



AGENDA

Regular Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
March 14, 2012
9:30 a.m.

Minutes

Approval of Minutes: Regular Commission Meeting – February 8, 2012

Executive Director

Approval of Executive Director's Report – February 2012

Consent Items

1. PORT OF PORTLAND FIRE DEPARTMENT CIVIL SERVICE COMMISSION REAPPOINTMENT – PORTLAND INTERNATIONAL AIRPORT

CRAIG CALLICOTTE

Requests the reappointment of Martin Goughnour to a four-year term as a Port of Portland Fire Department Civil Service Commissioner.

2. MEMORANDUM OF AGREEMENT – FEDERAL AVIATION ADMINISTRATION – PORTLAND INTERNATIONAL, HILLSBORO AND TROUTDALE AIRPORTS

MATT HOFFMAN

Requests approval of a Memorandum of Agreement between the Port of Portland and the Federal Aviation Administration for each of the Portland International, Hillsboro and Troutdale Airports.

Action Items

3. PROPERTY SALE – 2.79 ACRES TO PHYSICIANS' CAPITAL INVESTMENTS, LLC – GRESHAM VISTA BUSINESS PARK

JOE MOLLUSKY

Requests approval to sell approximately 2.79 acres of unimproved real property located in the Gresham Vista Business Park to Physicians' Capital Investments, LLC.

4. CONSTRUCTION AND PROFESSIONAL SERVICES CONTRACTS – TAXIWAY C REHABILITATION PROGRAM – PORTLAND INTERNATIONAL AIRPORT

CHRIS EDWARDS

Requests approval to award a contract for construction of the Taxiway C West Rehabilitation project and also to amend the existing professional services contract for project design and construction support services for Taxiway C Rehabilitation at Portland International Airport.

5. CONSTRUCTION CONTRACT – SOUTH AIRFIELD TAXIWAY IMPROVEMENTS – PORTLAND INTERNATIONAL AIRPORT *CHRIS EDWARDS*

Requests approval to award a contract for construction of the South Airfield Taxiway Improvements project at Portland International Airport.

6. CONSTRUCTION CONTRACT – NORTH APRON – PORTLAND INTERNATIONAL AIRPORT *JIM MCGINNIS*

Requests approval to award a contract for construction for the rehabilitation of the North Apron and associated existing infrastructure at Portland International Airport.

7. CONSTRUCTION CONTRACT – CONCOURSE A HVAC REPLACE AND UPGRADE – PORTLAND INTERNATIONAL AIRPORT *ROBIN MCCAFFREY*

Requests approval to award a contract for construction to replace and upgrade the capacity of the heating, ventilating and air conditioning systems serving Concourse A at Portland International Airport.

General Discussion

Citizen Noise Advisory Committee Annual Update

*MARYHELEN KINCAID
SEAN LOUGHREN*

Economic Impact Study and Strategic Plan

*JOHN MARTIN
SCOTT DRUMM*



Agenda Item No. 1

POR T OF PORTLAND FIRE DEPARTMENT CIVIL SERVICE COMMISSION REAPPOINTMENT – PORTLAND INTERNATIONAL AIRPORT

March 14, 2012

Presented by: Craig Callicotte
Fire Chief

EXECUTIVE SUMMARY

This agenda item requests the reappointment of Martin Goughnour to a four-year term as a Port of Portland (Port) Fire Department Civil Service Commissioner.

BACKGROUND

The Port maintains a civil service system for the Fire Department, in accordance with the requirements of Oregon law. It is administered by a three-member board of Civil Service Commissioners, who serve without pay. The three Commissioners' responsibilities include administering the civil service system in matters relating to recruitment, testing and selection of fire fighters, and hearing matters of discipline or appeals brought before them.

Mr. Goughnour's term as Civil Service Commissioner expires on March 13, 2012. At the request of the Port, he has agreed to serve another term. Mr. Goughnour began his professional career in 1969 at Multnomah County Fire District No. 12. His service has spanned 34 years rising from the rank of firefighter to deputy fire chief. His areas of expertise include fire prevention, training, EMS, operations and administration.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to reappoint Martin Goughnour to a four-year term as Port of Portland Fire Department Civil Service Commissioner, in accordance with Port of Portland Ordinance 425; 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.



