

**MEMORANDUM OF UNDERSTANDING BETWEEN
PORT OF SEATTLE AND NORTHWEST SEAPORT ALLIANCE
FOR PROJECT DELIVERY SERVICES**

This Memorandum of Understanding (the “MOU”) is made and entered into by the **PORT OF SEATTLE**, a port district and municipal corporation of the State of Washington (“POS”/“Homeport”), and **THE NORTHWEST SEAPORT ALLIANCE**, a port development authority and municipal corporation of the State of Washington (“NWSA”). The POS and the NWSA are also referred to in this MOU collectively as “the Parties,” and individually as a “Party.”

WHEREAS, the Port of Tacoma and the Port of Seattle have entered into an agreement to establish The Northwest Seaport Alliance pursuant to the following several federal and state authorities which authorize the Ports to create a port development authority to use, operate and manage certain marine facilities jointly, to be known as the NWSA; and

WHEREAS, in order to improve efficiency in obtaining the services necessary for the development, redevelopment, repair and maintenance of new and existing facilities, and providing for the operation of The Northwest Seaport Alliance, NWSA and POS enter an annual Inter-Local Agreement For Support Services By And Between The Port Of Seattle And The Northwest Seaport Alliance “service level agreement (SLA)” to retain support services from one another pursuant to the terms and conditions contained herein; and

The intent of this MOU is to further define responsibilities, roles and responsibilities in the delivery of the agreed upon services defined in the SLA EXHIBIT POS – 06 Service Directive for Capital Development Support Services.

As used in this MOU, a “Project” creates or modifies a capital asset or creates a cost outside of normal operating expenses on NWSA Licensed Properties located in the North Harbor (Seattle). A Project may be classified as capital or expense.

SECTION 1. PROJECT SPONSORSHIP

The NWSA Executive Sponsor and NWSA Business Sponsor are responsible for sponsorship of any Project hereunder. Sponsorship includes ensuring the validity of the Project and owning the Project justification and alignment of the Project with business objectives and the Parties’ policies. Effective sponsorship also includes promotion of the Project from initial conception through Project closeout, and serving as the spokesperson to higher levels of management to gather support and promote the benefits of the Project. The Project Sponsor shares risk with the Project Team.

a. NWSA Executive Sponsor

The NWSA Executive Sponsor and Business Sponsor may be the same individual and is an NWSA employee. All Executive Sponsor expectations and responsibilities

may be delegated to other NWSA Staff. The NWSA Executive Sponsor shall be identified by the NWSA at the initial scoping of a Project and will support the Project as follows:

- i. Outline Project purpose and measures of success.
- ii. Has final authority to approve a NWSA Project scope, schedule, and budget.
- iii. Approves changes in scope and making go/no-go decisions when there are impacts to a lease, revenue, and/or facility operations and infrastructure.
- iv. Responsible (or assigns a delegate) for briefing the Managing Members with the assistance of the POS Project Manager as needed.
- v. Has final authority on decisions escalated by the POS Project Manager, Project Team, and/or NWSA Business Sponsor.

b. NWSA Business Sponsor

The NWSA Business Sponsor serves as the day-to-day sponsor of the Project and could be personnel from NWSA Real Estate, Operations Division, or Engineering. Examples of the NWSA Business Sponsor may include and is not limited to the Sr. Director of Engineering, NWSA Project Manager, Sr. Director of Real Estate, Property Manager, Director of Operations, or Sr. Director of Environmental and Planning.

The NWSA Business Sponsor will be identified by the NWSA at the initiation of a Project and will support the Project as follows:

- i. Play a significant role in the development of the initial scope.
- ii. Develop Project justification in coordination with the NWSA Sr. Director of Engineering.
- iii. Be included and engaged in day-to-day discussions relating to the Project.
- iv. Determine whether a NWSA Project commences, continues to progress, is deferred, or is canceled.
- v. Participate in project reviews at the end of defined phases.
- vi. Has authority to approve a NWSA Project scope, schedule, and budget.
- vii. Act as liaison (or assigned delegate) with NWSA Tenants for the Project Team.

