

Effective June 30, 2021, and subject to conditions in Governor Inslee's Proclamation 20-28.15 which extends the substantive provisions contained in Proclamation 20.28.14.

Port Commission Meetings will be conducted remotely until further notice.

A GoToMeeting has been arranged to enable the public to listen and make public comments remotely.

To participate remotely, please use the following call-in information:

1-866-899-4679, Access Code 522-476-965

AGENDA

Port of Kennewick

Regular Commission Business Meeting

Port of Kennewick Commission Chambers (via GoToMeeting)

350 Clover Island Drive, Suite 200, Kennewick, Washington

October 26, 2021

2:00 p.m.

I. CALL TO ORDER

II. ANNOUNCEMENTS AND ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. APPROVAL OF AGENDA

V. PUBLIC COMMENT *(Please state your name and address for the public record)*

VI. CONSENT AGENDA

- A. Approval of Direct Deposit and ePayments Dated October 19, 2021
- B. Approval of Warrant Register Dated October 26, 2021
- C. Approval of Regular Commission Meeting Minutes October 12, 2021

VII. EMERGENCY DELEGATION UPDATE (TIM/AMBER)

VIII. PRESENTATION

- A. Columbia Gardens Playground, Renata Presby (TIM)

IX. REPORTS, COMMENTS AND DISCUSSION ITEMS

- A. Vista Field Development Facilities, 415 N. Roosevelt, Building A (Bruker Lease Termination); Resolution 2021-21 (AMBER)
- B. Vista Field Update (TIM)
- C. Governance Audit Update (BRIDGETTE/TIM)
- D. November 23, 2021 and December 28, 2021 Commission Meetings (BRIDGETTE)
- E. Chief Executive Officer Annual Performance Review (LUCINDA)
- F. Commission Meetings (formal and informal meetings with groups or individuals)
- G. Non-Scheduled Items (LISA/BRIDGETTE/TANA/NICK/AMBER/LUCINDA/TIM/TOM/SKIP/DON)

X. PUBLIC COMMENT *(Please state your name and address for the public record, if not stated previously)*

XI. ADJOURNMENT

PLEASE SILENCE ALL NOISE MAKING DEVICES



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

OCTOBER 12, 2021 MINUTES

Commission Meeting recordings, with agenda items linked to corresponding audio, can be found on the Port's website at: <https://www.portofkennewick.org/commission-meetings-audio/>

Commission President Commissioner Don Barnes called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: Commissioner Don Barnes, President (via telephone)
Skip Novakovich, Vice-President (via telephone)
Thomas Moak, Secretary (via telephone)

Staff Members: Tim Arntzen, Chief Executive Officer (via telephone)
Tana Bader Inglima, Deputy Chief Executive Officer (via telephone)
Amber Hanchette, Director of Real Estate and Operations (via telephone)
Nick Kooiker, Chief Finance Officer (via telephone)
Larry Peterson, Director of Planning and Development (via telephone)
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant (via telephone)
Lucinda Luke, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: Commissioner Novakovich moved to approve the Agenda as presented; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated October 4, 2021***
Direct Deposit and E-Payments totaling \$84,995.46
- B. Approval of Warrant Register Dated October 12, 2021***
Expense Fund Voucher Number 103223 through 103259 for a grand total of \$127,946.87
- C. Approval of Regular Commission Meeting Minutes September 28, 2021***

MOTION: Commissioner Novakovich moved to approve the Consent Agenda as presented; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

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EMERGENCY DELEGATION UPDATE

Mr. Arntzen and Ms. Hanchette stated there is nothing to report.

PRESENTATION

A. *Governance Audit, Jim Darling*

Mr. Arntzen introduced Jim Darling of Leeward Strategies, who is working on creating the scope of work for the project manager and the governance and management audit projects.

Mr. Darling summarized the revisions requested by the Commission to the scope of work for the draft Request for Proposal (RFP) for the project manager and the draft RFP for the scope of work for the governance and management audit. Mr. Darling stated the scope was reviewed by Frank Chmelik, attorney for the Washington Public Ports Association for compliance of state law. Additionally, the tasks were tiered, and an amended fee structure was included. Mr. Darling stated the scope outlines the precipitating event and firms will be directed to the Port's website for more information. Mr. Darling reviewed the schedules for the RFP for the project manager and the governance and management audit and is aware of the overlapping dates for the RFP's. Mr. Darling recommended the Commission direct staff to issue the RFP for the project manager immediately and the RFP for the Governance and Audit the week of October 18, 2021. Mr. Darling believes this will give firms ample time to draft proposals for both RFP's (*Exhibit A*).

Commissioner Moak appreciates the work on the RFP documents and believes it supports the Commission's comments regarding the audit. Additionally, he likes the tiered approach to prioritizing Port documents and variety of cost alternatives. Commissioner Moak supports this audit and would like to see it issued soon.

Commissioner Novakovich stated that he does not understand why we are pushing this so hard and so quickly, considering there will be a new Commissioner in January 2022. Furthermore, he confirmed that the documents were prepared by Mr. Darling and not Port staff.

Mr. Darling stated that he prepared the documents, and staff was very independent of it, but did review them. Mr. Darling reviewed the Port's purchasing policies and stated some of the policies are process oriented. Mr. Darling stated staff reviewed the project manager timeline and made some very good suggestions which he concurred with. Staff has seen the document and Mr. Darling is confident that it meets the Port's requirements.

Commissioner Barnes thinks it is an excellent process laid out by Mr. Darling and would like to see it move forward. Commissioner Barnes reiterated his belief that the description of the precipitating event could have greater detail and be more transparent and he stands by that comment. Commissioner Barnes stated Mr. Darling provided a realistic time frame for the RFP's and the documents have been reviewed by the Commission and staff and inquired of the next steps.

Mr. Darling stated the Commission can authorize staff to move forward and issue the RFP's either by consensus or adoption of a motion and deferred to Ms. Luke.

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PUBLIC COMMENT

No comments were made.

Commissioner Barnes inquired of Ms. Luke if a majority consensus regarding issuance of two RFP's is acceptable or does the Commission need to make a formal motion.

Ms. Luke stated it is sufficient to have Commission consensus to direct Mr. Darling to move forward with the issuance of the two RFP's.

Mr. Darling stated it would be to direct the Port staff to issue the RFP's.

Commissioner Barnes is in favor of authorizing staff to issue the RFP for the project manager and the RFP for the governance and management audit.

Commissioner Moak agrees with Commissioner Barnes comments and regarding Commissioner Novakovich's comment, Commissioner elect Hohenberg will be participating in the entire audit process and this Commission is only approving the contracts. The whole idea of the audit will take place while Commissioner elect Hohenberg is on the Commission. Commissioner Moak believes Commissioner elect Hohenberg will have plenty of opportunities and he thinks Commissioner Barnes had indicated that he would be consulting with Commissioner elect Hohenberg, as they go through. Commissioner Moak thinks this is a good thing to issue and we get the best product we can get.

Commissioner Novakovich reiterated that he believes the Commission is moving too fast and it is not in our Work Plan, nor was it budgeted; however, based on the two previous comments, he will not stand in the way.

It is the Consensus of the Commission for staff to issue the RFP for project manager and RFP for the governance and management audit.

Mr. Darling will coordinate and make himself available to staff.

Mr. Arntzen understands the Commission directive and stated Ms. Scott has some questions regarding the RFP's.

Ms. Scott inquired how the RFP's will be advertised: will an advertisement be placed in the *Tri-City Herald* twice a week for two weeks or will they be emailed to a list of interested individuals.

Mr. Darling has a list of individuals and their contact information who may be interested in responding to the RFPs. Mr. Darling suggested the Port follow the normal process for advertising RFP's and thinks it should be advertised in the Seattle area as well.

Ms. Scott stated if she can meet the deadline for the *Tri-City Herald*, it will run on the following dates: October 17th, 20th, 24th and 27th, which only gives responders 7 days to submit their proposal if they see the ad on October 27th.

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Ms. Scott will place an advertisement in the *Tri-City Herald* and email the RFP's to the list Mr. Darling provides. Ms. Scott stated the RFP for the project manager states, "send their submittals to: to be determined," and inquired who will be receiving the project manager submittals.

Mr. Darling stated the submittals would go to Ms. Scott as the project coordinator.

Mr. Arntzen stated if staff has other administrative issues, are we authorized to address them to the satisfaction of Mr. Darling.

Commissioner Barnes stated that would be a reasonable thing to do and he would trust that Mr. Darling would report back to the Commission if anything changed significantly to the scope of material.

Mr. Darling would advise the Commission of any significant changes.

Commissioner Barnes inquired what Mr. Darling envisions for the precipitating event.

Mr. Darling will work with staff to create a location on the Port website that directs consultants to related information on the history of events and information on the RFP's.

Commissioner Barnes hopes there is a link to those documents provided in the advertisement for the RFP's.

Mr. Arntzen confirmed that the role of staff is to stay out of the substantive process but proceed with routine items and are authorized to work out any minor administrative details to Mr. Darling's satisfaction and issue both RFP's. Additionally, if there are any questions of substance, they will be referred to Mr. Darling, who will then make the decision if it is significant enough to report back to the Commission. Is this correct?

Commission Barnes thinks that is his understanding as well.

Mr. Darling stated that is correct.

B. Financial Update

Mr. Kooiker presented the second quarter budget update.

