



CITY OF
PORTLAND, OREGON

OFFICIAL
MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 2ND DAY OF JANUARY, 2002 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Saltzman and Sten 5.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Linda Meng, Chief City Attorney; and Officer Peter Hurley, Sergeant at Arms.

By unanimous consent, Commissioner Sten was elected to serve as President of Council through July 2, 2002.

Items No. 6, 7 and 8 were pulled for discussion and, on a Y-5 roll call, the balance of the Consent Agenda was adopted.

<p>*1 TIME CERTAIN: 9:30 AM – Authorize a contract with Impregilo/Healy Joint Venture and provide for payment for Pre-Construction Services for the West Side Willamette River Combined Sewer Overflow Program, Project No. 6680 (Ordinance introduced by Commissioner Saltzman) (Y-5)</p>	176179
<p>2 Accept proposal of the Impregilo/Healy Joint Venture for the West Side Combined Sewer Overflow Project Phase I Design for \$1,082,948 (Purchasing Report introduced by Mayor Katz; Bid No. 100815) (Y-5)</p>	ACCEPTED PREPARE CONTRACT
CONSENT AGENDA – NO DISCUSSION	
<p>3 Accept the bid of Skyward Construction LLC for the construction of Fire Station No. 16 for \$1,418,500 (Purchasing Report; Bid No. 101094) (Y-5)</p>	ACCEPTED PREPARE CONTRACT
Mayor Vera Katz	
<p>4 Approve the appointment of Peter Cogswell to the Portland Utilities Review Board for a term to expire January 2, 2005 (Report) (Y-5)</p>	CONFIRMED

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<p>5 Confirm reappointment of Ethan Seltzer to the Portland Planning Commission (Report) (Y-5)</p>	<p>CONFIRMED</p>
<p>*6 Pay claim of Estate of Richard Dow (Ordinance) (Y-5)</p>	<p>176176</p>
<p>*7 Pay claim of Ted Vickers (Ordinance) (Y-5)</p>	<p>176177</p>
<p>*8 Pay claim of Barbara Vickers (Ordinance) (Y-5)</p>	<p>176178</p>
<p>*9 Pay claim of Joyce Jones (Ordinance) (Y-5)</p>	<p>176160</p>
<p>*10 Sell surplus real property at SW 57th Avenue and Barnes Road (Ordinance) (Y-5)</p>	<p>176161</p>
<p>*11 Increase contract with Platinum Construction Services, Inc. for Change Order Nos. 3 & 4 for Portland Police Central Precinct Carpet and Paint Upgrade (Ordinance; Amend Contract 33305) (Y-5)</p>	<p>176162</p>
<p>*12 Authorize acquisition of vehicles for use by City bureaus (Ordinance) (Y-5)</p>	<p>176163</p>
<p>*13 Amend contract with Jennifer Johnson, DBA Team HR, LLC to extend the contract and increase compensation (Ordinance; amend Contract No. 33093) (Y-5)</p>	<p>176164</p>
<p>Commissioner Jim Francesconi</p>	
<p>14 Confirm re-appointment of Jim Wadsworth, Ramon Corona, Clyde Earl, Dawn Huddleston, Carol Lentz, Bernie Foster, Marc Pettibone, Michael Tolley, Raye Miles and Tim O'Connor to the Taxicab Board of Review effective January 9, 2002 (Report) (Y-5)</p>	<p>CONFIRMED</p>
<p>*15 Authorize an Interagency Agreement between Portland Parks and Recreation and the Portland Development Commission for 2001 - 2002 for professional and technical services for park improvements (Ordinance) (Y-5)</p>	<p>176165</p>
<p>*16 Authorize agreement for acquisition of the Portland General Electric Company property in Errol Heights, which is vacant land located in the Johnson Creek Watershed (Ordinance) (Y-5)</p>	<p>176166</p>
<p>Commissioner Dan Saltzman</p>	

