THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No. 10E
Meeting Date: October 30, 2026

DATE: October 12, 2026

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Internal Governance Work Group (IGWG)

Commissioners Calkins, Marzano, Hasegawa, and McCarthy

Project Manager: Vivienne Nguyen, Senior Counsel

SUBJECT: First Reading: Resolution 2026-08 Delegation of Authority Master Policy

A. ACTION REQUESTED

First reading of proposed Resolution 2026-08 amending the Delegation of Authority Master Policy (Master Policy).

B. SYNOPSIS

The Managing Members delegate certain administrative powers and duties, as it deems proper for the efficient and proper management of the Northwest Seaport Alliance (NWSA) to the NWSA Chief Executive Officer in the Master Policy. The Managing Members' review the Master Policy annually consistent with the requirement described in Section 5.c.

The Managing Members' Internal Governance Work Group (IGWG) initiated its review in August 2026. An IGWG meeting was held on August 25, 2026 and resulted in the following recommended revisions and clarifications to the Master Policy. Any amendment to the existing Master Policy must be adopted by resolution. This is a First Reading, and therefore, no Managing Member action is being requested at this meeting.

C. PROPOSED MASTER POLICY REVISIONS

For the 2026 annual review, NWSA Counsel worked with NWSA staff to conduct a thorough review and prepare recommended revisions and/or clarifications for IGWG consideration. These proposals and discussion around the rationale for each proposed revision were considered at the IGWG meeting on August 25, 2026. The following recommendations encompass what IGWG decided to move forward to the Managing Members and are provided in redline in the attached Exhibit A (additions are shown underlined and deletions are shown in strikethrough).

The recommended revisions are generally summarized as follows:

1. Recommending Competitive Solicitation Exemptions for Cybersecurity and Banking Services Contracts – RCW 53.19.020 (5) allows the Managing Members to exempt specific types of contracts from the competitive solicitation process where the governing body has determined that the formal competitive solicitation process is not appropriate or cost-effective. The IGWG has identified that banking services and cybersecurity services contracts should be exempt from the competitive solicitation process because the information required to procure these personal service contracts competitively increases financial risk and exposure to cybersecurity threats. Additionally, procuring these two types of personal services competitively is not cost-effective where the administrative burden to safeguard sensitive information is high when these services are generally conducted electronically and require sophisticated security controls.

    - The proposed revisions: **Section 8.g.vi.3 – Cybersecurity Services Exemption**; **Section 1.g** (adding a new definition) Cybersecurity Services; and **Section 8.g.vi.4 – Banking Services Exemption**

2. Including emergency management as part of Normal Alliance Operations – Speed matters during emergencies. Pre-delegated authority would allow the CEO to timely respond to, recover from, and protect life, property, and critical infrastructure during emergencies promptly. Emergency functions and management where costs exceed the CEO's procurement authority would still require Managing Member approval. Additionally, this revision would not change the requirement for an emergency declaration under RCW 39.04.280, when there is a real, immediate threat to essential functions or likely material loss or damage to property or life, allowing immediate action without normal competitive bidding requirements.

    - The proposed revisions: **Section 3.b.iv.3 – Roles and Responsibilities of CEO** and **Section 1.r.** (adding emergency management) to Normal Alliance Operations (defined term).

3. Clarifying Uncollectible Accounts – Management of Uncollectible Accounts has significant proposed redlines to define an Uncollectible Account, to improve the overall structure of the delegated authority, and to propose consistency of the $350,000 dollar value procurement authority limit. Additionally, current language reflecting step-by-step collections procedures should be removed from this document and is more appropriate for a policy and procedures document rather than this delegation of authority policy. The proposed revisions address accountability to the Managing Members with a new quarterly reporting requirement for any write-off above $50,000 and confirms that any write-off above $350,000 requires Managing Member approval.

    - The proposed revisions: **Section 9.c – Managing Uncollectible Accounts** and **Section 1.z**. (adding a new definition) Uncollectible Account.

4. Addressing consistency around the $350,000 CEO procurement authority limit – In addition to the proposed revision described above for the Management of Uncollectible Accounts, the IGWG considered and recommends consistency of the CEO's $350,000 authority limit to also apply to litigation settlement amounts described at Section 10 – Legal Services, Claims, and Other Representation. The current delegated dollar limit is $200,000. There is no statutory basis for this number, and in the interest of creating consistency with the CEO's approval limits across various transactions or operations, the increased limits in this section are proposed to align with the same $350,000 authority limit stated throughout this Master Policy.

    - The proposed revisions: **Section 10.c.ii – Settlement of Claims** and **Sections 10.d.i.1. and 10.d.ii – Settlement of Litigation**

D. PROPOSED MASTER POLICY CLARIFICATIONS

Alliance Counsel worked with staff and the CEO to review the Master Policy to address opportunities to clarify language in the Master Policy that may have been ambiguous or that may have inaccurately described existing practices. The following proposed clarifications are this year's effort to carefully consider language changes deemed necessary for proper and efficient management of Alliance operations. The recommended clarifications are summarized as follows:

1. Corrections and updates to statutory and internal references throughout document
    - **Section 8.c.ii.** Under RCW 39.04.152, the Washington State Municipal Research and Services Center (MRSC) administers the statewide small works roster process for public works contracts. The threshold for when a small works roster can be used is set by statute and will be increased in phases starting on January 1, 2027. Instead of revising the sections related to small works annually, IGWG proposes reference directly to the statute.
    - **Section 9.f.4.** - Clarifying that the sale of surplus property value limit is the limit described in the statute at RCW 53.08.090(2)(a) instead of referencing the dollar-value in the Master Policy
2. Clarifying timing of reports to the Managing Members and the dollar-value for reporting related to memberships to trade and industrial associations
    - **Section 9.b.ii.3.** Clarification that the authority for authorizing memberships in port authority, economic development, regional trade, tourism, industrial associations, facility, trade promotions organizations, and professional organizations is based on a 12-month period (Year) and clarifies the timing and method of reporting to the Managing Members memberships over $10,000 per year.
3. Removal of defined terms and/or references that are not used or that have become outdated
    - **Section 1 Definitions** Removal of definitions that were redundant or unclear such as Service Level Agreement since the agreements between the Alliance and each Homeport is an Interlocal Agreement, which is already defined. Removal of language in the Capital Investment Plan definition that required Alliance to prioritize projects. Removal of Management Services Agreement, which is no longer relevant.
    - **Sections 2.b. and 6.a.** Removal of references to Strategic Business Plan since the Alliance does not have one and instead clarify throughout the document that the Managing Members provide strategic direction.
4. Addressing consistent use of “Alliance” throughout the document as opposed to current form that uses three terms of “Alliance,” “NWSA,” and “Gateway” for the same entity
    - Housekeeping revision throughout the Master Policy document

E. ATTACHMENT TO THIS REQUEST

- Proposed Resolution 2026-08 with Exhibit A - The Master Policy Delegation of Authority (in redline)

THE NORTHWEST SEAPORT ALLIANCE
SEATTLE + TACOMA

RESOLUTION NO. 2026-08

A RESOLUTION OF THE NORTHWEST SEAPORT ALLIANCE

A Resolution of the Northwest Seaport Alliance Managing Members Delegating Administrative Authority to the Chief Executive Officer and Superseding Prior Alliance Resolution No. 2026-03

WHEREAS, the Port of Seattle ("POS") and Port of Tacoma ("POT"), (collectively, "Ports"), are public port districts, organized under provisions of the laws of the State of Washington, codified under Title 53 RCW;

WHEREAS, the Ports formed the Northwest Seaport Alliance ("Alliance") in 2015, pursuant to various provisions under state and federal law (46 USC Section 40301(b)(1-2) (discussion agreements); RCW 39.34 (interlocal agreement); RCW 53.08.240 (port joint powers statute); and RCW 53.57, which together permit joint operation and investment outside of a port's district and for the operation of certain marine cargo facilities as the Alliance;

WHEREAS, the operations and affairs of the Alliance are managed by the port districts as members of the Alliance, each referred to as a "Managing Member", acting in such capacity through its own elected commissioners;

WHEREAS, the Managing Members previously adopted Resolutions 2016-04, 2018-01, 2020-02, 2023-07, 2025-01, and 2026-03 which delegated certain administrative authority to the Chief Executive Officer from the Alliance Managing Members in the Delegation of Authority Master Policy;

WHEREAS, the Internal Governance Work Group of the Managing Members recommended certain amendments to the Delegation of Authority Master Policy to exempt personal services procurements for banking services and cybersecurity services from the competitive solicitation requirements, to clarify that emergency management activities are part of Normal Alliance Operations, to revise the language delegating management of uncollectible accounts to conform with Generally Accepted Accounting Practices (GAAP), to add consistency to the delegated CEO threshold dollar-amount, and to address various administrative updates throughout the document to remove outdated terminology and better reflect current practices.

WHEREAS, the Managing Members have determined that personal services contracts related to procuring banking services or cybersecurity services should be exempt from competitive solicitation since the competitive solicitation process is not appropriate nor cost-effective for these specific types of services where the formal competitive solicitation process results in releasing and/or sharing information that increases cybersecurity or financial transaction risks and is also not cost-effective.