Commission and staff discussed the second quarter budget update.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field

1. Vista Field Pricing

Ms. Hanchette presented the parcel pricing for Vista Field Phase 1A. Over the last several meetings, Ms. Hanchette presented the Vista Field and Columbia Gardens marketing study by Southeast Washington Appraisal Group, and relayed conversations with local realtors and lenders.

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PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2021-20, authorizing approval of Vista Field parcel pricing, inclusive of the Port's 3% Art Policy; and ratify and approve all actions by Port officers and employees in furtherance hereof; and authorize the Port's CEO to take all action necessary in furtherance hereof; Commissioner Moak seconded.*

Discussion:

Commissioner Novakovich commended Ms. Hanchette on all her work on pricing all the parcels and providing the Commission with a lot of detail. Commissioner Novakovich thanked Ms. Hanchette for her work and stated she has done a great job.

Commissioner Moak appreciates getting this far and that we have information available. When Commissioner Moak looks at Vista Field, he is less concerned about the numbers and more concerned about the quality of buildings and design, which is why he feels it is important to have a great town architect who understands New Urbanism. Commissioner Moak hopes we do not see buildings we can see anywhere, but that the Port sets the standard and delivers on the promise we made many years ago.

Commissioner Barnes concurs with Commissioners Novakovich's and Moak's and he supports Resolution 2021-20.

With no further discussion, motion carried unanimously. All in favor 3:0.

B. Art Policy

Ms. Hanchette outlined the revisions to Resolution 2021-18 Art Policy per the Commission discussion at the September 28th, Commission Meeting.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved to approve , approving the modifications to Resolution 2016-29 Art Policy; and ratify and approve all action by Port officers and employees in furtherance hereof; and authorize the Port's CEO to take all action necessary in furtherance hereof; Commissioner Moak seconded.*

Discussion:

Commissioner Moak stated the Port has had an art policy since 2016 and once we start selling property at Vista Field and Columbia Gardens, we will start to see the fund grow. Commissioner Moak believes it will set our developments ahead of others, because this Commission values art and this will allow developers to enjoy the art because they are participating in the purchase. Commissioner Moak is looking forward to the implementation as we move forward and appreciates the Commission, who has supported this over the past five years.

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Commissioner Barnes supports the revisions to the art policy and believes it is good for the Port to set aside funds to invest in art for the public benefit and enjoyment of our community.

With no further discussion, motion carried unanimously. All in favor 3:0.

C. Mobile Vendor Coordinator

Ms. Hanchette reported that the Port hired consultant, David Phongsa, owner of Ninja Bistro food trailer, to act as a Mobile Vendor Coordinator. Mr. Phongsa operated Ninja Bistro at Columbia Gardens for the past year and half and has been a great ambassador for the development. Mr. Phongsa decided to move in a different direction, and Ms. Hanchette approached him to see if he would be interested in this new role. Mr. Phongsa will be assisting Ms. Hanchette on the operations side and working with the vendors at Columbia Gardens, Clover Island and Vista Field.

Commissioner Moak stated this is an exciting opportunity for the Port and inquired if it will only be for food or include other vendors.

Ms. Hanchette stated it is geared to all mobile vendors, not just food truck operators.

D. 1135 Project Update

Ms. Bader Inglima reported the USACE contractor TDX plans to start mobilizing and being on-site as of October 25, 2021, with upland construction beginning November 1, 2021 to prep for the in-water work window that begins November 15, 2021. Ms. Bader Inglima has prepared a media release to the community regarding the closure of parking areas on Clover Island and The Willows, and sent a formal notice to our island tenants.

E. Oak Street Land Sale – Western Equipment Sales

Ms. Hanchette reported that Wes Meares has a ground lease at 1620 East 7th Avenue; however, he owns building on the property. For several years, Mr. Meares has expressed his interest in purchasing the property from the Port. Ms. Hanchette discussed the numerous encumbrances in selling the property to Mr. Meares including: a right-of-way from the 1970's, rezoning the parcel, a boundary line adjustment, surveys and legal descriptions and a driveway easement. Ms. Hanchette stated when we first discussed selling the property, it was valued at \$1.00 per square foot; however, the appraisal now shows the parcel is \$3.25 square foot. Ms. Hanchette outlined previous sales at Oak Street and specific site improvements made by the purchaser as stipulated by the Purchase Sale Agreements. Once the improvements were made, the Port returned a portion of the purchase price. Ms. Hanchette stated it keeps the development area looking nice and it is an incentive for the buyer.

Commissioner Moak inquired how much the has the Port invested in the property.

Ms. Hanchette will need to research and report her findings at a future meeting.

Commissioner Moak asked Ms. Hanchette to label the map with business names and properties we have left to sell.

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Commissioner Barnes stated for the Port to consider this land sale would be consistent in that area and Commissioner Moak's comment is valid; however, the Port could end those expenditures, sell the property, and redirect the funds to other projects. Commissioner Barnes believes it is mutually beneficial and is receptive to selling this property.

Wes Meares, owner of Western Equipment Sales and Western Food Trucks and Trailers has leased the property since 2003 and shortly thereafter expressed interest in purchasing property. At that time, the Port indicated that they did not sell ground where buildings were constructed. In 2010, Mr. Meares approached the Port again after the Port sold land to Julie Luke. The Port has been working on this property sale since 2010, and he could have purchased it for \$33,000. Mr. Meares believes the appraised price is a little high because the property is industrial heavy, sits on flood plain, and has no natural gas. Mr. Meares would like to make a written offer on the property and anticipates that it will not be \$3.25 per square foot for the various reasons he mentioned and asked the Commission to keep an open mind.

Ms. Hanchette will work with Mr. Meares on a new proposal and bring back to the Commission at a later date.

F. 2022 Legislative Priorities

Ms. Bader Inglima stated each year the Tri-Cities Legislative Council seeks input from the various organizations in developing a list of regional priorities. At their request, Ms. Bader Inglima drafted an update to the document Commissioners approved in 2020, which indicated the Port's highest priorities are Vista Field, the Historic Waterfront District, and our support for continued adjustments to the Community Economic Revitalization Board (CERB) funding, and a note of caution related to changes at the state level involving prevailing wages. Ms. Bader Inglima removed language related to our support for Tax Increment Funding (TIF) and Local Revitalization Funding (LRF) funding and added our support for the state Recreation and Conservation Office (RCO) funding, as those programs offer potential opportunities for improving the waterfront. Ms. Bader Inglima inquired if the Commission would like to add to the document or if the Commission approves of it so that we can submit it before the October 15th deadline.

Commissioner Moak stated the language related to CERB has been in our portfolio for some time and he inquired if there has been any action to revise the way CERB is calculated.

Ms. Bader Inglima stated the Port continues to champion, but the Port is not allowed to utilize CERB funding due to the medium wage rate. Ms. Bader Inglima stated there have been several instances where this was addressed and suggested leaving it in, so that it is not forgotten about.

Commissioner Moak stated if it doesn't have much traction, the Port should look at other ways to support Vista Field. Commissioner Moak is supportive of leaving the letter as is, for this year.

Commissioner Barnes stated he supports continued CERB clarification or change and finds it interesting that the Port of Pasco received a large CERB loan or grant to build a new hangar for Battelle, which is located in Benton County, but the hangar is located in Franklin County.

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Commissioner Novakovich supports the response drafted by Ms. Bader Inglima.

It is Consensus of the Commission to move forward with the Port of Kennewick's 2022 Legislative Priorities drafted by Ms. Bader Inglima.

G. Commissioner Meetings (formal and informal meetings with groups or individuals)

Commissioners reported on their respective committee meetings.

H. Non-Scheduled Items

Mr. Peterson reported that the City of Kennewick installed streetlights on Washington Street that match Columbia Gardens. Mr. Peterson encourages people to visit Kendall Yards in Spokane, which has added more residential units and commercial and mixed-use buildings.

Ms. Luke reminded the Commission of the CEO evaluation schedule and stated the completed forms are due Friday, October 15, 2021. Ms. Luke will review, compile, and circulate the documents for the CEO evaluation at the October 26, 2021 Regular Commission Meeting.

Commissioner Moak stated two meetings ago, he brought up the question related to when the Port was going to finish or get open Crosswind Boulevard. He thought that he was told at that meeting that there would be a report on that at this meeting today, but there isn't. His question is what has transpired since we brought that up a month ago.

Commissioner Barnes invited staff to answer Commissioner Moak's question.

Mr. Arntzen asked Mr. Peterson or Ms. Hanchette to respond to Commissioner Moak's question.

Mr. Peterson stated the opening of the streets is contingent upon the city accepting all of the work completed by Total Site Services. There is a process for the as built drawings that were first submitted to the City back in early June. The City made their first round of comments in early August. The Port and our engineering team resubmitted and made those changes, many of which required TSS to make a few modifications or capture additional survey points, as survey of the work was their responsibility. And just today, the City came back with their second round of comments of various items, many related to changes on the plans, but they also identified there was a missing street sign that in 150 pages of drawings, that all parties had missed putting the street sign in. The Port does not need to pay for it, since it was included in the bid. TSS still has to go install that street sign. Waiting, ready to go is a Resolution to accept the project and bring closure to this and the Agenda Report; we are just waiting to plug the date and number in. But first, the City has to say, we accept all of the work done by TSS and just today, they have come up with grocery list of minor items that they still want to have addressed, that were included in the plans. We are dependent on the City accepting the work and TSS performing the required additional, modifications in a timely manner.

