



AGENDA\*  
Regular Commission Meeting  
June 14, 2023  
9:30 a.m.

The Board of Commissioners of the Port of Portland will hold its monthly meeting in the Chinook Room on the 8th floor of the Port of Portland Headquarters Building, located at 7200 N.E. Airport Way in Portland, Oregon 97218. The meeting will also be held virtually for those Commissioners, members of the public, presenters and staff unable to attend in person.

The meeting will be streamed live on the Port's website and YouTube channel. Written public comments can be submitted via email at [testimony@portofportland.com](mailto:testimony@portofportland.com). If you wish to provide live testimony, you may do so in person, or you may send an email with your first and last name to [testimony@portofportland.com](mailto:testimony@portofportland.com) and you will be provided with a link to testify via MS Teams. The deadline to sign up for live testimony via MS Teams is noon on the day prior to the Port of Portland Commission Meeting.

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**Minutes**

Approval of Minutes: Regular Commission Meeting – May 10, 2023

**Executive Director**

Approval of Executive Director's Report – May 2023

**Public Comments**

**General Discussion**

Hillsboro Airport Unleaded Fuel

*KAMA SIMONDS*

**Consent Item**

1. EQUIPMENT PROCUREMENT CONTRACT – AIRPORT RUNWAY SNOW REMOVAL EQUIPMENT – PORTLAND INTERNATIONAL AIRPORT

*ANDREW SOWDERS*

Requests approval to award an equipment procurement contract to Eagle and Myslik, Inc., to purchase six Overaasen model RSC250 runway plow/broom combination units for the Port of Portland's Portland International Airport Maintenance Division.

\*Certain discussion, consent and agenda items may contain forecasts/estimates. Actual results may differ.

**Action Item**

2. PERSONAL SERVICES CONTRACT AMENDMENT –  
TERMINAL CORE REDEVELOPMENT PROJECT – PORTLAND  
INTERNATIONAL AIRPORT

*GEORGE SEAMAN*

Requests approval to amend the existing personal services contract with ZGF Architects LLP to provide primarily for construction administration services until June 2024 for the Terminal Core Redevelopment project at Portland International Airport.

**EQUIPMENT PROCUREMENT CONTRACT – AIRPORT RUNWAY SNOW REMOVAL  
EQUIPMENT – PORTLAND INTERNATIONAL AIRPORT**

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June 14, 2023

Presented by: Andrew Sowders  
Senior Manager  
PDX Maintenance**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award an equipment procurement contract to Eagle and Myslik, Inc., in the amount of \$4,598,040 to purchase six Overaasen model RSC250 runway plow/broom combination units for the Port of Portland’s (Port) Portland International Airport (PDX) Maintenance Division.

**BACKGROUND**

The Maintenance Division currently uses five truck/plow and broom combinations to remove snow and ice on runways and taxiways at PDX. The current units, which range in age from 15 to 30 years old, have met or exceeded their expected useful life. Due to their vintage, parts are difficult to source and require long lead times when ordering. Some critical pieces are completely obsolete. Equipment breakdowns have become more common, which reduces snow and ice removal capacity and can contribute to delays, diversions and cancellations for airlines serving PDX. The Port plans to replace these units under the Port’s equipment replacement program due to age, reliability statistics, air quality goals and operator safety considerations.

**PROCUREMENT DETAILS**

This procurement includes six Overaasen RSC250 runway plow/broom combination units with diesel engines that meet U.S. Environmental Protection Agency (EPA) Tier IV final emissions standards.

**SCHEDULE**

Receive price quote	March 31,2023
<b>Commission approval (award equipment procurement contract)</b>	<b>June 14, 2023</b>
Manufacture	August 2023 – September 2023
Deliver and begin service	November 2023 – December 2023

**Procurement Process**

The Port will participate in a national cooperative purchasing program through Sourcewell, a Minnesota-based municipal contracting agency, to purchase the new Overaasen units. Using a competitive process, Sourcewell has contracted with various vendors that allow cooperative

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purchasing by public agencies and other entities that are members of the program. Sourcewell holds a snow and ice equipment sales contract with Eagle and Myslik, Inc. The Port is a member of Sourcewell and has the authority to participate in the cooperative purchasing program under Oregon’s Public Contracting Code.

Eagle and Myslik, Inc.’s price quote, in the amount of \$4,598,040, is within the Port’s project budget. This price, available through the cooperative purchasing program, represents an 11% discount off retail pricing. The Port will contract directly with Eagle and Myslik, Inc. by issuing a purchase order under the terms of the Sourcewell contract.

**BUDGET**

Procurement Contract	\$4,598,040
Contingency	\$459,860
Total Budget	<u>\$5,057,900</u>

The project costs will be funded by the Shared Cost Center at 67% Airline Cost Center and 33% 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 an equipment procurement contract to Eagle and Myslik, Inc., to purchase six Overaasen RSC 250 runway broom/plow combination units 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.

**PERSONAL SERVICES CONTRACT AMENDMENT – TERMINAL CORE REDEVELOPMENT PROJECT – PORTLAND INTERNATIONAL AIRPORT**

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June 14, 2023

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

This agenda item requests approval to amend the existing personal services contract with ZGF Architects LLP (ZGF) in the amount of \$20,000,000 to provide primarily for construction administration services until June 2024 for the Terminal Core Redevelopment (TCORE) project at Portland International Airport (PDX).

**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 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) maximized 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 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 expanded 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; and
- Remodeling the ticket lobby by removing existing ticket counters and reorienting them 90 degrees into a flow-through design.