WHEREAS, the Managing Members agree with the Internal Governance Work Group's recommendations and desire to amend the Delegation of Authority Master Policy accordingly.

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RESOLVED: the Managing Members of the Alliance hereby adopt the Delegation of Authority Master Policy, as amended and set forth in Exhibit "A" attached to this Resolution and by this reference incorporated herein.

ADOPTED by the Managing Members of The Northwest Seaport Alliance at a regular [or special] meeting held on the ____ day of _____ 2026 and signed by its Co-Chairs and attested by its Co-Secretaries in authentication of its passage.

_____
_____, Co-Chair
The Northwest Seaport Alliance

_____
_____, Co-Chair
The Northwest Seaport Alliance

ATTEST:

_____
_____, Co-Secretary
The Northwest Seaport Alliance

_____
_____, Co-Secretary
The Northwest Seaport Alliance

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Exhibit A

Delegation of Authority Master Policy

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1. DEFINITIONS

a. Alliance

Refers to the Northwest Seaport Alliance, a port development authority organized under RCW 53.57 which is charged with the joint management of marine cargo operations by the Port of Tacoma (POT) and Port of Seattle (POS) pursuant to an Interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint management, operation and investment outside of a port's district, and pursuant to RCW 39.34.030, the Interlocal Cooperation Act for the purposes outlined in the Preamble, Section 2.a.i, below.

b. Approval

A recommendation to move work forward for analysis and development of data and documents to support potential authorization. Approval does not denote authority to expend funds (see "Authorization" below).

c. Authorization

Authorizes spending, entering agreements, administrative actions, and real estate actions, and other items as outlined in this resolution. Authorization is given by the Managing Members to the CEO per the Delegation of Authority Master Policy. Authorization implies an action item in public session if the required level is beyond CEO delegation level per the Delegation of Authority Master Policy.

d. Capital Investment Plan (CIP)

~~Means the~~The five-year projection of capital and major expense projects and associated expenditures which is developed and maintained as a planning tool for Alliance capital investment which sets the priority for Alliance funding and which is reviewed by the Managing Members annually as part of the five-year budget review process, or as subsequently amended by the Managing Members during the budget year. ~~Capital project funding should be prioritized to address non-discretionary projects first. "Non-discretionary" for purposes of this section includes but is not limited to environmental projects carried out pursuant to regulatory or other binding commitment, maintenance projects needed to maintain the operational capacity of the Alliance, safety-related projects, and/or projects which are carried out pursuant to lease obligation or other binding commitment. In recommendations to the Managing Members, Staff should identify which proposed capital projects are Non-discretionary.~~

e. Chief Executive Officer (CEO)

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The person hired by the Managing Members to manage and oversee day-to-day operations of the Alliance.

f. Claim

"Claim" means the assertion of any position, right or responsibility by or against the Alliance, excluding "Uuncollectible Aaccounts," and any claims asserted by or against the Alliance that have or may reasonably become the subject of litigation.

g. Cybersecurity Services

Personal services including assessments, monitoring, incident response, and advisory services that are primarily intended to protect, assess, detect, prevent, respond to, or recover from unauthorized access to, disruption of, or misuse of the Alliance's information technology systems, operational technology systems, networks, data, or digital infrastructure, including services that necessarily require access to or disclosure of sensitive system architecture, security controls, vulnerabilities, threat intelligence, or incident response plans. Cybersecurity and related services do not include routine information technology support, software licensing unrelated to security functions, or general consulting services that do not involve sensitive security information or the purchase of commercially available software or hardware that is generally available to the public and does not require customization or disclosure of sensitive security information. However, cybersecurity and related services include the customization, configuration, integration, installation, implementation, testing, or deployment of cybersecurity software or hardware, including generally available products, when such services require access to or disclosure of sensitive system architecture, security controls, vulnerabilities, or incident response information.

g.h. Emergency

Unforeseen circumstances beyond the control of the Alliance that either presents a real, immediate threat to the proper performance of essential functions; or may result in a material loss or damage to property, bodily injury, or loss of life if immediate action is not taken (see RCWs 39.04.020, 39.04.280 and 53.19.010(04)). Emergencies allow for the waiver of state procurement requirements.

h.i. Environmental Programs

Initiatives aimed at promoting sustainability, protecting natural resources, and reducing environmental impact including air and water quality, habitat

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restoration, and cleanup efforts supporting the gateway that have been duly authorized by the CEO or Managing Members. Examples include, but are not limited to, innovative stormwater treatment technologies, the Clean Truck program, the Zero-Emissions Truck Drayage Program, and vessel emission reductions strategies. Environmental Programs may lead to capital facility infrastructure investments to be separately authorized as Project(s) as set forth herein.

~~i.~~j. Filed with the Managing Members

Delivered to the ~~Senior Executive Assistant~~Executive Business Partner to the CEO for retention and distribution to the Managing Members.

~~j.~~k. 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); maintenance; security; and other miscellaneous services.

~~k.~~l. Homeport

For the purposes of this Delegation of Authority Master Policy "Homeport," when used in connection with specific Alliance assets, means the port where the asset is located.

~~l.~~m. Unit Priced Contract

A competitively- bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a port district, under which the contractor agrees to a fixed period indefinite delivery/indefinite quantity contract, at a defined unit price, for each category of work.

~~m.~~n. Interlocal Agreement

A binding agreement between the Alliance and other local governmental agencies, including the ~~Managing Members~~Homeport, that allows for the provision of services or facilities between those agencies.

~~**n. Management Services Agreement**~~

~~Means an~~An ~~interlocal agreement between the Port of Tacoma and the Alliance for the Alliance to provide leadership personnel that will directly manage day to day work of Port of Tacoma staff who provide support to the Alliance.~~

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o. Managing Members

The Ports of Seattle and Tacoma, acting through their own elected commissioners.

p. Material Scope Change

Work that was not previously included in the Project authorization or substantially changes the intent of the Project.

q. Municipal Research and Services Center (MRSC)

The Municipal Research and Services Center (MRSC) is a nonprofit organization that serves all cities and towns in Washington, all counties, and hundreds of special purpose districts, state agencies, and other government partners. MRSC has operated as a private nonprofit since 1969 under the auspices of RCW 43.110.030. Firms can register their businesses by following the instructions at https://mrscrosters.org/businesses/registration-instructions/.

r. Normal Alliance Operations

Administration of day-to-day Alliance operations and the regular day-to-day business transactions involving personnel, materials, facilities, money and other assets. Normal Alliance Operations also include emergency functions and management necessary for the Alliance to prepare for, respond to, and recover from emergencies and disasters, whether natural, technological, or human caused.

s. Normal Operating Expense

All the costs incurred to support ongoing day-to-day Alliance operations. ~~Means the Alliance budgeted operating and non-operating revenues and expenses reviewed, approved, and authorized by the Managing Members as part of the budget process, or as subsequently amended by the Managing Members during the budget year.~~

t. Ongoing Environmental Activities

Ground water monitoring; supplemental compliance or repair; cleanup action plan (CAP) inspections; habitat and vegetation monitoring and replacement; trash and invasive species removal; site inspections and report writing all as required by post construction permit conditions, agreed orders, consent decrees, the Municipal Stormwater Permit (MS4), or similar permits and/or regulatory requirements.

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u. Operating Agreement

~~Means a~~An agreement between the Alliance and a third party to provide operating services as part of Alliance business activity.

v. Personal Services

Personal services are generally professional or technical expertise that are necessary to accomplish a specific study, project, task or other work statement, which may not reasonably be required in connection with a public works project meeting the definition of RCW 39.04.010(4). Personal services do not include purchased services as defined in RCW 53.19.010(8) or professional services procured using the competitive selection requirements in Chapter 39.80 RCW (A&E).

w. Project

For the purposes of this Delegation of Authority Master Policy, a "Project" creates or modifies a capital asset or creates a cost outside of Normal Operating Expenses. A Project may be classified as a capital or expense.

1. Public Works Projects – As defined in RCW 39.04.010, public work projects include construction, alteration, repair or improvement other than ordinary maintenance executed at the cost of the Port. Work associated with public work projects includes planning, scoping, engineering, design, permitting, environmental assessment, construction and contract solicitation and administration.

2. Non-Public Works Projects – Generally includes defined work that the CEO has determined will be managed as a Project. Projects do not, however, include regular, recurring or routine work associated with ~~normal~~ Normal Alliance ~~operations~~Operations. This category also includes projects by the information and technology departments that may require a major upgrade or replacement of an information or communication hardware or software system.

3. Environmental Projects – Include pollution investigations, cleanups, and habitat restoration. Environmental projects may also involve regulatory direction, oversight, and agreements, extended periods of investigation and study prior to construction, and continuing monitoring and maintenance after clean-up and construction.

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x. Professional Services

Those services within scope of RCW 39.80.020(5) or professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement which is reasonably required in connection with public works projects.

y. Public Work

Construction, alteration, repair and improvement other than ordinary maintenance meeting the definition of RCW 39.04.010.

