

PORT OF PORTLAND COMMISSION POLICY

Delegation of Contracting Authority

Commission Policy No. 6.1.1

Revised Commission meeting of May 14, 2014

Background

The Port of Portland Board of Commissioners (the “Commission”) has delegated to the Executive Director by ordinance the responsibility for the daily management and administration of Port operations and affairs. The ordinance also provides that the Commission will establish by resolution the extent of the Executive Director's authority to cause the Port to enter into contracts, leases, use agreements, and other agreements.

This policy constitutes the delegation contemplated by the ordinance. Authority delegated to the Executive Director by this policy may be further delegated to persons designated by the Executive Director.

Contracts for the Acquisition or Disposition of Goods or Services

The Executive Director is authorized to cause the Port to enter into any contract for the acquisition or disposition of goods or services not exceeding \$500,000 per contract year, including without limitation contracts for goods, equipment, supplies, public improvements, services, and personal services.

The Executive Director is further authorized to cause the Port to enter into an amendment to an existing contract for the acquisition or disposition of goods or services when the amount of the amendment does not exceed \$500,000.

The Executive Director is authorized to cause the Port to enter into an amendment to an existing contract for the acquisition or disposition of goods or services, regardless of amount, when required to comply with the terms of the existing contract, or when required to complete the work contemplated by the existing contract.

The Commission may authorize the Executive Director, by separate ordinance or resolution, to cause the Port to enter into contracts for the acquisition or disposition of classes of goods, equipment, supplies, public improvements, services and personal services in amounts that exceed those specified in this policy.

The Executive Director shall report monthly to the Commission each contract that has been awarded for the acquisition or disposition of goods or services, and each amendment of a contract for the acquisition or disposition of goods or services, that exceeds \$50,000 and was executed pursuant to delegated authority.

Program Approval

The Commission may authorize the Executive Director to cause the Port to enter into all contracts necessary to implement a program approved by the Commission by resolution (a “Program”), whether or not the individual contracts in the Program exceed the amounts specified in this policy. A Program is a project or other enterprise that will require the Port to award two or more contracts over a period of time.

Real Estate Transactions

The Executive Director is authorized to execute leases, licenses, permits, management agreements, use agreements, and agreements that otherwise permit others to enter upon or use

property owned by the Port (collectively “real estate contracts”), provided that the real estate contract does not obligate the Port for a term longer than five years.

The Executive Director is authorized to cause the Port to enter into routine easements, licenses, and permits for utilities or access, regardless of the length of the term. The dedication of Port land to another governmental entity for a roadway in conjunction with Port development, and the grant of rights in Port land to another governmental entity for use in connection with aids to air or marine navigation, are considered "routine easements" for purposes of this policy.

The Executive Director is authorized to waive the Port's right of first refusal with respect to real estate transactions.

The Executive Director is authorized to give the Port's consent to subleases and assignments of leases of Port property, provided that the terms of the sublease or assignment are consistent with the purpose for which the original lease was executed, and (except as specified below) the sublease or assignment does not release the original lessee from any of its obligations under the original lease. The Executive Director may consent to a release of the original lessee if sufficient security is in place to assure that the Port is in substantially the same position as, or a better position than, under the original lease.

The Executive Director is authorized to execute an amendment to a real estate contract to extend the term of the contract to a date not more than five years beyond the date of the amendment. The Executive Director is further authorized to execute an amendment to a real estate contract to serve the Port's strategic or business interests, provided the amendment does not increase the Port's obligations or decrease the Port's revenues by a net total of more than \$500,000.

The Executive Director is authorized to terminate, in whole or in part, real estate agreements, and to release lessees and users from some or all further obligations to the Port, when doing so serves the Port's strategic or business interests, and:

- The remaining term of the lease or agreement is five years or less and the revenue foregone is less than \$500,000; or
- The Port has entered into or will enter into one or more leases or agreements for substantially all of the same property (or has consented to an assignment or sublease of substantially all of the property) on substantially the same or better terms.

Insurance and Benefits Contracts

The Executive Director is authorized to cause the Port to enter into contracts for insurance, provided that such contracts are consistent with a Commission-approved risk management plan for the Port.

The Executive Director is authorized to cause the Port to enter into contracts for employee benefits, provided that such contracts are consistent with a Commission-approved compensation plan for the Port.

Contracts for Legal Services

The Executive Director and the Port's General Counsel are each authorized to cause the Port to enter into contracts for legal services and other services integral to the provision of legal services, consistent with Commission Policy 6.1.3, *Legal Services*. For contracts for such services with an estimated cost exceeding \$500,000 per contract year: (1) such expenditure must be provided for in the Commission-approved Port budget; or (2) prior to execution of the contract the Executive Director or General Counsel must obtain the consent of the President of the Commission. If the President is unavailable and time is of the essence, the Executive

Director or General Counsel may obtain the consent of the Vice President of the Commission. In either event the President or Vice President shall make all reasonable efforts to consult with other Commission officers prior to giving such consent.

Disasters

In the event of a disaster, as defined below, the Executive Director is authorized to cause the Port to enter into any contract for which Commission approval normally would be required, provided that:

- Immediate execution of the contract is necessary to protect human life or safety on property owned or controlled by the Port, to protect Port property, or to allow the Port to reinstate or continue services that are essential to the Port or to the Port's tenants or customers; and
- The contract award is promptly reported to the Commission.

For the purposes of this policy, "disaster" means any hurricane, tornado, storm, high water, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, explosion, war, act of terrorism, civil disturbance, or other catastrophe that causes or may cause substantial damage or injury to persons or property within the Port of Portland boundaries or area of jurisdiction.

Grants and Passenger Facilities Charges

The Executive Director is authorized to apply for, accept and amend on the Port's behalf grants from federal, state, local or private granting entities, consistent with priorities and objectives established by the Commission. The Executive Director is authorized to apply for, request amendment of, and accept authorization from the Federal Aviation Administration for the Port to impose and use Passenger Facility Charges (PFCs), consistent with priorities and objectives established by the Commission.

The Executive Director shall report periodically to the Commission on any grants or PFC authorizations applied for and accepted pursuant to this policy.

Settlements

The Executive Director is authorized to cause the Port to enter into settlement agreements, releases, consent orders, consent decrees, stipulations, stipulated judgments, and other agreements and documents, in a form approved by counsel, necessary for the resolution of disputed claims brought by or against the Port or its Commissioners, officers, agents, or employees; provided, however, that:

- In the event a settlement agreement obligates the Port for payment of sums to a claimant in excess of \$250,000, the Executive Director shall consult with the Port's Chief Financial Officer and General Counsel prior to executing such agreement; and
- In the event a settlement agreement obligates the Port for payment of sums to a claimant in excess of \$500,000, the Executive Director shall in addition obtain the consent of the President of the Commission. If the President is unavailable and time is of the essence, the Executive Director may obtain consent from the Vice President of the Commission. In either event the President or Vice President shall make all reasonable efforts to consult with other Commission officers prior to giving such consent.