



AGENDA
Regular Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
December 9, 2015
9:30 a.m.

Minutes

Approval of Minutes: Regular Commission Meeting – November 11, 2015

Executive Director

Approval of Executive Director's Report – November 2015

General Discussion

Portland International Airport Workplace Initiative Update

CHRIS CZARNECKI

Consent Item

1. ASSIGNMENT AND AMENDMENT OF A CELL TOWER LEASE AGREEMENT FROM THE CITY OF PORTLAND – RIVERGATE INDUSTRIAL DISTRICT

MARK WITSOE

Requests approval to accept and consent to the assignment and amendment of a cell tower lease from the City of Portland Water Bureau on property located in the Rivergate Industrial District.

Action Items

2. PUBLIC IMPROVEMENT CONTRACT – POST-SECURITY CONCESSIONS REDEVELOPMENT PHASE 3 UTILITIES AND GREASE SEPARATION – PORTLAND INTERNATIONAL AIRPORT

DAN GILKISON

Requests approval to award a public improvement contract to Slayden Construction Group, Inc., for the Post Security Concessions Redevelopment Phase 3 Utilities and Grease Separation project at Portland International Airport.

3. COLLECTIVE BARGAINING AGREEMENT – INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 701

BLAISE LAMPHIER

Requests approval of a new four-year collective bargaining agreement between the Port of Portland and the International Union of Operating Engineers, Local 701.

ASSIGNMENT AND AMENDMENT OF A CELL TOWER LEASE AGREEMENT FROM THE CITY OF PORTLAND – RIVERGATE INDUSTRIAL DISTRICT

December 9, 2015

Presented by: Mark Witsoe
Business Development Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to accept and consent to the assignment from the City of Portland Water Bureau of a cell tower lease with NCWPCS MPL 33 Year Sites Tower Holdings LLC, operated through its sublessor and attorney-in-fact, CCATT, LLC, on property located in the Rivergate Industrial District (the Lease) that is reverting to the Port of Portland (Port) from the City of Portland (City). Consent is also sought to amend the Lease. This is the first opportunity the Commission will have to consider this Lease, since it was entered into by the City.

BACKGROUND

The City has operated a stand-by fire suppression system for over 40 years on the 35,000-square-foot site located at 16120 N. Simmons Road. Originally constructed by the Port, the fire suppression system is now being closed due to abundant capacity in the water network. A clause in the property deed to the City provided that the parcel would revert to the Port when no longer used as part of the fire suppression system. Working together on the closure of the site and reversion of the property to the Port, the City must assign to the Port its interest in an existing cell tower lease encumbering a portion of the property. At the same time, the Port desires to amend the lease to substitute references to the Port instead of the City and to clarify certain other terms.

The cell tower, constructed in 2008, is owned by NCWPCS MPL 33 Year Sites Tower Holdings LLC and operated through its sublessor and attorney-in-fact, CCATT, LLC. The lease term expires on December 31, 2028, if all options are exercised by the lessee. The incremental lease revenue of \$12,000 annually will give the Port some flexibility in exploring the overall property's redevelopment potential.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to accept and consent to the assignment and amendment of the cell tower lease with NCWPCS MPL 33 Year Sites Tower Holdings LLC, operated through its sublessor and attorney-in-fact, CCATT, LLC, from the City of Portland on property located in the Rivergate Industrial District; 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 – POST-SECURITY CONCESSIONS
REDEVELOPMENT PHASE 3 UTILITIES AND GREASE SEPARATION – PORTLAND
INTERNATIONAL AIRPORT

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Presented by: Dan Gilkison
Project Manager

REQUESTED COMMISSION ACTION

This agenda item requests approval to award a public improvement contract to Slayden Construction Group, Inc., for the Post Security Concessions Redevelopment Phase 3 Utilities and Grease Separation project at Portland International Airport (PDX) in the amount of \$15,170,000.

BACKGROUND

The Port of Portland (Port) is engaged in a multi-year program to redevelop post-security concession operations at PDX called the 2022 Master Concessions Merchandising plan. In September 2014, after a competitive request for proposals (RFP) process, the Port Commission approved the award of over 50 new tenant leases as the first phase of the program. In 2015, the Port issued a second RFP to lease 26 new or redeveloped spaces with leases expiring between June 30, 2016, and June 30, 2017. Port staff expect to seek Commission approval to award these leases in January 2016. The remainder of the program calls for 26 additional post-security tenant or shell spaces to be developed or redeveloped in 2017.

