



AGENDA  
Regular Commission Meeting  
Port of Portland Headquarters  
7200 N.E. Airport Way, 8<sup>th</sup> Floor  
December 10, 2014  
9:30 a.m.

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**Minutes**

Approval of Minutes: Regular Commission Meeting – November 12, 2014

**Executive Director**

Approval of Executive Director's Report – November 2014

**Action Items**

1. LAND ACQUISITION – APPROXIMATELY 46.23 ACRES – HILLSBORO *SCOTT KILGO*  
  
Requests approval to purchase approximately 46.23 acres of vacant land located adjacent to the Hillsboro Airport.
2. EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT – TERMINAL BALANCING CONCOURSE E EXTENSION – PORTLAND INTERNATIONAL AIRPORT *STAN SNYDER*  
  
Requests approval of an exemption from competitive bidding to procure the public improvement contract for construction of the Terminal Balancing Concourse E Extension Project at Portland International Airport.
3. EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT – PHASE 2 GRADING, PLANTING AND SUNDIAL ROAD, GRAHAM ROAD AND SWIGERT WAY IMPROVEMENTS – TROUTDALE REYNOLDS INDUSTRIAL PARK *ROBIN MCCAFFREY*  
  
Requests an exemption from competitive bidding to procure a public improvement contract for the Troutdale Reynolds Industrial Park Phase 2 Grading, Planting and Sundial Road, Graham Road and Swigert Way Improvements project.
4. WEIGHTED VOLUME CONTAINER CARRIER INCENTIVE PROGRAM FOR TERMINAL 6 *GREG BOROSSAY*  
  
Requests approval of a one-year extension of the Container Carrier Incentive Program at Terminal 6 for the 2015 calendar year.

5. PUBLIC HEARING AND APPROVAL OF SUPPLEMENTAL  
BUDGET FOR FISCAL YEAR 2014-15

*SUZANNE KENNY*

Requests a public hearing and approval of a Supplemental Budget for Fiscal Year 2014-15 to cover three situations that were not foreseen at the time the Port of Portland budget was adopted in June 2014.

Following the regular Commission meeting, an informal update on the Port of Portland's strategic plan will be presented.

**LAND ACQUISITION – APPROXIMATELY 46.23 ACRES – HILLSBORO**

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December 10, 2014

Presented by: Scott Kilgo  
Airside Leasing Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to purchase approximately 46.23 acres of vacant land located at 25300 NW Evergreen Road, adjacent to the Hillsboro Airport (HIO) for an amount not to exceed \$9,867,517.

**BACKGROUND**

SolarWorld is the nation's largest manufacturer of silicon-based solar cells. Its manufacturing plant is immediately adjacent to the Hillsboro Airport. Last month SolarWorld announced a \$10 Million expansion of its plant that will introduce 200 additional jobs to the market. As this expansion will not require the use of the vacant land on the west end of its property, it has listed this approximate 46.23 acres for immediate sale (Property). This Property was not expected to be available during previous airport planning efforts, but is considered a strategic opportunity.

The Property is the largest parcel of undeveloped land contiguous with HIO and is located on Evergreen Road close to Brookwood Parkway. These two major arterial roads provide great access to downtown Portland and beyond. The entire Property is zoned General Industrial with very good utilities at the Property or within close proximity. Successful tech companies in the local area include SolarWorld, Intel, Adobe, and Genentech.

Port staff thoroughly investigated the condition of the Property in cooperation with SolarWorld and the City of Hillsboro. The Property's location and size, adjacent utilities, excellent road access and adjacency to HIO are attractive features for development of both aviation operations area and industrial use development.

The development of this Property will be considered in Port planning efforts to determine how and when it would be developed.

**TERMS**

Conditions included in the Purchase & Sale Agreement include:

- Purchase of approximately 46.23 acres of vacant land;
- Negotiated purchase price not to exceed \$9,867,517;
- Earnest Money Deposit from the Port in the amount of \$100,000;
- SolarWorld to pay all brokerage fees associated with the transaction;
- Port acceptance of approximately 150,000 cubic yards of stockpiled soil; and

LAND ACQUISITION – APPROXIMATELY 46.23 ACRES – HILLSBORO

December 10, 2014

Page 2

- Satisfaction of title issues, including seeking the re-conveyance of a \$500 million Trust Deed; removal of the property from the Dawson Creek Business Park Covenants, Conditions and Restrictions.

**BUDGET**

This purchase will be funded with the PDX Port Cost Center and require approval of a Supplemental Budget for Fiscal Year 2014-15. The Supplemental Budget will be presented for consideration in a separate agenda item.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to purchase approximately 46.23 acres of vacant land located at 25300 NW Evergreen Road, adjacent to the Hillsboro Airport, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT –  
TERMINAL BALANCING CONCOURSE E EXTENSION – PORTLAND INTERNATIONAL  
AIRPORT

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December 10, 2014

Presented by: Stan Snyder  
Engineering Project Manager

**REQUESTED COMMISSION ACTION**

This agenda item requests approval of an exemption from competitive bidding, enabling the Port of Portland (Port) to use a competitive request for proposals (RFP) process to procure the public improvement contract for construction of the Terminal Balancing Concourse E Extension Project at Portland International Airport (PDX).

**BACKGROUND**

Currently, the two largest carriers at PDX, Alaska Airlines and Southwest Airlines, are located on the south side of the Terminal. This situation has produced a passenger load distribution of approximately two-thirds to one-third between the south and north sides of the Terminal, respectively.

The impacts of this imbalance, due in part to the recent strong passenger growth, include:

- Longer lines at the south security checkpoint;
- Unbalanced wear and tear on the baggage handling system;
- Underutilized facilities and concessions on the north side of the terminal; and
- Holdroom capacity issues on Concourse A at peak times.

It is anticipated that without certain improvements, this situation will deteriorate as passenger counts continue to rise.

To correct the imbalance, this project proposes to:

- Extend Concourse E by 210 feet and improve the adjacent ground loading facilities in order to replace the deficient facilities on Concourse A;
- Relocate Alaska Airlines from Concourses A, B and C onto Concourse E; and
- Relocate United Airlines from Concourse E to Concourse C.

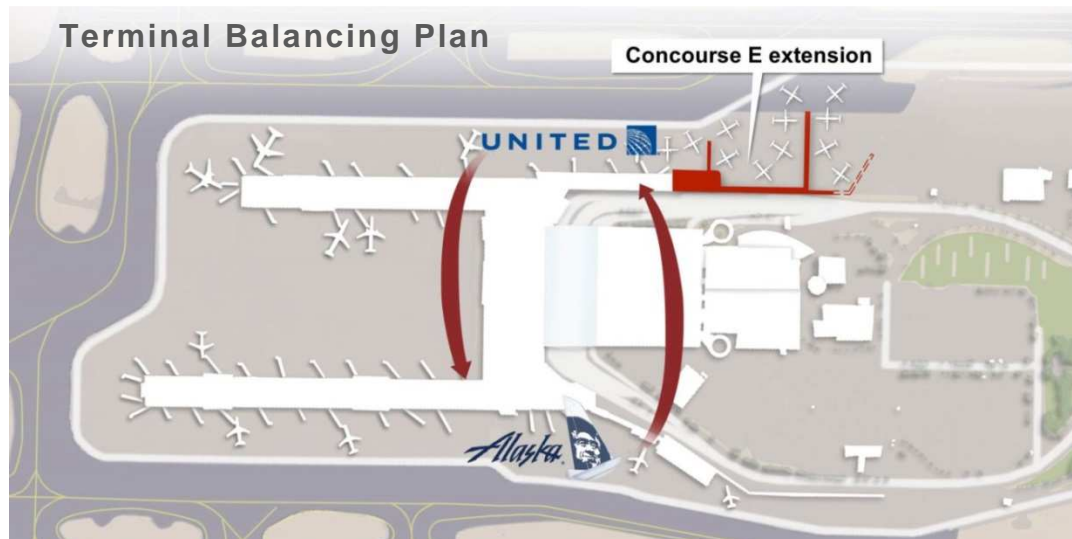
Conceptual design on the project started in June 2014. The consultant contract amendment for design completion was presented and approved at the November 2014 Commission. Design is expected to be complete at the end of 2015.

The next step in the project will be to select the contractor; hence, this request for the exemption from competitive bidding.

# EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT – TERMINAL BALANCING CONCOURSE E EXTENSION – PORTLAND INTERNATIONAL AIRPORT

December 10, 2014

Page 2



## **EXEMPTION FROM COMPETITIVE BIDDING**

This request is in accordance with the Oregon Public Contracting Code which allows an agency's contract review board to approve the use of an alternative contacting method by granting an exemption from competitive bidding under ORS 279C.335(2).

As discussed in more detail in the Findings in Support of an Exemption from Competitive Bidding (Findings) that are attached, this project entails complex operational issues, phased construction activities, and critical security constraints. For primarily those reasons, the Port intends to use a competitive RFP procurement to select a Construction Manager/General Contractor (CM/GC) for this project. The Port has successfully used CM/GC contracts on three major projects in recent years: the Port headquarters/long-term parking garage, inline baggage screening, and deicing enhancement. The Port is currently using the CM/GC method to deliver the Access Control Replacement project. Port staff considered other contracting methods for this project – including design-build and traditional "low bid" procurement – but ultimately recommends the CM/GC structure given the project's phasing complexity and operational sensitivities.

The RFP would use a competitive process to select the contractor which is based in part on the proposers' qualifications. RFP evaluation criteria would include, for example the following: the proposer's experience with similar types of projects; construction management planning, scheduling and coordination capability; experience with highly visible public projects that require skilled communications; and proposed fees. As discussed in the Findings, this selection process is considered to be unlikely to encourage favoritism in awarding the contract or to substantially diminish competition for the contract. The RFP would also likely result in substantial cost savings for the Port and other substantial benefits to the Port.

EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT –  
TERMINAL BALANCING CONCOURSE E EXTENSION – PORTLAND INTERNATIONAL  
AIRPORT

December 10, 2014

Page 3

After public notice, the Port held a public hearing on December 2, 2014 to take comments on the draft Findings, as required under Oregon law. The final Findings summarize the results of the hearing. The Port now seeks the Commission's approval of the Findings, acting in its capacity as the Port's Contract Review Board. In addition, the Port seeks an exemption from competitive bidding to allow the Port to procure the project public improvement contract using an RFP.

**PRELIMINARY SCHEDULE**

Conceptual Design	June 2014 – December 2014
Commission Action (Design Contract)	November 2014
<b>Commission Action (Exemption)</b>	<b>December 2014</b>
CMGC Selection Process	December 2014 – March 2015
CMGC Preconstruction Services	April 2015 – August 2015
Commission Action (CM/GC Construction Contract)	July 2015
Construction	September 2015 – Late 2017

**PROJECT RISK**

Risk: Disruption to airline and airport operations.

Mitigation Strategy:

- Develop detailed phasing and transition plans with construction team, Port and airline stakeholders.
- Appoint a tenant communications single point of contact for the project to ensure construction coordination with stakeholders.
- Establish and maintain regular communications to keep stakeholders updated on upcoming construction activities and operational changes.

Risk: Schedule impacts due to delayed response from Airlines on critical design issues.

Mitigation Strategy:

- Identify the key airline contacts and keep them engaged through the design process.
- Be clear with respect to the schedule impacts of decisions needed from the Airlines.
- Develop a strategy to elevate unresolved issues.

EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT –  
TERMINAL BALANCING CONCOURSE E EXTENSION – PORTLAND INTERNATIONAL  
AIRPORT

December 10, 2014

Page 4

**PROJECT BUDGET**

Construction	\$63,300,000
Procurements	\$2,000,000
Consultant Services	\$10,100,000
Port Staff	\$5,600,000
Contingency	\$17,000,000
Total Project	<u>\$98,000,000</u>

The contingency, representing 17.4 percent of the project budget, is considered reasonable given the early stage of the project, the nature of the work and the risk profile for the project.

The project cost will be funded by the Airline Cost Center in accordance with the PDX Airline Agreement.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That the Port of Portland Commission, in its capacity as the Port of Portland Contract Review Board, approves the findings set forth in the attached, "Findings in Support of an Exemption from Competitive Bidding – Terminal Balancing Concourse E Extension, Portland International Airport," dated December 10, 2014; and

BE IT FURTHER RESOLVED, That the Port of Portland Commission, in its capacity as the Port of Portland Contract Review Board, specifically exempts from competitive bidding the public improvement contract for the Terminal Balancing Concourse E Extension project, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.





## Findings

### PORTLAND INTERNATIONAL AIRPORT

#### Concourse E Extension

PROJECT #101888

### DRAFT FINDINGS IN SUPPORT OF AN EXEMPTION FROM COMPETITIVE BIDDING

DECEMBER 2, 2014

#### Project Background

The goal of this project is to alleviate the current imbalance of passengers being served on the south side of the Portland International Airport (PDX) terminal, enhance operating efficiencies, and improve customer service by extending Concourse E approximately 210 feet. In the current configuration, approximately 2/3 of PDX passengers are served on the south side of the Terminal with the remaining 1/3 being served on the north side. This imbalance has led to operational inefficiencies for the airlines and Port operations, and, in certain regards, a less than optimal level of customer service. It is anticipated that without certain improvements, this situation will deteriorate as the PDX passenger count continues to rise.

#### Project Description

This project will create infrastructure improvements in and adjacent to the PDX Terminal to address certain operational inefficiencies, customer services issues, and occupancy code compliance related to an imbalance in passenger loads between the north and south ends of the Terminal complex. Although the main elements of the project scope have been determined, many of the smaller elements and project specifics have yet to be identified. The Port is currently in the process of defining and clarifying the project work scope and is expected to complete this conceptual planning effort by December 2014. Construction is tentatively scheduled to start by the fall of 2015 with substantial completion in late 2017.

The project elements include, but are not necessarily limited to:

- Concourse E:
  - Extension of Concourse E to the east by approximately 210 feet:
    - Similar and compatible features and style to existing architecture but not a duplicate of existing
    - New, larger, and more efficient passenger ground-load holdroom having more natural lighting
    - New restrooms and other passenger amenities
    - Additional concessions shell space
    - Additional Airline operations shell space
    - Utility tunnel extension
    - New and more robust vertical circulation to and from ground-load holdroom (elevator, escalators, and stairs)
  - Covered passenger walkway for ground loading passengers
  - Apron modifications:
    - Expanded aircraft parking apron including adjacent taxiway modifications

- Revised aircraft parking layout for ground loaded aircraft
  - Aviation fuel line relocation and possible fuel hydrant additions
  - Additional apron lighting
- Tenant improvements required to accommodate airline relocations:
  - Airline ticket counter spaces and adjacent airline ticket office and support space
  - Remodel airline preferred member/club space on north and south areas of the terminal and/or concourses
  - Remodel of existing airline operations and support space on deplaning and enplaning levels of Concourses A, B, C and E including conference room/meeting facilities, offices, maintenance parts, locker rooms, dispatch, IT rooms, etc.
  - Equip holdrooms and miscellaneous support spaces on the enplaning level of Concourses A, B, C, and E
  - Remodel airline baggage office support space
  - Revise aircraft parking layout for aircraft loading at Gate C1
- New south curbside conveyor including skycap work station and canopy covering
- Infrastructure and utilities:
  - Upgraded data, power, lighting and lighting controls, fire alarm, card access, and paging to meet current standards and levels of need
  - Plumbing, heating, cooling, and ventilating for new and remodeled spaces
  - Possible structural upgrades as required by fire/life/safety and/or seismic codes
  - Improvement of existing and possible new sewage lift stations to accommodate extension of Concourse E
  - Separation of fats, oils, and greases from all new concessions spaces effluent
- Temporary phasing and improvements:
  - Provide space planning, programming, and design services for temporary facilities, as required, for airline relocations
  - Provide phasing plans (including alternative analyses) for temporary relocation of airlines
  - Provide new common use ticket counters and gate equipment to facilitate airline relocations
  - Temporary pedestrian bridge over Airport Way with walkways

## **Construction Risks**

Much of the work will be in and around active airline and airport operations. If the work is not carefully and properly planned, communicated and executed by a capable and experienced firm, the operational, safety and financial risks are high. In addition, the large majority of the work occurs within the airport secured area, requiring close coordination with the FAA and the TSA.

The Concourse E Extension overlies ground with a high water table and known soil contamination. Excavation for the foundation and utility tunnel will require careful planning and execution by qualified and experienced contractor.

To accomplish the work scope will require a complex and well-coordinated phasing plan in order to minimize disruption to operations and maintain security. Working with the Port staff throughout planning and execution of the various construction phases will be critical in mitigating these risks.

## **Alternate Contracting Methods for Public Improvement Projects**

Oregon's Public Contracting Code (Code) embraces alternate contracting methods for complex public improvement projects. A stated policy goal of the Code is to: "[p]rovide a public contracting structure that can take full advantage of evolving procurement methods as they emerge within various industries, while preserving competitive bidding as the standard for public improvement contracts unless otherwise exempted."<sup>1</sup> Similarly, the Port's Contracting Rules promulgated under the Code are intended to: "maximize the Port's flexibility in adjusting its contracting procedure to the specific circumstances of each procurement, and to ensure that the Port receives the maximum benefit from the public funds expended on public contracts."<sup>2</sup> Under the Code, when appropriate, an agency's local contract review board (CRB) may direct the use of alternate contracting methods that "take account of market realities and modern practices and are consistent with the public policy of encouraging competition."<sup>3</sup>

An agency's CRB directs the agency to use an alternate contracting method by granting an exemption from competitive bidding.<sup>4</sup> In granting the exemption the CRB must require and approve or disapprove written findings that support the award of the contract without the competitive bidding requirement.<sup>5</sup> The findings must show that the exemption of the contract complies with the requirements set forth below under "Findings."<sup>6</sup> "Findings" means the justification for a conclusion that an agency, in seeking an exemption from competitive bidding, reaches based on the considerations set forth below under "Findings."<sup>7</sup>

### **Proposed Contracting Method**

Given this project's complex operational issues, phased construction activities and critical security constraints, the Port proposes using a competitive Request for Proposals (RFP) procurement to select a Construction Manager/General Contractor (CM/GC). Under a preconstruction services contract resulting from the RFP, the CM/GC would participate on a project team led by the Port which also includes architect/engineers and other consultants. As part of that team the CM/GC would contribute to design development, constructability reviews, value engineering, scheduling, estimating, and similar construction management tasks. The subsequent public improvement would establish a guaranteed maximum price for all construction work. Under that contract the CM/GC would act as general contractor and provide associated expertise, hold all subcontracts, self-perform portions of the work as the Port may allow, coordinate and manage the building process, and continue to act as a member of the project team.

### **Findings**

Under the Code, the Port's CRB may exempt a public improvement contract from competitive bidding upon approval of certain findings submitted by Port staff which justify the exemption. The two required findings are underlined below, with supporting information following each:

- a. The exemption is unlikely to encourage favoritism in awarding the contract or substantially diminish competition for the contract. This exemption is unlikely to

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<sup>1</sup> ORS 279A.015(6).

<sup>2</sup> Port Contracting Rule A.015.

<sup>3</sup> ORS 279C.335(4)(a).

<sup>4</sup> ORS 279C.335(2).

<sup>5</sup> ORS 279C.335(4)(b).