- viii. Determine issues and information that should be shared with the NWSA Tenant and be responsible for that communication.
- ix. Serve as the first point of contact for POS Project Manager and Project Team when escalating Project issues and changes.
- x. Ensures a smooth transfer of the Project's deliverables after Project closure.

SECTION 2. PROJECT DEVELOPMENT & CAPITAL PLANNING

a. POS Asset Management Roundtable

The Asset Management Team at POS Marine Maintenance leads the Roundtable process annually. The purpose of the Asset Roundtable is to bring subject matter experts across numerous functions in maintenance, engineering, environmental, stormwater utility, project management, operations, property management, and finance to track current conditions of facilities and infrastructure as a precursor to capital planning and budgeting for future repairs and replacements. For NWSA Licensed Properties, the Asset Roundtable discussions will include NWSA Real Estate, Engineering, Operations, Finance, and other departments as needed.

b. NWSA Investment Decision and Development Process (IDDP)

- i. Overview: The purpose of NWSA's IDDP is to communicate and standardize the overall process for initiating Projects associated with new business opportunities, maintaining existing assets, or expanding existing capabilities or assets. As part of the annual IDDP, the NWSA will maintain a SharePoint site for POS staff to collaborate on. The NWSA IDDP SharePoint site outlines standard processes and procedures and will be the central repository for all IDDP items.
- ii. Opportunity Assessment (Stage 1): Any NWSA or POS staff member ("Opportunity Owner") may present an idea utilizing the Stage 1 Form, soliciting input from stakeholders as necessary. A NWSA Executive Sponsor and/or Business Sponsor will be identified for the opportunity should it move to Stage 2.
- iii. Development of a Stage 2 Form to include all findings will be completed during this process. A POS Project Manager may be assigned to complete a Stage 2 Form at the direction of the NWSA Sr. Director of Engineering on POS NWSA Licensed Properties in the North Harbor. Funding will be proposed in the NWSA Capital Improvement Plan (CIP) for approved Stage 2 Projects.

- iv. NWSA CIP Steering Committee: The CIP Steering Committee includes the NWSA Executive Leadership that will make all investment decisions, including moving requests from Stage 1 to 2, and adding requests into the NWSA CIP. POS staff may be invited to the Steering Committee meetings as needed.

SECTION 3. PROJECT INITIATION

a. Project Manager Assignments:

Projects approved on the NWSA CIP or unplanned Projects developing from a business or condition-related need may be assigned to either an NWSA or POS Project Manager (or applicable POS Maintenance Support). The NWSA may request that certain POS Project Management staff be assigned to NWSA Projects, and POS will make such final assignments as reasonable and practicable. The Parties will use the default decision matrix below to ensure consistency and transparency in allocating staffing resources.

b. Project Manager Assignment Decision Matrix

Project/Work Types	Project Manager Assignment
IDDP Project Development, Advance and/or Master Use Planning, and Feasibility Studies	NWSA
Condition Assessment Projects	NWSA
Oversight of Tenant Reimbursement Projects	NWSA
Oversight of Tenant Improvement Projects	NWSA
Capital Project Liaison (supporting and/or representing NWSA Business Sponsors on Projects)	NWSA
Traditional Design-Bid-Build Projects	POS
Alternative Delivery Projects	POS
Small Capital & Maintenance Expense Projects above \$100,000	POS
Non-Project Work: Corrective Maintenance and/or Minor Repairs below \$100,000	POS (Maintenance Support)

Exceptions to the decision matrix will be reviewed by the NWSA Sr. Director of Engineering and POS Director of Waterfront Project Management. Per the NWSA Charter, the final decision rests with the NWSA.

c. NWSA Executive Authorization

To formally start spending and committing funds against a Project, an authorization is required. The NWSA Master Policy on Delegation of Authority (“Master Policy”) directs when NWSA Managing Members authorization is required or when such authority has been delegated to the NWSA Chief Executive Officer. The most current NWSA Delegation of Authority Matrix outlines the NWSA CEO’s sub-delegation to which NWSA Staff who may authorize Projects and at what amount.