MEMORANDUM OF AGREEMENT – FEDERAL AVIATION ADMINISTRATION – PORTLAND INTERNATIONAL, HILLSBORO AND TROUTDALE AIRPORTS

March 14, 2012

Presented by: Matt Hoffman
Sr. Manager, Airside Real Estate

EXECUTIVE SUMMARY

This agenda item requests approval of a Memorandum of Agreement (MOA) between the Port of Portland (Port) and the Federal Aviation Administration (FAA) for each of the Portland International, Hillsboro and Troutdale Airports.

BACKGROUND

The FAA's Airport Improvement Program (AIP) provides grants to public agencies for the planning and development of public-use airports. Recipients of grants are typically referred to as (airport) sponsors. Before an airport can get federal airport development assistance, airport sponsors must make certain assurances to the Secretary of Transportation. By making these assurances, the airport sponsor contractually agrees to accept certain obligations in exchange for federal money or land. These obligations may be based on several types of agreements and federal statutes, including grant agreements under programs such as the AIP and its predecessor aid programs. One of the sponsor assurances, titled Land for Federal Facilities, requires that the airport sponsor furnish land, without cost, to the Federal Government, for use in connection with the construction, operation and maintenance of any air traffic control or air navigation activities, or weather reporting and communication activities related to air traffic control. The equipment used to conduct such activities is commonly referred to as NAVAIDS.

Until approximately three years ago, the FAA managed its NAVAIDS at airports with an individual Master Lease at each airport. The Master Leases are cumbersome and challenging for the FAA and airport sponsors to manage. As part of recent reorganization and efforts to become more efficient, the FAA has begun eliminating its Master Leases and replacing them with MOAs. The MOAs are intended to improve FAA operational efficiencies, simplify certain processes and reduce the amount of labor and cost associated with management of the leases. These changes will benefit the FAA and airport sponsor.

The MOA key business terms for the Portland International, Hillsboro and Troutdale Airports include:

Term: 20 years

Permitted Uses: Provide FAA necessary access to install, maintain and operate NAVAIDS at each airport.

Rent: Land will be provided without cost to the FAA in accordance with the sponsor assurances.

MEMORANDUM OF AGREEMENT – FEDERAL AVIATION ADMINISTRATION – PORTLAND INTERNATIONAL, HILLSBORO AND TROUTDALE AIRPORTS

March 14, 2012

Page 2

Maintenance: The FAA will continue to pay all costs associated with the ownership and maintenance of the NAVAIDS.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to enter into a Memorandum of Agreement with the Federal Aviation Administration, for each of the Portland International, Hillsboro and Troutdale Airports, on the terms and conditions described herein; 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.



**PROPERTY SALE – 2.79 ACRES TO PHYSICIANS’ CAPITAL INVESTMENTS, LLC –
GRESHAM VISTA BUSINESS PARK**

March 14, 2012

Presented by: Joe Mollusky
Real Estate Program Manager

EXECUTIVE SUMMARY

This agenda item requests approval to sell approximately 2.79 acres of unimproved real property (Property) located on S.E. Stark Street in the Gresham Vista Business Park (Gresham Vista), to Physicians’ Capital Investments, LLC (PCI). The Property is zoned mixed use and is one of three parcels at Gresham Vista that allows commercial use.

BACKGROUND

PCI owns 12 medical facilities in the United States and plans to build a new medical facility on the Property to relocate an existing Gresham clinic. PCI will construct a 10,000-square-foot building with associated parking, fencing and landscaping, for lease to Fresenius Medical Care. The new medical facility is expected to be designed, permitted, constructed and operational within 18 months. PCI also has plans for additional medical buildings on the Property in future development phases. The City of Gresham supports this expansion of an existing medical business at Gresham Vista.

The sale price for the Property is \$1,009,554, based on \$8.30 per square foot for 121,633 square feet within the Property. The Port will pay Huffman Group of Newport Beach, California, a real estate broker’s commission of \$42,739, in accordance with the Port of Portland’s (Port) existing real estate commission policy.

Prior to closing, it is contemplated that PCI will assign its rights under the Purchase and Sale Agreement for this transaction to a newly created single purpose entity (Permitted Assignee), organized or qualified to do business in Oregon, in which case the Permitted Assignee will purchase the Property and build the new medical facility as described above.

The City of Gresham has a Building Community goal to assist companies in the East Metro market to thrive, expand and create new family wage jobs. The Port determined that this sale would accommodate customer needs and PCI’s development will serve the Gresham community as well as meet Port and City economic development goals for Gresham Vista.

