



AGENDA*
Regular Commission Meeting
October 12, 2022
9:30 a.m.

The Board of Commissioners of the Port of Portland will hold this month's meeting virtually. The meeting will be streamed live on the Port's website and YouTube channel.

Written public comments can be submitted via email at testimony@portofportland.com. If you wish to provide live testimony, you may send an email with your first and last name to testimony@portofportland.com and you will be provided with a link to testify via MS Teams. The deadline to sign up for live testimony via MS Teams is noon on the day prior to the Port of Portland Commission Meeting.

The meeting livestream will also be accessible to members of the public in the Sturgeon Room on the 8th floor of the Port of Portland Headquarters Building, located at 7200 N.E. Airport Way in Portland, Oregon 97218.

Minutes

Approval of Minutes: Regular Commission Meeting – September 14, 2022

Executive Director

Approval of Executive Director's Report – September 2022

Public Comments

Consent Item

1. EQUIPMENT PROCUREMENT CONTRACT – DREDGE OREGON PIPE PROCUREMENT 2022 – NAVIGATION DIVISION *RYAN MILKOWSKI*

Requests approval to award an equipment procurement contract to Willamette Technical Fabricators, LLC, for the fabrication and delivery of steel discharge pipe for the Port of Portland Navigation Division.

Action Items

2. SECOND READING AND ENACTMENT – PORT OF PORTLAND ORDINANCE NO. 478-R, AMENDING PORT OF PORTLAND ORDINANCE NO. 448 REGARDING CUSTOMER FACILITY CHANGES ON RENTAL CAR TRANSACTIONS – PORTLAND INTERNATIONAL AIRPORT *STEVE KOESTER*

Requests a second reading and enactment of proposed Port of Portland Ordinance No. 478-R.

*Certain discussion, consent and agenda items may contain forecasts/estimates. Actual results may differ.

3. PERSONAL SERVICES CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT PROJECT – PORTLAND INTERNATIONAL AIRPORT GEORGE SEAMAN

Requests approval to amend the existing personal services contract with ZGF Architects LLP, for the Terminal Core Redevelopment project at Portland International Airport.

4. PUBLIC IMPROVEMENT CONTRACT – BERTH 503 REHABILITATION – TERMINAL 5 ERIC FORSYTH

Requests approval to award a public improvement contract for construction services to Stellar J Corporation for the Berth 503 Rehabilitation project at Terminal 5.

5. ON-CALL GEOTECHNICAL SERVICES CONTRACTS FOR VARIOUS PORT OF PORTLAND FACILITIES CHRIS EDWARDS

Requests approval of four personal services contracts to provide on-call geotechnical services on an as-needed basis for a term of five years.

6. EQUIPMENT PROCUREMENT CONTRACT AND RELATED FINANCING ARRANGEMENT – PIPE BARGE PROCUREMENT – NAVIGATION DIVISION RYAN MILKOWSKI

Requests approval to award an equipment procurement contract to Diversified Marine, Inc., to construct a pipe barge to support the Port of Portland's Navigation Division dredging work. This item also requests approval to enter a financing arrangement to fund the project.

7. READOPTON OF COMMISSION POLICY NO. 6.1.2, INVESTMENTS TRAVIS GEORGE

Requests readoption of Commission Policy No. 6.1.2, *Investments*.

8. EXTENSION OF COLLECTIVE BARGAINING AGREEMENT – PORT OF PORTLAND POLICE EMPLOYEES ASSOCIATION BLAISE LAMPHIER

Requests approval of a one-year extension of the collective bargaining agreement between the Port of Portland and the Port of Portland Police Employees Association.

**EQUIPMENT PROCUREMENT CONTRACT – DREDGE OREGON PIPE PROCUREMENT
2022 – NAVIGATION DIVISION**

October 12, 2022

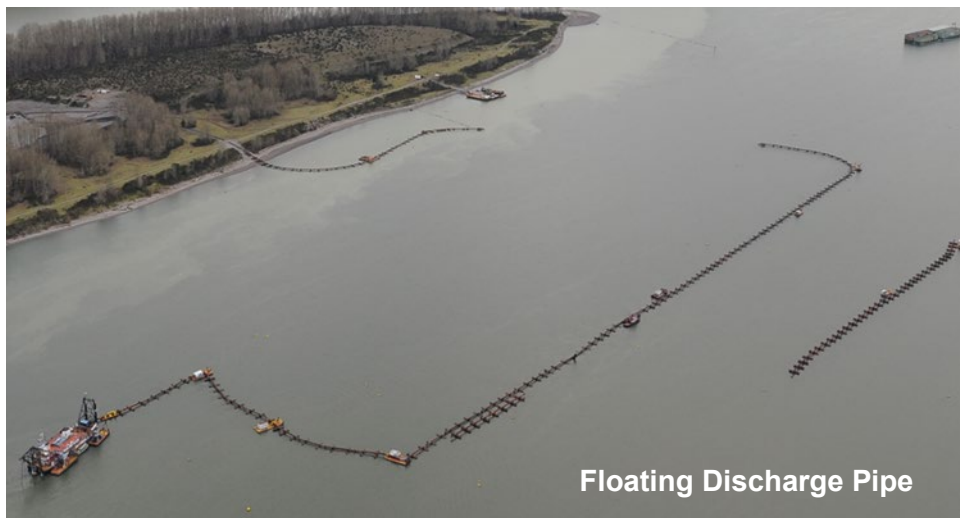
Presented by: Ryan Milkowski
Engineering Project Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award an equipment procurement contract to Willamette Technical Fabricators, LLC, for the fabrication and delivery of 1,200 lineal feet of 30-inch-diameter steel discharge pipe for the Port of Portland (Port) Navigation Division in the amount of \$599,900.

BACKGROUND

The Port is obligated in its current contractual agreement with the U.S. Army Corps of Engineers (USACE) to have 10,000 lineal feet of conventional discharge pipeline, of which 8,000 lineal feet must be readily deployable as “floating line.”

This request is part of the Port’s ongoing program for replacement of equipment that has passed its useful economic life. Dredge pipe wall wears thin over time due to the extremely abrasive nature of the sand and water slurry material being pumped. The pipeline is subjected to stresses caused by wind and wave action against its anchorage, positioning from the dredge tender vessels, and towing to and from dredge pumping locations. It is essential for safe and efficient operations that the pipe has adequate structural integrity over its entire length to withstand the river and wave forces, along with the stresses from material transport. The pipe being replaced is becoming worn and is at risk of developing leaks.



EQUIPMENT PROCUREMENT CONTRACT – DREDGE OREGON PIPE PROCUREMENT
2022 – NAVIGATION DIVISION

October 12, 2022

Page 2

SCHEDULE

| | |
|---|------------------------------|
| Design | June 2022 – August 2022 |
| Advertise and bid (equipment procurement) | August 2022 – September 2022 |
| Commission approval (award equipment procurement contract) | October 12, 2022 |
| Equipment manufacture and delivery | October 2022 – April 2023 |

CONTRACT SOLICITATION

The Port procured this equipment procurement contract utilizing a competitive sealed bidding solicitation under Oregon Revised Statutes, Chapter 279B. The solicitation was advertised on August 10, 2022, and bids were opened on September 1, 2022. Willamette Technical Fabricators submitted the lowest responsive bid.

The bids were as follows:

| | |
|----------------------------------|-----------|
| Willamette Technical Fabricators | \$599,900 |
| Thompson Metal Fabricators | \$693,506 |
| Engineer's estimate | \$750,000 |

BUDGET

| | |
|---|------------------|
| Equipment purchase | \$599,900 |
| Port staff, contract services, crew labor | \$64,100 |
| Contingency | \$36,000 |
| Remaining funds for additional procurements | \$200,000 |
| Total budget | \$900,000 |

The contingency, representing approximately 4% of the project cost, is considered reasonable given the risk profile for the project.

The project costs will be funded by the General Fund and reimbursed pursuant to the Port's channel maintenance contract with the USACE.

SMALL BUSINESS PARTICIPATION

Because this work will be funded as a reimbursable expense under the Port/USACE contract, the Port could not set a specific small business participation goal for this contract. However, Willamette Technical Fabricators will be required to give small business subcontractors the maximum practicable opportunity to participate in this work, consistent with efficient contract performance.