Commissioner Moak is disappointed there is more stuff. The response to the meeting a month ago was that TSS was slow responding to the things that needed to be done. Do we have any reason to believe they are going to get on this, so that we can get the City to accept this road, so that we

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can get it open.

Mr. Peterson stated there are two reasons to expect that: one, the clock that we have built into our overall contract has actual teeth that we can utilize but that mechanism can be cumbersome and expensive on our end to motivate them. More important motivation, TSS's bonding capacity is limited, they bonded for the retainage, and therefore, the whole project is counting against them on their books. As they go to bid other projects, they have to show that they have a \$5,000,000 commitment that hasn't been satisfied elsewhere. So that has been the biggest motivation for TSS to wrap this project up. Beyond the fact that they would like to be done with it. There is now a financial motivation on their end; and the one tree we requested them to replace for the last 11 months, has finally been replaced. So the motivation on their end to finish items has accelerated as their bonding limitation has become a factor as they go after other work.

Commissioner Moak noticed during Mr. Kooiker's budget report, different photographs of Vista Field and yet our own citizens can't really go out there, that's why he figured, those must be models, because our own citizens really are prohibited from going out on the property and enjoying that. He wants to see that road open and whatever the obstacles, whether its TSS or the City or anybody else, he wants those resolved so that the Port can get that street open. He thinks that's one of the great selling points for Vista Field, when they see what we have out there and right now, they can't. He is anxious to get all that taken care of.

Mr. Peterson stated while we are on the topic, he wanted to throw out the concept of tying the opening of streets to the marketing efforts. When inquired when it might be the best time to open those streets. In early December when there might be snow on the ground? Or is there an opportunity for one big splash? Mr. Peterson stated this is a policy decision for the Commission.

Mr. Arntzen stated this item could be presented as an agenda topic and we could have a full discussion on it.

Commissioner Barnes thinks Commissioner Moak's question and his desire to see Crosswind Boulevard open for the public, is commendable, but there may be some other factors to consider. Commissioner Barnes thinks that it would serve the Port well and he would support an Agenda topic at the next meeting or as soon as reasonably possible.

Mr. Arntzen stated one of his staff members who is intimately involved with this process, will be taking scheduled time off during the next meeting, so he would like to schedule the update for November 9th, if that is acceptable to the Commission.

Commissioner Barnes inquired if that was acceptable to Commissioner Moak.

Commissioner Moak stated not really, but he is only one voice. He feels he has a different perspective on this than Mr. Arntzen does, and maybe the rest of the Commission. To Commissioner Moak, the sooner we talk about it, the sooner we have opportunities to figure out what we are doing. He cannot force somebody who is not at work to be here, and if Mr. Arntzen does not feel that he can adequately provide a response in that person's absence, he can't do

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anything about it.

Mr. Arntzen would like to make sure the Commission understands that we are doing everything humanly possible to get an answer. Mr. Arntzen stated the planner has a vast amount of knowledge on this, but the planner is on scheduled leave during the next meeting. Mr. Arntzen is at a quandary, the planner has scheduled time off for purposes that cannot be disclosed at a Commission Meeting. Mr. Arntzen believes we are getting on a ragged edge here and would offer Commissioner Moak the comment that he will do everything humanly possible to get an answer; but Mr. Arntzen believes Mr. Moak probably wants to hear from the planner, as he has the best detail of this. Mr. Arntzen is trying to accommodate Commissioner Moak but he doesn't know what more he can do.

Commissioner Novakovich believes we have heard enough about this and thinks if we can get a report that is going to be substantial and give us the answer that Commissioner Moak wants by the 9th of November, that is what we ought to do. Commissioner Novakovich thinks we need to move on with non-scheduled.

Commissioner Barnes stated we are still under Commissioner Moak's non-scheduled time, and it is his understanding that any Commissioner can request an Agenda Item for the next meeting. Given the information Commissioner Moak has received today, would you like to make a request for this as an Agenda Item and if so, what meeting please.

Commissioner Moak has nothing further; he has made his point and Mr. Arntzen has made his point, the rest of the Commission, from what he understands, has made their point, he would like a report as soon as can be, which it sounds like November 9th, 2021.

Commissioner Barnes does not think it was the intent of Commissioner Moak and necessarily not his intent to ever ask staff to do anything that runs afoul of the law or anything like that. Commissioner Barnes thinks that what maybe under consideration, to have people that can backfill and support other members of the staff. In the absence of one staff member, hopefully the Port does not come to a grinding halt, and hopefully there are some people that can backfill and support so that people can take paid vacation, and there is a succession plan for that instance. Commissioner Barnes did not ever hear or understand that Commissioner Moak was asking anyone at the Port, anyone on Port staff to break any laws or anything like that. If we can get the information sooner, that would be great.

PUBLIC COMMENTS

No comments were made.

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ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:14 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary



Recommendations: Governance and Management Audit

Port of Kennewick

October 1, 2021

The following are recommendations regarding the **Governance and Management Audit** for the Port of Kennewick. The Port has requested that the Audit be conducted independently and from a neutral perspective. The recommendations that follow are intended to accomplish that neutral assessment.

1. Request for Proposals: Actual Audit

I have forwarded to the Commission Draft III of the Request for Proposal (RFP) Governance and Management Audit. Draft III incorporates the following substantial changes and/or additions based on the recent discussion with the Commission on September 28th.

- a. The RFP has been reviewed by Frank Chmelik the WPPA Counsel for compliance with State law, and his additions, comments and edits have been included.
- b. The projected schedule for the Audit has been modified following the Port's interest in retaining an independent Project Manager. The original projected timeline assumed Port staff would issue the RFP and manage the project. The retention of a contracted Project Manager increases the independent nature of the Audit. *See the modified schedule below.*
- c. A two-tier approach has been included in the RFP to focus on needed review areas (process and documents) in order to reduce the cost. The list of Tier 1 processes and documents are the critical considerations.
- d. The reference to 'Precipitating Event' has been modified to direct RFP applicants to the original documents for their review prior to submitting. The access to those documents needs to be determined by the Port.

I would recommend that the Commission approve of the Draft III RFP on October 12th, 2021.

2. Proposed Timeline

The proposed timeline has been slightly modified to include the Commission's desire to select a third-party project manager. The original intent of the scheduling was to allow the sitting Commission the opportunity to approve the Scope of Work through the RFP, go

through the consultant selection process, and make a recommendation on a preferred firm to the Commission that takes office in 2022.

That schedule can be met but requires the Commission direct staff to solicit and secure an independent project manager by no later than October 26, 2021 and approve the RFP for the actual Audit by then as well, if not sooner. If those actions are pursued, then the following adjusted schedule can be met:

Activity	Date (Dates are projected)
RFP Issued	November 1, 2021
Last Day to Submit Questions	November 12, 2021
Proposals Due	December 1, 2021
Interviews, if required	December 6-10, 2021
Final Selection & Recommendation	December 14, 2021
Contract Award & Execution	January 2022

I would recommend pursuing this adjusted timeline.

3. Project Manager

A Scope of Work for the Project Manager has been provided to the Commission. I can work with the staff to undertake the solicitation, but time is of the essence. The adjusted schedule would require that the Project Manager be approved in October.

I would recommend that the Commission direct staff to solicit an independent Project Manager at your October 12th Commission meeting based on the Scope of Work provided to the Commission.

4. Potential Firms for Audit

I have a list of potential firms to receive the RFP for the actual Audit. It would be advantageous given the time frame to advise those potential firms of the pending issuance of the RFP sooner than later.

I would recommend notifying them on or about October 12th.

Port of Kennewick

Request for Proposals (RFP) **DRAFT III**

Port of Kennewick Governance and Management Audit

Proposals Due: **December 1, 2021**

A. Purpose

The Port of Kennewick (Port) is soliciting proposals from qualified consulting firms that are interested in undertaking a Governance and Management Audit (Audit) of the Port's policies, practices, and keystone operating documents that are further defined in this RFP.

The Audit is being undertaken to advance the organization by updating, revamping, and/or adopting new or revised policies, practices, and keystone operating documents. The overall outcome is intended to better equip the organization to cost effectively accomplish its mission in serving the community; capitalize on new opportunities; and better respond to challenges.

The specific outcomes will include, but not be limited to, (i) assessing Port's operations, processes, and practices as well as its governance and management roles for consistency with regulatory requirements and best management practices for Washington public port districts and (ii) recommending appropriate changes to develop a more effective organization.

In the long term the Port is striving for exceptional performance as one of Washington's most effective Washington public port districts.

B. Background

The Port of Kennewick is an independent special purpose public port district located in Benton County, Washington. Washington public port districts are independent municipal governments with taxing authority and a broad statutory authority including transportation infrastructure development, economic development and promotion of trade and tourism.

Created, pursuant to Title 53 of the Revised Code of Washington, in 1915 by a vote of the electorate its original purpose was to capitalize on Celilo Canal improvements that would connect the community to distant markets. Today the Port's Mission ***"is to provide and support sound economic growth opportunities, which foster new business, industry, and jobs, improve infrastructure, and enhance the quality of life for the Port district citizens."***

The Port's significant operations include:

- 103-acre Vista Field which is designed to be a vibrant, pedestrian-focused regional town center
- Kennewick's Historic Waterfront District by enhancing areas of Clover Island and taking a phased redevelopment approach to three project sites along Columbia Drive: Columbia Gardens Urban Wine & Artisan Village, The Willows and Cable Greens.

