



AGENDA
Regular Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
March 9, 2016
9:30 a.m.

Minutes

Approval of Minutes: Regular Commission Meeting – February 10, 2016

Executive Director

Approval of Executive Director's Report – February 2016

General Discussion

Federal Affairs Update

RICK FINN

State Affairs Update

KATHRYN WILLIAMS

Consent Items

1. CONSENT TO ENTERPRISE ZONE RE-DESIGNATION BY THE CITY OF GRESHAM *LISE GLANCY*
Requests consent to the re-designation of the Gresham Enterprise Zone.
2. PROCUREMENT CONTRACT – CATERPILLAR D8T BULLDOZER – NAVIGATION *CHET THOMAS*
Requests approval to award a procurement contract to Peterson Machinery Co. for the purchase of a Caterpillar D8T bulldozer for the Port of Portland Navigation Division.
3. PORT OF PORTLAND FIRE DEPARTMENT CIVIL SERVICE COMMISSION REAPPOINTMENT – PORTLAND INTERNATIONAL AIRPORT *CRAIG FUNK*
Requests the appointment of Mark Maunder to a four-year term as a Port of Portland Fire Department Civil Service Commissioner.

Action Items

4. PUBLIC IMPROVEMENT CONTRACT – AIR CARGO ROAD REHABILITATION – PORTLAND INTERNATIONAL AIRPORT *CHRIS EDWARDS*

Requests approval to award a public improvement contract to Kerr Contractors Oregon, Inc., for the Air Cargo Road Rehabilitation project at Portland International Airport.

5. PUBLIC IMPROVEMENT CONTRACT – EAST LANDSIDE STORMWATER ENHANCEMENT – PORTLAND INTERNATIONAL AIRPORT *CHRIS EDWARDS*

Requests approval to award a public improvement contract to McClure and Sons, Inc., for the East Landside Stormwater Enhancement project at Portland International Airport.

6. PUBLIC IMPROVEMENT CONTRACT – ECONOMY PARKING LOT EXIT PLAZA REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT *CHRIS EDWARDS*

Requests approval to award a public improvement contract to Payne Construction, Inc., for the Economy Parking Lot Exit Plaza Replacement project at Portland International Airport.

7. PUBLIC IMPROVEMENT CONTRACT – CONCOURSE D WEST HVAC REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT *ROBIN MCCAFFREY*

Requests approval to award a public improvement contract to Hydro-Temp Mechanical, Inc., for the Concourse D West HVAC Replacement Project at Portland International Airport.

8. PUBLIC IMPROVEMENT CONTRACT – CONCOURSE C SERVICE ELEVATOR – PORTLAND INTERNATIONAL AIRPORT *DAVID DITTMER*

Requests approval to award a public improvement contract to COR Construction, Inc., for a new elevator and building modifications in Concourse C at Portland International Airport.

CONSENT TO ENTERPRISE ZONE RE-DESIGNATION BY THE CITY OF GRESHAM

March 9, 2016

Presented by: Lise Glancy
Manager, Strategic Partnerships**REQUESTED COMMISSION ACTION**

This agenda item requests consent to the re-designation of the Gresham Enterprise Zone, located within Port of Portland (Port) boundaries, to continue to provide an incentive to encourage existing or new companies to invest and add employees within the zone.

BACKGROUND

Enterprise zones were enacted by the Oregon Legislature in 1985. In the 2005 legislative session, the statute for the enterprise zone program, ORS 285C.065, was changed to require the governing bodies of a port district to consent by resolution to enterprise zone applications and re-designations by a city or county within the boundaries of the port district. This change was requested to ensure coordination of economic development activities within port districts. Oregon ports play a key role in economic development in the community.

Enterprise zones offer tax and other incentives to induce additional investment and employment in non-retail businesses in areas meeting certain measures of economic hardship. They have proven to be Oregon's key offering in the pursuit of business growth and expansion. Their effectiveness is due to a typically short-term (three to five years), but immediate, benefit for the business project's cash flow by exempting new investments from property taxes.

As required by ORS 285C.065, the Port Commission routinely receives requests from jurisdictions as they move forward with enterprise zone applications and/or boundary changes. On March 8, 2006, the Port Commission approved the creation of a Gresham Enterprise Zone, totaling 2.64 square miles in six areas within the City of Gresham. The Gresham Enterprise Zone encompasses the Port's 221-acre Gresham Vista Business Park (GVBP). Business Oregon designated this enterprise zone on March 29, 2006.