Further, Willamette Technical Fabricators is certified as an Emerging Small Business (ESB), Minority Business Enterprise (MBE), Service-Disabled Veteran Business Enterprise (SDVBE), and Women-Owned Business Enterprise (WBE) by Oregon's Certification Office for Business Inclusion and Diversity (COBID).

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award an equipment procurement contract for the fabrication and delivery of steel dredge discharge pipe to Willamette Technical Fabricators, LLC, in accordance with its bid; 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 OF PORTLAND ORDINANCE NO. 478-R,
AMENDING PORT OF PORTLAND ORDINANCE NO. 448 REGARDING CUSTOMER
FACILITY CHANGES ON RENTAL CAR TRANSACTIONS – PORTLAND INTERNATIONAL
AIRPORT

October 12, 2022

Presented by: Steve Koester
Interim Senior Manager
Landside Commercial

REQUESTED COMMISSION ACTION

This agenda item requests a second reading and enactment of proposed Port of Portland (Port) Ordinance No. 478-R, which amends Port Ordinance No. 448 regarding customer facility charges (CFCs) on rental car transactions at Portland International Airport (PDX).

BACKGROUND

Proposed Port Ordinance No. 478-R amends Port Ordinance No. 448 to provide for limited circumstances under which a CFC may not be charged on rental car transactions at PDX. A copy of proposed Ordinance No. 478-R is attached to this agenda item.

On September 14, 2022, staff appeared before the Commission for the first reading and a public hearing on the proposed ordinance. The Port received no public comments at the hearing.

As described in more detail in last month's Commission agenda item, pursuant to Port Ordinance No. 448, rental car companies operating at PDX collect and remit CFCs to the Port. Proceeds from CFCs help fund the Port's rental car facilities.

Peer-to-peer vehicle sharing programs enable individual owners to rent their private vehicles directly to customers via a mobile device application. These businesses, which the Port considers rental car companies, have become prevalent nationwide. None have entered into an operating agreement with the Port, and the Port has not received any revenue (including CFCs) from their operations. These businesses are willing to enter into agreements with the Port, but they do not wish to charge their customers the CFC because the companies do not have a physical presence at PDX, and their rental vehicles do not use CFC-funded facilities.

The Port intends to enter into agreements with peer-to-peer rental car companies, to generate revenue for the Port and to otherwise regulate their activities at PDX. The Port is willing to forego CFC revenue from their activities, so long as they are prohibited from using CFC-funded facilities and are otherwise subject to Port rules governing PDX ground transportation providers.

EFFECT OF ORDINANCE

Ordinance No. 478-R amends Ordinance No. 448. It deems peer-to-peer vehicle sharing programs to be rental car operators and provides that rental car operations conducted at certain off-site facilities are not subject to the CFC.

SECOND READING AND ENACTMENT – PORT OF PORTLAND ORDINANCE NO. 478-R,
AMENDING PORT OF PORTLAND ORDINANCE NO. 448 REGARDING CUSTOMER
FACILITY CHANGES ON RENTAL CAR TRANSACTIONS – PORTLAND INTERNATIONAL
AIRPORT

October 12, 2022

Page 2

As a result, rental car companies using only designated, off-site facilities at PDX, under operating agreements with the Port, will not be required to collect and remit CFCs to the Port. To avail themselves of this opportunity, these businesses will be required to enter into operating agreements with the Port that will generate revenue for the Port and prohibit their use of CFC-funded facilities.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That proposed Port of Portland Ordinance No. 478-R be given a second reading by title only; and

BE IT FURTHER RESOLVED, That proposed Port of Portland Ordinance No. 478-R, in the form presented to the Commission, be enacted by a roll call vote; and

BE IT FURTHER RESOLVED, That the President of the Port of Portland Board of Commissioners or their designee is authorized to execute enacted Port of Portland Ordinance No. 478-R on behalf of the Port of Portland in a form approved by counsel.

ORDINANCE NO. 478-R

AN ORDINANCE AMENDING ORDINANCE NO. 448 OF THE PORT OF PORTLAND REGARDING CUSTOMER FACILITY CHARGES ON RENTAL CAR TRANSACTIONS AT THE AIRPORT.

BE IT ENACTED BY THE PORT OF PORTLAND:

Section 1. Purpose This Ordinance is enacted to amend Ordinance No. 448 to set forth limited circumstances under which Rent-A-Car (**RAC**) Customers are not required to pay, and RACs are not required to collect and remit, Customer Facility Charges (**CFCs**) on rental car transactions at the Airport.

Section 2. Authority to Amend Ordinance No. 448

Ordinance No. 448 may be amended pursuant to the Port's authority to enact ordinances to regulate the use of its properties under Oregon Revised Statutes 778.260(1).

Section 3. Definitions

Capitalized terms used in this Ordinance shall have the meanings assigned to such terms in Ordinance No. 448, unless (i) another meaning is specifically assigned below or in the language of this Ordinance, or (ii) the context clearly requires otherwise.

a. "Ordinance" means this Ordinance, providing the terms under which Ordinance No. 448 is amended, together with any ordinances supplemental or amendatory hereto.

b. "Ordinance No. 448" or the "CFC Establishing Ordinance" means Ordinance No. 448, adopted December 11, 2013, and effective January 10, 2014, as amended and restated thereafter and hereafter from time to time.

Section 4. Amendment to Section 2.11 of Ordinance No. 448

Subsection 2.11 of Section 2 of Ordinance No. 448 (entitled "Definitions") is hereby amended and restated as follows (additions shown in **bold underline** format and deletions shown in ~~strikethrough~~ format for convenience):

2.11 "RAC" shall mean any rental car business, **including without limitation peer-to-peer vehicle sharing programs**, operating or using Airport facilities at the Airport either under a Concession Agreement, lease, sublease, permit, **operating agreement**, or any other sort of agreement with the Port or other RAC.

Section 5. Amendment to Section 2.12 of Ordinance No. 448

Subsection 2.12 of Section 2 of Ordinance No. 448 (entitled "Definitions") is hereby amended and restated as follows (additions shown in **bold underline** format and deletions shown in ~~strikethrough~~ format for convenience):

2.12 "Rent-A-Car Customer" shall mean any person or entity renting a ~~vehicle~~ **Rental Car** from a RAC **that is** operating at, or from, ~~the~~ **or otherwise using any** Airport **facility** under a Concession Agreement, lease, sublease, permit, **operating agreement**, or any other sort of agreement with the Port or other RAC.

Section 6. Amendment to Section 2.14 of Ordinance No. 448

Subsection 2.14 of Section 2 of Ordinance No. 448 (entitled "Definitions") is hereby amended and restated as follows (additions shown in **bold underline** format and deletions shown in ~~strikethrough~~ format for convenience):

2.14 "Rental Car Facilities" shall mean those facilities which relate to rent-a-car operations and are used either exclusively or in part by the RACs; **provided however that Off-Site Airport Facilities are not Rental Car Facilities for purposes of this Ordinance.**

Section 7. New Section 2.17 of Ordinance No. 448

A new subsection 2.17 is added to Section 2 of Ordinance No. 448 (entitled "Definitions") to read as follows:

2.17 "Off-Site Airport Facility" shall mean a facility at the Airport which is: (i) not contiguous with or adjacent to the Airport terminal building; (ii) not funded in any way by CFC funds or the proceeds of debt issuances which are payable from CFCs; and (iii) specifically designated in writing by the Port as a permissible location for use by RACs to conduct Rental Car transactions. Off-Site Airport Facilities may include Airport parking lots, but do not include the Rental Car Facilities or other Airport facilities including, without limitation, the Airport terminal building, the Airport parking garages, commercial roadway and the airfield.

Section 8. Amendment to Section 3.1 of Ordinance No. 448

Subsection 3.1 of Section 3 of Ordinance No. 448 (entitled "Customer Facility Charge") is hereby amended and restated as follows (additions shown in **bold underline** format and deletions shown in ~~strikethrough~~ format for convenience):

Beginning on the Implementation Date, each Rent-A-Car Customer shall pay a fee for the use of the ~~Airport~~ Rental Car Facilities set by the Executive Director, as may be changed from time to time, for each Transaction Day a Rent-A-Car Customer rents ~~an automobile~~ **Rental Car**. The initial fee was provided to the RACs no less than thirty (30) days prior to the Implementation Date. Each RAC shall collect and remit such fee to the Port.