The Parties acknowledge that as of the date of this MOU, the NWSA Master Policy provides that Projects authorized by the Managing Members or delegated to the CEO may be executed by NWSA Staff, and that where personal, professional or purchased goods and services are part of a Project, authorization of expenditures are managed as part of the Project authorization and additional authorization is not required. The Master Policy further requires Managing Members’ authorization for any Material Change defined below (Section 4b). No spending may occur on a Project until an authorization is executed.

SECTION 4. PROJECT MANAGEMENT PLAN

a. POS Project Notebook

In delivering Projects for the NWSA, the POS Project Manager will follow the Waterfront Project Management Group’s standard Project Notebook process. At POS, capital and expense Major Projects (project valued over \$300,000) require a Project Notebook (a Project Management Plan containing relevant Project planning documents). The procedures described for the various Project Notebook Tabs are intended to be scalable and used by the POS Project Manager as appropriate for projects below \$300,000. For Major Projects delivered for the NWSA, the POS Project Manager will use Tab 1 (Executive Summary) as the primary mechanism to communicate and document agreed to scope, schedule, budget, and amendments.

b. Project Amendments & Decision Logs

POS Project Managers will communicate and collaborate with NWSA Business Sponsors and Sr. Director of Engineering (or delegate) on all changes to Project scope, schedule, and budget. In delivering Major Projects for the NWSA, the POS Project Manager will maintain a Decision Log and Risk Register to track and document all changes to Project scope, schedule, and budget. In addition to any needed NWSA CEO or Managing Members’ authorization, Material Changes to scope, schedule, or budget will require an amendment to the Project Notebook Tab 1 (Executive Summary) and formally documented in the amendment section. A Material Change is defined in the NWSA Master Policy as “work that was not previously included in the Project authorization or substantially changes the intent of the Project.” Examples could include one or more of the following:

- i. Project schedule delay that has an anticipated financial impact on a NWSA customer or other affected stakeholders.
- ii. Project cost change(s) resulting in the Project exceeding the amount previously authorized by the Managing Members.
- iii. Acquisition planning change(s) resulting in the selection of an Alternative Delivery Method requiring Managing Members authorization.

c. POS Asset Owner vs. Service Provider

On NWSA Projects, the POS Project Manager (and supporting POS staff) may perform dual functions as both a project delivery service provider to the NWSA and underlying property owner representative for the Homeport. As the underlying property owner, POS shall have the right to incorporate additional scopes and services into a Project beyond the NWSA requirements and applicable regulatory requirements.

In such cases, POS shall be responsible for any additional cost related to scopes and services requested by POS as the underlying property owner that are above and beyond the NWSA Project requirements and applicable regulatory requirements. Examples of additional scopes and services may include POS design standards and sustainability initiatives above NWSA requirements. POS will fund these requests as Homeport (POS Joint Venture) costs.

d. Escalation Protocols

In delivering complex Projects, differences may arise between the Parties that are silent in this MOU, NWSA North Harbor Service Level Agreements, or NWSA Charter. In those instances, differences should be resolved at the lowest level before escalating sequentially as follows:

Escalation	NWSA Representative	POS Representative
Level 1	NWSA Staff	Team Manager (Program Leader or equivalent project delivery manager)
Level 2	Sr. Director of Engineering	Department Director (Director of Waterfront Project Management Group or equivalent project delivery director)
Level 3	Executive Sponsor or Executive Team Member	Managing Director of Maritime Division or Deputy Executive Director

Level 4	Chief Executive Officer	Executive Director
Level 5		Managing Members

e. Performance Management

For instances where a POS Project Team Member(s) is not meeting their roles and responsibilities on the Project, the NWSA will use the following defined performance management process to address the concern(s).

