



AGENDA
Regular Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
March 14, 2018
9:30 a.m.

Minutes

Approval of Minutes: Regular Commission Meeting – February 14, 2018

Executive Director

Approval of Executive Director's Report – February 2018

Public Comments

General Discussion

State Legislative Session Update

KATHRYN WILLIAMS

Consent Item

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

CHIEF FUNK

Requests approval of the appointment of Anne Baker to a four-year term as Port of Portland Fire Department Civil Service Commissioner.

Action Items

2. COLLECTIVE BARGAINING AGREEMENT – AVIATION FIRE DEPARTMENT

BLAISE LAMPHIER

Requests approval of a five-year collective bargaining agreement between the Port of Portland and the International Association of Fire Fighters, Local 43.

3. PUBLIC IMPROVEMENT CONTRACT – EMPLOYEE PARKING LOT BUS ROUTE REHABILITATION – PORTLAND INTERNATIONAL CENTER

CHRIS EDWARDS

Requests approval to award a public improvement contract to Brown Contracting, Inc., for the Employee Parking Lot Bus Route Rehabilitation project at Portland International Center.

4. EQUIPMENT PROCUREMENT CONTRACT – AIRFIELD LIGHTING COMPONENTS – PORTLAND INTERNATIONAL AIRPORT *CHRIS EDWARDS*

Requests approval to award an equipment procurement contract for airfield lighting components to Airside Solutions, Inc., for the Runway 10L-28R Circuit Replacement, LED and SMGCS Upgrades project at Portland International Airport.
5. PUBLIC IMPROVEMENT CONTRACT – BAGGAGE CLAIM 9 AND 10 CONVEYOR REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT *ALAN DAKESSIAN*

Requests approval to award a public improvement contract to John Bean Technologies Corporation for the Baggage Claim 9 and 10 Conveyor Replacement project at Portland International Airport.
6. PUBLIC IMPROVEMENT CONTRACT – BERTH 503 REHABILITATION – MARINE TERMINAL 5 *ERIC FORSYTH*

Requests approval to award a public improvement contract to Ballard Marine Construction, LLC, for the rehabilitation of Berth 503 at marine Terminal 5.

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

March 14, 2018

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

This agenda item requests approval of the appointment of Anne Baker 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.

Ms. Baker brings more than 25 years of experience in a wide range of Human Resources functions including civil service, labor relations, legal compliance and performance management to name a few. Ms. Baker currently serves as the HR Director for the Washington State School for the Blind. She holds a bachelor's degree in Human Resource Management and a master's degree in Public Administration from Washington State University.

If approved, Ms. Baker will replace outgoing Commissioner Robert Phillips on the Civil Service Commission. Mr. Phillips' term expired on March 11, 2018.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to appoint Anne Baker to a four-year term as Port of Portland Fire Department Civil Service Commissioner, in accordance with Port of Portland Ordinance 462-R; 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.

COLLECTIVE BARGAINING AGREEMENT – AVIATION FIRE DEPARTMENT

March 14, 2018

Presented by: Blaise Lamphier
Labor Relations Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval of a five-year collective bargaining agreement between the Port of Portland (Port) and the International Association of Fire Fighters (IAFF), Local 43, representing 39 employees.

BACKGROUND

After agreeing to Ground Rules in March of 2016, the Port and the IAFF began bargaining for a successor agreement on April 13, 2016, to replace the collective bargaining agreement (CBA) that would expire on June 30, 2016. Through August 17, 2017, after holding 15 bargaining sessions fueled primarily by a dispute regarding proposed changes to healthcare by both parties, the Port and IAFF sought mediation in accordance with the provisions of the Public Employee Collective Bargaining Act. After four mediation sessions with the State from September to December 2017, the parties reached a Tentative Agreement (TA) on healthcare on December 22, 2017, held their sixteenth negotiation session on January 18, 2018, and reached a TA on the entire successor agreement that day. On February 19, 2018, the IAFF reported that the membership had ratified the TA.

Key terms of the changes to this agreement are outlined below:

Term of Agreement: July 1, 2016, through June 30, 2021.