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<p>*17 Authorize Intergovernmental Agreement with the U.S. Geological Survey for hydrologic monitoring in the Johnson Creek Basin (Ordinance) (Y-5)</p>	<p align="center">176167</p>
<p>*18 Accept a grant from Multnomah County in the amount of \$39,086 for FY 2001-2002 to support the delivery of community services by North Portland Neighborhood Services for the Caring Community of North Portland (Ordinance) (Y-5)</p>	<p align="center">176168</p>
<p>*19 Accept a grant from Oregon Housing and Community Services in the amount of \$5,249 for the ONI Neighborhood Mediation Center to continue the Manufactured Dwelling Park Mediation Program (Ordinance) (Y-5)</p>	<p align="center">176169</p>
<p>*20 Accept a grant from Oregon Housing and Community Services in the amount of \$6,752.60 for the ONI Neighborhood Mediation Center to continue the Manufactured Dwelling Park Mediation Program (Ordinance) (Y-5)</p>	<p align="center">176170</p>
<p>21 Contract with Multnomah County, Division of Community Programs and Partnerships for \$125,000 to provide services for the Block-By-Block Weatherization Program (Second Reading Agenda 1454) (Y-5)</p>	<p align="center">176171</p>
<p align="center">Commissioner Erik Sten</p>	
<p>22 Certify Tonya Y. Parker, Director of the Bureau of Housing & Community Development, as Certifying Officer for federally required environmental review certifications (Resolution) (Y-5)</p>	<p align="center">36048</p>
<p>*23 Agreement with Oregon Bureau of Labor & Industry Civil Rights Enforcement Services Program for \$19,686 and provide for payment. (Ordinance) (Y-5)</p>	<p align="center">176172</p>
<p>*24 Agreement with worksystems inc. for \$25,810 to initiate the Rockwood Youth Employment Partnership program and provide for payment (Ordinance) (Y-5)</p>	<p align="center">176173</p>
<p>*25 Amend agreement with worksystems inc. to increase amount by \$40,000 and provide for payment (Ordinance; amend Agreement No. 33874) (Y-5)</p>	<p align="center">176174</p>
<p>*26 Contract with Housing Authority of Portland for \$100,000 for the Housing Authority of Portland HIV/AIDS Housing and provide for payment (Ordinance) (Y-5)</p>	<p align="center">176175</p>
<p align="center">REGULAR AGENDA</p>	

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Mayor Vera Katz		
*27	Accept a U.S. Department of Justice, Office of Community Oriented Policing Services, COPS in Schools grant award (Ordinance) (Y-5)	176180
*28	Accept a \$90,436 grant from the U.S. Department of Justice, Office of Community Oriented Policing Services, Justice Based After-School program (Ordinance) (Y-5)	176181
*29	Amend Intergovernmental Agreement with Portland Development Commission for the design and construction of the Portland Police Mounted Patrol Unit at the Centennial Mills site (Ordinance) (Y-5)	176182
*30	Amend City Code to reflect changes to the City Deferred Compensation Plan (Ordinance; Repeal Chapter 4.44 and add Chapter 5.09) (Y-5)	176183
*31	Pay claim of Damon Woodcock (Previous Agenda No. 1442) Motion to refer the item to the Commissioner of Finance and Administration: Hearing no objections, the Mayor gaveled down.	REFERRED TO COMMISSIONER OF FINANCE & ADMINISTRATION
Commissioner Charlie Hales		
32	Consider vacating a portion of SE Haig Street east of the Southern Pacific Railroad at SE 18th Avenue, at the request of Hunter-Davisson, Inc./HD Properties LLC (Hearing; Report; C-9996) Motion to approve report and order City Engineer to prepare ordinance: Moved by Commissioner Hales and seconded by Commissioner Francesconi. (Y-5)	APPROVED; CITY ENGINEER PREPARE ORDINANCE

At 10:15 a.m., Council adjourned.

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WEDNESDAY, 2:00 PM, JANUARY 2, 2002

**DUE TO LACK OF AN AGENDA
THERE WAS NO MEETING**

GARY BLACKMER
Auditor of the City of Portland

By Susan Parsons
Acting Clerk of the Council

For discussion of agenda items, please consult the following Closed Caption Transcript.

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Closed Caption Transcript of Portland City Council Meeting

This transcript was produced through the closed captioning process for the televised City Council broadcast.

Key: ***** means unidentified speaker.

JANUARY 2, 2002 9:30 AM

[roll call]

Katz: It is now time to elect the new president, and we will elect commissioner erik Sten. Any objections? Hearing none, so ordered. [gavel pounded]

Sten: Thank you.

Katz: Congratulations. For anybody that's watching, it wasn't quite democratic, but what we do is rotate it among the council members. And for the next six months commissioner Sten gets woken up at 3:00 in the morning if i'm not in town. All right. Consent agenda. Item 6, 7, and 8 have been requested to be removed off the consent agenda. Anybody else have items to be removed from the consent agenda? If not, we'll have a roll call on the consent agenda.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Item 6, 7, 8.

Katz: Mayor votes aye. [gavel pounded] let me just ask, dan, are you the only one testifying on 6, 7, and 8? Does anybody else want to say anything on those items? Why don't we read them all together.

Parsons: Item 6, pay claim of estate of richard dow. 7, pay claim of ted vickers. 8, pay claim of barbara vickers.

Dan Handelman: Good morning, mayor Katz, commissioners.

Katz: I'll give you nine minutes.

Handelman: Seriously?

Katz: Well, it's three -- use less. See if you can start a new year.

Handelman: This is all i've got.

Katz: All right.

Handelman: My name is dan handleman, a member of Portland c.o.p. Watch. In regards to the case of dickie dow and his parents, i'm ear as a member of Portland cop watch and we're a civilian watch to promote police accountability. We want to address this settlement. Dow, a 37-year-old schizophrenic man, died after an altercation with police in october 1998. He was beaten and pepper sprayed and when he stopped breathing police refused to let a neighbor perform cpr. Four of the eight officers who piled on dow were given letters of accommodation of some kind for some kind of behavior they exhibited during the incident. I'm not here to discuss the details of the case, nor the relatively meaningless dollar amount you're proposing to pay out, I would encourage you to send this case back to risk management to attach policy changes for the police bureau to the settlement agreement. It seems if the job of risk management is to assess the risks to the city as to its liability, part of its job should be to evaluate what behaviors, policies and procedures and training tend to put the city at risk for an incident like this to happen again. In terms of police interaction with those who appear to be mentally ill, we've already seen cases this year ending in shots fired and/or deaths, the most high profile being of jose poot. We have advocated for years crisis intervention training team be given to all officers, not just those who volunteer. We've advocated pepper spray be withdrawn from the arsenal as to a -- until a scientific study. We also

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wander what has happened to the cpr training for our police whose roles as potential rescue work
verse been in the news. We really would like to know why officer would turn away a civilian who
has offered to help. Please consider putting off the vote until risk management examines the case.
If they don't do the review, perhaps the independent review division can review this case for these
policy issues. It is government's job to serve the community. Therefore the truth even though it
may put the city at risk for liability, must be a more important goal than settling cases out of court
to avoid larger judgment. I don't expect you'll be willing to discuss these details in public because
you may feel further liability. I think that's a tragedy and perhaps a tragedy in waiting. Thank you
for your time.

Katz: Thank you, dan. Anybody else want to testify? Roll call. Questions?

Saltzman: Don't you feel rather than risk management this really is the purview of the
independent police review? Admittedly they don't have procedures in place, but this was clearly
our intent to have these issues, policy issues looked at by independent police review.

Handelman: I would hope they work hand in hand so they would find out what is causing the city
to pay out all sorts of money and that policies that lead to incidents like this be changed.

Katz: Let me just remind the council that in our conversations when we created the ipr that the
council did ask the auditor to come back with recommendations, and he will be coming back with
recommendations, probably by next week you will see some recommendations on this. Yes?

Hales: That was my question.

Katz: Thank you. Anybody else? Roll call. On 6.

Francesconi: Well, I think we should approve all these settlements. I could think there are some
issues we should hear at the appropriate time from the chief on one involving training. One is the
issue of cpr. So maybe at the appropriate point after appropriate citizen input we do need to hear
from the chief about what training has been put in place upon the -- regarding the issues raised by
this settlement which is significant. Aye.

Hales: I appreciate dan raising the issue. This is the financial question of whether or not we're
going to settle lawsuits. I think the council actually has two tasks here in this set of issues. One is
to make sure that our independent police review system is working to throw daylight on our
conduct as an organization. Are we behaving appropriately, are we giving people their due in
terms of civil rights when we're dealing with them? Are our officers conducting themselves in
difficult circumstances as best as we can expect them to with the best training and the best
guidance in terms of their procedures from us and from the chief? That's one set of questions and
that's got to be addressed and that's fair that it gets raised at this point to make sure that we go do
that. This isn't where that happens. But there's a second set of issues here, and that is not just in
the question of how each case is handled and whether or not people have been treated appropriately
or not, but what's our pattern in terms of how often we're getting sued and settling lawsuits?
Whether it's for police work or anything else. And i've been concerned about the frequency and
dollar amount of those claims not just involving police officers and arresting people, but also
involving motor vehicle accidents in which police officers and some of our other employees are
running into people in the conduct of their work. So we have an oversight responsibility there, we
ought to go ahead and approve this settlement, but we ought to look back over the last year with the
auditor's help and say what's the pattern here? How often are we getting sued for dollar damages in
these kind of situations? Is it happening more often than it used to and what can we do about it?
And I think we have a management and community responsibility to make sure that we look at that
set of issues as well. But for now in terms of this particular settlement, fine, let's approve the
settlement, and then go make sure those two other sets of oversight functions work. Aye.

Saltzman: Aye.

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Sten: Aye.

Katz: Mayor votes aye. [gavel pounded] thank you. Item 7.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. [gavel pounded] item 8.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. [gavel pounded] thank you. Time certain. Item 1 and 2. Let's read those together.

Item 1, 2.

