



AGENDA  
Regular Commission Meeting  
Port of Portland Headquarters  
7200 N.E. Airport Way, 8<sup>th</sup> Floor  
November 8, 2017  
9:30 a.m.

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**Minutes**

Approval of Minutes: Regular Commission Meeting – October 11, 2017

**Executive Director**

Approval of Executive Director's Report – October 2017

**Public Comments**

**General Discussion**

External Audit Results and Port of Portland Fiscal Year-End 2017  
Financials

*BOB BURKET AND  
MOSS ADAMS*

**Action Items**

1. PUBLIC HEARING AND ENACTMENT OF ORDINANCE  
NO. 463-CP TO ISSUE UP TO \$300 MILLION OF PORTLAND  
INTERNATIONAL AIRPORT COMMERCIAL PAPER NOTES  
  
Requests approval of Ordinance No. 463-CP to authorize the  
issuance of Portland International Airport (PDX) Third Lien  
Commercial Paper notes of up to \$300 million aggregate principal  
amount outstanding at any one time for PDX to fund capital projects  
in the Port of Portland Cost Center and the Airline Cost Center.

*LISA FEDELI*

2. DISTRIBUTED ANTENNA SYSTEM OPERATING AND USE  
AGREEMENT – PORTLAND INTERNATIONAL AIRPORT  
  
Requests approval to enter into an operating and use agreement  
with Boingo Wireless, Inc., for a Distributed Antenna System at  
Portland International Airport.

*MACHELLE CAMPBELL  
DAVID BLITZER*

3. SECOND READING AND ENACTMENT – PORT ORDINANCE  
NO. 462-R – AMENDING AND RESTATING ORDINANCE NO.  
275, AS AMENDED BY PORT ORDINANCE NO. 300 AS  
AMENDED BY ORDINANCE NO. 425-R, THAT ESTABLISHED A  
CIVIL SERVICE SYSTEM FOR FIRE FIGHTERS AND CREATED  
A CIVIL SERVICE COMMISSION

*CHRIS NEAL*

Requests a second reading and enactment on proposed Ordinance  
No. 462-R.

4. **PROCUREMENT CONTRACT – AIRCRAFT RESCUE AND FIRE FIGHTING VEHICLE – PORTLAND INTERNATIONAL AIRPORT** *CHIEF CRAIG FUNK  
TANYA STARR*  
Requests approval to award a procurement contract to Oshkosh Corporation for a new Aircraft Rescue and Fire Fighting vehicle at Portland International Airport.
  
5. **PUBLIC IMPROVEMENT CONTRACT – SHORT-TERM PARKING GARAGE AUTOMATIC PARKING GUIDANCE SYSTEM REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT** *ALAN DAKESSIAN*  
Requests approval to award a public improvement contract to High Point Construction Services, for replacement of the short-term parking garage Automatic Parking Guidance System at Portland International Airport.

**PUBLIC HEARING AND ENACTMENT OF ORDINANCE NO. 463-CP TO ISSUE UP TO \$300 MILLION OF PORTLAND INTERNATIONAL AIRPORT COMMERCIAL PAPER NOTES**

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November 8, 2017

Presented by: Lisa Fedeli  
Director  
Financial Planning & Analysis

**REQUESTED COMMISSION ACTION**

This agenda item requests approval of Ordinance No. 463-CP, attached hereto, to authorize the issuance of Portland International Airport (PDX) Third Lien Commercial Paper (CP) notes of up to \$300 million aggregate principal amount outstanding at any one time for PDX to fund capital projects in the Port of Portland (Port) Cost Center and the Airline Cost Center.

**BACKGROUND**

CP notes are promissory notes that evidence a financial obligation of the Port. CP is issued at short-term interest rates, which are lower than interest rates on long-term bonds. CP provides capital funding at these short-term interest rates and allows the long-term financing of projects to be completed closer to the placed-in-service date, thus reducing the amount of capitalized interest that would otherwise need to be funded. CP also provides additional financial flexibility and can be used as an emergency source of liquidity, if needed. While the Port has not issued CP notes in the past, staff believes this is an efficient and inexpensive tool for short-term financing.

The Port plans to use CP note proceeds to provide interim funding for projects in the Port Cost Center and the Airline Cost Center, with the CP notes to be refinanced with long-term bonds at various intervals. Once the CP notes are redeemed with long-term bonds, the CP program can then be used to provide interim funding for additional projects prior to the issuance of additional long-term debt.

The Port next anticipates issuing long-term bonds in Spring 2019. Prior to the issuance of those long-term bonds, the CP note proceeds are anticipated to fund items such as the early work packages for the PDX Parking Additions and Consolidated Rental Car Facility project in the Port Cost Center, as well as Airline Cost Center projects once approved by the Airport and Airline Affairs Committee at PDX such as Terminal Core, Concourse B Improvements, and various terminal and airfield projects.

The CP will be a Third Lien Obligation (TLO) as established in the Port's Bond Ordinance Nos. 155 and 323. There are currently no TLO bonds outstanding. CP bears interest at rates set on the date of issuance with maturities not to exceed 270 days. Typically, however, CP notes mature in a 30- to 90-day range.

A letter of credit is necessary to provide liquidity to investors, ensuring the prompt payment of funds, and providing a credit enhancement device to add the short-term paying ability of the bank as additional security. Investors, particularly money-market funds, require this device to invest in short-term debt obligations such as CP. Banks providing letters of credit are required to maintain a high level of capital reserves to help ensure such payments.

Staff expects to have the CP program in place before the end of the first quarter of Calendar Year 2018.

Pursuant to ORS Sections 287A.150 and 778.150, the Port may enact an ordinance authorizing the issuance of bonds, notes and other obligations, including CP notes, payable from revenues of the Port. Ordinance 463-CP approves the establishment of the CP program, authorizes the issuance of CP notes, and delegates authority as described below.

#### Delegation of Authority

Section 3 of Ordinance No. 463-CP delegates authority to the Port Executive Director (or designee) or Chief Financial Officer to take actions and sign the documents that are required to issue, sell, deliver and administer the CP notes. Such actions may include the following:

- Participate in the preparation, approval, authorization, the distribution of, and deem final the disclosure documents for the CP program.
- Establish the final series designations, principal amounts, maturities, interest rates or methods of determining interest rates, sale prices and other terms for the CP notes.
- Establish the terms of and obtain one or more CP credit facilities for the CP program, currently a direct-pay letter of credit, and enter into agreements with providers of those CP credit facilities.
- Select and enter into agreements with one or more dealers who will facilitate the sale from time to time of the CP notes.
- Prepare, execute and deliver one or more certificates, bond declarations and supplemental actions specifying the terms under which the CP notes are issued, the form of the CP notes and the administrative provisions that apply to the CP program.

#### Participants in the CP Program

These are the primary firms that will be involved in the Port's CP program, as may be substituted by the Port from time to time under delegated authority:

- Barclays Bank PLC will provide the direct-pay letter of credit.
- Citigroup Global Markets Inc. will be the broker/dealer.

- U.S. Bank National Association will be the issuing and paying agent.
- Orrick, Herrington & Sutcliffe LLP will be the Port's bond and disclosure legal counsel.
- PFM Financial Advisors LLC will be the Port's financial advisor.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That Port of Portland Ordinance No. 463-CP, in the form presented to the Commission, be read by title only; and

BE IT FURTHER RESOLVED, That a public hearing be held prior to enacting Ordinance No. 463-CP, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended; and

BE IT FURTHER RESOLVED, That proposed Port of Portland Ordinance No. 463-CP, in the form presented to the Commission, be enacted by a roll call vote; 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.