Wages: Effective retroactive to July 1, 2016, there will be no increase.

Effective retroactive to the first full pay period of July 2017, a 2.2% increase to base wages based on the CPI-W Portland-Salem 2nd Half reported in January 2017. All employees who are in a pay status as of the ratification date shall be eligible for retroactive pay subsequent to Commission approval of this agreement.

Effective July 1, 2018, a 3.6% increase to base wages based on the CPI-W Portland-Salem 2nd Half reported in January 2018. This was the last reporting of the 30-year-old index eliminated by the U.S. Department of Labor's Bureau of Labor Statistics.

Effective July 1, 2019, a 1.0% minimum to 4.0% maximum increase to base wages based on the CPI-W West Size Class A Cities 2nd Half reported in January 2019. This figure represents the movement of the index from July through December 2017, to July through December 2018.

COLLECTIVE BARGAINING AGREEMENT – AVIATION FIRE DEPARTMENT

March 14, 2018

Page 2

Effective July 1, 2020, a 1.0% minimum to 4.0% maximum increase to base wages based on the CPI-W West Size Class A Cities 2nd Half reported in January 2020. This figure represents the movement of the index from July through December 2018, to July through December 2019.

Lump Sum:

A one-time \$1,500 lump sum bonus (grossed up) not added to base will be paid to each employee who is in a paid status as of February 19, 2018. Effective the first full pay period after Commission approval.

Health and Welfare:

From the onset of bargaining, the Port sought, as it has with all other collective bargaining groups representing its employees under eight different CBAs, to have its IAFF-represented employees move from the existing choice of a traditional Preferred Provider plan and Health Maintenance Organization (HMO) plan to a choice of a high-deductible health plan (HDHP) and a Health Maintenance Organization (HMO) plan. The IAFF, in the absence of a continuation on existing coverage, sought the movement to a healthcare trust. While two other represented groups of Port employees are covered by healthcare trusts, they are traditional healthcare Taft-Hartley trusts with private sector management representation involved in the administration of the trusts. The IAFF sought to either form its own healthcare trust, or to join another trust that is administered by union(s). The acceptability of such a trust arrangement for the Port was contingent upon the Port's priorities of cost neutrality, the avoidance of additional exposure beyond the existing requirements as an Employer under the Affordable Health Care Act (ACA), the ease of administration for the Port, and compliance with the Internal Revenue Service (IRS) regulations being foundational to such an agreement.

The legal intricacies and particulars of ensuring that the Port's objectives were achieved contributed significantly to adding as much as a year to the negotiating and mediation process, but the parties finally reached a healthcare agreement acceptable to both parties.

The key negotiated healthcare provisions that require the represented Fire Department employees to move either to a multiemployer healthcare trust whose offerings fulfill the employer mandate under IRS regulations, or transition to the Port's HDHP/HMO options if they do not do so by a date certain are as follows:

- Employees remain under existing coverage until no later than June 30, 2018.
- If the employees do not move to trust, they will transition to Port HDHP/HMO offerings on July 1, 2018.

COLLECTIVE BARGAINING AGREEMENT – AVIATION FIRE DEPARTMENT

March 14, 2018

Page 3

- Port's monthly contribution of \$100 per employee per month to a Post Employment Health Plan eliminated upon transition.
- Trust is the NW Fire Fighters Relief Association.
- Trust shall provide medical, dental and vision coverage for employees.
- Trust shall ensure that it remains a multiemployer plan as defined by the IRS, and satisfies "minimum value" under ACA. Alternate Trust would require the same arrangement.
- The Port shall make monthly contributions to Trust for medical, dental and vision coverage. HSA contributions that would have been made on employees' behalf if transitioned to Port's HDHP/HMO plan will not be made under this arrangement. Union may designate portion of Port's monthly contribution to be designated as a Directed Employer Contribution into a Health Reimbursement Arrangement Voluntary Employees' Beneficiary Association on employees' behalf.
- The Port's monthly contribution subject to adjustment beginning January 1, 2019, with increases capped at 8%. Future increases will be based on formula that incorporates a weighted average of Medical, Dental and Vision Trend data.
- Trust assumes responsibility of providing information to employees about healthcare offerings.
- Retirees prior to transition remain under Employer's healthcare coverage; those who retire after transition will be under Trust's coverage.