In the first 10 years of the program, the City of Gresham has approved 14 applications for the use of this incentive for 9 companies investing more than \$600 million in this enterprise zone, including the Subaru Distribution Center on GVBP Lot 4. Three companies, Boeing, Teeny Foods, and ON Semiconductor have made multiple enterprise zone applications to support their growing operations and continued investment in the City of Gresham. Teeny Foods recently had their second enterprise zone application approved to support their 80,000-square-foot expansion of their manufacturing operations. Boeing is consistently making investments at their Gresham Center for Excellence and the enterprise zone program has supported their growth, including the addition of machinery and equipment and the construction of a 45,000-square-foot plating facility. Overall, the enterprise

CONSENT TO ENTERPRISE ZONE RE-DESIGNATION BY THE CITY OF GRESHAM

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zone program has assisted these nine companies in continued growth and provides an important tool for encouraging additional investment by existing companies and attracting new companies to the community.

The Gresham Enterprise Zone terminates on June 30, 2016. Based on continued positive interest in the enterprise zone, the City of Gresham is seeking the Port Commission's support and consent in favor of re-designating the enterprise zone.

The primary beneficiaries of enterprise zone benefits are manufacturing and other more industrially-oriented facilities serving other businesses. Most commercial and retail-type operations are ineligible. Enterprise zones provide an exemption from up to 100 percent of property taxes on a company's new investment in facilities, equipment and machinery over a three- to five-year period if a job threshold is met (a minimum 110 percent of the average number of jobs calculated by reference to employment levels for the 12 months preceding the authorization application). Land or existing machinery or equipment is not tax exempt.

The proposed re-designation of the Gresham Enterprise Zone would have insignificant loss of current property tax levies to the Port. Under the current tax levy, the Port will forgo approximately \$0.0679 per \$1,000 of assessed value until the exemption period ends for new enterprise zone applications. Upon completion of the three- to five-year exemption period, the property will be fully taxed.

The enterprise zone re-designation is scheduled to go before the Gresham City Council on April 5, 2016. In order to move the re-designation forward to the Oregon Business Development Department for approval, the City of Gresham is required, as the enterprise zone sponsor, to have the consent of the Port Commission for this re-designation. The City of Gresham has requested that the Port provide a resolution consenting to this enterprise zone re-designation.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolution be adopted:

BE IT RESOLVED, That the Port of Portland Commission consents to the re-designation of the Gresham Enterprise Zone located within Port of Portland district boundaries.

PROCUREMENT CONTRACT – CATERPILLAR D8T BULLDOZER – NAVIGATION

March 9, 2016

Presented by: Chet Thomas
Navigation Facility Engineer**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a procurement contract to Peterson Machinery Co. for the purchase of a Caterpillar D8T bulldozer for the Port of Portland (Port) Navigation Division, in the amount of \$832,314.

BACKGROUND

The Port's Navigation Division uses three bulldozers to perform shore work as part of the Port's duties under its channel maintenance dredging contract with the U.S. Army Corps of Engineers (USACE). Under the contract, in addition to providing a pipeline dredge, the Port must provide "attendant plant," such as the bulldozers.

One of the three bulldozers, a 1989 Caterpillar D8N, has logged 24,000 hours and is nearing the end of its useful life. The sand and water in which the bulldozers operate is abrasive to their components. This bulldozer's major components have been replaced with rebuilt components once before, and its engine and undercarriage are now due for replacement parts. Staff has determined it is not cost-effective to further rebuild the existing machine given its high hours and wear indicators.

The Port maintains an ongoing program to replace bulldozers that have high hours. The USACE has approved the Port's request to replace this bulldozer, and will reimburse the Port for its acquisition cost. The Port expects to be reimbursed via monthly payments over the 10-year depreciable life of the new bulldozer.

PROCUREMENT PROCESS

The Port will participate in a national cooperative purchasing program through the National Joint Powers Alliance (NJPA), a Minnesota-based municipal contracting agency, to purchase the new bulldozer. Using a competitive process, NJPA has contracted with various vendors that allow cooperative purchasing by public agencies that are members of NJPA. NJPA holds a bulldozer procurement contract with Peterson Machinery Co. The Port is a member of NJPA and has the authority to participate in the cooperative purchasing program under ORS 279A.210.

On January 4, 2016, the Port requested a price from Peterson Machinery Co. to purchase a new Caterpillar D8T bulldozer under the NJPA contract. On January 8, the Port received a price quote of \$832,314, which meets the Port's specifications and is within the Port's project budget (the quoted price represents a 22 percent discount off retail pricing). The Port will contract directly with Peterson Machinery Co. by issuing a purchase order under the NJPA contract.

SCOPE

- Caterpillar D8T bulldozer with blade installed.
- Tier 4 emissions rated diesel engine.
- Caterpillar Premier 5-year/7,500 hours extended warranty.

SCHEDULE

Bulldozer price request	January 4, 2016
Peterson Machinery Co. – NJPA price quote	January 8, 2016
USACE authorization	January 13, 2016
Commission action (procurement approval)	March 9, 2016
Manufacture bulldozer	April 2016 – August 2016
Bulldozer delivery/start of Port service	September 2016

PROJECT RISK

Risk: Fabrication schedule delay.

