



AGENDA\*  
Regular Commission Meeting  
September 13, 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.

---

**Minutes**

Approval of Minutes: Regular Commission Meeting – August 9, 2023

**Executive Director**

Approval of Executive Director's Report – August 2023

**Public Comments**

**Consent Item**

1. CITY OF PORTLAND ENTERPRISE ZONE BOUNDARY AMENDMENT *EMERALD BOGUE*

Requests consent to a boundary amendment for the Portland Enterprise Zone, located within Port of Portland boundaries, to provide an incentive to encourage existing or new companies to invest and create jobs within the zone.

**Action Items**

2. EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT – SOUTH TERMINAL HEATING SYSTEM UPGRADE – PORTLAND INTERNATIONAL AIRPORT *ALAN DAKESSIAN*

Requests approval of an exemption from competitive bidding requirements, enabling the Port of Portland to use a competitive request for proposals process to procure a public improvement contract for piping and control system construction services for the South Terminal Heating System Upgrade project at Portland International Airport.

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

3. ON-CALL ARCHITECTURAL SERVICES CONTRACTS FOR VARIOUS PORT OF PORTLAND FACILITIES *ALAN DAKESSIAN*

Requests approval to award four personal services contracts to provide on-call architectural services on an as-needed basis for a term of five years.

4. PURCHASE AND SALE AGREEMENT – CITY OF HILLSBORO – HILLSBORO AIRPORT *STEPHEN WINKLE*

Requests approval of a Purchase and Sale Agreement conveying real estate adjacent to the Hillsboro Airport to the City of Hillsboro for development of a new public safety and training facility.

5. PERSONAL SERVICES CONTRACT – PORTLAND INTERNATIONAL AIRPORT MASTER PLAN UPDATE PROJECT *AARON RAY*

Requests approval to award a personal services contract for consulting services related to the Portland International Airport Master Plan Update project to Ricondo & Associates, Inc.

**CITY OF PORTLAND ENTERPRISE ZONE BOUNDARY AMENDMENT**

---

September 13, 2023

Presented by: Emerald Bogue  
Director  
Policy and Regional Affairs**REQUESTED COMMISSION ACTION**

This agenda item requests consent to a boundary amendment for the Portland Enterprise Zone, located within Port of Portland (Port) boundaries, to provide an incentive to encourage existing or new companies to invest and create jobs within the zone. The amendment will add Portland's Central City to the Portland Enterprise Zone, which currently includes Portland's SW Waterfront, Old Town/Chinatown, and much of the NW Industrial Area.

**BACKGROUND**

The Enterprise Zone program was enacted by the Oregon Legislature in 1985. In the 2005 legislative session, the statute for the Enterprise Zone program, ORS 285C.065, was changed to require the governing bodies of port districts to consent by resolution to Enterprise Zone applications by a city or county within the boundaries of the port. This change was requested to ensure coordination of economic development activities within port districts. Since then, the Port Commission routinely receives requests from jurisdictions as they move forward with Enterprise Zone re-designations and/or boundary changes.

The Enterprise Zone program allows a 100 percent property tax abatement for up to five years on new qualified capital assets of eligible businesses within the enterprise zone boundary. Land, existing structures and existing machinery and equipment are not eligible for the abatement. State program requirements include: increasing employment by 10%, or one job, whichever is greater; maintaining minimum employment levels during the abatement period; and entering into a "First Source Hiring Agreement" with Worksource Oregon, an agreement by the employer to use the Oregon Employment Department through Worksystems, Inc., as its first source from which to hire qualified candidates before hiring from other sources.

The Portland Enterprise Zone was originally established in 1986 and has its fourth designation with the most recent reauthorization in 2019. The zone expires in 2029. The program continues to assist local companies with expansion opportunities.

The Portland Enterprise Zone program results include the following active companies:

- Adpearance, Inc.
- Ajinomoto Toyo Frozen Noodles, Inc.
- Amazon.Com Services LLC
- Bob's Metals, Inc.
- Bridge City Steel LLC
- Daimler Trucks North America LLC
- FedEx Ground Package System, Inc.

## CITY OF PORTLAND ENTERPRISE ZONE BOUNDARY AMENDMENT

September 13, 2023

Page 2

- Harder Mechanical Contractors, Inc.
- Instrument Marketing, Inc.
- Nossa Familia
- PAE Consulting Engineers, Inc.
- TEC Equipment, Inc.
- The Good Group, Inc.
- Toast, Inc.
- Urban Gypsum LLC

Since 2015, companies have:

- Invested in capital or procured goods and services totaling \$1,484,000,000;
- Created 3,257 new jobs in a 2021 snapshot;
- Paid \$28 per hour average wages and offered total compensation of \$36.34 per hour; and
- Collectively in both the Portland and East Portland Enterprise Zones, provided \$8,000,000 for local non-profits, businesses, and workers through Prosper Portland programs such as the Inclusive Business Resource Network, Economic Opportunity Program, NextGen and others.