- The Willows which is part of the 15.8-acre Columbia Drive Urban Revitalization Area in east Kennewick. The Port, City of Kennewick and Benton County have partnered to transform the former industrial neighborhood into a waterfront destination.
- Cable Greens is a 3-acre site in the Columbia Drive Urban Revitalization Area adjacent to Columbia Gardens Urban Wine & Artisan Village. The Port is planning infrastructure enhancements within the next several years to open Cable Greens to private-sector investment.
- The Oak Street Industrial Park is just over 12 acres in northeast Kennewick and is zoned for light industrial development. The Port operates five business incubator buildings in a campus-like setting at the Industrial Park with building space currently available for lease.
- Other Port projects have included the Yakima River Gateway open space; the 93 West Richland Industrial Park; the Badger Mountain Trailhead Park; the Spaulding Business Park; the 15-acre Wine Estates Development Park; and participation in the Southridge development area with the City of Kennewick.
- Clover Island Boat Launch and Marina, home to 150 moorage slips and associated amenities.

C. Governance

The Port is governed by a three-member elected Board of Commissioners. Commissioners serve for 6-year staggered terms and select board officers annually. The current 2021 Board:

President: Don Barnes¹ *(Serving since 2012)*

Vice President: Skip Novakovich² *(Serving since 2010)*

Secretary: Thomas Moak³ *(Serving since 2014)*

Typically, the Port Commission meets in an open public meeting twice a month on the second and fourth Tuesday of each month. Except in limited circumstances, Washington law precludes the port commissioners from discussing Port business outside of the open public meetings.

The Port Commission retains outside legal counsel for the Port. Legal counsel provides legal advice to the Port Commission and works directly with the Port staff.

¹ Commissioner Barnes' term expires on December 31, 2021 and he is not seeking reelection. Ken Hohenberg, retiring Police Chief, City of Kennewick, was the only candidate that filed for the position and will take office January 1, 2022.

² Commissioner Novakovich's current term ends December 31, 2023

³ Commissioner Moak current terms ends December 31, 2025

D. Management

The Port is managed by a 13 member staff led by the Port's Chief Operating Officer (CEO) who reports directly to the Port Commission. Staff includes a deputy CEO, a director of planning and development, a director of real estate and operations, a CFO, administrative and accounting staff, a facilities manager, and maintenance staff.

E. Precipitating Event

In early 2019, following a real estate transaction, there was a citizen complaint filed at the Port pursuant to a long-adopted Port policy concerning such complaints. This resulted in the application of Port policies and procedures that had not been recently reviewed. It also resulted in a series of legal actions that were dismissed and settled in 2020. That experience has caused the Port's Commission to move forward with this Governance and Management Audit to review policies, practices, and keystone operating documents. It is noted that the review is broader than the policies related to the 2019 complaint and should encompass the broad range of Port policies, practices, and keystone operating documents to maximize the Port's ability to achieve its mission.

Additional background information on the citizen complaint can be obtained by _____

The Port anticipates awarding a single contract to the selected firm in January 2022 based on a recommendation by the current 2021 Commission. The period to complete the work is one year, however, an option to extend for additional time can be considered if necessary. The contract to be approved by the Board of Commissioners will be consistent with the Port's standard terms and conditions contained in its Consultant/Service Agreement. See Appendix A to this RFP.

F. Scope of Work & Deliverables

The Port is seeking consulting services to work directly with the Port Commission and staff to undertake this Audit. It is expected that work will begin in early 2022. The selected firm will develop a set observations, findings, and recommendations as Deliverables as described below.

Work will be coordinated by the Port's independent Project Manager: **To Be Determined before release**

Contact Information

The Port has selected an independent Project Manager to oversee the work of the selected consultant.

It is anticipated that the approach to undertake the following tasks would consist of some combination of Commission and staff interviews; review of the literature, practices, and statutory requirements for Washington public port districts; and comparative analysis of Port documents.

Applicants should address the expected deliverables in their Project Approach Narrative. The Port's expectation is that there will be a series of 'Findings' for the three major assessment areas followed by a comprehensive series of 'Recommendations' on steps the Port should take to improve the organization's effectiveness and concurrency with both statutory requirements and best management practices.

Task 1: Assessment Area-Systems & Process Evaluation

Task Purpose: Evaluation of the systems and processes the Port utilizes to manage its affairs and reach binding decisions for the organization.

Task Topic: In general, the **Systems and Process Evaluation** will explore the Port's current approach to decision making and the respective roles of the elected Commission and appointed staff. Specifically, it is intended to include the review of the effectiveness and functionality of the following traditional Systems and Processes. The successful applicant will be encouraged to propose additional areas for evaluation at the proposal stage or as the work progresses. Applicant's proposal should delineate differing costs for each Tier of review. Tier 1 is to be included in the 'Base Fee' and Tier 2 in an 'Add On' fee.

Tier 1 Base:

- Contracting for legal and State audit services
- Roles and responsibilities of the Commission officers
- Strategic and asset planning
- Ethics practices
- Personnel: Hiring, training, development, as well as salary structure and benefit administration
- Contract negotiations and approvals
- Financial management and the statutory required audit by the State Auditor
- Purchasing and contracting for services
- Legal guidance and risk management
- Organizational structure and performance capacity of the Port
- Performance evaluations of key personnel including CEO, internal auditor, and legal counsel

Tier 2 Add On:

- Agenda formulation and meeting protocols (ie. Use of a Consent Agenda)
- Development, adoption, and management of operating and capital budgets
- Internal communications
- Travel policies and expense reimbursement
- Public outreach, transparency, and community affairs
- Leasing, property acquisition and sales, as well as tenant and customer relations

In addition, the review and evaluation of these Systems and Processes will address the role, reporting structure, and responsibility of the elected Commission, CEO, internal Port auditor, and Port attorney.

Key Task 1 Deliverables: Written "Findings Report- Systems and Process Evaluation" that captures the outcomes of the evaluation in sufficient detail to support the recommendations within Task 4. Presentation to the Commission on the Task 1 findings.

Task 2: Assessment Area- Organizational Culture Assessment

Task Purpose: An assessment of both the current and desired organizational culture and working atmosphere of the Port and how it may or may not impact effective operations.

Task Topic: An assessment of the formal and informal culture and working atmosphere at the Port from both an internal and external perspective. This includes the relationships between and amongst the Commission; between the professional staff and the Commission, amongst all levels of the staff; and with the Port's external stakeholders, including tenants, other governmental agencies, and the overall community.

Applicants should consider utilizing traditional organizational assessment tools such as a SWOT or SOAR analysis. These tools, or others recommended by the successful applicant, should engage both the professional staff and the elected Commission. The intended outcome is an assessment but also should recommend a pathway forward to addressing the organizational culture and work atmosphere.

Note: The SOAR analysis maintains the Strengths and Opportunities of a SWOT analysis but introduces Aspirations and Results in place of Weaknesses and Threats. A SOAR analysis is more oriented toward action whereas a SWOT analysis is more analytical in nature.

Applicants should identify and propose a methodology to assess the current and desired organizational culture and working atmosphere of the Port from both an internal as well as external perspective such as tenants, customers, and other local governments.

Key Task 2 Deliverables: Written "Findings Report- Organizational Culture Assessment" that describes the current culture as well as defines a preferred culture for the Port. Presentation to the Commission on the Task 2 findings.

Task 3: Assessment Area-Document Review

Task Purpose: Identification and review of existing documents that underpin the Port's operation and decision-making ability against regulatory requirements and best management practices.

Task Topic: As in all organizations there are a host of required and recommended documents that institutionalize the Port's practice, policies, and responsibilities. Task 3 is intended to be an in-depth review of those existing documents to determine if they are consistent with regulatory requirements and/or best management practices for a Washington port authority. The work will determine if there should be revisions to existing documents; a sense of the efficacy of each document, if there are any opportunities for consolidation, or if there are additional documents that should be considered. In reviewing existing documents, the successful applicant should gain a sense of historical context and why certain documents were adopted.

The documents that have been identified include the following. Documents that are reviewed shall include the most recent version with up-to-date amendments. This list may not be exhaustive, the successful applicant is encouraged to propose the review of other materials as well. A number of these

documents are captured as resolutions of the Commission. Applicant's proposal should delineate differing costs for each Tier of review. Tier 1 is to be included in the 'Base Fee' and Tier 2 in an 'Add On' fee.

Tier 1 Base:

- Port Commission Rules of Policy & Procedure
- CEO Procedures & Staff Handbook
- CEO Delegation of Powers including secondary delegation to staff
- Public records and information management program
- Commission directives for Port assets
- CEO evaluation policies
- CEO and Staff employment contracts
- Attorney contract
- Port's organizational chart

Tier 2 Add On:

- Budget financial and operational policies
- Art Policy
- Buyback clause language
- Declaring local emergency and Delegation of Authority (CEO)
- Appointment of Port auditor
- Job descriptions of all employees
- Comprehensive Scheme of Harbor Improvements
- Financial reports
- Strategic Plan
- 2019 Audit
- 2020 Audit

Key Task 3 Deliverables: Written "Findings Report-Documents Review" that summarizes the review and analysis of existing policies, contracts, and other relevant documents. Presentation to the Commission on the Task 3 findings.