**ORDINANCE NO. 463-CP  
OF THE PORT OF PORTLAND**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF COMMERCIAL PAPER NOTES IN AN AGGREGATE AMOUNT NOT TO EXCEED \$300,000,000 OUTSTANDING AT ANY ONE TIME TO PAY, REFINANCE OR REIMBURSE THE PORT FOR THE PAYMENT OF THE COSTS OF CONSTRUCTING, RENOVATING, ACQUIRING, EQUIPPING AND INSTALLING IMPROVEMENTS AT THE PORTLAND INTERNATIONAL AIRPORT AND TO PAY COSTS RELATED THERETO, AND TO PAY COSTS OF ISSUING THE COMMERCIAL PAPER NOTES, INCLUDING TO PAY PRINCIPAL OF AND INTEREST TO ACCRUE ON ALL OR A PORTION OF THE COMMERCIAL PAPER NOTES; DELEGATING TO THE EXECUTIVE DIRECTOR AUTHORIZATION TO ESTABLISH TERMS AND CONDITIONS FOR THE ISSUANCE AND PAYMENT OF SAID COMMERCIAL PAPER NOTES AND TO TAKE OTHER NECESSARY ACTIONS IN CONNECTION THEREWITH; AUTHORIZING AMENDMENTS TO THE PORT'S AIRPORT REVENUE BOND ORDINANCE NO. 155, AS AMENDED, AND AIRPORT REVENUE BOND ORDINANCE NO. 323, AS AMENDED; AUTHORIZING AND PROVIDING FOR RELATED MATTERS AND DOCUMENTS.**

WHEREAS, the Board of Commissioners of The Port of Portland (the "Board") has determined and does hereby determine that it will be advantageous to The Port of Portland (the "Port") to authorize the issuance by the Port of its Portland International Airport Third Lien Commercial Paper Notes from time to time (collectively, the "Commercial Paper Notes") to: (i) pay, refinance or reimburse the Port for the payment of costs of constructing, renovating, acquiring, equipping and installing improvements at the Portland International Airport, (ii) pay costs of issuing the Commercial Paper Notes, including payment of principal of and interest to accrue on all or a portion of the Commercial Paper Notes, and (iii) for any other lawful purposes of the Port;

WHEREAS, the Commercial Paper Notes will be issued pursuant to Section 6B of Ordinance No. 323, enacted October 9, 1985, as amended and restated thereafter, including as amended by Ordinance 422-B, enacted November 8, 2006, and as hereafter amended, restated and supplemented ("Ordinance No. 323"), payable from the Third Lien Obligation Fund created by Section 6B of Ordinance No. 323 (the "TLO Fund"), on a parity basis with the Port's other Third Lien Obligations and on a subordinate basis to the Port's currently outstanding Subordinate Lien Bonds (the "SLBs") and Junior Lien Obligations;

WHEREAS, prior to or simultaneous with the initial issuance of the Commercial Paper Notes, the Port is expected to enter into an Issuing and Paying Agent Agreement with U.S. Bank National Association, as the Issuing and Paying Agent (the "Paying Agent"), a Dealer Agreement with Citigroup Global Markets Inc., as commercial paper dealer, a Reimbursement Agreement with Barclays Bank PLC, as letter of credit provider, and any and all other agreements, certificates and documents necessary for the initial issuance of the Commercial Paper Notes (collectively the "Commercial Paper Note Documents"); and

WHEREAS, the Board desires to authorize the Executive Director to enter into additional agreements and take other future actions on behalf of the Port in connection with the ongoing administration of the Commercial Paper Notes.

NOW THEREFORE, BE IT ENACTED BY THE PORT OF PORTLAND:

**Section 1. Terms Defined in Ordinance No. 155 and Ordinance No. 323.**

1.1 As used in this Ordinance No. 463-CP (the “Ordinance”), the following terms shall have the meanings defined for such terms in Ordinance No. 155, enacted November 10, 1971, as amended and restated thereafter and hereafter amended, restated and supplemented (“Ordinance No. 155”) and in Ordinance No. 323, as follows:

<b>Term:</b>	<b>Defined in Ordinance No.</b>
Airport Fund	155
Airport	155
General Account	155
Investment Securities	155
Junior Lien Obligations	323
Net Revenues	155
Port	155
Rebate Account	323
SLB Fund	323
SLB Reserve Fund Requirement	323
TLO Fund	323

1.2 In addition to the terms defined as provided in Section 1.1 of this Ordinance, the following terms shall have the following meanings:

“AMT” means, when used in connection with the Commercial Paper Notes, that interest on such Commercial Paper Notes is a specific preference item for purposes of the federal alternative minimum taxes imposed on individuals and corporations.

“Code” means the United States Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations of the United States Treasury Department.

“Commercial Paper Credit Facility” means one or more credit facilities, including without limitation, one or more irrevocable direct-pay letters of credit, to secure all or a portion of the Commercial Paper Notes.

“Commercial Paper Notes” means promissory notes evidencing an obligation of the Port and designated as the Port’s Portland International Airport Third Lien Commercial Paper Notes of each series authorized by Section 2.1 of this Ordinance.

“Commercial Paper Note Documents” shall have the meaning given that term in the recitals herein.

“Commercial Paper Notes Projects” means the construction, renovation, acquisition, equipment and installation of Port improvements at the Portland International Airport.

“DTC” means The Depository Trust Company, New York, New York or any successor serving as securities depository under this Ordinance.

“Executive Director” means the Executive Director or the Chief Financial Officer of the Port and any designee of either as provided in Section 3.

“Owner” means a registered owner of a Commercial Paper Notes, as shown on the registration books maintained by the Paying Agent.

“Non-AMT” means, when used in connection with the Commercial Paper Notes, that interest on such Commercial Paper Notes is not a specific preference item for purposes of the federal alternative minimum taxes imposed on individuals and corporations, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income.

“SLBs” means bonds and other obligations that qualify as “Subordinate Lien Bonds” as that term is defined in Ordinance No. 323.

“Third Lien Obligation” or “TLO” means bonds or other obligations that have a lien on the Net Revenues that is subordinate to the lien of the SLBs and the Junior Lien Obligations and are payable from amounts deposited in the TLO Fund.

“Trustee” means the “Subordinate Lien Bond Trustee” as defined in Ordinance No. 323.

1.3 Capitalized terms that are used but not otherwise defined in this Ordinance shall have the meanings defined for such terms in Ordinance No. 155 or Ordinance No. 323.

## **Section 2. Authorization and Security for Notes.**

2.1 Pursuant to the provisions of Ordinance No. 155 and Ordinance No. 323, the Board hereby authorizes the Port to sell and issue from time to time, in one or more series and, as desirable, subseries, Portland International Airport Third Lien Commercial Paper Notes in an aggregate principal amount not to exceed \$300,000,000 outstanding at any one time to: (i) pay, refinance or reimburse the Port for the payment of costs of the Commercial Paper Notes Projects, (ii) pay costs of issuing the Commercial Paper Notes, including payment of principal of and interest to accrue on all or a portion of the Commercial Paper Notes, and (iii) for any other lawful purposes of the Port. The series and subseries of Commercial Paper Notes authorized by this Section 2.1 are hereby continued, ratified and confirmed as they may be issued from time to time; provided that no series or subseries of Commercial Paper Notes will be issued or remain outstanding beyond November 8, 2047, unless the authorization provided for herein has been re-approved by the Board. Without limiting the generality of the foregoing, the issuance from time to time of Series A (Non-AMT), Series B (AMT) and Series C (Taxable) is hereby approved, ratified and confirmed.

2.2 The Commercial Paper Notes shall be issued pursuant to Section 6B of Ordinance No. 323 and shall be payable solely from the Net Revenues of the Airport that are available in the TLO Fund. The Port hereby agrees to deposit Net Revenues in the TLO Fund for the benefit of

the Commercial Paper Notes and providers of Commercial Paper Credit Facilities as provided in Section 6B of Ordinance No. 323 and in the documents authorized by Section 3 of this Ordinance.

2.3 In connection with the initial issuance of the Commercial Paper Notes, and in connection with the ongoing administration of the Commercial Paper Notes, the Board authorizes the Port to engage one or more commercial paper dealers to, among other tasks, sell the Commercial Paper Notes, to enter into one or more dealer agreements with a dealer or dealers, and to enter into the agreements and other documents referred to in Section 3. The initial dealer is expected to be Citigroup Global Markets, Inc.

2.4 In connection with the initial issuance of the Commercial Paper Notes, and in connection with the ongoing administration of the Commercial Paper Notes, the Board authorizes the Port to engage a paying agent to act as issuing and paying agent with respect to the Commercial Paper Notes, to enter into one or more issuing and paying agent agreements or similar agreements with paying agents, and to enter into the agreements and other documents referred to in Section 3. The initial issuing and paying agent with respect to the Commercial Paper Notes is expected to be U.S. Bank National Association.

2.5 In connection with the initial issuance of the Commercial Paper Notes, and in connection with the ongoing administration of the Commercial Paper Notes, the Board authorizes the Port to obtain one or more Commercial Paper Credit Facilities, to enter into one or more reimbursement agreements or similar agreements with the provider or providers of such Commercial Paper Credit Facilities, and to enter into the agreements and other documents referred to in Section 3. The initial Commercial Paper Credit Facility is expected to be an irrevocable direct-pay letter of credit provided by Barclays Bank PLC.

### **Section 3. Delegation.**

The Executive Director is hereby authorized, on behalf of the Port and without further action by the Board, and the Board hereby ratifies actions heretofore taken by the Executive Director in connection with the Commercial Paper Notes, to take the following actions with respect to the initial issuance of the Commercial Paper Notes and from time to time in connection with the ongoing administration of the Commercial Paper Notes:

3.1 Sell and provide for the issuance of the Commercial Paper Notes in one or more series and, if desirable, subseries, in an aggregate principal amount not to exceed \$300,000,000 outstanding at any one time.