Most recently, on September 13, 2017, the City Council ultimately adopted (through Resolution No. 37321) amendments to the Enterprise Zone policy that would increase requirements for wages/compensation, procurement plans, and institutionalizing additional public benefits through formal agreements between participating businesses and Prosper Portland. As such, the current Enterprise Zone policy provides numerous community benefits through its innovative partnership and business practices, including:

- Institutionalization of public benefits agreements as more companies agree to invest in business culture change activities that create opportunities for a diverse, locally grown workforce;
- Job seekers from across the socioeconomic and demographic spectrum access quality employment opportunities;
- Direct funding for programs such as the Inclusive Business Resource Network and Mercatus and a direct connection between businesses using the Enterprise Zone program and businesses and entrepreneurs from historically disadvantaged communities; and
- Infrastructure for new initiatives such as Portland Means Progress, which is mirroring efforts in the Enterprise Zone to create new partnerships and pipelines for businesses owned by members of historically disadvantaged communities and business culture change with the end goal of creating more equitable and inclusive businesses in Portland.

## CITY OF PORTLAND ENTERPRISE ZONE BOUNDARY AMENDMENT

September 13, 2023

Page 3

### **FINANCIAL IMPACT**

Under the current levy, the Port will forgo approximately \$0.0701 per \$1000 of *future* assessed value until the end of the exemption period of each participating company (i.e., three-to-five years). The impact on Port property tax revenue is expected to be minimal. For example, foregone tax revenue to the Port is approximately \$8,763 over a five-year period on a \$25 million investment. Upon completion of the exemption period, the property will be fully taxed.

On August 31, Portland City Council approved the Portland Enterprise Zone boundary amendment request and directed staff to submit an application to the State of Oregon. The City of Portland has requested that the Port provide a resolution consenting to this boundary amendment.

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

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That the Port of Portland Commission consents to the boundary amendment to the Portland Enterprise Zone, located within Port of Portland boundaries, to provide an incentive to encourage existing or new companies to invest and create jobs within the zone; 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.

**EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT –  
SOUTH TERMINAL HEATING SYSTEM UPGRADE – PORTLAND INTERNATIONAL  
AIRPORT**

---

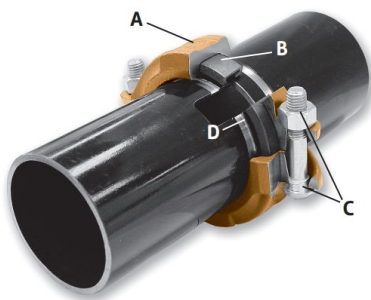
September 13, 2023

Presented by: Alan Dakessian  
Engineering Project Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval of an exemption from competitive bidding requirements, enabling the Port of Portland (Port) to use a competitive request for proposals (RFP) process to procure a public improvement contract for piping and control system construction services for the South Terminal Heating System Upgrade project at Portland International Airport.

**BACKGROUND**

The Terminal Expansion South (TES) program in the 1990s and early 2000s installed a mechanically joined (or coupled) piping system to distribute hot water to HVAC equipment for use in heating the facility (see picture below). The couplings at the piping joints have been failing due to age and the use of materials that are not suitable for the heating application. When a coupling fails, it creates a leak that can cause damage to the facility, as well as to Port and tenant property and equipment. Repairs are costly and generally require shutdowns that impact comfort in the facility. In extreme cases, a leak can damage critical equipment, impacting airport operations.



A: Housing  
B: Gasket  
C: Bolts and Nuts  
D: Groove on Pipe

**PROJECT SUMMARY**

This project includes the following key scopes of work:

- Installation of a new system of valves and hose connection points in the main piping located in the South utility tunnel to allow the contractor to drain and work on portions of the hot water piping system while leaving the rest of the system operational.

## EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT – SOUTH TERMINAL HEATING SYSTEM UPGRADE – PORTLAND INTERNATIONAL AIRPORT

September 13, 2023

Page 2

- Removal (and replacement) of drywall and other materials to provide access into the shafts that contain the vertical piping risers.
- Modifications to ceilings to provide access to the overhead piping.
- Removal of all mechanical couplings on piping, valves and fittings (tees, elbows, etc.).
- Welding all connections on piping, valves and fittings.
- Re-insulation of all exposed piping.
- Replacement of selected heating control valves and HVAC digital controllers that are beyond their useful life.

### **EXEMPTION FROM COMPETITIVE BIDDING**

With limited exception under Oregon law, public agencies must deliver public improvement projects by selecting contractors based upon competitive bid, often referred to as the design-bid-build (DBB, or “low bid”) method. Using a competitive bid process, a public improvement contract is awarded to the responsive bidder that submits the lowest-priced bid.