Equal Application: Expansion of anti-discrimination provisions in the application of provisions of the CBA to include phrase "...and any other legally-protected characteristic or status."

Mid-Term Reorg: The December 2014 mid-term reorganization provisions were incorporated, which created battalion chief roles and compensation.

Battalion Chiefs: Disciplinary authority expanded to include issuance of written reprimands.

Alcohol & Controlled Substances: CBA updated for most recent version (2015) of the Port's A Workplace Free from Alcohol and Controlled Substances Policy 7.3.05.

Driver's License: Clarification that employees are required to obtain and maintain a valid driver's license as a condition of existing Apparatus Operator premium.

COLLECTIVE BARGAINING AGREEMENT – AVIATION FIRE DEPARTMENT

March 14, 2018

Page 4

- Kelly Days: Effective the first full pay period of January 2019, all shift employees will receive 10 Fair Labor Standards Act days off (“Kelly Days”) per fiscal year. Employees on the 24/48 schedule as defined in Section 3.01 will take a Kelly Day every twelfth consecutive assigned shift, thus reducing the work week from 52.45 hours to 51.54 hours and annual hours from 2,727 to 2,680.
- Kelly Day Relief: Schedule for Kelly Day Relief firefighters and officers defined to eliminate ambiguity of assignments going forward, including intentional avoiding of unnecessary overstaffing or overtime.
- Vacation: Include practice and conversion rate for employee’s vacation banks due to a change from a line 24/48 workweek to a 40-hour workweek assignment and vice versa.
- Holidays: Compensation for employees who actually work their shift on the holidays of Independence Day, Thanksgiving Day, or Christmas Day, shall be increased from one-and-a-half times their normal rate of pay to two times, effective beginning with the Independence Day holiday in 2018.
- 50/50 Position: Reclassification to Fire Inspector/Training Assistant of existing full-time employee to better align position with actual duties, to position Fire Department to meet future inspection demands, and to provide career path for position. Pay equal to Firefighter base pay (currently 80% of rate).
- Paramedics: Emergency Medical Technician Paramedics (EMT-P) assigned full time to the Water Rescue program as a Boat Operator shall receive their Boat Operator premium and one-half of their EMT-P premium. This shall be regarded as meeting the maximum of two premiums simultaneously. Implementation shall be as soon as practical following Commission approval.
- Water Rescue: Premium increased from 5% to 8% for Boat Operator. Premium for Coordinator increased from 8% to 11%, effective first full pay period following Commission approval.
- EMS Coordinator: Premium increased from 13% to 15%, effective first full pay period following Commission approval.
- SCBA: Premium for Coordinator shall be 3% over base wage of Fire Fighter; Assistant Coordinator shall be 1% over base wage of Fire Fighter; effective first full pay period following Commission approval.

COLLECTIVE BARGAINING AGREEMENT – AVIATION FIRE DEPARTMENT

March 14, 2018

Page 5

FTO Pay: As soon as is practical subsequent to Commission approval, a Field Training Officer (FTO) program shall be developed. A maximum of one shift Fire Fighter or one shift Paramedic, and one shift Officer shall receive 3% FTO pay for all shifts worked on that they are actually assigned a recruit to train.

DPSST Cert. Pay: Effective July 1, 2020, employees can receive up to a maximum of 2% Department of Public Safety Standards and Training (DPSST) Certification Pay at any given time. Eligible certifications shall be determined by the Chief.

Estimated Financial Impact (new dollars): The average annual cost increase per employee for wages and benefits is expected to be approximately \$7,110 (3.55%). The anticipated annual increases over the last contract year of the prior collective bargaining agreement, as well as the anticipated aggregate total in new dollars over the life of the CBA, are as follows:

Contract Year	Yearly Increase
Year 1	\$47,631
Year 2	\$270,685
Year 3	\$765,945
Year 4	\$992,896
Year 5	\$1,386,487
Total increase over life of CBA: \$3,463,644	

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 collective bargaining agreement with the International Association of Fire Fighters Local 43 for a five-year agreement beginning July 1, 2016, setting forth wages, fringe benefits and working conditions, 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 – EMPLOYEE PARKING LOT BUS ROUTE
REHABILITATION – PORTLAND INTERNATIONAL CENTER**

March 14, 2018

Presented by: Chris Edwards
Engineering Project Manager

REQUESTED COMMISSION ACTION

This agenda item requests approval to award a public improvement contract to Brown Contracting, Inc., for the Employee Parking Lot Bus Route Rehabilitation project at Portland International Center in the amount of \$1,623,888.

BACKGROUND

This project will rehabilitate the bus route roadway within the employee parking lot located on Alderwood Road. This roadway has not received a major rehabilitation since its construction in 2001.

A geotechnical report completed in 2014 identified that much of the pavement along the bus route has extensive “alligatoring,” or longitudinal and transverse cracking. The pavement structure has reached the end of its useful life and needs to be replaced. The employee bus route is approximately 3,500 feet long and 25 feet wide.



PUBLIC IMPROVEMENT CONTRACT – EMPLOYEE LOT BUS ROUTE REHABILITATION –
PORTLAND INTERNATIONAL CENTER

March 14, 2018

Page 2

CONTRACT SCOPE OF WORK

This project includes the following key scopes of work:

- Remove existing asphalt pavement.
- Reconstruct bus route with Portland cement concrete.
- Mill and inlay asphalt pavement.
- Storm water drainage modifications.
- Traffic loop installation.
- Replace gate arm controllers.
- Pavement markings.

SCHEDULE

Preliminary design	May 2017 – July 2017
Design	August 2017 – January 2018
Commission approval (award public improvement contract)	March 14, 2018
Construction	June 2018 – September 2018

CONTRACT AWARD

Bid Results

The Port of Portland (Port) procured this public improvement contract utilizing a competitive sealed bidding solicitation under Oregon Revised Statutes, Chapter 279C. The solicitation was advertised on January 30, 2018 and bids were opened on February 22, 2018. Brown Contracting, Inc., submitted the lowest responsive bid.

The bids were as follows:

Brown Contracting, Inc.	\$1,623,888.00
Catworks Construction	\$1,883,506.00
Kerr Contractors Oregon, Inc.	\$1,889,476.00
K&E Excavating, Inc.	\$1,923,630.00
McDonald Excavating, Inc	\$1,988,460.00
Kodiak Pacific Construction	\$2,109,109.00
Nutter Corporation	\$2,116,915.22
Goodfellow Bros., Inc.	\$2,199,885.00
Granite Construction Company	\$2,442,422.00
Engineer's Estimate	\$2,551,520.00

PUBLIC IMPROVEMENT CONTRACT – EMPLOYEE LOT BUS ROUTE REHABILITATION –
PORTLAND INTERNATIONAL CENTER

March 14, 2018

Page 3

Small Business Participation

Based on an availability analysis, the Port's small business enterprise (SBE) program participation goal for this contract was 11% of the total amount bid. The lowest responsive bid identified an 11% participation level. SBE includes firms certified by Oregon or Washington as minority, women, or service disabled veteran-owned, or as an emerging small business.

BUDGET

Public improvement contract (construction)	\$1,624,000
Personal services contract (design)	\$190,000
Port staff and contracted services	\$395,000
Contingency	<u>\$221,000</u>
Total project budget	\$2,430,000

The contingency, representing 10% of the project cost, is considered reasonable given the risk profile for the project and the complexity of the work site.

The project costs 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 Employee Parking Lot Bus Route Rehabilitation project at Portland International Center to Brown Contracting, 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.

**EQUIPMENT PROCUREMENT CONTRACT – AIRFIELD LIGHTING COMPONENTS –
PORTLAND INTERNATIONAL AIRPORT**

March 14, 2018

Presented by: Chris Edwards
Engineering Project Manager

REQUESTED COMMISSION ACTION

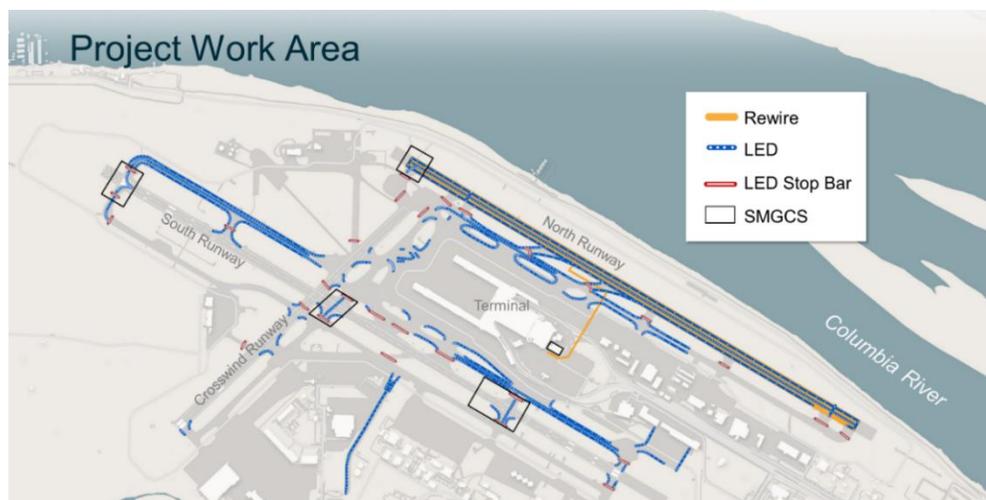
This agenda item requests approval to award an equipment procurement contract for airfield lighting components to Airside Solutions, Inc., for the Runway 10L-28R Circuit Replacement, LED and SMGCS Upgrades project at Portland International Airport (PDX) in the amount of \$1,569,996.05.

BACKGROUND

This equipment procurement is part of an overall airfield electric/lighting improvement program, including taxiway and stop/holdbar light-emitting diode (LED) upgrades, regulator replacements, north runway circuit and LED replacement, and a surface movement guidance and control system (SMGCS) upgrade.

Approximately 50% of taxiway lighting at PDX has been converted to LED as part of previous pavement rehabilitation projects in the past six years. This project will purchase LED fixtures to replace the remaining taxiway and stop/hold bar incandescent lighting at PDX.

Converting to LED (taxiway and runway) lighting will significantly reduce energy consumption and reduce annual maintenance costs associated with bulb replacement. Depending on the fixture type, the “payback period” (until purchase costs are recouped via reduced utility costs) ranges between 1.8 and 6.7 years for the taxiway LED conversion and between 4.7 to 10 years for the runway LED conversion. In addition, the LED lights are also more visible and contribute to a safer airfield environment.



PROJECT PROCUREMENT STRATEGY

The Port of Portland (Port) intends to award a public improvement contract in May 2018 to construct the project. The construction contractor will install this equipment as part of the project. The Port is purchasing this equipment before the construction project due to the lead time required for manufacture and delivery.

This equipment being procured includes:

- Elevated taxiway edge lights
- Runway centerline lights
- In-pavement runway guard lights
- In-pavement stop bar lights
- Elevated runway guard lights

SCHEDULE

Design	November 2017 – March 2018
Airport Airline Affairs Committee (AAAC) Approval	January 2018
Commission approval (award equipment procurement contract)	March 14, 2018
Equipment manufacture and delivery	March 2018 – June 2018
Commission approval (award public improvement contract)	May 9, 2018
Equipment installation	July 2018 – January 2019

CONTRACT AWARD

Sole-Source Procurement

This contract will be awarded as sole-source procurement under ORS Chapter 279B. Under Oregon law the Port may award procurement contracts without competition when certain criteria are met, including the approval of supporting written “findings.” On January 19, 2018, pursuant to delegated authority under Contract Review Board Rule No. 7, the Executive Director approved written findings prepared by Port staff and authorized the award of this contract without competition. The findings focused on the efficiencies the Port will recognize by standardizing PDX lighting system components with one manufacturer, including cost savings due to reduced spare parts inventory and staff training requirements. By law, the Port must negotiate with the sole-source vendor to the extent reasonably practical, to obtain advantageous contract terms. The negotiated amount of the contract with Airside Solutions, Inc. is \$1,569,996.05.

EQUIPMENT PROCUREMENT CONTRACT – AIRFIELD LIGHTING COMPONENTS –
PORTLAND INTERNATIONAL AIRPORT

March 14, 2018

Page 3

Small Business Participation

The Port did not set a small business enterprise program participation goal for this contract because it is a sole-source equipment procurement.

BUDGET

Equipment procurement	\$1,570,000
Public improvement contract (installation)	1,190,000
Port staff and contracted services (in-house design)	\$704,000
Contingency	<u>\$350,000</u>
Total project budget	\$3,814,000

The project costs will be funded by the Airline Cost Center, which is comprised primarily of revenues from the Port's commercial airline service business lines.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award an equipment procurement contract to Airside Solutions, Inc., for airfield lighting components for the Runway 10L-28R Circuit Replacement, LED and SMS'S Upgrades project at Portland International Airport, in accordance with this agenda item; 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 – BAGGAGE CLAIM 9 AND 10 CONVEYOR REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT

March 14, 2018

Presented by: Alan Dakessian
Engineering Project Manager

REQUESTED COMMISSION ACTION

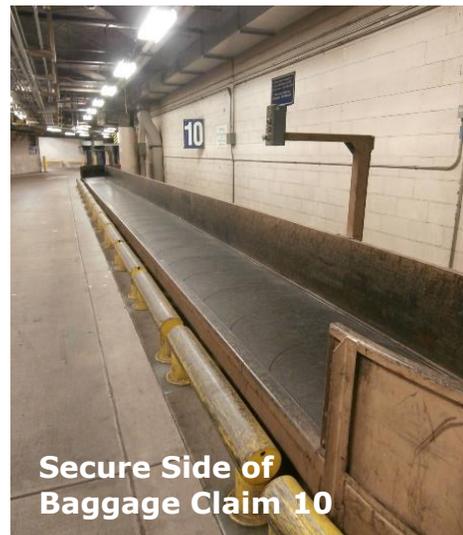
This agenda item requests approval to award a public improvement contract to John Bean Technologies Corporation (JBT) for the Baggage Claim 9 and 10 Conveyor Replacement project at Portland International Airport in the amount of \$1,108,587.

BACKGROUND

The existing conveyors serving the Baggage Claim 9 and 10 areas were installed during the Terminal Expansion North project in the mid-1990s. They are now fully depreciated and beyond their useful life. Port of Portland (Port) Maintenance has been able to keep the conveyors running through a combination of preventative maintenance and repair efforts. However, the equipment is now so fragile that repairs have become extremely challenging. Any breakdown or unscheduled maintenance work compromises airline operations and could potentially inconvenience passengers.



View of Baggage Claim 10



Secure Side of Baggage Claim 10

CONTRACT SCOPE OF WORK

- Replace flat plate conveyors serving Baggage Claim areas 9 and 10.

PUBLIC IMPROVEMENT CONTRACT – BAGGAGE CLAIM 9 AND 10 CONVEYOR
REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT

March 14, 2018

Page 2

SCHEDULE

Preliminary Design	June 2017 – August, 2017
Design	September 2017 – January 2018
Airport Airline Affairs Committee (AAAC) approval	February 2018
Commission approval (award public improvement contract)	March 14, 2018
Construction	April 2018 – November 2018

CONTRACT AWARD

Bid Results

The Port procured this public improvement contract utilizing a competitive sealed bidding solicitation under Oregon Revised Statutes, Chapter 279C. The solicitation was advertised on January 18, 2018 and bids were opened on February 13, 2018. JBT submitted the lowest responsive bid.

The bids were as follows:

John Bean Technologies Corp.	\$1,108,587
Todd Hess Building Co.	\$1,254,978
Jervis B. Webb Company	\$1,576,846
Engineer's estimate	\$1,250,000

Small Business Participation

Based on an availability analysis, the Port's small business enterprise (SBE) program participation goal for this contract was two percent of the total amount bid. The lowest responsive bid identified a three percent participation level. SBE includes firms certified by Oregon or Washington as minority, women, or service disabled veteran-owned, or as an emerging small business.

PROJECT RISK

Risk: Passenger safety and airport security: the work site encompasses both public access and secure areas. Access to the work area must be controlled to prevent a breach of the secure area.

PUBLIC IMPROVEMENT CONTRACT – BAGGAGE CLAIM 9 AND 10 CONVEYOR
REPLACEMENT – PORTLAND INTERNATIONAL AIRPORT

March 14, 2018

Page 3

Mitigation Strategy:

- Install a temporary barricade wall system around the work site to prevent the public from being exposed to work hazards and to limit access to the secure area.

BUDGET

Public improvement contract (construction)	\$1,109,000
Personal services contract (design)	\$140,000
Port staff and contracted services	\$295,000
Contingency	<u>\$156,000</u>
Total project budget	\$1,700,000

The contingency, representing 10% of the project cost, is considered reasonable given the risk profile for the project and the complexity of the work site.

The project cost will be funded by the Airline Cost Center, which is comprised primarily of revenues from the Port's commercial airline service business lines.

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 Baggage Claim 9 and 10 Conveyor Replacement project at Portland International Airport to John Bean Technologies Corporation, 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 – BERTH 503 REHABILITATION – MARINE TERMINAL 5

March 14, 2018

Presented by: Eric Forsyth
Engineering Project Manager

REQUESTED COMMISSION ACTION

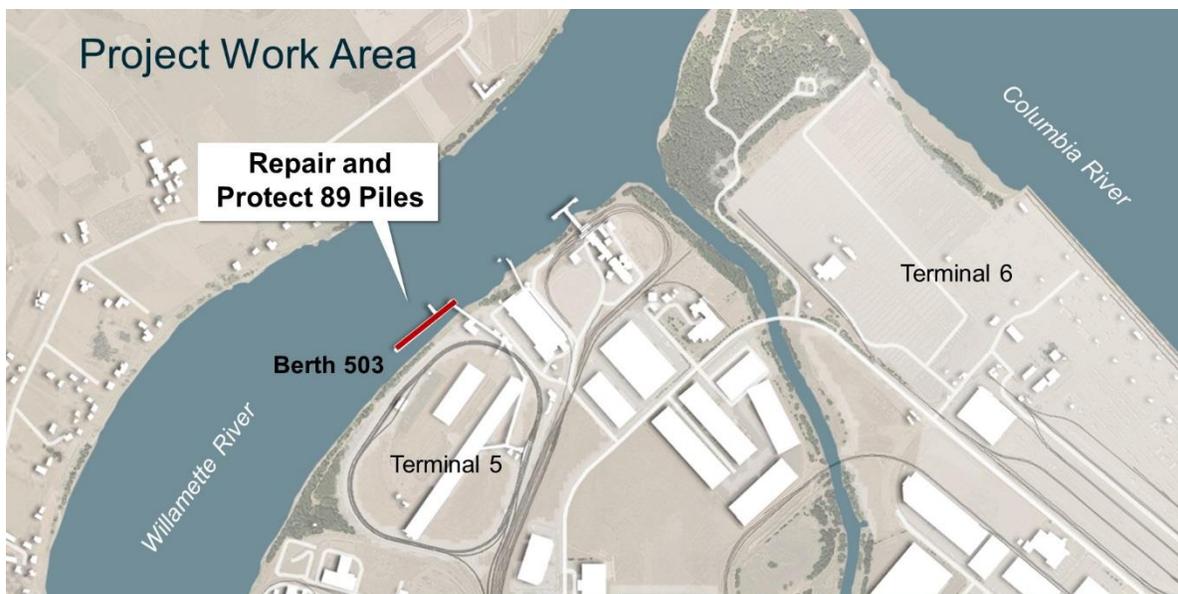
This agenda item requests approval to award a public improvement contract to Ballard Marine Construction, LLC, (BMC) for the partial rehabilitation of Berth 503 at marine Terminal 5 (T5), in the amount of \$667,750.