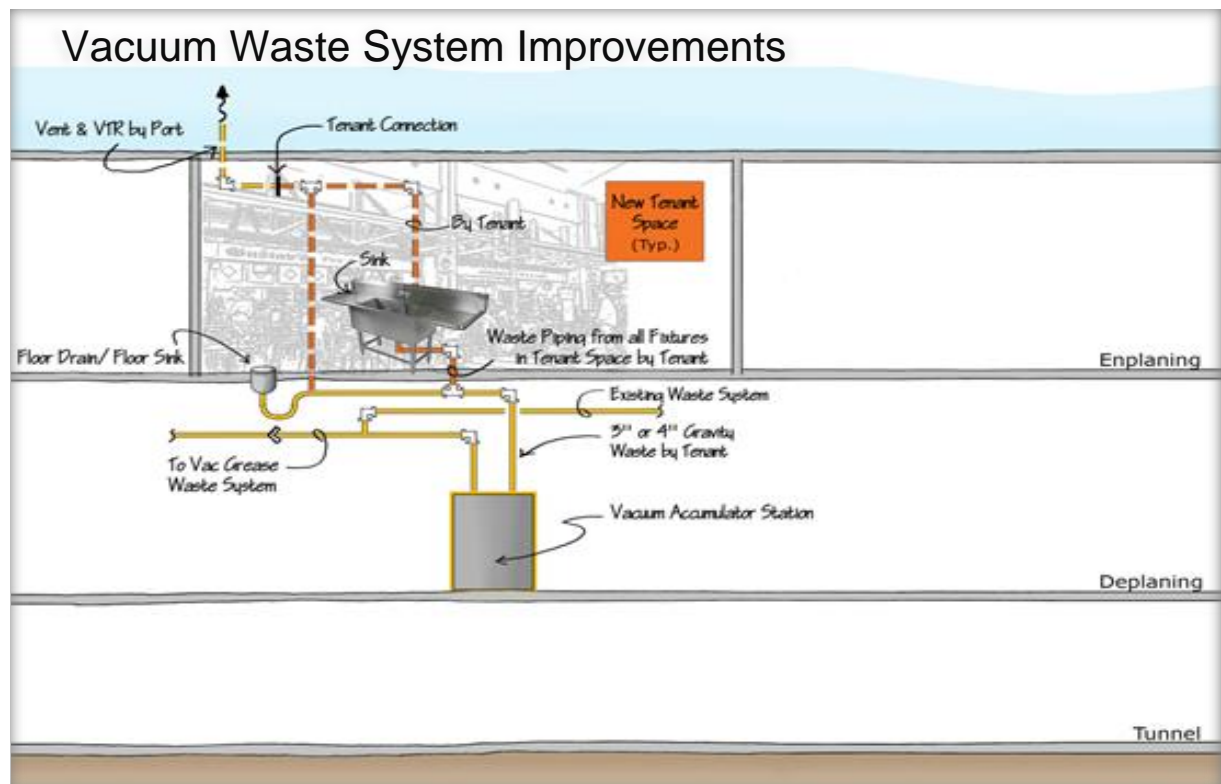
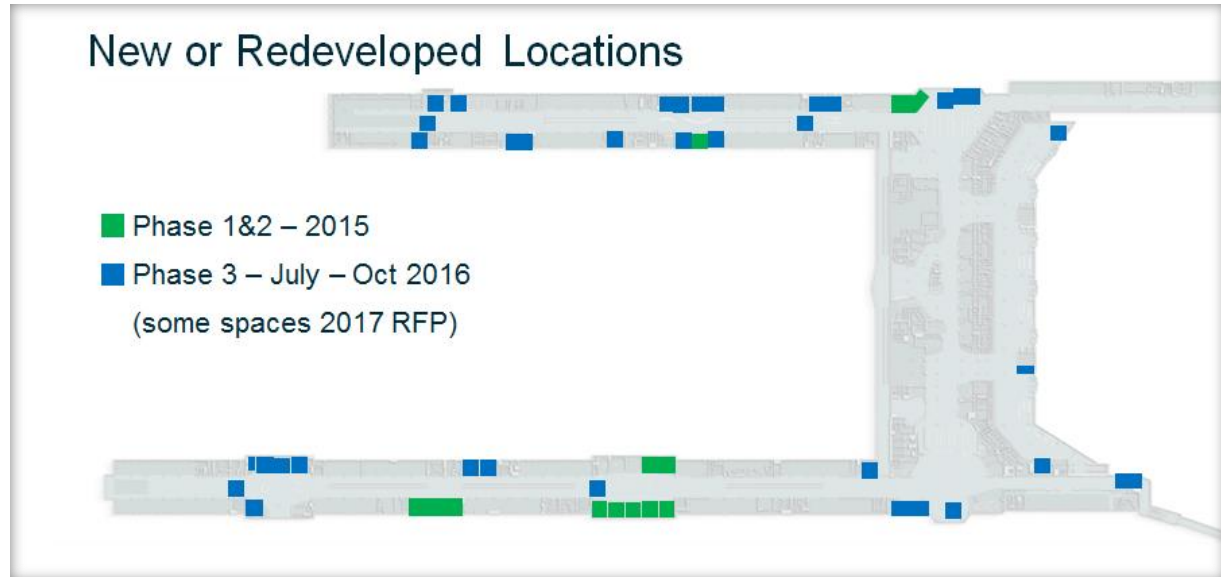
Under the terms of the upcoming leases, the Port will provide new storefront improvements; utility services and metering; and separation of the waste system for fats, oils and grease (FOG) from the existing waste piping system in order to meet current specialty plumbing code requirements. This project accomplishes some of the Port's obligations under those leases.

