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For Immediate Release

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Port Commission Briefed on Construction Updates for the International Terminal Renovation

NEWPORT – The Port Commission was briefed on the progress of the International Terminal Renovation project at its noon work session and regular meeting Tuesday, September 27, 2011.

At the work session, the Port's Project Manager, Frank Berg of Day CPM, and their CM/GC, Natt McDougall of the Natt McDougall Company (NMC), provided updates on the Project Budget, the contents and Guaranteed Maximum Amounts (GMP) for Amendments 11 and 12 to the Agreement between the Port and the NMC, and options for the scheduling of the remainder of the International Terminal Renovation project.

Mr. Berg advised that the Project Budget, specifically the total amount for construction, had been increased with a loan from Oregon Business Development Department, NOAA MOC-P lease revenues, and about \$145,000 from budget adjustments to the Project Budget itself. This provided enough money in the budget to fund the proposed Amendments 11 and 12.

Mr. McDougall presented a "Quadoption" plan to the Commission showing how savings from previous Contract Amendments could fund work that is necessary through February 2012 for the Project's other phases of work. The Commission agreed with the approach Mr. McDougall presented.

At the regular evening meeting, Frank Berg, Day CPM Project Manager, advised that dead-man anchors had been installed on the landside of the SS Pasley for her moorage. The bull-rail was removed, the holds were deballasted starting September 12, and on September 14, the Pasley was floated for the first time in over sixty years. Demolition was started immediately; and by the end of month, the 1st Pass, or the upper half of the ship, will be removed. This work is taking extended weekday hours and weekends.

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The Engine Room, Holds 2, 5, and 0 of the SS Hennebique have all had the material in them removed, have been cleaned and filled with clean dredge sand. Material removal is underway in Holds 1 and 6, and the port and starboard tanks of Hold 4 and the fuel storage hold are expected to be filled next month. Approximately 3,000 tons of contaminated material from the Pasley and 1,279 tons from the Hennebique have been delivered to the Coffin Butte landfill facility.

The site water treatment system continues to clean all contaminants from the water being removed from the holds of the ships. As of this report, Berg advised that over 18.5 million gallons of water had been filtered through the water treatment facility on site. The water from the treatment system water is being tested regularly prior to discharge into the bay, and the results are the discharged water is cleaner than the bay water.

Berg explained that Amendment 11 for the Remaining Project general conditions in the GMP of \$646,745.78, and Amendment 12 for the West Dock Construction in the GMP of \$3,426,394.37 have been submitted by NMC, for a total of \$ 4,073,140.15.

Berg further explained that the Amendment 11 recognizes the savings and closeout of previous Amendments 1, 2, 4 and 5, (\$370,548 savings) and the additional savings and closeout of Amendments 3 and 7 for a \$536,680.00 to roll out of the previous GMP to create a GMP of \$12,925,255.55. Also, Amendment 12 recognizes the savings and closeout of those Amendments noted in Amendment 11, and the savings and closeout of Amendment 8 for a savings of \$1,178,929.00 to roll out of the previous GMP to create a total GMP of \$15,172,720.92.

The Commission approved the execution Amendments 11 & 12 with the recognized savings, overrun, and closeouts of previous Amendments by the Port's General Manager.

For more information about the project, contact General Manager Don Mann at the Port of Newport, 541-265-7758, or visit the Port's Web site at www.portofnewport.com. Comments can be submitted at anytime by emailing terminalproject@portofnewport.com.

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