

PORT OF PORT ANGELES  
COMMISSION POLICY DIRECTIVE ON ADMINISTRATIVE AUTHORITY  
OF EXECUTIVE DIRECTOR

The following Policy Directive on Administrative Authority of Executive Director ("Policy Directive") is adopted by the Commission of the Port of Port Angeles pursuant to RCW 53.12.270, for the purpose of establishing the administrative authority of the Executive Director. This Policy Directive is expressly subject to statutory and constitutional provisions governing port district operations. In the event any portion of this Policy Directive is less restrictive than an applicable statutory or constitutional provision, the statutory or constitutional provision shall control.

The Commission shall retain an Executive Director who shall derive his or her authority from the Commission acting as the governing body of the Port and who shall implement the objectives of the Port as established by the Commission. Any Commission directives or initiatives shall be made through the Executive Director and shall be made only by the Commission acting as a body. The Executive Director shall regularly inform and consult with the Commission, by a method mutually agreeable to the Commission and the Executive Director, regarding execution of Port policies, Port operations, and information relevant to Commission oversight. The Executive Director shall serve as the primary spokesperson for the management of the Port.

Subject to the limitations identified in the specific policies which follow, the Executive Director shall be responsible for normal Port operations. The phrase "normal Port operations" as used herein means the operation, maintenance, administration and use of the Port's marine terminals, airports and other properties and facilities; the marketing of Port facilities; the development of industrial districts; the implementation of construction work, 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 and benefits, task and project assignments, hiring, firing, training, grievance procedures, employee enrichment and improvement, etc.); execution of contracts, including provisions for defense, release and indemnity; the delivery of services essential to the Port's mission; financial and accounting related matters; legal matters; and all day-to-day operation and administrative matters. Further, the Executive Director is hereby authorized to publish notice of any and all public hearings that are required by law or are necessary for Commission action.

The Executive Director shall retain professional staff that shall operate and manage according to directives from the Executive Director. The Executive Director may delegate to Port staff, as is necessary and advisable in the efficient exercise of the

Executive Director's authority, and in such manner as the Executive Director deems appropriate, such of his or her authority or reporting requirements established herein.

I. POLICY GOVERNING REAL & PERSONAL PROPERTY RENTALS:

A. Types of Lease Agreements:

The term "lease" as used herein may refer to rental agreements or use agreements. All real and personal property belonging to the Port when available for leasing shall, except as otherwise provided herein, be leased only under an appropriate written lease instrument executed by the Commission.

B. General Lease Procedures:

The Executive Director is authorized to negotiate the terms of all lease agreements. Prior to the presentation of a lease agreement for execution by the Commission, the Executive Director shall apprise the Commission of the proposed terms of the agreement and, as appropriate, of the progress of negotiations.

C. Month-to-Month Leases:

A month-to-month lease agreement may be executed by the Executive Director, subject to the following conditions:

1. A minimum of two months' rental shall be required in advance of the occupancy, one-half of which shall be applied to the first month's rent, and one-half of which shall be held by the Port as a security deposit for the full duration of the month-to-month occupancy to insure compliance with the lease terms;
2. The arrangements for month-to-month occupancy shall be evidenced by the Port's standard form of month-to-month lease;
3. The amount of the monthly rental shall be a fair market rent for property of the same or similar class and type and devoted to similar uses and may include rental allowances for tenant improvements consistent with market indicators;
4. The use to which the property may be put by the tenant shall be expressly stated and shall be in accordance with the standards of use adopted by the Port for the same or similar Port property or properties;

5. The fair rental for the leased property may not exceed \$7,500.00 per month;
  6. A lease bond or other appropriate reserve to protect the Port's interest may be allowed by the Executive Director in lieu of the security deposit required in Section I.C.1 above;
  7. In addition to any performance security required herein, the Executive Director may require a damage and/or cleaning deposit in an amount the Executive Director deems appropriate;
  8. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.
- D. To the extent assignments, subleases, or options are permitted in the lease agreement, the same may be approved by the Executive Director, provided that other substantive terms of the lease are unchanged, any option or options do not result in a lease term (including options) of more than five years, and rental adjustments provided for in the lease are made. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.
- E. The Executive Director shall enforce all lease terms and is authorized to take necessary measures to cause compliance or to protect the Port's legal position, including, without limitation, giving all notices provided for in the lease or required by law.

