

RESOLUTION NO. 1418

A RESOLUTION of the Port Commission of the Port of Pasco amending a policy directive on the administrative authority of the Executive Director and Department Heads; repealing all prior resolutions dealing with the same subject matter.

WHEREAS, the Port Commission of the Port of Pasco has in the past adopted policy directives delegating administrative authority to the Executive Director 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

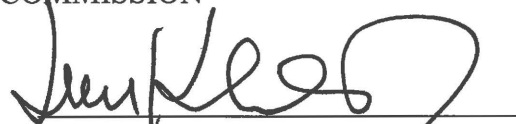
WHEREAS, the Port Commission now wishes to provide an updated policy directive on administrative authority of the Executive Director and Department Heads and to repeal all prior resolutions dealing with the same subject matter;

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

The Commissioner Policy Directive on Administrative Authority of the Executive Directors and Department Heads 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 Executive Director and Department Heads, pursuant to RCW 53.12.270. All other directives relating to this delegation of authority are superseded by this resolution.

ADOPTED by the Board of Commissioners of the Port of Pasco on this 12 day of November, 2015, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof.

PORT OF PASCO COMMISSION


Jim Klindworth, President


Ron Reimann, Vice-President


Jean Ryckman, Secretary

EXHIBIT "A"

PORT OF PASCO COMMISSIONER POLICY DIRECTIVE ON ADMINISTRATIVE AUTHORITY OF EXECUTIVE DIRECTOR AND DEPARTMENT HEADS

The following policy is adopted by the Commission of the Port of Pasco for the purpose of establishing the administrative authority of the Executive Director and department heads. **Except as specifically set forth in this policy, the Executive Director is delegated the authority and shall have the responsibility to carry out all Normal Port Operations.** 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. The Executive Director 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.

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, subject to all of the following conditions, the Executive Director or his designee may execute the lease:

- (1) On a month-to-month lease, a minimum of three month's 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 two month's rent to be held by the Port as a lease deposit for the full duration of the occupancy to insure compliance to lease terms. In lieu of the lease deposit, other security may be provided that is acceptable to the Port, such as a surety bond. Provided, that if the term is to start at any day other than the first day of the month, the rent for the first calendar month may be prorated to the end that all

such rent payments will be due on the 1st day of each calendar month.

- (2) On a term lease a minimum of five month's 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 four month's rental to be held by the Port as a lease deposit for the full duration of the occupancy to insure compliance to lease terms. In lieu of the lease deposit, other security may be provided that is acceptable to the Port, such as a surety bond. Provided, that if the term is to start at any day other than the first day of the month, the rent for the first calendar month may be prorated to the end that all such rent payments will be due on the 1st day of each calendar month
- (3) The arrangements for occupancy shall be evidenced by the Port's standard form of lease, (except that any clearly inapplicable provision or provisions inconsistent with the policy herein set out shall be deleted from the standard form).
- (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 monthly rent under the lease is in accordance with the Port's published rate.
- (6) No lease bond shall be necessary if the above requirement for a rent deposit is provided.
- (7) An additional sum may be required for purposes of insuring compliance with the lease provisions, damage to the premises, and cleaning deposit. This requirement for an additional sum shall be discussed with the commission.

B) Lease Procedures:

The Executive Director 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 Legal Counsel.
 - (c) Approval of an executed bond by Port Legal Counsel (or sufficient deposit) and securing necessary certificate of insurance.
- (2) The procedural steps designated herein above as (1), may be omitted and the lease may be submitted directly to the Port Commission following execution by 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 five years.
 - (b) The rental amount in the lease is in accordance with the Port's published rate.
 - (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 or other security have been approved as to form by Port Legal Counsel and are generally consistent with other existing Port leases in the same or similar areas.

C) Delinquent Charges:

The Executive Director may, in his discretion, waive delinquency charges upon delinquent rental payments, provided that no more than One Thousand Dollars (\$1,000.00) in such delinquency charges may be waived as to any one tenant. Such waiver may be made by the Executive Director in cases where, in his discretion and determination, the circumstances and the equities of the particular situation warrant such a waiver. In exercising his discretion hereunder, the Executive Director may have regard to the amount of such delinquent charges, the apparent or reported reasons for the delinquency, whether inadvertent or deliberate, the past performance of the tenant and anticipated effect of such a waiver upon other tenants.