3.2 Establish the terms and conditions of any issue of Commercial Paper Notes, subject to the terms of the documents executed in connection therewith, including the establishment or retirement from time to time of series and subseries of Commercial Paper Notes, and to request the issuing and paying agent for the Commercial Paper Notes to issue, and the dealer or dealers for the Commercial Paper Notes to offer and deliver, Commercial Paper Notes from time to time as the Executive Director shall determine is necessary or desirable to meet the capital financing, working capital and other needs of the Port; provided that the aggregate principal amount of the Commercial Paper Notes shall not exceed the amount authorized herein, and the maximum interest rate on the Commercial Paper Notes and the maximum true interest cost to the Port of the Commercial Paper Notes shall not exceed the maximum permitted by law in each case.

3.3 Participate in the preparation of, approve, authorize the distribution of, and deem final, and execute and deliver the disclosure documents for the Commercial Paper Notes.

3.4 Establish the series designations and aggregate principal amounts of Commercial Paper Notes; provide for the Commercial Paper Notes to be held by or through the facilities of DTC; select one or more dealers who will facilitate sale from time to time of the Commercial Paper Notes and enter into one or more dealer agreements with those dealers.

3.5 Establish the terms of and obtain one or more Commercial Paper Credit Facilities for the Commercial Paper Notes and enter into agreements with providers of those Commercial Paper Credit Facilities to repay any amounts paid under the Commercial Paper Credit Facilities (plus fees and other costs of such providers) from the Net Revenues of the Airport that are available in the TLO Fund.

3.6 Prepare, execute and deliver the Commercial Paper Note Documents specifying the terms under which the Commercial Paper Notes will be issued, the form of the Commercial Paper Notes and the administrative provisions that apply to the Commercial Paper Notes. These documents may contain additional covenants for the benefit of the Owners and providers of Commercial Paper Credit Facilities for the Commercial Paper Notes.

3.7 Substitute providers of any Commercial Paper Credit Facility related to the Commercial Paper Notes and any dealer or dealers of Commercial Paper Notes, and enter into any related agreements and prepare, execute and deliver any documents necessary to effect any substitution.

3.8 Substitute the issuing and paying agent for the Commercial Paper Notes and enter into one or more replacement issuing and paying agent agreements and prepare, execute and deliver any documents necessary to effect any substitution.

3.9 Except in the case of any Commercial Paper Notes, the interest on which the Port intends to be includable in gross income for federal income tax purposes, enter into covenants by the Port to maintain the excludability of interest on applicable Commercial Paper Notes from gross income under the Code.

3.10 Determine whether to provide, and provide that a portion of the Commercial Paper Notes bear interest that is includable in gross income for federal income tax purposes.

3.11 Obtain any necessary consents from the providers of the Port's existing interest rate swaps, surety bond reserve policies and/or credit facilities.

3.12 Create special accounts and subaccounts within the TLO Fund that is held under Ordinance No. 323, as amended, for the Commercial Paper Notes and the obligations of the Port payable to the provider or providers of Commercial Paper Credit Facilities, and provide for deposits and withdrawals of amounts in those accounts and subaccounts.

3.13 Provide for the application and investment of proceeds of the Commercial Paper Notes.

3.14 Execute and deliver any other documents and take any other action in connection with the Commercial Paper Notes which the Executive Director finds will be advantageous to the Port.

#### **Section 4. Amendments to Ordinance No. 323 and to Ordinance 155.**

4.1 The Port may amend and restate Ordinance No. 323 and Ordinance No. 155 to delete the final paragraph of Section 9 of Ordinance No. 323 and to remove all other references in those ordinances to “Excess Principal.”

4.2 As the Port has done in the ordinances authorizing all currently outstanding series of SLBs, the Port hereby provides and clarifies that the Port may amend Ordinance No. 155 and Ordinance No. 323 without the consent of the Owners for any of the purposes listed in this Section 4.2.

(a) To amend the definition of “Airport” to add any facilities operated by the Port whether or not such facilities are related to aviation.

(b) To provide that the Airport Fund (other than the SLB Fund) may be invested in any securities that are legal investments for the Port under the laws of the State of Oregon.

(c) To provide that the SLB Fund may be invested only in Investment Securities, and to define Investment Securities to include those securities that are then typically permitted for the investment of debt service and the reserve funds of revenue bonds that have credit ratings similar to the credit ratings then in effect for the SLBs.

(d) To permit the Port’s obligations under derivative products (including interest rate swaps, collars, hedges, caps and similar transactions) to be treated as SLBs and to make other changes which are desirable in order to permit use of derivative products in connection with SLBs.

(e) To permit obligations that are subordinate to the SLBs to be issued for any lawful Port purpose.

(f) To provide that balloon obligations will be treated as if they were refinanced with long-term obligations for purposes of calculating the SLB Debt Service Requirement and making certain deposits to the SLB Fund.

(g) To provide that any “put” or other right of owners of SLBs to require the purchase of SLBs shall not be treated as a maturity or mandatory redemption and may be ignored when calculating the SLB Debt Service Requirement and the amounts to be deposited to the SLB Fund, but only if bond insurance, a line or letter of credit, a standby bond purchase agreement or other liquidity or credit enhancement is in effect which is expected to pay for the purchase of the SLBs when the owners of SLBs exercise that right, if the SLBs are not remarketed or refunded.

(h) To provide that certain amounts in the SLB Serial Principal Account and the SLB Term Bond Principal Account may be used for redemption or purchase for cancellation of SLBs.

(i) To reduce the SLB Reserve Fund Requirement to an amount equal to the maximum amount of proceeds of tax-exempt bonds which the Code permits to be deposited in a reserve account without yield restriction, and to specify either that separate reserve accounts will be held for each series of SLBs, or that a single reserve account will secure all series of SLBs.

(j) To modify the requirements for funding the Rebate Account or to eliminate the Rebate Account.

(k) To combine Ordinance No. 155 and Ordinance No. 323, to delete outdated provisions, to delete provisions that interfere with the business operations of the Port but that do not provide substantial security for owners of SLBs, to clarify and simplify the remaining provisions, to substitute modern, more flexible provisions, and to restate those amended ordinances as a single ordinance.

4.3 As the Port has done previously in the ordinances authorizing the Port's Airport Revenue Bonds, Series Nineteen, Series Twenty, Series Twenty-One, Series Twenty-Two, Series Twenty-Three and Series Twenty-Four, in addition to the amendments provided in Sections 4.1 and 4.2, the Port may amend Ordinance No. 155 and Ordinance No. 323 without the consent of the Owners for any of the purposes listed in this Section 4.3.

(a) To amend the definition of "SLB Debt Service Requirement" so that for purposes of calculating compliance with the Port's rate covenants, the amount of principal of and/or interest on SLBs and/or the amount of Scheduled Swap Obligations paid or to be paid from moneys not then included in the definition of "Revenues" or "Net Revenues" shall be disregarded and not included in any calculation of "SLB Debt Service Requirement."

(b) To amend Ordinance No. 323 to provide that for purposes of determining compliance with Section 10 of Ordinance No. 323, the amount of passenger facility charges, customer facility charges, state and federal grants or other payments and/or other moneys that are not then included in the definition of "Revenues" or "Net Revenues" but that are committed irrevocably to the payment of debt service on SLBs and to the payment of Scheduled Swap Obligations or that are held by the Trustee for the sole purpose of paying debt service on SLBs and paying Scheduled Swap Obligations may be disregarded and not included in the calculation of SLB Debt Service Requirement for the period in which such amounts are irrevocably committed or are held by the Trustee.

(c) To permit all or a portion of the Remaining Balance, as hereinafter defined, to be taken into account as "Revenues" when determining compliance by the Port with its rate covenants. For this purpose, "Remaining Balance" means for any fiscal year the amount of unencumbered funds on deposit or anticipated to be on deposit on the first day of such fiscal year in the General Account (after all deposits and payments required to be made by Section 7 of Ordinance 323 have been made) as of the last day of the immediately preceding fiscal year.

(d) To permit the application of proceeds received from the sale of SLBs or of Junior Lien Obligations to make termination payments incurred in connection with terminating swap agreements or other derivative products.

**Section 5. Formal Matters.**

5.1 The power granted in Section 4 to amend Ordinance No. 155 and Ordinance No. 323 supplements and clarifies, and does not limit, the power of the Port to amend Ordinance No. 155 under its Section 20 and Ordinance No. 323 under its Section 12.