Katz: Thank you. Commissioner Francesconi? I'm sorry, commissioner Saltzman.

Saltzman: Thank you. I'm pleased to bring before you today an ordinance to authorize a contract with impregilo/healy, which is a joint venture company, and they are to be authorized to do the predesign services along with b.e.s. And our design team, for the west side tunnel. This is the gigantic public works project that many of you have heard about. It's helping us control combine sewage overflows, or eliminate them from the willamette river. We're already about halfway there in our goal at 50%. This project will be done by 2006. The contract before us right now is to accept impregilo/healy as our design partner in phase one, which means they'll come on board, work with our design team, work with our staff to finish the design for this tunnel, which will be some 100 feet below nato parkway, will cross the bed of the willamette river and will cross to a new pump station, a large pump station that's also part of this project. They were -- this was done through a request for proposal process rather than a low bid process. I felt this process allowed us more latitude to look at a lot of other factors beyond simply the price. And for a project that is this complicated, this is an enormous undertaking, a dangerous undertaking. Any time you're tunneling underground, under the water table it's a very dangerous project. So we needed the latitude to see who had the best team, and we feel confident we've picked the best team today. We're going to give you an overview of the project, where we are and what this particular project will do, and then we will open it up for questions. We also have to accept actual the purchasing report from sue, which actually accepts impregilo/healy's proposal as the winning proposal. Just one final note is that once this contract is authorized, there will be a separate phase ii contract, which will actually authorize the actual construction work once it's designed. And that should be done, we should be authorizing that by may of this year, and shortly thereafter with an -- within a couple months we'll be digging dirt and people will be -- there will be a lot of jobs associated with this project, a lot of jobs for construction people, for local minority women and emerging small business firms, so we think it's a good shot in the arm for the local economy as well as an important public works project that's cleaning up our willamette river. And with that i'll turn it over to dean marriott.

Dean Mariott, Director Bureau of Environmental Services: Thank you. Good morning. I'm dean marriott, director of environmental services for Portland. With me today is paul Gribbon, the engineer in charge of the combined sewer overflow projects on the west side of the willamette, and let me see if I can get this --

*****: You're on the second slide.

Mariott: We'll just -- my purpose here today is to just give you a brief overview of where we have come the last few years, and paul will talk about the specifics of the west side projects. It's important, as commissioner Saltzman noted, we're actually asking you today to approve the preconstruction services contract with impregilo/healy joint venture. But I thought before we did that, before we asked you to do that it would be good to refresh everybody's recollection. This is an enormous undertaking in the history of the city, and it involves spending a lot of the public's money, so we thought spending a few moments to refresh our memories about where we've come from would be worthwhile. Here's the schedule. I'm sure you're all familiar with it. You've

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probably got it memorized. We started in the early '90s, the city signed an amendment agreement in '94, in december of 2001 we passed our first really significant milestone of controlling all 13 combined sewer overflow outfalls on the columbia slough, and seven outfalls on the willamette. The next major milestone is december 2006, where we will have to control 16 outfalls on the willamette, essentially we're attacking those from the west side of the river. And then the final major milestone is december of 2011, when the balance of the rest of the outfalls on the willamette will need to be controlled. Here's a chart that tracks our progress from the early 1970s when we estimated about 10 billion gallons of combined sewage overflow reached the willamette and the columbia slough annually. In 1990 about 1990 we estimated that volume to be -- to have been reduced to about 6 billion gallons through a variety of improvements we could make in the operation of the system. That really embarked us on the formal combined sewer overflow abatement program, so from starting with 6 billion at the start of the formal program, we're now at about 2.8 billion, so 53% reduction. So more than halfway where we need to be, and you can sort of see there the projected next ten years. The milestones as far as eliminating the outfalls, you can actually see them, but I can -- you can see right here, these are the columbia slough outfalls i'm pointing to with the pointer. Here's the consolidation conduit that was built along columbia boulevard. That all went into service last -- a year ago december. These are the other outfall that's have been controlled on the slough. So all 13 of these are now controlled. Down here we have the willamette river, here's a few of the outfalls, and there are other ones on down toward downtown. A total of seven of those outfalls have been controlled also.

Katz: Seven on the willamette have already been controlled?

