



AGENDA  
Regular Commission Meeting  
Port of Portland Headquarters  
7200 N.E. Airport Way, 8<sup>th</sup> Floor  
January 12, 2011  
9:30 a.m.

---

**Minutes**

Approval of Minutes: Regular Commission Meeting – December 8, 2010

**Executive Director**

Approval of Executive Director's Report – December 2010

**Action Items**

1. 2011 PORT OF PORTLAND TRANSPORTATION IMPROVEMENT PLAN *SUSIE LAHSENE*  
Requests approval of the Port of Portland's Transportation Improvement Plan.
2. CONTRACT – MARINE TERMINAL CRANE MECHANICAL MAINTENANCE SERVICES *DAN PIPPENGER*  
Requests approval of an agreement with ICTSI Oregon to provide the mechanical maintenance of marine terminal waterside gantry cranes and accessories used in stevedore cargo handling operations at Terminal 2 and Terminal 6.

**2011 PORT OF PORTLAND TRANSPORTATION IMPROVEMENT PLAN**

---

January 12, 2011

Presented by: Susie Lahsene  
Manager, Transportation and  
Land Use Policy**EXECUTIVE SUMMARY**

This agenda item requests approval of the Port of Portland's (Port) Transportation Improvement Plan (PTIP). As a transportation agency reliant on elements of the transportation system developed and managed by others to support our mission, the Port must carefully plan, consider funding initiatives and support projects that will enhance market access for Port customers and businesses in this region and state. The Port Commission considers the PTIP annually as the basis for charting our transportation improvement needs and funding requirements.

**BACKGROUND**

As a result of increased competition for fewer federal and state transportation dollars, increasing congestion, need for global market access and the impact of inflation and fuel efficiency on the purchasing power of local and state gas taxes, the demand for transportation improvements now far exceeds existing funding sources. Transportation improvements that alleviate our customers' market access challenges must be included in regional, state and federal transportation planning documents and funding strategies. Since transportation funds are not adequate to meet the region's capital and maintenance needs, the Port must focus on our customers' most critical transportation access needs. We must also look to other governments and the private sector to contribute funding for Port transportation maintenance and major capital investments.

Federal and state regulations require that all transportation funding requests include public review of project lists and funding strategies. Regulations further require inclusion of projects in regional transportation plans in order to be considered for air quality assessment and funding. To meet state and federal public process requirements established in 1991, the Commission must formally authorize submission of the PTIP to Metro and the Oregon Department of Transportation when there are changes to projects or funding priorities. Project funding priorities are reconsidered annually when PTIP projects and costs are updated. This year's PTIP contains changes to the project list, project costs and funding priorities.

This year's PTIP is a compilation of 99 road, rail, transit, marine, environmental, aviation and waterway improvements that address Port facility, property access and freight mobility needs. Some of the projects in the PTIP are primarily the Port's responsibility; others are critical for Port customers' market access on systems owned and operated by others. The projects on systems owned and operated by other governments or private rail carriers are primarily the responsibility of those entities but, due to competing priorities and capital constraints, they require some amount of Port focus and/or financial participation to create the impetus for the responsible entity to pursue the project.

## 2011 PORT OF PORTLAND TRANSPORTATION IMPROVEMENT PLAN

January 12, 2011

Page 2

Port staff has identified 58 projects that may require some Port resources, outside grant funding and commitments from the various responsible agencies to move the projects forward. These projects represent the most pressing bottlenecks and capital needs for Port customers. The need for Port funding and the precise amount for each project will be determined at the time commitments must be made and will be subject to funding availability, a specific project business case justification and Commission approval for any amounts in excess of delegated authority.

The projects identified in the PTIP were developed with full opportunity for public review and input. In November 2010, the PTIP was placed on the Port's website and notices of the PTIP's availability were emailed to stakeholders, community organizations and area businesses. A series of presentations were made to business organizations, customers and community interests. A public hearing was held as part of the PTIP discussion at the December 2010 Port Commission meeting. Port staff intends to work with Metro, state and local transportation planners to include the projects in the PTIP in the local Transportation System Plans, the Regional Transportation Plan and funding programs at various levels of government.