- i. The NWSA Staff (or delegate) should have a timely and direct conversation with the POS Project Team Member to identify and discuss the concern(s).
- ii. Should the concern(s) persist, the NWSA Sr. Director of Engineering (or delegate) will formally document the grievance and initiate the escalation protocols noted above.
- iii. As part of the Level 1 escalation, an appropriate POS Team Manager will address the concern(s) with the POS Project Team Member in accordance with the POS Human Resource policies and procedures for performance management, corrective actions, and progressive discipline. The Parties agree that best practice for performance management should not exceed Level 1.
- iv. For Level 2 escalation, the POS Department Director will collaborate with the NWSA Sr. Director of Engineering to honor the NWSA's request and/or expectations. POS Department Director will have final accountability in addressing performance concern(s), including potential removal of POS Project Team Member(s) from the NWSA Project.
- v. The Parties agree that the goal of performance management should not move beyond Level 2.

To ensure effective sponsorship, POS will reserve its right to provide feedback and address performance concern(s) with NWSA Staff. POS will follow the same escalation protocols defined above.

SECTION 5. MANAGING MEMBERS AUTHORIZATION

a. Project Funding Authorization and Presentations to NWSA Managing Members

Authorization from Managing Members is required for Projects where the total estimated Project cost exceeds the NWSA CEO's delegated authority or when actual costs of a previously approved Project exceed the delegated limit. Project presentations, briefings, and/or memorandums to Managing Members will be a

shared responsibility between the POS Project Manager and NWSA Business Sponsor.

All documentation presented to Managing Members will be completed by the POS Project Manager and reviewed as needed by the NWSA Executive Team, NWSA Business Sponsor, NWSA Staff, and POS Project Team Managers to ensure compliance with NWSA policies and procedures. Presentation to the Managing Members will be co-presented by the POS Project Manager and NWSA Business Sponsor.

b. Split-Funding Projects

Split-funded Projects are those that have both a NWSA and a Homeport-only cost component and may deviate from the default cost sharing defined by the NWSA Charter. Split-funded Projects can be addressed in several ways. In order of preference:

- i. Where assets and construction can be easily separated, use separate Project numbers following the normal processes for all organizations.
- ii. NWSA Project and Unequal Capital Contributions to the NWSA (if primarily a NWSA Project):
 - a. The NWSA Charter allows for Managing Members to approve, by vote, contributions to capital construction in amounts other than based on each Managing Members' pro rata respective Membership Interest on a Project specific basis.
 - b. To ensure compliance with the NWSA Master Policy and Delegation of Authority, these Projects will be presented at Managing Members meetings and may have dual actions (one vote for unequal capital contribution) with Managing Members and Homeport Commissioner actions.
 - c. For efficient project delivery, Split-funded Projects will be authorized and set up to an NWSA cost center as one work project (or program). During the Project, or at Project close-out as agreed to by the two accounting organizations, the Homeport-only cost component will be reconciled to adjust the final cost sharing percentage between the NWSA and Homeport.
- iii. Homeport Project with NWSA contribution (if primarily a Homeport Project):

- a. Managing member authorization to contribute to Homeport Project and Homeport authorization of the full Project cost.
- iv. Homeport or NWSA Project with split asset:
 - a. Managing Member authorization of Project and Homeport authorization to take share of cost.

SECTION 6. CONTRACT PROCUREMENT & MANAGEMENT

a. Acquisition Planning

Acquisition Planning (AP) is an element of the Project Notebook and is mandated by POS Central Procurement Office policies and procedures. The goal of the AP process is to build clear alignment around the strategic decisions that must be made for each procurement. NWSA Staff, including and not limited to the Sr. Director of Engineering and NWSA Business Sponsor, shall attend AP meetings and provide input and feedback as part of the decision-making process. The decision on the use of in-house vs. external resources is a component of the AP meeting.

The Parties agree that the decisions made by the AP Team is a joint decision with shared risks. Should the Parties disagree, the NWSA Business Sponsor or NWSA Sr. Director of Engineering will escalate to the NWSA Executive Sponsor for a final decision. Per the NWSA Charter, the final decision rests with the NWSA.

b. Alternative Delivery Decision

The delivery method decision for any Project is one of the key documented outputs from the AP process. The process to select the appropriate delivery method for a given Project starts with the POS Project Manager completing the Project Delivery Method Recommendation Form that helps to inform the applicable project delivery methods through a series of questions relevant to the Project requirements.