Mariott: Yes. Here's a map of the overall project to come. You'll be hearing more about these in just a minute, but there's a new pump station way down in southwest called the california pump station, the southwest parallel interceptor, which starts in this area and goes up towards clay street downtown, that construction is already underway in a few segments. You'll hear discussion of the carolina stream diversion project, that's in this area of southwest right here. The tunnel of course starts at clay, goes under nato parkway through downtown, up to terminal 1, turns and goes across the river over to swan island, where there will be a pump station built on swan island. Then there will be a small connector built over to the existing collection system which goes north to columbia boulevard. So these elements right here, this connector, the major pump station, the tunnel, the southwest parallel interceptor, carolina stream diversion, california pump station, and of course the completion of the tanner creek stream diversion project, which i'm highlighting right here, also in west Portland, are the components of the west side control program. Just to touch briefly on the schedule, the carolina stream separation projects will start next year, 2003, and will run through 2006. The california pump station improvements will start this year and will be basically a two-year construction project. The southwest parallel interceptor projects, at least a couple of phases are under construction now. And the tanner creek stream separation project, the first several phases are finished and the final phases, 3 and 4, will start later this year and will be finished sometime next year. And then of course that brings us to the major projects, which involve the tunnel construction and the pump station construction, and paul will talk about that and we'll leave you right up to why we're recommending impregilo/healy to assist us with that construction.

Paul Gribbon, Project Engineer, Bureau of Environmental Services: We look at the facilities that come under the jurisdiction of this particular contract we're talking about, the segment 3 of the southwest parallel interceptor, which is right along here, goes up to -- from marquam bridge to clay street, and at clay street the cso, west side cso tunnel starts, goes under nato parkway, about terminal one it will cross under the willamette river to a pump station on swan island, 220- million-gallon a day pump station. In the interim, by 2006, a dual force main to the peninsula tunnel. The

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main challenges we have here, we talked about before, it's a very large project located in heavily urbanized area. We're averaging about 120 feet below the ground surface. That includes about 100 feet under the groundwater table. There's a lot of historical development in old Portland we've got to get under, we've got varying geological conditions. The shafts that go along with this project will range in diameter from 40 up to 145 feet in diameter at Swan Island and they will also go as deep as 160 feet and overall we've got soft soils and hard -- high groundwater situation, which is a difficult construction situation. The previous council actions which -- regarding this project on June 20th, we got authorization to waive the low bid requirement and proceed with a request for proposals-type contractor procurement. We came back to you on October 10th to authorize a supplementary construction management support agreement with Jacobs Associates and what that was about was to get experts on our construction management staff that can help us with this size project. People had experience with this size project before and had the experience to help us manage it. The request for proposal's approach was basically a qualifications-based process. The purpose was, one, to bring construction expertise on early, before we were done with the design, to help us finish the design. To get us more of a partnering environment with the contractor rather than an adversarial relationship. We also realized schedule savings through this process. We saved about six months off our schedule by getting a contract before we were done with design so when we worked on it, we were ready to proceed directly into construction. It also gives us more input and control over MWSB participation with this type of process. So what the procurement process consisted of was a request for important qualifications. We had four submitted. We went forward with -- forward with three of the four. We asked for request for proposals. In addition we had them make presentation to the minority women and emerging small business contracting community. We went through four-hour interviews with each of the contractors and we had an 11-member selection panel which included three people from outside the city. Our goal was to get the best qualified contractor we could. There's -- this two-phased approach has been mentioned, one is a preconstruction phase services, that's what's on today's agenda. The next piece will be the actual construction contract, which we have scheduled to start in mid-May. So today we're asking for authorization to proceed with the preconstruction phase agreement with the selected contractor. Which was Impreglio/S.A. Healy Joint Venture, and this agreement is for \$1,082,000. Briefly about Impreglio, they're an international tunneling contractor based in Italy. S.A. Healy is a subsidiary of Impreglio. Both firms have extensive underground and tunneling experience in similar situations to what we have here. Overall, the committee felt they had the best approach to this particular project. What the preconstruction phase scope of services will include is one is a constructability review and the advantage of this is we have the contractor who will actually do the job, review or document -- our documents before they're complete and make suggestions on how we can do it better, how we can do it cheaper, how we might change things to make this a better project. It's something we don't get during the low bid process. The second thing is risk assessment. We've done our own risk assessment. We're asking the committee to sit down with us and go through that and help us bring it to closure. The purpose of a risk assessment is to look at where your biggest risks are, what the chances of them occurring are, what the impact would be if it did occur, and what you can do to mitigate the risk before you ever get there. Next thing is an estimated construction cost. We've already done our estimate, and we want the committee to sit down and do an independent estimate of what the cost of this project will be. And we expect we should come pretty close. We also asked them to put site-specific safety plan together, how to deal with safety issues, because this is going to be a particularly difficult job. We're asking them to put a detailed subcontracting plan together before we go into construction so we're clear on where all the items of work are that we can get to the minority community. And we also have a community

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involvement plan put together and we want them to participate in that with us. So in summary, today we're asking for authorization to move forward with the preconstruction phase services, and may 15th, if we stay on schedule, we'll be back for approval of construction contract. The main piece of that contract will be fixed fee, which will cover the contractor's overhead and profit, and an estimate of reimbursible costs, labor equipment and materials, and subcontracts which will be competitively bid. And after we do our risk assessment, we hope to have a construction contract cost with contingencies to address the risks where they actually belong. And then keeping that schedule, we should start construction by the end of this summer.