This project addresses FOG separation code compliance at the north and south checkpoint lobbies and concourse areas only. The central terminal area FOG separation project is currently under construction and is not part of this contract. Port staff has negotiated an agreement with the City of Portland that establishes a reasonable timeline to bring the terminal and concourse facilities into compliance with the new code requirements. The Port has committed to provide some of these improvements by July 2016, and the remainder by November 2016.

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PROGRAM CONTRACTING OVERVIEW

Design, construction and construction administration (CA) services for Phases 1 and 2 of the program were accomplished through a variety of competitively solicited contracts. Design and CA services for the storefront improvements were obtained under task order-based consulting contracts. Design and CA services for the utilities and FOG waste system separation work were obtained by amending an existing consulting contract for related work. The Port amended an existing public improvement contract to construct the first phases of program work.

This agenda item seeks Commission approval to award the public improvement contract to construct the utilities and FOG waste system separation portion of the program. The Port intends to deliver the remaining storefront improvements under an upcoming “job order”-based public improvement contract once the requirements for specific tenant spaces are better known. The Port plans to seek approval to award the job order contract in January or February 2016.

PROJECT BID RESULTS

The Port procured this public improvement contract utilizing a competitive sealed-bid solicitation under ORS Chapter 279C. The solicitation was advertised in October 23, 2015, and bids were received on November 19, 2015. Slayden Construction Group, Inc., submitted the lowest responsive bid.

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The bid results were as follows:

Slayden Construction Group, Inc.	\$15,170,000
Harder Mechanical Contractors, Inc.	\$15,647,569
Engineer's Estimate	\$19,765,207

PROJECT SCHEDULE

Preliminary and Schematic Design	June 2014 – September 2014
AAAC MII Approval	July 2014
Design <ul style="list-style-type: none"> • Phases 1 and 2 • Phase 3 	September 2014 – December 2014 February 2015 – November 2015
Commission Approval <ul style="list-style-type: none"> • Design – Phases 1, 2 and 3 • Construction – Phase 1 and 2 • Construction – Phase 3 	November 2014 November 2014 December 2015
Construction <ul style="list-style-type: none"> • Phases 1 and 2 • Phase 3 	November 2014 – June 2015 January 2016 – December 2016

PROJECT RISKS

Risk: Disruption to airport and/or tenant operations.

Mitigation Strategies:

- Devise a detailed plan to minimize the impact to operations. The plan will include developing a clear understanding of facilities and activities to be impacted by the project, a mitigation strategy (developed with involvement of stakeholders) to schedule moves and provide temporary facilities as required and a communication plan to keep stakeholders informed of upcoming project activities.

Risk: Conflicts with unknown or unforeseen conditions.

Mitigation Strategies:

- Maintain a higher contingency budget in the public improvement contract than was provided in the current terminal grease separation project, to deal with potential conflicts due to unknown conditions, additional traffic flagging or operational support and limited or restricted work hours.

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BUDGET

Construction Phase 1 and 2	\$4,400,000
Construction Phase 3 Utilities and FOG Separation	\$15,170,000
Consultant Design Services	\$3,644,000
Port Staff & Contracted Services	\$1,830,000
Contingency	<u>\$3,100,000</u>
Total Budget	\$28,144,000

The contingency, representing 11 percent of the project budget, is considered reasonable given the uncertainties of remodel 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 for the Post Security Concessions Redevelopment Phase 3 Utilities and Grease Separation project at Portland International Airport to Slayden Construction Group, 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.

