



AGENDA
Regular Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
August 13, 2014
9:30 a.m.

Minutes

Approval of Minutes: Regular Commission Meeting – July 9, 2014

Executive Director

Approval of Executive Director's Report – July 2014

General Discussion

Five-Year Strategic Plan Update

SCOTT DRUMM

Capital Program Update

*LAURI L'AMOREAUX DOSS
TATIANA STAROSTINA*

Action Items

1. PERSONAL SERVICES CONTRACT AMENDMENT AND PUBLIC IMPROVEMENT CONTRACT – REPLACE ACCESS CONTROL PROJECT – PORTLAND INTERNATIONAL AIRPORT

GEORGE SEAMAN

Requests approval of two contract actions related to the Replace Access Control Project at Portland International Airport.

PERSONAL SERVICES CONTRACT AMENDMENT AND PUBLIC IMPROVEMENT
CONTRACT – REPLACE ACCESS CONTROL PROJECT – PORTLAND INTERNATIONAL
AIRPORT

August 13, 2014

Presented by: George Seaman
Engineering Project Manager

REQUESTED COMMISSION ACTION

This agenda item requests approval of two contract actions related to the Replace Access Control Project at Portland International Airport (PDX):

- **Design.** Amendment of the existing personal services contract with Aviation Security Consulting Inc. (ASC) to award additional design and early construction support services; and
- **Construction.** Award of a public improvement contract for the initial phase of project construction activities to Hoffman Construction Company of Oregon (Hoffman).

BACKGROUND

PDX Access Control Security System

Transportation Security Administration (TSA) regulations require PDX to have security badging and access control systems that control access to the restricted areas of the airport. The current access control system at PDX is more than 20 years old and consists of hardware and software that have exceeded their useful lives and need to be replaced with current technology and best-practice processes to continue to meet TSA requirements.

The PDX access control security system restricts access to the secure areas of the terminal and airfield by a series of interwoven system operations that include identity management systems, badging operations, terminal building and airfield perimeter gate access control system hardware and software, closed-circuit television (CCTV) cameras and midfield security checkpoint guard facilities.

This project will upgrade all components of the PDX access control security system to incorporate significant advances in security system technology. The identity management and badging systems will incorporate a biometric identification and credentialing component to manage employee identities. These system upgrades will require updated computer-based training module development and the re-badging of more than 8,500 badge-holders at PDX. All badging and training operations will be consolidated in a new security badging office located in the mezzanine area of PDX.

The access control hardware and software will be upgraded at more than 350 doors at the terminal and support buildings at PDX. These upgraded door systems will include biometric identification at the boundaries between the public and restricted areas. Upgrades to the 25

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perimeter gates will include replacement of the access control system, rebuilt gate hardware, implementation of fiber-optic communications and improvements in lighting and CCTV coverage. Midfield checkpoint upgrades will improve access control, increase lighting, add CCTV cameras, improve traffic barriers and inspection facilities and improve the work environment for security staff.

Concourse Exit Lanes

Deplaning passengers currently exit the airport concourses through TSA-monitored exit lanes next to the existing TSA checkpoints. This project will relocate these exit lanes and associated “meet & greet” waiting areas to the north and south ticket lobby areas to eliminate passenger cross-traffic at the TSA checkpoint entrances, better utilize the ticket lobby and align passenger circulation patterns with the Port of Portland’s long range plan for the best usage of the terminal building. The new exit lanes will include automated doors with video analytics to monitor passenger direction of travel and prevent a breach of the secure boundary of the terminal concourses.

Access PDX Program; Access PDX Rebadging Program

The various components of the PDX Replace Access Control Project are sometimes referred to collectively as the Access PDX Program. The access control security system component of the project alone is sometimes referred to as the Access PDX Rebadging Program.

Security Badge Reader



Midfield Vehicle Checkpoint



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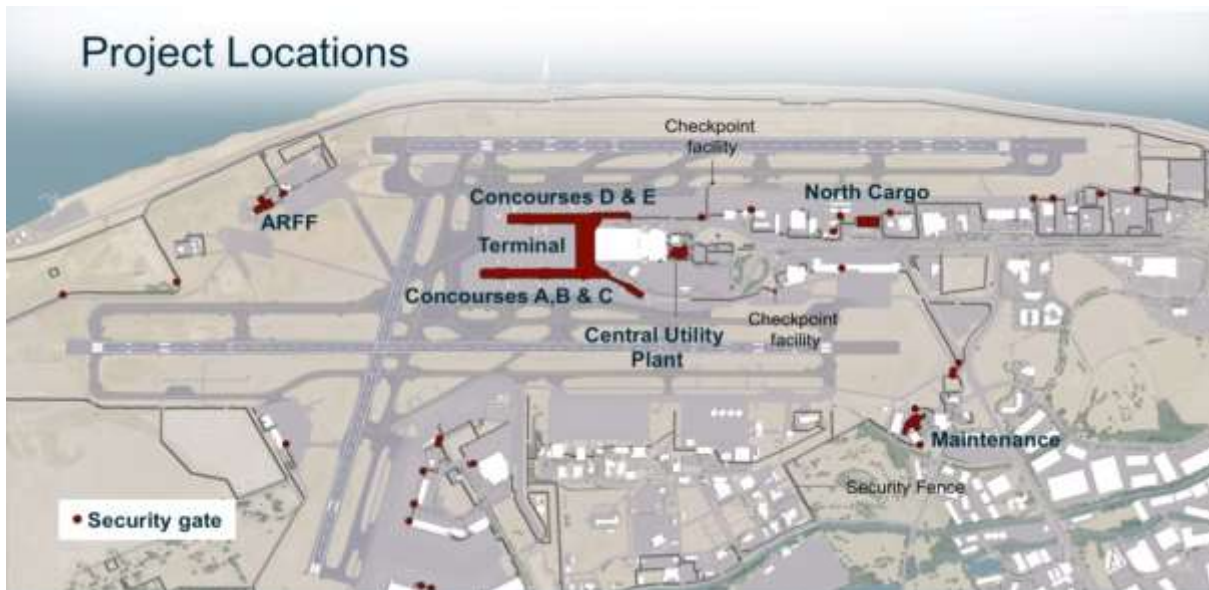
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Exit Lane Technology