<sup>6</sup> ORS 279C.335(4)(b).

<sup>7</sup> ORS 279C.330(2).

encourage favoritism because multiple contractors are expected to submit proposals, which will be evaluated by a team in order to mitigate the effect of any individual bias in reviewing proposals. Competition should not be substantially diminished because the RFP remains an open, advertised, competitive selection process. Rather than being diminished, competition will be expanded to encompass qualifications as well as price. To solicit proposals, the Port will advertise notice of the RFP in the Daily Journal of Commerce. The Port will also post the RFP on the Port's website, to reach construction service providers that are already registered in the Port's online vendor bidding system. All interested firms will be invited to submit proposals.

b. Awarding the contract under the exemption will likely result in substantial cost savings and other substantial benefits to the agency. In approving a finding under this paragraph, the CRB must consider the type, cost and amount of the contract and, to the extent applicable to the particular contract, the additional factors set forth below at subsections 1 - 14.

- I. Type of the contract. Construction Manager/General Contractor public improvement contract.
- II. Cost/amount of the contract. The approximate cost of the work to be performed under the contract is \$62 million.
- III. Additional factors, to the extent applicable:
  1. How many persons are available to bid. There are multiple firms capable of successfully performing this project in the Oregon/Washington region.
  2. The construction budget and the projected operating costs for the completed public improvement. The project budget is \$98 million which includes staff and outside service costs as well as project contingency. Construction costs are estimated at \$62 million. Projected operating costs are not a consideration for this exemption.
  3. Public benefits that may result from granting the exemption. There are two primary benefits to the public of having this exemption, all related to having the contractor on board during the design process:
    - a. Reduces construction impact to the public: The phasing and execution plan will be greatly improved by having the contractor assist in the planning process. The better the phasing and execution plan, the less the impact on the public.
    - b. Earlier project completion: Work packages can be issued prior to design completion allowing construction to start at least 7 months earlier than with traditional contracting methods. An earlier start means an earlier completion thereby allowing the public earlier use of the new facility.
  4. Whether value engineering techniques may decrease the cost of the public improvement. There will likely be opportunities as the project develops for value engineering to decrease the project cost. These opportunities may take the form of innovative construction methods, less expensive yet equivalent materials or different phasing options.

5. The cost and availability of specialized expertise that is necessary for the public improvement. There are a number of national and local firms with specialized expertise in public infrastructure projects of this type. It is expected that there will be an adequate number of competitors available to propose as general contractors or subcontractors. The basis for evaluation of proposals will be estimated total cost of construction by the prime contractor and its subcontractors, as well as qualifications, experience, project approach and similar criteria applicable to the project. Additionally, the Port has the on-staff expertise and financial resources, to successfully support this public improvement project. See No. 14 below.
6. Any likely increases in public safety. It is likely that public safety will be better served by this exemption. The RFP selection process allows the Port to take the contractor's safety program and record into account. Further, a CM/GC contract will allow the Port to be part of the contractor's safety planning process. All work will be performed in accordance with OR-OSHA safety regulations and applicable OSHA regulations.
7. Whether granting the exemption may reduce risks to the Port or the public that are related to the public improvement. This exemption will allow the Port to work with a CM/GC contractor as a team in order to minimize the public impact of the construction.
8. Whether granting the exemption will affect the sources of funding for the public improvement. This work is being funded by the airline cost center. The exemption will have no impact on this funding source.
9. Whether granting the exemption will better enable the Port to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement. The use of a CM/GC contract will allow the Port to begin construction at least 7 months earlier than a traditional design-bid-build approach. This schedule improvement allows the Port more flexibility in the timing of the work with respect to market conditions.
10. Whether granting the exemption will better enable the Port to address the size and technical complexity of the public improvement. This is one of the main drivers for proposing an alternative contracting method (CM/GC). A CM/GC contract allows the Port to work with the contractor on the most efficient and least impactful way to phase the project, especially with respect to the airline relocations.
11. Whether the public improvement involves new construction or renovates or remodels an existing structure. The Concourse E Extension will be mostly new construction except where it attaches to the existing building. The airline relocations will be virtually all renovation work.
12. Whether the public improvement will be occupied or unoccupied during construction. The Concourse E Extension proper will not be occupied during construction but will be adjacent to occupied space. Virtually all of the airline relocations will involve work in occupied & operational spaces.

13. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions. Construction will be multi-phased: Concourse E Extension foundation, Airline relocation temporary facilities, temporary airline moves, build out of new airline space, completion of Concourse E Extension, final airline relocations.
14. Whether the Port has, or has retained under contract, and will use Port personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the Port will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract. The Port has significant institutional knowledge related to RFP solicitations and CM/GC contracts. Recent Port project experience with CM/GC includes the Port Headquarters, Baggage Handling, Deicing, and Access Control. Individual Port staff with the necessary expertise will assist in developing the alternative contracting method and in negotiating, administering and enforcing the contract's terms. Key participants in the contracting process, including the contracts and procurement manager and legal counsel, in particular have extensive experience with RFP processes at the Port of Portland. The Port's construction manager, construction inspector and project manager each have many years of experience administering and enforcing public improvement contracts of this type.

## **Public Hearing**

Under the Code, before the Port's CRB approves the Findings proposed above and before granting the exemption from competitive bidding, the Port must hold a public hearing to allow the Port to take comments on the draft findings for an exemption from the competitive bidding requirement. ORS 279C.335(5). Draft findings summarizing the requested exemption from competitive bidding were published in compliance with the Code's notice requirements, and a public hearing was held on December 2, 2014 to allow interested parties to appear and present comments on the proposed exemption. No adverse public comments were received at the public hearing.

## **Summary**

Port staff find that the proposed contracting method (i) is unlikely to encourage favoritism in awarding the contract or substantially diminish competition for the contract, and (ii) will likely result in substantial cost savings and other substantial benefits to the Port. As a result, Port staff conclude that the proposed contracting method is consistent with the Code's stated policy of embracing alternate contracting methods when appropriate. Port staff recommends that the public improvement contract for the Terminal Balancing Concourse E Extension project be exempted from the Code's competitive bidding requirement.

EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT –  
PHASE 2 GRADING, PLANTING AND SUNDIAL ROAD, GRAHAM ROAD AND SWIGERT  
WAY IMPROVEMENTS – TROUTDALE REYNOLDS INDUSTRIAL PARK

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December 10, 2014

Presented by: Robin McCaffrey  
Engineering Project Manager

**REQUESTED COMMISSION ACTION**

This agenda item requests an exemption from competitive bidding, enabling the Port of Portland (Port) to procure a public improvement contract for the Troutdale Reynolds Industrial Park (TRIP) Phase 2 Grading, Planting and Sundial Road, Graham Road and Swigert Way Improvements project using a competitive request for proposal (RFP) process.

**BACKGROUND**

The Port is developing TRIP on property acquired from Reynolds Metal Company and existing Troutdale Airport property north of Graham Road. TRIP will be developed in three phases. Phase 1 included the creation of three lots (Lots 1-3) within the City of Troutdale. FedEx opened a hub distribution facility on Lot 2 in 2010. Phase 2 will include 184 acres of industrial land, providing the next opportunity for development at TRIP.

In March 2013, the Commission approved a professional services contract with David Evans and Associates for design of Graham Road and Swigert Way, in support of developing TRIP Phase 2.

As discussed in more detail in the Findings in Support of an Exemption from Competitive Bidding (Findings) that are attached, this project entails compliance with complex environmental and other regulatory requirements, known groundwater and possible other unknown contamination, management of flood storage area balance, and phased construction activities. In order to mitigate for construction challenges associated with these conditions, the Port intends to use a competitive RFP procurement to select a construction contractor for this project. The Port successfully used an RFP selection process for the TRIP Phase 1 public improvements for many of the same reasons. Port staff considered other contracting methods for this project – including prequalification and traditional “low bid” procurements – but ultimately recommended an RFP process, given the project’s complex scope, demanding site conditions, strict regulatory requirements and construction risks.

The RFP would use a qualification-based selection process to select the contractor. RFP evaluation criteria will include the following: construction management planning, the contractor’s and key subcontractors’ performances on projects with similar conditions and constraints; proposed costs; ability to comply with permit conditions; qualifications of key personnel; and small business participation. As discussed in the Findings, this selection process is considered unlikely to encourage favoritism in awarding the contract or substantially diminish competition for the contract. The RFP also will likely result in substantial cost savings and other substantial benefits to the Port.