D) Assignments and Subleases

The Executive Director may, in his discretion, approve the assignment or sublease of the tenant's interest in a lease, provided:

- (1) The assignment provides that the Port's consent does not constitute a release or discharge of the tenant (Assignor) from liability for performance under the lease; and

(2) There is no change in the terms and provisions of the lease.

E) Modifications

The Executive Director may, in his discretion, approve the modification of a month to month lease for annual increases or term lease for annual increases in rental rate, and other modifications to such leases generally consistent with existing Port leases, and in a form approved by Port Legal Counsel.

II) POLICY GOVERNING CONTRACTS FOR PERFORMANCE OF PUBLIC WORK:

A) Public Work Contract Awards:

The Executive Director, shall have responsibility for following all required statutory procedures in connection with all contracts which require performance of public work as defined by RCW 39.04 (except when the work is to be accomplished by day labor only). The Executive Director 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 Seventy-Five Thousand Dollars (\$75,000.00).
- (2) The Executive Director's award of such contract on behalf of the Commission conforms as nearly as practicable, to the requirements of RCW 53.08.120, and RCW 39.04.155 (Small Works Roster).

B) Monetary 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 Executive Director is authorized, without prior Commission approval, to execute on its behalf, individual change orders to the contract if:

- (1) The estimated cost of the individual changes in plans and/or specifications will not exceed Seventy-Five Thousand Dollars (\$75,000.00) or 10% of the contract price, whichever is less and the individual change order has been approved and certified by the project architect or engineer; 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. Provided further, that all change orders approved by the Executive Director shall be reported to the Commission; or

- (2) The total cost of the performance of work under the contract with all change orders does not exceed \$75,000.00. Said change orders approved by the Executive Director shall be reported to the Commission.

C) Change Orders Relating to Schedule

Change orders for time extension may be granted without prior approval of the Commission: (1) in 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 the contract; (2) in those cases relating to change orders other than those described in subsection II(C)(1) that do not exceed thirty (30) days each and sixty (60) days in the aggregate with other change orders granted under this subsection II(C)(2); or (3) in those cases relating to change orders complying with the provisions of subsection II(B) hereinabove.

III) POLICY GOVERNING PERFORMANCE OF WORK BY PORT CREWS;

- A)** The Executive Director 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 costs of day labor exceed Seventy-Five Thousand Dollars (\$75,000.00) and the project is not within the realm of Normal Port Operations. Prior Commission approval shall not be required where the work project is for the purpose of carrying out any Normal Port Operations, or where the project is not within the realm of Normal Port Operations provided the total estimated cost of day labor for that particular project does not exceed Seventy-Five Thousand Dollars (\$75,000.00). "Normal Port Operations" is defined in the introductory paragraph of this policy.

B) Modifications to Work Projects

In instances where work projects carried out by Port crews previously approved 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 Executive Director is authorized, without prior Commission approval, to increase the cost of the work project if:

- (1) The estimated cost of the individual changes in plans and/or specifications will not exceed Seventy-Five Thousand Dollars (\$75,000.00) or 10% of the original cost, whichever is less and the changes have been approved and certified by the project architect or engineer; Provided, however, that when an individual change under any work project shall cause the total cash amount of changes to that work project to exceed a sum equal to 25% of the original amount, such change shall not be issued without prior Commission approval and no future changes to said work project may be issued without Commission approval. Provided further, that all changes approved by the Executive Director shall be reported to the Commission; or
- (2) The total cost of the performance of work under the work project with all changes does not exceed \$75,000.00. Said changes approved by the Executive Director shall be reported to the Commission.

IV) POLICY GOVERNING CONTRACTS FOR ACQUISITION OF MATERIALS, EQUIPMENT AND PURCHASED SERVICES (EXCLUDING THOSE COVERED IN SECTIONS V AND VI):

The Executive Director shall have the responsibility for following all required statutory procedures, where applicable, in connection with all contracts for 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 part of normal monthly expenses: The Executive Director 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:

- A) The** total contract or purchase order price does not exceed Seventy-Five Thousand Dollars (\$75,000.00); and
- B) The** award is made to a vendor who has submitted a proposal based on the plans and specifications on file, or, where permissible, based upon the vendor's own plans and specifications.