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## **PROJECT FUNDING**

The following list summarizes the project's major funding milestones approved by the airlines serving PDX:

- November 2017 – The airlines serving PDX approved \$950,000,000 for Phase 1 of the project, which included the Western Expansion construction, the new roof over the terminal building, and the Concourse B extension.
- August 2019 – The airlines approved an additional \$700,000,000 for Phase 2 of the project, to complete the renovation of the ticket lobby and the post-security concession nodes.
- June 2022 – The airlines approved an additional \$500,000,000 to complete the project due to unprecedented construction cost escalation; market uncertainty due to COVID-19 pandemic impacts and material delivery, labor availability and cost escalation, and schedule escalation due to unforeseen field conditions that were encountered as the final project pricing was developed.

## **PROJECT CONTRACTS**

The Port Commission has approved the following TCORE project contracts to date:

- September 2015 – Design services contract with ZGF (the Design Contract);
- September 2015 – Pre-construction support services contract with Turner Construction Company;
- May 2018 – Construction Manager/General Contractor (CM/GC) public improvement contract with Hoffman Skanska (the Construction Contract);
- April 2019 – Personal services contract amendment for commissioning services with Burns & McDonnell (the Commissioning Services Contract);

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- August 2020 – Personal services contract amendment for testing and special inspection services with Intertek – Professional Service Industries, Inc. (the Testing and Inspection Contract); and
- January 2023 – Equipment procurement contract for the purchase of TSA-approved security checkpoint lane equipment with Jervis Webb.

The Commission has also approved various amendments to the Design Contract, the Construction Contract, the Commissioning Services Contract, and the Testing and Inspection Contract. Certain Commission-approved amendments are described below.

**DESIGN CONTRACT – AMENDMENTS TO DATE**

The Port Commission has approved the following amendments to the Design Contract since its award:

- April 2016 – \$7,804,530 to provide for conceptual design and phasing development work for TCORE;
- December 2017 – \$33,782,595 to provide for schematic design and initial detailed design development services for TCORE, and provide for detailed design development work for the Parking and Consolidated Rental Car Center (PACR) office building, which houses stakeholders relocated from the PDX terminal building;
- April 2018 – \$6,975,528 to provide for detailed design development services for the extension and redevelopment of Concourse B;
- March 2019 – \$5,721,317 to provide for design services associated with relocating Horizon Air to the end of Concourse C and construction administration services for Concourse B;
- April 2019 – \$55,359,533 to provide for final detailed design development, construction document development, and permitting phases for phase one of TCORE;
- November 2019 – \$7,438,962 for design development activities to 50% design completion for Phase 2 of TCORE, as well as construction document development for south security checkpoint relocation and Central Receiving and Distribution Center development;
- March 2020 – \$1,199,134 for design development and construction administration support during the permitting, bidding, and construction phases of the PACR office building tenant improvement phase;
- October 2020 – \$24,174,264 for final construction document development and construction administration services until October 2021;
- August 2021 – \$23,474,185 for final construction document development for design elements that needed completion, and construction administration services from September 2021 until August 2022; and

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- October 2022 – \$11,660,531 for value engineering design support and construction administration support until March 2023.

In addition, Design Contract amendments totaling \$3,226,902 have been awarded since its initial award under the Executive Director’s delegated authority, as separately reported to the Commission.

**NEW DESIGN CONTRACT AMENDMENT – SCOPE OF WORK**

The Port now wishes to amend the Design Contract in order to engage ZGF to perform the following scopes of work:

- Design development and construction administration activities to support projects being implemented with TCORE, including the:
  - TriMet signal communications room relocation project;
  - Baggage Handling System (BHS) Checked Bag Resolution Area (CBRA) and control system expansion project; and
  - Ground Source Heating Plant project.
- Construction administration support for the TCORE project during the construction phase of the project from May 2023 until June 2024.

**COMPENSATION**

Port staff have negotiated with ZGF to increase the maximum price of the Design Contract by \$20,000,000 to facilitate the work contemplated by this amendment. This amount was developed in accordance with the contract’s established compensation mechanism. Work will be performed at the existing contract rates.

The 10% small business participation goal established for this contract will remain the same for the work covered by this amendment.

To date, the Design Contract value is summarized as follows:

	<b>Total Contract Value</b>	<b>TCORE-Funded Portion of Contract</b>
Original Contract	\$2,760,948	\$2,760,948
Amendments to Date	\$180,817,434	\$180,423,156
<b>This Amendment</b>	\$20,000,000	\$18,358,750
New Total Contract	<hr/> \$203,578,382	<hr/> \$201,542,854



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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 allows the Port to amend the contract to accommodate additional phases of work if performance to-date is satisfactory. Commission approval is required to grant the necessary contracting authority to award the amendment.

**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 Design 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 actions (approve amendments to the Design Contract, Commissioning Services Contract, Construction Contract, Testing and Inspection Contract, and Equipment Procurement Contracts)	April 2018 – February 2023
Detailed design development phase	February 2019 – September 2021
<b>Commission action (approve Design Contract amendment)</b>	<b>June 2023</b>
Construction	April 2019 – December 2025

**BUDGET**

CM/GC services (including construction)	\$1,675,000,000
Consultant design services	\$209,000,000
Procurements/equipment	\$66,000,000
Port staff/contracted services	\$86,000,000
Permits	\$19,000,000
Contingency	\$95,000,000
Total project	<u>\$2,150,000,000</u>

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The CM/GC services cost shown above also includes a contractor-controlled contingency of 5% of the current project costs. Total contingency, representing 10% of the cost of the yet-to-be completed portion of the project, is considered reasonable given the stage of the TCORE project, the nature of the work, and the risk profile for the project.

TCORE project costs will be funded by the Airline Cost Center, which is composed primarily of revenues from the Port's commercial airline service business lines. In addition, as mentioned in a previous Commission agenda item, the Port expects \$24,400,000 of the project costs to be funded by a grant from the Federal Aviation Administration.

**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 ZGF Architects LLP 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.