Mitigation strategy:

- The existing older bulldozer can continue in service with close attention to maintenance necessary to keep the bulldozer operational longer.

BUDGET

Peterson Machinery Co.	\$832,314
Port staff/contracted services	\$6,000
Contingency	<u>\$11,686</u>
Total Project	\$850,000

The contingency, representing one percent of the estimated costs, is considered reasonable given the current stage of the project, the nature of the work and the risk profile for the project.

This procurement will be funded by the General Fund and reimbursed by the USACE.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a procurement contract for a Caterpillar D8T bulldozer to Peterson Machinery Co., in accordance with its price quote; and

PROCUREMENT CONTRACT – CATERPILLAR D8T BULLDOZER – NAVIGATION

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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.

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

March 9, 2016

Presented by: Craig Funk
Fire Chief**REQUESTED COMMISSION ACTION**

This agenda item requests the appointment of Mark Maunder to a four-year term as a Port of Portland (Port) Fire Department Civil Service Commissioner. Mr. Maunder will replace outgoing Commissioner Martin Goughnor on the Civil Service Commission. Mr. Goughnor's term expires on March 11, 2016.

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. Maunder started his professional fire service career in 1986 with Gresham Fire & Emergency Services. He held a chief officer rank for more than 20 years before his retirement as the Division Chief of Operations in April 2015. During his career, he was involved in many local and regional fire service issues relating to command and control of emergency incidents. His areas of expertise include fire prevention, training, recruitment and selection, 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 appoint Mark Maunder 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.

PUBLIC IMPROVEMENT CONTRACT – AIR CARGO ROAD REHABILITATION – PORTLAND INTERNATIONAL AIRPORT

March 9, 2016

Presented by: Chris Edwards
Engineering Project Manager

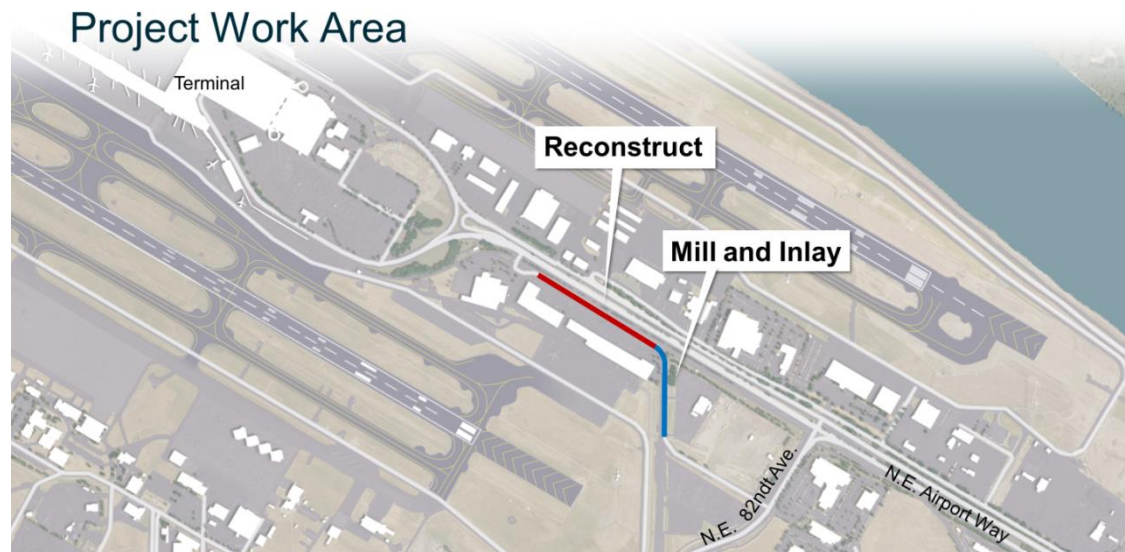
REQUESTED COMMISSION ACTION

This agenda item requests approval to award a public improvement contract to Kerr Contractors Oregon, Inc., for the Air Cargo Road Rehabilitation project at Portland International Airport (PDX), in the amount of \$571,950.

BACKGROUND

The Air Cargo Road project involves the rehabilitation of the roadway that leads to the U.S. Post Office from NE 82nd Ave. Air Cargo Road was constructed in pieces from the early 1970s to early 1980s. It has not received a major rehabilitation since initial construction.

The Air Cargo Road project is approximately 2,355 feet in length, of which 955 feet and 1400 feet are rehabilitation and reconstruction projects, respectively. The pavement area identified for reconstruction has extensive longitudinal and transverse cracking along with foundation failure. The pavement structure has reached the end of its useful life and needs to be replaced. Work elements of the project include full-depth asphalt reconstruction, asphalt pavement mill and inlay, ditch grading and pavement markings.



PUBLIC IMPROVEMENT CONTRACT – AIR CARGO ROAD REHABILITATION – PORTLAND INTERNATIONAL AIRPORT

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SCOPE

- Reconstruct pavement in asphalt.
- Mill and inlay asphalt pavement.
- Re-grade ditches to flow.
- Mark pavement.

SCHEDULE

Preliminary Planning	September 2014 – June 2015
Design	July 2015 – December 2015
Commission Action (approve public improvement contract)	March 9, 2016
Construction	July 2016 – September 2016

PROJECT BID RESULTS

The Port procured this public improvement contract utilizing a competitive sealed bidding solicitation under ORS Chapter 279C. The solicitation was advertised on January 11, 2016 and bids were received on February 18, 2016. Kerr Contractors Oregon, Inc. submitted the lowest responsive bid. The bids were as follows:

Kerr Contractors Oregon, Inc.	\$571,950.00
McDonald Excavating, Inc.	\$636,100.00
Catworks Construction	\$741,437.50
Eagle-Elsner, Inc.	\$749,225.00
Kodiak Pacific Construction Co.	\$750,750.00
Nutter Corporation	\$759,260.22
R & R General Contractors, Inc.	\$791,500.00
Engineer's Estimate	\$718,515.00

PROJECT RISKS

Risk: Operational impacts

Mitigation strategies:

- Phasing plans will be developed to minimize disruptions.
- There will be ongoing coordination with affected stakeholders.

PUBLIC IMPROVEMENT CONTRACT – AIR CARGO ROAD REHABILITATION – PORTLAND INTERNATIONAL AIRPORT

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Risk: Inclement weather

Mitigation strategies:

- Contingency plans will be developed for scheduling work.
- Work activities that are not weather-sensitive will be performed during inclement weather.

BUDGET

Contract	\$571,950
Port staff/contracted services (in-house design)	\$551,000
Contingency	<u>\$112,500</u>
Total project budget	\$1,235,450

The contingency represents 10 percent of the project budget and is considered reasonable given the risk profile for the project and the complexity of the work site.

The project will be funded by the Port 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 public improvement contract for the Air Cargo Road Rehabilitation project at Portland International Airport to Kerr Contractors Oregon, 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.

**PUBLIC IMPROVEMENT CONTRACT – EAST LANDSIDE STORMWATER ENHANCEMENT –
PORTLAND INTERNATIONAL AIRPORT**

March 9, 2016

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

This agenda item requests approval to award a public improvement contract to McClure and Sons, Inc., for the East Landside Stormwater Enhancement project at Portland International Airport (PDX), in the amount of \$689,886.

BACKGROUND

This stormwater treatment project arises from the environmental requirements of both federal and local (City of Portland) law. The wetland fill permit for the PDX Logistics Center in the Portland International Center included a biological opinion (BO) from the National Marine Fisheries Service (NMFS). The BO identified the potential for adverse effects on listed fish in the lower Columbia Slough. To mitigate for those indirect effects, the BO required construction of a stormwater treatment vault, with work to be completed by August 30, 2018. Failure to complete this project within the specified timeframe would subject the Port of Portland (Port) to risks of non-compliance under its federal permit.

The treatment vault just described would address 5.89 acres of treatment in Basin 8. In addition to the Logistics Center federal permit requirements, there were multiple pavement rehabilitation projects occurring within Basin 8 in 2013 and 2014. These projects require an additional 14.88 acres of stormwater treatment under the Port's MS4 stormwater permit, 20.77 acres in total. The City had allowed those projects with the understanding that the Port would implement stormwater treatment on a regional (as opposed to project-by-project) basis. The City understood that the Port would build a regional treatment facility within one to two years of the last pavement rehabilitation project.

This project entails the placement of a stormwater lift station and treatment vault that will treat stormwater associated with the entire 20.77 acres of concern. To maximize effectiveness and account for future development, the vault is sized to allow for treatment of an additional 15.41 acres. Other project elements include security fencing, graveled accesses, irrigation and planting replacements.



SCOPE

- Construct stormwater treatment vault with filter cartridges to treat 20.77 acres.
- Install lift station and stormwater pipes.
- Place fence around stormwater vault.
- Place two gravel accesses to access site.
- Replace landscaping and irrigation.

SCHEDULE

Preliminary planning	October 2014 – April 2015
Design	May 2015 – December 2015
Commission approval	March 9, 2016
Construction	July 2016 – September 2016

PROJECT BID RESULTS

The Port procured this public improvement contract utilizing a competitive sealed bidding solicitation under ORS Chapter 279C. The solicitation was advertised on January 13, 2016 and bids were received on February 11, 2016. McClure and Sons, Inc., submitted the lowest responsive bid.