~~**z. Service Agreements**~~

~~An agreement, such as an Interlocal agreement between the Alliance and one or more Homeport(s) that allows for the provision of services related to normal Alliance or port operations or Projects.~~

z. Uncollectible Account

An unpaid revenue or a claim owed to the Alliance and where reasonable efforts to collect have been unsuccessful after exhaustion and/or completion of collections procedures consistent with the collections policies and procedures.

aa. Vessel Service Agreements

An agreement between the Alliance and vessel steamship lines or their subsidiaries.

2. PREAMBLE

a. Roles and Responsibilities of the Alliance

i. The primary mission of the Alliance is to act as the exclusive operator and manager of Alliance cargo and terminal properties for the Ports of Seattle and Tacoma (Homeports). The purpose of the Alliance is to promote and assist economic development of the Homeports' marine cargo operations, acting through its Managing Members, with an emphasis on unified business retention and recruitment, coordinated enhancement of the value of marine cargo assets, improved intermodal rail service, improved freight capabilities, and the general promotion of maritime economic development and other related port business activity.

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ii. The Alliance operates and manages licensed properties; manages capital investments; optimizes the value of marine cargo assets; grows cargo volumes and protects market share for the benefit of the region and state; manages overall terminal capacity, through coordinated investment strategies; provides enhanced job prospects for the Managing Members' labor and business partners; and achieves overall financial returns that not only enable reinvestment but also provide additional financial returns for each Managing Member.

b. Relationship between the Alliance Managing Members and the Alliance Executive (CEO)

i. It is the Managing Members' responsibility to (a) establish Alliance policies, (b) ~~adopt the Strategic Business Plan~~set the strategy, as well as review and modify those policies on a regular basis (c) hold the CEO responsible for the implementation of such policies, (d) to approve capital budget and (d) to authorize the expenditures of public funds to implement those policies. It is the CEO's responsibility to implement the policies and to inform the Managing Members on how the policies will be implemented.

ii. The operations and affairs of the Alliance are managed by the ~~two port districts as members~~Managing Members of the Port Development Authority ("PDA") per RCW 53.57 and via the Charter for the Alliance. Each port district member shall act in such capacity through its own elected commissioners.

iii. All statutory powers and authority of the Alliance not delegated herein are retained by the Managing Members.

iv. The Managing Members and the CEO shall regularly inform and consult each other on the execution of Alliance policies, operations, and information relevant to Managing Members' oversight. Public oversight is inherent in the Managing Members' role. Oversight cannot be delegated away, and nothing in this Delegation of Authority Master Policy shall be construed as doing so.

v. The Managing Members may at any time waive any portion of the delegated authority conferred upon the CEO under this Resolution by vote or action as described in their By-Laws.

vi. The Managing Members may at any time rescind or suspend all or any portions of the delegated authority conferred upon the CEO under this Resolution by further resolution passed in a public meeting.

3. OVERVIEW OF THE ADMINISTRATIVE AUTHORITY OF THE ALLIANCE CEO

a. This policy is adopted by the Managing Members of the Alliance for the purpose of establishing the administrative authority of the CEO, who is responsible for

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Normal Alliance Operations. The statutory provision for the administrative authority in this Resolution is RCW 53.57.030 and this Resolution is expressly subject to provisions governing port development authorities and port district operations.

b. Roles and Responsibilities of the CEO

i. The CEO derives authority from the Managing Members and is responsible for carrying out the Managing Members' policies.

ii. The CEO serves as primary spokesperson for Alliance operations and management.

iii. The CEO retains professional staff, and will promulgate policies and procedures that create administrative, monetary, and contractual delegations of Managing Members-granted authority as may be appropriate.

iv. Subject to the limitations identified in this Delegation of Authority Master Policy, the CEO shall be responsible for:

1. Operation, maintenance, administration, and use of the Alliance's terminals, properties, and facilities;

2. Implementation of construction work and alterations, repairs and improvements to real estate and physical facilities controlled and operated by the Alliance;

3. Administration of day-to-day Normal Alliance Operations which may include personnel administration, staffing levels, individual compensation, task and project assignments, hiring, firing, discipline, and training, and emergency management;

4. Execution of contracts and other documents related to Normal Alliance Operations that are related to or pursuant to a Project or matter authorized by the Managing Members, or otherwise authorized in this Resolution;

5. Applying for permits associated with Alliance facilities or projects;

6. Application for and acceptance of grants or other funds from federal, state, or local governments, subject to the approval of Managing Members if required per Sections 9.d. herein; and

7. Delivery of services essential to the Alliance's mission; financial and accounting related matters; legal matters; and all other administrative matters.

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8. Responsible fiscal management, financial accountability, and budgeting.

9. Developing strategies to ensure ~~gateway~~Alliance is successful and competitive in meeting customer and community expectations.

v. In the absence of the CEO, Deputy Chief Executive Officer or the CEO's designee has full delegation of the CEO.

4. CEO POWERS DELEGATED BY CHARTER.

Pursuant to the below-referenced Articles/sections of the Charter, the Managing Members acknowledge the following delegations to the CEO. In the event of any lawful modification to the Charter which affects the Articles/sections below, the Charter provision shall take precedence and this Delegation of Authority Master Policy shall be amended to be consistent with such Charter revisions.

a. Article 2.6(e) Filing of Certificates

The Managing Members shall authorize, and the CEO shall execute, deliver, and file, any certificates (and any amendments and/or restatements thereof) necessary for the PDA to qualify to do business in any jurisdiction in which the PDA may wish to conduct business.

b. Article 2.6(e) Actions Required to Do Business

The Managing Members shall authorize, and the CEO shall cause, the PDA to be qualified, formed, or registered in any jurisdiction in which the PDA transacts business in which such qualification, formation, or registration is required or desirable.

c. Article 4.1(a) Distributions

The PDA through the CEO will make distributions of all Distributable Cash to the Managing Members as soon as practicable after each Calculation Period. Prior to executing any distribution, the CEO shall provide a report of the planned distribution to the Managing Members.

d. Article 5.2(a) Accounting, Tax, and Record Keeping

The Managing Members through the CEO shall oversee the accounting, tax, and record keeping matters of the PDA, which shall be kept in compliance with GAAP and applicable laws and regulations.

e. Article 5.7 Tax Reports

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All tax returns and reports of the PDA shall be prepared at the direction of the CEO.

f. Article 5.9 Elections

Except as otherwise provided in this Charter, all decisions as to accounting principles, whether for the PDA's books or for tax purposes (and such decisions may be different for each such purpose) and all elections available to the PDA under applicable tax law, shall be made by the CEO.

g. Article 5.10 Tax Audits and Litigation

i. **Designation of Tax Matters Person**. The CEO is hereby designated as the tax matters person ("Tax Matters Person") with respect to the PDA. In such capacity the Tax Matters Person shall have all of the rights, authority, and power, and shall be subject to all of the obligations, analogous to those of a tax matters partner to the extent provided in the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated there under; provided, that the exercise of such rights, authority, and power shall be consistent with all PDA elections and provided further that if any exercise of such rights has an adverse impact on a Managing Member, the consent of Managing Member, the consent of such Managing Member shall be required.

ii. **Foreign, State, and Local Tax Law**. If any foreign, state, or local tax law provides for a tax matters partner or person having similar rights, powers, authority, or obligations as described in Section 5.10(a), the CEO shall also serve in such capacity and shall represent the PDA in all tax audit contest or settlement matters to the extent allowed by law.

h. Article 6.5 CEO Authority

The CEO is the principal executive officer of the PDA, has general charge and supervision of the business of the PDA, and shall see that all orders, actions, and resolutions of the Managing Members are carried out. The CEO will be responsible for the executive management of the PDA, and shall report directly to the Managing Members acting in their governing capacity. The CEO has the authority to establish the reporting structure within the PDA and to take such actions, subject to this Charter, as are in accordance with the Delegation of Authority Master Policy, and shall have such other authority and shall perform such other duties as set forth in this Charter or the Delegation of Authority Master Policy, or, to the extent consistent with this Charter, such other authorities and duties as prescribed by the Managing Members.

i. Article 10.3(b) Dissolution/Termination.

Before any distribution of any PDA-Owned Personal Property to the Managing

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Members or the distribution of any proceeds from the sale of any PDA-Owned Personal Property to the Managing Members pursuant to this Section 10.3, the PDA shall first pay the debts and liabilities of the PDA and the expenses of liquidation and establish any reserve that the Managing Members shall deem reasonably necessary for any anticipated liabilities or obligations of the PDA, including liabilities pursuant to PDA agreements not otherwise transferred in connection with the winding up of the PDA (collectively, "Contingencies").

5. GENERAL PROVISIONS

a. Regardless of the provisions and delegations contained in this Resolution, the CEO shall bring forward to the Managing Members for consultation or approval any action of a sensitive nature as identified by the Managing Members or the CEO.

b. The CEO shall provide financial, economic and environmental analysis for real estate transactions and planned investments to Alliance managed properties.

c. This Delegation of Authority Master Policy shall be reviewed annually by the Managing Members.

d. The Managing Members reserve to themselves the initiation or termination of any Environmental Program.