Oregon law also allows a public agency’s contract review board to grant an exemption from competitive bidding requirements, allowing the agency to award public improvement contracts using an alternative contracting method. Alternative contracting methods allow public agencies to consider factors in addition to price when selecting a contractor, such as experience, qualifications, safety and small business participation.

The Port has successfully used alternative contracting methods on numerous projects, including the PDX Parking Additions and Consolidated Rental Car Facility project and the Ground Source Heat Pump project.

Port staff considered multiple available contracting methods to deliver this project, including traditional low bid and Construction Manager/General Contractor (CM/GC). As discussed in more detail in the Findings in Support of an Exemption from Competitive Bidding (Findings) that are attached as Exhibit A, this project includes high-risk work in occupied/operational spaces within the airport. This includes removal of walls for access to shafts and cutting and welding of steel pipe. For primarily these reasons, Port staff recommends the use of an alternative contracting method to deliver this project, to help ensure that a qualified contractor safely and capably performs this critical work.

Specifically, the Port intends to conduct a competitive RFP procurement to select a contractor to deliver this project. Despite using an RFP instead of a low bid solicitation, the Port plans to award a traditional public improvement contract rather than an alternative form of contract such as

EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT –  
SOUTH TERMINAL HEATING SYSTEM UPGRADE – PORTLAND INTERNATIONAL  
AIRPORT

September 13, 2023

Page 3

CM/GC or design-build. Conducting an RFP will allow the Port to select the contractor based on various criteria, such as:

- The proposer’s project management, safety and scheduling approaches to ensure timely and safe delivery.
- Cost, based on a fixed price.
- The proposer’s corporate and individual qualifications and experience.
- Shared prosperity, including the proposer’s small business participation plan and social equity considerations.

As discussed in the Findings, this selection process is considered unlikely to encourage favoritism in awarding the contract or to substantially diminish competition for the contract. It would also likely result in substantial cost savings and other substantial benefits to the Port. Notice of the RFP would be advertised publicly and posted on the Port’s online vendor contracting portal.

After public notice and as required under Oregon law, the Port held a public hearing on September 5, 2023, to take comments on the draft Findings. The final Findings summarize the results of the hearing. The Port now seeks the Commission’s approval of the Findings, acting in its capacity as the Port’s Contract Review Board. The Port also requests that the Contract Review Board grant an exemption from competitive bidding to allow the Port to procure the project public improvement contract using an RFP.

**SCHEDULE**

Preliminary design	August 2021 – December 2021
Design	January 2022 – August 2023
<b>Contract Review Board approval (exemption from competitive bidding)</b>	<b>September 13, 2023</b>
Commission approval (award public improvement contract)	<b>December 13, 2023</b>
Construction	January 2024 – April 2026

**BUDGET**

Public improvement contract (construction)	\$4,000,000
Personal services contract (design)	\$350,000
Port staff and contracted services	\$1,700,000
Contingency	\$2,540,000
Total budget	\$8,590,000



EXEMPTION FROM COMPETITIVE BIDDING FOR PUBLIC IMPROVEMENT CONTRACT –  
SOUTH TERMINAL HEATING SYSTEM UPGRADE – PORTLAND INTERNATIONAL  
AIRPORT

September 13, 2023

Page 4

The contingency, representing 30% of the project cost, is considered reasonable given the risk profile for the project and the complexity of the work site.

The 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.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That the Port of Portland Commission, in its capacity as the Port of Portland Contract Review Board, approves the findings set forth in the attached Exhibit A, "Findings in Support of an Exemption from Competitive Bidding: South Terminal Heating System Upgrade Project," dated September 5, 2023; and

BE IT FURTHER RESOLVED, That the Port of Portland Commission, in its capacity as the Port of Portland Contract Review Board, specifically exempts from competitive bidding the public improvement contract for the South Terminal Heating System Upgrade project, consistent with the terms presented to the Commission.



**FINDINGS IN SUPPORT OF AN  
EXEMPTION FROM COMPETITIVE BIDDING  
PDX South Terminal Heating System Upgrade**

**Exemption Number: 2023-10234**

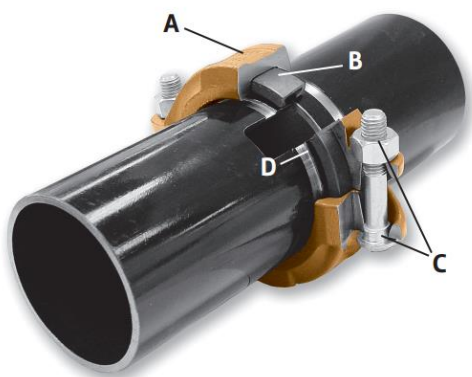
**Date of Draft Findings: August 15, 2023**

**Date of Final Findings: September 5, 2023**

**Date and time of Public Hearing: September 5, 2023 and Time: 2:00 PM**

## 1 PROJECT BACKGROUND

The Portland International Airport (PDX) Terminal Expansion South (TES) program in the 1990's and early 2000's installed a mechanically joined (or coupled) piping system to distribute hot water to HVAC equipment for use in heating the facility (see Photo #1 below). The couplings at the piping joints have been failing due to age and the use of materials that are not suitable for the heating application. When a coupling fails, it creates a leak which can cause damage to the facility, as well as to Port of Portland and tenant property and equipment. Repairs are costly and generally require shutdowns which impact comfort in the facility. In extreme cases, a leak can damage critical equipment, impacting airport operations.