The bids were as follows:

McClure and Sons, Inc.	\$689,886.00
Weitman Excavation, LLC	\$725,333.00
Emery & Sons Construction Group	\$733,735.00
Tapani, Inc.	\$737,985.00
GT General Contracting	\$740,788.68
Nutter, Corp.	\$742,928.22
McDonald Excavating, Inc.	\$758,420.00
Kerr Contractors Oregon, Inc.	\$772,357.00
Iron Horse Excavation, LLC dba Oxbow Construction	\$812,300.00
3 Kings Environmental, Inc.	\$828,391.00
Kodiak Pacific Construction	\$873,873.00
Moore Excavation, Inc.	\$979,518.00
JW Underground, Inc.	\$1,021,524.00
Dirt & Aggregate Interchange, Inc.	\$1,129,990.00
Viking Engineering & Construction	\$1,143,925.20
Engineer's Estimate	\$644,649.00

PROJECT RISKS

Risk: Operational impacts

Mitigation strategies:

- Phasing plans will be developed to minimize disruptions.
- There will be ongoing coordination with affected stakeholders.

Risk: Weather

Mitigation strategies:

- Contingency plans will be developed for scheduling work.
- Work activities that are not weather-sensitive will be performed during adverse weather.

PUBLIC IMPROVEMENT CONTRACT – EAST LANDSIDE STORMWATER ENHANCEMENT –
PORTLAND INTERNATIONAL AIRPORT

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BUDGET

Contract	\$689,886
Port staff/contracted services (in-house design)	\$375,000
Contingency	<u>\$97,700</u>
Total project budget	\$1,162,786

The contingency represents 9.2 percent of the project budget and is considered reasonable given the risk profile for the project and the complexity of the work site.

The project will be funded by the Port 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 public improvement contract for the East Landside Stormwater Enhancement project at Portland International Airport to McClure and Sons, 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.

PUBLIC IMPROVEMENT CONTRACT – ECONOMY PARKING LOT EXIT PLAZA REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT

March 9, 2016

Presented by: Chris Edwards
Engineering Project Manager

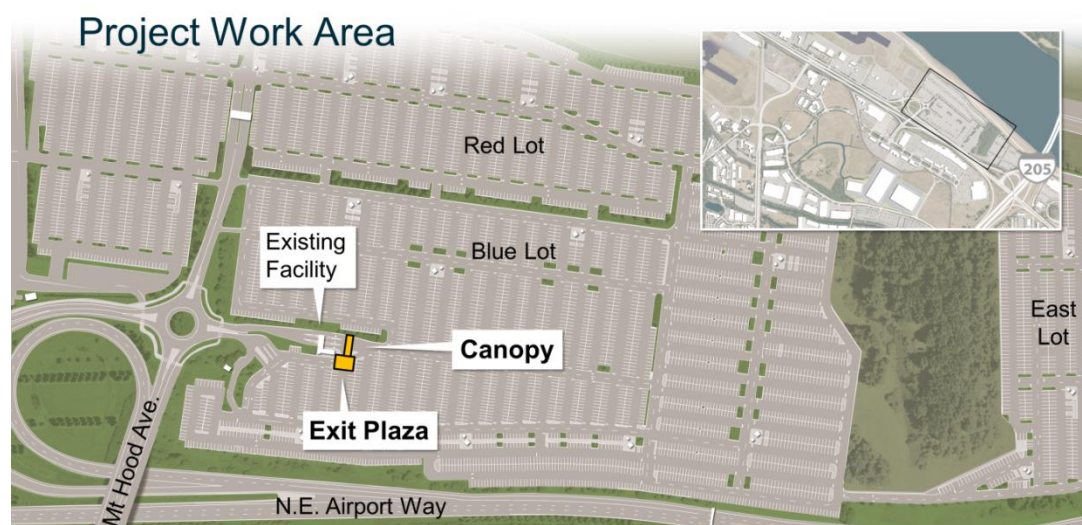
REQUESTED COMMISSION ACTION

This agenda item requests approval to award a public improvement contract to Payne Construction, Inc., for the Economy Parking Lot Exit Plaza Replacement project at Portland International Airport (PDX), in the amount of \$1,682,312.

BACKGROUND

The existing exit plaza, located in the Economy Parking Lot, was constructed during the mid- to late-1980s. It provides a key customer service and is the point of sale for all economy lot cash sales transactions. It is open 24 hours per day, seven days per week, year round. The building is in need of significant repairs including flooring, interior walls and exterior finishes. Additionally, a hazardous materials survey discovered signs of asbestos within the structure. The Port of Portland (Port) determined, after analysis, that constructing a new exit plaza is in the best interests of the Port and its customers.