Project Locations



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PROJECT DESIGN

Amendment of Personal Services Contract

In December 2012, the Port of Portland (Port) Commission authorized the Port to award ASC a personal services contract to develop conceptual design drawings of the access control security system component of the project. Under this contract ASC developed preliminary drawings depicting the project scope, and developed the project schedule and budget. The contract allowed the Port to further engage ASC to perform detailed design and construction support services for the project at the Port's election. In October 2013, the Port Commission authorized the Port to amend the contract to provide for ASC's completion of detailed design documents.

The Port then expanded the project to include the concourse exit lanes, as discussed above. In March 2014, under the Executive Director's delegated contracting authority, the Port amended the contract to provide for ASC's development of conceptual design drawings for the concourse exit lanes. The Port now wishes to amend the contract to provide for ASC's completion of detailed design documents associated with the concourse exit lanes, modification of the access control system design to include a new IT hut for the south airfield area, and to provide construction administration support for the initial phase of construction activities.

Amendment Amount

Original Design Contract Amount	\$517,109
Amendments to Date	\$2,001,522
This Amendment	<u>\$997,697</u>
New Design Contract Amount	\$3,516,328

PROJECT CONSTRUCTION

Award of Public Improvement Contract

In October 2013, the Port Commission approved an exemption from competitive bidding to allow the Port to use a request for proposals (RFP) to select a construction manager/general contractor (CM/GC) for the Replace Access Control project. The RFP was advertised in October 2013, and four construction firms responded: Fortis Construction, Inc., G4S Technology LLC, JE Dunn Construction, and Hoffman.

A Port evaluation team reviewed the proposals. The evaluation team determined that Hoffman was the most qualified proposer to act as the Port's CM/GC for the project. In March 2014, under the Executive Director's delegated contracting authority, the Port awarded a preconstruction services contract to Hoffman. Under the preconstruction services contract

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Hoffman has closely collaborated with the design team throughout the design phase of the project. Hoffman implemented small business participation plans, prepared construction cost estimates, provided value engineering analysis and constructability recommendations, developed phasing plans and schedules, analyzed manpower and materials availability and made recommendations on potential early bid packages.

The RFP allowed the Port to also award a CM/GC public improvement contract to Hoffman for project construction, at the Port's election. Port staff has negotiated a CM/GC public improvement contract with Hoffman on terms that are acceptable to the Port.

Award Amount

The project implementation strategy requires that construction activities occur in multiple phases. The initial phase of construction will build a consolidated security badging and training facility, install the initial access control system security network and implement preliminary work scopes to prepare for the follow-on construction phases. The negotiated maximum construction cost (MCC) for this initial phase of construction is \$1,993,816. This price includes a fixed fee of \$38,136, equaling 1.95 percent of the MCC. Under the terms of the proposed contract, Hoffman will be reimbursed for construction based primarily on competitively-awarded subcontracts.

Commission approval will be requested for subsequent contract amendments in early 2015 as the design progresses, additional construction activities are required and the contract amount increases.

PROJECT SCHEDULE

Conceptual Design	January 2013 – June 2013
Commission Action (Design Contract)	October 2013
Design Development	November 2013 – February 2015
Commission Action (Acquisition of Identity Management System)	March 2014
Commission Action (CM/GC Contract – Phase 1)	August 2014
Commission Action (CM/GC Contract – Phase 2)	January 2015
Construction	September 2014 – July 2016
Identity Management System Operational	March 2015
Concourse Exit Lanes Operational	February 2016

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PROJECT RISKS

Risk: Security vulnerabilities during system transition.

Mitigation Strategy:

- Develop detailed phasing and transition plan utilizing strong communications with TSA and stakeholders.
- Perform factory acceptance test of new Identity Management System (IDMS) and exit lanes prior to installation and start-up.
- Rigorous commissioning process to verify system operations and communications with badging system and Communications Center.

Risk: Delays in IDMS installation could impact entire project schedule.

Mitigation Strategy:

- Early engagement with IDMS vendor to allow completion of IDMS earlier than necessary for project implementation.
- Develop plans to re-badge the PDX employee population in less time than the currently-planned six months.
- Rigorous tracking of software development milestones and immediate recovery plans for any slips.

PROJECT BUDGET

Personal Services Contract -- Design	\$4,788,000
CM/GC Contracts (Preconstruction Services and Public Improvement)	\$35,667,000
Identity Management System	\$1,056,000
Port Staff/Contracted Services	\$7,291,000
Contingency	<u>\$7,723,000</u>
Total Project	\$56,525,000

The contingency, representing 14.0 percent of the project budget, is considered reasonable given the early stage of the project, the nature of the work and the risk profile for the project.

The project cost will be shared between the Airline Cost Center and the Port Cost Center. The Port may also receive some FAA grant funding.

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EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to amend the existing personal services contract with Aviation Security Consulting Inc. for the design of the Access PDX Program at Portland International Airport, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That approval is given to award a Construction Manager/General Contractor public improvement contract to Hoffman Construction Company of Oregon for the construction of the Access PDX Program at Portland International Airport, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel