



AGENDA\*  
Regular Commission Meeting  
Port of Portland Headquarters  
7200 N.E. Airport Way, 8<sup>th</sup> Floor  
January 8, 2020  
9:30 a.m.

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**Minutes**

Approval of Minutes: Regular Commission Meeting – December 11, 2019

**Executive Director**

Approval of Executive Director's Report – December 2019

**Public Comments**

**General Discussion and Public Hearing**

Port of Portland Transportation Improvement Plan

*TOM BOUILLION*

**Action Items**

1. PERSONAL SERVICES CONTRACT – NE AIRPORT WAY AND NE 82<sup>ND</sup> AVENUE INTERCHANGE – PORTLAND INTERNATIONAL AIRPORT *CHRIS EDWARDS*

Requests approval to award a personal services contract to HDR Engineering, Inc., for consulting services on the NE Airport Way and NE 82<sup>nd</sup> Avenue Interchange project at Portland International Airport.

2. PUBLIC IMPROVEMENT CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT PROJECT – PORTLAND INTERNATIONAL AIRPORT *GEORGE SEAMAN*

Requests approval to amend the existing public improvement contract with Hoffman Skanska LLC for the Terminal Core Redevelopment project at Portland International Airport.

**PERSONAL SERVICES CONTRACT – NE AIRPORT WAY AND NE 82<sup>ND</sup> AVENUE  
INTERCHANGE – PORTLAND INTERNATIONAL AIRPORT**

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January 8, 2020

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

This agenda item requests approval to award a personal services contract to HDR Engineering, Inc. (HDR), in the initial amount of \$1,178,059, for consulting services on the NE Airport Way and NE 82<sup>nd</sup> Avenue Interchange project at Portland International Airport (PDX).

**BACKGROUND**

The Airport Futures 2010 PDX Master Plan identified the need to improve vehicle capacity at the intersection of NE Airport Way and NE 82<sup>nd</sup> Avenue as traffic increases over time. When traffic demand grows beyond an intersection's capacity, long vehicle queues quickly form as drivers wait through multiple light cycles before proceeding.

In 2015 the Port of Portland (Port) completed a planning study that identified a preferred design to improve capacity for the NE 82<sup>nd</sup> Avenue intersection. The study indicated that this improvement would be needed by 2025, when afternoon peak-hour traffic demand is expected to exceed the intersection's capacity.

Traffic volume growth since 2015 is on pace to exceed the intersection's capacity by 2025, as the study forecasted. On occasion, the demand to turn right from NE 82<sup>nd</sup> Avenue to eastbound NE Airport Way already results in long vehicle queues that can extend back to NE Air Cargo Road and beyond. Morning peak-hour and mid-day traffic volumes are also growing steadily. Other challenges impacting the intersection's performance include the eight TriMet MAX train crossings of NE 82<sup>nd</sup> Avenue per hour, and NE Airport Way's new eastbound-to-westbound "Return to Terminal" U-turn lane.

The preferred improvement alternative from the 2015 planning study calls for the construction of a new interchange with the following key elements:

- Elevating eastbound NE Airport Way above grade for continuous traffic flow over NE 82<sup>nd</sup> Avenue
- Modifying westbound NE Airport Way to allow return-to-terminal U-turn lane traffic and NE 82<sup>nd</sup> Avenue traffic to merge freely with westbound through-traffic
- Adding an eastbound auxiliary lane between NE 82<sup>nd</sup> Avenue and the NE Mt Hood Avenue interchange

The TriMet MAX train lines will remain at grade in their current location. Pedestrian and bike crossings will be provided on the east side of the intersection only.

# PERSONAL SERVICES CONTRACT – NE AIRPORT WAY AND NE 82<sup>ND</sup> AVENUE INTERCHANGE – PORTLAND INTERNATIONAL AIRPORT

January 8, 2020

Page 2



The Port now wishes to award a professional services contract for various project consulting services. The first phase consists of preliminary design, including development of a Design Acceptance Package (DAP) for the Oregon Department of Transportation (ODOT). The DAP will establish the project parameters to approximately a 30% design level with considerations for items such as bridge and wall design, intersection layout, signalization, constructability, stormwater management, etc., as well as permitting and agency coordination. Future phases will include detailed design and construction support. Those additional services would be incorporated into the contract by amendment, at the Port's discretion and subject to appropriate approvals.