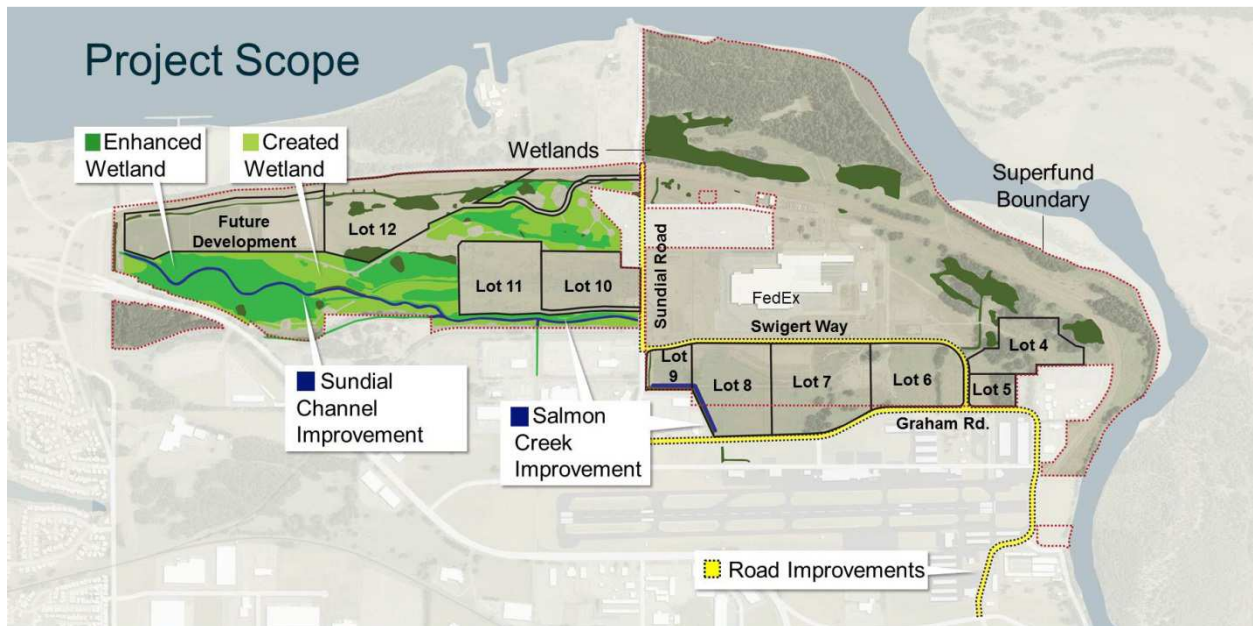
# EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT – PHASE 2 GRADING, PLANTING AND SUNDIAL ROAD, GRAHAM ROAD AND SWIGERT WAY IMPROVEMENTS PROJECT – TROUTDALE REYNOLDS INDUSTRIAL PARK

December 10, 2014

Page 2

After public notice, the Port held a public hearing on October 6, 2014, to take comments on the draft Findings, as required under Oregon law. The final Findings summarize the results of the hearing. The Port now seeks approval of the Findings from the Commission, acting in its capacity as the Port's Contract Review Board. In addition, the Port seeks an exemption from competitive bidding to allow the Port to procure the project public improvement contract using an RFP.

## SCOPE



The project contains the following work elements:

- Rough grade seven industrial lots (Lots 6 through 11 and the Future Development area) and construct associated private utilities for Lots 4 through 11.
- Grade and create wetland mitigation, including planting and stream channelization.
- Construct public and private improvements in City of Troutdale right-of-way.
- Construct public and private improvements in Multnomah County right-of-way.

The City of Troutdale will own all public improvements and utilities in NE Graham Road and NE Swigert Way, as well as the water system in NE Sundial Road. Multnomah County will own all public improvements and utilities in NE Sundial Road not owned by the City of Troutdale. Paving and construction related to Swigert Way, Graham Road and Sundial Road will involve detours, lane changes, flagging and other measures to accommodate existing traffic. Movement of material from the west side of Sundial Road to the east side will require flagging and other traffic control measures on Sundial Road and Swigert Way.



EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT –  
PHASE 2 GRADING, PLANTING AND SUNDIAL ROAD, GRAHAM ROAD AND SWIGERT  
WAY IMPROVEMENTS PROJECT – TROUTDALE REYNOLDS INDUSTRIAL PARK

December 10, 2014

Page 3

**SCHEDULE**

Design Development	March 2011 – October 2014
Request for Proposal Process	December 2014 – March 2015
Commission Action (Construction Contract)	April 2015
Construction	May 2015 – November 2017

**PROJECT RISKS**

Construction risks are described in detail in the Findings that are attached. In summary, they include the following:

- Potential spread of known or unknown contaminants within or beyond the project area.
- Potential violation of terms of the Port's innocent landowner status.
- Complex environmental and other regulatory constraints.
- Weather-dependent construction and limited in-water work windows.
- Construction over and under two high-pressure gas lines.

The use of an RFP procurement process for the construction contract will help the Port mitigate these risks.

**BUDGET**

Construction Contract	\$23,270,000
Design and Construction Support Contract	\$1,880,000
Port Staff/Other Contracted Services	\$3,940,000
Contingency	\$3,770,000
Total	<u>\$32,860,000</u>

The contingency, representing 11.5 percent of the project budget, is considered reasonable given the nature of the work, the length of the schedule and the risk profile for the project.

The project will receive up to \$14 million in state funds through the Oregon Jobs and Transportation Act of 2009. The remainder of the project will be funded by the Port General Fund.

EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT –  
PHASE 2 GRADING, PLANTING AND SUNDIAL ROAD, GRAHAM ROAD AND SWIGERT  
WAY IMPROVEMENTS PROJECT – TROUTDALE REYNOLDS INDUSTRIAL PARK

December 10, 2014

Page 4

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That the Port of Portland Commission, in its capacity as the Port of Portland Contract Review Board, approves the findings set forth in the attached, "Findings in Support of an Exemption from Competitive Bidding – Phase 2 Development and Public Improvements, Troutdale Reynolds Industrial Park," dated October 6, 2014; and

BE IT FURTHER RESOLVED, That the Port of Portland Commission, in its capacity as the Port of Portland Contract Review Board, specifically exempts from competitive bidding the public improvement contract for the Troutdale Reynolds Industrial Park Phase 2 Development and Public Improvements project, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.



## **TROUTDALE REYNOLDS INDUSTRIAL PARK**

### **TRIP Phase 2 Grading, Planting and Sundial Road, Graham Road and Swigert Way Improvements**

**PROJECT NOS. 101659, 101663, 101664, 101844**

### **FINDINGS IN SUPPORT OF AN EXEMPTION FROM COMPETITIVE BIDDING**

**OCTOBER 6, 2014**

#### **Project Background**

The Port of Portland (Port) is developing the Troutdale Reynolds Industrial Park (TRIP) on property acquired from Reynolds Metal Company (Reynolds) and existing Troutdale Airport property north of Graham Road. An aluminum reduction plant previously occupied the Reynolds portion of the site. The plant was completely demolished in 2005.

Access to the site is via Graham Road, Swigert Way and Sundial Road. A levee protects the entire area from flooding from the Columbia and Sandy Rivers. TRIP lies within a large drainage basin. Storm water is collected and routed west to a pump station operated by the Sandy Drainage Improvement Company (SDIC) and discharged to the Columbia River.

The former Reynolds portion of TRIP is an EPA Superfund Site. Longtime operation of the aluminum plant contaminated groundwater with a fluoride compound. A system of extraction wells is being used to contain and remove contaminated groundwater, which is then blended with clean water from production wells and pumped to the Columbia River. This process will continue for a number of years.

TRIP will be developed in three phases. Phase 1 included the creation of three lots (Lots 1 through 3) within the City of Troutdale. FedEx opened a hub distribution facility on Lot 2 in 2010, and Lot 3 is under an option agreement.

Phase 2 will include 184 acres of industrial land, providing the next opportunity for development. In order for the lots to be sold, the Port must complete two subdivision processes in Troutdale. Phase 3, which will include approximately 34 acres of industrial land, will require a future subdivision process in Fairview.

The conditions of the Troutdale subdivision processes and the environmental permits necessary to perform the associated work require the Port to complete the entire TRIP Phase 2 Grading, Planting and Sundial Road, Graham Road and Swigert Way Improvements project. Unforeseen delays in the project work would delay subdivision completion. This would impact the Port's ability to earn revenue through property sales.

#### **Project Description**

This project will create shovel ready Lots 6 through 11, rough grade a future Fairview Lot, provide utility connections for, and fill wetlands on, Lots 4 and 5 and create more than 80 acres of wetland mitigation.

## Project Scope and Schedule

The proposed public improvement contract contains the following work elements:

1. Rough grade seven industrial lots (Lots 6 through 11 and the Fairview Lot) totaling approximately 156 acres and construct associated private utilities for Lots 4 through 11.
2. Grade and create wetland mitigation, including planting and stream channelization.
3. Construct public and private improvements in City of Troutdale right-of-way; and
4. Construct public and private improvements in Multnomah County right-of-way.

These work elements are described more specifically below.

Rough grading and mitigation area creation work will include approximately 700,000 CY of excavation and 610,000 CY of embankment, in addition to stripping and handling of approximately 200,000 CY of topsoil. Storm drainage, including temporary drainage ditches and field inlets will be installed.

The lots contain wetlands, which must be filled prior to development. The Port's contractor will fill the wetlands and grade the site. This work will comply with permits to be granted by the US Army Corps of Engineers (USACE), National Marine Fisheries Service, Department of State Lands (DSL), City of Troutdale and City of Fairview.

To mitigate for wetland impacts, the project will create 44.0 acres and enhance 43.4 acres of wetland habitat, including planting and woody debris placement. In addition, the project will grade a new surface water connection with Salmon Creek (Sundial Channel) and will construct approximately 12,200 SY of gravel roadway for Sandy Drainage Improvement Company (SDIC) maintenance access.

Infrastructure in City of Troutdale right-of-way will include: (1) a 1,600-ft. long extension of a paved street (Swigert Way) with curbs, driveway aprons, sidewalk, landscaping, lighting and water quality swales; (2) streetscape and pedestrian improvements along the south side of the existing 3,000-ft. long Swigert Way; (3) an 8-inch overlay and limited reconstruction of 6,300 ft. of Graham Road to industrial street standards, including pedestrian facilities on one side of the roadway, landscaping and irrigation, and reconstruction of curbs, sidewalks and driveway aprons; (4) storm drainage with ductile iron and reinforced concrete pipes up to 48 inches in diameter and lined concrete manholes, with watertight connections; (5) storm drainage ditches and associated City and SDIC maintenance access facilities (The City of Troutdale will contract with SDIC to perform maintenance duties), including a maintenance road constructed over a high pressure gas line (6) sanitary facilities including gravity sewer, manholes; (7) conduits and vaults for private utilities such as power and communications, including electrical conduit bored under two high-pressure gas lines; and (8) installation of a box culvert in Salmon Creek under Graham Road.