COLLECTIVE BARGAINING AGREEMENT – INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 701

December 9, 2015

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

This agenda item requests approval of a new four-year collective bargaining agreement between the Port of Portland (Port) and the International Union of Operating Engineers, Local 701 (Operating Engineers).

BACKGROUND

On April 16, 2015, the Port and Operating Engineers, representing up to 43 employees who work on the Dredge *OREGON*, entered into collective bargaining for a new contract to replace the agreement that would expire on June 30, 2015. The parties have reached a tentative agreement, which the membership ratified on November 24, 2015.

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

Term of Agreement: July 1, 2015, through June 30, 2019, with a provision that the contract can be extended one year if mutually agreeable to both parties.

Wages: Effective July 1, 2015, increase in base wages of 3.0 percent.

Effective July 1, 2016, the increase in base wages will be determined by the Consumer Price Index for Urban Wage Earners (CPI-W) Portland-Salem Second Half rate that is reported in February 2016 by the Bureau of Labor Statistics, with a minimum increase of 2.0 percent and a maximum increase of 4.0 percent.

Effective July 1, 2017, the increase in base wages will be determined by the CPI-W Portland-Salem Second Half rate that is reported in February 2017 by the Bureau of Labor Statistics, with a minimum increase of 2.0 percent and a maximum increase of 4.0 percent.

Effective July 1, 2018, the increase in base wages will be determined by the CPI-W Portland-Salem Second Half rate that is reported in February 2018 by the Bureau of Labor Statistics, with a minimum increase of 2.0 percent and a maximum increase of 4.0 percent.

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Probationary Period: The probationary period for new hires is increased from 45 calendar days to 75 calendar days. As consideration for this change, the Port agreed in a Memorandum of Understanding with the Union that it will not use the seasonal nature of the work or layoff/termination for lack of work as a substitute for the just cause provision required for discipline under the collective bargaining agreement. As such, any employee whose employment is terminated due to lack of work during the layoff phase shall be based on just cause or legitimate business reasons, such as the business needs of the Port or the U.S. Army Corps of Engineers.

Health & Welfare: Employees will continue to receive their healthcare through the AGC-IUOE Local 701 Trust. Increases made by the Trust to the employee's health care contributions greater than the current \$8.10 per hour worked are borne by the employee.

Retirees: PERS or OPSRP retirees who return to work for the Port are solely responsible for any statutory limitations regarding hours worked that may impact PERS or OPSRP retirement benefits.

Retirement: The Port will continue to contribute to the PERS/OPSRP pension plan for regular employees as provided by the state. Effective July 1, 2015, contributions per compensable hour for new hires who are not yet eligible for PERS/OPSRP will continue to be made into the Defined Benefit Plan and Defined Contribution Plan of the AGC-IUOE Local 701 Pension Trust Fund in an amount equivalent to that contributed to the PERS/OPSRP pension plan for regular employees. The Defined Benefit Plan contribution will increase to \$4.40 per hour, and the Defined Contribution Plan contribution will be the difference between the PERS/OPSRP contribution for regular employees and \$4.40. Future adjustments to these plans will not exceed the PERS/OPSRP contribution amount.

Sick Leave (NEW): Effective the first pay period after January 1, 2016, employees shall accumulate sick leave at a rate of three hours per pay period provided they are in a pay status for the period in question. Paid sick leave accrued under this article shall carry over from one year to the next and shall be reinstated for employees rehired within 12 months of the date of termination. The sick leave bank shall not exceed 56 hours, including any unused sick leave hours that have been carried over from a previous year. The usage of sick leave shall be for authorized purposes only in accordance with all applicable laws and with the Port's administrative policies and/or practices.

Safety Shoes: Increased reimbursement from \$100 to \$150 per contract year. This amount can be carried over one year to a maximum of \$300 if the benefit is not used the previous year.

- Equipment: Protective clothing allocation increased from \$2.50 to \$3.00 per day.
- Fill Cat Lead: Created a Fill Cat lead assignment for the day shift.
- Arbitration: Clarified options in arbitrator selection and establishment of timeframes. By mutual agreement, parties can agree to oral closing arguments and oral bench decisions in arbitration cases.
- Miscellaneous: Defined parameters of what constitutes a “change in shift” when an employee’s start time is changed.

Estimated Financial Impact (new dollars):

Year 1	\$ 99,000
Year 2	\$ 50,000
Year 3	\$185,000
Year 4	<u>\$189,000</u>
Total	\$523,000 (avg. approx. \$3,041 per year, per employee)

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 Union of Operating Engineers, Local 701, for a four-year agreement beginning July 1, 2015, 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.