



AGENDA  
Regular Commission Meeting  
Port of Portland Headquarters  
7200 N.E. Airport Way, 8<sup>th</sup> Floor  
July 12, 2017  
9:30 a.m.

---

**Minutes**

Approval of Minutes: Executive Session Meeting – May 10, 2017  
Approval of Minutes: Regular Commission Meeting – June 14, 2017  
Approval of Minutes: Special Commission Meeting – June 22, 2017

**Executive Director**

Approval of Executive Director's Report – June 2017

**Public Comment**

**General Discussion**

Small Business Development Program Overview

*KIMBERLY MITCHELL-  
PHILLIPS*

State Legislative Update

*KATHRYN WILLIAMS*

**Consent Items**

1. APPOINTMENT AND DESIGNATION OF ASSISTANT  
TREASURERS

*DAN BLAUFUS*

Requests approval of an update to the individuals designated as  
Assistant Treasurers under Commission Policy 6.2.1.

2. APPOINTMENT AND DESIGNATION OF ASSISTANT  
SECRETARIES

*DAN BLAUFUS*

Requests approval of an update to the individuals designated as  
Assistant Secretaries under Commission Policy 6.2.2.

**Action Items**

3. PERSONAL SERVICES CONTRACT - NORTH TERMINAL  
HEATING WATER PIPING REPLACEMENT DESIGN SERVICES –  
PORTLAND INTERNATIONAL AIRPORT

*ALAN DAKESSIAN*

Requests approval to award a personal services contract to  
Affiliated Engineers, Inc., for engineering design and construction  
administration services for the North Terminal Heating Water Piping  
Replacement Project at the Portland International Airport.

4. PUBLIC IMPROVEMENT CONTRACT AMENDMENTS - JOB  
ORDER CONTRACTS PILOT PROJECT - PORT OF PORTLAND  
PROPERTIES AND FACILITIES

*KEN WILLHITE*

Requests approval to amend public improvement contracts with Andersen Construction Co., SDB Contracting Services Inc., and Viking Engineering and Construction, LLC, to increase the maximum compensation payable under those contracts.

**APPOINTMENT AND DESIGNATION OF ASSISTANT TREASURERS**

---

July 12, 2017

Presented by: Dan Blaufus  
General Counsel**REQUESTED COMMISSION ACTION**

This agenda item requests approval of an update to the individuals designated as Assistant Treasurers under Commission Policy 6.2.1 (Policy). The Policy provides that the following positions shall be appointed as Assistant Treasurers: Executive Director, Chief Financial Officer, Controller, Senior Manager, Business and Financial Operations, Senior Manager, Financial Analysis and Projects, and Risk Manager. Since the last update in April 2017, the Executive Director position has been filled by Curtis Robinhold. Per the Policy, the Commission shall appoint Assistant Treasurers by resolution.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That effective July 12, 2017, Curtis Robinhold, Cynthia A. Nichol, Robert A. Burket, Lisa K. Fedeli, Suzanne Kenny and Edward K. McDonald are designated Assistant Treasurers of the Port of Portland Commission and shall perform such functions and duties as the Commission shall authorize from time to time; and

BE IT FURTHER RESOLVED, That all previous Assistant Treasurer designations be rescinded.

**APPOINTMENT AND DESIGNATION OF ASSISTANT SECRETARIES**

---

July 12, 2017

Presented by: Dan Blaufus  
General Counsel**REQUESTED COMMISSION ACTION**

This agenda item requests approval of an update to the individuals designated as Assistant Secretaries under Commission Policy 6.2.2 (Policy). The Policy provides that the following positions shall be appointed as Assistant Secretaries: Executive Director, Chief Financial Officer, General Counsel, Executive Assistant. Since the last update in March 2014, the Executive Director position has been filled by Curtis Robinhold. Per the Policy, the Commission shall appoint Assistant Treasurers by resolution.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

BE IT RESOLVED, That effective July 12, 2017, Curtis Robinhold, Cynthia A. Nichol, Dan Blaufus, Elise Neibert and Pamela Thompson are designated Assistant Secretaries of the Port of Portland Commission and shall perform such functions and duties as the Commission shall authorize from time to time; and

BE IT FURTHER RESOLVED, That all previous Assistant Secretary designations be rescinded.