6. PLANNING AND BUDGET IMPLEMENTATION

a. Long-Range Business Plans

The Managing Member strategic direction ~~approved Strategic Business Plan~~ shall be the basis for the development of all Alliance programs, Projects, initiatives, the Capital Investment Plan, and Annual Operating Budgets, and further is used to prioritize Alliance spending, and which shall be coordinated with the Homeports' Capital Investments Plans and debt service capabilities. ~~The Managing Member approved Strategic Business Plan shall be reviewed not less than annually by the Managing Members to include prioritization of Alliance programs, Projects, initiatives, and capital spending.~~

b. Administering Normal Alliance (Day-to-Day) Operations

In administering day-to-day Alliance operations, the CEO may reallocate amounts within and otherwise incur variances from the annually approved Operating Budget so long as such reallocations are consistent with the Managing Members' established policies, ~~financial limits~~ and delegated authorities.

c. Funding of Projects

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When seeking the Managing Members' authorization for any Project, the CEO shall clearly indicate whether such Project was within the Capital Investment Plans and ~~or the Managing Member-approved Strategic Business Plan and~~, if not, how it is to be funded.

7. POLICIES GOVERNING REAL PROPERTY

The CEO is authorized to take all necessary actions in connection with agreements or transactions for use of all real property owned by the Ports and licensed or leased to the Alliance as designated herein. The Managing Members' delegation of authority to the CEO extends to the following types of transactions and agreements including rental agreements, leases, operating agreements, easements, franchises, permits, rights of entry and other user agreements as provided herein. Except where otherwise provided in this Delegation of Authority Master Policy, all real property transactions will be subject to an appropriate written agreement authorized by the Managing Members and executed by the CEO.

a. General Provisions for Real Property and Operating Agreements

Lease agreements with a term longer than one year require Managing Member authorization and will be subject to a first and second reading in public session. The Managing Members reserve the right to waive first reading, by a vote in public session.

The CEO is delegated the authority to:

i. Enter into amendments to Operating agreements, including Vessel Service agreements, with a value up to and not exceeding $350,000 cumulatively; the Managing Members having reserved to themselves the authority to approve any initial Operating Agreement and Vessel Service Agreements,

ii. Accept a bond, secure CD or other rental security for real property agreements in compliance with RCW 53.08.085 and Alliance policy. Other acceptable rental security may be cash or cash equivalent such as Letter of Credit, Lease Bond, or other prior approved rental security instruments in a form approved by the Alliance Legal Counsel and the Chief Financial Officer; provided however, no security is required for real property agreements entered into with certain governmental entities as provided in RCW 53.08.140.

iii. Sign, on behalf of the Managing Members, all harbor area and waterway leases between the Alliance and other public entities that have been authorized by the Managing Members.

iv. Take all necessary actions as authorized or required by leases on behalf of the Alliance and its officers in connection with lease surety bonds, lease

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surety, rental insurance, or other insurance coverage required pursuant to any leases of the Alliance.

b. Rental/Leasing Agreements

i. Container, Industrial, Cargo and Container Support Properties

The CEO is authorized to enter into real property rental/lease agreements with a term of month-to-month or with a term of one year or less when the associated expenditures of the Alliance for improvements that the rental/lease agreement expressly requires the Alliance to make to the Premises at the beginning of the rental/lease agreement do not exceed $350,000. The intended use of rental/lease property must be expressly stated in writing. Lease Security Requirements:

Lease Term	**Security Required**
~~Month-to-Month up to One Year~~	~~3 Months plus LET~~
~~Term Agreements up to one year~~	~~3 Months plus LET~~
~~Over One Year to Three Years~~ Up to Three Years (including month-to-month)	3 Months plus LET
Three to Five Years	6 Months plus LET
Greater than Five Years	9 Months plus LET*

*Container Terminal agreements shall require a minimum security deposit of twelve months rental (plus leasehold tax amounts).

ii. Adjustments or modifications which decrease the minimum required security deposit will require Managing Members authorization.

iii. The ~~Security Deposit~~lease security shall be ~~posted~~ in place in advance of the occupancy, and to be held by the Alliance as a rental security for the full duration of term/occupancy and to ensure compliance with the terms of the lease agreement.

iv. All term agreements over one year shall require Managing Member authorization and are subject to the minimum security deposit requirements and/or exemptions as described above.

Where the Managing Members have approved a real property rental/leasing agreement, which contains one or more options to extend the lease term, the CEO is authorized to exercise that option when the associated expenditure of the Alliance does not exceed $350,000 cumulatively.

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v. All rental/lease rates shall be based upon market rates established for the specific use under consideration and the condition of such facility consistent with the strategic business plan.

vi. Public notice of available properties will be provided and upon any Commissioner's request, a summary of new leases, properties available, including how available properties are being marketed and those properties that have an expression of interest will be made available to all Commissioners.

vii. Payment of Real Estate Commissions.

1. The CEO is authorized to retain licensed real estate brokers for the purpose of marketing for lease of Alliance controlled properties.

2. Commissions may be paid to licensed real estate brokers that actually initiate bona fide leases for the Alliance upon satisfactory proof being submitted to the Alliance that the broker actually initiated and completed the lease transaction for which they claim commission. In addition, thereto, the broker shall file with the Alliance within ten days from broker's appointment as their client's agent for the purpose of aiding in the leasing of the real property a statement under oath that the broker actually initiated the bona fide transaction together with the name of the broker's client and the date of their first contact with said client. Unless this provision is strictly complied with, the Alliance will not pay a claimed commission.

3. For properties, the Alliance "exclusively lists" with brokers to lease, a commission based on market rates that consider transactions of similar size, but no more than five percent (5%) shall be paid of the net rental to the Alliance for up to five (5) years of the approved lease agreement. For approved leases initiated and completed by licensed brokers in compliance with this Master Delegation Policy a maximum of up to three percent (3%) commission shall be paid for properties not exclusively listed for lease with a broker. Net rent shall mean rent net to the Alliance with Lessee paying taxes, utilities, maintenance and insurance. Costs for Alliance paid tenant improvements, utilities, and other services specific to the lease will be subtracted from the net rent amount for calculations of commissions paid.

4. Commissions shall not be paid on leases involving existing tenants for new leases, expansions, new space rentals, renewals or options exercised or repayment to the Alliance for tenant improvements made by the Alliance on behalf of the Tenant, payments made to the Alliance from security deposits, or any escalation of the net rent.

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5. Commissions shall be earned as the net rents are collected by the Alliance. A summary of all Real Estate commissions will be reported semi-annually.

c. Alliance Grants of Covenants and Easements

i. Easements, Licenses, Access Permits or Other Rights of Entry

The CEO is authorized to enter into agreements for easements and covenants up to two years in duration where the impairment does not substantially interfere with the Alliance's intended use or reasonably future intended use. "Substantially interfere" shall mean when Fair Market value is not reduced more than an estimated $350,000 in any one year. The form of any easement and or covenant shall be approved by Alliance or Homeport legal counsel.

ii. Easements – Port Owned Property

Easements and covenant agreements beyond two years shall require respective Homeport Commission authorization. Routine utility easements required to provide service to Port-owned real property shall not require Managing Members or respective Homeport Commission approvals.

d. Easements for the Alliance Use of the Property of Others

i. The CEO is authorized to enter into easements for the Alliance use of the real property owned by others for agreements up to one year and the Alliance paid cost for the use is up to $350,000 annually.

ii. Real property easements, excluding utility easements, for Alliance use that are greater than one year require the authorization of the Managing Members.

e. Agreements (Other than Easements) for the Alliance Use of Real Property Owned by Others

The CEO is authorized to enter into agreements for the use of real property owned by others if the term of the use is one year or less and the Alliance paid cost for the use is up to $350,000 annually. This authority includes that the CEO may enter into access agreements with a Homeport to allow for Alliance or Alliance customer(s)' use of Homeport property, provided that: the access agreement is for one year or less; the Alliance paid cost for the use is up to $350,000 annually; the access agreement may be terminated by either party on thirty (30) days' notice; and the Managing Members are provided notice of the terms of any such access agreement. Any subsequent agreement for Alliance use of Homeport property beyond one year shall be brought to the Managing Members for approval.