5.2 The Executive Director may determine that the providers of Commercial Paper Credit Facilities for the Commercial Paper Notes, if any, shall be treated as Owners secured by those Commercial Paper Credit Facilities for purposes of consenting to amendments to Ordinance No. 155, Ordinance No. 323 and the documents relating to the Commercial Paper Notes.

5.3 Provisions of the documents that are executed pursuant to Section 3 shall have the same effect as if those provisions were included in this Ordinance.

5.4 The Port may restate Ordinance No. 323 and Ordinance No. 155 to include the amendments contained in this Ordinance and may combine Ordinance No. 155 and Ordinance No. 323 without the consent of any Owner or beneficial owner, Commercial Paper Credit Facility provider or swap provider.

5.5 A concise summary of this Ordinance, including the location within the Port where a complete copy of this Ordinance may be obtained without charge, shall be published within five (5) days after passage in a newspaper of general circulation within the boundaries of the Port.

PASSED AND ENACTED by the Board of Commissioners of The Port of Portland at a meeting held on November 8, 2017, and signed by its President.

THE PORT OF PORTLAND

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Commission President

Approved as to Form:

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Orrick, Herrington & Sutcliffe LLP  
Bond Counsel

**DISTRIBUTED ANTENNA SYSTEM OPERATING AND USE AGREEMENT – PORTLAND INTERNATIONAL AIRPORT**

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November 8, 2017

Presented by: Mabelle Campbell  
Concessions Development  
Manager

David Blitzer  
Wireless Communications  
Program Manager

**REQUESTED COMMISSION ACTION**

This agenda item requests approval to enter into an operating and use agreement with Boingo Wireless, Inc., the successful proposer of the 2017 Concessions Solicitation for a Distributed Antenna System (DAS) at Portland International Airport (PDX).

**BACKGROUND**

In January 2015, the Port of Portland (Port) completed an Airport Technology Master Plan focused on the overall passenger experience, which resulted in a number of projects identified and prioritized for the next five to seven years. One of the recommendations was the installation of a new Distributed Antenna System (DAS) in order to improve and expand indoor wireless phone and data coverage, and upgrade and expand the Port's existing 700/800 MHz public safety radio coverage.

While the Port does have an existing DAS that supports limited Wireless Service Provider (WSP) coverage (one carrier, AT&T), there is minimal expansion capability, limited support for ever increasing mobile needs for operations and passengers, and the equipment is obsolete. Additionally, the existing public safety DAS has been decommissioned because it is no longer compatible with the City of Portland's (City) recent digital radio upgrades.

A new DAS would allow all current and future WSPs to join and leave the system with minimal disruption as the technology and carriers evolve, permit future technologies such as 5G that would require the use of a DAS to ensure data transfer speeds, standardize the method and equipment that the WSPs use throughout PDX, and provide increased safety for our employees and passengers by expanding radio coverage into existing poor reception areas.

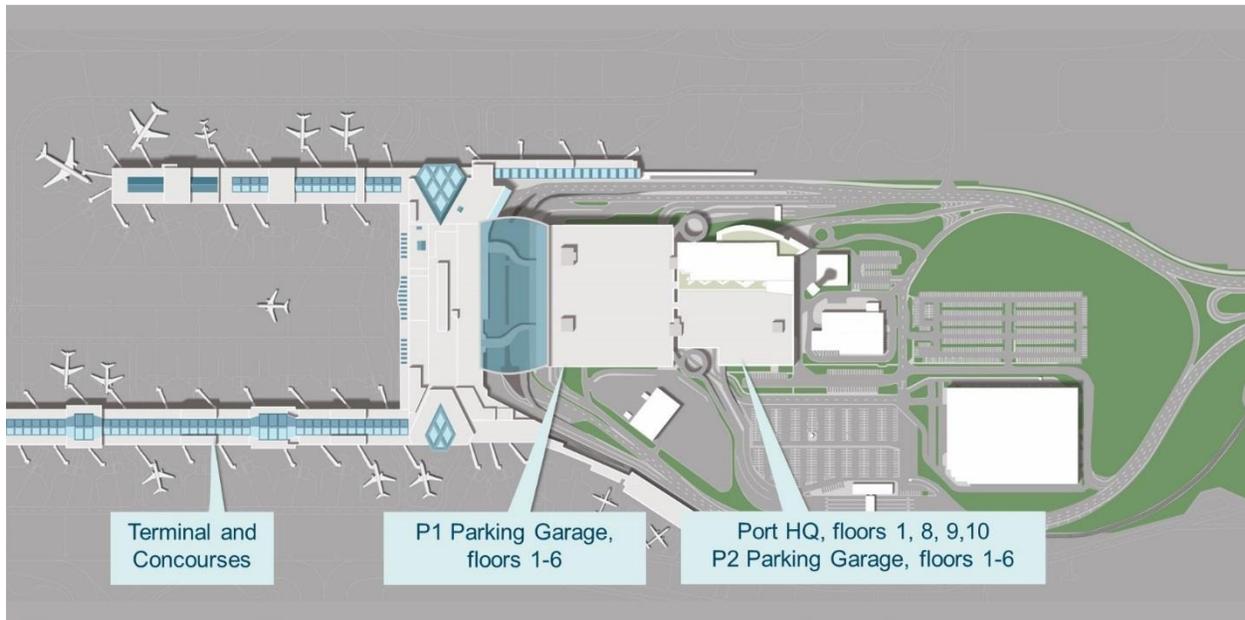
There are essentially three models of DAS deployment: venue-owned, carrier-owned and neutral host. In a neutral host model, a third party designs, installs, operates and maintains the DAS. This is the model that the Port chose to proceed with through the Concessions Solicitation Request for Proposals (RFP) process. The third party would also be responsible for all required coordination with the City regarding the on-airport land mobile radio equipment, and manage the interface of the various WSPs along with the individual operating agreements. The neutral host model would save the Port more than \$7,000,000 in DAS design and installation costs and generate revenue for the Port over the term of the agreement.

# DISTRIBUTED ANTENNA SYSTEM OPERATING AND USE AGREEMENT – PORTLAND INTERNATIONAL AIRPORT

November 8, 2017

Page 2

The following locations were included as required coverage areas in the RFP for the DAS.



Additional outlying buildings were identified as optional in the RFP. After further evaluation through the RFP process, it was determined that the Airport Maintenance Compound and the Fire Station would be provided public safety radio coverage.

## **REQUEST FOR PROPOSALS PROCESS**

The Port issued an RFP on February 24, 2017, and received nine proposals by April 18, 2017. A seven-member evaluation team reviewed the proposals and individually scored them based on the evaluation criteria listed below. Four proposers were chosen to be interviewed, which led to Boingo Wireless, Inc., being selected as the top proposer.

- Technical/Head End Solutions
- Proposed Revenue Sharing
- Qualifications/Project Approach
- System Operations
- Small Business Program Participation

**KEY BUSINESS TERMS**

Term Length:	Initial 10-year term, commencing on the date the DAS is installed and becomes fully operational.
Option to Extend:	One mutually agreed upon five-year option to extend.
Operating Area:	Designated portion of Room E1250 for a DAS head end (main line in), and other indoor areas necessary to install cable and other equipment.
Required Coverage Areas:	Terminal and concourses (all levels, including tunnels), P1 and P2 parking garages, Port Headquarters building; Port Fire Station and Port Maintenance Compound, would also be covered by the public safety system.
Revenue Share:	Initial term: One-time payment for each WSP that participates on the DAS network; payments are payable after the WSP has gone live on the network and performance of the system has been accepted. 1 <sup>st</sup> WSP: \$900,000 2 <sup>nd</sup> WSP: \$800,000 3 <sup>rd</sup> WSP: \$500,000 4 <sup>th</sup> WSP: \$300,000
Optional Term:	Revenue to the Port would be negotiated prior to the commencement of the option term.
Security Deposit:	Would be determined through review of financial statements and anticipated rent payments.
Port Improvements:	Would provide access to available fiber and existing infrastructure based on design; the Port would have the option to take ownership of DAS upon termination of agreement.
Operator Improvements:	Complete design, construction, installation, operation, maintenance and ongoing technological improvements; maintenance and system updates by the operator, as well as 24/7 monitoring and operation; initial investment of more than \$7,000,000 for the DAS and public safety system by the operator.
Utilities:	Operator would be separately metered and invoiced for electrical service, water, sewer and natural gas usage.

DISTRIBUTED ANTENNA SYSTEM OPERATING AND USE AGREEMENT – PORTLAND  
INTERNATIONAL AIRPORT

November 8, 2017

Page 4

ACDBE Participation: Operator has submitted a Letter of Intent for an estimated 13% of the project costs to be performed by an ACDBE firm during the installation of the DAS.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to enter into an operating and use agreement with Boingo Wireless, Inc., from the 2017 Concession Solicitation for a Distributed Antenna System at Portland International 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.