EXECUTIVE DIRECTOR’S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to sell approximately 2.79 acres of real property located on S.E. Stark Street in the Gresham Vista Business Park, to Physicians’ Capital Investments, LLC, consistent with the terms presented to the Commission; and

PROPERTY SALE – 2.79 ACRES TO PHYSICIANS' CAPITAL INVESTMENTS, LLC –
GRESHAM VISTA BUSINESS PARK

March 14, 2012

Page 2

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.



CONSTRUCTION AND PROFESSIONAL SERVICES CONTRACTS – TAXIWAY C REHABILITATION PROGRAM – PORTLAND INTERNATIONAL AIRPORT

March 14, 2012

Presented by:

Chris Edwards
Engineering Project Manager

EXECUTIVE SUMMARY

This agenda item requests approval to award a construction contract to Kerr Contractors, Inc., to construct the Taxiway C West Rehabilitation project at Portland International Airport (PDX). This item further requests approval to amend the existing professional services contract with project consultant HNTB Corporation to provide for project design and construction support services for Taxiway C Rehabilitation.

BACKGROUND

Taxiway C is an 11,000-foot long taxiway that is bisected by Runway 3-21 (crosswind) into west and east segments, which provides access to and from the South Runway. Taxiway C West was originally scheduled for rehabilitation in 2011 as part of the South Runway Rehabilitation project. The Taxiway C West project design was completed up to 30 percent when it was deferred to 2013, due to the shoulder widening scope increase required by the FAA on the South Runway Rehabilitation project. In September 2011, the FAA offered the Port of Portland (Port) discretionary funding to help pay for the Taxiway C West Rehabilitation provided the project could be constructed in 2012. The Port decided to advance the Taxiway C West project to take advantage of FAA funding since a portion of the design had been completed and could be finished to meet the schedule. Therefore, the Port separated Taxiway C Rehabilitation into "West" and "East" phases with construction projects in 2012 and 2013, respectively.

Project Description

Taxiway C West is 4,500 feet in length and provides access to and from the south runway (10R) for cargo carriers. This project includes reconstruction of a 1,500-foot portion of the existing asphalt pavement with Portland cement concrete; rehabilitation of the remaining 3,000 feet of the asphalt concrete pavement with a 5-inch mill and inlay; and undertaking improvements to meet FAA design standards, which include re-grading of the safety area and widening the paved shoulders. In addition, other work elements include centerline and edge lights, storm drainage improvements, electrical infrastructure improvements, signage upgrades and restoring pavement markings.

Taxiway C East is 6,500 feet in length and provides access to and from the south runway (28L) for air cargo carriers from the south airfield as well as the Oregon Air National Guard. As part of the scope development phase for Taxiway C East, an alternative analysis was performed to evaluate different taxiway rehabilitation configurations using either asphalt or concrete pavement. The pavement alternatives were evaluated through a life-cycle cost analysis that included full-depth reconstruction, partial rehabilitations, mill and inlay or combinations of each.

CONSTRUCTION AND PROFESSIONAL SERVICES CONTRACTS – TAXIWAY C
REHABILITATION PROGRAM – PORTLAND INTERNATIONAL AIRPORT

March 14, 2012

Page 2

The project team, which included Port of Portland engineering and aviation staff, selected the all-concrete taxiway as the preferred alternative for maintenance, longevity, operations, environment and long-term cost savings.

As part of the scope development phase, infrastructure elements were evaluated within the taxiway footprint for replacement, upgrade or abandonment including lighting, signage, electrical, storm drainage, etc. The recommended scope developed for the Taxiway C East Rehabilitation includes:

- Reconstruction of the existing asphalt pavement with concrete pavement.
- Shoulder widening to 35 feet to meet FAA standards.
- Removal and replacement of in-pavement taxiway lighting infrastructure.
- Installation of new electrical vaults and duct banks within the project footprint.
- Replacement of existing and installation of new storm drains, underdrains and sanitary sewer line within the project footprint.
- Restoration of pavement markings and pavement grooving.