Task 4: Recommendations

Task Purpose: Specific and general recommendations regarding the Port's processes and systems; organizational culture; and document adoption and use.

Task Topic: Building on the findings of Tasks 1 through 3 the successful applicant will produce a series of general and specific recommendations for the Port's consideration. Specifically, this task should bring forward phased changes and improvements to advance the Port's effectiveness, compliance with regulatory and industry practices as well as overall operating culture.

Key Task 4 Deliverables: Written report summarizing the specific recommendations on the three assessment areas to also include recommended modifications to processes and or documents. The recommendations should include suggested language and may include sample documents from other organizations or resources. The successful applicant shall vet all proposed amendments and modifications to existing documents against statutory requirements. Regarding recommendations for organizational culture the deliverables shall include a proposed course of action.

Task Approach

Section E of this RFP requests that submittals describe the applicant's approach to the work and the individual tasks. Inherent in the applicant's approach applicant proposals should include an early series of interviews with current and former elected Commissioners to better define the extent of each Task and review of Commission meeting tapes (minutes) and news articles.

Applicants should plan on an early kick off meeting with the Commission and staff to forecast a schedule of work and their approach.

G. Qualifications

The successful applicant for this Scope of Work should have extensive working knowledge of local government governance and management concepts and practices. It is anticipated there will be a lead consultant supported by an "on call" panel of experts that specialize in a wide variety of topics and each will bring a distinct focus to the work. This model is intended to capitalize on the available expertise and knowledge of the "on call" panel members when needed during the Audit. Panel members may be from the lead consultants' firm; however, applicants are encouraged to assemble and propose a diverse group of panel members with differing perspectives. The extent of the use of the "on call" panel will evolve as the work progresses.

The combined knowledge and experience of the lead consultant and 'on call panel' should include, but not be limited to, the following areas:

- Port governance and management roles, concepts, and challenges
- Title 53 of the Revised Code of Washington as well as all statutes regulating special purpose districts such as the Open Public Meetings Act and the Public Records Act
- Strategic planning
- Organizational dynamics and cultural effectiveness
- Public finance, budgeting, purchasing, and contracting
- Washington State statutory audit requirements and practice
- Personnel and human resource practices

Applicants are encouraged to recommend and include other skill sets on the "on call" panel. The successful applicant will have exceptional communication and interview skills as well as the ability to identify and analyze the effectiveness of organizational functions.

The successful applicant will be demonstrably neutral in the approach to the work and have no real or perceived conflicts with the Port. It is preferred that the successful applicant will not have worked under contract to the Port in the past.

H. Evaluation of Proposals

Proposals should present the applicants information in a straightforward and concise manner, while ensuring complete and detailed descriptions of the lead consultant and on call panel members abilities to mee the requirements of this RFP.

Written proposals are limited to 20 numbered pages (8.5 by 11 inch) including the cover letter and all appendices. Font size shall be 11 point or larger. All resumes and bios are not included in the total page count. Applicants are encouraged to abbreviate those to only include pertinent and relevant experience information.

Proposals should include a primary contact for further amendments or notices.

The cover letter shall include the RFP title as well as the name, email, phone number, and address of the lead consultant and further include the following information:

- Describe any claim submitted by a client against the lead consultants' firm or its key personnel. For purposes of this RFP claim means any sum of money in dispute in excess of the firm's fee for the services required.
- Any real or perceived conflicts of interest for the lead consultant and or the 'on call' panel
- A statement indicating acceptance or any objections to the Port's Consultant/Service Agreement and knowledge any addenda to this RFP issued.

Proposals will be evaluated by the Port of Kennewick Commission and will be based on the following criteria:

1. Qualifications and Experience

Identify the areas of expertise for the lead consultant and each member of the 'on call' panel. Include their role in the proposal, education, experience in similar efforts, and work experience. In addition to experience and knowledge identify the capacity of each individual given their other commitments.

2. Project Approach Narrative

Describe in detail the applicants proposed approach to accomplishing the work defined in Section C of this RFP. Describe the proposed engagement with the Port, its staff and Commission, including a sense of the amount of Port resources or anticipated time commitment for those Port resources. The Port will entertain suggested modifications, innovative ideas, and suggestions to enhance the 'on call' panel approach.

3. Project Management

Provide the applicants proposed project management approach including a preliminary timeline with key milestones, phases, tasks, and the like. Describe the level and timing of involvement of Port staff and the Commission. Define the assumptions made regarding the applicant's approach to the work as well as the factors that the applicant believes are risks to successfully completing the work. Describe the method for maintaining communications with the Port during the project.

4. Compensation

Proposals should include an estimated cost to perform the work including the assumptions made in developing that cost proposal. The applicants should include a 'base fee' proposal and a 'add on fee' proposal. All costs should be provided including, but not limited to each consultant or expert hourly rates fully burdened, travel, direct/indirect expenses, and overhead. All costs to complete the work as described herein shall be included. The 'base fee' proposed is to evaluate the Tier I items in Task 1 and Task 3. The 'add on fee' is to evaluate the Tier II items in Task 1 and Task 3

5. References

Proposals should include 3 to 5 references that can be used to evaluate the lead consultant's experience and ability to undertake the work. References may be included for 'on call' panel members if, in the opinion of the applicant, they are relative to assessing the overall capacity of the applicant to accomplish the work.

6. Interviews

The Port may, at its sole discretion, conduct interviews with applicants to further support its selection process. These interviews, if requested, can be conducted either remotely or in person at the Port's offices.

The Port's Commission shall make the selection of the preferred applicant based on the proposal submitted, the projected cost of the work, the results of reference checks and interviews, if necessary. The Commission will make a recommendation on the selection of the preferred applicant through the adoption of a Commission resolution. That resolution will be forward to the 2022 Commission in January 2022. On or about January 2022, the Commission will consider and award the work to the successful applicant.

The Port will consider and award the work to the applicant that represents the best value to the Port in terms of value received for cost. The Port reserves the right to accept or reject any and all proposals in their entirety, or in part, and to waive any informalities and minor irregularities and to contract in the best interest of the Port. The Commission's determination is final.

In the event only one proposal is received the Port may require that the applicant provide any additional information as required by the Port to further analyze the proposal. The port reserves the right, in any circumstance, to reject any and all proposals.

Applicant Costs for Proposal

All costs incurred by the applicant in the preparation of a proposal, as well as the cost of participating in the selectin process shall be borne by the applicant.

Minority and Women's Business Enterprise

The Port of Kennewick encourages participation in all of its contracts by MWBE firms certified by the Office of Minority and Women's Business Enterprise (OMWBE). Participation may be as the lead consultant or as a member of the 'on call' panel. It should be noted that no minimum level of MWBE participation shall be required as a condition of receiving an award for this work.

Discrimination Policy

The Port provides equal opportunity to the users of all Port services and facilities, all contracting entities, Port employees and applicants for employment, and to assure that there be absolutely no discrimination against any person on grounds of age, sex, marital status, sexual orientation, race, creed, color, national origin, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability, or the use of a trained guide dog or service animal by a person with a disability, unless based upon a bona fide occupational qualification or any other protected status.

Documents

Proposals submitted to this solicitation shall be considered public documents. If an applicant considers any part of their submittal as proprietary it should be noted on the actual proposal. In the event there is a third-party request to release that information the Port will notify the applicant and allow the applicant 10 days to seek a protective order from the courts. The Port will own all products generated during this effort.

I. Procurement Process & Timeline

Activity	Date <i>(Dates are projected)</i>
RFP Issued	November 1, 2021
Last Day to Submit Questions	November 12, 2021
Proposals Due	December 1, 2021
Interviews, if required	December 6-10, 2021
Final Selection & Recommendation	December 14, 2021
Contract Award & Execution	January 2022

Applicants are advised to track solicitation updates and addenda on the Port's website:

www.portofkennewick.org

Note: Applicants who, relative to this scope of services, contact any individual staff or Commission members representing the Port, other than the Port Project Representative listed in Section F Scope of Services may be eliminated from further consideration.

Questions concerning this solicitation should be submitted via email by November 1, 2021 to the Port Project Manager at: **To be determined**

Proposals must be received via on or before the **Proposal Due Date** listed on the cover page of this RFP. Proposals are to be sent to **To Be Determined** and include on the subject line: **Port of Kennewick Governance and Management Audit**. Please be aware of the size of the transmittal to be conveyed electronically. Applicants are to confirm receipt of their proposal by the Port. Late proposals will not be accepted. Proposals can be submitted electronically or in hard copy or both. Hard copy submittals must include 5 copies.

Mail to:

Governance and Management Audit

Port of Kennewick

350 N Clover Island Dr # 200

Kennewick, WA 99336

Email address: PM

All proposals shall be valid and binding for 90 calendar days following the submittal deadline and/or any extension agreed to by the successful applicant.