SECOND READING AND ENACTMENT – PORT ORDINANCE NO. 462-R – AMENDING AND RESTATING ORDINANCE NO. 275, AS AMENDED BY PORT ORDINANCE NO. 300 AS AMENDED BY ORDINANCE NO. 425-R, THAT ESTABLISHED A CIVIL SERVICE SYSTEM FOR FIRE FIGHTERS AND CREATED A CIVIL SERVICE COMMISSION

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November 8, 2017

Presented by: Chris Neal  
Director, Public Safety & Security

**REQUESTED COMMISSION ACTION**

This agenda item requests a second reading and enactment on proposed Ordinance No. 462-R, the amendment and restatement of Ordinance No. 275, as amended by Ordinance No. 300, as amended by Port Ordinance 425-R, that established a Civil Service System for the Port of Portland (Port) Fire Department.

**BACKGROUND**

The Port maintains a Civil Service System for the Port Fire Department, in accordance with the requirements of Oregon law, which is administered by a three-member board of Civil Service Commissioners. The Port's three-member Civil Service Commission was established pursuant to Port Ordinance No. 275. The Civil Service Commissioners' primary responsibilities include administering the Civil Service System in matters relating to recruitment, testing and selection of fire fighters, and hearing matters of discipline or appeal brought before them.

The current ordinance has been in effect since 1981, with minor amendments made to it in 1983. In 2007, Civil Service Commissioners, as well as representatives from the Fire Department, Legal and Human Resources, worked together to revise Ordinance No. 275, as amended by Ordinance No. 300, to be consistent with employment and recruitment practices relative to the Civil Service process.

The revisions to Ordinance No. 425-R are limited to those in Section 20.1 and are intended to provide the Civil Service Commission with authority to adopt rules and regulations specifying a process to allow for the addition of under-represented candidate(s) for consideration when an affirmative action plan states an identified deficiency for the classification of Firefighter.

Following the first reading and public hearing, the Port received no public comments.

Public notice of the proposed change has been posted in accordance with statutory requirements.

SECOND READING AND ENACTMENT – PORT ORDINANCE NO. 462-R – AMENDING AND RESTATING ORDINANCE NO. 275, AS AMENDED BY PORT ORDINANCE NO. 300 AS AMENDED BY ORDINANCE NO. 425-R, THAT ESTABLISHED A CIVIL SERVICE SYSTEM FOR FIRE FIGHTERS AND CREATED A CIVIL SERVICE COMMISSION.

November 8, 2017

Page 2

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That Ordinance No. 462-R amending and restating Ordinance No. 275, as amended by Port Ordinance 300, as amended by Ordinance 425-R, be given a second reading by title only; and

BE IT FURTHER RESOLVED, That Ordinance No. 462-R in the form presented to the Commission, be enacted by a roll call vote.

ORDINANCE NO. 462-R  
OF  
THE PORT OF PORTLAND

An ordinance amending and restating Port Ordinance No. 275, as amended by Port Ordinance No. 300, as amended by Port Ordinance No. 425-R, that established a Civil Service System for fire fighters and created a Civil Service Commission.

BE IT ENACTED BY THE PORT OF PORTLAND, as follows:

**1. DEFINITIONS**

As used in this Ordinance, unless the context clearly requires otherwise, the following terms shall mean:

- 1.1** "AIRPORT" - Portland International Airport; also referred to as PDX.
- 1.2** "AIRPORT SECURITY PROGRAM" - The Airport security program required by 49 CFR 1542 and approved by the Transportation Security Administration.
- 1.3** "APPOINTMENT" – Selecting or employing any person to hold a position subject to the Civil Service System created under this Ordinance.
- 1.4** "CERTIFIED" – An employee or candidate who is on an active register pursuant to Section 19.2 of this Ordinance.
- 1.5** "CHIEF EXAMINER" – An individual appointed by the Civil Service Commission to design, supervise and conduct the competitive selection process prescribed by this Ordinance.
- 1.6** "CIVIL SERVICE" – The Civil Service System established under Port Ordinance No. 275.
- 1.7** "CIVIL SERVICE COMMISSION" – The three-member Civil Service Commission created under Port Ordinance No. 275.
- 1.8** "CIVIL SERVICE SECRETARY" – An individual appointed by the Civil Service Commission to keep records of the Commission's proceedings.
- 1.9** "CIVIL SERVICE REGISTER" – A list of eligible candidates for promotional positions and entry-level positions that have been certified by the Civil Service Commission.
- 1.10** "COMMISSION CHAIRPERSON" – Chair of the three-member Civil Service Commission.
- 1.11** "COMMISSIONER" – A member of the Civil Service Commission.

**1.12** "DIRECTOR OF AVIATION" - The Port's designated Director who oversees Airport operations and who reports directly to the Port's Executive Director.

**1.13** "EMPLOYEE" – A person in a position covered under the Civil Service System and whose principal duties consist of preventing or combating fire, or preventing the loss of life or property from fire, and providing medical services in connection with employment in the Port of Portland Fire Department.

**1.14** "EXECUTIVE DIRECTOR" – Person appointed by Port of Portland Commission to carry out the responsibilities of the chief executive officer of the Port of Portland, or his/her designee.

**1.15** "FIRE CHIEF" - The highest-ranking manager within the Fire Department, or his/her designee. May also refer to a Fire Department Manager, or his/her designee, if the position is filled with a civilian manager.

**1.16** "PORT COMMISSION" - The Board of Commissioners of the Port of Portland.

**1.17** "PORT OF PORTLAND" or "PORT" –The port district of the State of Oregon that owns and operates the Airport pursuant to ORS 778.005 through ORS 778.990.

## **2. CIVIL SERVICE SYSTEM**

**2.1** The Civil Service System is for Employees of the Fire Department of the Port, excluding Fire Chief. As stated in Section 1.13 an Employee is "A person in a position covered under the Civil Service System and whose principal duties consist of preventing or combating fire, or preventing the loss of life or property from fire, and providing medical services in connection with employment in the Port of Portland Fire Department."

**2.2** Except as otherwise provided in this Ordinance, the Appointment and promotion of all persons to positions covered by the Civil Service shall be made solely upon merit, efficiency, and fitness, as specified by ORS 242.752.

## **3. CIVIL SERVICE COMMISSION**

The Civil Service Commission is composed of three (3) members appointed by the Port and approved by the Port of Portland Commission. The term of office of each member of the Civil Service Commission shall be four (4) years, and each shall serve without compensation. However, of the members first appointed to the Civil Service Commission, one shall serve for a term of two (2) years, one shall serve for a term of three (3) years, and one shall serve for a term of (4) four years. No member of the Civil Service Commission shall be a member of the Port of Portland Commission or a current employee of the Port. The Port may remove any Civil Service Commissioner for incompetency, dereliction of duty, or other good cause, after giving him/her due notice in writing of the charges against him/her and an opportunity to be heard publicly on such charges before the Executive Director in accordance with procedure specified in ORS 242.710.

#### **4. CIVIL SERVICE COMMISSION MEETINGS**

**4.1** The Civil Service Commission shall hold a meeting at least once every ninety (90) days at a time and place which it designates.

**4.2** Special meetings shall be called upon the request of any Civil Service Commissioner or the Port. Any person subject to the Civil Service may request a special meeting of the Civil Service Commission by delivering to the Commission Chairperson a written request stating the basis of the request. Such request may be granted at the discretion of the Commission Chairperson upon a finding that sufficient cause is shown.

#### **5. QUORUM AND VOTE**

**5.1** Two (2) members of the Civil Service Commission shall constitute a quorum.

**5.2** The votes of any two (2) Civil Service Commissioners concurring shall be sufficient for decisions in all matters and transactions under this Ordinance.

#### **6. COMMISSION CHAIRPERSON**

The Civil Service Commission shall elect a Commission Chairperson from its membership at the Civil Service Commission meeting after July 1 each year to serve for a term of one (1) year.

#### **7. CHIEF EXAMINER**

**7.1** The Civil Service Commission shall appoint a Chief Examiner to design, supervise, and conduct the competitive selection process prescribed by this Ordinance. The Chief Examiner shall have skill in the recruiting, testing and screening of applicants for employment. No Employee of the Fire Department of the Port is eligible to serve as Chief Examiner or as an examiner.

**7.2** Any existing examiner of a governmental agency within the state may be designated as examiner and retained by the Civil Service Commission if he/she has skill in the recruiting, testing, and screening of applicants.