A: Housing  
B: Gasket  
C: Bolts and Nuts  
D: Groove on Pipe

Photo #1: Mechanical Coupling (*courtesy of Gruvlok*)

The same type of pipe coupling was used in the PDX Terminal Expansion North (TEN) program in the 1990's. A similar project to address the North side of PDX was successfully completed in 2019.

## 2 PROJECT DESCRIPTION

The project elements include, but are not necessarily limited to:

- Installation of a new system of valves and hose connection points in the main piping located in the utility tunnel to allow the contractor to drain and work on portions of the hot water piping system while leaving the rest of the system operational.

- Removal (and replacement) of sheetrock and other materials to provide access into the shafts that contain the vertical piping risers.
- Modifications to ceilings to provide access to the overhead piping.
- Removal of all mechanical couplings on piping, valves, and fittings (tees, elbows, etc.).
- Welding all connections on piping, valves, and fittings.
- Re-insulation of all exposed piping.
- Replacement of heating control valves and HVAC digital controllers that are beyond their useful life.

Most of this work occurs in areas that are open to the public (mostly on the enplaning level) and within secure areas that support airport operations (mostly on the deplaning level). The work involves torch cutting and welding of steel pipe which requires hot-work permits and special safety precautions to minimize the risk of injury to staff and the public, and the risk of starting a fire in the Terminal.

### **3 ALTERNATE CONTRACTING METHODS; EXEMPTIONS FROM COMPETITIVE BIDDING**

**3.1** Under Oregon’s Public Contracting Code (the “Code”), public agencies generally must procure public improvement contracts using competitive sealed bidding, awarding the contract to the lowest responsible bidder.<sup>1</sup> However, the Code also embraces alternate contracting methods for complex public improvement projects, enabling agencies to select contractors based on factors in addition to price.

**3.2** A stated policy goal of the Code is to: “[p]rovide a public contracting structure that can take full advantage of evolving procurement methods as they emerge within various industries, while preserving competitive bidding as the standard for public improvement contracts unless otherwise exempted.”<sup>2</sup> Similarly, the Port’s Contracting Rules promulgated under the Code are intended to: “maximize the Port’s flexibility in adjusting its contracting procedure to the specific circumstances of each procurement, and to ensure that the Port receives the maximum benefit from the public funds expended on public contracts.”<sup>3</sup>

**3.3** Under the Code, when appropriate, an agency’s local contract review board (CRB) may direct the use of alternate contracting methods that “take account of market realities and modern practices and are consistent with the public policy of encouraging competition.”<sup>4</sup>

**3.4** An agency’s CRB directs the agency to use an alternate contracting method by granting an exemption from competitive bidding.<sup>5</sup> In granting the exemption the CRB must require and approve or disapprove written “findings”<sup>6</sup> that support the award of the contract without the competitive bidding requirement.<sup>7</sup> The findings must show that the exemption of the contract complies with the requirements set forth below under “Findings.”<sup>8</sup>

---

<sup>1</sup> ORS 279C.335(1); ORS 279C.375(1)

<sup>2</sup> ORS 279A.015(6)

<sup>3</sup> Port Contracting Rule A.015

<sup>4</sup> ORS 279C.335(4)(a)

<sup>5</sup> ORS 279C.335(2)

<sup>6</sup> “Findings” means the justification for a conclusion that an agency, in seeking an exemption from competitive bidding, reaches based on the considerations set forth in this document under the heading “Findings.” ORS 279C.330(2)

<sup>7</sup> ORS 279C.335(4)(b)

<sup>8</sup> ORS 279C.335(4)(b)

## 4 PROPOSED PROCUREMENT METHOD

4.1 For the reasons discussed above and as further explained below, for this project Port staff propose to use an open, competitive Request for Proposals (RFP) procurement process to select a contractor and award a public improvement contract. Notice of the RFP would be advertised publicly and posted on the Port's online vendor bidding portal. The Port may also solicit proposals directly from firms the Port believes are qualified to perform the work.

4.2 A team administered by the Port's Contracts and Procurement department will review and score proposals based on evaluation criteria set forth in the RFP. The RFP evaluation criteria will allow the Port to consider factors in addition to price when selecting the contractor, such as experience, qualifications, safety, and small business participation.