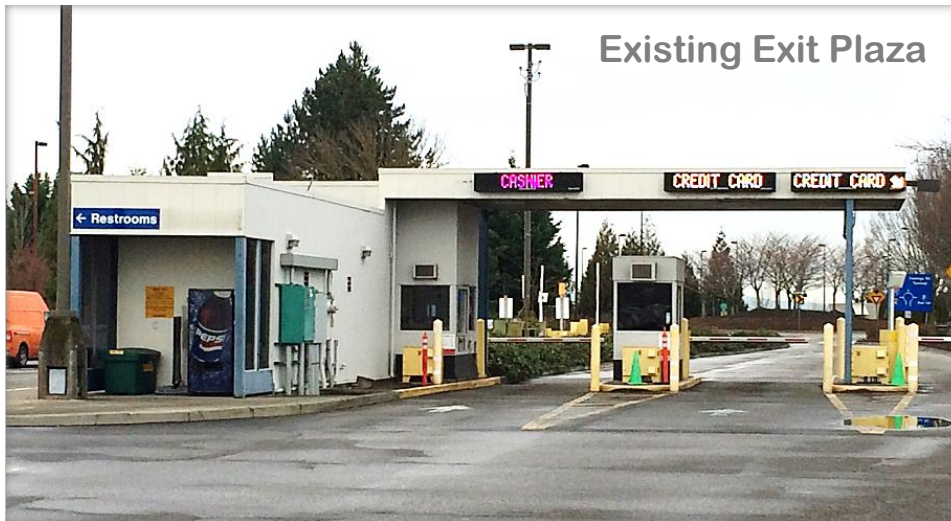
This project will construct a new exit plaza facility with four exit lanes and a canopy. During construction of the new facility, the existing exit plaza will remain fully operational to serve customers. Once the new facility is constructed and commissioned, the old plaza will be demolished. Other work elements of the project include: installation of information technology/communications and parking revenue control equipment, utility upgrades, asphalt paving, sidewalk improvements, irrigation and planting improvements and pavement markings.



PUBLIC IMPROVEMENT CONTRACT – ECONOMY PARKING LOT EXIT PLAZA
REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT

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SCOPE

- Construct a 1,222 square foot exit plaza and canopy with a 25-year service life.
- Construct four exit lanes – two cash lanes and two credit card lanes.
- Install IT/communications and parking revenue control equipment.
- Remove existing exit plaza and canopy.
- Mill and inlay asphalt pavement.
- Adjust and upgrade utilities.
- Install Irrigation and planting improvements.
- Mark pavement.

SCHEDULE

Preliminary Planning

December 2014 – May 2015

Design

June 2015 – December 2015

**Commission Action (approve
public improvement contract)**

March 9, 2016

Construction

May 2016 – January 2017

PUBLIC IMPROVEMENT CONTRACT – ECONOMY PARKING LOT EXIT PLAZA
REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT

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PROJECT BID RESULTS

The Port procured this public improvement contract utilizing a competitive sealed bidding solicitation under ORS Chapter 279C. The solicitation was advertised on January 20, 2016 and bids were received on February 16, 2016. Payne Construction, Inc., submitted the lowest responsive bid.

The bids were as follows:

Payne Construction, Inc.	\$1,682,312
Emerick Construction Company	\$1,998,000
Kodiak Pacific Construction	\$2,252,000
Engineer's Estimate	\$1,598,967

PROJECT RISKS

Risk: Operational impacts

Mitigation strategies:

- Construct and fully commission the new facility prior to demolition of existing exit plaza.
- Phasing plans will be developed to minimize disruptions to traffic.
- There will be ongoing coordination with parking systems operations and other affected stakeholders.

Risk: Inclement weather

Mitigation strategies:

- Contingency plans will be developed for scheduling work.
- Work activities that are not weather-sensitive will be performed during adverse weather.

BUDGET

Contract	\$1,682,312
Design Consultant	\$365,520
Port Staff/Contracted Services	\$713,580
Contingency	<u>\$276,945</u>
Total Project Budget	\$3,038,357

PUBLIC IMPROVEMENT CONTRACT – ECONOMY PARKING LOT EXIT PLAZA
REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT

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The contingency represents 10 percent of the project budget and is considered reasonable given the risk profile for the project and the complexity of the work site.

The project will be funded by the Port 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 public improvement contract for the Economy Exit Plaza Replacement project at Portland International Airport to Payne Construction, 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.