#### **8. CIVIL SERVICE SECRETARY**

The Civil Service Commission shall appoint a Civil Service Secretary who shall keep records of the Civil Service Commission's proceedings and investigations held or made under the directions of the Civil Service Commission. The Civil Service Secretary shall also preserve all reports made to it and perform such other duties as the Civil Service Commission may prescribe.

#### **9. PORT OFFICIALS TO ASSIST COMMISSION**

The Director of Aviation, and his/her designee(s), shall afford the Civil Service Commission reasonable facilities and assistance in inspecting books, papers, documents, and accounts relating to the positions subject to Civil Service and shall produce such books, papers, documents, and accounts and testify whenever required to do so by the Civil Service Commission under the terms of this Ordinance.

## **10. LEGAL ACTION AND COUNSEL**

The Civil Service Commission may conduct any civil suit or action which may be necessary for the proper enforcement of this Ordinance and the rules of the Civil Service Commission. The Civil Service Commission shall be represented in such proceedings by the Port's General Counsel or his/her designee.

## **11. COMMISSION RECORDS**

The Civil Service Commission shall keep on file with the Civil Service Secretary all papers, records, and other documents and communications received by it except for selection documents which shall be maintained by the Chief Examiner. Selection documents will be retained in compliance with the Port's records retention policy. Except for the selection documents and examinations, and records exempt from disclosure under ORS 192.410 et seq, all reports and files of the Civil Service Commission shall be public records and shall be accessible to the public at reasonable and convenient times.

## **12. RULES AND REGULATIONS**

The Civil Service Commission shall adopt rules and regulations to carry out the provisions of this Ordinance. The rules and regulations shall be made available for inspection in the Civil Service Secretary's office.

## **13. INVESTIGATION**

**13.1** The Civil Service Commission may investigate any matter affecting the enforcement of this Ordinance. The Civil Service Commission shall investigate any written, verified complaint alleging that abuses of the provisions of this Ordinance exist.

**13.2** In the course of the investigation, the Civil Service Commission may administer oaths, subpoena witnesses, and compel the production of books, papers, documents, and accounts pertinent to the investigation. Attendance of witnesses, either with or without books, papers, documents, or accounts, may not be compelled unless such witnesses are personally served with a subpoena. Failure to obey the terms of the subpoena shall constitute a violation of this Ordinance.

**13.3** The Civil Service Commission may provide for the taking of the deposition of witnesses, or the taking of written interrogatories, in the manner prescribed by law for like depositions and interrogatories, in civil suits and actions.

**13.4** Every person served with a subpoena requiring his/her attendance before the Civil Service Commission shall be entitled to the fees and mileage allowance which shall be paid in the manner provided for by law to witnesses in civil suits and actions in circuit courts, except that no Port Employee shall be entitled to any fees or mileage allowance.

## **14. REPORTS TO CIVIL SERVICE COMMISSION REQUIRED**

Upon request of the Civil Service Commission, the Port shall provide information to the Civil Service Commission on every Employee subject to Civil Service, giving his/her name, the title or character of the position he/she holds, the date of beginning of service, and the salary he/she receives.

## **15. CIVIL SERVICE PERSONNEL FILES**

The Civil Service Commission shall have access to personnel files of all persons subject to Civil Service. Personnel files will contain records of all Appointments, promotions, demotions, transfers, reinstatements, resignations, suspensions, leaves of absence without pay, removals, and discharges, setting forth in each instance the date of beginning, change or termination of service, and the nature of the action, together with sufficient information to show why and how such Appointments or other changes were made.

## **16. PAYMENTS TO NONCERTIFIED PERSONS PROHIBITED**

Except for persons holding positions under a temporary Appointment as provided in Section 22, no manager of the Port shall authorize, draw, sign, countersign, issue or honor any warrant or order for the payment of, or pay any salary or compensation to any Employee subject to Civil Service under this Ordinance who is not certified by the Civil Service Commission.

## **17. PORT TO CREATE POSITIONS AND TO FIX COMPENSATION**

All Civil Service positions of the Port shall be created by the Port. The compensation of all represented Fire Department Employees shall be fixed through negotiation of the Collective Bargaining Agreement by the Port and Local No. 43 of the International Association of Fire Fighters. The Port has the authority to amend, add to, consolidate, or abolish classified positions.

## **18. EXAMINATIONS**

**18.1** The Civil Service Commission shall authorize the Chief Examiner to conduct open and competitive selection processes to ascertain the qualifications and fitness of applicants for all positions in the Civil Service. Selection processes shall be approved by the Civil Service Commission prior to implementation. Approved processes shall be followed when a vacancy occurs unless there is a current, active entrance register in existence. Promotional selection processes shall be followed for those who apply for such examination and who meet the eligibility requirements as determined by the Chief Examiner. Promotional selection processes shall be carried out whenever necessary to establish a Civil Service Register.

**18.2** Notice of time, place, and general scope of every selection process shall be given in accordance with rules and regulations adopted by the Civil Service Commission.

**18.3** All selection processes shall be practical in character and shall relate only to those matters which fairly evaluate the relative qualifications and fitness of persons examined to discharge the duties of the positions for which they are applicants. Ability to perform the essential functions of the position as described by the physical parameter analysis shall be included in the entrance selection processes. The Civil Service Commission may assess such weights on selection processes as it deems necessary. No question in the selection process shall relate to political or religious preference, affiliation, opinion, or services.

**18.4** Persons who possess those eligibility requirements prescribed by rules and regulations of the Civil Service Commission will be eligible for the selection process.

**18.5** The Chief Examiner shall supervise all examinations and shall designate the persons who shall conduct all examinations. No Employee within the Fire Department of the Port shall be designated as Chief Examiner.

## **19. CIVIL SERVICE REGISTER**

**19.1** The Civil Service Commission shall provide a Civil Service Register containing entry-level and promotional registers for the various classes of positions in the Civil Service. The Civil Service Commission may consolidate or cancel the entry-level and promotional registers as the needs of the Civil Service System may require.

**19.2** An entry-level and/or promotional Civil Service Register will be created for new positions, or position vacancies, in the Civil Service. Entry-level and promotional Civil Service Registers will be valid up to thirty (30) months or until exhausted.

**19.3** For classifications with three (3) or fewer positions, a certified Civil Service Register need not be maintained beyond the thirty (30) months. Subsequent Civil Service Registers shall be established any time there is a new vacancy.

## **20. CERTIFICATION OF ELIGIBLE CANDIDATES**

Whenever there is a vacancy in a position in the Civil Service, the Fire Chief shall notify the Chief Examiner of the vacancy. The Chief Examiner shall thereupon certify to the Fire Chief:

**20.1** If the vacancy is in an entry-level position, the names and addresses of the three (3) candidates standing highest upon the entry-level Civil Service Register. When more than one (1) vacancy is to be filled, the number of names submitted shall equal the number of vacancies, plus three (3). When an Affirmative Action plan states an identified deficiency for the classification of Firefighter, the Civil Service Commission shall adopt rules and regulations specifying a process to allow for the addition of under-represented candidate or candidates for consideration. The under-represented candidate or candidates will be considered in addition to, not in place of, candidates standing highest upon the entry-level Civil Service Register.

**20.2** If the vacancy is in a promotional position, the names and addresses of the two (2) candidates standing highest upon the promotional Civil Service Register for the classification or grade to which the position belongs. An active promotional Civil Service Register must have at least two (2) candidates.

## **21. APPOINTMENTS TO CIVIL SERVICE POSITIONS**

**21.1** After the Fire Chief has received the register of certified candidates, he/she may either appoint one (1) of the certified candidates to the vacant position or he/she may reject all certified candidates for Appointment to the position. Appointment of a certified entry-level candidate or a laterally hired position shall be contingent on the candidate successfully passing a criminal history records check, a drug screen, physical examination and psychological examination. As a condition of Appointment, the Port may also require candidates to pass a background investigation or other requirements in compliance with the Airport Security Program.

**21.2** If the Fire Chief appoints one (1) of the candidates, the names of the candidates not appointed may be placed on the Civil Service Register in the same position from which the names were certified at the Fire Chief's discretion. The appointed candidate shall be placed in an introductory period in his/her new position for a period of time stated in the then current Collective Bargaining Agreement.

**21.3** If the Fire Chief rejects all certified candidates, he/she shall submit a written statement for the reasons of rejection to the Civil Service Commission. Political reasons and all other reasons prohibited by law or statute are not valid reasons for rejection. The Fire Chief may determine that a candidate on the Civil Service Register is not qualified for reasons not discovered in the testing process, and may request that the Civil Service Commission remove the candidate from the Civil Service Register based on reasons and a report furnished to the Civil Service Commission.