Section 9. New Section 3.5 of Ordinance No. 448

A new subsection 3.5 is added to Section 2 of Ordinance No. 448 (entitled "Customer Facility Charge") to read as follows:

3.5 No Customer Facility Charge shall be payable by, or collected from, a Rent-A-Car Customer for a Rental Car Transaction under this Section 3 when the Rent-

A-Car Customer and the applicable RAC solely uses Off-Site Airport Facilities to conduct such Rental Car Transaction.

Section 10. Amendment to Section 8 of Ordinance No. 448

Subsection 8.1 of Section 8 of Ordinance No. 448 (entitled “Notice of Violation”) is hereby amended and restated as follows (additions shown in **bold underline** format and deletions shown in ~~strikethrough~~ format for convenience):

8.1 The Port shall have the authority to issue a Notice of Ordinance Violation. The Notice shall set forth:

8.1.1 The nature of the violation(s) which is the reason for the violation;

8.1.2 The date of the violation(s); and

8.1.3 The date on which the violation shall result in a default under the Concession Agreement **or any other agreement the RAC has with the Port.**

Section 11. Section Headings; Table of Contents

The headings or titles of the several sections hereof, and any table of contents appended hereto or copies hereof, shall be solely for the convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Ordinance.

Section 12. Publication and Effectiveness of This Ordinance

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 once in a newspaper of general circulation within the Port. This Ordinance shall become effective thirty (30) days after enacted.

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PASSED AND ENACTED by the Board of Commissioners of the Port of Portland at a meeting held on _____, 2022 and signed by its President on the same date.

THE PORT OF PORTLAND

Commission President

Approved as to Form:

Orrick, Herrington & Sutcliffe LLP
Bond Counsel

PERSONAL SERVICES CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT PROJECT – PORTLAND INTERNATIONAL AIRPORT

October 12, 2022

Presented by: George Seaman
Engineering Project Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to amend the existing personal services contract with ZGF Architects LLP (ZGF), for the Terminal Core Redevelopment (TCORE) project at Portland International Airport (PDX) in the amount of \$11,660,530 to provide primarily for construction administration services until March 2023.

BACKGROUND

In 2010, the Port of Portland (Port) began developing a comprehensive strategy to reconfigure the core terminal at PDX. Based on thorough, ongoing planning and analysis, the Port developed the TCORE project, which is intended to ensure: 1) the most effective and efficient passenger processing possible; 2) the best possible passenger experience; 3) maximized concession revenues; and 4) a long-range plan that is sustainable, affordable, and adaptable. As detailed in earlier Commission agenda items, TCORE project work includes the following:

- Expanding the terminal core area by constructing a seismically-resilient addition extending the existing building footprint approximately 180 feet to the west (the Western Expansion);
- Relocating the security checkpoints into the newly-constructed addition;
- Constructing a seismically-resilient “clear span” roof structure from the curbside to the westward edge of the expanded ticket lobby, spanning the entire terminal building east to west and opening up the building functionally and architecturally;
- Removing the existing roof and mezzanine over the terminal building;
- Relocating and reconstructing the post-security concession nodes further to the west to better align passenger flow with the newly-constructed addition;
- Extending Concourse B and demolishing Concourse A to improve passenger experience and seismic resiliency of the ground-load facility at PDX; and
- Remodeling the ticket lobby by removing existing ticket counters and reorienting them 90 degrees into a flow-through design.

PERSONAL SERVICE CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT
PROJECT – PORTLAND INTERNATIONAL AIRPORT

October 12, 2022

Page 2



PROJECT FUNDING

The following list summarizes the project's major funding milestones:

- November 2017 – The airlines serving PDX approved \$950,000,000 in funding for Phase 1 of the project, which included the Western Expansion construction, the new roof over the terminal building and the Concourse B extension.
- August 2019 – The airlines approved an additional \$700,000,000 in funding for Phase 2 of the project, to complete the renovation of the ticket lobby and the post-security concession nodes.
- June 2022 – The airlines approved an additional \$500,000,000 in funding to complete the project due to unprecedented construction cost escalation; market uncertainty due to COVID-19 pandemic impacts and material delivery, labor availability and cost escalation; and schedule escalation due to unforeseen field conditions that were encountered as the final project pricing was developed.

PROJECT CONTRACTS

The Port Commission has approved the following TCORE project contracts to date:

- September 2015 – Design services contract with ZGF (the Design Contract);
- September 2015 – Pre-construction support services contract with Turner Construction Company;
- May 2018 – Construction Manager/General Contractor (CM/GC) public improvement contract with Hoffman Skanska (the Construction Contract);

PERSONAL SERVICE CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT
PROJECT – PORTLAND INTERNATIONAL AIRPORT

October 12, 2022

Page 3

- April 2019 – Personal services contract amendment for commissioning services with Burns & McDonnell (the Commissioning Services Contract); and
- August 2020 – Personal services contract amendment for testing and special inspection services with Intertek – Professional Service Industries, Inc. (the Testing and Inspection Contract).

The Commission has also approved various amendments to the Design Contract, the Construction Contract, the Commissioning Services Contract, and the Testing and Inspection Contract. Certain Commission-approved amendments are described below.

DESIGN CONTRACT – AMENDMENTS TO DATE

The Port Commission has approved the following amendments to the Design Contract since its award:

- April 2016 – In the amount of \$7,804,530, to provide for conceptual design and phasing development work for TCORE;
- December 2017 – In the amount of \$33,782,595, to provide for schematic design and initial detailed design development services for TCORE, and provide for detailed design development work for the Parking and Consolidated Rental Car Center (PACR) office building, which houses stakeholders relocated from the PDX terminal building;
- April 2018 – In the amount of \$6,975,528, to provide for detailed design development services for the extension and redevelopment of Concourse B;
- March 2019 – In the amount of \$5,721,317, to provide for design services associated with relocating Horizon Air to the end of Concourse C and construction administration services for Concourse B;
- April 2019 – In the amount of \$55,359,533, to provide for final detailed design development, construction document development, and permitting phases for phase one of TCORE;
- November 2019 – In the amount of \$7,438,962, for design development activities to 50% design completion for Phase 2 of TCORE, as well as construction document development for south security checkpoint relocation and Central Receiving and Distribution Center development;
- March 2020 – In the amount of \$1,199,134, for design development and construction administration support during the permitting, bidding, and construction phases of the PACR office building tenant improvement phase;
- October 2020 – In the amount of \$24,174,264, for final construction document development and construction administration services until October 2021; and

PERSONAL SERVICE CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT
PROJECT – PORTLAND INTERNATIONAL AIRPORT

October 12, 2022

Page 4

- August 2021 – In the amount of \$23,474,185, for final construction document development for design elements that needed completion, and construction administration services from September 2021 until August 2022.

In addition, Design Contract amendments totaling \$3,226,902 have been awarded since its initial award under the Executive Director’s delegated authority, as separately reported to the Commission.

NEW DESIGN CONTRACT AMENDMENT – SCOPE OF WORK

The Port wishes to amend the Design Contract to provide for the following:

- Value engineering design support and drawing development to support cost-saving opportunities.
- Construction administration support during the construction phase of the project from October 2022 until March 2023.

COMPENSATION

Port staff have negotiated with ZGF to increase the maximum price of the Design Contract by \$11,660,530 to facilitate the work contemplated by this amendment. This amount was developed in accordance with the contract’s established compensation mechanism. Work will be performed at the existing contract rates.

The 10% small business participation goal established for this contract will remain the same for the work covered by this amendment.

To date, the Design Contract value is summarized as follows:

| | Total Contract Value | TCORE-Funded Portion of Contract |
|-----------------------|---------------------------------|---|
| Original Contract | \$2,760,948 | \$2,760,948 |
| Amendments to Date | \$169,156,904 | \$168,762,626 |
| This Amendment | \$11,660,530 | \$11,660,530 |
| New Total Contract | <hr/> \$183,578,382 | <hr/> \$183,184,104 |

Port staff have determined that this amendment is permissible under applicable Port contracting rules and policies. The amendment is also consistent with the existing contract, which allows the Port to amend the contract to accommodate additional phases of work if performance to-date is satisfactory. Commission approval is required to grant the necessary contracting authority to award the amendment.