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8. POLICIES GOVERNING AUTHORIZATION FOR PROJECTS, CONTRACTING, PROCUREMENT, EMERGENCIES AND SERVICES TO MILITARY

a. The CEO is authorized to control and direct all necessary activities that require contracting and procurement of goods and services associated with carrying out Normal Alliance Operations. Contracting and Procurement activities for the Alliance will be in compliance with applicable laws and regulations, and the CEO is authorized to establish the Alliance's contracting and procurement requirements, which may be different from the Homeports' requirements. The Alliance shall endeavor to use a variety of firms, including small business firms, based on the nature of the work and the expertise of the firm.

b. Interlocal Agreements

i. The Managing Members' authorization is required for Interlocal Agreements with other public agencies. Interlocal Agreements shall comply with the requirements of RCW 39.34.

ii. The CEO is authorized to enter into non-binding agreements with other governmental agencies and non-governmental entities in situations where the agreement does not create any financial obligation for the Alliance, any binding contractual obligation, or impair any Alliance or Port-owned assets, and has been reviewed by Alliance Legal Counsel.

c. Projects

i. Actions authorized by the Managing Members or delegated to the CEO by this Delegation of Authority Master Policy may be executed either directly by Alliance staff, by contract, or by agreement with either Homeport via Support Service Agreements with the Homeports.

ii. The CEO may authorize Projects where the estimated Project cost, inclusive of all costs related to the work, does not exceed $350,000 or the amount specified in RCW 39.04.152 for Projects meeting the statutory requirements in RCW 39.04.152. ~~$350,000~~.

iii. Managing Members' authorization is required for Projects where the total estimated Project cost exceeds $ 350,000 or when actual costs of a previously approved Project exceed $350,000, including Projects previously authorized by the CEO.

1. The CEO may authorize spending up to $350,000 for Project work where the total estimated Project costs may exceed $350,000

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2. Any projects, including those under the $350,000 limit, shall be subjected to further review by the Audit Committee upon any individual Commissioner's request, and the Audit Committee may recommend to the Managing Members that any project be audited. The form and scope of the audit shall be included in any audit recommendation by the Audit Committee to the Managing Members.

3. Presentations to the Alliance which request Managing Members' authorizations will disclose Project spending previously authorized by the CEO and spending previously authorized by the Managing Members or Homeport Commissions.

4. Depending on the overall estimated Project costs and complexity the CEO may request authorization at key stages in the Project (i.e., design, execution of work, remediation, etc.).

5. Projects shall not be broken into units or accomplished in phases to avoid Managing Members' authorization.

6. Where personal, professional, or purchased goods and services are part of a Project, authorization of expenditures will be managed as part of the Project authorization and additional authorization is not required.

7. Public works contracts not part of a Project and not a part of Normal Alliance Operating Expenses are subject to the same authorization process as Projects.

8. For Small Works projects, less than $350,000 in value (excluding state sales tax), the Alliance may use the Municipal Research and Services Center (MRSC) Contractor Roster as authorized by RCW 39.04.151 and Resolution No. 2026-03.

9. For public works projects less than $40,000 (including the cost of materials, supplies, and equipment), the Alliance may use the direct contracting procedure as authorized by RCW 53.08.120.

10. Whether or not to use a project labor agreement (PLA) shall be determined by the Homeport in the harbor in which the project is being performed

iv. Authorization for Alternative Public Works Contracting Procedures. Managing Member authorization is required to perform public work under procedures alternative to design-bid-build, as defined in RCW 39.10, for design-build and general contractor/construction manager. For such contracts, staff will propose for Managing Members' approval a sequence of authorization steps.

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v. Unit Priced contracts for Public Works and job order contracts (authorized in RCW 53.08.120 and RCW 39.10) may be approved by the CEO and all work falling under the Unit priced or job order contract is to be authorized per the applicable Delegation of Authority Master Policy as a Project subject to the limits set-forth herein.

vi. Project Changes. Projects that have been authorized by the Managing Members with an estimated cost that exceeds $350,000 and have a change in the scope, schedule or cost require the following actions:

1. Managing Members' authorization will be required if a material scope change occurs in the Project.

2. The Managing Members will be notified if a Project schedule delay has an anticipated financial impact on a customer or other affected stakeholders.

3. Project Cost Changes. Managing Members will be notified before or at the next available public meeting as soon as it is determined that the Project cannot be completed for the previously authorized amount unless the cost change is solely the result of new or increased taxes. When the value of the work has been determined or calculated Managing Members' authorization will be requested for amounts that exceed the currently authorized amount, and Project costs incurred will be limited to the minimum amount necessary to allow the Project to proceed until Managing Members' authorization is obtained for the additional amounts. If the only Project cost change is solely resulting from new or increased taxes, additional authorization is not needed.

vii. Ongoing Environmental Activities and Environmental Programs where the estimated costs have been budgeted as Normal Operating Expense through the budgeting process do not require an independent Project authorization.

viii. The CEO may resolve all claims arising from public works contracts through the mediation phase up to a value of $350,000. Managing Members will be notified of potential settlements which may exceed the authorized project amount and additional authorization will be requested in accordance with the requirements for Project changes contained in this delegation of authority.

d. State and Federal Environmental Remediation Agreements

Environmental Remediation Liability Projects

1. For environmental projects, the CEO may authorize spending only to the same limits as outlined above in the Public Works Project section of this Delegation of Authority Master Policy.

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2. For environmental projects with a total estimated cost that exceeds $350,000, staff will seek project-specific Managing Member authorization as soon as the cost for an environmental Project is anticipated to exceed $350,000.

   a. An estimate or range of estimated costs for the overall future environmental remediation associated with the agreement and future anticipated agreements will be reviewed at the time of the request for authorization.

e. Project and Contract Reporting

i. The CEO shall report semi-annually to the Managing Members for all Projects authorized by the Managing Members by written report. The report shall include project schedule, current estimate, authorized amount, cost to date, summary of any changes to scope, contractual disputes, claims, and underpayments and any other significant developments with respect to the Project. Selected environmental Projects that have moved into long-term (5 years plus) monitoring (or maintenance) programs shall be exempt from Project reporting.

ii. The CEO shall report quarterly to the Managing Members all project and contract authorizations equal to or greater than $150,000 authorized through the delegated authority provided in this resolution up to $350,000. The report shall include the type of authorization, a brief description of the authorization, and the amount of the authorization. All new Professional and Personal Services contracts as well as Settlement of Claims, including litigation, regardless of the amount, will be reported quarterly.

iii. At the Managing Members' direction, the CEO shall report on any Project of a sensitive or critical nature.

f. Professional Services Contracts

i. The CEO is authorized to execute Professional Services Contracts associated with Normal Alliance Operations up to $350,000, exclusive of federal, state, or local sales taxes, cumulatively.

ii. On-call contracts for professional services may be authorized by the CEO and all work falling under the on-call contract is to be authorized per the applicable Delegation of Authority Master Policy as a Project or contract subject to the limits set-forth.

iii. For Professional Services contracts, up to $200,000 in value, the Alliance may use the MRSC Consultant Roster as authorized by RCW 39.80 and Resolution No. 2026-03.

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g. Personal Services Contracts

i. The CEO is authorized to approve personal services contracts in the conduct of Normal Alliance Operations when the following conditions exist:

1. The cost of the proposed personal service contract shall not exceed the amount of $350,000 cumulatively with amendments.

2. The specific contract or class of contract has been formally waived by resolution of the Managing Members from competitive solicitation process; or is exempt by RCW 53.19.020 or unrestricted by RCW 53.19.070.

ii. On-call contracts for personal services may be approved by the CEO and all work falling under the on-call contract is to be authorized pursuant to the applicable Master Policy provision as a Project or contract subject to the limits set forth herein.

iii. For personal services contracts up to $200,000 in value, the Alliance may use the MRSC Consultant Roster as authorized by RCW 53.19 and Resolution No. 2026-03.

iv. When any amendment to a Personal Services Contracts, which was approved by the CEO pursuant to Section (g)(i) herein above, individually or cumulatively will exceed 50% of the authorized amount, and that amended cumulative amount remains less than $350,000~~.00~~, then the amendment must be filed with the Managing Members and made available for public inspection on the Alliance's website seven days prior to the proposed starting date of services under the amendments. Substantial changes in contract scope or substantial additions to the scope specified in the formal solicitation documents shall be authorized by the Managing Members unless authorization has been provided for otherwise pursuant to this Delegation of Authority Master Policy.

v. Any amendment to a Personal Services Contract must be both filed with and authorized by the Managing Members via vote in public session and be made available for public inspection on the Alliance's website seven days prior to the proposed starting date of services under the amendment if the Personal Services Contract:

1. was approved by the CEO pursuant to Section (g)(i) herein above, and the amendment(s) individually or cumulatively will exceed 50% of the authorized amount and that amended cumulative amount exceeds $350,000, or

2. was previously authorized by the Managing Members because the contract's initial amount exceeded the delegated authority to the CEO.

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vi. All personal service contracts will be entered into pursuant to competitive solicitation as required by law, except for the following, provided however this procurement modification does not change the requirements for any applicable Managing Member or CEO approvals based on costs amounts as provided herein:

1. Emergency contracts in compliance with section 8.j.~~i.~~below.

2. Sole source contracts; provided however, that sole source service contracts, regardless of the amount, shall be filed with the Managing Members for three days and made available to the public prior to starting the work per RCW 53.19.040.

3. Contracts for Cybersecurity Services, for which competitive solicitation has been waived pursuant to RCW 53.19.020(5) (See Resolution 2026-08)

~~2.~~4. Contracts for Banking Services, for which competitive solicitation has been waived pursuant to RCW 53.19.020(5) (See Resolution 2026-08).