The Port is working with Metro to obtain funding for this project as part of an upcoming transportation ballot in 2020. The ODOT DAP will be used as the project delivery guide to meet Metro's needs for that purpose.

## **CONTRACT SCOPE OF WORK**

During the preliminary design phase, the contract will include the following key scopes of work:

- Geotechnical and seismic engineering
- Develop the ODOT DAP, including project design (roadway, bridge, wall, traffic signalization and illumination) to approximately 30%
- Utility investigation and coordination

PERSONAL SERVICES CONTRACT – NE AIRPORT WAY AND NE 82<sup>ND</sup> AVENUE  
INTERCHANGE – PORTLAND INTERNATIONAL AIRPORT

January 8, 2020

Page 3

- Constructability analysis, including project phasing planning
- Environmental and permitting considerations

**SCHEDULE**

<b>Commission approval (award personal services contract – preliminary design)</b>	<b>January 8, 2020</b>
Preliminary design	February 2020 – October 2020
Commission approval (amend personal services contract – detailed design and construction support)	<b>May 12, 2021</b>
Detailed design	June 2021 – November 2022
Commission approval (award public improvement contract to construct the project)	<b>February 8, 2023</b>
Construction	May 2023 – September 2026

**CONTRACT SOLICITATION**

The Port procured this personal services contract by issuing a competitive Request for Proposals (RFP) under Oregon Revised Statutes (ORS) Chapter 279B, utilizing a qualifications-based selection (QBS) evaluation process under ORS Chapter 279C. The RFP was advertised on August 29, 2019 and proposals were received on September 19, 2019.

Two firms submitted proposals, which were evaluated and scored by a panel of six Port staff. Proposals were evaluated against the following RFP criteria:

- Qualifications and experience
- Project approach
- Small business participation
- Social equity considerations

HDR was the highest-ranked proposer, primarily due to project qualifications, experience and overall project understanding.

**Small Business Participation**

HDR identified a 19.75% small business enterprise (SBE) participation level. SBE includes firms certified by Oregon or Washington as minority, women, or service-disabled veteran-owned, or as an emerging small business.

PERSONAL SERVICES CONTRACT – NE AIRPORT WAY AND NE 82<sup>ND</sup> AVENUE  
INTERCHANGE – PORTLAND INTERNATIONAL AIRPORT

January 8, 2020

Page 4

### **Social Equity Considerations**

The RFP's social equity considerations included the proposer's company commitment to social responsibility, steps taken to ensure a diverse workforce, and commitment to community involvement. HDR maintains programs to create an inclusive work environment, has a diversified workforce, promotes volunteerism, sponsors events and provides mentoring.

### **AWARD**

In accordance with QBS requirements, after finalizing the final scope of work with HDR the Port negotiated HDR's fee, which will be based on hourly rates. The fee will be paid monthly based on work performed, subject to a fixed, total contract amount for a stated set of deliverables. The not-to-exceed amount for the preliminary design phase is stated above.

### **RISKS**

Risk: Securing adequate project funding

Mitigation Strategies:

- Work with Port team to determine project financing and grant opportunities
- Communicate early and often with Port team on costs

Risk: Challenging project construction schedule

Mitigation Strategy:

- Work with PDX Next delivery team to determine when to construct the project given other capital improvement work at PDX

### **BUDGET**

Public improvement contract (construction)	\$47,300,000
<b>Personal services contract (design and construction support)</b>	<b>\$4,500,000</b>
Port staff and contracted services	\$6,200,000
Contingency	<u>\$29,000,000</u>
Total budget	\$87,000,000

The contingency, representing 50% of the project cost, is considered reasonable given the preliminary phase of the project.

PERSONAL SERVICES CONTRACT – NE AIRPORT WAY AND NE 82<sup>ND</sup> AVENUE  
INTERCHANGE – PORTLAND INTERNATIONAL AIRPORT

January 8, 2020

Page 5

The project costs will be funded by the Port Cost Center, which is composed primarily of revenues from the Port's public parking, rental car and ground transportation operations at the airport. As described above, the Port is also working with Metro to secure additional, external project funding.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a personal services contract for the NE Airport Way and NE 82<sup>nd</sup> Avenue Interchange project at Portland International Airport to HDR Engineering, Inc., in accordance 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 AMENDMENT – TERMINAL CORE REDEVELOPMENT PROJECT – PORTLAND INTERNATIONAL AIRPORT**

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January 8, 2020

Presented by: George Seaman  
Engineering Project Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to amend the existing public improvement contract with Hoffman Skanska LLC (Hoffman Skanska) for the Terminal Core Redevelopment (TCORE) project at Portland International Airport (PDX) in the amount of \$2,912,668. The incremental increase included in this amendment covers miscellaneous construction-related issues including the development of the Occupant Safety Plan and providing project-specific insurance.

**BACKGROUND**

In 2010, the Port of Portland (Port) began developing a comprehensive strategy to reconfigure the core terminal at PDX. Based on thorough, ongoing planning and analysis, the Port has developed the TCORE project, which is intended to ensure: 1) the most effective and efficient passenger processing possible; 2) the best possible passenger experience; 3) the maximization of concession revenues; and 4) a long-range plan that is sustainable, affordable and adaptable. As detailed in earlier Commission agenda items, TCORE project work includes the following:

- Expanding the terminal core area by constructing a seismically-resilient addition extending the existing building footprint approximately 180 feet to the west (the Western Expansion)
- Relocating the security checkpoints into the newly-constructed addition.
- Constructing a seismically-resilient “clear span” roof structure from the curbside to the westward edge of the existing ticket lobby, spanning the entire terminal building east to west and opening up the building functionally and architecturally.
- Removing the existing roof and mezzanine over the terminal building.
- Relocating and reconstructing the post-security concession nodes further to the west to better align passenger flow with the newly constructed addition.
- Extending Concourse B and demolishing Concourse A to improve passenger experience and seismic resiliency of the ground-load facility at PDX.
- Remodeling the ticket lobby by removing existing ticket counters and reorienting them 90 degrees into a flow-through design.

TCORE project contracts approved by the Port Commission to date include a September 2015 design services contract with ZGF (the Design Contract), a September 2015 pre-construction support services contract with Turner Construction Company, a May 2018 Construction

## PUBLIC IMPROVEMENT CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT PROJECT – PORTLAND INTERNATIONAL AIRPORT

January 8, 2020

Page 2

Manager/General Contractor (CM/GC) public improvement contract with Hoffman Skanska (the Construction Contract), and an April 2019 amendment to the personal services contract for commissioning services with Burns & McDonnell (the Commissioning Services Contract). The Commission has also approved various amendments to the Design Contract, the Construction Contract, and the Commissioning Services Contract.

In November 2017, the airlines serving PDX approved \$950,000,000 in funding for Phase 1 of the TCORE project, which included the construction of the Western Expansion, the new roof over the terminal building and the extension of Concourse B. In August 2019, the airlines approved an additional \$700,000,000 in funding for Phase 2 of the project to complete the renovation of the ticket lobby and the post-security concession nodes.



### **CONSTRUCTION CONTRACT AMENDMENT SCOPE OF WORK**

The Commission approved an amendment to the Construction Contract in March 2019 to facilitate certain enabling work for the redevelopment of Concourse B, deliver the passenger boarding bridge replacement project and secure design-related assistance from key subcontractors. That work is ongoing. In July 2019, the Port Commission approved an amendment to the Construction Contract to facilitate the delivery of the Terminal Re-Lamp project, extend pre-construction services during the design development phase of that project, and obtain additional design assistance and professional services during its preconstruction



PUBLIC IMPROVEMENT CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT  
PROJECT – PORTLAND INTERNATIONAL AIRPORT

January 8, 2020

Page 3

phase. In September 2019, the Port Commission approved an amendment to the Construction Contract for work associated with construction activities for the Concourse B extension, the pre-purchase of roof materials and other early-work activities for the TCORE project. In December 2019, the Port Commission approved an amendment to the Construction contract for work associated with procuring job site trailers, installing the trailers and remodeling Building 5420 to provide for construction logistical support. The Port now wishes to amend the Construction Contract to include the following key scopes of work:

- Develop the project Occupant Safety Plan for all phases of construction activities.
- Provide for insurance (professional liability, automobile and off-site liability and workers compensation) not covered under the Port's owner-controlled insurance program.
- Miscellaneous construction staffing support services.

