

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
2:00 p.m., Monday, October 21, 2019

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

ATTENDANCE

Commission:

David Kronsteiner, President; Eric Farm, Vice President; Brianna Hanson, Treasurer; and James Martin, Commissioner.

Staff:

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Patrick Kerr, Director of Rail Operations; Margaret Barber, Director of External Affairs; Fiona Bai, Marketing Media Specialist; Jake Jacobs, Director of Infrastructure Support Services; John Buckley, Project Manager; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

James McCann; and Maeora Mosieur.

1. CALL MEETING TO ORDER

President Kronsteiner called the meeting to order at 2:00 p.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

James McCann offered comment on the potential development of offshore wind energy. Mr. McCann stated there is a unique opportunity after California recently passed SB-100; wind energy and offshore wind farms are becoming the next big thing. Mr. McCann shared concern that California is pushing hard for two ports: one in Humboldt Bay and the other in Port Hueneme, near Los Angeles. Mr. McCann stated the Port of Coos Bay already has some of the infrastructure in place, so it is a prime opportunity for the Port to become involved. It would create green jobs for the area. Mr. McCann stated this would be a good thing for the community and urged Commissioners to look more into this opportunity.

President Kronsteiner thanked Mr. McCann, stating Commissioners have been involved with this project before and that he has traveled to Portugal to see a working wind farm. At that time, it was not going to work on the Oregon Coast but with the changing laws in California it could become a possibility. Commissioners have looked into what it would take and will continue to do so.

4. CONSENT ITEMS

- A. Approval of September 16, 2019 Regular Commission Meeting Minutes
- B. Approval of September Invoices

- C. Approval of September Contracts Awarded
- D. Approval of Community Giving Donations

Upon a motion by Commissioner Hanson (second by Commissioner Farm), the Board of Commissioners voted to approve the September 16, 2019 Regular Commission Meeting Minutes, September Invoices, September Contracts Awarded, and Community Giving Donations. **Motion Passed.**

5. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

6. ACTION ITEMS/REPORTS

A. Award for New Vehicle Auto Lease

Port staff solicited proposals to procure pricing on eleven new lease vehicles including: two mid-sized four door sedans, five all-wheel drive sport utility vehicles, three mid-sized two-wheel drive pickups, and one full-sized four door four wheel-drive pickup with a 10,000 lb. tow rating. These vehicles will be utilized by Port staff, Coos Bay Rail Line, and the Charleston maintenance/security personnel.

A Request for Quote (RFQ) for the Leased Vehicles was sent out on September 9, 2019. The RFQ was sent to multiple vendors as well as being posted on the Port's website, listed in the local newspaper, and posted in one plan center. The deadline for submittals was September 24, 2019. The Port received proposals from two firms, with Acme Auto Leasing LLC providing the lowest price and meeting all submission requirements of the RFQ.

The proposal review team was comprised of Project Manager Rick Adamek, and Director of Infrastructure Support Services, Jake Jacobs. The team individually reviewed the proposals and determined that Acme Auto leasing was the only bidder that met all the RFQ requirements.

Port procurement rule 4.5 states the Port Commission, acting in its role as the Local Contract Review Board, may award a contract for goods by competitive proposals. Port staff requests the Commission authorize Chief Executive Officer John Burns to further negotiate with Acme Auto Leasing LLC and award a negotiated rate for the procurement of the leased automobiles. In accordance with section 4.9.3 the Port will notify the proposing company(s) of the intent to award, and publicly post the intent to award. The Pre-Negotiation proposal was \$207,000.00 for the base year, and the price remains unchanged at \$207,000.00 for the option year; 6 year pricing is \$414,000.00.

Commissioner Hanson asked if this project was included in the budget. Jake Jacobs stated that it was included in the budget, in two separate line items. John Burns stated that specifically there is \$47,000 earmarked for leased vehicles; and the other \$22,000 anticipated will come out of the department travel budgets that would have otherwise gone to mileage reimbursement for use of personal vehicles.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to negotiate with and potentially execute a contract with Acme Auto Leasing LLC for the three-year lease of the eleven vehicles, with the potential extension of three years. **Motion Passed.**

B. Purchase Authority for Rolling Stock Acquisition

The Port identified a need for locally owned locomotives to conduct business operations on the Coos Bay Rail Line (CBRL). Three million dollars of an ODOT grant was reallocated for the purchase of rolling stock by ODOT in support of this requirement. Six locomotives were negotiated, and price established for purchase from Western Rail Company. Five engines have been accepted; however, a sixth engine could not be completed in time to expend the grant funds. It was determined the sixth engine is not required at this time, thus the remaining grant funds that were dedicated to the acquisition of the sixth engine have been reallocated for acquisition of self-propelled Hi-Rail equipment that will be used for repair and maintenance of CBRL property.