Professional Services

Requests for Proposals were solicited on July 11, 2011, and proposals were received from HNTB Corporation, Mead & Hunt, Inc., and Burns & McDonnell Engineering Co. on July 26, 2011. Proposals were reviewed and scored on August 2, 2011, on the following criteria:

- Project Team
- Qualifications and Experience of Proposer
- Project Approach
- Project Management
- Small Business Participation

The Port review team, consisting of Engineering and Aviation staff, reviewed all three proposals and determined HNTB to be the best candidate for the project. Negotiations with HNTB started August 18, 2011, and were successfully concluded on September 2, 2011. The negotiated fee for the scope development phase on this project was \$419,200, which was compensated on an hourly basis plus expenses from funding approved by the Airline Cost Center.

The project was split into separate phases shortly after the selection of HNTB to take advantage of the FAA funding. HNTB, based on their previous work on the South Runway Rehabilitation project that included Taxiway C West, were able to quickly develop a scope of work and fee to perform the design that was fair and reasonable.

CONSTRUCTION AND PROFESSIONAL SERVICES CONTRACTS – TAXIWAY C
REHABILITATION PROGRAM – PORTLAND INTERNATIONAL AIRPORT

March 14, 2012

Page 3

The Port amended the original contract to have HNTB perform this work in order to meet the advanced schedule.

Original Contract: Preliminary Engineering	\$419,200
Amendment 1: Taxiway C West Design	\$484,750
Total to Date	\$903,950

Proposed Amendments:

Amendment 2: Taxiway C West Construction Support	\$355,300
Amendment 3: Taxiway C East Design	\$1,123,600
Total Proposed Amendments	\$1,478,900
New Contract Total	\$2,382,850

The RFP and existing contract allow for award of the design and construction phase work to HNTB, subject to certain performance criteria. HNTB has consistently demonstrated its ability to meet scope, schedule and budget requirements during the initial phase of work. Based on performance, this will be a continuation of the existing contract for the design phase of Taxiway C East and construction support for Taxiway C West. The negotiated fee for these services is \$1,478,900, which will be paid on an hourly basis plus expenses.

HNTB will provide design services to develop plans, specifications and estimates for the Taxiway C East Rehabilitation project, whose preliminarily estimate is nearly \$31.3 million. Further, HNTB will provide construction support on the Taxiway C West project.

The scope of the work to be performed by HNTB includes design for the following:

- Concrete pavement
- Asphalt pavement
- Grading and drainage
- Electrical design – taxiway lighting, duct banks and conduit
- Fire hydrant system
- Signing and striping
- Construction phasing

Primary funding will be provided by the Airlines and the FAA. A future Commission action will include a recommendation to award a construction contract in 2013 for the construction of the Taxiway C East project.

CONSTRUCTION AND PROFESSIONAL SERVICES CONTRACTS – TAXIWAY C
REHABILITATION PROGRAM – PORTLAND INTERNATIONAL AIRPORT

March 14, 2012

Page 4

Construction Contract Award

The Taxiway C West project construction contract documents and specifications were advertised on January 25, 2012, with bids received on February 22, 2012. The bids were as follows:

Kerr Contractors, Inc.	\$5,982,642.00
Nutter Corporation	\$6,087,067.22
Kodiak Pacific Construction	\$6,190,190.00
Emery & Sons Construction, Inc.	\$6,338,137.00
K&E Excavating Incorporated	\$6,340,417.00
Westech Construction	\$7,029,858.00
Concrete Placing Co., Inc.	\$7,162,466.55
Engineer's estimate	\$6,494,415.00

Construction is expected to be complete by September 28, 2012.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a construction contract for the Taxiway C West Rehabilitation project to Kerr Contractors, Inc., in accordance with its bid; and

BE IT FURTHER RESOLVED, That approval is given to amend the existing professional services contract with HNTB Corporation for the Taxiway C Rehabilitation project, 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.



CONSTRUCTION CONTRACT – SOUTH AIRFIELD TAXIWAY IMPROVEMENTS – PORTLAND INTERNATIONAL AIRPORT

March 14, 2012

Presented by: Chris Edwards
Engineering Project Manager

EXECUTIVE SUMMARY

This agenda item requests approval to award a construction contract to K&E Excavating Incorporated to construct the South Airfield Taxiway Improvements project at Portland International Airport (PDX).

BACKGROUND

The South Airfield Taxiway Improvements project is comprised of three individual projects: Taxiway E (south) Rehabilitation, Taxiway F (south) Rehabilitation and a portion of the Air Trans Center, specifically Phase II of a multi-year rehabilitation program. In early 2011, geotechnical investigations identified at each of these locations that the underlying pavement foundations were inadequate to support the anticipated aircraft traffic. Life cycle cost analyses, which compares pavement rehabilitation alternatives for either asphalt or concrete over a 40-year life, identified Portland cement concrete pavement as the most cost effective method for rehabilitation. Since these projects are located adjacent to one another, they were combined into a single project for improved constructability and to minimize operational impacts to airport tenants and aircraft operators.