**21.4** If certified candidates are rejected by the Fire Chief, the Chief Examiner shall present name(s) and address(es) of the next eligible candidate(s) standing highest upon the Civil Service Register. The Fire Chief and the Chief Examiner shall proceed in this manner for all rejected candidates until a qualified candidate is found for the vacant position.

**21.5** If an Employee is in an introductory period, the Fire Chief may discharge that person without regard to Sections 23 and 24 of this Ordinance and in a like manner appoint another certified candidate and so continue until a qualified candidate has been found.

**21.6** If a person has followed a promotional selection process and has been appointed to a position in a higher classification fails to qualify for the position in the higher classification within the introductory period, he/she shall not lose his/her position in the lower classification from which the promotion was made, but shall be reinstated in the position held by him/her in such lower classification.

## **22. TEMPORARY APPOINTMENTS**

**22.1** When there is no candidate on the entry-level Civil Service Register from which a position may be filled, the Fire Chief may, with the consent of the Civil Service Commission, fill the position by temporary Appointment. A temporary Appointment shall generally not continue for more than three (3) calendar months. The temporary Appointment may be extended an additional three (3) calendar months at the discretion of the Civil Service Commission for cause shown. No classified position shall be filled by a temporary Appointment for more than six (6) calendar months.

**22.2** Temporary Appointments shall be valid only until there are available candidates on the entry-level Civil Service Register. No temporary Appointment shall be made to fill any position for which the promotional procedure is followed and an eligible promotional Civil Service Register is maintained.

**22.3** Temporary Appointments may also be made while a candidate selected from the entry-level Civil Service Register completes the recruitment process and introductory training requirements.

## **23. GROUNDS FOR DISCIPLINARY ACTION**

**23.1** Persons subject to the provisions of this Ordinance may be dismissed, demoted, suspended without pay, or deprived of special privileges for the following reasons:

**23.1.1** Incompetency, inefficiency, or inattention to or dereliction of duty.

**23.1.2** Dishonesty, intemperance, addiction to drugs or controlled substances, immoral conduct, insubordination, discourteous treatment of the public or fellow Employees, or failure to comply with requirements of the Airport Security Program.

**23.1.3** Any other willful failure of good conduct tending to injure the public service.

**23.1.4** Any willful violation of the provisions of this Ordinance or of the rules and regulations adopted under this Ordinance.

**23.1.5** Conviction of a felony or a misdemeanor involving moral turpitude.

**23.1.6** The willful giving of false information or withholding information with intent to deceive when making application for employment.

**23.1.7** Any other charges properly investigated and sustained that warrant such action.

**23.2** No person shall be dismissed, demoted, suspended without pay, or deprived of special privileges for political or any other reasons prohibited by law or statute.

## **24. DISMISSAL PROCEDURE: INVESTIGATION: ENFORCEMENT OF FINDINGS**

**24.1** No person subject to Civil Service who has been appointed under this Ordinance and who has satisfied an introductory period shall be dismissed, demoted, suspended without pay, or deprived of special privileges except for cause and only upon written charges. A written statement of charges and sanctions shall be served upon the accused, and a copy shall be maintained in the Employee's official personnel file. The Civil Service Commission shall be notified of any such action.

**24.2** Any regular Employee who has been dismissed, demoted, suspended without pay, or deprived of special privileges may follow the grievance procedure outlined in the then current Collective Bargaining Agreement or file with the Civil Service Commission a signed, written demand for an investigation. If the demand alleges, or if it otherwise appears to the Civil Service Commission, that the dismissal was not made in good faith for cause, the Civil Service Commission shall conduct an investigation and hold a public hearing. The hearing shall be held within thirty (30) days from the time the appeal is filed. The appellant may be represented by counsel or any representative of his/her own choosing. The investigation shall be confined to the determination of the question of whether the dismissal was made in good faith for cause.

**24.3** After an investigation and public hearing, the Civil Service Commission may affirm or modify the action taken by the Fire Chief, or if it finds that the dismissal was not made in good faith for cause, the Civil Service Commission shall order the immediate reinstatement of

the Employee in the position from which he/she was dismissed. Reinstatement shall be retroactive and entitle the dismissed Employee to pay or compensation or special privileges from the time of dismissal. The findings of the Civil Service Commission shall be certified in writing to the Fire Chief and immediately enforced.

## **25. ILLEGAL ACTS**

No person shall:

**25.1** Falsely mark, grade, estimate, or report upon the examination or proper standing of any person registered, or certified pursuant to this Ordinance, or aid in so doing, or make any false representation concerning the same or concerning the person examined.

**25.2** Furnish to any person any special or secret information for the purpose of either improving or injuring the prospects or chances of any applicant or person so examined, registered, or certified.

**25.3** Impersonate any other person or permit or aid in any manner any person to impersonate anyone in connection with any examination registration, application, or request to apply or register.

## **26. CERTAIN CONTRIBUTIONS AND POLITICAL ACTIVITY PROHIBITED**

No person holding any position subject to Civil Service is under any obligation to contribute to any political or religious fund or to render any political service to any person or party. No person shall be removed, reduced in grade or salary, or otherwise prejudiced for refusing to do so. No persons shall discharge, promote, demote or in any manner change the official rank, employment, or compensation of any person subject to Civil Service, or promise or threaten to do so, for giving, withholding, or neglecting to make any contribution of money or services or any other valuable thing for any political, racial, or religious purpose.

## **27. PARTIAL INVALIDITY**

In the event any phrase, clause, sentence, paragraph, or paragraphs of this Ordinance is declared invalid for any reason, the remainder of the sentence, paragraph, or paragraphs of this Ordinance shall not be thereby invalidated, but shall remain in full force and effect, all parts being hereby declared separable and independent of all others.

## **28. EFFECTIVE DATE**

This Ordinance shall become effective December 8, 2017.

ADOPTED THIS 8<sup>TH</sup> day of November 2017, being the date of its second reading before the Board of Commissioners of the Port of Portland.

THE PORT OF PORTLAND

By: \_\_\_\_\_  
Jim Carter, Commission President

By: \_\_\_\_\_  
Pam Thompson, Assistant Secretary

APPROVED AS TO LEGAL SUFFICIENCY

By: \_\_\_\_\_  
Counsel for Port of Portland

APPROVED BY COMMISSION

Date: \_\_\_\_\_

**PROCUREMENT CONTRACT – AIRCRAFT RESCUE AND FIRE FIGHTING VEHICLE –  
PORTLAND INTERNATIONAL AIRPORT**

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November 8, 2017

Presented by: Craig Funk  
Fire Chief  
  
Tanya Starr  
Senior Manager  
Facility Engineering

**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a procurement contract to Oshkosh Airport Products, LLC (Oshkosh), for a new Aircraft Rescue and Fire Fighting (ARFF) vehicle at Portland International Airport (PDX) for a contract value of \$1,192,649.

**BACKGROUND**

The PDX ARFF fleet consists of five vehicles. Federal Aviation Administration (FAA) Advisory Circular 150/5220-10E advises that ARFF vehicles “provide an invaluable service to the commercial and private airline industry and the passengers and cargo they transport. The airline industry is reliant on prompt and effective fire and rescue services during aircraft emergencies. These services include fire containment and suppression, passenger and crew rescue, airframe and cargo preservation and maintenance of the site to aid in after-incident investigations. The vehicles that airport fire departments employ serve as the medium to deliver fire fighters, specialized tools and equipment and fire fighting agents to the scene of an aircraft incident. They must be designed to perform specific functions, constructed for longevity and ease of maintenance and be tailored to the airport’s needs.”

ARFF vehicles with high mileage and hours of operation experience increasing material wear and maintenance needs over time, which contribute to higher maintenance and operating costs. The Port of Portland (Port) maintains an ongoing program to replace all ARFF vehicles on a 12-year cycle. The program ensures the fire fighting vehicle fleet will continue to provide the highest level of fire and rescue service and will have the latest-technology equipment for responding to fire and rescue events. This replacement program distributes the fleet procurement costs over a 12-year period. The vehicle purchased under this procurement contract will replace ARFF vehicle T-85, which was procured in 2005.