Infrastructure in Multnomah County right-of-way will include: (1) 9,900 ft. of street improvements, including pavement widening, curb, sidewalk, driveway aprons, landscaping, and water quality swales; (2) wing walls adjacent to a concrete box culvert under Sundial Road; (3) storm drainage including small-diameter pipes and manholes; and (4) conduits and vaults for private utilities such as power and communications.

The City of Troutdale will own all public improvements and utilities in NE Graham Road and NE Swigert Way, as well as the water system in NE Sundial Road. Multnomah County will

own all public improvements and utilities in NE Sundial Road not owned by the City of Troutdale.

Because the project site is physically large and subject to weather-driven constructability issues (e.g., the lower areas will likely be impassible between early Fall and late Spring), as well as regulatory constraints (described below), the project is expected to take nearly three years to complete.

Paving/construction related to Swigert Way, Graham Road and Sundial Road will involve detours, lane changes, flagging and other measures to accommodate existing traffic. Movement material from the west side of Sundial Road to the east side will require flagging and other measures to accommodate existing and construction traffic on Sundial Road and Swigert Way.

### Site Conditions

The TRIP Phase 2 project area is affected by a range of existing site conditions and outside party interests.

#### *Federal Environmental Restrictions*

The former Reynolds property and the majority of TRIP is an EPA “Superfund Site.” Longtime operation of the aluminum plant resulted in fluoride contamination in groundwater beneath portions of the TRIP site. A groundwater restriction zone (GRZ) is present east of Sundial Road, including existing Swigert Way and a portion of NE Graham Road. A system of extraction wells is being used to remove contaminated groundwater from the restriction zone. The contaminated water is blended with clean water from production wells and pumped to the Columbia River. This process is expected to continue for a number of years. Groundwater elevations in the GRZ vary significantly depending on location and time of year.

Unique Federal restrictions apply to an approximately 23-acre area defined as the South Wetland and associated railroad ballast. For a period of time during aluminum plant operation, the South Wetlands area was used as a settling pond for discharged process wastewater. (The South Wetlands at one point extended south of what is now Graham Road before that road’s realignment to its current location.) The railroad embankment is a fill area constructed primarily of used refractory brick, which was historically staged with other waste prior to use as fill in the wetlands.

Any activities in the South Wetland or railroad embankment could affect contaminated soils. As such, any soil from these areas, including from grubbed vegetation, must either be placed back within the South Wetland below a defined elevation, or disposed of in an appropriate (i.e., hazardous material) offsite landfill. All contaminated material must be covered with at least one foot of clean backfill material/soil or material from elsewhere within TRIP.

#### *Floodplain Management*

The TRIP site is located in an area that is protected by flooding from the Columbia and Sandy Rivers by a levee system. The majority of the project area ultimately drains into

Salmon Creek watershed and is pumped through the Columbia River levee by the pump station immediately east of NW 223rd Avenue. Stormwater pumps operated by the Sandy Drainage Improvement Company (SDIC) discharge stormwater into Salmon Creek slough, which enters the Columbia River about 0.7 miles downstream.

In order to manage the floodplain, SDIC requires that flood storage be created (i.e., excavation occurs below the FEMA-defined floodplain elevation for the 100-year storm event), prior to fill within the floodplain within the same watershed basin of an equal or greater amount of storage.

#### *Federal Environmental Wetland Work and Mitigation Requirements*

Development of TRIP Phases 2 and 3 impacts waters of the state, thereby triggering a range of federally-permitted mitigation requirements. All work must be performed in accordance with these permit terms, including in-water work windows (June 15 – September 15, unless allowed by the permitting agencies to extend for up to 30 days, weather permitting).

#### *Federal Aviation Administration (FAA) Requirements*

Approximately 15 acres of the project is on property that is currently part of Troutdale Airport and subject to FAA use restrictions. In order for the stormwater drainage grading to occur south of Graham Road and for Lots 7 and 8 to be fully developed, the FAA has to allow it. FAA concurrence, including for removal of the property north of Graham Road from the airport is in process, and is expected to be granted prior to construction in this area.

#### *Utility Constraints*

The project area is traversed by a range of overhead and underground utilities. In addition to utilities more typically encountered on roadway and grading construction projects, the project area contains two high-pressure natural gas pipelines that run through the area to be graded, under Graham Road, and then parallel to Graham Road under a proposed ditch maintenance access road.

#### *Other Construction Expected*

Other work expected to occur during the three-year project construction window includes an additional FedEx expansion and potentially, construction on Lots 1 and 3 east of Sundial Road. PGE intends to replace its utility poles throughout its easement traversing the mitigation construction area.

### Construction Risks

A construction risk for the Phase 2 Grading, Planting and Sundial Road, Graham Road and Swigert Way Improvements project is that a contractor spreads contamination within or beyond the TRIP site. This would negatively impact the project area and/or the surrounding environment and could expose the Port to future legal liabilities.

The Port of Portland has Innocent Owner Status, as conferred under federal Superfund and similar state law. This status protects the Port from liability associated with prior site

contamination. If a Port contractor's actions violate the terms of the Port's Innocent Owner Status, the Port would become jointly and severally liable for all contamination existing in the property. Exacerbation of contamination resulting from a Port contractor's actions could trigger a potential multi-million dollar liability for the Port.

Likewise, the consequences of constructing the project in violation of any of the other federal or local agreements (the Port will have separate agreements with Multnomah County and the City of Troutdale beyond their respective construction permits that stipulate responsibility for environmental contamination) are significant, regardless of whether contamination is spread during construction.

Contamination could be spread through poorly managed material handling, through inadequate installation of a watertight storm system through the GRZ, through faulty dewatering practices or any number of other construction practices. Underground utilities will involve excavations up to 15 feet deep within the zone of contaminated groundwater. The contractor will be required to safely shore such excavations, and to handle and dispose of the contaminated water and other hazardous materials that may be encountered, in a safe and legal manner.

Construction will entail excavations and shoring for ditches and a box culvert and temporary measures to conduct existing surface water flow. Enabling such work to take place during relatively dry conditions will be essential. Some work will be subject to the state-mandated June-to-September in-water work window (with possible extensions if dry conditions prevail).

While the FAA has indicated a target date to provide the Port the necessary documentation to work in what is now Troutdale Airport property prior to the June 15, 2015 in-water work window, there is no guarantee that this will occur. If FAA documentation is not received, the contractor will have to phase the work less efficiently, including critical-path stormwater drainage construction.

Construction phasing also becomes a risk in terms of flood management. The contractor must be able to react to weather conditions and adjust phasing as needed to ensure that the volume of fill below the 100-year flood elevation never exceeds the corresponding volume of excavation.

There is risk associated with construction over and under the high-pressure gas lines. This will be mitigated to some degree by a utility-provided "watchman", paid for by the Port. A contractor that is not efficient or careful in construction near the gas lines will require more time from the watchman, ultimately costing the project more than necessary.

### **Alternate Contracting Methods for Public Improvement Projects**

Oregon's Public Contracting Code (Code) embraces alternate contracting methods for complex public improvement projects. A stated policy goal of the Code is to: "[p]rovide a public contracting structure that can take full advantage of evolving procurement methods as they emerge within various industries, while preserving competitive bidding as the standard for public improvement contracts unless otherwise exempted."<sup>8</sup> Similarly, the Port's Contracting Rules promulgated under the Code are intended to: "maximize the Port's flexibility in adjusting its contracting procedure to the specific circumstances of each procurement, and to ensure that the

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<sup>8</sup> ORS 279A.015(6).

Port receives the maximum benefit from the public funds expended on public contracts.”<sup>9</sup> Under the Code, when appropriate, an agency’s local contract review board (CRB) may direct the use of alternate contracting methods that “take account of market realities and modern practices and are consistent with the public policy of encouraging competition.”<sup>10</sup>

An agency’s CRB directs the agency to use an alternate contracting method by granting an exemption from competitive bidding.<sup>11</sup> In granting the exemption the CRB must require and approve or disapprove written findings that support the award of the contract without the competitive bidding requirement.<sup>12</sup> The findings must show that the exemption of the contract complies with the requirements set forth below under “Findings.”<sup>13</sup> “Findings” means the justification for a conclusion that an agency, in seeking an exemption from competitive bidding, reaches based on the considerations set forth below under “Findings.”<sup>14</sup>

### **Proposed Contracting Method**

The Port proposes using a competitive Request for Proposals (RFP) procurement process to engage a contractor to construction this public improvement.

### **Findings**

Under the Code, the Port’s CRB may exempt a public improvement contract from competitive bidding upon approval of certain findings submitted by Port staff which justify the exemption. The two required findings are underlined below, with supporting information following each:

c. The exemption is unlikely to encourage favoritism in awarding the contract or substantially diminish competition for the contract. Favoritism will not play a role in the selection of a contractor for this project. The selection will be conducted through an open and advertised RFP process. All qualified firms will be invited to submit proposals. The Port will publish a legal notice in the *Daily Journal of Commerce* in order to provide project information to all interested contractors. The Port will also post the RFP on the Port’s electronic website and notify all registered construction suppliers of its availability. Proposals also may be solicited directly from firms the Port believes are qualified to perform the work. Proposers will be evaluated based on clearly stated criteria. A team will perform the evaluation in an effort to minimize the effects of any unconscious individual bias. All qualified firms will be able to participate in an open, competitive selection process.

d. Awarding the contract under the exemption will likely result in substantial cost savings and other substantial benefits to the agency. In approving a finding under this paragraph, the CRB must consider the type, cost and amount of the contract and, to the extent applicable to the particular contract, the additional factors set forth below at subsections 1 - 14.

1. Type of the contract. This agreement will be a public works contract.

2. Cost/amount of the contract. The approximate cost of construction to be performed under this contract is \$23.75 million.