Taxiway E South is the only taxiway that provides access to and from the runways for air cargo carriers using the Air Trans Center. It supports crosswind runway (3/21) operations for all air carriers and is used extensively by FAA Air Traffic Control to simultaneously accommodate both inbound and outbound aircraft from south airfield locations. This project will reconstruct the existing pavement structure by removing the asphalt concrete pavement and replacing it with Portland cement concrete. This project will also shift the adjacent perimeter road, re-grade the safety area and widen the paved shoulders to meet current FAA design standards.

Taxiway F South is a critical section of the runway/taxiway systems as it is the only access for both the leased cargo facilities (UPS) and to overnight aircraft parking on the Central Ramp. This taxiway is also used extensively by FAA Air Traffic Control to simultaneously accommodate both inbound and outbound aircraft from south airfield locations. This project will reconstruct the existing pavement structure by removing the asphalt concrete pavement and replacing it with Portland cement concrete. This project will widen the existing pavement section by 70 feet, re-grade the safety area, widen the paved shoulders and shift the midfield Runway Visual Range (aircraft guidance equipment) to meet current FAA design standards. These changes will eliminate certain operational restrictions to the taxiway that currently limit its use.

CONSTRUCTION CONTRACT – SOUTH AIRFIELD TAXIWAY IMPROVEMENTS –
PORTLAND INTERNATIONAL AIRPORT

March 14, 2012

Page 2

The Air Trans Center Phase II (ATC PH II) project is a continuation of a multi-year pavement rehabilitation program that began in 2011 with a pavement reconstruction project located in front of the Boeing Hangar. The ATC PH II project is located on the south central ramp, north of the Boeing Ramp and the adjacent main access point into the Air Trans Center for all the south airfield cargo carriers, including Boeing, FedEx, Asiana, DHL, etc. This work is critical to ensure adequate pavement support for continued aircraft operations by tenants and operators. This project will reconstruct the existing pavement structure by removing the existing asphalt concrete pavement and replacing it with Portland cement concrete. This project will include re-grading the safety area and widening the paved shoulders to meet current FAA design standards.

In addition to the project elements described above, other work elements include centerline and edge lights, storm drainage improvements, electrical infrastructure improvements, signage upgrades and restoring pavement markings.

Construction Contract Award

The project contract documents and specifications were advertised on January 17, 2012, with bids received on February 9, 2012. The bids were as follows:

K&E Excavating Incorporated	\$20,862,520.65
ICON Materials	\$21,591,827.00
Kerr Contractors, Inc.	\$21,596,985.50
Nutter Corporation	\$22,108,099.20
Concrete Placing Company	\$22,576,215.51
ACME Concrete Paving, Inc.	\$22,968,173.06
Kodiak Pacific Construction	\$25,017,405.00
Engineer's estimate	\$24,917,199.50

Construction is expected to be complete by September 28, 2012.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a construction contract for the South Airfield Taxiway Improvements project to K&E Excavating Incorporated, 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.

**CONSTRUCTION CONTRACT – NORTH APRON – PORTLAND INTERNATIONAL AIRPORT**

March 14, 2012

Presented by: Jim McGinnis
Engineering Project Manager**EXECUTIVE SUMMARY**

This agenda item requests approval to award a construction contract to Kerr Contractors, Inc., for the rehabilitation of the North Apron and associated existing infrastructure at Portland International Airport (PDX).

BACKGROUND

This project will reconstruct 300,000 square feet of aircraft parking ramp at the east end of Concourse E with Portland cement concrete pavement. This ramp was constructed in 1985 of an asphalt concrete surface course over a base of roller-compacted concrete and was last rehabilitated in 1996.

The scope of the project includes the following:

- Concrete pavement
- Asphalt pavement
- Grading and drainage
- Airfield guidance signage and markings
- Taxiway lighting, power/communication duct banks

The design was completed by Port of Portland engineering staff in January 2012.

This project was advertised for bid in January 2012, and bids were received and publicly opened on February 2, 2012. A total of 11 bids were received. The bid results are shown in the table below and on the following page.

