budget.

With respect to non-capital expenditures, the term "within Authorized Budget Limits" means that the expenditure is included in (or will not cause the Port to exceed) the total approved dollar limit of the Port's current annual operating budget.

C. Annually Approved Capital Budget -The "Annually Approved Capital Budget" means the list of capital projects (including small works projects) and the projected total dollar amount of upcoming budget-year spending associated with those projects which is presented to, and reviewed by, the Port Commission as part of the budget review process (i.e., the first year of the Capital Improvement Plan), or as subsequently amended by the Commission during the budget year.

D. Annually Approved Capital Improvement Plan - The term "Annually Approved Capital Improvement Plan" means the five-year projection of capital projects (including small works projects) and associated expenditures which is developed and maintained as a planning tool for Port capital investment and which is reviewed by the Port Commission annually as part of a Plan of Finance and budget review process, or as subsequently amended by the Commission during the budget year.

E. Goods and Services - For purposes of Section VIII, the term "Goods and Services" means natural resources; equipment; materials; supplies; or other finished goods or products; utilities and utilities-related services (including services provided by public agencies); and maintenance, security and other miscellaneous services (excluding professional or consultant services, or other categories of services specifically provided for in this Resolution).