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<sup>9</sup> Port Contracting Rule A.015.

<sup>10</sup> ORS 279C.335(4)(a).

<sup>11</sup> ORS 279C.335(2).

<sup>12</sup> ORS 279C.335(4)(b).

<sup>13</sup> ORS 279C.335(4)(b).

<sup>14</sup> ORS 279C.330(2).



3. Additional factors, to the extent applicable:

1. How many persons are available to bid? The same number of bidders will be able to respond to an RFP as would for a competitive bid. The proposed exemption would only change the solicitation process and would not limit competition.

2. The construction budget and the projected operating costs for the completed public improvement. The construction budget for the project is approximately \$26 million, which includes staff and outside service costs, as well as project contingency. Operating costs for the completed improvement vary based on the City of Troutdale's and Multnomah County's schedules to maintain the public roads and infrastructure. The Port plans to spend over \$3 million to meet the mitigation site success criteria, manage wildlife issues due to the proximity of the development to the Troutdale Airport, and manage the property through final build-out.

3. Public benefits that may result from granting the exemption. TRIP Phase 2 development will create jobs, increase property values and stimulate the local economy. TRIP contains a Superfund Site with known and possible unknown contamination. The public will benefit from having an experienced contractor that can keep the project on schedule in the face of unforeseen conditions and that can best ensure that the contaminated soil, groundwater and any other hazardous materials that exist on the Superfund site are handled in accordance with existing contaminated media management plans and federal and state regulations.

4. Whether value engineering techniques may decrease the cost of the public improvement. The qualification-based proposal process and negotiated contract approach gives the contractor an increased opportunity to engage in value engineering, which increases the likelihood of cost savings to the Port and of quality improvements. Water courses and wetlands are within the jurisdiction of a range of state and federal resource agencies. Work must be in accordance with detailed conditions of the permits issued by these agencies. The proposal process will allow the Port to select a contractor skilled in complying with such conditions efficiently, thus significantly reducing cost to the Port.

5. The cost and availability of specialized expertise that is necessary for the public improvement. There are numerous national and local firms with specialized expertise in public infrastructure projects. It is expected that there will be an adequate number of competitors available to propose as general contractors or subcontractors. The basis for evaluation of proposals will be estimated total cost of construction by the prime contractor and its subcontractors, as well as qualifications, experience, project approach and similar criteria applicable to the project.

6. Any likely increases in public safety. All work will be performed in accordance with OR-OSHA safety regulations and applicable OSHA regulations found at 29 CFR1910. Public access to construction zones will be strictly limited (however, existing roadways will largely be kept open for traffic during construction). The RFP process allows the Port take the contractor's safety program and record into account.

7. Whether granting the exemption may reduce risks to the Port or the public that are related to the public improvement. The Port of Portland, Multnomah County, the City of Troutdale and the general public will benefit from having a contractor with the proven ability to perform construction and manage the site in accordance with federal, state and local environmental and construction requirements, while minimizing negative impacts to the

schedule and budget. This experience will help minimize environmental and health risks within and beyond the construction area. It also minimizes the construction risk of compromising the Port's Innocent Owner status, described above. In addition, a contractor with experience managing complex projects will be best positioned to ensure that flood storage capacity stays at current or greater volumes throughout construction, reducing the risk of increased flooding in surrounding properties.

8. Whether granting the exemption will affect the sources of funding for the public improvement. Granting the exemption will not affect the sources of funding for the public improvement.

9. Whether granting the exemption will better enable the Port to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement. As noted previously, completion of the public improvement is on the critical path to obtaining subdivision approval, which in turn allows the Port to sell lots and for third parties to construct developments on those lots. If market conditions (e.g., a deadline-driven real estate transaction) drive the Port to an earlier completion target date for the public improvement, the Port will be in a better position to negotiate that change with a contractor selected through the RFP process. The RFP process will help secure a contractor with experience on large-scale complex projects that can work with the Port to find a cost-effective solution that balances construction phasing costs against new revenue, in the context of the site's environmental, flood storage, and other jurisdictional requirements.

10. Whether granting the exemption will better enable the Port to address the size and technical complexity of the public improvement. The project's complexity stems from the physical extent of the work, the associated multi-year schedule and regulatory and environmental complexity. Unforeseen conditions are expected in projects this complex. The RFP process will allow the Port to select a well-organized, experienced contractor, resulting in fewer change orders and, in turn, reduced staff time to design, negotiate and administer such changes.

11. Whether the public improvement involves new construction or renovates or remodels an existing structure. The public improvement involves construction of a new roadway and associated utilities, and overlay and expansion of existing roadway, as well as the addition of wing walls to an existing box culvert. The improvement also involves the creation or enhancement of over 80 acres of wetland and redirects an existing, federally protected watercourse.

12. Whether the public improvement will be occupied or unoccupied during construction. The public improvement involves work on existing roadways that will be under traffic during construction.

13. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions. The public improvement will require multiple phases of construction work due to its scale, environmental complexity, and restrictions stemming from seasonal weather conditions and regulated in-water work windows. This project requires technical and scheduling expertise as well as experience in heavy construction, handling and disposal of contaminated groundwater, watertight underground utilities and street improvements. The ability to coordinate and manage this project would be especially challenging to an

inexperienced or narrowly-focused firm. The RFP process allows the Port to consider the firm's experience with similar work, the qualifications of its Project Manager and support team, and management/scheduling capabilities as well as cost of construction.

14. Whether the Port has, or has retained under contract, and will use Port personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the Port will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract. The Port has significant institutional knowledge related to RFP solicitations and contracting. Individual Port staff with the necessary expertise will assist in developing the alternative contracting method and in negotiating, administering and enforcing the contract's terms. Key participants in the contracting process, including the contracts and procurement manager and legal counsel, in particular have extensive experience with RFP processes at the Port of Portland. The Port's construction manager, construction inspector and project manager each have many years of experience administering and enforcing public improvement contracts. To the degree that the Port contracts for construction inspection, the Port will only hire consultants experienced in performing inspection on similar public works contracts.

### **Public Hearing**

Under the Code, before the Port's CRB approves the Findings proposed above and before granting the exemption from competitive bidding, the Port must hold a public hearing to allow the Port to take comments on the draft findings for an exemption from the competitive bidding requirement. ORS 279C.335(5). Draft findings summarizing the requested exemption from competitive bidding were published in compliance with the Code's notice requirements, and a public hearing was held on October 6, 2014 to allow interested parties to appear and present comments on the proposed exemption. No comments were received on the draft findings.

### **Summary**

Port staff find that the proposed contracting method (i) is unlikely to encourage favoritism in awarding the contract or substantially diminish competition for the contract, and (ii) will likely result in substantial cost savings, including from competition, and other substantial benefits to the Port. As a result, Port staff concludes that the proposed contracting method is consistent with the Code's stated policy of embracing alternate contracting methods when appropriate. Port staff recommends that the public improvement contract for the TRIP Phase 2 Grading, Planting and Sundial Road, Graham Road and Swigert Way Improvements project be exempted from the Code's competitive bidding requirement.

**WEIGHTED VOLUME CONTAINER CARRIER INCENTIVE PROGRAM FOR TERMINAL 6**

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December 10, 2014

Presented by: Greg Borossay  
Senior Manager  
Trade and Cargo Development**REQUESTED COMMISSION ACTION**

This agenda item requests approval of a one-year extension of the Container Carrier Incentive Program (Program) in a not-to-exceed amount of \$4 million for the 2015 calendar year. This Program extension is being proposed to support the continuation of container carrier services to the Port of Portland (Port), as well as to enhance the environment for growing container volume and services calling Terminal 6.

In order to help promote continuity of container service to the State of Oregon and the region, the Port is proposing a per-container incentive payment available to calling carriers that is weighted by the proportion of the through-put volume they carry, with a minimum set at \$25 per container and a maximum set at \$50 per container. The Port has established a not-to-exceed Program budget of \$4 million. The Program is being developed in order to help sustain the mission-critical nature of the container franchise to shippers in Oregon and throughout the region. This Program differs from the 2014 plan in that it eliminates the incentive pay out for empty equipment repositioning and increases the per container pay out for laden containers.

The goals of the Program are: continued retention of container services calling Terminal 6, and the recovery of a measurable percentage of the Oregon export market loading at Terminal 6.

The metrics for success of the Program will be:

- Continued retention of existing container services calling Terminal 6;
- Increased share of loaded containers as a percentage of the total lift for major two-way services calling Terminal 6;
- Quarterly measurement Transpacific leakage recovery; and
- Oregon export shipper feedback based upon regular market survey by Port staff.

**BACKGROUND**

Since 2012, the Port has implemented a series of incentive programs related to supporting and maintaining the container services at Terminal 6.

In 2012, over a five-to-six week period, Hanjin and Hapag Lloyd omitted the Portland direct call at great cost to local shippers, the CKYH carrier alliance, and to the operator of Terminal 6, ICTSI Oregon (ICTSI). In order to induce the carriers to both maintain and return to their regularly scheduled service calls, the Port adopted a short-term carrier support program and paid out \$175,000 to carriers under the program.

In addition, in order to provide some relief to ICTSI as a result of increased operational costs, the Commission in August of 2012 approved a one-year cost-sharing program with ICTSI under which the Port agreed to share half of certain increased operating costs and lost revenues sustained by ICTSI. Over the term of this program, the Port paid out approximately \$2.7 million to ICTSI. The funds for these two programs came from revenue that the Port received from ICTSI under the Terminal 6 long-term lease.

In early 2013 the Commission approved two new programs:

In January 2013, in an effort to incentivize carriers to continue calling while negotiating new rates with ICTSI, the Commission authorized a 12-month carrier incentive payment to each calling carrier of \$10 per container moved (import or export, load or empty). The total 2013 Carrier Program expenditures were capped at \$1 million.