Kerr Contractors, Inc.	\$5,235,102.50
Nutter Corporation	\$5,574,166.22
Kodiak Pacific Construction	\$5,654,654.00
K&E Excavating, Inc.	\$5,778,733.00
Concrete Placing Company	\$5,919,863.50
Goodfellow Brothers, Inc.	\$6,071,187.00

CONSTRUCTION CONTRACT – NORTH APRON – PORTLAND INTERNATIONAL AIRPORT
March 14, 2012
Page 2

Westech Construction, Inc.	\$6,110,048.80
Coffman Excavation	\$6,111,192.00
Wildish Standard paving Co.	\$6,176,392.20
Acme Concrete Paving, Inc.	\$6,330,000.00
Gary Merlino Construction Co., Inc.	\$6,401,672.00
Engineer's Estimate	\$6,200,000.00

Construction is scheduled to start July 1, 2012, and be completed by October 30, 2012.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a construction contract to Kerr Contractors, Inc., for the rehabilitation of the North Apron and associated existing infrastructure at Portland International Airport, 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.



CONSTRUCTION CONTRACT – CONCOURSE A HVAC REPLACE AND UPGRADE – PORTLAND INTERNATIONAL AIRPORT

March 14, 2012

Presented by: Robin McCaffrey
Engineering Project Manager

EXECUTIVE SUMMARY

This agenda item requests approval to award a construction contract to Hydro-Temp Mechanical, Inc., to replace and upgrade the capacity of the heating, ventilating and air conditioning (HVAC) systems serving Concourse A (CCA) at Portland International Airport (PDX) in the amount of \$848,400.

BACKGROUND

The project is intended to provide adequate HVAC to upper CCA and the south CCA hold room. Upper CCA is a tenant facility leased by Alaska Airlines, Inc. (Alaska), for the use of its affiliate Horizon Air Industries, Inc. (Horizon). The space is strategic to Horizon due to its location and proximity to Alaska's operations. The south CCA hold room serves Gates A6 through A12.

In 1988, Horizon installed the HVAC system serving the south hold room and second floor Horizon offices as part of CCA's construction. The existing systems do not meet current HVAC needs. The systems' rooftop HVAC units are worn out and have operated beyond their useful lives. Maintenance costs for the units have increased over time due to more frequent problems that have become more difficult to repair.

Even operating at full capacity, the combined HVAC system is undersized for the demand of today's uses. The systems have a 65-ton HVAC capacity. Based on energy load modeling, space served requires a 91-ton capacity. Nearly all heating and cooling occurs in the two rooftop units. A breakdown of either unit directly impacts the entire upper CCA office space or south hold room, respectively. Increasing the HVAC capacity using the existing systems would trigger replacement of extensive ceiling ductwork. This would require Horizon to relocate all personnel from upper CCA to work spaces throughout the terminal for approximately 11 weeks.

This project replaces the existing system with a new HVAC system that addresses the challenges identified above. The new system provides the full HVAC capacity needed. Component breakdowns will not be as noticeable to terminal tenants or passengers because the system functions will be less centralized. The new system takes advantage of existing ductwork and requires no significant tenant relocation. Staged construction will allow ongoing operation in the upper and south hold room spaces.

The new system is also projected to use approximately 30 percent less energy as compared to a straight replacement of the existing system. The life cycle costs of the two options are equivalent, however, because the savings from the reduced energy use is projected to be offset by a roughly equivalent increase in maintenance costs.

CONSTRUCTION CONTRACT – CONCOURSE A HVAC REPLACE AND UPGRADE –
PORTLAND INTERNATIONAL AIRPORT

March 14, 2012

Page 2

This project was advertised on February 1, 2012, and bids were opened on February 23, 2012. A total of seven bids were received. The bid results are shown in the table below.

Hydro-Temp Mechanical, Inc.	\$848,400.00
First Cascade Corporation	\$919,500.00
COR Construction, Inc.	\$937,055.00
Western Construction Services, Inc.	\$970,504.66
Todd Hess Building Company	\$1,039,655.00
Viking Engineering & Construction LLC	\$1,064,267.00
Emerick Construction	\$1,066,000.00
Engineer's Estimate	\$975,000.00

The contract amount is within the project budget. The project is funded from the Airline Cost Center. Construction is expected to begin in May 2012 and be completed by August 2012.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a construction contract for the Concourse A HVAC Replace and Upgrade project to Hydro-Temp Mechanical, Inc., 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.