BACKGROUND

The T5 facility is currently leased to Portland Bulk Terminals, LLC (PBT), for the export of potash provided by Canpotex. The terminal is operated by SSA Marine. Under the Port of Portland's (Port) lease agreement with PBT, the Port is responsible for maintaining the berth in a serviceable condition until 2036, when PBT will take over all facility maintenance responsibilities. The lease with PBT expires in 2063.

CONTRACT SCOPE OF WORK

A facility condition assessment was performed in 2014 and early 2017, which recommended certain maintenance and repairs. This contract will rehabilitate 89 piles that support Berth 503.



This photo shows an example of one of the berth's deteriorated piles that this contract will address:



This contract includes the following key scopes of work:

- Concrete piles: spall and crack repair on 18 piles, install 6 structural jackets and 11 durability jackets.
- Steel piles: install 7 structural jackets and 47 durability jackets.

This photo shows an example of a type of “wrap” treatment that this contract will implement:



SCHEDULE

Design	April 2017 – December 2017
Commission approval (award public improvement contract)	March 14, 2018
Permitting	February 2018 – June 2018
Construction	July 2018 – December 2018

CONTRACT AWARD

Bid Results

The Port procured this public improvement contract utilizing a competitive sealed bidding solicitation under Oregon Revised Statutes, Chapter 279C. The solicitation was advertised on January 8, 2018 and bids were opened on February 6, 2018. BMC submitted the lowest responsive bid. The bids were as follows:

Ballard Marine Construction, LLC	\$667,750
Advanced American Construction	\$866,537
Bergstrom Construction	\$1,544,220
Associated Underwater Services, Inc.	\$1,546,012
Northbank Civil and Marine, Inc.	\$1,779,500
HP Civil, Inc.	\$1,874,899
Engineer's estimate:	\$2,303,850

Small Business Participation

Based on an availability analysis, the Port's Small Business Enterprise (SBE) program did not set a minimum participation goal for this contract due to the specialized nature of this work. SBE includes firms certified by Oregon or Washington as minority, women, or service-disabled veteran-owned, or as an emerging small business.

PROJECT RISKS

Risk: Impacts to Port and tenant operations.

Mitigation strategies:

- Follow and enforce the equipment staging and work phasing plans provided by the design team and approved by PBT.
- Ongoing coordination with PBT and the contractor.

Risk: General condition of Berth 503 is worse than anticipated.

Mitigation strategies:

- Adjust contract work scope as needed.
- Regular communication with the project team to ensure the project's specific scope of work is followed.
- Regular communication with the project sponsor regarding additional deficiencies that may be found.

Risk: In-water work permit is delayed.

Mitigation strategies:

- Frequent and effective communication with the contractor and the U.S. Army Corps of Engineers to ensure both parties are aware of current permit approval status and potential impacts.
- Schedule in-water work scope as needed.
- Maintain language in the specifications that allows the Port to delay the in-water work until the permit is received.

Risk: Inadequate performance due to aggressive bid price.

Mitigation strategies:

- Conference with contractor before authorizing work to proceed, to ensure all components of the bid package are understood and accounted for.
- Budget for increased Port soft costs and larger contingency fund.
- Provide adequate resources to the project to minimize the likelihood of disputes relating to the contractor's performance of the work.

PROJECT BUDGET

Public improvement contract	\$667,750
Consultant services (design)	\$414,000
Port staff and contracted services	\$633,250
Contingency	<u>\$428,000</u>
Total Project	\$2,143,000

The contingency, representing 25% of the project cost, is considered reasonable given the risk profile of the project, existing conditions of the work site, and tenant coordination requirements.

The project cost will be funded by the General Fund, which is comprised primarily of revenues from the Port's maritime and industrial business lines and property taxes.

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 Berth 503 Rehabilitation project at marine Terminal 5 to Ballard Marine Construction, LLC, 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.