### **EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to submit the Port of Portland's Transportation Improvement Plan to Metro and the Oregon Department of Transportation for inclusion in the Regional Transportation Plan to be eligible for future state, regional, and federal funding; and

BE IT FURTHER RESOLVED, That approval is given to seek federal, state and regional transportation funds for the list of Port Priority Projects identified in the draft Port Transportation Improvement Plan.

**CONTRACT – MARINE TERMINAL CRANE MECHANICAL MAINTENANCE SERVICES**

---

January 12, 2011

Presented by: Dan Pippenger  
General Manager  
Marine Operations & Marketing**EXECUTIVE SUMMARY**

This agenda item requests approval of an agreement with ICTSI Oregon to provide the mechanical maintenance of marine terminal waterside gantry cranes and accessories used in stevedore cargo handling operations at Terminal 2 and Terminal 6. In accordance with stated performance criteria, ICTSI Oregon would provide all International Longshore and Warehouse Union (ILWU) labor and supervisory personnel necessary for the provision of these crane mechanical maintenance services.

**BACKGROUND**

On May 12, 2010, the Port of Portland (Port) entered into an agreement with ICTSI Oregon for the lease of the Terminal 6 container and breakbulk cargo facility (Terminal 6 Lease). At the same time, the Port gave notice to the current Terminal 6 operator, Marine Terminals Corporation (MTC), of the termination of its operation and management services contract for Terminal 6. The MTC agreement will terminate on February 11, 2011, and ICTSI Oregon will take over operations on the following day.

Under the Terminal 6 Lease, the Port retained ownership of and maintenance responsibility for the wharf gantry cranes, of which there are currently nine at Terminal 6 (the Terminal 6 Lease requires the removal of two of these cranes in the near future). Since MTC presently provides the longshore labor for the mechanical maintenance of these Terminal 6 cranes, as well as two wharf cranes at Terminal 2, and since the MTC agreement will be terminated as of February 11, 2011, the Port must establish a new contract for the provision of these mechanical maintenance services.

In November 2010, the Port sought proposals from Pacific Maritime Association (PMA) members to provide the necessary crane mechanical maintenance services through a Request for Proposals (RFP) process. The Port received four responses to the RFP, as follows:

- ICTSI Oregon (Lake Oswego, OR)
- Ocean Terminal Services, Inc. (San Pedro, CA)
- Pacific Crane Maintenance Company, L.P. (Long Beach, CA)
- Terminal Maintenance Corporation (Long Beach, CA)

The proposals were evaluated in accordance with the RFP's stated criteria and weighting, as follows:

- Financial impact – 60%
- Qualifications and experience – 30%
- The degree to which the response met RFP requirements – 10%

An evaluation team consisting of Marine Maintenance and Engineering staff reviewed and scored the proposals in December 2010. ICTSI Oregon's proposal scored the highest.

Electrical maintenance of the Port's cranes is performed by Port staff, and so those services were not included in the scope of this solicitation. The electrical maintenance of the cranes is subject to District Council of Trade Unions for Employees (DCTU) jurisdiction under an agreement between the Port and the DCTU at Port marine terminals.

### **Contract Terms**

Under the proposed contract, services would be provided under an hourly rate sheet based on PMA/ILWU labor rates and assessments, insurance costs, and management fees. The estimated value of the contract is approximately \$1.7 million annually. The Port would provide all necessary work spaces, parts and equipment. The Port and ICTSI Oregon would jointly establish written standards for measuring performance. The initial term of the contract would be for two years, effective February 12, 2011. The Port would have one option to extend the term for one year.

The contract does not relate to crane electrical maintenance services. Under the proposed contract, for so long as the DCTU agreement remains in effect with respect to Port marine terminal operations, ICTSI Oregon would not perform any DCTU work or undertake any other action that would cause the Port to be in violation of the terms of the DCTU agreement.

### **EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a contract to ICTSI Oregon for the management of mechanical maintenance services for the Port of Portland's marine terminal waterside gantry cranes and accessories at Terminal 2 and Terminal 6; 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.