## 5 PROJECT DELIVERY METHOD

As of the issuance of these Findings, Port staff anticipate awarding a lump-sum public improvement contract for the work, including liquidated damages as a consequence of contractor delay. However, as provided under the Code, the final parameters of the contract will be those characteristics or specifics announced in the solicitation document.<sup>9</sup>

## 6 FINDINGS

6.1 Under the Code, the Port's Contract Review Board (the "CRB") may exempt a public improvement contract from competitive bidding upon approval of findings submitted by Port staff which justify the exemption. The two required findings are underlined below, with supporting information following each:

**6.1.1** The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts.

a) To avoid any real or perceived favoritism in awarding the contract, a diverse panel of no fewer than five Port employees will be selected to evaluate and score all proposals. This process will be overseen by Port Contracts & Procurement professionals to ensure that there are no conflicts of interest or favoritism in the evaluation.

b) There are many mechanical contracting firms that are qualified to perform the work. Depending on market conditions at the time the RFP is issued, Port staff anticipate receiving in the range of four to six proposals.

**6.1.2** Awarding the contract under the exemption will likely result in substantial cost savings and other substantial benefits to the agency.

The CRB is required to consider the type, cost, and amount of the contract in considering this finding.<sup>10</sup> The current budget estimate for the project is in the range of \$8.6M. A lump-sum public improvement contract is anticipated. The current budget for the cost of construction is \$4.0M. Approximately \$1.0M of the project budget is allocated to the costs of Port project administration, including Project and Construction Management, Engineering, Inspection and Maintenance during the construction phase. It is reasonable to assume that an unqualified or inexperienced contractor would require additional oversight and effort. This could increase that cost by 10 – 25% or \$100,000 - \$250,000.

To the extent applicable, the CRB must also consider the following additional factors in considering this finding.<sup>11</sup> Where applicable, Port staff has provided the following supporting information:

a) *How many persons are available to bid.*

---

<sup>9</sup> ORS 279C.335(6)

<sup>10</sup> ORS 279C.335(2)(b)

<sup>11</sup> ORS 279C.335(2)(b)

- There are over a dozen mechanical contractors in the local market that are qualified to perform the work.
  - b) *The construction budget and the projected operating costs for the completed public improvement:*
- The construction budget for this contract is \$4.0M. The project will reduce current operating costs by eliminating the need to repair leaks. These ongoing costs are in the range of \$20,000/year.
  - c) *Public benefits that may result from granting the exemption:*
- Using an RFP, proposers may offer alternative designs or methods to reduce cost and risk. In a low bid procurement, the bidders would simply price the design as shown in the bid documents (i.e. plans and specifications).
  - d) *Whether value engineering techniques may decrease the cost of the public improvement:*
- By utilizing an RFP, the Port will encourage proposers to offer alternative methods that may reduce the project's cost. Contract negotiations may result in some cost reductions via value engineering.
  - e) *The cost and availability of specialized expertise that is necessary for the public improvement.*
- There is a large difference between performing work on a new building or construction site, and working on an existing facility that is occupied and in operation. While there are contractors in the market for both situations, the RFP will allow the Port to confirm that the selected contractor has expertise in existing building retrofit situations.
  - f) *Any likely increases in public safety.*
- See response to the factor immediately below.
  - g) *Whether granting the exemption may reduce risks to the Port or the public that are related to the public improvement.*
- The project entails a significant risk of personal injury or property damage to PDX and its occupants, including the traveling public, Port and tenant staff, and the contractor's staff. The potential range of cost to the Port for damages caused by the contractor due to a lack of qualifications or experience is quite large due to the risk of a flood or fire in addition to personal injury. While the contract will require a performance bond and liability insurance, the Port could still be exposed to large costs for managing and recovering from a loss event. The Port and its tenants could also be burdened with significant consequential damages, such the cost of flight delays. By vetting the proposers' qualifications for this type of work, their experience, and their safety record, Port staff believe the risk of loss will be greatly reduced.
  - h) *Whether granting the exemption will affect the sources of funding for the public improvement.*
- Granting the exemption will not affect the sources of funding for the public improvement.
  - i) *Whether granting the exemption will better enable the Port to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement.*
- Current market conditions are not a factor. The exemption should not affect the cost or time to complete the work.
  - j) *Whether granting the exemption will better enable the Port to address the size and technical complexity of the public improvement.*

- Using an RFP will enable the Port to award the contract to a contractor that is qualified to handle the project complexities stated above.
  - k) *Whether the public improvement involves new construction or renovates or remodels an existing structure.*
- The project involves modifications to existing equipment.
  - l) *Whether the public improvement will be occupied or unoccupied during construction.*
- PDX will remain fully occupied and operational during construction.
  - m) *Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions.*
- The work will be accomplished in one phase.
  - n) *Whether the Port has, or has retained under contract, and will use Port personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the Port will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract:*
- Existing Port Procurement, Engineering and Construction staff have the expertise and experience to manage an RFP process to solicit a construction contract. No additional outside staff are required.