In February 2013, the Commission approved a companion program designed to assist ICTSI in managing the incremental expenses associated with terminal operations. This program established a base monthly rent rebate to ICTSI that could be adjusted downward if productivity at the terminal improved or if the level of carrier service declined. The Port has paid out \$3.4 million to ICTSI under this program, which expired at the end of the 2013 calendar year.

As before, the source of funds for the two programs came directly from revenue received from ICTSI under the Terminal 6 lease. In 2013, ICTSI paid \$4.73 million in annual rent.

The 2014 program, approved by the Commission in February 2014, provided a base incentive of \$20 per container to all calling carriers. In addition, an added volume incentive provided up to a maximum additional payment of \$25 per container. The volume incentive feature of the program was intended to encourage all direct calling carriers to continue to call and to grow their current services.

While the 2014 program was successful in retaining the existing container service at Terminal 6, there has been a continued loss of cargo volumes at Terminal 6. Port staff continued to focus on retention throughout the year with multiple carrier visits to Hanjin Shipping in Seoul, Korea, and Paramus, New Jersey; appeal letters from the Governor; and outreach efforts to major importers and exporters.

### **EXTENSION AND MODIFICATION OF CONTAINER CARRIER INCENTIVE PROGRAM**

The proposed extension of the Program is modified to aid in cargo recovery at Terminal 6. The Program provides for a loaded-only incentive of \$25 per container to all calling carriers. In addition, an added volume incentive provides up to a maximum additional payment of \$25 per container. The Program encourages cargo growth by eliminating the empty container incentive that was included in the 2014 program.

The incentive payments are significant to the Port, but are a modest part of the overall cost of moving cargo through Terminal 6. Consequently, the incentive payment contributes to the carrier retention and cargo growth but does not guarantee it. Other factors such as rates and

assessments, labor productivity, and other factors outside of the Port's control will continue to drive the carriers' choices and direct calling services availability.

The payments under this carrier Program would be capped at \$4 million during the Program term which expires at the end of 2015, or when the cap is reached, whichever is earlier. The Port may also determine to reduce Program payments to carriers or to terminate the Program at any time, in the Port's discretion.

Like the prior programs, the modified extended Program would be paid for entirely from revenues received from ICTSI under the Terminal 6 lease.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to enter into a one-year extension of the Container Carrier Incentive Program to support the continuation of container carrier services at Terminal 6, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

**APPROVAL OF SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2014-15**

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December 10, 2014

Presented by: Suzanne Kenny  
Senior Manager  
Business and Financial Operations**REQUESTED COMMISSION ACTION**

This agenda item requests approval of a Supplemental Budget for Fiscal Year (FY) 2014-15 to cover four situations that were not foreseen at the time the Port of Portland (Port) budget was adopted in June 2014: revenue and expense associated with additional dredging activity; the extension of the Weighted Volume Container Carrier Incentive Program; the purchase of the SolarWorld property in Hillsboro, Oregon; and administrative expenditures related to the segregation of the Customer Facility Charge fees.

**BACKGROUND**

In order to avoid an over-expenditure and to ensure compliance with Oregon local budget law, budget appropriations must be periodically reviewed, and in some cases reset, to cover situations that were unforeseen at the time the budget was adopted. When changes to an individual fund exceed 10 percent of the previously budgeted expenditures, those changes are made in the form of a Supplemental Budget as set forth in ORS 294.473. In addition, in accordance with ORS 294.473, a public hearing will be held on the Port's proposed Supplemental Budget following the presentation of this agenda item.

**Revenue and Expenses Associated with Additional Dredging Days**

The appropriation changes to the General Fund reflect an additional \$2,000,000 in revenue and expense associated with additional Navigation dredging activity. In Fiscal Years 2012 and 2013, the Dredge *Oregon* was taken off the river in October and underwent a two-phased project to overhaul and repower the dredge and its engines. With the repower project complete and Federal Funding available, the U.S. Army Corps of Engineers (Corps of Engineers) has requested the Dredge Oregon remain on the river until on or about January 20, 2015, in order to adequately complete the required dredging by the Corps of Engineers. As a result, additional labor, materials, supplies and services costs will be incurred at an estimated amount of \$2,000,000. These additional costs will be recovered through the reimbursement contract between the Port and the Corps of Engineers.

**Extension of the Weighted Volume Container Carrier Incentive Program**

The appropriation changes to the General Fund also reflect \$2,000,000 that is expected to be incurred under the extended Weighted Volume Container Carrier Incentive Program prior to the financial close of the fiscal year. The offsetting entry for this adjustment is a decrease in the General Fund Contingency of \$2,000,000.

**Purchase of the SolarWorld Property in Hillsboro, Oregon**

This Supplemental Budget includes an addition of \$10,000,000 to Capital Outlay in the Bond Construction Fund for the purchase and acquisition of the SolarWorld property in Hillsboro. This appropriation increase results in changes in the same amount to several other funds including an increased transfer from the Airport Revenue Fund along with a decreased transfer to the Airport Construction Fund. The decreased transfer to the Airport Construction Fund results in a corresponding reduction in the Airport Construction Fund Contingency.

**Expenditures Related to the Segregation of the Customer Facility Charge Funds**

Finally, this Supplemental Budget establishes an appropriation to provide for up to \$5,000 of expenditures associated with the segregation of the Customer Facility Charge Funds in FY 2014-15, primarily bank fees and charges.

The total Budget for Fiscal Year 2014-15 after these adjustments is \$958,055,649, an increase of \$2,000,000. Total Appropriations are \$909,640,037 and are shown on Exhibit C. The difference of \$48,415,612 is the total of the debt service reserve amounts, which are classified under budget law as Unappropriated Ending Balance in the Airport Revenue Bond Fund and in the Passenger Facility Charge Bond Fund.

The detailed Supplemental Budget for FY 2014-15, associated explanation of changes, and the Revised Schedule of Appropriations for FY 2014-15 All Port Funds are attached as Exhibits A, B and C to this agenda item.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That a public hearing be held prior to adopting the Supplemental Budget, in accordance with ORS 294.473.

BE IT FURTHER RESOLVED, That in accordance with ORS 294.473, the Port of Portland Commission finds the need to make a Supplemental Budget to adjust appropriations within the General Fund, Bond Construction Fund, Airport Revenue Fund, Airport Construction Fund, and the Customer Facility Charge Fund for the amounts shown on Exhibit A to provide for the situations that had not been foreseen at the time of adoption of the Port of Portland's Fiscal Year 2014-15 Budget; and

BE IT FURTHER RESOLVED, That copies of Exhibits A, B and C, Supplemental Budget for Fiscal Year 2014-15, associated explanation of changes, and the Revised Schedule of Appropriations for Fiscal Year 2014-15 All Port Funds, shall be included in the minutes of this meeting; and



APPROVAL OF SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2014-15

December 10, 2014

Page 3

BE IT FURTHER RESOLVED, That the Supplemental Budget for Fiscal Year 2014-15 as submitted in Exhibit C is hereby adopted and the appropriations are approved; and

BE IT FURTHER RESOLVED, That the Budget Officer is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

## SUPPLEMENTAL BUDGET - FISCAL YEAR 2014-15

	ADOPTED BUDGET June 19, 2014	CHANGES TO APPROPRIATIONS December 10, 2014	REVISED APPROPRIATIONS December 10, 2014
<b>GENERAL FUND</b>			
Beginning Balance	\$ 107,627,547		\$ 107,627,547
Operating Revenue	59,493,234	\$ 2,000,000	61,493,234
Interest on Investments/Other	1,405,812		1,405,812
Service Reimbursements	35,502,570		35,502,570
Transfers from Other Funds	3,244,267		3,244,267
<b>Total Resources</b>	<b>\$ 207,273,430</b>	<b>\$ 2,000,000</b>	<b>\$ 209,273,430</b>
Corporate Administration	\$ 49,285,621		\$ 49,285,621
Marine	25,411,129	\$ 2,000,000	27,411,129
Industrial Development	5,393,902		5,393,902
Navigation	10,256,883	2,000,000	12,256,883
General Aviation	2,543,838		2,543,838
Sub Total	92,891,373	4,000,000	96,891,373
Service Reimbursements	484,713		484,713
System Development Charges/Other	5,000		5,000
Long-Term Debt Payments	11,033,671		11,033,671
Other Environmental	2,822,403		2,822,403
Cash Transfers to Other Funds	23,203,630		23,203,630
Contingency	76,832,640	(2,000,000)	74,832,640
<b>Total Requirements</b>	<b>\$ 207,273,430</b>	<b>\$ 2,000,000</b>	<b>\$ 209,273,430</b>
<b>AIRPORT REVENUE FUND</b>			
Beginning Balance	\$ 77,800,443		\$ 77,800,443
Operating Revenue	201,857,139		201,857,139
Interest on Investments	512,237		512,237
Service Reimbursements	1,762,992		1,762,992
Transfers from Other Funds	160,000		160,000
<b>Total Resources</b>	<b>\$ 282,092,811</b>	<b>\$ -</b>	<b>\$ 282,092,811</b>
Operating Expenditures	\$ 88,515,287		\$ 88,515,287
System Development Charges / Other	5,000		5,000
Service Reimbursements	25,095,800		25,095,800
<i>Cash Transfers to Other Funds</i>			
<i>Airport Revenue Bond Fund</i>	45,917,505		45,917,505
<i>Airport Construction Fund</i>	26,858,003	\$ (10,000,000)	16,858,003
<i>General Fund</i>	3,244,267		3,244,267
<i>Bond Construction Fund</i>	7,038,501	10,000,000	17,038,501
<i>CFC Fund</i>	6,218,448		6,218,448
Cash Transfers to Other Funds (Total)	89,276,724		89,276,724
Contingency	79,200,000		79,200,000
<b>Total Requirements</b>	<b>\$ 282,092,811</b>	<b>\$ -</b>	<b>\$ 282,092,811</b>