PERSONAL SERVICE CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT
PROJECT – PORTLAND INTERNATIONAL AIRPORT

October 12, 2022

Page 5

SCHEDULE

| | |
|---|--------------------------------|
| Preliminary planning | November 2014 – December 2014 |
| Consultant selection | January 2015 – July 2015 |
| Commission action (approve award of Design Contract and pre-construction support services contract) | August 2015 |
| Conceptual plan selection phase | September 2015 – February 2016 |
| Commission action (approve Design Contract amendments for conceptual design and pre-construction support services) | April 2016 |
| Conceptual design development phase | April 2016 – April 2017 |
| Commission action (approve Design Contract amendment, exempt Construction Contract from competitive bidding) | December 2017 |
| Contractor selection (Construction Contract) | December 2017 – February 2018 |
| Schematic design development phase | January 2018 – December 2018 |
| Commission actions (approve amendments to the Design Contract, Commissioning Services Contract, Construction Contract, and Testing and Inspection Contract) | April 2018 – July 2022 |
| Detailed design development phase | February 2019 – September 2021 |
| Commission action (approve Design Contract amendment) | October 2022 |
| Construction | April 2019 – December 2025 |

BUDGET

| | |
|--|------------------------|
| CM/GC services (including construction) | \$1,662,000,000 |
| Consultant design services | \$209,000,000 |
| Procurements/equipment | \$65,000,000 |
| Port staff/contracted services | \$85,000,000 |
| Permits | \$19,000,000 |
| Contingency | \$110,000,000 |
| Total project | <u>\$2,150,000,000</u> |

The CM/GC Services cost shown above also includes a contractor-controlled contingency of 5% of the current project costs. Total contingency, representing 11% of the cost of the yet-to-be completed portion of the project, is considered reasonable given the stage of the TCORE project, the nature of the work, and the risk profile for the project.

PERSONAL SERVICE CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT
PROJECT – PORTLAND INTERNATIONAL AIRPORT

October 12, 2022

Page 6

TCORE project costs will be funded by the Airline Cost Center, which is composed primarily of revenues from the Port's commercial airline service business lines. In addition, as mentioned in a previous Commission agenda item, the Port expects \$18,400,000 of the project costs to be funded by a grant from the Federal Aviation Administration.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to amend the existing personal services contract with ZGF Architects LLP for the Terminal Core Redevelopment project 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.

PUBLIC IMPROVEMENT CONTRACT – BERTH 503 REHABILITATION – TERMINAL 5

October 12, 2022

Presented by: Eric Forsyth
Engineering Project Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a public improvement contract for construction services to Stellar J Corporation (SJC) for the Berth 503 Rehabilitation project at Terminal 5 in the amount of \$5,528,070.

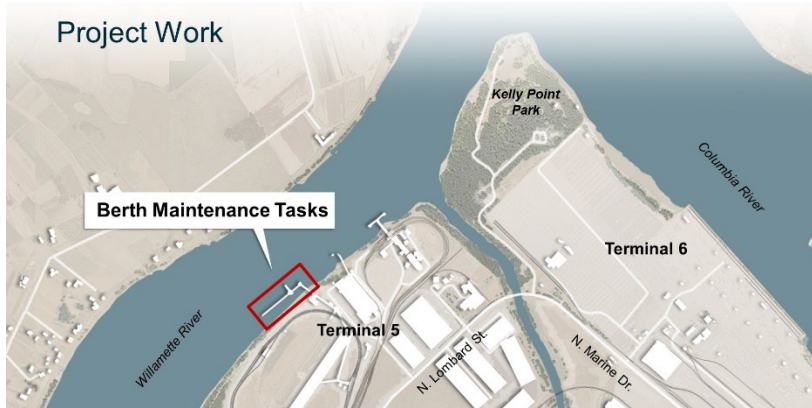
BACKGROUND

Berth 503 is an 830-foot-long, 44-foot-wide, concrete pier constructed in 1982. The pier was first put into service in 1997 after being refurbished to accommodate the export of potash. In 2015, the Port of Portland (Port) entered into a 48-year ground and berth lease with Portland Bulk Terminals (PBT) at Terminal 5. PBT is an indirect U.S. subsidiary of Canpotex Limited, a Canadian corporation, which is one of the largest exporters of potash in the world. Potash is mined in Saskatchewan and travels by train to one of several marine terminals for export.

Potash is a common name given to a group of minerals containing potassium that are typically used in agriculture as fertilizer. Potassium chloride, the type of potash being exported from Terminal 5, is corrosive, which requires the berth to have a thermal spray zinc (TSZ) protection system and a higher-level maintenance regime.

The PBT lease incorporates a berth maintenance matrix that includes a schedule for inspection, assessments and maintenance work. The Port is responsible for the maintenance of the berth through July 1, 2036, when berth maintenance responsibility transfers to PBT. The Port received a final report from the lease-required 2020 multi-level inspection that included 26 recommended repairs to maintain and extend the life of the berth over the next 10 years. This project will complete 9 of 12 recommended repairs to assure the berth's continuing integrity and operability. The remaining items are being addressed separately through Marine Facility Maintenance and their contractors. This work will extend the life of the berth and keep the Port compliant with the lease.

The berth's location is shown on the following map.



CONTRACT SCOPE OF WORK

This project includes the following important scopes of work:

- Coordinate and plan work with Port and tenant
- Protect and maintain existing stormwater capture and treatment system
- Replace precast prestressed concrete deck panels
- Repair concrete spalls and delaminated concrete
- Inject concrete cracks
- Remove and replace TSZ coating
- Remove and replace concrete deck topping
- Grind and overlay concrete deck panels
- Grind and overlay concrete panels with cathodic protection
- Remove and replace ring anodes
- Refurbish fender panel systems

SCHEDULE

| | |
|--|-----------------------------------|
| Design | October 2021 – June 2022 |
| Bidding and Value Engineering | July 2022 – September 2022 |
| Commission approval (award public improvement contract) | October 12, 2022 |
| Construction | November 2022 – December 2023 |

CONTRACT SOLICITATION

Solicitation Results

The Port procured this public improvement contract utilizing a competitive sealed bidding solicitation under Oregon Revised Statutes (ORS), Chapter 279C. The solicitation was advertised on June 22, 2022 and bids were opened on July 21, 2022. SJC submitted the lowest responsive bid.

The bids were as follows:

| | |
|-------------------------------|----------------|
| Stellar J Corporation | \$5,633,570.00 |
| Hamilton Construction Company | \$5,839,225.00 |
| Engineer's Estimate | \$3,787,247.20 |

Value Engineering

SJC's bid exceeded the Port's estimate. Under ORS 279C.340, the team entered into a value engineering process without changing the scope of the original bid. After completing the value engineering process, the Port issued a post bid addendum to document changes to the bid documents. SJC submitted a revised bid form with the new dollar amount, acknowledging the post bid addendum and included revised First-Tier Subcontractor and Small Business Participation forms. As a result of this process, the revised contract amount is now \$5,528,070.

Small Business Participation

Based on an availability analysis, the Port's Small Business Enterprise (SBE) program participation goal for this contract was 10% of the total amount bid. The lowest responsive bid identified a 10.1% percent participation level. SBE includes firms certified by Oregon or Washington as minority, women, or service-disabled veteran-owned, or as emerging small businesses.

RISKS

Risk: Impacts to tenant operations

Mitigation Strategies:

- Coordinate work schedules with tenant to limit berth shutdowns.
- Communicate construction work plans with tenant so work tasks do not impact operations.

Risk: Budget over-runs

Mitigation Strategies:

- Implement robust construction management protocols to effectively track completed work.
- Maintain detailed records and communication strategies to forecast pay quantities.

BUDGET

| | |
|---|--------------------|
| Public improvement contract (construction) | \$5,528,070 |
| Personal services contract (design) | \$330,000 |
| Port staff and contracted services | \$1,003,000 |
| Contingency | \$958,930 |
| Total budget | \$7,820,000 |

The contingency, representing 14% of the project cost, is considered reasonable given the risk profile for the project and the complexity of the work site.