Compensation

Port staff have negotiated with Hoffman Skanska to increase the guaranteed maximum price of the Construction Contract by \$2,912,668 to facilitate the work contemplated by this amendment, which includes the Construction Contract's established 2.97% fixed fee mechanism. The small business participation goal for this contract is established at 20% and will remain the same under this amendment.

To date, the Construction Contract status is as follows:

	<b>Total Contract Value</b>	<b>TCORE-Funded Portion of Contract</b>
Original contract amount	\$5,637,076	\$5,637,076
Amendments to date	\$124,387,139*	\$104,929,621*
<b>This amendment</b>	\$2,912,668	\$2,724,077
New total contract amount	<hr/> \$132,936,883	<hr/> \$113,290,774

Port staff have determined that this amendment is permissible under applicable Port contracting rules and policies. The amendment is also consistent with the existing contract, which stipulates that the Port may amend the contract to accommodate an additional phase of work, if performance to date is satisfactory. Commission approval is required to grant the necessary contracting authority based on the dollar amount of the amendment.

\*These amounts have been reduced by \$16,166,501 from previously-reported amounts, to correct an inadvertent error in the September 2019 Commission agenda item, which overstated these amounts by including the cost of already-approved Concourse B enabling work scope activities.

PUBLIC IMPROVEMENT CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT  
PROJECT – PORTLAND INTERNATIONAL AIRPORT

January 8, 2020

Page 4

**SCHEDULE**

Preliminary planning	November 2014 – December 2014
Consultant selection	January 2015 – July 2015
Commission action (approve award of Design Contract and pre-construction support services contract)	August 2015
Conceptual plan selection phase	September 2015 – February 2016
Commission action (approve contract amendments for conceptual design and pre-construction support services)	April 2016
Conceptual design development phase	April 2016 – April 2017
Commission action (approve Design Contract amendment, exempt Construction Contract from competitive bidding)	December 2017
Contractor selection (Construction Contract)	December 2017 – February 2018
Schematic design development phase	January 2018 – December 2018
Commission action (approve Design Contract amendment)	April 2018
Commission action (approve award of Construction Contract)	May 2018
Commission action (approve Design Contract amendment, Construction Contract amendment)	March 2019
Commission action (approve Design Contract amendment and Commissioning Services Contract amendment)	April 2019
Commission action (approve Construction Contract amendment)	July 2019
Commission action (approve Construction Contract amendment)	September 2019
Commission action (approve Design Contract amendment)	November 2019
Commission action (approve Commissioning Services Contract amendment, Construction Contract amendment)	December 2019
<b>Commission action (approve Construction Contract amendment)</b>	<b>January 2020</b>
Detailed design development phase	February 2019 – November 2021
Construction	April 2019 – October 2024

PUBLIC IMPROVEMENT CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT  
PROJECT – PORTLAND INTERNATIONAL AIRPORT

January 8, 2020

Page 5

**BUDGET**

<b>CM/GC services (including construction)</b>	<b>\$1,128,000,000</b>
Consultant design services	\$152,000,000
Procurements/equipment	\$77,000,000
Port staff/contracted services	\$63,000,000
Permits	\$19,000,000
Contingency	<u>\$191,000,000</u>
Total Project	\$1,630,000,000

The project contingency shown above represents the Port-controlled contingency at 12% of the current project costs. Given this type of project delivery model, risk is shared and transparent; therefore, contingency at the contracting phase is also shared. The CM/GC services cost shown above also includes contractor-controlled contingency of 5% of the current project costs. Total contingency, representing 17% of project cost, is considered reasonable given the stage of the TCORE project, the nature of the work and the risk profile for the project.

TCORE project funding and contract costs will be funded by the Airline Cost Center, composed 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 amend the existing public improvement contract with Hoffman Skanska LLC for the Terminal Core Redevelopment project 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.