

July 1, 2009
Project #110745

SOLE SOURCE PROCUREMENT

The following sole source procurement is hereby published in accordance with City Code 5.33.120.C. This notice was posted on July 1, 2009 and shall remain posted for a minimum of seven (7) days prior to contract award.

Procurement Description:

Authorize sole source acquisition and execution of a contract with Peregrine Sports LLC for Predevelopment Agreement and Operating Agreement.

Justification:

The City plans to partly finance, develop and construct: renovations to PGE Park to convert PGE Park to a soccer stadium, consistent with the requirements of Major League Soccer (the "MLS Stadium") which will be operated by Peregrine Sports, LLC (together, the "Project"). The City will own the MLS Stadium and will have approval rights over the design of this facility.

This Project is intended to provide a venue for the Portland MLS franchise. The MLS franchise is controlled by Peregrine Sports, LLC, ("Peregrine") the proposed Project developer and operator.

Peregrine Sports, LLC is a company formed to finance, develop, construct and thereafter operate PGE Park, if renovations that would make the stadium more suitable for Major League Soccer are built.

The City proposes to enter into a Predevelopment Agreement with Peregrine to split organizational and predevelopment costs in regard to the renovations to the MLS Stadium. The City also proposes to enter into an Operating Agreement with Peregrine to operate PGE Park.

The award of a Predevelopment Agreement to Peregrine should be exempted from competition requirements of state law and City Code on a sole-source basis because Peregrine is the only entity that holds the MLS franchise and is the only entity that will renovate the MLS Stadium and is the only entity other than the City that will incur predevelopment costs. To the City's knowledge, no other entity exists that is willing to split predevelopment costs with the City.

The award of an Operating Agreement to Peregrine should be exempted from competition requirements of state law and City Code on a sole-source basis because Peregrine is the only entity that holds the MLS franchise. In addition, the current Operating Agreement is held by Shortstop LLC. Shortstop LLC and Peregrine operate under similar management and Shortstop is agreeable to a revision of the Operating Agreement and with the assumption of Peregrine in its place therefore making a smooth transition to Peregrine's new management. In addition, Peregrine would not be interested in making a contribution toward renovation or public improvement costs if it could not also operate PGE Park. Thus, while there are potentially other companies that could operate PGE Park, there is no other entity that will operate and also make a contribution toward construction costs at PGE Park.

Any firm with questions regarding this procurement may contact the Bureau of Purchases, B. J. Gibson, CPPO, Procurement Supervisor at 503-823-7665 or bgibson@ci.portland.or.us.

In accordance with PCC 5.33.710 any firm adversely affected by the award of contract shall have seven (7) days from the issuance of this sole source notice to file a protest. The protest must be submitted in writing to the Purchasing Agent and must specify the grounds upon which the protest is based. The Purchasing Agent shall not consider a protest submitted after the timeline established in this Notice of Intent to establish a sole source contract. Any protest must include the following information:

- Sufficient information to identify this notice of intent to establish a sole source contract;
- A detailed statement of all the legal and factual grounds for the protest;

- Evidence or supporting documentation that supports the grounds on which the protest is based;
- A description of the resulting harm to the affected person;
- The relief requested.

The Purchasing Agent will review the protest and issue a written decision.