The project costs will be funded by the General Fund, which is composed primarily of revenues from the Port's maritime and industrial business lines and property taxes.

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 construction services for the Berth 503 Rehabilitation project at Terminal 5 to Stellar J Corporation, in accordance with its bid; 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.

ON-CALL GEOTECHNICAL SERVICES CONTRACTS FOR VARIOUS PORT OF PORTLAND FACILITIES

October 12, 2022

Presented by: Chris Edwards
Engineering Project Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval of four personal services contracts to provide on-call geotechnical services on an as-needed basis for a term of five years. The following firms were selected through a competitive request for proposals (RFP) process:

- GRI
- Shannon & Wilson, Inc.
- GeoDesign dba NV5
- Cornforth Consultants

BACKGROUND

Geotechnical services are required at many Port facilities. These services include but are not limited to the following: conducting field explorations and material testing; seismic analysis; foundation engineering studies; pavement analysis; and geotechnical reports for projects with recommendations for design and construction of excavations and embankments, foundations, utilities, structures and pavements (airfield and landside locations).

The Port of Portland (Port) secures contracts through a variety of contracting methods in accordance with its purchasing guidelines and procedures, including on-call services. The Port engineering department currently has several different on-call contracts for a variety of services, such as general contracting, architectural, civil engineering, and pavement maintenance services. Utilizing on-call contracts is often more efficient than issuing a new contract solicitation each time services are needed, and such contracts provide the Port with needed flexibility to administer its capital program.

CONTRACT SOLICITATION

The Port issued an RFP on June 20, 2022, seeking qualified firms to provide the required services. Seven firms submitted proposals, which were evaluated by a panel of three Port employees. The panel also obtained input from the Port's Small Business Development Program for its evaluation. Proposals were evaluated against the following criteria in accordance with Oregon's qualification-based selection (QBS) requirements for certain professional services contracts:

- Qualifications of provider
- Project team

ON-CALL GEOTECHNICAL SERVICES CONTRACTS FOR VARIOUS PORT OF PORTLAND FACILITIES

October 12, 2022

Page 2

- Project management
- Small business participation program
- Social equity considerations

Small Business Participation

The RFP provided that project-specific small business participation goals will be established before each on-call task order is issued. The Port will review the planned scope of work for small business utilization opportunities, and the consultant may be required to propose a small business utilization plan for that work. If appropriate, the Port will negotiate and establish project-specific small business utilization requirements in each task order, which may include a specific small business participation goal for that work.

Social Equity Considerations

The social equity evaluation criterion referenced above includes the following considerations: commitment to company social responsibility, workforce demographics and measurable steps to ensure a diverse internal workforce and commitment to community involvement.

CONTRACT TERMS AND FUNDING

Each contract has a term of five years. Work will be performed through individual task orders that specify the scope of work, schedule and compensation terms. Services may be provided at any Port facility.

Payment will be based on negotiated rates established at the time of the contract award. The contracts will not include a maximum dollar amount for all services during the term, and task orders may be issued in any amount. Each task order will fix a maximum compensation limit for each scope of work.

Task orders will establish project-specific small business utilization requirements, if applicable. Each task order will be funded under the applicable project budget.

SCHEDULE

| | |
|--|-------------------------|
| RFP solicitation and selection | June – September 2022 |
| Commission action (approve contract awards) | October 12, 2022 |
| Finalize contracts | October 2022 |
| Contract term starts | October 2022 |
| Contract term ends | October 2027 |

ON-CALL GEOTECHNICAL SERVICES CONTRACTS FOR VARIOUS PORT OF PORTLAND
FACILITIES

October 12, 2022

Page 3

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award four personal services contracts for on-call geotechnical services to the following firms: GRI; Shannon & Wilson, Inc.; GeoDesign dba NV5; and Cornforth Consultants, 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.

**EQUIPMENT PROCUREMENT CONTRACT AND RELATED FINANCING ARRANGEMENT –
PIPE BARGE PROCUREMENT – NAVIGATION DIVISION**

October 12, 2022

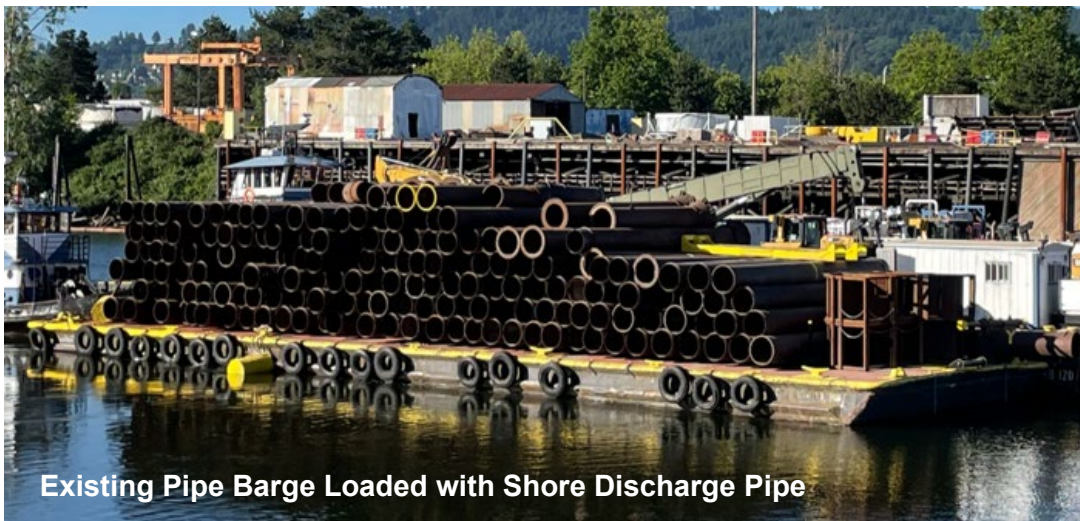
Presented by: Ryan Milkowski
Engineering Project Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award an equipment procurement contract to Diversified Marine, Inc. (Diversified), to construct a pipe barge to support the Port of Portland's (Port) Navigation Division dredging work, in the amount of \$3,873,000. This item also requests approval to enter into a financing arrangement with Banc of America Leasing & Capital, LLC (B of A), to fund the full project budget including design and construction costs as well as the Port's administrative costs in the amount of \$4,533,000.

BACKGROUND

The Port purchases and maintains a fleet of support vessels, such as the pipe barge, to facilitate the Port's dredging operations on the Columbia River under its channel maintenance contract with the U.S. Army Corps of Engineers (USACE). The USACE reimburses the Port for costs associated with dredging and dredge plant, including support vessels.

This request is part of the Port's ongoing program of replacing equipment that has passed its useful economic life. The life expectancy for a barge is roughly 40 to 50 years, depending on the barge use and whether it was used in fresh or saltwater. The new pipe barge will replace the Port's existing pipe barge which was built in 1924. An April 2018 vessel survey indicated that the existing barge was in poor condition and not suitable for its intended use.



Existing Pipe Barge Loaded with Shore Discharge Pipe

EQUIPMENT PROCUREMENT CONTRACT AND RELATED FINANCING ARRANGEMENT –
PIPE BARGE PROCUREMENT – NAVIGATION DIVISION

October 12, 2022

Page 2

For the above-mentioned reasons, the Port plans to replace the existing pipe barge with a new welded steel barge. The USACE has approved this replacement as a reimbursable expense under the Port/USACE contract. Port staff now seeks Commission approval to award the procurement and financing contracts.

PROCUREMENT CONTRACT SCOPE OF WORK

This project includes the fabrication of a new welded steel 120-foot long by 40-foot-wide barge with a depth of 7.5 feet.

SCHEDULE

| | |
|---|-------------------------------|
| Design | November 2021 – June 2022 |
| Advertise RFP (equipment procurement) | June 2022 – July 2022 |
| Commission approval (award equipment procurement contract) | October 12, 2022 |
| Barge fabrication and delivery | November 2022 – November 2023 |
| Ready for use by Navigation | November 2023 |

PROCUREMENT CONTRACT SOLICITATION

A Request for Proposals was advertised on June 23, 2022, and proposals were opened on July 20, 2022. Three firms submitted proposals, which were evaluated and scored by a panel of five Port employees. Proposals were evaluated against the following criteria:

- Facilities and delivery plan description
- Cost and payment milestone schedule
- Delivery schedule
- Qualifications and experience record
- Small business participation program
- Social equity considerations
- Performance bond coverage

Diversified was determined to be the highest-ranked proposer, primarily due to experience and qualifications.