~~3.~~5. Any other specific contract or classes as exempted by RCW 53.19.070 as it now exists or may be in the future amended, and which currently exempts the following:

a. Contracts specifying a fee up to fifty thousand dollars;

b. Contracts awarded to companies that furnish a service where the tariff is established by the utilities and transportation commission or other public entity;

c. Intergovernmental agreements awarded to any governmental entity, whether federal, state, or local and any department, division, or subdivision thereof;

d. Contracts awarded for services to be performed for a standard fee, when the standard fee is established by the contracting agency or any other governmental entity and a like contract is available to all qualified applicants;

e. Contracts for services that are necessary to the conduct of collaborative research if prior approval is granted by the funding source;

f. Contracts for professional services which are entered into under chapter 39.80 RCW; and

g. Contracts for the employment of expert witnesses for the purposes of litigation or legal services to supplement the expertise of Alliance

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staff.

h. The CEO is authorized to approve competition waivers consistent with applicable federal and state laws and internal Port policies in accordance with RCW 39.04.280.

i. Notification of all such waivers shall be provided to the Managing Members prior to the proposed starting date of the contract or purchase and will include a written justification of the reason for the waiver.

~~4.~~6. Other specific contracts or classes or groups of contracts exempted from the competitive solicitation process by the Managing Members when the Managing Members have determined that a competitive solicitation process is not appropriate or cost effective per RCW 53.19.020.

h. Purchased Goods and Services

i. The CEO is authorized to purchase goods and services associated with Normal Alliance Operations and for work not associated with Normal Alliance Operations up to $350,000 cumulatively.

ii. The CEO may authorize sole source contracts; provided however, that sole source contracts, regardless of the amount, shall be filed with the Managing Members for three days and made available to the public prior to starting the work.

i. Contracting Authority for Entering Agreements with Utilities, Annual Fees, Ongoing Environmental Activities, Environmental Programs, Banking, and Licenses and Payroll Agent(s)

i. The CEO is authorized to enter into contracts with utility providers in order to establish connections, conduct repair or maintenance and to purchase and pay utility services that are Normal Operating Expenses or are part of an authorized Project.

ii. The CEO is authorized to enter into contracts with providers for annual software fees, Ongoing Environmental Activities, Environmental Programs, banking, and licenses as needed.

iii. The CEO is authorized to enter into contract with and pay invoices to payroll agents, including, but not limited to, Pacific Maritime Association.

j. Authorization for Emergency Work

The CEO is authorized to make a finding of the existence of an emergency, to authorize spending of Managing Member resources and funds, to waive

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competitive bidding requirements and to execute any contracts necessary to respond to the emergency in accordance with RCWs 39.04.020, 39.04.280 and 53.19.030, and subject to the following.

1. The Managing Members shall be notified within 24 hours of the declaration of the emergency.

2. If a public works or purchased goods or services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Managing Members and made public on the Alliance's website no later than two weeks following the award of the contract.

3. If a personal services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Managing Members and made public on the Alliance's website within seven working days following commencement of the work or execution of the contract, whichever occurs first. Documented justification for emergency contracts shall be provided to the Managing Members when the contract is filed.

k. Authorization for Procurement of Third-Party Services to United States Military

The CEO is authorized to procure, contract for, and facilitate the provision of services to be performed by third-party contractors for United States military cargos, and may do so without financial limitation, provided that: 1) the military specifically requests such services in writing and in advance of the purchase; 2) the Alliance invoices the military for actual costs, plus fifteen percent handling charge and state sales tax; and 3) any such purchases exceeding $350,000 be reported to the Managing Members.

9. POLICIES GOVERNING FINANCIAL ACTIVITIES

The CEO is authorized to oversee the financial matters for the Alliance in accordance with applicable laws and subject to Managing Members' delegations in this section.

a. Management of Alliance Funds

i. The CEO may designate one or more Deputy Treasurer(s) per RCW 53.36.010 without Managing Members' action. The Treasurer is accountable for all financial transactions executed by Deputy Treasurer(s).In the absence of a designated Treasurer, a Deputy Treasurer may assume the roles and

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responsibilities of the Treasurer until a new Treasurer is designed by the Managing Members.

ii. The Alliance Treasurer and Deputy Treasurer(s) are authorized to oversee the investment of Alliance funds in accordance with applicable law relating to the type of investments authorized per RCW 39.59, RCW 43.84.080, and referenced RCW's within, including sale of such investments and necessary inter-fund transfers.

iii. The Alliance Treasurer is authorized to oversee the management of the Alliance's cash reserves. A minimum cash reserve was established at the inception of the Alliance. The Alliance treasurer, in partnership with the Homeport Chief Financial Officers, will review the minimum cash annually and recommend changes as appropriate. The cash reserve will be managed to target three to six months of operating expenses, but will not fall below three months. Minimum cash reserve will be maintained except for temporary reductions for liquidity purposes associated with pending reimbursements to the Homeports per section 3.7 and 3.12 of the Charter. The temporary reduction will not exceed 60 days.

b. Alliance Expenditures for Travel, Hosting, and Memberships

i. Travel Expenditures for Employees and Other Authorized Representatives of the Alliance.

1. Pursuant to RCW 53.08.176, the CEO is authorized to establish Alliance policies and procedures to regulate and audit travel expense and reimbursement.

2. The CEO may authorize travel and other reimbursable expenses, excluding Managing Members, incurred on behalf of the Alliance.

3. The Alliance's Auditor will be responsible for ensuring the full compliance with applicable statutes, regulations and Alliance policies and procedures governing expense reimbursements by employees, Managing Member commissioners and representatives of the Alliance.

ii. Expenditures for Trade Promotion and Promotional Hosting

1. The CEO will report proposed expenditures covering trade promotion and promotional hosting as provided in RCW 53.36.120 to Managing Members as part of the annual budget adoption. Expenditures proposed for promotional hosting shall be limited as provided in RCW 53.36.130.

2. Alliance staff and representatives holding positions responsible for trade promotion are authorized to make expenditures for promotional hosting of

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all appropriate Alliance activities subject to all of the provisions of the Promotional Hosting policy. Managing Member hosting, for Alliance related trade promotions, requires prior authorization by the Managing Members.

3. The CEO may authorize memberships in port authority, economic development, regional trade, tourism, industrial associations, facility, trade promotions organizations, and professional organizations up to $10,000 per organization or individual membership per 12-month period (Year). Managing Members' authorization is required for membership greater than $10,000 per Year. Memberships greater than $10,000 per Year shall be included in Normal Operating Expense as part of the annual budget process. A list of all memberships over $10,000 per year of the Alliance will be presented during the budget process and reported semi-annually to the Managing Members.

c. Managing ~~Delinquent and~~ Uncollectiable Accounts

i. The CEO is authorized to establish policies and procedures for managing ~~delinquent~~ Uncollectiable ~~a~~Accounts consistent with these provisions.

ii. The Alliance ~~aging~~ Aged Receivable ~~account~~ report ~~and or list of delinquent and uncollectable accounts~~ shall be provided to Managing Members at least quarterly.

iii. The CEO ~~is authorized to establish policies and procedures for the~~ may authorize the write off of any ~~uncollectible~~ Uncollectible ~~accounts~~ Account up to the value of $350,000, consistent with the policies and procedures established pursuant to Section 9.c.i.. The CEO must provide a quarterly written report to the Managing Member of any write off above $50,000 and obtain Managing Member approval of any write off above $350,000.~~consistent with these provisions~~

~~iv. Prior to writing off any account receivable the CEO shall be satisfied that reasonable effort has been made by the Alliance to accomplish the collection of the account.~~

~~v. If appropriate, the CEO shall authorize the Alliance's attorney to bring action in courts of law or, if more appropriate in the case of small amounts, to assign the same to collection agencies for the purpose of attempting to finally collect such accounts.~~

~~vi. If after attempting collection procedures the account is still uncollectible after 180 days or more, the CEO is delegated the authority to write off such account, provided however, Managing Member approval is required if the amount of any one account to be written off exceeds $50,000.~~

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d. Acceptance of Grant Funding

i. The CEO is authorized to apply for grant funds for the Alliance.

ii. The CEO will provide notification to the Managing Members prior to submitting the application for any grants that may obligate the Alliance to a cash match greater than $350,000, or if expected associated expenses exceed $350,000.

iii. The CEO is authorized to accept grants where the grant award obligates the Alliance to provide a cash match of no more than $350,000.

iv. In cases where the grant award obligates or has the potential to obligate the Alliance to provide a cash match greater than $350,000, Managing Members' authorization is required prior to grant acceptance.

v. The CEO is authorized to accept and manage any grant funding that is secured for projects that have previously been authorized by the Managing Members.

e. Insurance Programs

The CEO shall be authorized to work with the Alliance's designated insurance broker(s) to negotiate and obtain appropriate policies of insurance to manage the Alliance's property and casualty risks, provide employee benefits, and other coverage appropriately included within a comprehensive insurance program. The CEO is further authorized to execute all contracts necessary to implement the Alliance's comprehensive insurance program, the costs of which shall be approved by the Managing Members as a Normal Operating Expense through the annual budget process.

f. Sale of Personal Property

The CEO is authorized, pursuant to the RCW 53.08.090, to sell and convey post Alliance formation surplus personal property of the Alliance subject to the following conditions:

1. When the net book value of such personal property does not exceed the value limit described in RCW 53.08.090, the CEO will itemize the property to be sold and will certify that such property is no longer needed for Alliance purposes.