The FAA Advisory Circular cited above lists relevant factors when considering the replacement of ARFF vehicles. The Advisory Circular is based on the minimum ARFF vehicle requirements established by Title 14 Code of Federal Regulations Part 139. Relevant factors for the replacement of ARFF vehicles are:

- Reliability and serviceability
- Availability of replacement parts
- Annual operating and repair costs

PROCUREMENT CONTRACT – AIRCRAFT RESCUE AND FIRE FIGHTING VEHICLE –  
PORTLAND INTERNATIONAL AIRPORT

November 8, 2017

Page 2

- The vehicle's normal service life
- Introduction of new and different aircraft to the airport that changes the airport "index" (an FAA-designated measure based on aircraft size and frequency of departures)
- Relative overall age of the airport fire fighting vehicle fleet to allow for programmed replacement over a span of years

**SCOPE**

- Fabricate, test and deliver one 3,000-gallon ARFF vehicle according to Port specifications
- Provide training on vehicle operating systems for fire department responders

**SCHEDULE**

Design	April 2017 – August 2017
Request price	August 2017
<b>Commission action (award procurement contract)</b>	<b>November 8, 2017</b>
Build	December 2017 – November 2018

**PROCUREMENT PROCESS**

The Port intends to participate in a cooperative purchasing program through the Houston-Galveston Area Council (H-GAC), a Texas-based regional government, to procure the ARFF vehicle. Using a competitive process, H-GAC has contracted with various vendors that allow cooperative purchasing by public agencies that are members of H-GAC. H-GAC holds an ARFF vehicle procurement contract with Oshkosh. The Port is a member of H-GAC and has the authority to participate in the cooperative purchasing program under ORS 279A.220.

In September 2017, Oshkosh provided the Port with a price quote for a fire fighting vehicle that meets the Port's specifications and is within the Port's project budget. The Port intends to contract directly with Oshkosh by issuing a purchase order under the H-GAC contract. This Commission agenda item seeks approval to award the purchase order.

Unless extended, the H-GAC/Oshkosh cooperative purchasing contract will expire on November 30, 2017. H-GAC's operations have been slowed during its recovery from the Houston-area natural disasters this past summer. As a result, there may be some delay in H-GAC's processing of this transaction. If the Port is unable to procure this vehicle under the Oshkosh contract due to H-GAC's delay, the Port will pursue a different procurement process. In that event the Port will seek Commission approval of this award again, after the next procurement process.



### **PROJECT RISK**

Risk: Fabrication schedule delay

Mitigation Strategies:

- Develop contingency plan for awarding contract and scheduling work
- Existing vehicle can continue to operate with close attention to maintenance to keep it operational longer

### **BUDGET**

Oshkosh Airport Products, LLC	\$1,193,000
Port staff/apparatus equipment	\$275,000
Contingency	<u>\$100,000</u>
Total project	\$1,568,000

The contingency, representing 6.8 percent of the project costs, is considered reasonable given the nature of the procurement, the risk profile for the project and the clearly defined scope of the procurement.

The project contract will be funded by the Airport Shared Projects Fund.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a procurement contract for the Aircraft Rescue and Fire Fighting vehicle at Portland International Airport to Oshkosh Airport Products, LLC, in accordance with the terms presented to 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.

**PUBLIC IMPROVEMENT CONTRACT – SHORT-TERM PARKING GARAGE AUTOMATIC PARKING GUIDANCE SYSTEM REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT**

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November 8, 2017

Presented by: Alan Dakessian  
Engineering Project Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a public improvement contract to High Point Consulting Services, LLC, dba High Point Construction Services (HPCS), for replacement of the short-term parking garage Automatic Parking Guidance System (APGS) at Portland International Airport (PDX), in the amount of \$2,090,016.

**BACKGROUND**

The existing APGS was installed in the short-term parking garage (P1) at PDX in 2007. The system has been a success in terms of increasing customer satisfaction, saving fuel and time, and maximizing revenues. However, the system is now at the end of its useful life. The sensors and other system components are obsolete and the system can no longer be reliably maintained. This project will provide a new APGS in the short-term parking garage that replaces the capabilities of the existing system and provides enhanced functionality. This project will not modify the long-term parking garage (P2) APGS.

**SCOPE**

The contract requires delivery of a “turnkey” system. The scope of work includes system design and preparation of construction documents; furnishing, installing, programming and commissioning of all hardware and software; and demolition of the existing system. Major elements of the scope of work include the following:

- Replace all existing APGS sensors on Levels 3 through 6 with camera-based sensors, and install new sensors on Level 7.
- Replace P1 entry plaza signs to indicate the number of stalls available on Levels 3 through 7.
- Make a mobile device application available to help customers locate their vehicle.
- Implement an automated license plate inventory system, with time-stamped photographs of vehicles as they enter and leave a stall to confirm parking duration and charges.
- Provide a video clip storage and retrieval system for added security.
- Provide all-new software for system operation and maintenance.

PUBLIC IMPROVEMENT CONTRACT – SHORT-TERM PARKING GARAGE AUTOMATIC  
PARKING GUIDANCE SYSTEM REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT  
November 8, 2017  
Page 2

The selected system vendor is Park Assist. Sample photographs of its system hardware appear below.



Typical sensor with two cameras and LED lights indicating parking space availability.

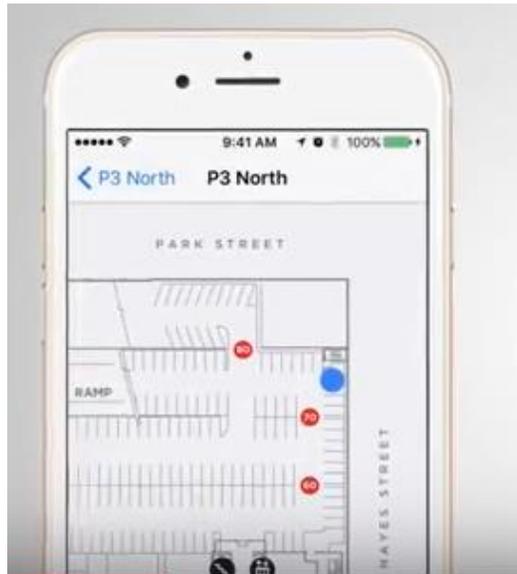


Sensors located in center of drive aisle.

Each camera covers two stalls on either side of the aisle, four stalls total per sensor.



Typical digital guidance sign.



Mobile application with “FindYourCar” guidance.

## **REQUEST FOR PROPOSALS**

In May 2017, the Port of Portland (Port) Commission approved an exemption from competitive bidding to allow the use of a competitive request for proposals (RFP) process to procure a public improvement contract for design and construction of this project. The RFP was issued on May 30, 2017 and five proposals were received on June 27, 2017.

A selection committee evaluated and scored all proposals. Weighted criteria included:

- Conformance with technical and other requirements
- Qualifications, experience record and resources of the proposer
- Proposed project team and work plan
- Cost
- Small Business Program participation
- Proposer’s safety record

Three proposal teams were interviewed on August 18, 2017. Based on these interviews, the evaluation committee selected HPCS and a notice of intent to award a contract was issued on October 18, 2017.

Based on an availability analysis, the Port’s small business participation goal for this project was two percent. However, because HPCS is an Oregon certified woman-owned business enterprise and its demolition subcontractor is a certified small business enterprise, HPCS expects to reach 23.3 percent in small business participation.

## **SCHEDULE**

Preliminary planning and design	December 2015 – April 2017
Commission action (grant exemption from competitive bidding)	May 2017
RFP and evaluation	June 2017 – September 2017
<b>Commission action (award public improvement contract)</b>	<b>November 8, 2017</b>
System design and construction	November 2017 – December 2018

## **PROJECT RISKS**

Risk: New technology in the camera-based sensors and environmental factors that may impact operation and reliability.

Mitigation Strategy:

- Project includes a 30-day trial installation period during which sensors will be fully evaluated for their functionality and ability to withstand environmental extremes.

Risk: Software solution incorporates vendor software running in Port information technology (IT) environment, as well as “cloud” software running in vendor-controlled environment.

Mitigation Strategy:

- Port IT staff have been involved extensively in reviewing and selecting the proposed solution and will assist vendor throughout implementation.

Risk: Schedule delay due to technical complexity and work constraints in an occupied garage.

Mitigation Strategies:

- Contract includes \$750/day in liquidated damages for delay in completion, which motivates contractors to finish in a timely manner.
- Sequence of work is based on leaving the existing system in place and functional while the new system is installed in parallel.
- The system vendor will be required to provide a full-time, on-site project manager for the duration of system installation to ensure quick response to any issues.
- Project team will coordinate closely with the parking garage operations staff to ensure aisles are closed and stalls are vacated at the right time and for minimal duration.

**BUDGET**

<b>Public improvement contract</b>	<b>\$2,090,000</b>
Port staff/contracted services	\$1,040,000
Contingency	<u>\$250,000</u>
Total project	\$3,380,000

The contingency is eight percent of the estimated project cost, which is considered appropriate for this type of project and the associated risk profile.

The project will be funded by the Port Cost Center.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a public improvement contract for the replacement of the short-term parking garage automatic parking guidance system at Portland International Airport to High Point Construction Services, LLC, in accordance 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.