Katz: Thank you.

*******:** That concludes our presentation.

Katz: Let's put on the lights. Questions?

Francesconi: Just a couple. So was there a close second choice, or was this clear among the 11-member panel of people selected?

Gribbon: It was clear, but there was -- if you looked at the scores and you added up the scores, between first and second was a much narrower score than between second and third. But the overwhelming choice for number 1 was this particular contractor.

Francesconi: So why was number 1 selected over number 2?

Gribbon: We had seven criteria that we went through that we looked at. Project approach, how they were going to approach subcontractor and minority subcontractor, approach to safety, the approach to public involvement, their fee, and I can't remember the other two off the top of my head, but we had seven criteria we laid out, we asked them to address in their proposals.

Saltzman: Purchasing report, which is in the document right after this. Those criteria is in the purchasing report.

Francesconi: I was trying to get a little more specific in terms of one versus two. So did one succeed, was better than two in all seven categories?

Gribbon: Not necessarily all seven. The way we did it was we had scores. We had a maximum number of points assigned for each criteria listed. And we went through two ways. We added up the total number of points allotted and then we also added up the total number of points if you went strictly one, two, three in a vote. And we did it both ways. And this contractor came out ahead in both cases. So they had the most number of -- most number of number 1 votes and the total -- most total points.

Francesconi: How about cost? Which was cheaper?

Gribbon: The fixed fee for the second-ranked opposer was cheaper.

Francesconi: By a lot, or how much cheaper?

Gribbon: It was -- they gave us fixed fees. Each contractor gave us a fixed fee. We also asked them at the same time to tell us what they had included in their fixed fee so we could make sure we were comparing apples and apples. Keiwit, the second lowest, was lower than -- lower fee than impreglio. But when we looked at what impreglio had included in their fee versus what keiwit fee versus the trailer brothers, the numbers came closer. It still ended up that keiwit's fee was lower than impression, but that was one criteria we had to look at.

Francesconi: How much?

Gribbon: The difference after comparison of what they had in and what they had out, I think the difference was probably in the range of 6 to \$7 million less for keiwit.

Francesconi: Just summarize why it was still better to go with the choice that you've selected.

Gribbon: Because the key to this project is how -- one is have they done this before, what's their experience in this type of work, and what's their approach to this particular project. What type of equipment are they planning to use, what type of people are they putting on the project, what's our

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chances of getting this job done right the first time with a minimal amount of, say, adversarial relationships. And that was -- so we put a fair amount of more emphasis on their approach, more emphasis on their experience, than we did on the fee. Because we felt the better experience they had, the better approach they had to this project, the greater success we had of coming out cheaper in the long run.

Francesconi: Okay. Thank you.

Saltzman: Having personally reviewed the three proposals, it was clear to me, and I think it was clear to the team as well, impregilo/healy had really done their homework the best. They really understood this project, had given it a lot of thought, and had come up with a number of potential innovation that's will perhaps save us time and money. So although you -- that's an unquantifiable factor, it was clear to me one firm had clearly done its homework over the other two.

Katz: Commissioner Hales?

Hales: Slightly different tact here, the west side light rail tunnel ran into some significant problems, some pretty impressive innovation was done on horseback to deal with those problems. Did we learn anything in particular from that project? I realize the geology might be different, but have we made use of whatever lessons there were learned by the contractors and consultants in that project in scoping out what the risks are in this one?

Gribbon: Yes. We've actually had extensive conversations with people involved in that project, and actually the construction manager for that project, joe guildner was on our selection panel. But i've had a lot of conversation was joe about that project, how it went, how they contracted it, what problems they had, so there's been a fair amount of information exchange between us.

Hales: As I recall, maybe this is revisionist memory, but I think we got through that without any litigation.

*****: That's correct.

Hales: They used the whole contingency budget, but they didn't sue each other.

*****: That's correct.

Hales: And if we run into those kind of problems, that would certainly be an outcome we'd be happy to repeat. Good. I'm glad we made use of that. Tuck wilson is still in town if all hell breaks loose.

Gribbon: I also spoke with tuck wilson too.

Katz: Further questions? Come on up, sue. Why don't you take the next piece and then we'll open it up for public testimony.