EQUIPMENT PROCUREMENT CONTRACT AND RELATED FINANCING ARRANGEMENT –
PIPE BARGE PROCUREMENT – NAVIGATION DIVISION

October 12, 2022

Page 3

BUDGET

| | |
|--|--------------------|
| Equipment procurement contract (construct new pipe barge) | \$3,873,000 |
| Personal services contract (design) | \$60,000 |
| Port staff and contracted services | \$115,000 |
| Contingency | \$485,000 |
| Total budget | \$4,533,000 |

The contingency, representing 12% of the project cost, is considered reasonable given the risk profile for the project.

This project's costs will be funded from a loan discussed below.

FINANCING ARRANGEMENT

To minimize impact on the Port's General Fund, the Port, with USACE approval, will fund this project with the proceeds of a loan from B of A, to be issued under a Master Installment Purchase Agreement (Master Loan Agreement) that was established competitively in 2013. The Master Loan Agreement was previously used, with the USACE's approval, to refinance an earlier ramp barge construction loan, and to partially fund repowering costs for the Dredge *Oregon*.

The Port will amend the Port/USACE contract to obligate the USACE to reimburse the Port for its monthly loan payments to B of A, which will include principal and interest for a 10-year term. Although the interest rate on the loan is not known at this time, the Port will work to ensure the rate it pays is in line with the market at the time of finalizing the loan. Loan proceeds will be used to fund or reimburse the General Fund for capital costs associated with the new pipe barge. As a result, no net cash impact is expected to the Port's General Fund.

SMALL BUSINESS PARTICIPATION

Because this work will be funded as a reimbursable expense under the Port/USACE contract, the Port could not set a specific small business participation goal for this contract. However, Diversified will be required to give small business subcontractors the maximum practicable opportunity to participate in this work, consistent with efficient contract performance. Further, Diversified is considered a small business concern by the U.S. Small Business Administration.

EQUIPMENT PROCUREMENT CONTRACT AND RELATED FINANCING ARRANGEMENT –
PIPE BARGE PROCUREMENT – NAVIGATION DIVISION

October 12, 2022

Page 4

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award an equipment procurement contract to construct a pipe barge to support the Port of Portland's Navigation Division dredging work to Diversified Marine, Inc., consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That approval is given to execute and deliver the agreements and other documents necessary or desirable to obtain the financing described above from Banc of America Leasing & Capital, LLC, including without limitation an additional Schedule of Property under the existing Master Installment Purchase Agreement, an assignment of vessel insurance policies, a certificate of the Port as to no liens, and a UCC financing statement; 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.

READOPTION OF COMMISSION POLICY NO. 6.1.2, INVESTMENTS

October 12, 2022

Presented by: Travis George
Debt, Cash & Investments
Program Manager**REQUESTED COMMISSION ACTION**

This agenda item requests readoption of Port of Portland (Port) Commission Policy No. 6.1.2, *Investments*, revised as of October 12, 2022.

BACKGROUND

The Commission Investments Policy provides the primary framework for the internal management of the Port's investment portfolio. The foundation of the policy remains, in order of priority: safety, liquidity and yield. The policy covers operating and non-operating cash and investments. On June 30, 2022, the par value of the investment portfolio was approximately \$881 million. The budget for interest income for Fiscal Year 2022-2023 is \$6.6 million.

Under ORS 294.035, for public agencies to invest funds in securities with maturities longer than 18 months, the investments must be made in accordance with a written investment policy, adopted annually by their governing body. Policies must be reviewed by the Oregon Short Term Fund Board (OSTFB) before adoption. Once the OSTFB approves a policy, agencies generally only seek review by the OSTFB when material changes are made.

Since the policy was readopted last year, it was reviewed to ensure consistency with the Port's investment objectives, and relevance to current law and financial and economic trends. The Port worked with its consultant, PFM Asset Management, to substantially revise the policy. These revisions were largely guided by the Oregon State Treasury's (Treasury) sample investment policy. The goal was to more closely align the Port's investment policies with the Treasury's best practices guidance for agencies and create a more robust and clear policy document. The revised policy has been shared with the OSTFB and feedback has been incorporated.

Improved clarity was a key goal throughout the revision process. Many elements of the policy were clarified, including its purpose, scope and various parameters. New provisions were also added, including:

- A Standards of Care section regarding prudent decision making, ethics and conflicts of interest, as well as authorities and responsibilities.
- A sustainable investing subsection to start building out a stronger environmental, social, and governance focus in managing the portfolio.
- Guidelines for working with outside parties such as broker/dealers, investment advisors and consultants.

READOPTON OF COMMISSION POLICY NO. 6.1.2, INVESTMENTS
October 12, 2022
Page 2

A copy of the revised policy is attached to this agenda item.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That Port of Portland Commission Policy No. 6.1.2, *Investments*, is hereby readopted and dated October 12, 2022; and

BE IT FURTHER RESOLVED, That a copy of the Commission Investments Policy No. 6.1.2, *Investments*, shall be attached to the minutes of this meeting.

PORT OF PORTLAND COMMISSION POLICY

INVESTMENTS

Policy No. 6.1.2

Readopted Commission meeting of October 12, 2022

I. PURPOSE

This Investment Policy (“Policy”) defines the parameters within which funds are to be invested by the Port of Portland (“Port”). This Policy also formalizes the framework, pursuant to Oregon Revised Statutes (ORS) 294.135, for the Port’s investment activities to ensure effective and judicious management of funds within the scope of this Policy. These guidelines are intended to be broad enough to allow designated investment staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

II. GOVERNING AUTHORITY

The Port’s investment program shall be operated in conformance with the ORS and applicable federal laws. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this Policy are subject to regulations established by the State of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Policy immediately upon being enacted.

III. SCOPE

This Policy applies to activities of the Port with regard to investing the financial assets of operating funds, non-operating funds, capital funds, and bond proceeds. Some funds managed by the Port are also guided by other documents, including bond documents, and all funds are subject to Oregon laws. Any investment held prior to the adoption of this Policy shall be exempted from the requirements of this Policy. At maturity or liquidation, such monies shall be reinvested as provided by this Policy

IV. OBJECTIVES

The primary objectives, in priority order, of the Port’s investment activities shall be:

1. Preservation of Invested Capital

The primary objective of the Port’s investment program is preservation of capital. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to mitigate credit risk and interest rate risk (as such terms are defined in Appendix I of this Policy).

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated cash flow requirements.

3. Return

The investment portfolio shall be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Investment securities may be purchased with the intention to hold until maturity with the purpose of mitigating interest rate risk. Sale of securities prior to maturity is permitted where it serves the Port’s investment objectives.

4. Sustainable Investing

The Port encourages investments in entities that support community well-being through safe and environmentally sound practices, fair labor practices, and equality of rights regardless of sex, race, age, disability, or sexual orientation. The Port's portfolio shall not include investment in companies in fossil fuel extraction, refining, and distribution industries or subindustries, as classified by a third-party source.

V. STANDARDS OF CARE

1. Prudence

The standard of prudence to be used by Investment Officers (as defined in the attached Appendix I) shall be the "prudent person" standard and shall be applied in the context of managing the Port's investment portfolio. The "prudent person" standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Investment Officers acting in accordance with written procedures and administering this Policy in accordance with its terms shall be relieved of personal responsibility for an individual security's credit risk, market price changes, and any losses that might occur in the Port's investment portfolio.

