

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>4G</u>
Date of Meeting	<u>April 2, 2019</u>

DATE: March 12, 2019

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Kurt Beckett, Deputy CEO

Project Manager: Mark Little, Director, Contracts & Purchasing

SUBJECT: NWSA Legal Services Transition & Establishment of Review Committee

A. ACTION REQUESTED

Two actions requested:

1. Request Managing Members (MMs) of the Northwest Seaport Alliance (NWSA) establish a review committee for NWSA legal services comprised of up to four commissioners and CEO John Wolfe, co-chaired by Commissioners Courtney Gregoire and John McCarthy, to determine how NWSA general legal services shall be structured and retained going forward and;
2. Direct the NWSA CEO or his delegate to engage the services of an outside firm that specializes in providing public sector professional counsel and support for the review committee, with a not to exceed amount of \$75,000.

B. SYNOPSIS

The Managing Members intend to establish a review committee for NWSA legal services and how these services shall be provided going forward. This review committee will be comprised of up to four commissioners and CEO John Wolfe and will be co-chaired by Commissioners John McCarthy and Courtney Gregoire. Given the critical role that legal counsel plays for both commissioners and staff, all three organizations place the general counsel role as a dual-report to commission and the executive leader.

The NWSA CEO or his delegate will engage the services of an outside firm that specializes in providing public sector professional counsel and options as to how these general legal services shall be structured and retained going forward.

The firm will review, advise and assist the NWSA in assessing, recommending and evaluating options for legal services with an intent of either 1) creating and recruiting for a NWSA General Counsel position or 2) contract with a Legal Firm to provide these services.

Upon authorization, the Managing Members hereby confirm the purpose and intent of the legal services review committee, and that it shall bring forward the review and recommendation for the full Managing Members' approval. This recommendation shall be provided no later than review of the 2020 NWSA budget.

C. BACKGROUND

As part of the NWSA formation, a Transition Plan was developed to evaluate and implement the optimum end-state structure and services for the NWSA and the two Homeports. The Managing Members (MMs) have always recognized the value in utilizing support services from the Homeports. Accordingly, many services are currently provided via annual Service Agreements between the NWSA and the Homeports; these are reviewed and approved annually as part of the NWSA annual budget.

With the MMs organizational-structure decision in 2018, longer-term shared service agreements will often be used between the three organizations (POS-POT-NWSA), rather than create three of every function. Even with this organizational-structure direction, some functions are intended to be separate and distinct for each organization, such as the CEO/Executive Director.

This has been the general intent for legal services, with separate legal representation for each of the three organizations. Given the critical role that legal counsel plays for both commissioners and staff, all three organizations place the general counsel role as a dual-report to commission and the executive leader.

Upon authorization, the Managing Members will confirm the purpose and intent of the legal services review committee, and that it shall bring forward the review and recommendation for the full Managing Members' approval. This recommendation shall be provided no later than review of the 2020 NWSA budget.

The Managing Members also will direct the NWSA CEO to engage the services of an outside firm that specializes in providing public sector professional counsel and options as to how these general legal services shall be structured and retained going

forward. The review committee will work with the selected firm to further develop the scope of work and desired outcomes.

This function, whether in-house or outsourced, will provide general legal counsel services to the NWSA Managing Members and the Executive Leadership Team. This function will have dual reporting to the CEO and the Managing Members' Co-Chairs. General Counsel will support the MM, CEO and the Executive Leadership Team in carrying out the NWSA's mission and to properly achieve the Managing Members' objectives. In addition, this function will oversee all legal activity at the NWSA, including ethics and public records compliance policies, and supports all aspects of the NWSA's external business and internal management.

Should the recommendation from the review committee be to create a position in-house, the committee may opt to direct the firm to finalize a job description and salary prior to recruiting for the position. Conversely, should the recommendation be to pursue outside legal support, the firm, if requested, will assist with the solicitation process used to select the outside support with the understanding the firm representing the NWSA cannot be the same firm that represents the Ports of Seattle or Tacoma unless sufficient safeguards are in place to avoid violations of professional conduct cannons and conflicts of interest.

D. FINANCIAL IMPLICATIONS

The CEO is authorized to obtain these services with a not-to-exceed amount of \$75,000.00.

This amount may be amended depending on further recommendation of the review committee.

E. ATTACHMENTS TO THIS REQUEST

- None