Sue Klobertanz, Director of Purchasing: Sue, director of purchasing for the city of Portland. Item number 2, accept proposal of this joint venture for this particular project is before you. Basically the -- the initial item authorizes the contract to go ahead and the council item number 2 allows for the award of the contract. So that was why I wanted you to hear the presentation first, and then this council -- this report from the purchasing agent rather than just being on the consent agenda, we wanted to tie the two together so you -- it was very clear what we were doing here today. Nothing further to add, I think you've heard about the selection process.

Katz: Thank you, sue. Further questions? Anybody want to testify on this item? Do we have anybody signed up?

*****: No.

Katz: Roll call.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Good work. Aye.

Katz: Aye. [gavel pounded] item 2. Roll call.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

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Katz: Mayor votes aye. [gavel pounded] thank you. We're on regular agenda now. Let's take item 27.

Item 27.

Katz: All right. Let me -- as cliff comes in to talk to you, this is a grant for 15 additional full-time officers for three-year period. A grant of about \$1.9 million for us as we took over the school police. The matching funds will be absorbed within the police budget, as well as the cost of retaining the positions during the 19th month retention program will also be absorbed. I've got to tell that you will be difficult, but that was the one condition that we accepted the grant. So, cliff, why don't you identify yourself.

Captain Cliff Madison, Portland Police Bureau: Captain cliff madison, Portland police bureau. The situation we have is obviously very important to keep the safety and the environment around the schools intact. I think our situation here is something we're trying to do right now. We've had a big task put on us, but I think it's something we can accomplish if we have the staffing and the funding for it.

Katz: Do you want to tell us how we're doing and how many officers do we have, and how the transition went and everything else?

Madison: It was a long tough transition, but we're currently in place with ten officers and three sergeants, and lieutenant and myself, and we're taking over that safety end of the 100-school that's we have to take care of. We're in a school office resource model, which places an officer in each high school and all its feeder schools. So we have our officers divided into that. We'd like to be up to 215 officers where we can have the coverage we need, but at this point we're trying to cover the high schools and the feeder schools to those. It's been a positive experience so far. I think the schools have been very open to us being there. We have more coverage than we've had in the past so I think the safety end, the preventive end of what we're doing is greatly enhanced. We've had a lot of situations wove been very busy, but I think we've been in a position to be very preventive and not wait until an incident occurs.

Katz: Thank you. Questions by the council?

Saltzman: If i'm looking at the right resolution, this is grant for powell.

Katz: That's the next one.

Saltzman: Oh, okay. I'm sorry.

Katz: Questions by the council? Anybody want to testify on this? Thank you. Roll call.

Francesconi: This is terrific. You've done terrific work on this. The mayor's to be credited and the police. The fact we haven't had any controversy over this is just amazing. Given the added responsibilities that you took on here. And then to hear you say that it's been able to help on the prevention side as well, because I know that was one of the big fears of the school district and some of the parents, but the fact that you're even providing better protection than was done before in our schools or even -- our schools are even safer, is a tremendous credit to you. Thanks for your work on this. And all the police officers. Aye.

Hales: Maybe it's just agenda confusion, but I think commissioner Saltzman is right and the only grant that's actually on the agenda is the one for p.a.l., but i'll vote aye on this as a conceptual matter and we can vote aye a the other thing. But I don't believe this one actually made it onto the docket, mayor. You may have it --

Katz: I have it, number 27.

Hales: Not on mine. I think we have an agenda --

Katz: Do we have an agenda problem?

*******:** There was a correction to the agenda. Originally it had been placed on the consent. It was corrected.

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Hales: It is item 28?

Katz: 27.

Sten: There's two agendas.

Hales: It's been explained and I understand what we're voting on even though I don't have it in front of me so i'll vote aye. That's okay.

Saltzman: This is good work, and we're glad to have more federal money to help you carry out your work, but it has been a very effective transition and something that i'm glad and -- in the long run we've done this, because to me it's always made sense that Portland police should run the school police. Aye.

Sten: Aye.

Katz: Again, I want to thank everybody who was involved. This was not an easy task. It seemed easy, but it was not. We needed to change the law, we needed to have two different unions come to an agreement as to how to deal with some of the personnel, and then we had to figure out how -- we had to test the officers and then we had to figure out how we do the transitions so that we have school police, former school police officers as well as current police officers training and working with new police officers. And cliff, thank you for leading that effort. Much appreciated. It will be difficult to absorb all of the program in the next couple of years. One of the conditions in the grant is that we don't reduce the police officers, so if we have to make reductions it will have to be outside of sworn officers. Aye. [gavel pounded] now item 28 of the amended calendar.

Katz: Sue, next time before we get to it, next time you amend a council calendar, why don't you put on it "amended." apparently your offices didn't get it.

Hales: That's okay.