- i. For NWSA Projects, the POS Project Manager will include the NWSA Sr. Director of Engineering (or delegate) in forming the Project delivery method recommendation along with POS subject matter experts across Engineering Design, Construction Management, Central Procurement Office, and Environmental.
- ii. Any decision to pursue the use of an alternative delivery method on a NWSA Project will be finalized in the AP review meeting and authorized by Managing Members in accordance with the NWSA Master Policy.

c. Project Labor Agreement

The Project Labor Agreement (PLA) determination for Projects located on POS property will be administered in accordance with the POS Commission Policy Directive on Construction Labor Practices. The POS Project Manager will draft a PLA Criteria Form and schedule a meeting with the POS Construction Manager, POS Construction Labor Manager, and POS Director of Diversity in Contracting, and the NWSA Business Sponsor or Sr. Director of Engineering (or delegate) to finalize the form and recommendation. Review and acceptance of the recommendation will be signed by the POS Chief Engineer and the POS Sr. Director of Labor Relations. Final approval of the PLA will be signed by the POS Executive Office.

d. Non-Discretionary and Discretionary Changes

Non-Discretionary and Discretionary changes may arise on a NWSA Project during the management of a major construction contract.

- i. For Non-Discretionary changes, the POS Project Team will provide approval as Project contingencies allow, staying below the Project authorization amount.
- ii. For Discretionary changes, the NWSA Sr. Director of Engineering will provide approval as Project contingencies allow, staying below the Project authorization amount.
- iii. For changes that exceed the Project authorization amount, the POS Project Manager will follow Section 4b (Project Amendments & Decision Logs) above.
- iv. For both Non-Discretionary and Discretionary changes, the NWSA Sr. Director of Engineering will be notified by the POS Project Team for change amounts of \$200,000 and above.

SECTION 7. TENANT COMMUNICATION

NWSA Business Sponsor will be the point of communication with NWSA Tenants. POS Project Team shall coordinate with the NWSA Business Sponsor (or delegate) for any required or requested communication with Tenants relating to the Project. The NWSA Business Sponsor (or delegate) shall be included on any written communication with Tenants. This coordination includes, but is not limited to, site visit requests, meeting requests, information requests, design progress reviews, and construction bid site walks. At the discretion of the NWSA Business Sponsor (or delegate), the POS Project Team may contact Tenant directly and copy the NWSA Business Sponsor.

The POS Project Team shall provide a copy of all operation and maintenance materials to the NWSA Business Sponsor for the Tenant's use. At the discretion of the NWSA Business Sponsor (or delegate), the information may be provided directly to the Tenant with the NWSA Business Sponsor on copy. The NWSA Business Sponsor shall be responsible for ensuring Tenants are aware of all operation and maintenance responsibilities and requirements.

The NWSA Business Sponsor is responsible for alerting POS Project Team of any Tenant-proposed Projects, per any requirements in lease terms. Projects that affect the Homeport's base infrastructure, utilities, or any safety measures will be provided to the POS Project Team for, at minimum, a courtesy review or other reviews specified in the lease. At a minimum, comments related to regulatory compliance will be addressed. Final permits, project drawings and specifications will be provided through the NWSA to the POS for record-keeping on facility infrastructure.

SECTION 8. ADMENDMENT, PRIOR AGREEMENTS AND NOTIFICATIONS

Either Party may request changes to the provisions contained in this MOU. Any changes to this MOU must be mutually agreed to by both Parties in writing. The Parties have executed Charter documents and amendments and execute annual Service Level Agreements. Nothing herein is designed to supersede Charter, Charter amendments, or Service Level Agreement provisions. Formal notice provisions of those documents will apply.

SECTION 9. JOINT DRAFTING EFFORT

This MOU shall be considered for all purposes as prepared by the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU which shall be effective upon the date of recording.

PORT OF SEATTLE



Stephen P. Metruck, Executive Director

12/19/2025
Date: _____

THE NORTHWEST SEAPORT ALLIANCE



John Wolfe, Chief Executive Officer

Date: _____