**PUBLIC IMPROVEMENT CONTRACT – CONCOURSE D WEST HVAC REPLACEMENT –
PORTLAND INTERNATIONAL AIRPORT**

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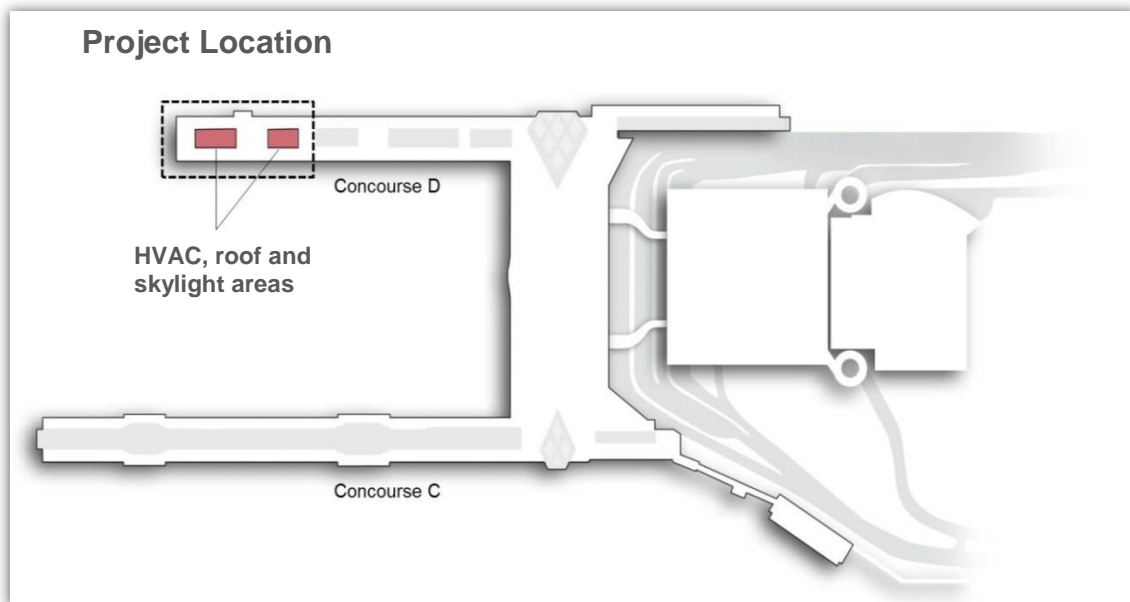
Presented by: Robin McCaffrey
Engineering Project Manager

REQUESTED COMMISSION ACTION

This agenda item requests approval to award a public improvement contract to Hydro-Temp Mechanical, Inc., for the Concourse D West HVAC Replacement Project at the Portland International Airport (PDX) terminal in the amount of \$8,440,000.

BACKGROUND

The heating, ventilation and air conditioning (HVAC) system that serves PDX Concourse D West was installed in 1988. This system has reached the end of its useful life and needs to be replaced by more efficient equipment to meet the current heating and cooling loads in the concourse. In addition, the expansive skylights in the concourse add significantly to the solar heat gain in that area and add to the cost of cooling the area. This project is intended to correct the solar heat gain problem, and it will replace the existing HVAC equipment in Concourse D West with more efficient units. In addition, in 2011, the Port analyzed the roofing at the PDX terminal and defined a multi-year phased program of improvements, including replacement of the Concourse D West roof system. That work will be performed as part of the project in conjunction with the HVAC system replacement.



Interior Skylights



HVAC Equipment



SCOPE

The project work scope includes primarily the following elements:

- Remove and replace air handlers, ductwork, and chilled and heating water piping.
- Remove existing fan-powered terminal units and install new variable air volume units.
- Remove pneumatic controls for HVAC systems and install all electric controls.
- Upgrade lighting and HVAC controls in hold rooms, to include occupancy sensors.
- Upgrade skylights.
- Replace roofing system.

SCHEDULE

The schedule for the project is as follows:

Airline approval (roof program)	June 2012
Commission action (design)	February 2015
Preliminary design	March – June 2015
Airline approval (HVAC)	June 2015
Design	June – December 2015
Invitation to bid	January 2016
Commission action (approve public improvement contract)	March 9, 2016
Construction	June 2016 – September 2017

PROJECT BID RESULTS

The Port procured this public improvement contract using a competitive sealed bidding solicitation under ORS Chapter 279C. The solicitation was advertised on January 5, 2016, and bids were opened on February 2, 2016. Hydro-Temp Mechanical, Inc. submitted the lowest responsive bid. Bids were as follows:

Hydro-Temp Mechanical, Inc.	\$8,440,000
Payne Construction, Inc.	\$8,689,260
Todd Hess Building Company	\$9,350,000
Engineer's Estimate	\$8,800,000

PROJECT RISKS

Risk: Construction impact to terminal and tenant operations.

Mitigation strategies:

- Phasing plan requirements were developed to minimize disruptions.
- There will be ongoing coordination with airlines and concession operators, Transportation Safety Administration, U.S. Customs and Border Protection, and other affected stakeholders.

Risk: Multiple crane movements

Mitigation strategies:

- Port staff will strictly enforce contractual safety requirements for crane operation.
- Port staff will work with the contractor to minimize the number of crane movements when possible.

BUDGET

The project budget is as follows:

Construction	\$8,440,000
Design Consultant	\$1,708,345
Port Staff and Contracted Services	\$1,321,655
Contingency	<u>\$1,230,000</u>
Total Project	\$12,700,000

The contingency, representing 9.7 percent of the project budget, is considered reasonable given the nature of the work and the risk profile for the project.