II. POLICY GOVERNING LEASE BOND, RENTAL INSURANCE, OR OTHER SECURITY:

- A. The Executive Director is authorized to take all necessary actions on behalf of the Commission and its officers in connection with lease surety bonds, rental insurance, or such other security as required pursuant to RCW 53.08.085, as amended, including but not limited to any of the following:
1. Where the lease is not in default, release any surety bond, surety, rental insurance, or such substitute security that has been provided;
  2. Approve any surety bond, surety, rental insurance, or other security or insurance submitted in fulfillment of the requirements of any lease, including substitute or replacement coverage for any terminated bond, surety or rental insurance;

3. Approve any substitute for or modification to rental insurance coverage, and release any insurance company when substitute or replacement rental insurance coverage has been provided in connection with any outstanding lease of the Port;
  4. Determine on a case-by-case basis whether the surety bond, surety, rental insurance, or other security shall be required to secure any or all other lease provisions in addition to the rent. In making this determination, the Executive Director may consider the value of tenant leasehold improvements which become property of the Port upon default or other termination of the lease;
- B. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all known deviations and tenant defaults under this Section II.

### III. POLICY GOVERNING CONTRACTS FOR PERFORMANCE OF WORK:

#### A. Work Contract Awards:

1. If the total estimated price of a public work project does not exceed \$50,000.00, and if the work is within authorized appropriate annual budget limits, the Executive Director may, without prior Commission approval, prepare plans and specifications, and may award contracts using the small works roster process authorized in RCW 53.08.120, as amended, or, in the alternative, advertise notice calling for bids and thereafter award contracts for work. All contracts awarded under this provision shall be reported to the Commission at the first regularly scheduled meeting of the following month.
2. If an emergency exists, 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. If a contract is awarded without competitive bidding due to an emergency, the Executive Director shall, within two weeks following the award of any such contract, request Commission ratification, on the record, of the finding of an emergency and of any contracts awarded executed pursuant to that finding. From the inception of any such emergency, the Executive Director shall continuously advise the Commission of the development of the emergency situation and the progress of any contracts executed to remedy the emergency. "Emergency" as used in this paragraph means unforeseen circumstances beyond the control of the Port that either present a real, immediate threat to the proper performance of essential

functions, or will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

B. Change Orders: In instances where contracts for the performance of work have been awarded and under which the work is in progress, and individual changes in plans and/or specifications are necessitated 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 all of the following conditions are met:

1. The change order does not exceed the following dollar limits:
  - a. For contracts awarded by the Executive Director, the aggregate cost of the original contract and all change orders shall not exceed \$50,000.00;
  - b. For contracts awarded by the Board, the estimated cost of the aggregate changes in plans and/or specifications will not exceed the lesser of \$50,000.00 or 10% of the contract price;
2. The contract provides for issuance of change orders;
3. The individual change order has been approved and certified by the project architect or engineer as being necessary to the proper accomplishment of the work called for in the basic contract;
4. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.

#### IV. POLICY GOVERNING PERFORMANCE OF WORK BY PORT CREWS:

The Executive Director is authorized to approve individual capital projects that are to be carried out by Port crews, or day labor when deemed appropriate, when the total estimated cost for labor and materials does not exceed \$50,000.00. Prior Commission approval is required for any such projects when the total estimated cost for labor and materials exceeds \$50,000.00.

The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.

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

The Executive Director is authorized to execute, and shall follow all required statutory procedures where applicable, in connection with all contracts for the acquisition of utilities, materials, equipment and routine services. Utilities, materials, equipment, supplies and services (including services provided by public agencies) may be acquired on the open market, pursuant to published tariffs, or by competitive bidding when necessary, for the normal maintenance and operations of the Port. No prior Commission approval shall be required for any such contract, but shall, when appropriate, be approved as a part of normal monthly expenses and shall be within authorized budgets. Provided, however, prior Commission approval is required for the purchase of any single piece of equipment whose purchase order price exceeds \$50,000.00.

VI. POLICY GOVERNING ADJUSTMENT AND SETTLEMENT OF PRELITIGATION CLAIMS:

Except as otherwise provided in this Policy Directive, the Executive Director shall observe the following procedures in the adjustment and final settlement of all claims made against or on behalf of the Port:

- A. For purpose of this Section VI, "claim" means the assertion of any position, right or responsibility by or against the Port, but does not include (1) "uncollectible accounts" to the extent they are covered in Section XV below, or (2) claims asserted by or against the Port which have become the subject of litigation as defined in Section XVIII below.
- B. No claims against the Port for damages for tortious conduct may be considered unless and until the claimant has served proper notice upon the Port as required by law. Except as set forth in section VI.D below, no claim may be settled and paid without first being reported to the Commission.
- C. Claims that do not exceed the lesser of \$25,000.00 or the Port's applicable insurance deductible amount may be processed in all respects, except for their final settlement and payment, by the Executive Director. No such claim shall be reported to the Commission until a tentative settlement agreement has been reached. Claims exceeding the lesser of \$25,000.00 or the Port's applicable insurance deductible amount shall be reported to the Commission as soon as practicable.
- D. Any properly presented claim arising from normal Port operations and not exceeding \$7,500.00 may be adjusted and settled by the Executive Director without first being reported to the Commission, provided that all of the following conditions are met:

1. The Port Counsel shall render his written opinion to the Executive Director that payment of the claim is justified on the basis of one or more of the following circumstances:
  - a. a substantial likelihood that the Port is or will be found liable;
  - b. the likelihood that a judgment rendered in the case would be in the amount claimed or higher;
  - c. the likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed.
2. All such claims, when settled, shall be reported to the Commission at the first regularly scheduled meeting of the following month.