Attachment A: Consultant/Service Agreement

(Insert PDF of Ports Consultant/Service Agreement)

Project Manager: Governance and Management Audit

Port of Kennewick DRAFT

Scope of Work & Deliverables

The Port is seeking project management consulting services to work directly with the Port Commission and staff to oversee and coordinate a Governance and Management Audit (Audit) of the Port of Kennewick (Port). The Port will be contracting directly with a consulting firm to undertake the Audit and requires assistance in managing the work of the consultant selected to do the actual Audit work. It is expected that work will begin in 2021. The selected firm or person selected to be the Project Manager will be responsible for the following:

1. Advertising and solicitation of proposals from qualified firms to undertake the actual Audit. This includes issuance of the Request for Proposals (RFP) previously approved by the Port. The Port's staff will provide support and assistance in issuing the RFP.
2. Coordinating the evaluation process of all Audit applicants directly with the Port Commission culminating in the selection of the preferred consulting firm. Work will include organizing the evaluation criteria for the Commission and make a recommendation if requested. In addition, if necessary, develop interview questions and coordinate the interview process.
3. Working in collaboration with the Port staff and Port legal counsel to execute the consultant service agreement with the selected consultant pursuant to Port policies.
4. Coordinating the work of the contracted consultant in terms of scheduling meetings and distributing pertinent information such as project deliverables.
5. Serving as a liaison between the Port and the selected consultant.
6. Providing periodic updates to the Port on the consultant's progress.
7. Review and recommend payment of all submitted vouchers consistent with Port policy and agreement terms.
8. All other work necessary for completing the Audit.

The selected Project Manager will work closely with both the Port staff and the Commission in coordinating all aspects of the work for the duration of the contracted period including the final deliverables. Candidates interested in this work should review the Request for Proposal for the Governance and Management Audit in Appendix B of this RFP as well as the Port's standard agreement language in Appendix A.

The Port will provide a debriefing to the selected Project Manager on the projects background and the specifics of the Audit RFP process.

Qualifications

The successful applicant for this Project Manager Scope of Work should have extensive working knowledge of local government governance and management concepts and practices, as well as strong project management experience and good communication skills.

The successful applicant will be demonstrably neutral in the approach to the work and have no real or perceived conflicts with the Port

Port of Kennewick
Request for Proposals (RFP) DRAFT I
Project Manager: Governance and Management Audit
Proposals Due: November 3, 2021

A. Purpose

The Port of Kennewick (Port) is soliciting proposals from qualified firms or persons that are interested in serving as the Project Manager to oversee the Port's Governance and Management Audit (Audit).

The Audit is being undertaken to advance the organization by updating, revamping, and/or adopting new or revised policies, practices, and keystone operating documents. The overall outcome is intended to better equip the organization to cost effectively accomplish its mission in serving the community; capitalize on new opportunities; and better respond to challenges.

The specific outcomes of the Audit will include, but not be limited to, (i) assessing Port's operations, processes, and practices as well as its governance and management roles for consistency with regulatory requirements and best management practices for Washington public port districts and (ii) recommending appropriate changes to develop a more effective organization.

In the long term the Port is striving for exceptional performance as one of Washington's most effective Washington public port districts.

B. Background

The Port of Kennewick is an independent special purpose public port district located in Benton County, Washington. Washington public port districts are independent municipal governments with taxing authority and a broad statutory authority including transportation, infrastructure development, economic development and promotion of trade and tourism.

Created, pursuant to Title 53 of the Revised Code of Washington, in 1915 by a vote of the electorate its original purpose was to capitalize on Celilo Canal improvements that would connect the community to distant markets. Today the Port's Mission ***"is to provide and support sound economic growth opportunities, which foster new business, industry, and jobs, improve infrastructure, and enhance the quality of life for the Port district citizens."***

The Port's significant operations include:

- 103-acre Vista Field which is designed to be a vibrant, pedestrian-focused regional town center
- Transformation of Kennewick's Historic Waterfront District by enhancing areas of Clover Island and taking a phased redevelopment approach to three project sites along Columbia Drive: Columbia Gardens Urban Wine & Artisan Village, The Willows and Cable Greens.
- The Willows which is part of the 15.8-acre Columbia Drive Urban Revitalization Area in east Kennewick. The Port, City of Kennewick and Benton County have partnered to transform the former industrial neighborhood into a waterfront destination.

- Cable Greens is a 3-acre site in the Columbia Drive Urban Revitalization Area adjacent to Columbia Gardens Urban Wine & Artisan Village. The Port is planning infrastructure enhancements within the next several years to open Cable Greens to private-sector investment.
- The Oak Street Industrial Park is just over 12 acres in northeast Kennewick and is zoned for light industrial development. The Port operates five business incubator buildings in a campus-like setting at the Industrial Park with building space currently available for lease.
- Other Port projects have included the Yakima River Gateway open space; the 93-acre West Richland Industrial Park; the Badger Mountain Trailhead Park; the Spaulding Business Park; the 15-acre Wine Estates Development Park; and participation in the Southridge development area with the City of Kennewick.
- Clover Island Boat Launch and Marina, home to 150 moorage slips and associated amenities.

C. Governance

The Port is governed by a three-member elected Board of Commissioners. Commissioners serve for 6-year staggered terms and select board officers bi-annually. The current 2021 Board:

President: Don Barnes¹ *(Serving since 2012)*

Vice President: Skip Novakovich² *(Serving since 2010)*

Secretary: Thomas Moak³ *(Serving since 2014)*

Typically, the Port Commission meets in an open public meeting twice a month on the second and fourth Tuesday of each month. Except in limited circumstances, Washington law precludes the port commissioners from discussing Port business outside of the open public meetings.

The Port Commission retains outside legal counsel for the Port. Legal counsel provides legal advice to the Port Commission and works directly with the Port staff.

D. Management

The Port is managed by a 13 member staff led by the Port's Chief Executive Officer (CEO) who reports directly to the Port Commission. Staff includes a deputy CEO, a director of planning and development, a director of real estate and operations, a CFO, administrative and accounting staff, a facilities manager, and maintenance staff.

E. Precipitating Event

In early 2019, following a real estate transaction, there was a citizen complaint filed at the Port pursuant to a long-adopted Port policy concerning such complaints. This resulted in the application of Port policies and procedures that had not been recently reviewed. It also resulted in a series of legal actions that were dismissed and settled in 2020. That experience has caused the Port's Commission to move forward with this Governance and Management Audit to review policies, practices, and keystone operating documents.

¹ Commissioner Barnes' term expires on December 31, 2021 and he is not seeking reelection. Ken Hohenberg, retiring Police Chief, City of Kennewick, was the only candidate that filed for the position and will take office January 1, 2022.

² Commissioner Novakovich's current term ends December 31, 2023.

³ Commissioner Moak's current term ends December 31, 2025.

It is noted that the review is broader than the policies related to the 2019 complaint and should encompass the broad range of Port policies, practices, and keystone operating documents to maximize the Port's ability to achieve its mission.

The Port anticipates awarding a single contract to undertake the Audit to the selected firm in January 2022 based on a recommendation by the current 2021 Commission. The period to complete the work is one year, however, an option to extend for additional time can be considered if necessary.

F. Scope of Work & Deliverables

The Port is seeking project management consulting services to work directly with the Port Commission and staff to oversee and coordinate the Governance and Management Audit (Audit) of the Port of Kennewick (Port). The Port will be contracting directly with a consulting firm to undertake the Audit and requires assistance in managing the work of the consultant selected to do the actual Audit work. It is expected that work will begin in 2021. The selected firm or person selected to be the Project Manager will be responsible for overseeing the following:

1. Advertising and solicitation of proposals from qualified firms to undertake the actual Audit. This includes issuance of the Request for Proposals (RFP) previously approved by the Port. The Port's staff will provide support and assistance in issuing the RFP.
2. Coordinating the evaluation process of all Audit applicants directly with the Port Commission culminating in the selection of the preferred consulting firm. Work will include organizing the evaluation criteria for the Commission and make a recommendation if requested. In addition, if necessary, develop interview questions and coordinate the interview process.
3. Working in collaboration with the Port staff and Port legal counsel to execute the consultant service agreement with the selected consultant pursuant to Port policies.
4. Coordinating the work of the contracted consultant in terms of scheduling meetings and distributing pertinent information such as project deliverables.
5. Serving as a liaison between the Port and the selected Audit consultant.
6. Providing periodic updates to the Port Commission on the Audit consultant's progress.
7. Review and recommend payment of all submitted vouchers consistent with Port policy and agreement terms.
8. All other work necessary for completing the Audit.

The selected Project Manager will work closely with both the Port staff and the Commission in coordinating all aspects of the work for the duration of the contracted period including the final deliverables. Candidates interested in this work should review the Request for Proposal for the Governance and Management Audit in Appendix B of this RFP as well as the Port's standard agreement language in Appendix A.

The Port's consultant, Leeward Strategies, will provide a debriefing to the selected Project Manager on the project background and the specifics of the Audit RFP process.

G. Qualifications

The successful applicant for this Project Manager Scope of Work should have extensive working knowledge of local government governance and management concepts and practices, as well as strong project management experience and good communication skills.

The successful applicant will be demonstrably neutral in the approach to the work and have no real or perceived conflicts with the Port.

H. Evaluation of Proposals

Proposals should present the applicants information in a straightforward and concise manner.

Written proposals are limited to 5 numbered pages (8.5 by 11 inch) including the cover letter and all appendices. Font size shall be 11 point or larger. The applicants resume will not be counted in the page total.

Proposals will be evaluated by the Port of Kennewick Commission and be based on a review of the applicants experience and background and the proposed hourly rate and other known direct costs.

The Port will consider and award the work to the applicant that represents the best value to the Port in terms of value received for cost. The Port reserves the right to accept or reject any and all proposals in their entirety, or in part, and to waive any informalities and minor irregularities and to contract in the best interest of the Port. The Commission's determination is final.