2. Managing Members approval is required when the net book value of such personal property exceeds the value limit described in RCW 53.08.090. The CEO will itemize the property to be sold and will certify that such property is no longer needed for Alliance purposes and seek Managing Members' authorization.

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3. Personal property will be disposed of in accordance with RCW 53.08.090.

4. No large block or lot of personal property having a net book value in excess of the value limit described at RCW 53.08.090(2)(a). ~~twenty-two thousand dollars ($22,000.00)~~, will be broken into components of lesser value. These items can be disposed of separately after Managing Members' authorization is obtained.

5. The sale of surplus personal property to Alliance or Homeport officials or employees will be restricted to public auctions, or consignment for bid, where the process is managed by a third-party vendor and all interested parties have equal opportunity in the bidding process.

g. Payment of Statutory Expenditures

The CEO may authorize statutory expenditures incurred during normal business operations. Types of expenditures include, but are not limited to, excise, payroll and leasehold taxes, federal, state, or local sales taxes, and State Auditor's audit(s).

h. Establishment of Administrative Fees

The CEO may establish, amend, administer, and enforce administrative fees provided for by law, including but not limited to such fees allowable under RCW 42.56.120, provided that any such fee does not exceed the actual expense incurred by the Alliance.

10. LEGAL SERVICES, CLAIMS AND OTHER REPRESENTATION

a. Litigation Policy and Procedures

i. The CEO, together with Alliance General Counsel as appropriate, shall be responsible for the Alliance policies and procedures necessary to oversee all legal services and litigation, in which the Alliance has an interest, direct or indirect, provided however, the CEO shall first obtain Managing Member approval prior to the Alliance initiating litigation as a party plaintiff if the litigation is for any purpose other than unlawful commercial detainer against Alliance tenants in breach of Alliance lease agreements. For purposes of this section, "litigation" shall mean the assertion of any position, right or responsibility by or against the Alliance which may reasonably lead to or has been filed in any court of general jurisdiction, be it state or federal, or any quasi-judicial or administrative forum.

ii. Consistent with Section 8(g)(i)(1) herein, the Managing Members reserve to themselves the authority to approve Personal Services Contracts for Legal

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Services where the contract amount exceeds $350,000, initially or as a result of any amendment. Any such request for Legal Services should include the concurrence of the Alliance General Counsel, who shall confirm to the Managing Members the basis for the request and provide such other information requested by the Managing Members, which consultation may be provided in Executive Session if consistent with state law, RCW 42.30.110(1)(i), provided however any Managing Member approval of that Contract shall take place by vote at a meeting open to the public.

b. Retaining Independent Counsel/Experts/Investigators

The CEO may engage legal representation for the Alliance and such experts, investigators and/or independent counsel as may be necessary to the orderly preparation of potential and/or actual litigation in which the Alliance has a direct or indirect interest, without limitations otherwise prescribed in section 8 (Personal Services) of this Delegation of Authority Master Policy.

c. Settlement of Claims

i. The CEO is delegated the authority to oversee Alliance policies and procedures for adjusting the final settlement of all claims either against or on behalf of the Alliance consistent with these policies.

ii. Any claim arising from Normal Alliance Operations and not exceeding $~~200~~350,000 paid by the Alliance for a single claim may be adjusted and settled by the CEO, provided however any settlement that imposes upon the Alliance any affirmative duty (non-monetary obligation), injunctive relief, and or which is memorialized by a federal Consent Decree or other regulatory enforceable Order shall require Managing Member approval.

1. Regular Updates. At any stage of litigation where the potential claim by or against the Alliance is greater than $350,000, the Managing Members shall receive regular and substantive updates on the status of any proposed settlement discussion and terms no later than three business days prior to the date of any Managing Member Executive Session briefing.

2. Timing. The Managing Members shall be informed of any proposed final litigation settlement terms no later than seven business days prior to the date Managing Member approval is sought.

3. Form of Request. The request for final litigation settlement approval shall be reduced to writing and include the concurrence of the Alliance General Counsel, who shall confirm to the Managing Members the basis for the request and provide such other information requested by the Managing Members. Consistent with state law, RCW 42.30.110(1)(i), Litigation

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Settlement consultation between the Managing Members and Legal Counsel(s) may be provided in Executive Session; provided however any Managing Member litigation settlement approval shall take place by vote at a meeting open to the public.

iii. The Alliances' attorney(s) shall be consulted prior to settlement of any claim in excess of $50,000 paid by the Alliance.

iv. Claims exceeding $~~20~~35~~0~~0,000 to be paid by the Alliance shall be approved by Managing Members; claims exceeding $50,000 paid by the Alliance shall be reported to the Managing Members.

v. Nothing herein contained shall preclude administrative approval of settlements made by the Alliances' insurers of claims by or against the Alliance, where such settlement is payable by such insurer.

d. Settlement of Litigation

i. The CEO is authorized to oversee any matter which is the subject of litigation, including reaching settlement, without prior Managing Member review under the following conditions:

1. The amount in controversy as stated in the pleadings or as reasonably estimated by Alliance General Counsel does not exceed $35~~20~~0,000, provided however any settlement that imposes upon the Alliance any affirmative duty (non-monetary obligation), injunctive relief, and or which is memorialized by a federal Consent Decree or other regulatory enforceable Order shall require Managing Member approval; and

2. The Alliance's General Counsel concurs with the proposed settlement terms.

ii. Settlement of litigation matters for a sum in excess of $35~~20~~0,000 requires Managing Member authorization.

11. ISSUANCE OF TARIFFS

The CEO is authorized to issue tariff amendments as necessary. Changes to tariffs shall be publicly noticed 30 days prior to implementation. Managing Members and Homeport Executive Directors will be given a memorandum with specific notice of all proposed tariff amendments 30 days prior to the effective date of any proposed tariff amendment(s).

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12. POLICIES AND PROCEDURES

The CEO is authorized to adopt any administrative policies and procedures necessary to implement the delegations contained in this Resolution.

13. ACTIONS PREVIOUSLY APPROVED BY THE COMMISSIONERS AND EXECUTIVES OF THE PORTS OF TACOMA AND SEATTLE

Actions related to property controlled by the Alliance or Alliance business that were previously approved by either Homeport and their respective Executives acting under the authority of the Port of Seattle's Resolution No. 3605, as amended, and the Port of Tacoma's Resolution 2014-05, or earlier versions of these resolutions, are exempt from the provisions of this Resolution and may be completed in accordance with the Resolutions and delegations that were in place when the actions were approved. Future actions on these previously authorized items will be completed in accordance with this resolution.

14. NON-DISCRIMINATION AND EQUAL OPPORTUNITY

It is the basic policy of the Alliance to provide equal opportunity to the users of all Alliance services and facilities and all contracting entities. Specifically, the Alliance will not tolerate discrimination against persons on grounds of age, race, color, national origin/ancestry, ethnicity, religion, genetics, creed, citizenship or immigration status, limited English proficiency, disability, use of protected sick or family medical leave, pregnancy, sex/gender, sexual orientation, whistleblower status, marital status, workers' compensation use, gender expression or identity, political beliefs, military or veteran status, or any other protected status, as guaranteed by local, state and federal laws. The equal opportunity principles described in this policy shall apply to the Alliances' employees, customers, consultants, contractors, and vendors to the extent possible and as required by law. This policy is to be implemented by the CEO as specifically set forth in Alliance policies, equal employment opportunity and small business, women, minority and disadvantaged business participation in Alliance contracts. The CEO shall annually report on the implementation of this policy.

DRAFT

Item No: 10E
Meeting Date: October 30, 2026

First Reading Proposed Resolution 2026-08 Delegation of Authority Master Policy

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Internal Governance Work Group
Presenter: Vivienne Nguyen, Senior Counsel

1

Action Requested

First reading of proposed Resolution 2026-08 amending the Delegation of Authority Master Policy (Master Policy).

2

Overview - Process

- Section 5.c. provides that Delegation of Authority Master Policy ("Master Policy") shall be reviewed annually.
- Master Policy defines the authority delegated to the CEO by the Managing Members
- Comprehensive legal and staff review of current Delegation of Authority Master Policy ("Master Policy")
- IGWG reviewed and met on August 25, 2026 to discuss proposed revisions as part of required annual review.