VII. POLICY GOVERNING CONTRACTS FOR PROFESSIONAL SERVICES:

- A. Contract Awards: The Executive Director is authorized to contract for professional services with qualified architectural, engineering and technical testing and inspection firms licensed in the State of Washington, to provide such services as required for maintenance, preliminary engineering work, and small projects of the Port, and for similar purposes reasonably required in connection with public works. The procurement of and payment for professional services shall be accomplished in accordance with applicable statutory requirements. Provided, if the price for professional services on any single project or closely related work is estimated to exceed \$50,000.00, the contract shall be awarded by the Commission. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.
- B. Change in Scope of Service: The Executive Director may, without prior Commission approval, execute changes in the scope of service ("changes"), provided the funds are available within the approved annual budget and all of the following conditions are met:
  1. For contracts awarded by the Executive Director, the aggregate cost of the original contract and all changes shall not exceed \$50,000.00;
  2. For contracts awarded by the Board, the total cost of all contract changes shall not exceed the lesser of \$50,000.00 or 10% of the last Commission-approved total;
  3. The contract provides for issuance of changes;

4. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.

VIII. POLICY GOVERNING CONTRACTS FOR PERSONAL SERVICES:

- A. Contract Awards: The Executive Director is authorized to contract for personal services with qualified consultants when necessary in carrying out normal Port operations. The procurement of and payment for personal services shall be accomplished in accordance with applicable statutory requirements. Provided, if the price for personal services on any single matter or closely related matter is estimated to exceed \$50,000.00, the contract shall be awarded by the Commission. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.
- B. Change in Scope of Service: The Executive Director may, without prior Commission approval, execute changes in the scope of service ("changes"), provided the funds are available within the approved annual budget and all of the following conditions are met:
  1. For contracts awarded by the Executive Director, the aggregate cost of the original contract and all changes shall not exceed \$50,000.00;
  2. For contracts awarded by the Board, the total cost of all contract changes shall not exceed the lesser of \$50,000.00 or 10% of the last Commission-approved total;
  3. The contract provides for issuance of changes;
  4. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.

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

In order to facilitate necessary normal Port operations, the Executive Director may, without prior Commission approval, authorize travel by Port employees and/or other Port representatives for the purpose of attending informational seminars pertaining to Port operations, and meetings with customers, suppliers, consultants, and associations of which the Port is a member.

The limits of such authorization shall be for travel within the United States and Canada. Reimbursable personal travel expenses shall not exceed \$5,000.00 per



person, per trip. Attendance at meetings located outside the United States and Canada, or costs in excess of \$5,000.00, shall require prior Commission approval.

The Commission shall be advised at the first regularly scheduled meeting of the following month of all authorizations for such travel outside of Clallam County.

X. POLICY ESTABLISHING GRIEVANCE PROCEDURES FOR CERTAIN EMPLOYEES:

The Executive Director shall establish problem resolution procedures that will be available to both represented and nonrepresented Port staff. The problem resolution procedures are in addition to any grievance procedures available to represented staff via their current collective bargaining agreement. The problem resolution procedures may include the following:

- A. The manner in which problems are reported;
- B. The responsibilities of each supervisory level in the process;
- C. Rules for representation of employees;
- D. A whistle-blower policy for employees to report improper governmental actions without fear of retaliation;
- E. A confidential 24/7 hotline for employees to report problems and whistleblower complaints.

XI. POLICY ESTABLISHING SYSTEMS OF EMPLOYEE IMPROVEMENT:

The Executive Director shall establish systems of employee education, training and development to complement training and development programs and activities already specifically authorized by the Commission. Such programs shall promote the policy of the Commission to increase the skills and productiveness of all Port employees, and may include, without limitation, leave of absence in select cases; general and specific training and education aimed at improving a Port employee's ability to perform duties at the Port; programs designed for entry level employees; attendance at seminars, conferences and meetings; and subscription and purchase of training materials, guides and other such resources.

XII. POLICY GOVERNING HARBOR AREA LEASES:

The Executive Director is authorized to sign on behalf of the Commission all harbor area leases between the Port and the State of Washington.

XIII. POLICY GOVERNING EXECUTIVE DIRECTOR'S AUTHORITY FOR PROPERTY ACQUISITIONS AND SALE OF REAL PROPERTY:

When the Commission authorizes the acquisition of real property by purchase or condemnation, the Executive Director shall take all necessary steps, including obtaining an appraisal report, to acquire title to such property for the Port. The purchase price of a property may not exceed the Port's appraised value by 10% without the Commission's prior authorization.