In the event only one proposal is received the Port may require that the applicant provide any additional information as required by the Port to further analyze the proposal. The port reserves the right, in any circumstance, to reject any and all proposals.

Applicant Costs for Proposal

All costs incurred by the applicant in the preparation of a proposal, as well as the cost of participating in the selectin process shall be borne by the applicant.

Minority and Women's Business Enterprise

The Port of Kennewick encourages participation in all of its contracts by MWBE firms certified by the Office of Minority and Women's Business Enterprise (OMWBE). Participation may be as the lead consultant or as a member of the 'on call' panel. It should be noted that no minimum level of MWBE participation shall be required as a condition of receiving an award for this work.

Discrimination Policy

The Port provides equal opportunity to the users of all Port services and facilities, all contracting entities, Port employees and applicants for employment, and to assure that there be absolutely no discrimination against any person on grounds of age, sex, marital status, sexual orientation, race, creed, color, national origin, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability, or the use of a trained guide dog or service animal by a person with a disability, unless based upon a bona fide occupational qualification or any other protected status.

Documents

Proposals submitted to this solicitation shall be considered public documents. If an applicant considers any part of their submittal as proprietary it should be noted on the actual proposal. In the event there is a third-party request to release that information the Port will notify the applicant and allow the applicant 10 days to seek a protective order from the courts. The Port will own all products generated during this effort.

I. Procurement Process & Timeline

Activity	Date <i>(Dates are projected)</i>
RFP Issued	October 13, 2021
Proposals Due	November 3, 2021
Final Selection	November 9, 2021

Note: Applicants who, relative to this scope of services, contact any individual staff or Commission members representing the Port, other than the Port Project Representative listed in Section F Scope of Services may be eliminated from further consideration. **A SPECIFIC PERSON IS NOT LISTED IN SECTION F.**

Proposals must be received on or before the **Proposal Due Date** listed on the cover page of this RFP. Proposals are to be sent to **TBD** and include in the subject line: **Port of Kennewick Governance and Management Audit Project Manager**. Please ensure the electronic file size is less than 10MG. Applicants are to confirm receipt of their proposal by the Port. Late proposals will not be accepted. Proposals can be submitted electronically or in hard copy or both. Hard copy submittals must include 5 copies.

Mail to:
Governance and Management Audit Program Manager
Port of Kennewick
350 N Clover Island Dr # 200
Kennewick, WA 99336

Email to: **TBD**

All proposals shall be valid and binding for 90 calendar days following the submittal deadline and/or any extension agreed to by the successful applicant.

Attachment A: Consultant/Service Agreement

**Attachment B: Request for Proposal for the Governance and Management
Audit**

PORT OF KENNEWICK

RESOLUTION 2021-18

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING AN UPDATE TO THE PORT'S ART POLICY

WHEREAS, this policy is intended to foster the artistic interests of the community, including the expression of ideas and viewpoints, by providing a showcase for artwork; and

WHEREAS, this policy provides the guidelines and mechanisms to be used for artwork commissioned, purchased by, or gifted to the Port; and

WHEREAS, the Commission shall evaluate the effectiveness of this policy over time and reserves the right to expand, amend or rescind this policy as appropriate; and

WHEREAS, updates to the policy have been discussed in commission meetings and amendments have been offered and incorporated into the final edit, which is presented herewith.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby approves and adopts updated language to the Artwork Policy as attached in Exhibit A.

BE IT FURTHER RESOLVED that the Port of Kennewick Board of Commissioners hereby ratify and approve all action by port officers and employees in furtherance hereof; and authorize the port Chief Executive Officer to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 12th day of October 2021.

PORT of KENNEWICK BOARD of COMMISSIONERS

By:

DocuSigned by:

DN Barnes

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DON BARNES, President

By:

DocuSigned by:

Skip Novakovich

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SKIP NOVAKOVICH, Vice President

By:

DocuSigned by:

Thomas Moak

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THOMAS MOAK, Secretary

Port of Kennewick
Artwork Policy

It is the policy of the Port of Kennewick to foster the artistic interests of the community, including the expression of ideas and viewpoints, by providing a showcase for artwork created by community and regional artists. In furtherance hereof, the Port establishes the following policy related to artwork.

Section 1. General Provisions.

- A. The term "artwork" means all forms of the visual arts conceived in any medium, material or combination thereof, commissioned, purchased by, or gifted to the Port.
- B. The term "artwork budget" shall include cost of artwork, design fees, engineering costs, installation and similar costs, together with consulting fees and costs related to administering this policy.
- C. The Port Commission shall determine whether artwork shall be installed when the Port designs, engineers and constructs new capital projects of its own undertaking and when the Port sells undeveloped land.

Section 2. Artwork in Port Capital Projects.

If the Port Commission decides to include artwork in a capital project of the Port's undertaking, the Port shall establish an artwork budget of 1% of the total capital cost of the construction project. For infrastructure only projects, i.e.: those where the Port does not construct a building, the Commission may elect to refrain from including artwork.

Section 3. Artwork Required as Part of Port Land Sales.

- A. When the Port sells real property, 3% of the purchase price **will** be set aside within the Port budget, **unless otherwise decided by the port commission**, to purchase artwork to be installed in a public area within the Port of Kennewick district boundaries. The selection of the site for artwork shall be at the discretion of the Port Commission.
- B. Funds collected under this section shall be used for selection, acquisition, and installation or display of artwork; repairs and maintenance of artwork; and other project-specific expenses of selection and acquisition of public art.
- C. Any unexpended funds shall be carried forward from year to year until expended for the purposes set forth in this section, unless otherwise directed by the Port Commission.

Section 4. Artwork Selection Process.

- A. When selecting artwork, whether for a capital project of the Port's own undertaking, or when the Port sells real property, the Port may seek the advice of the arts commission in the jurisdiction where the artwork will be installed. The Port Commission shall request advice from the arts commission in extending calls to artists for submission of artwork and in the evaluation and selection of artwork.
- B. Artists responding to calls for submissions shall provide a detailed sample or rendering of artwork proposed for consideration.
- C. Because potential artwork display areas will be open to all segments of the community and all age groups, artwork shall not include material, which in the sole discretion of the Port Commission is defaming, obscene, or otherwise inappropriate.
- D. Artwork submissions shall be original artwork as opposed to mass-produced, of standard design or limited editions.
- E. The Port Commission may review, evaluate, select, or reject any artwork submission in its sole discretion.

PORT OF KENNEWICK

RESOLUTION 2021-20

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING
PARCEL PRICING FOR VISTA FIELD PHASE 1A***

WHEREAS, the Board of Commissioners received market data and pricing through the Vista Field Market Study and Analysis report; and

WHEREAS, the Commission has directed staff to add the 3% Art Policy fee to parcel valuations and sell parcels inclusive of the port's Art Policy.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby approves and adopts parcel pricing for Vista Field Phase 1A found in Exhibit A.

BE IT FURTHER RESOLVED that the Port of Kennewick Board of Commissioners hereby ratifies and approves all action by port officers and employees in furtherance hereof; and authorizes the port Chief Executive Officer to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 12th day of October 2021.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By:

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DN Barnes

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DON BARNES, President

By:

DocuSigned by:

Skip Novakovich

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SKIP NOVAKOVICH, Vice President

By:

DocuSigned by:

Thomas Moak

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THOMAS MOAK, Secretary

RESOLUTION 2021-20
EXHIBIT A

Parcel Pricing Model:

Urban Mixed Use Zoning Type of Use	Suggested Lot Price	Suggested Price Per Square Foot	Price Inclusive of Port 3% Art Policy
Residential Detached	\$85,000		\$88,000
Live/Work	\$95,000		\$98,000
Residential Attached (Townhomes, Duplex, Patio)	\$100,000		\$103,000
Commercial		\$20.00	\$21.00