V) ARCHITECTURAL, ENGINEERING, AND TECHNICAL SERVICES, INCLUDING SURVEYORS AND LANDSCAPE ARCHITECTS:

A) The Executive Director is authorized to contract with qualified architectural, engineering, surveyors, and landscape architects, licensed in the State of Washington to provide such services as required for maintenance, engineering work or small projects of the Port. Selection and reimbursement for such services shall follow all required statutory procedures and shall be consistent with normal established fees paid for such services. The Executive Director may arrange for such services when the competitive selection process was utilized, and the fee to the same firm on any single project or closely related work does not exceed the amount of Seventy-Five Thousand Dollars (\$75,000.00). Port Commission approval shall be required for sole source selections.

B) Other Change Orders/Amendments

In instances where contracts for architectural, engineering, and technical services, including surveyors and landscape architects, 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 Executive Director is authorized, without prior Commission approval, to execute on its behalf, individual change orders or amendments to the contract if:

- (1) The estimated cost of the individual changes in plans and/or specifications will not exceed Seventy-Five Thousand Dollars (\$75,000.00) or 10% of the contract price, whichever is less; Provided, however, that when an individual change order or amendment issued under any contract shall cause the total cash amount of change orders and amendments to that contract to exceed a sum equal to 25% of the original contract amount, such change order or amendment shall not be issued without prior Commission approval and no future change orders or amendments to said contract may be issued without Commission approval. Provided further, that all change orders and amendments approved by the Executive Director shall be reported to the Commission; or
- (2) The total cost of the contract with all change orders and amendments does not exceed \$75,000.00. Said change orders and amendments approved by the Executive Director shall be reported to the Commission.

VI) Emergency Purchases & Public Works

A) In the event of an emergency, the Executive Director may declare an emergency situation exists, waive competitive bidding requirements and award all necessary contracts on behalf of the Port to address the emergency situation. Necessary contracts may be executed with

vendors and contractors without regard to the limitations in Articles II, IV, and V of this Directive.

- B)** If a contract is awarded without competitive bidding due to an emergency situation, a written finding of the existence of an emergency must be made by the Executive Director (as the Commission's designee) which shall be duly entered of record, and made available for public inspection no later than two weeks following award of the contract.
- C)** For purposes of this Directive an emergency situation means unforeseen circumstances beyond the control of the Port that either: (1) present a real, immediate threat to the proper performance of essential functions of the Port; or (2) will likely result in material loss or damage to property, bodily injury or loss of life if immediate action is not taken.
- D)** All contracts entered into by the Port pursuant to this Article XVI shall be reported to the Commission on or before the next regular Commission meeting.

VII) PERSONAL SERVICE CONTRACTS:

- A)** In administering personal service contracts as defined by RCW 53.19, the Executive Director shall be responsible for obtaining personal services where deemed necessary in carrying out 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 Seventy-Five Thousand Dollars (\$75,000.00).

B) Other Change Orders/Amendments

In instances where contracts for personal services have been awarded and under which the work is in progress, and individual changes in scope of work are necessitated in order to properly accomplish the work, the Executive Director is authorized, without prior Commission approval, to execute on its behalf, individual change orders or amendments to the contract if:

- (1) The estimated cost of the individual changes in scope of work will not exceed Seventy-Five Thousand Dollars (\$75,000.00) or 10% of the contract price, whichever is less; Provided, however, that when an individual change order or amendment issued under any contract shall cause the total cash amount of change orders and amendments to that contract to exceed a sum equal to 25% of the original contract amount, such change order or amendment shall not be issued without prior Commission approval and no future change orders or amendments to said contract may be issued

without Commission approval. Provided further, that all change orders and amendments approved by the Executive Director shall be reported to the Commission; or

- (2) The total cost of the contract with all change orders and amendments does not exceed \$75,000.00. Said change orders and amendments approved by the Executive Director shall be reported to the Commission.

VIII) POLICY ESTABLISHING SYSTEMS OF EMPLOYEE IMPROVEMENT:

The Executive Director 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 policy of the Port Commission to increase the skills and productiveness of all Port employees. Such program may include leaves of absence in select cases and general and specific training and education aimed at improving the employee's ability to perform duties at the Port of Pasco. 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.

IX) POLICY GOVERNING EXECUTIVE DIRECTOR'S AUTHORITY FOR PROPERTY ACQUISITIONS:

When the Port Commission authorizes the acquisition of real property by purchase or condemnation, the Executive Director, or his designee, shall take all necessary steps, including the securing of appraisals, if necessary, to secure title of such property for the Port. Acquisition price of individual properties (or ownerships) shall not exceed the estimates of the Port Commission's authorization without further specific Commission authorization.