**PERSONAL SERVICES CONTRACT – NORTH TERMINAL HEATING WATER PIPING REPLACEMENT DESIGN SERVICES – PORTLAND INTERNATIONAL AIRPORT**

---

July 12, 2017

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

This agenda item requests approval to award a personal services contract to Affiliated Engineers, Inc. (AEI) for engineering design and construction administration services for the North Terminal Heating Water Piping Replacement Project at Portland International Airport (PDX) in the amount of \$551,634.

**BACKGROUND**

This project will replace heating water piping in portions of the North Terminal and Concourse D, and all of Concourse E. Pipe segments are currently mechanically coupled (joined) together, a system that is prone to failure and leakage. Water leaks cause property damage in Port of Portland (Port) and tenant facilities. Severe leaks can require a shutdown of the heating system, which disrupts normal operations and impacts customer comfort. Replacing all mechanically-coupled piping with welded piping is expected to prevent further problems.



Work Area



Existing Mechanical Coupling

**SCOPE**

The scope of this personal services contract includes:

- Design of the replacement piping system
- Preparation of bid documents (specifications, etc.) for the subsequent public improvement contract, under which a construction contractor will install the system
- Ongoing support during construction

**SCHEDULE**

<b>Commission Approval (award design services contract)</b>	<b>July 12, 2017</b>
Preliminary Design	August 2017 – December 2017
Airline Airport Affairs Committee Approval	January 2018
Final Design	January 2018 – April 2018
Commission Approval (award public improvement contract)	June 13, 2018
Construction Period	July 2018 – September 2019

**CONSULTANT SELECTION**

The Port issued a Request for Proposals (RFP) on May 5, 2017, seeking qualified consultants to provide the required services. Five firms submitted proposals, which were evaluated by a panel of five Port employees representing both the engineering and airport operations departments. Proposals were evaluated against the following criteria in accordance with Oregon’s qualifications-based selection (QBS) requirements for a design contract (ORS 297C.110 does not allow price to be a factor):

- Qualifications of provider
- Project approach and management
- Small business participation program

AEI was the highest-ranked proposer, primarily due to the strength of its project team and its plan to accomplish the work efficiently. In addition, AEI presented an estimated small business participation goal of 20 percent, which was the highest rate proposed. In accordance with QBS requirements, after finalizing the final scope of work with AEI, Port staff then negotiated AEI’s fee. The fee will be paid in increments based on the completion of agreed-upon tasks, plus expenses, not to exceed the total amount set forth above.

**BUDGET**

Construction	\$7,000,000
Consultant Services	\$900,000
Port Staff/Contracted Services	\$1,748,000
Contingency	\$1,072,000
Total Project	<u>\$10,720,000</u>

The contingency, representing 10 percent of the project budget, is considered reasonable given the early stage of the project, the nature of the work and the risk profile for the project.

The project cost will be funded by the Airline Cost Center.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a personal services contract to Affiliated Engineers, Inc., for the design of the North Terminal Heating Water Piping Replacement 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 AMENDMENTS – JOB ORDER CONTRACTS PILOT PROJECT – PORT OF PORTLAND PROPERTIES AND FACILITIES**

---

July 12, 2017

Presented by: Ken Willhite  
Senior Manager  
Project Development**REQUESTED COMMISSION ACTION**

This agenda item requests approval to amend public improvement contracts with Andersen Construction Co. (Andersen), SDB Contracting Services Inc. (SDB), and Viking Engineering and Construction, LLC (Viking), to increase the maximum compensation payable under those contracts. The contracts are part of the Port of Portland's (Port) Job Order Contracts Pilot Project -- Port Properties and Facilities.