PORT *of*
KENNEWICK

Columbia Gardens Playground

Port of Kennewick
Kiwanis Club
City of Kennewick

The Goal

PARTNERSHIP

- Port of Kennewick
- Kiwanis Club
- City of Kennewick

END GAME

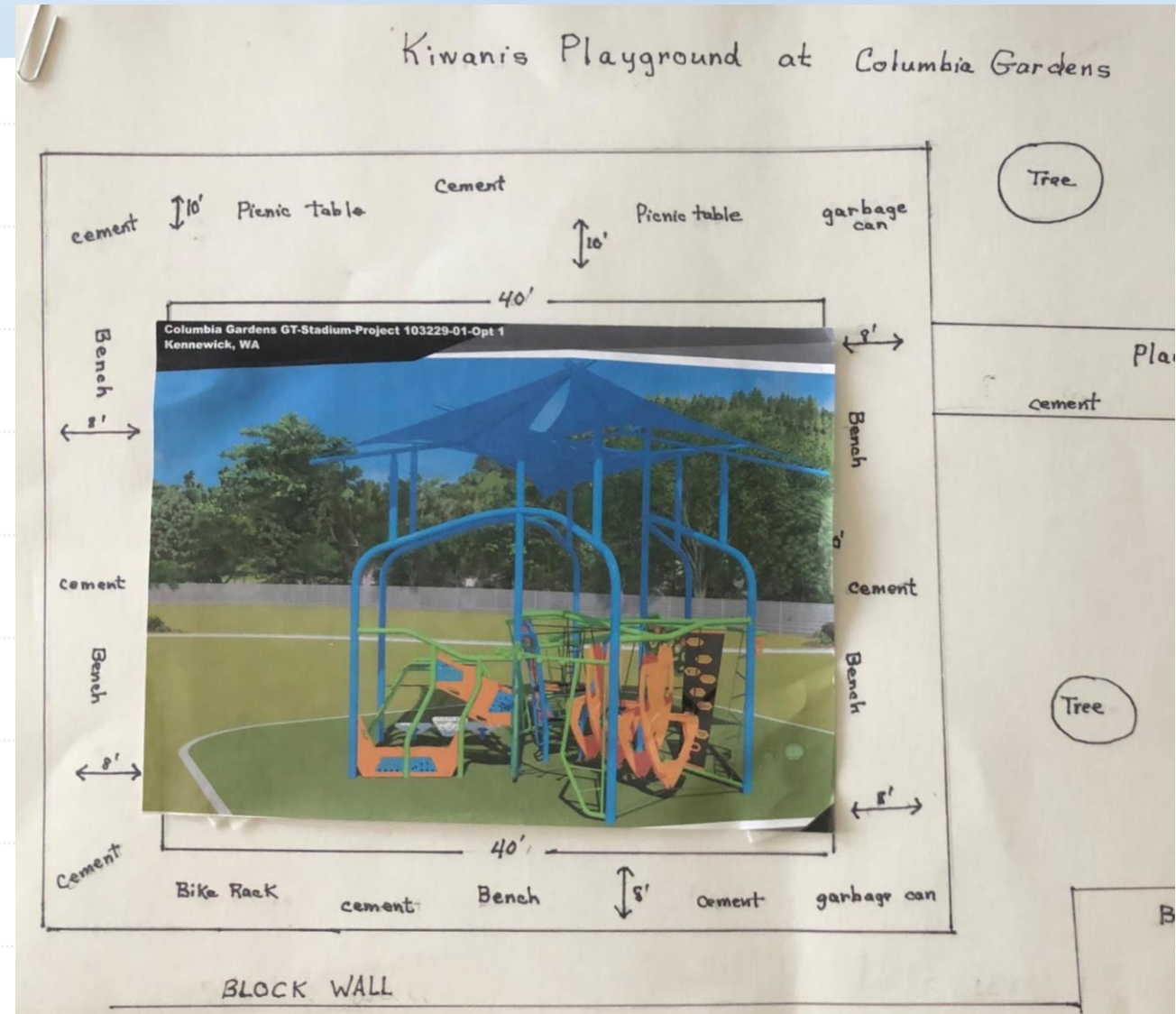
Playground for community
at Columbia Gardens
development



Brief Overview

Kiwanis letter and research – 09-08-2020

- Improve community life
- Cost estimated in 2020 - \$225,000 (\$152,000 in equipment)
- Target Construction Timeline – Spring 2022
- Age Group – 5-12-year olds
- Playground- obstacle course surrounded by concrete paths and area for picnic benches



The Plan

- Port of Kennewick (POK) commissioner's presentation
 - Highlight step needed
 - Identify voids
 - Seek input from commissioners
 - Open questions/comment
- Additional update meeting with POK commissioner in November
- POK to work with (COK) to see what support they can offer to the project. POK to provide monthly updates to PM.
- Prepare and sign tri-party commitment, roles and responsibilities
- POK land donation and potential funds (POK to confirm)
- COK maintenance and potential funds (POK to confirm)
- Kiwanis funds for the project – currently \$30K, more to fundraise





The Plan-Continued

SEPA was complete for the site, playground would not trigger additional land study

- Prepare bid documents – POK standard bid documents.
 - Turnkey playground equipment suppliers
- Project BID – Request for Proposal, small works roster POK. Follow POK procurement procedures.
- Receive bids and select successful bidder
- Award Contract
- Call 1-800-dig, construction plan review/permit is not required.
- Construction
- Closeout of the project
- Ongoing maintenance



Voids and Actions

1. Define commitments
2. **Sign intent and agreement of the commitments**
3. Fundraise and secure funds

Without Solid Commitment and Defined Roles of the three entities, there is no Project.



Questions/Discussion



AGENDA REPORT



TO: Port of Kennewick Commission
FROM: Amber Hanchette, Director of Real Estate & Operations
MEETING DATE: September 28, 2021
AGENDA ITEM: Bruker – Lease Termination; Resolution 2021-21

BACKGROUND:

Bruker AXS Handheld, Inc. has been a port tenant at 415 N. Roosevelt Avenue (formerly Quay), Kennewick for approximately 20 years. They have employed roughly 50-70 people throughout that time while manufacturing and assembling handheld instruments for structural and elemental analysis.

In June 2021, Bruker leadership gave notice to the port that they would be vacating the building no later than May 31, 2022 and requested early lease termination consideration.

Staff recently received a Lease Amendment #4 from Bruker representative, John Landefeld, with the following terms:

Lease Summary:

- Current Bruker lease term – 5 years (June 1, 2018 – May 31, 2023)
- Current lease rate - \$12,054.20 plus leasehold tax per month
- Deposit on file - \$24,115.00
- Leased space – 21,000 square feet

Bruker Proposal:

- Tenant shall vacate the Premises on or before May 31, 2022.
- On or before May 31, 2022, Tenant shall pay Port a lump sum equivalent to the monthly rent (\$12,054.20 per month, plus leasehold tax) for the period June 1, 2022 through December 31, 2022 for a total payment of \$84,379.40 plus leasehold tax)
- Tenant shall be relieved of monthly rent for the period January 1, 2023 through the end of the Lease term (May 31, 2023).
- Port shall return the Lease deposit (\$24,115.00) to Tenant on or before June 30, 2022.
- Port may begin efforts to market the Premises effective with the signing of this Amendment. Tenant shall cooperate with Port's efforts to market the Premises.

MOTION:

I move approval of Resolution 2021-21 approving the Lease Amendment #4 between the Port of Kennewick and Bruker AXS Handheld Inc, and hereby ratify and approve all action by port officers and employees in furtherance hereof; and authorize the port Chief Executive Officer to take all action necessary in furtherance hereof.

PORT OF KENNEWICK

RESOLUTION 2021-21

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING
EARLY LEASE TERMINATION FOR BRUKER AXS HANDHELD INC.***

WHEREAS, the Board of Commissioners received written notice from Bruker AXS Handheld Inc. to vacate 21,000 square feet of light industrial space at 415 N. Roosevelt Street, Kennewick and terminate their lease early due to corporate restructuring; and

WHEREAS, Bruker AXS proposed to the Commission a lease buyout plan and early termination terms found in Lease Amendment #4 (Exhibit A).

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby approves and adopts Lease Amendment #4 between the Port of Kennewick and Bruker AXS Handheld Inc.

BE IT FURTHER RESOLVED that the Port of Kennewick Board of Commissioners hereby ratifies and approves all action by port officers and employees in furtherance hereof; and authorizes the port Chief Executive Officer to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 26th day of October 2021.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: _____

DON BARNES, President

By: _____

SKIP NOVAKOVICH, Vice President

By: _____

THOMAS MOAK, Secretary

AMENDMENT #4 TO COMMERCIAL LEASE AGREEMENT

THIS AMENDMENT, entered into this ____ day of October, 2021, by and between the Port of Kennewick, a Washington municipal corporation (hereinafter referred to as "Port"), and Bruker AXS Handheld, Inc., a Delaware corporation (hereinafter referred to as "Tenant"),

W I T N E S S E T H

WHEREAS, on June 1, 2018, Port and Tenant entered into a Commercial Lease for the lease of the premises located at Vista Field Development Building A, Suite No. 1 located at 415 N. Roosevelt Street (formerly known as Quay Street), Kennewick, Washington (hereinafter referred to as the "Premises"). The Commercial Lease, Exhibits (including full legal description), and Amendment Nos. 1 – 3 (hereinafter collectively referred to as the "Lease") are attached hereto and incorporated herein by reference as Exhibit "A".

AND, WHEREAS, the Port and Tenant wish to amend the Lease to address Tenant's request to terminate the Lease before the end of the Lease term.

NOW, THEREFORE, it is agreed by and between the parties that they adopt the following amendments to the Lease:

1. Tenant shall vacate the Premises on or before May 31, 2022.
2. On or before May 31, 2022, Tenant shall pay Port a lump sum equivalent to the monthly rent (\$12,054.20 per month, plus leasehold tax) for the period June 1, 2022 through December 31, 2022 for a total payment of \$84,379.40 plus leasehold tax)
3. Tenant shall be relieved of monthly rent for the period January 1, 2023 through the end of the Lease term (May 31, 2023).
4. Port shall return the Lease deposit (\$24,115.00) to Tenant on or before June 30, 2022.
5. Port may begin efforts to market the Premises effective with the signing of this Amendment. Tenant shall cooperate with Port's efforts to market the Premises.

All remaining terms and conditions of the Lease remain unchanged.

PORT OF KENNEWICK

By: _____
Tim Arntzen, Chief Executive
Title: Officer

Reviewed:

By: _____
Title: Nick Kooiker, Port CFO

BRUKER AXS HANDHELD INC

By: John H Landefeld
John Landefeld, Executive Vice
Title: President

Approved as to form:

By: _____
Title: Lucinda Luke, Port Legal Counsel