Katz: I have one, but the others don't. I don't see anything -- we didn't see "amended" on it. Okay. All right. Come on up. Miss white? And miss lawrence.

Item 28.

Maura White, Executive Director Police Activities League: My name is maura white, executive director of the police activities league this. Is your -- this is year two of the grant. We were accepted for 30% amount, but last year we received \$296,000, this year it's 90,000. And all of the people receive the same amount. It was a 30% across the board, if you all fulfilled your obligations, and i'm happy to say we met all our obligations last year, it was a good experience. And while this 90,000 is not as much as we'd hoped for, we're very creative in looking for other ways of funding and finding ways that perhaps s.u.n. Schools and other projects that council works on will help bridge that gap. So we're just looking forward to it. And i'd also like to publicly thank the council for taking a lead in including the city of gresham, the city of troutdale, Multnomah county sheriff's office, and the school police all received a part of this grant, and have shared the wealth. It really further enhanced our Portland public schools with those towns.

Katz: Thank you.

Marilee Laurens, Portland Police Bureau, Manager Crime Prevention Division: I'm the -- i'm with the Portland police bureau, manager of the crime prevention division. One of the examples that we have is the great learning center out at the housing authority project. We have computers out there that have been donate and we're working with Multnomah county juvenile justice, p.a.l., Portland parks and recreation and police bureau. And so we've had a real big success there and we're happy to have this grant again. I think we can really do some good stuff with it.

Katz: Thank you. Questions? Thank you. Anybody signed up? Anybody want to testify? Roll call.

Francesconi: This is a terrific thing you're doing. Especially for east Portland, especially for the kids there. Keep up your good work. Aye.

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Hales: Aye. **Saltzman:** Good work. Aye. **Sten:** Good job. Aye.

Katz: Mayor votes aye. [gavel pounded] thank you. Item 29.

Item 29.

Rob Bergman, Director, Bureau of General Services : Ron bergman, general services director. This item is a technical item to follow on to your last council meeting when we adjusted the contract for the mpu. This is -- adjusts our agreement with pdc for them to pray us the money to pay the contractor.

Katz: Questions? Anybody else want to testify? Roll call.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. [gavel pounded] thank you. Item 30.

Item 30.

Ken Rust, Director, Bureau of Financial Management: Good morning. My name is ken rust, director of the bureau of financial management. This amendments our deferred plan by repealing section 4.44 of the code and moving to it section 5.09. More importantly what it does is implements elements of the economic growth and tax relief act passed by u.s. Congress, which amended the internal revenue code last year. That really broadens employees' ability to participate in the deferred compensation program, increases the deferral limit beginning this year from \$8500 a year to 11,000, moving that to 15,000 by 2006. Increases portability between our plan and plans that people may want to move into when they retire from the city, basically creates a much broader and more important additional retirement benefit for all employees of the city of Portland. I'm sure you've indicated your willingness to participate in this program. You've increased your withholding, by approving this change the group that works with me will be able to increase their payroll withholding next -- beginning next thursday. This originally came to you as part of the hr rules as a group of things, but when that got delayed it was important we bring it back separately so we could implement the changes beginning with the first pray roll period of this calendar year.

Katz: Thank you. Just one -- want to remind city employees they have to apply for the increase from 8500 to 11,000.

*******:** That's correct.

Katz: So better do it soon.

Rust: And carol carlson and the treasury division here in city hall is willing and able and ready to help all employee who's want to participate in the plan, increase their withholding, or change -- those people who are retired will be able to change the way they've made decisions about how they want to draw their deferred camp. This is really a huge set of changes, making the program much more important, valuable, flexible and a useful tool for post-retirement planning. It's a great benefit for city employees.

Katz: Thank you. Questions? Anybody want to testify? Roll call.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. [gavel pounded] item 31.

Item 31.

Katz: I'll make a request that we refer this back to my office. We're still discussing elements of the settlement. Any objections? Hearing none, so ordered. [gavel pounded] item 32.

Item 32.

Hales: Don't think we have a staff presentation on this. I'm not -- I bet we don't have any testimony either. This is the hearing on a proposed street vacation on a street that doesn't -- can't and doesn't cross the railroad tracks. So it's pretty obvious situation. We don't vacate streets without care. And this is one of those that's never going to be used, I believe. So fairly

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straightforward street vacation. Unless there's anybody here to testify, which there isn't, mayor, i'll move that we bring back an ordinance.

Katz: Okay. Is there anybody here to testify on this street vacation? If not, i'll take the motion. Is there a second?

Francesconi: Second.

Katz: Roll call.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. [gavel pounded] thank you, everybody. And we don't have an agenda this afternoon, nor do we have an agenda for thursday. And so we stand adjourned.

At 10:15 a.m., Council adjourned.