## SUPPLEMENTAL BUDGET - FISCAL YEAR 2014-15 (Con't.)

	ADOPTED BUDGET June 19, 2014	CHANGES TO APPROPRIATIONS December 10, 2014	REVISED APPROPRIATIONS December 10, 2014
<b>BOND CONSTRUCTION FUND</b>			
Beginning Balance	\$ 10,000,000		\$ 10,000,000
Interest Income/Other	103,140		103,140
Federal/State Grants/Other	19,990,846		19,990,846
Property Tax	9,890,076		9,890,076
Transfers from Other Funds	30,242,131	\$ 10,000,000	40,242,131
<b>Total Resources</b>	<b>\$ 70,226,193</b>	<b>\$ 10,000,000</b>	<b>\$ 80,226,193</b>
Capital Outlay	\$ 57,151,642	\$ 10,000,000	\$ 67,151,642
Service Reimbursements	3,064,551		3,064,551
Cash Transfers to Other Funds	10,000		10,000
Contingency	10,000,000		10,000,000
<b>Total Requirements</b>	<b>\$ 70,226,193</b>	<b>\$ 10,000,000</b>	<b>\$ 80,226,193</b>
<b>AIRPORT CONSTRUCTION FUND</b>			
Beginning Balance	\$ 51,108,459		\$ 51,108,459
Interest Income/ Other	367,740		367,740
Federal / State Grants	11,219,058		11,219,058
Bond and Other Debt Proceeds	100,000,000		100,000,000
Transfers from Other Funds	39,816,003	\$ (10,000,000)	29,816,003
<b>Total Resources</b>	<b>\$ 202,511,260</b>	<b>\$ (10,000,000)</b>	<b>\$ 192,511,260</b>
Capital Outlay	\$ 139,226,799		\$ 139,226,799
Bond Issue Costs/Other	1,500,000		1,500,000
Service Reimbursements	8,620,498		8,620,498
Cash Transfers to Other Funds	5,500,000		5,500,000
Contingency	47,663,963	\$ (10,000,000)	37,663,963
<b>Total Requirements</b>	<b>\$ 202,511,260</b>	<b>\$ (10,000,000)</b>	<b>\$ 192,511,260</b>
<b>CUSTOMER FACILITY CHARGE (CFC) FUND</b>			
Customer Facility Charge	\$ 13,711,591		\$ 13,711,591
Interest and Other	52,522		52,522
Transfers from Other Funds	6,218,448		6,218,448
<b>Total Resources</b>	<b>\$ 19,982,561</b>	<b>\$ -</b>	<b>\$ 19,982,561</b>
Bank Fees/Other	\$ -	\$ 5,000	\$ 5,000
Cash Transfers to Other Funds	12,650,000		12,650,000
Contingency	7,332,561	(5,000)	7,327,561
<b>Total Requirements</b>	<b>\$ 19,982,561</b>	<b>\$ -</b>	<b>\$ 19,982,561</b>

**PORT OF PORTLAND SUPPLEMENTAL BUDGET  
EXPLANATION OF CHANGES TO APPROPRIATIONS - FISCAL YEAR 2014-15**

<u>FUND</u>	<u>AMOUNT OF INCREASE/(DECREASE)</u>	<u>REASON FOR CHANGE</u>
<b>GENERAL FUND</b>		
Marine	\$ 2,000,000	Increase to cover expenses associated with the extension of the Weighted Volume Container Carrier Incentive Program for Terminal 6.
Navigation	2,000,000	Increase to cover changes in anticipated dredging activity. The increased expenses are reimbursed by the US Army Corps of Engineers.
	<hr/>	
Contingency	\$ <u>(2,000,000)</u>	Balancing entry for increased Marine expenses.
<b>BOND CONSTRUCTION FUND</b>		
Capital Outlay	\$ <u>10,000,000</u>	Increase to cover HIO Property Acquisition.
<b>AIRPORT CONSTRUCTION FUND</b>		
Contingency	\$ (10,000,000)	Additional Capital Outlay in Bond Construction Fund results in an increased transfer from the Airport Revenue Fund further resulting in a corresponding decrease in the transfer from the Airport Revenue Fund to the Airport Construction Fund. The decrease in Contingency is the resulting balancing entry.
	<hr/>	
<b>CUSTOMER FACILITY CHARGE FUND</b>		
Bank Fees/Other	\$ 5,000	Establish an appropriation to provide for expenditures associated with the segregation of the Customer Facility Charge Funds in FY 2014-15.
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Contingency	\$ <u>(5,000)</u>	Balancing entry.

**PORT OF PORTLAND SUPPLEMENTAL BUDGET  
SCHEDULE OF REVISED APPROPRIATIONS - FISCAL YEAR 2014-15**

	ADOPTED BUDGET June 19, 2014	CHANGES TO APPROPRIATIONS December 10, 2014	REVISED APPROPRIATIONS December 10, 2014
<b>GENERAL FUND</b>			
Corporate Administration	\$ 49,285,621		\$ 49,285,621
Marine	25,411,129	\$ 2,000,000	27,411,129
Industrial Development	5,393,902		5,393,902
Navigation	10,256,883	2,000,000	12,256,883
General Aviation	2,543,838		2,543,838
Sub Total	<u>92,891,373</u>	<u>4,000,000</u>	<u>96,891,373</u>
Service Reimbursements	484,713		484,713
System Development Charges/Other	5,000		5,000
Long-Term Debt Payments	11,033,671		11,033,671
Other Environmental	2,822,403		2,822,403
Cash Transfers to Other Funds	23,203,630		23,203,630
Contingency	76,832,640	(2,000,000)	74,832,640
<b>Total Requirements</b>	<u>\$ 207,273,430</u>	<u>\$ 2,000,000</u>	<u>\$ 209,273,430</u>
<b>AIRPORT REVENUE FUND</b>			
Operating Expenditures	\$ 88,515,287		\$ 88,515,287
System Development Charges / Other	5,000		5,000
Service Reimbursements	25,095,800		25,095,800
Cash Transfers to Other Funds	89,276,724		89,276,724
Contingency	79,200,000		79,200,000
<b>Total Requirements</b>	<u>\$ 282,092,811</u>	<u>\$ -</u>	<u>\$ 282,092,811</u>
<b>BOND CONSTRUCTION FUND</b>			
Capital Outlay	\$ 57,151,642	\$ 10,000,000	\$ 67,151,642
Service Reimbursements	3,064,551		3,064,551
Cash Transfers to Other Funds	10,000		10,000
Contingency	10,000,000		10,000,000
<b>Total Requirements</b>	<u>\$ 70,226,193</u>	<u>\$ 10,000,000</u>	<u>\$ 80,226,193</u>
<b>AIRPORT CONSTRUCTION FUND</b>			
Capital Outlay	\$ 139,226,799		\$ 139,226,799
Bond Issue Costs/Other	1,500,000		1,500,000
Service Reimbursements	8,620,498		8,620,498
Cash Transfers to Other Funds	5,500,000		5,500,000
Contingency	47,663,963	\$ (10,000,000)	37,663,963
<b>Total Requirements</b>	<u>\$ 202,511,260</u>	<u>\$ (10,000,000)</u>	<u>\$ 192,511,260</u>
<b>CUSTOMER FACILITY CHARGE (CFC) FUND</b>			
Bank Fees/Other	\$ -	\$ 5,000	\$ 5,000
Cash Transfers to Other Funds	12,650,000		12,650,000
Contingency	7,332,561	(5,000)	7,327,561
<b>Total Requirements</b>	<u>\$ 19,982,561</u>	<u>\$ -</u>	<u>\$ 19,982,561</u>

## SCHEDULE OF REVISED APPROPRIATIONS - FISCAL YEAR 2014-15 (Con't.)

	ADOPTED BUDGET June 21, 2013	CHANGES TO APPROPRIATIONS December 10, 2014	REVISED APPROPRIATIONS December 10, 2014
<b>PASSENGER FACILITY CHARGE (PFC) FUND</b>			
Letter of Credit / Other	\$ 10,000		\$ 10,000
Cash Transfers to Other Funds	15,062,877		15,062,877
Contingency	44,404,619		44,404,619
<b>Total Requirements</b>	<b>\$ 59,477,496</b>	<b>\$ -</b>	<b>\$ 59,477,496</b>
<b>PASSENGER FACILITY CHARGE (PFC) BOND FUND</b>			
Debt Service	\$ 14,635,993		\$ 14,635,993
Unappropriated Ending Balance	15,476,035		15,476,035
<b>Total Requirements</b>	<b>\$ 30,112,028</b>	<b>\$ -</b>	<b>\$ 30,112,028</b>
<b>AIRPORT REVENUE BOND FUND</b>			
Debt Service	\$ 51,440,293		\$ 51,440,293
Unappropriated Ending Balance	32,939,577		32,939,577
<b>Total Requirements</b>	<b>\$ 84,379,870</b>	<b>\$ -</b>	<b>\$ 84,379,870</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 956,055,649</b>	<b>\$ 2,000,000</b>	<b>\$ 958,055,649</b>
<b>Less Unappropriated Ending Balances:</b>			
Passenger Facility Charge (PFC) Bond Fund	\$ 15,476,035		\$ 15,476,035
Airport Revenue Bond Fund	32,939,577		32,939,577
Subtotal Unappropriated Ending Balance	48,415,612	-	48,415,612
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 907,640,037</b>	<b>\$ 2,000,000</b>	<b>\$ 909,640,037</b>