**BACKGROUND**

In September 2015, the Port Commission approved an exemption from competitive bidding, allowing the Port to use a competitive Request for Proposal (RFP) process to select three job order contracting (JOC) services contractors. Selecting these contractors under an RFP allowed the Port to award the contracts based on experience and other qualitative criteria, instead of based on price (or "low bid") alone. After the RFP, in January 2016 the Commission approved the award of public improvement contracts for JOC services to Andersen, SDB, and Viking.

As discussed in more detail in January 2016, the JOC project delivery method is a way to quickly engage construction contractors for specified types of work at predictable, competitive pricing. Consistent with the Commission's approval parameters for the JOC pilot project, the Port uses the JOC delivery method for projects defined by two primary characteristics:

1. Relatively small-scale projects that have relatively short delivery time requirements; and
2. Projects which lend themselves to on-call, job order-based work that can be performed using a pre-priced book of construction tasks, such as:
  - Building modifications such as minor interior or exterior improvements;
  - Small building additions or building construction;
  - Paving construction, repairs, and maintenance; and
  - Electrical and HVAC system improvements.

When a construction need arises for a project that fits under the parameters of the JOC program, the Port defines a specific scope of work with sufficient information for one of the Port's JOC contractors to determine the elements of the project and prepare a price for the work. The pricing for most projects is established from a pre-priced construction task catalog



PUBLIC IMPROVEMENT CONTRACT AMENDMENTS – JOB ORDER CONTRACTS PILOT PROJECT – PORT OF PORTLAND PROPERTIES AND FACILITIES

July 12, 2017

Page 2

(CTC), developed and maintained by the Port’s JOC consultant, Gordian Group, and each JOC contractor’s individually-bid mark up for CTC-based tasks, which was established at the time the contracts were awarded. That price forms the basis of each job order for a given project.

Small business participation is tracked for each task order and JOC contract, to ensure compliance with the small business participation goals submitted by each contractor.

Funding sources for the projects that are constructed under the JOC program will vary over time, depending on the location of the work, the affected business line and related factors.

**JOC CONTRACT AMENDMENTS**

Each contract in the JOC program was limited to a cumulative “spend,” or maximum compensation limit, of \$3,000,000 over a three-year contract term. Total JOC contract commitments under all three contracts to date are \$4,735,734, for 22 discrete projects. The break-down of projects assigned to each JOC contractor as of June 19, 2017 are as follows:

	<u>Projects</u>	<u>Amount</u>
Andersen	11	\$2,664,748
SDB	4	\$1,019,569
Viking	7	\$1,051,417

To date, Andersen has received more work than SDB and Viking because Andersen’s capabilities and resources have best matched more of the projects’ particular needs. The project distribution break-down may change over time, however, depending on the nature of future projects.

Based on the current and projected utilization of these JOC contracts, Port staff anticipates reaching the maximum approved compensation limit for each contract before their three-year terms expire. In order to continue utilizing this valuable alternate project delivery method, Port staff requests approval to amend each JOC contract to increase the maximum available spend as follows:

**Andersen**

Original Maximum	\$3,000,000
<b>This Amendment</b>	<b>\$2,000,000</b>
New Maximum	\$5,000,000

**SDB**

Original Maximum	\$3,000,000
<b>This Amendment</b>	<b>\$1,000,000</b>
New Maximum	\$4,000,000

PUBLIC IMPROVEMENT CONTRACT AMENDMENTS – JOB ORDER CONTRACTS PILOT  
PROJECT – PORT OF PORTLAND PROPERTIES AND FACILITIES

July 12, 2017

Page 3

**Viking**

Original Maximum	\$3,000,000
<b>This Amendment</b>	<b>\$1,000,000</b>
New Maximum	\$4,000,000

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to amend the public improvement contract with Andersen Construction Co. for the JOC Pilot Project – Port of Portland Properties and Facilities, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That approval is given to amend the public improvement contract with SDB Contracting Services Inc. for the JOC Pilot Project – Port of Portland Properties and Facilities, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That approval is given to amend the public improvement contract with Viking Engineering and Construction, LLC for the JOC Pilot Project – Port of Portland Properties and Facilities, 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.