## **7 PUBLIC HEARING**

Under the Code, before the Port's CRB approves the Findings proposed above and before granting the exemption from competitive bidding, the Port must hold a public hearing to allow the Port to take comments on the draft findings for an exemption from the competitive bidding requirement.<sup>12</sup> Draft findings summarizing the requested exemption from competitive bidding were published in compliance with the Code's notice requirements, and a public hearing was held on September 5, 2023 to allow interested parties to appear and present comments on the proposed exemption. No members of the public attended the meeting or separately provided public comment.

## **8 SUMMARY**

Port staff find that the proposed exemption from competitive bidding;

- a) is unlikely to encourage favoritism in awarding the contract or substantially diminish competition for the contract, and
- b) will likely result in substantial cost savings and other substantial benefits to the Port. As a result, Port staff conclude that the proposed exemption from competitive bidding is consistent with the Code's stated policy of embracing alternate contracting methods when appropriate. Port staff recommends that the public improvement contract for this project be exempted from the Code's competitive bidding requirement.

---

<sup>12</sup> ORS 279C.335(5)

**ON-CALL ARCHITECTURAL SERVICES CONTRACTS FOR VARIOUS PORT OF PORTLAND FACILITIES**

---

September 13, 2023

Presented by: Alan Dakessian  
Engineering Project Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award four personal services contracts to provide on-call architectural services on an as-needed basis for a term of five years. The following firms were selected through a competitive request for proposals (RFP) process:

- dbc architecture
- GBD Architects
- MWA Architects
- Studio Petretti Architecture

**BACKGROUND**

Architectural services are required at many Port of Portland (Port) facilities. The services may include master planning, feasibility studies, condition assessments, development of standards, development of business cases, project design and construction administration.

The Port secures contracts through a variety of contracting methods in accordance with its purchasing guidelines and procedures, including on-call services. The Port engineering department currently has several different on-call contracts for a variety of services, such as geotechnical, civil engineering and pavement maintenance services. Utilizing on-call contracts is often more efficient than issuing a new contract solicitation each time services are needed, and such contracts provide the Port with needed flexibility to administer its capital program.

**CONTRACT SOLICITATION**

The Port issued an RFP on **June 8, 2023**, seeking qualified firms to provide the required services. Fourteen firms submitted proposals, which were evaluated by a panel of six Port employees. The panel also obtained input from the Port's Equity in Contracting Program for its evaluation. Proposals were evaluated against the following criteria in accordance with Oregon's qualification-based selection (QBS) requirements for certain professional services contracts:

- Shared prosperity considerations
- Qualifications of provider firm(s)
- Qualifications of project team members
- Project approach

# ON-CALL ARCHITECTURAL SERVICES CONTRACTS FOR VARIOUS PORT OF PORTLAND FACILITIES

September 13, 2023

Page 2

## **Small Business Participation**

The RFP provided that project-specific small business participation goals will be established before each on-call task order is issued. The Port will review the planned scope of work for small business utilization opportunities, and the consultant may be required to propose a small business utilization plan for that work. If appropriate, the Port will negotiate and establish project-specific small business utilization requirements in each task order, which may include a specific small business participation goal for that work.

## **Shared Prosperity Considerations**

The shared prosperity evaluation criterion referenced above includes the following considerations: small business programs, commitment to company social responsibility, workforce demographics and measurable steps to ensure a diverse internal workforce and commitment to community involvement.

## **CONTRACT TERMS AND FUNDING**

Each contract has a term of five years. Work will be performed through individual task orders that specify the scope of work, schedule and compensation terms. Services may be provided at any Port facility.

Payment will be based on negotiated rates established at the time of the contract award. The contracts will not include a maximum dollar amount for all services during the term, and task orders may be issued in any amount. Each task order will fix a maximum compensation limit for each scope of work.

Task orders will establish project-specific small business utilization requirements, if applicable. Each task order will be funded under the applicable project budget.

## **SCHEDULE**

RFP solicitation and selection	June – August 2023
<b>Commission action (approve contract awards)</b>	<b>September 13, 2023</b>
Finalize contracts	September – October 2023
Contract term starts	October 2023
Contract term ends	October 2028



ON-CALL ARCHITECTURAL SERVICES CONTRACTS FOR VARIOUS PORT OF PORTLAND  
FACILITIES

September 13, 2023

Page 3

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award four personal services contracts for on-call architectural services to the following firms: dbc architecture, GBD Architects, MWA Architects and Studio Petretti Architecture, 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.