The project 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 public improvement contract to Hydro-Temp Mechanical, Inc., for construction of the Concourse D West HVAC Replacement Project at the 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.

**PUBLIC IMPROVEMENT CONTRACT – CONCOURSE C SERVICE ELEVATOR –
PORTLAND INTERNATIONAL AIRPORT**

March 9, 2016

Presented by: David Dittmer
Engineering Project Manager

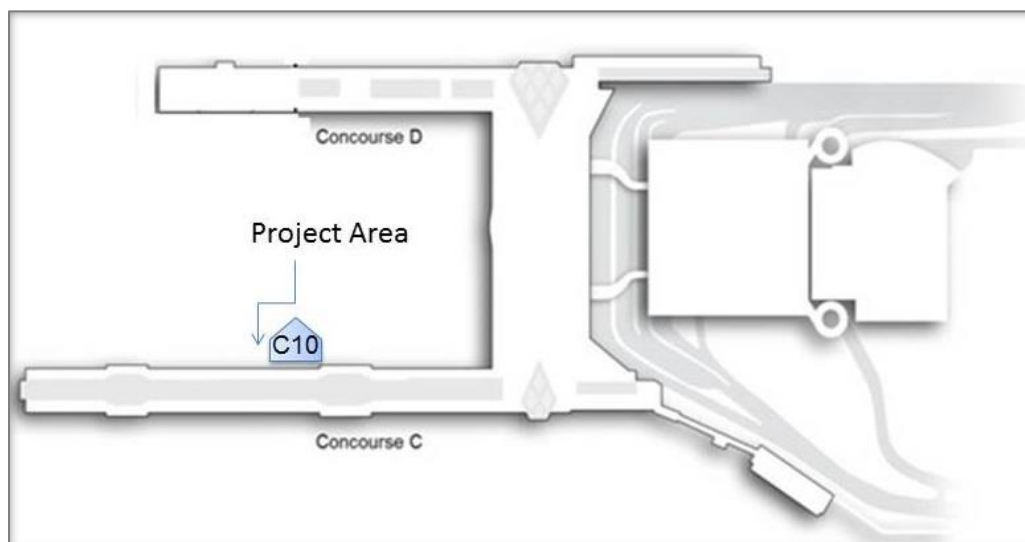
REQUESTED COMMISSION ACTION

This agenda item requests approval to award a public improvement contract to COR Construction, Inc., for a new elevator in Concourse C at Portland International Airport, and building modifications to accommodate the elevator. The total value of this contract is \$1,054,757.

BACKGROUND

This project constructs a new elevator in the center of Concourse C to meet the growing demands for transporting supplies and construction materials from the ground floor to the second floor of the south concourse. The current elevators are small, not centrally located, and are at the end of their useful life. It has become increasingly difficult to find adequate access for the oversized materials and equipment which must be delivered to the second floor. In some cases, passenger loading bridges must be taken out of service and modified for deliveries of larger construction materials. This inefficient method of operation will be eliminated with the new elevator.

The scope of work under this contract includes foundation and structural modifications, electrical, HVAC (heating, ventilation and air conditioning), and controls work in addition to the new elevator.





SCHEDULE

Design	January 2015 – January 2016
Commission Action (approve public improvement contract)	March 9, 2016
Construction Period	April 1, 2016 – December 15, 2016

PROJECT BID RESULTS

The Port of Portland (Port) procured this public improvement contract utilizing a competitive sealed bidding solicitation under ORS Chapter 279C. The solicitation was advertised on January 8, 2016 and bids were opened on February 4, 2016. COR Construction, Inc. submitted the lowest responsive bid. Bids were as follows:

COR Construction, Inc.	\$1,054,757
First Cascade Corporation	\$1,096,369
Todd Hess Building Company	\$1,199,500
Payne Construction, Inc.	\$1,311,058
Engineer's Estimate	\$975,000

PROJECT RISKS

Risk: Compromising safety in public access areas

Mitigation strategy:

- The construction area will be completely separated from the public access areas by secured demising walls. The contractor will submit a detailed safety plan for Port review, and safety discussions will be held at all regular meetings between the Port and the contractor.

Risk: Utility downtime

Mitigation strategy:

- Utility shut-downs for modification of the various systems will be thoroughly planned and part of the contractor's detailed schedule. This plan will be reviewed with the contractor and updated as construction progresses to ensure that it is implemented effectively.

BUDGET

The project budget is as follows:

COR Construction, Inc.	\$1,054,757
Design consultant	\$240,000
Port staff, permits and contracted services	\$356,243
Contingency	\$200,000
Total project	\$1,851,000

The contingency represents 10.8 percent of the project budget and is considered reasonable given the nature of the work and the risk profile for the project.

This project 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 public improvement contract to COR Construction, Inc., for construction of the Concourse C Service Elevator project 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.