X) POLICY GOVERNING DISPOSITION OF UNCOLLECTIBLE ACCOUNTS:

The Executive Director or his designee is authorized to establish procedures for and to write off any uncollectible accounts in the amount of Two Thousand Five Hundred Dollars (\$2,500.00) or less subject to the following general guidelines. Prior to writing off any account receivable or uncollectible, the Executive Director 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 collection procedures, the account is still uncollectible after 180 days, or more, the Executive Director 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 Port Legal Counsel for final collection or settlement.

XI) POLICY AS TO THE INSURANCE PROGRAMS - PORT OF PASCO:

The Executive Director, or his designee, shall be authorized to work with the Port's designated insurance broker to negotiate appropriate policies of insurance to cover Port property, liability, employee coverages, and other areas appropriately included within a comprehensive insurance program. Before any insurance contract is entered into, it shall first be submitted to the Port Commission for its approval or rejection.

XII) POLICY GOVERNING LEASE BOND POLICIES:

The Executive Director, 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, including any of the following actions:

- A)** Where the lease is not in default, to release any surety bond where an adequate substitute bond or other acceptable security has been provided. Whenever the Executive Director, or his designee, releases any bond 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.
- B)** To approve any surety bond submitted in fulfillment of the requirements of any lease, including substitute or replacement coverages for any terminated bond.
- C)** 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.

XIII) 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 Executive Director, and Director of Finance and Administration, are appointed to direct the Franklin 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.

XIV) LITIGATION:

The Executive Director, or his designee, shall be responsible for the procedures necessary for management and supervision of all 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.

A) Engagement of Experts:

The Executive Director, or his designee, as outlined above, may engage, or cause to be engaged through Port Legal Counsel, such experts as may be necessary to the orderly preparation of litigation in which the Port has a direct or indirect interest; such engagement shall be upon authorization given by the Executive Director 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.

B) Settlement:

Any matter which is the subject of litigation may be compromised and settled by the Executive Director, or his designees, as outlined above, without prior reference to the Commission, provided that all of the following conditions are met:

- (1) The amount in controversy, as stated in the pleadings, does not exceed Twelve Thousand Dollars (\$12,000.00); and
- (2) 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 Four Thousand Dollars (\$4,000.00), whichever is less; and
- (3) The Executive Director has found that such compromise and settlement is justified on the basis of the following:

- (a) A substantial likelihood that the Port is or will be found liable;
and
- (b) The likelihood that a judgment rendered in the case would be
in the amount claimed;

XV) STAFF TRAVEL

The Executive Director shall have the authority and responsibility to approve all travel by employees and other authorized representatives of the Port (excluding Commissioners) in conformity with the travel policy of the Port, provided that the travel expenses are within the annual budget adopted by the Commission. The Commission shall be advised prior to all international travel (excluding Canada).

XVI) POLICY GOVERNING PORT PERSONNEL

The Executive Director shall have responsibility for the hiring, promotion, assignment, and supervision of employees of the Port, except the Port Auditor, and is authorized to employ transfer, and promote employees so long as the employment fills an established Port Position and the employee's compensation is consistent with Port salary ranges. The Executive Director is authorized to terminate employees (except the Port Auditor) of the Port with or without cause, and to take any other disciplinary actions he deems appropriate.

XVII) EXECUTION OF LEASES AND CONTRACTS APPROVED OR AWARDED BY COMMISSION.

After approval or award of a lease as delineated in Article I or of a contract as delineated in Articles II, IV, V, and VII for a specified price by the Port of Pasco Commission, the Executive Director is authorized to sign such approved contract without further action or authorization by the Port of Pasco Commission if the following conditions are met:

- A)** The contract has been previously approved as to form by the Port attorney.
- B)** The requirements of the contract documents have been met by the lessee/contractor. Such requirements may include, but are not limited to, the lessee/contractor providing required bonds, insurance, or other obligations listed in the contract documents

XVIII) EXECUTION OF CONTRACTS AND OTHER DOCUMENT

Without the prior approval of the commission, the Executive Director is authorized to execute:

- A)** Interlocal agreements with other governmental agencies that do not exceed \$75,000 provided the Port attorney has approved the form of the agreement.
- B)** Contracts and other documents related to Normal Port Operations that are (1) related to or pursuant to a project or matter approved by the Commission, or (2) otherwise authorized in this Resolution, provided the Port attorney has approved the form of the document.

The Executive Director shall inform the Commission of any documents executed pursuant to this Article XVIII.