2. Ethics and Conflicts of Interest

Investment Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment Officers and employees involved in the investment process shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the Port Commission. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officers and employees involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Port. Investment Officers and Port employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

3. Delegation of Authority and Responsibilities

a) Governing Body

The Port Commission will retain ultimate fiduciary responsibility for invested funds. The governing body will receive reports, pursuant to, and with sufficient detail to comply with ORS 294.155.

b) Delegation of Authority

Authority to manage investments within the scope of this Policy and operate the investment program in accordance with established written procedures and internal controls is granted to Investment Officers. No person may engage in an investment transaction except as provided under the terms of this Policy.

c) Investment Committee

The Port may establish an investment committee to provide guidance to the Investment Officer(s) and monitor Policy compliance.

d) Investment Consultant

The Port may engage the services of one or more external investment consultants to assist in the management of the Port's investment portfolio in a manner consistent with this Policy. This assistance may be in the form of an active investment manager with full discretion to make investment decisions. Conversely, it may be in the form of an investment adviser without such discretion. Any of these services may be conducted in relation to the entire investment portfolio or only to discrete portions of the portfolio. If the Port hires an investment consultant to provide full discretionary investment management services, the manager is authorized to transact with its direct dealer relationships on behalf of the Port.

VI. TRANSACTION COUNTERPARTIES, INVESTMENT ADVISORS, AND DEPOSITORIES

1. Broker/Dealers

The Investment Officers shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this Policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives.

The Port may purchase or sell securities subject to the provisions of this Policy through any of the following:

- Banks, savings and loans, and mutual savings banks authorized to do business in Oregon (not simply loan production offices).
- Primary security dealers as designated by the Federal Reserve Bank of New York and Oregon secondary dealers.
- Primary agency selling group members as designated by the U.S. agency involved.

Approved broker/dealers must meet the Oregon State Treasury's recommended guidelines for appropriate registration, licenses, and certifications prior to conducting investment transactions with the Port. The Investment Officer may impose more stringent criteria.

An annual review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by an Investment Officer. Factors to consider will include:

- Pending investigations by securities regulators
- Significant changes in net capital
- Pending customer arbitration cases
- Regulatory enforcement actions

2. Investment Consultants

The following items are required for all approved investment consultants:

a) The investment consultant firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon (note: investment consultant firms with assets under management of > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon).

b) Certification, by all of the consultant representatives conducting investment transactions on behalf of the investment consultant firm, of having read, understood and agreed to comply with this Policy.

An annual review of all authorized investment consultants will be conducted by the Investment Officer, to determine continued eligibility within the portfolio guidelines. Factors to consider will include:

- Pending investigations by securities regulators
- Significant changes in net capital
- Pending customer arbitration cases
- Regulatory enforcement actions

3. Depositories

Financial institutions utilized as depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

4. Competitive Transactions

a) Investment Officers shall obtain and document competitive bid information on all investments purchased or sold in the secondary market. Competitive bids or offers should be obtained, when possible, from at least three separate brokers/financial institutions or through the use of a nationally-recognized trading platform.

b) In the instance of a security for which there is no readily-available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities.

c) When purchasing original-issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price. However, the Investment Officer is encouraged to document quotations on comparable securities.

d) If an investment consultant provides investment management services, the consultant must use competitive pricing execution on each transaction.

VII. ADMINISTRATION AND OPERATIONS

1. Delivery vs. Payment and Third-Party Safekeeping

All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP). Securities will be held by an independent third-party safekeeping institution selected by the Port. All securities will be evidenced by safekeeping receipts in the name of the Port. Securities acquired through repurchase agreements with the Port's custodian bank(s) may be held by the custodian bank(s). In all cases, payment shall be made only upon delivery.

2. Internal Controls

In accordance with Port Administrative Policy No. 7.2.5, *Internal Accounting Control*, ultimate responsibility lies with the Chief Financial Officer to establish and maintain an adequate internal control structure designed to reasonably assure that investable funds are invested within the parameters of this Policy and protected from loss, theft, or misuse. The established control structure shall be reviewed and updated periodically by one or more Investment Officers. However, specifics for the internal controls shall be documented in writing. Conformance to internal controls as well as State law will be audited periodically by either an internal or external auditor. Such audit will include tests deemed appropriate by the auditor.

VIII. SUITABLE AND AUTHORIZED INVESTMENTS

1. Investment Types

The Port may invest its funds in securities or investments subject to ORS 294.035, 294.040, and 294.810, with the following restrictions:

a) U.S. Treasury and Government Agency Obligations

Lawfully issued general obligations of the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government and obligations whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government.

b) Municipal Debt

Lawfully-issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term rating of A- or an equivalent rating or better or are rated on the settlement date in the highest category without any refinement or gradation for short-term municipal debt by a nationally-recognized statistical rating organization.

Lawfully-issued debt obligations of the States of California, Idaho and Washington and political subdivisions of those states if the obligations have a long-term rating of AA- or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally-recognized statistical rating organization.

No more than 5 percent of the Port's investment portfolio shall be invested in any single municipal bond issuing authority other than the State of Oregon or one of its agencies. However, to the extent that any reserve or construction funds exist and are also subject to yield restrictions by U.S. Treasury regulations or code, such funds may be invested in municipal bonds and no more than 20 percent of such funds shall be placed with any single issuing authority other than the State of Oregon or one of its agencies.

Per ORS 294.040, permitted bonds may be purchased only if there has been no default in payment of either the principal of or the interest on the obligations of the issuing county, port, school district or city, for a period of five years next preceding the date of the investment.

c) Qualified Institution Time Deposits/Savings Accounts/Certificates of Deposit

Bank demand deposits in qualified depository institutions are considered cash and not investments and are therefore outside the scope and restrictions of this Policy.

Pursuant to ORS 294.035(3)(d), time deposit open accounts, certificates of deposit and savings accounts in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in the State of Oregon, are considered investments and within the scope of this Policy.

Time certificates of deposit with any issuer will not exceed 30 percent of the net capital of such issuer, based on their most currently published financial report.

All bank demand deposits and time deposits shall be held in qualified Oregon depositories in accordance with ORS Chapter 295.

d) Bankers' Acceptances

Banker's acceptances, if they are:

- (i) Guaranteed by, and carried on the books of, a qualified financial institution;
- (ii) Eligible for discount by the Federal Reserve System; and
- (iii) Issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category without any refinement or gradation by one or more nationally-recognized statistical rating organizations.

For purposes of this subsection, “qualified financial institution” means:

(i) A financial institution that is located and licensed to do banking business in the State of Oregon; or

(ii) A financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon.

An Investment Officer shall not permit more than 25 percent of the moneys of the Port that are available for investment, as determined on the settlement date, to be invested in banker’s acceptances of any qualified financial institution. Banker’s acceptances guaranteed by a qualified financial institution shall not exceed 30 percent of the net capital of such institution, based on their most currently published financial report.

e) Corporate Indebtedness

Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of Section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Corporate indebtedness described in this subsection does not include banker’s acceptances. The corporate indebtedness must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution.

Corporate indebtedness must be rated on the settlement date P-1 or Aa3 or better by Moody’s Investors Service or A-1 or AA- or better by S&P Global Ratings and Fitch Ratings or an equivalent rating by any nationally-recognized statistical rating organization.

Notwithstanding the prior paragraph, the corporate indebtedness must be rated on the settlement date P-2 or A3 or better by Moody’s Investors Service or A-2 or A or better by S&P Global Ratings and Fitch Ratings or an equivalent rating by any nationally-recognized statistical rating organization when the corporate indebtedness is:

(i) Issued by a business enterprise that has its headquarters in Oregon, employs more than 50 percent of its permanent workforce in Oregon or has more than 50 percent of its tangible assets in Oregon; or

(ii) Issued by a holding company owning not less than a majority interest in a qualified financial institution, as defined in subsection d) above, located and licensed to do banking business in Oregon or by a holding company owning not less than a majority interest in a business enterprise described in subsection (i) immediately above.

An Investment Officer may not permit more than 35 percent of the moneys of the Port that are available for investment, as determined on the settlement date, to be invested in corporate indebtedness, and may not permit more than five percent of the moneys of the Port that are available for investment to be invested in corporate indebtedness of any single corporate entity and its affiliates or subsidiaries.

f) Repurchase Agreements

Repurchase agreements whereby the Investment Officer purchases securities from a financial institution or securities dealer subject to an agreement by the seller to repurchase the securities. The repurchase agreement must be in writing and executed before the initial purchase of the securities that are the subject of the repurchase agreement. Only securities described in Section VIII(1)(a) above may be used in conjunction with a repurchase agreement and such securities shall have a maturity of not longer than three years. The price paid by the Investment Officer for such securities may not exceed amounts or percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short Term Fund

Board.