\$320,031.63 remain of the grant funds, which will expire December 31, 2019 if not fully expended. Equipment for Hi-Rail operations is very specialized and not all companies have configured equipment ready for immediate sale, thus attempting to complete requirements for purchasing new Hi-Rail equipment will exceed the time that remains before the expiration of the grant funds. It is therefore recommended to purchase some used equipment that has been inspected and determined suitable and reliable in order for the Port to obtain equipment in an expeditious manner before the December 31, 2019 deadline.

Entering into sole source procurement may be necessary to purchase some used Hi-Rail equipment. Managing the equipment pricing, availability, time and expenditure rate is critical to fulfilling the conditions of the ODOT grant.

Purchases of equipment will be in accordance with the requirements of the ODOT grants program, and all procurements will be acquired in accordance with Local Procurement Contracting Regulations Policy section 6.4: Procurement of Goods and Services, section 4.9, Special Procurements, Paragraph (F) Purchase of used personal property or equipment. In addition, the Port requests authority to purchase (as necessary) specialized Hi-Rail equipment under section 4.7 Sole Source Procurements, sub-section 4.7.3 Negotiation with a sole source is desirable.

Mr. Burns stated that the settlement with the previous operator of the railroad included a locomotive, negating the need to purchase a sixth locomotive. Therefore, there is an excess of grant funds available that must be spent on rolling stock. Port staff reached out to the grant administrator to determine if the funds could be redirected and were told they could not, due to the way the legislation was written. Rail Operations staff has provided input into what type of assets are needed for efficient operations.

Upon a motion by Commissioner Hanson (second by Commissioner Farm), the Board of Commissioners voted to authorize Chief Executive Officer John Burns to obligate the remaining grant funds from ODOT, in the exact amount of \$320,031.63, which may include sole source procurement, for specialized rolling stock acquisition to conduct business operations on the Coos Bay Rail Line. **Motion Passed.**

C. Sole Source Procurement for Charleston Ice Plant Condenser Project

In 2007 the Port of Coos Bay acquired the Charleston Ice Plant and in 2010 assumed operations of this vital equipment which supports the Charleston fishing fleet. In 2007 the Port purchased and installed a used condenser to replace the failing unit. According to the supplier, the used condenser had only 10 years of service life remaining. The existing condenser is now 2 years beyond its service life and requires immediate replacement due to a potential catastrophic leak.

On September 26, 2019, the Port conducted a Sources Sought Request for Information meeting at the Charleston Marina Complex. Only one vendor (Portland Engineering, Inc.) attended the meeting. A stipulation of the Sources Sought/Request for Information was mandatory attendance in order to bid upon release of the RFQ.

It is Port's intent to perform this work by February 2020 due to the lead time in ordering a new condenser. The estimated cost to replace the unit is \$130,000.

The Port seeks the procurement method of Sole Source due to only one vendor responding to the publicly advertised Sources Sought meeting held in Charleston, Oregon on September 26, 2019. This sole source justification applies to the purchase and installation of a replacement condenser.

Commissioner Martin asked how confident Port staff are this contract will be under \$150,000. Mr. Jacobs stated that staff are reasonably confident, and the intent is to negotiate with the one vendor. Commissioner Martin stated that with contracts over \$150,000 there are more procedural items that must be addressed. Mr. Jacobs stated that if necessary, this project will be brought back to Commissioners for further review.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to enter into a sole source intermediate contract with Portland Engineering, Inc. of Central Point, Oregon to replace the condenser at the Charleston Marina Ice Plant. **Motion Passed.**

7. **OTHER**

8. **COMMISSION COMMENTS**

9. **NEXT MEETING DATE** – Monday, November 18, 2019, 6:30pm.

10. **ADJOURN**

President Kronsteiner adjourned the meeting at 2:13 p.m.