3

Summary of IGWG Recommended Revisions

- Recommending exemptions from competitive solicitation for certain types of personal service procurements: cybersecurity services and banking services
- Clarifying emergency management as part of Normal Alliance Operations
- Addressing management of uncollectible accounts
- Consistency around the $350,000 authority limit to the CEO
- Recommending various administrative revisions (e.g. updating certain terminology and references or removing terminology and references to align with current practices and current use)

(Additions shown underlined, deletions shown in strikethrough)

4

Proposed New Contracting and Procurement Language: Exemption from Competitive Solicitations – Cybersecurity Services

8.g.vi.3. Cybersecurity Services Exemption

vi. All personal service contracts will be entered into pursuant to competitive solicitation as required by law, except for the following, provided however this procurement modification does not change the requirements for any applicable Managing Member or CEO approvals based on costs amounts as provided herein:

3. Contracts for Cybersecurity Services, for which competitive solicitation has been waived pursuant to RCW 53.19.020(5) (See Resolution 2026-08)

- ***Reasoning: Port of Tacoma has made this change in their Master Policy, and PoT provides both Procurement and cybersecurity services to NWSA.***
- ***Competitive solicitation can require releasing information that increases cybersecurity risk and compromise existing digital infrastructure and/or existing sophisticated security controls.***
- ***New definition also recommended to define what is meant by "Cybersecurity Services." (See next slide)***
- ***RCW 53.19.020 (5) allows for exemption for a specific type of contract or class of contract based on a determination that a competitive solicitation process is not appropriate.***

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Proposed New Contracting and Procurement Language: Exemption from Competitive Solicitations – Cybersecurity Services

1.g. Cybersecurity Services

Personal services including assessments, monitoring, incident response, and advisory services that are primarily intended to protect, assess, detect, prevent, respond to, or recover from unauthorized access to, disruption of, or misuse of the Alliance's information technology systems, operational technology systems, networks, data, or digital infrastructure, including services that necessarily require access to or disclosure of sensitive system architecture, security controls, vulnerabilities, threat intelligence, or incident response plans. Cybersecurity and related services do not include routine information technology support, software licensing unrelated to security functions, or general consulting services that do not involve sensitive security information or the purchase of commercially available software or hardware that is generally available to the public and does not require customization or disclosure of sensitive security information. However, cybersecurity and related services include the customization, configuration, integration, installation, implementation, testing, or deployment of cybersecurity software or hardware, including generally available products, when such services require access to or disclosure of sensitive system architecture, security controls, vulnerabilities, or incident response information.

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Proposed New Procurement Language: Exemption from Competitive Solicitations – Banking Services

8.g.vi.4. Banking Services Exemption

vi. All personal service contracts will be entered into pursuant to competitive solicitation as required by law, except for the following, provided however this procurement modification does not change the requirements for any applicable Managing Member or CEO approvals based on costs amounts as provided herein:

4. Contracts for Banking Services, for which competitive solicitation has been waived pursuant to RCW 53.19.020(5) (See Resolution 2026-08).

- ***Reasoning: Competitive solicitation is not cost-effective or efficient because it require sharing sensitive financial information and financial processes with multiple banks.***
- ***Having the same bank institution provide all banking services allows for consistency, ensures security of payment information, reduces administrative burden connected to safeguarding or tracking sensitive information, reduces transition risk with migrating financial systems, and supports operational continuity with financial transactions that need to occur routinely and timely such as payroll processing.***

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Proposed New Language: Emergency Management within scope of Normal Alliance Operations

1.r. Normal Alliance Operations

Administration of day-to-day Alliance operations and the regular day-to-day business transactions involving personnel, materials, facilities, money and other assets. Normal Alliance Operations also include emergency functions and management necessary for the Alliance to prepare for, respond to, and recover from emergencies and disasters, whether natural, technological, or human caused.

3.b.iv.3 Roles and Responsibilities of CEO

Administration of day-to-day Normal Alliance Operations which may include personnel administration, staffing levels, individual compensation, task and project assignments, hiring, firing, discipline, and training, and emergency management;

- ***Reasoning:*** **Responsiveness and speed matter during emergencies. Pre-delegated authority would allow the CEO to timely respond to, recover from, and protect life, property and critical infrastructure during emergencies promptly.**
- **This would still be subject to the RCW and Master Policy requirements relating to emergency declarations to exempt from competitive procurement.**
- **Emergency functions and management where costs exceed CEO authority would still require Managing Member approval once emergency is over.**

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Proposed Revised Language: Management of Uncollectible Accounts

9.c. Managing ~~Delinquent and~~ Uncollectible Accounts

i. The CEO is authorized to establish policies and procedures for managing ~~delinquent~~ Uncollectiable a~~A~~ccounts consistent with these provisions.

ii. The Alliance ~~aging~~ ~~Aged~~ Receivable ~~account~~ report ~~and or list of delinquent and uncollectable accounts~~ shall be provided to Managing Members at least quarterly.

iii. The CEO ~~or delegate through the policies and procedures is authorized to establish policies and procedures for the~~ may authorize the write off ~~or forgiveness~~ of any ~~uncollectible~~ Uncollectible ~~accounts~~ Account up to the value of $350,000, consistent with the policies and procedures established pursuant to Section 9.c.i.. The CEO must provide a quarterly written report to the Managing Member of any write off ~~or forgiveness~~ above $50,000 and ~~Account must inform the Managing members of any write off above $50,000~~ and obtain Managing Member approval of any write off above $350,000.~~consistent with these provisions. The CEO is authorized to negotiate payment plans to encourage recovery of the initial invoiced amount and interest if possible.~~

~~iv. Prior to writing off any account receivable~~Uncollectable Account ~~the CEO shall be satisfied that every reasonable efforts has been made, including a payment plan(?) by the Alliance to accomplish the collection of the account.~~

~~v. If appropriate, the CEO shall authorize the Alliance's attorney to bring action in courts of law or, if more appropriate in the case of small amounts, to assign the same to collection agencies for the purpose of attempting to finally collect such accounts.~~

- ***The proposed revisions define what constitutes an Uncollectible Account, removes discussion of the step-by-step collections procedures out of this Master Policy document, clarifies the reporting expectations for write off or forgiveness depending on dollar-value, and allows this policy to remain focused on the dollar-value threshold authority level delegated to the CEO.***

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Proposed New Definition: Uncollectible Accounts

1.z. Uncollectible Account

An unpaid revenue or a claim ~~that has been invoiced by~~ owed to the Alliance and where reasonable efforts to collect have been unsuccessful after exhaustion and/or completion of collections procedures consistent with the collections policies and procedures.

- ***Proposed addition needed to define what constitutes an uncollectible account and is consistent with Generally Acceptable Accounting Principles (GAAP) and removes previous ambiguity where an uncollectible account was based on number of days of efforts to collect.***

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Proposed Revisions: Consistency of the $350,000 Delegation of Authority Threshold

In addition to 9.c. Management of Uncollectible Accounts (see prior slides), also consider increase in CEO authority in following categories:

10.c.ii Settlement of Claims

Any claim arising from Normal Alliance Operations and not exceeding $~~200~~350,000 paid by the Alliance for a single claim may be adjusted and settled by the CEO, provided however any settlement that imposes upon the Alliance any affirmative duty (non-monetary obligation), injunctive relief, and or which is memorialized by a federal Consent Decree or other regulatory enforceable Order shall require Managing Member approval.

10.d.i.1. Settlement of Litigation

1. The amount in controversy as stated in the pleadings or as reasonably estimated by Alliance General Counsel does not exceed $35~~2~~00,000, provided however any settlement that imposes upon the Alliance any affirmative duty (non-monetary obligation), injunctive relief, and or which is memorialized by a federal Consent Decree or other regulatory enforceable Order shall require Managing Member approval; and

10.d.ii. Settlement of Litigation

ii. Settlement of litigation matters for a sum in excess of $35~~2~~00,000 requires Managing Member authorization.

- ***Reasoning: There is no statutory or legal basis for the current set amount of $200,000. The proposed authority increase to $350,00 creates consistency with CEO's authority approval limits across various transactions or operations.***

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Proposed Minor Clarifications/Housekeeping Edits

- **Section 1 Definitions** Removal of definitions that were redundant or unclear such as Service Level Agreement since the agreements between the Alliance and each Homeport is an Interlocal Agreement, which is already defined. Removal of language in the Capital Investment Plan definition that required Alliance to prioritize projects. Removal of Management Services Agreement, which is no longer relevant.
- **2.b. and 6.a.** Removal of references to Strategic Business Plan since the Alliance does not have one and instead clarify throughout the document that the Managing Members provide strategic direction.
- **8.c.ii.** Under RCW 39.04.152, the Washington State Municipal Research and Services Center (MRSC) administers the statewide small works roster process for public works contracts. The threshold for when a small works roster can be used is set by statute and will be increased in phases starting on January 1, 2027. Instead of revising the sections related to small works annually, IGWG proposes reference directly to the statute.
- **9.b.ii.3.** Clarification that the authority for authorizing memberships in port authority, economic development, regional trade, tourism, industrial associations, facility, trade promotions organizations, and professional organizations is based on a 12-month period (Year) and clarifies the timing and method of reporting to the Managing Members memberships over $10,000 per year.
- **9.f.4.** - Clarifying that the sale of surplus property value limit is the limit described in the statute at RCW 53.08.090(2)(a) instead of referencing the dollar-value in the Master Policy.
- **Throughout Master Policy** – Several proposed edits to remove use of “NWSA” or “Gateway” and replace with “Alliance” for consistency.

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Action Requested

First reading of proposed Resolution 2026-08 amending the Delegation of Authority Master Policy (Master Policy).

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