**PURCHASE AND SALE AGREEMENT – CITY OF HILLSBORO – HILLSBORO AIRPORT**

---

September 13, 2023

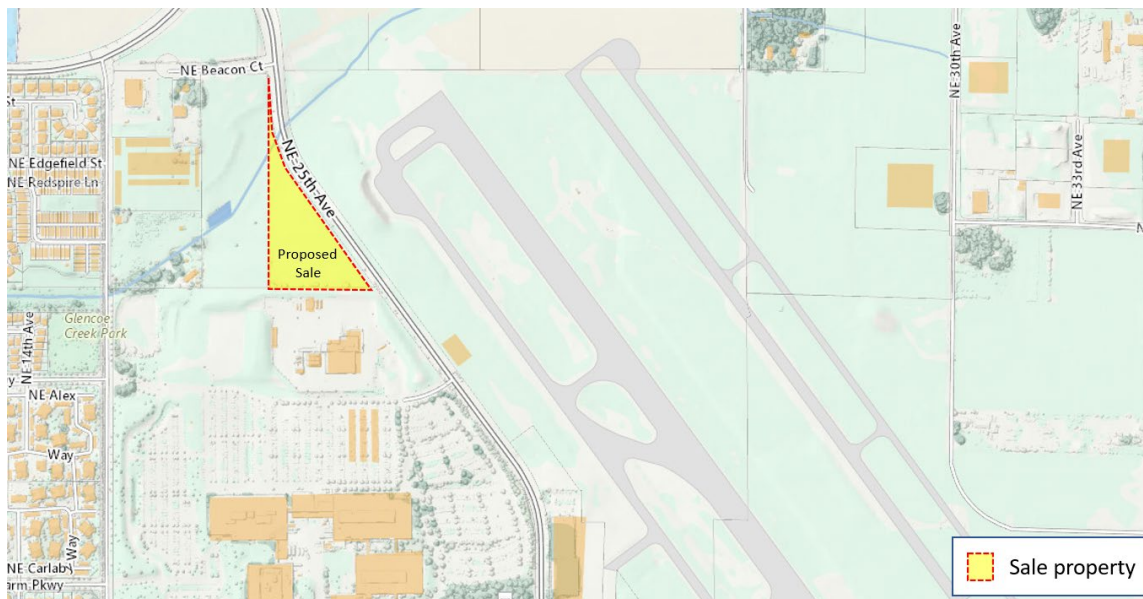
Presented by: Stephen Winkle  
Aviation Real Estate Manager

**REQUESTED COMMISSION ACTION**

This agenda item requests approval of a Purchase and Sale Agreement conveying real estate adjacent to the Hillsboro Airport to the City of Hillsboro for development of a new public safety and training facility.

**BACKGROUND**

The City of Hillsboro (Hillsboro) seeks to purchase vacant Port of Portland (Port) land to incorporate into a development, together with adjacent land purchased. Acquisition of the Port parcel would enable the City to consolidate its police headquarters in a new facility on the property and facilitate conversion of existing precincts to policing centers supporting local community engagement. The City is planning full buildout of a two-story 70,000-square-foot public safety headquarters, with an adjacent 48,000-square-foot training facility, space for community outreach programs, associated parking and direct access to NE 25th Avenue. The proposed land sale has been released of Federal Aviation Administration (FAA) grant encumbrances and has a Hillsboro-approved property-line adjustment authorizing the sale. The Port would receive fair-market value for the property based on appraisals, satisfying FAA requirements. Hillsboro plans to begin construction in 2025 and open in 2026.



**KEY TRANSACTION DETAILS**

Agreements: Purchase and Sale Agreement (PSA) with the City of Hillsboro, conveying real estate to the City of Hillsboro

Property: Land sale of 5.485 acres (238,927 square feet)

Value: \$1,940,000.00 paid to the Port

Closing: Closing to occur promptly following signing of the PSA

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to sign and execute the Purchase and Sale Agreement with the City of Hillsboro, consistent with the terms presented to the Commission; and

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

**PERSONAL SERVICES CONTRACT – PORTLAND INTERNATIONAL AIRPORT MASTER PLAN UPDATE PROJECT**

---

September 13, 2023

Presented by: Aaron Ray  
Senior Manager  
Aviation Long-Range Planning**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a personal services contract for consulting services related to the Portland International Airport (PDX) Master Plan Update project to Ricondo & Associates, Inc. (Ricondo), in the amount of \$7,297,867.

**BACKGROUND**

The Port of Portland (Port) maintains Airport Master Plans for each of our airports, including PDX. These plans provide the basis for long-range planning decisions to ensure that our facilities are able to satisfy projected demands, effectively meet the needs of our communities, and align with our organizational priorities.

The PDX Master Plan was last updated in 2011, as the culminating product of *Airport Futures*, a collaborative planning project involving the Port, the cities of Portland and Vancouver, and an extensive community outreach program. The *Airport Futures* plan positioned the airport well. It established a new land use framework with the City of Portland that provides certainty and clarity for airport development projects, it was the first major airport planning study in the United States that centered sustainability as a guiding principle for facility development, and it provided the foundation for the PDX Next project investments that are coming to fruition today.