When the Commission authorizes the sale of real property, the Executive Director shall take all necessary steps to complete the transaction including, without limitation, accepting deposits, opening escrow, and signing all necessary documents.

XIV. POLICY GOVERNING SALE OF PERSONAL PROPERTY:

The Executive Director is authorized to sell and convey surplus personal property of the Port of Port Angeles, in accordance with the requirements of RCW 53.08.090, as amended, provided that the value of such property may not exceed \$10,000.00, and no Port employee or official may purchase such property.

If the Executive Director is unable after reasonable effort to dispose of the property by sale, either through a publicly advertised competitive bidding process or sale by negotiation, the Executive Director may dispose of the property by donation to a Clallam County tax-exempt organization, or by delivery to the local transfer station or recycling center.

If a single item of property has an estimated value of \$200.00 or less, and the Executive Director reasonably determines that the expense of disposing of the property by sale exceeds any benefit the Port may receive from the sale, the Executive Director may dispose of the property by donation to a Clallam County tax-exempt organization, or by delivery to the local transfer station or recycling center.

The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.

Inasmuch as RCW 53.08.090 requires that the authority granted under this section be renewed from year to year, the Port Commission may accomplish the same by motion; provided, however, that in the event this authority is amended in any fashion or repealed, such amendment or repeal must be by Commission Resolution.

XV. POLICY GOVERNING DISPOSITION OF UNCOLLECTIBLE ACCOUNTS:

The Executive Director is authorized to establish procedures for and to write off any uncollectible accounts in the amount of \$1,000.00 or less, subject to the following general guidelines. Prior to writing off any account receivable as uncollectible, the Executive Director shall be satisfied that every reasonable effort has been made by the Port to receive payment on the account. The Executive Director may, as appropriate, authorize legal action in the proper court of law, or assign the account to a collection agency. If, after attempting all normal account collections procedures, an account remains uncollectible after 180 days, the Executive Director may write off the account. Any amount in an account in excess of \$1,000.00 that is deemed to be uncollectible shall be referred to the Commission for final approval of writing off that account. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.

XVI. POLICY AS TO THE INSURANCE PROGRAMS - PORT OF PORT ANGELES:

The Executive Director is authorized to work with insurance brokers designated by the Commission from time to time 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 from time to time changes or modifications within the policies of insurance including programs to provide self-insurance or deductible provisions so long as such programs are promptly and regularly reported to the Commission so that they are kept informed of basic changes in the overall insurance program of the Port.

XVII. POLICY GOVERNING INVESTMENT OF TEMPORARILY IDLE PORT FUNDS:

For purposes of this paragraph, "temporarily idle Port funds" means those funds that are not required for immediate expenditure. In accordance with applicable law and Port Resolutions relating to the investment of public funds, the Executive Director is authorized to direct the Port Treasurer in the management of temporarily idle Port funds, including, without limitation, investments in authorized government securities, sale of such investments and necessary interfund transfers. Reports of investments shall be made to the Commission in accordance with the Port's investment policy as provided by Resolution.

XVIII. LITIGATION:

The Executive Director, in coordination with Port Counsel, shall manage and supervise litigation in which the Port has a direct or indirect interest. For purposes of this section, "litigation" means the assertion of any position, right or responsibility by or against the Port which has been filed in any court of general

jurisdiction, whether state or federal, or any quasi-judicial or administrative forum.

Engagement of Experts. The Executive Director may engage, or cause to be engaged through Port Counsel, such experts as may be necessary to the orderly preparation of litigation in which the Port has a direct or indirect interest, without the limitations otherwise set forth in Section VIII above. Any such engagement shall be upon authorization by Port Counsel after Port Counsel is satisfied 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. The Executive Director shall inform the Commission no later than the first regularly scheduled meeting of the following month of all actions undertaken under this section.

XIX. BERTHAGE AGREEMENTS, OPERATING/LICENSING AGREEMENTS, TARIFFS:

Except in the case of Port operated marinas, the Executive Director is authorized to issue berthage agreements, operating/licensing agreements, tariffs and tariff amendments as necessary, provided that berthage agreements and operating/licensing agreements shall be for a term of one year or less and shall be at reasonable market rates for similar uses. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.

XX. RULES AND REGULATIONS:

The Executive Director is authorized to adopt and amend administrative rules and regulations as necessary for the efficient operation of the Port. The Executive Director shall inform the Commission at the first regularly scheduled meeting of the following month of all actions undertaken under this section.

XXI. AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT:

It is the policy of the Port 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, political ideology, gender, sexual orientation, marital status, age, military status, or the presence of any sensory, mental, or physical handicap. This policy is to be implemented by the Executive Director.