Repurchase agreements shall not exceed a term of 30 days. Collateral provided to the Port under a repurchase agreement shall be deposited with the Port's custodian bank(s), marked to the market daily and maintained at a minimum level in conformance with ORS 294.035 (3)(j).

Repurchase agreements may be entered into with authorized dealers or institutions when a master repurchase agreement or specific written contract governs the transaction. In no case will the total of such agreements with any firm exceed 10 percent of their equity (based on their most recently published financial report).

g) Oregon Short-Term Fund (OSTF)

Investment in the OSTF is subject to the limit stated in ORS 294.810.

2. Percentage of Investments and Credit Ratings

The portfolio will be diversified so that the par value for each of the security types shown in the following table shall not exceed the maximum position indicated as a percentage of the portfolio at time of purchase:

| Security Type | Maximum % Holdings | Minimum Rating |
|---|----------------------------------|--|
| U.S. Treasury Obligations | 100% | - |
| U.S. Agency Obligations (GSE) | 100% | - |
| Per issuer | 30% | - |
| Corporate Indebtedness (subject to ORS 294.035 (i)) | 35% | AA- or equivalent A or equivalent if the issuer meets the requirements of ORS 294.035(3)(i)(C)(i)(ii) |
| Per issuer | 5% | |
| Time Certificates of Deposit (TCD) (subject to ORS 294.035 (d)) | 30% | - |
| Per institution | 5% | |
| Bankers Acceptances (subject to ORS 294.035(h)) | 25% | A-1+ or equivalent |
| Per issuer | 5% | |
| Repurchase Agreements Under 30 days (subject to ORS 294.035 (j)) | 50% | |
| Municipal Debt Obligations (subject to ORS 294.035 (3)(b) and (3)(c)) | 15% | Oregon: A- or equivalent or A-1 or equivalent |
| Per issuer | See Section VIII(1)(b) above | CA, WA, ID: AA- or equivalent or A-1 or equivalent |
| Oregon Short Term Fund (subject to ORS 294.810) | As allowed under Oregon statutes | |

Investments in bankers' acceptances, TCDs and other corporate indebtedness of any

single company or qualified financial institution shall not, in the aggregate, exceed 5 percent of the portfolio.

If the portfolio falls outside of compliance with adopted guidelines of this Policy or is being managed inconsistently with this Policy, an Investment Officer shall bring the portfolio back into compliance in a prudent manner as soon as feasible. Due to fluctuations in the portfolio balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the original purchase date. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

If additional types of securities are considered for investment, in accordance with Oregon law they will not be eligible for investment until this Policy has been amended and the amended version adopted by the Port.

3. Credit Ratings

Investments must have a rating from at least one nationally-recognized statistical ratings organization and should be investment-level ratings and not issuer-level ratings (see ORS 294.035).

IX. INVESTMENT PARAMETERS

1. Diversification

It is the policy of the Port to diversify its investments. Where appropriate, investment exposure(s) will be limited by asset class; maturity; issuance, issuer, and security type. Allowed security types and investment exposure limitations are detailed in the table set forth above in Article VIII. 2 above.

2. Liquidity

Liquidity risk is the risk that an investment may not be readily marketable or redeemable. In order to mitigate liquidity risk, the Port maintains funds in overnight investments or in investments maturing in less than 90 days to provide sufficient liquidity for expected disbursements.

3. Investment Maturity

Investments will be timed to meet projected cash requirements unless a shorter maturity is appropriate. Funds may be invested to a maximum maturity of five years from the date of settlement. The weighted average maturity of the portfolio, including cash and investments, shall not exceed three years and the maximum maturity shall not exceed five years.

The only exceptions to the maximum maturity limitation shall be cases where the Port is using the security as collateral on an agreement or in instances where the Port is purchasing its own bonds in the marketplace to lower outstanding debt.

4. Settlement Restrictions

Pursuant to ORS 294.145, Investment Officers are prohibited from making a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction.

X. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

The Port may invest bond proceeds in compliance with ORS 294.052, notwithstanding ORS 294.135 or 294.145 or any other law or charter provision. Bond proceeds shall be invested in accordance with the parameters of this Policy and the applicable bond covenants and tax laws. Investments of bond proceeds are typically not invested for resale and are maturity matched with

outflows. Consequently, funds within the scope of ORS 294.052 are not subject to this Policy's maturity constraints as outlined in Article IX above.

XI. COMMISSION REPORTING REQUIREMENTS

Quarterly, Port staff will provide the Commission with portfolio reports showing portfolio diversification, yield and benchmarking comparisons, maturity distribution, and investment allocation, or any other report or information as the Commission may request. The Commission has review authority over the investment program.

XII. POLICY REVIEW AND READOPTION

This Policy shall be reviewed at least annually to ensure its consistency with the objectives set forth in Article IV above, and its relevance to current law and financial and economic trends. This Policy shall be readopted annually by the Commission.

APPENDIX I

Definition of Investment Officers

“Investment Officer” The title of Investment Officer, and the associated responsibilities and activities described in this Policy, means the Port’s Chief Financial Officer, the Director of Capital Finance & Debt Management, and the Debt, Cash, and Investment Program Manager.

“Credit risk” means the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the Port’s ability to repay its debt.

“Interest rate risk” means market value volatility due to the changes in the general level of interest rates over the life of the investment(s).

EXTENSION OF COLLECTIVE BARGAINING AGREEMENT – PORT OF PORTLAND POLICE EMPLOYEES ASSOCIATION

October 12, 2022

Presented by: Blaise Lamphier
Manager
Employee & Labor Relations**REQUESTED COMMISSION ACTION**

This agenda item requests approval of a one-year collective bargaining agreement (CBA) extension between the Port of Portland (Port) and the Port of Portland Police Employees Association (POPPEA), representing the Port's police officers, sergeants, communications dispatchers, and police clerks.

BACKGROUND

The parties were engaged in discussions about the possibility of a one-year extension to the 2018-2022 CBA since March 2022. On September 23, 2022, the parties reached a Tentative Agreement (TA) on a one-year extension subject to ratification by POPPEA's members and approval by the Port's Commission. On October 2, 2022, POPPEA notified the Port that its members had ratified a proposed one-year extension to the CBA scheduled to expire on June 30, 2023.

Key changes to the terms of the CBA under the one-year extension are listed below:

Term of Agreement: July 1, 2022 through June 30, 2023

Wages: Effective retroactively to July 14, 2022 – the first day of the first full pay period of the month – an across-the board wage increase of 4.0%. Employees covered by the CBA who are in a paid status as of the approval date by the Commission will be eligible for retroactive pay.

Effective January 12, 2023 – the first day of the first full pay period of the month – there will be an across-the-board wage increase of 4.0%.

Effective January 12, 2023 – the first day of the first full pay period of the month – there will be an additional 2.0% wage increase for Police Clerks and the Police Clerk Assistant that are involved with the collection and processing of evidence property or the collection, review and redaction of evidence related to Body Worn Cameras. This can be characterized as specialty pay for these non-sworn positions.

EXTENSION OF COLLECTIVE BARGAINING AGREEMENT – PORT OF PORTLAND POLICE
EMPLOYEES ASSOCIATION

October 12, 2022

Page 2

Bonuses: A \$7,500 gross pay signing bonus for each employee covered by the CBA who is in a paid status as of the approval date by Commission, with the exception of lateral hires who received lateral hire signing bonuses to date during 2022 from the Port.

Successor CBA: Bargaining on a successor CBA shall begin between the parties no later than January 20, 2023.

Estimated Financial Impact (new dollars): The anticipated annual increase in new money over the last contract year of the current collective bargaining agreement attributable to the new terms of the one-year extension are as follows:

Wage increases

- Across the board, July 2022 retro and Jan. 2023: \$1.3 million
- Police Clerks/Clerk Asst., Jan 2023: \$0.004 million

\$7500 bonuses: \$0.4 million

Lateral hiring incentive – continuation: \$0.04 million

Total: \$1.744 million

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to enter in a collective bargaining agreement with the Port of Portland Police Employees Association for a one-year extension, beginning July 1, 2022, setting forth wages, fringe benefits and working conditions, consistent with the terms presented to the Port of Portland 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.