Federal Aviation Administration (FAA) guidance calls for Airport Master Plans to project an airport's operational needs at least 20 years into the future, updated on a rolling basis approximately every 10 years. A recent Master Plan is a requirement to continue to receive funding from the FAA, which is a vital capital funding source for infrastructure projects at PDX. With FAA concurrence, the Port has committed to commencing a Master Plan update project in 2023 to ensure that our plan remains up-to-date, and the FAA has agreed to issue a grant to fund 75% of the project.

The project to be performed under this personal services contract will update the *Airport Futures* plan to provide a roadmap for development, operation and investment at PDX. The project is an evolution of the *Airport Futures* plan, integrating recent planning work with updated forecasts and industry trends to develop a framework for accommodating projected facility needs through 2045.

The project phases are somewhat like those followed in prior Master Plan updates, with an emphasis on centering our Shared Prosperity mission and identifying emerging opportunities to improve climate and seismic resiliency. The components of the plan will include a forecast of airport activity, long-range facility assessment, evaluation of facility investment alternatives to meet future needs, and an implementation concept to guide future projects.

PERSONAL SERVICES CONTRACT – PORTLAND INTERNATIONAL AIRPORT MASTER  
PLAN UPDATE PROJECT

September 13, 2023

Page 2

Community engagement will play a critical role to building and delivering a successful plan. As one of its first deliverables, the consultant team will develop an Engagement Plan that identifies strategies and tactics to be employed throughout the project to ensure broad engagement. These strategies and tactics will place a particular focus on those that have traditionally been excluded from airport-related engagement efforts, those who work at or live near the airport, and who experience outsized impacts resulting from airport operations. As part of the project, the Port will convene advisory groups consisting of community members, agency representatives, regional partners and key airport users. Outreach methods will include both in-person and virtual engagement opportunities in multiple languages, to be identified during the development of the Engagement Plan.

### **SCOPE**

The project includes the following key scopes of work:

- Study design
- Public and stakeholder engagement
- Existing conditions and data gathering
- Aviation demand forecasts
- Facility requirements identification
- Development alternatives identification and evaluation
- Preferred alternative selection and refinement
- Financial and implementation analysis
- Plan documentation

As the outcome of analysis and engagement, the project will produce a preferred development alternative, identifying facility needs to accommodate demands through approximately the year 2045, including an implementation concept that is financially sustainable and aligned with the Port's mission and community commitments. This implementation concept will, in turn, provide a roadmap for ongoing refinements and necessary follow-on studies.

### **SCHEDULE**

RFP solicitation and selection	December 2022 – February 2023
<b>Commission action (approve contract award)</b>	<b>September 13, 2023</b>
Finalize contract	September 2023
Contract term starts	September 2023
Stakeholder engagement begins	Spring 2024
Preferred alternative presented to Commission	Summer 2026

PERSONAL SERVICES CONTRACT – PORTLAND INTERNATIONAL AIRPORT MASTER  
PLAN UPDATE PROJECT

September 13, 2023

Page 3

**CONTRACT SOLICITATION**

The Port procured this personal services contract utilizing a qualifications-based selection (QBS) process under Oregon Revised Statutes, Chapter 279C. The Port advertised a Request for Proposals on December 7, 2022, and proposals were due on January 11, 2023. Five firms submitted proposals, which were evaluated by a team of four Port employees representing Planning and Development, Airport Operations, and the Equity in Contracting departments, as well as the vice-chair of the PDX Community Advisory Committee. Proposals were evaluated against the following criteria:

- Qualifications of provider
- Project approach
- Project management
- Sustainability and shared prosperity
- Social equity program

Ricondo was the highest-ranked proposer, due to the quality and experience of its team and its innovative approach to incorporating shared prosperity principles into an airport master plan project. Port staff then negotiated the final scope of work to determine Ricondo's fee, which will be based on hourly rates. The fee will be paid monthly based on work performed, not to exceed the total contract amount.

**Shared Prosperity Considerations**

The shared prosperity evaluation criterion referenced above includes the following considerations: small business programs, commitment to company social responsibility, workforce demographics and measurable steps to ensure a diverse internal workforce and commitment to community involvement.

**Small Business Participation**

Based on an availability analysis, the Port's small business enterprise (SBE) program participation goal for this contract was 13.6% of the total amount bid. The highest-ranked proposal identified a 25% 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 – PORTLAND INTERNATIONAL AIRPORT MASTER  
PLAN UPDATE PROJECT

September 13, 2023

Page 4

**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 personal services contract for consulting services related to the Portland International Airport Master Plan Update project to Ricondo & Associates, Inc., 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.