PORT OF CENTRALIA
Established 1986

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Minutes
Special Meeting of the
PORT OF CENTRALIA
August 26, 2022
Port of Centralia Administrative Office & Via Teleconference
7:30 AM

Attendees: Commissioners: Kyle Markstrom and Julie Shaffley; Peter Lahmann (via teleconference)
Executive Director: Kyle Heaton
Press: Owen Sexton, The Chronicle
Teleconference: Three unknown callers

1) **Call Meeting to Order/Introductions:** Commissioner Markstrom called the meeting to order at 7:30 a.m.

2) **Good of the Order/Public Comment:** There was no public comment given.

3) **Potential Bid Award – Public Works Project #HLP-CNWA(015) I-5/Mellen Street Connector Stage 1:** Kyle Heaton said that bids for Public Works Project #HLP-CNWA(015) I-5/Mellen Street Connector Stage 1, also known as the Yew Street Extension Project, were opened the previous day at 1:00 p.m. He said that there were five bidders: Active Construction, Rognlin's, Midway Underground, Ceccanti, and Tapani. He stated that the apparent low bid is Midway Underground at $6,116,332.03 compared to the engineer's estimate of $6,356,265.81.

   Commissioner Markstrom said that it looked like the Port had a number of bidders. Kyle Heaton replied that it was a large plan holders list of quality bidders and quality companies, and any one of them could have completed the project. He said that Midway Underground completed the first phase of the project, which was $1.2 million in City utilities. He said that Midway Underground is a good company to work with.

   Commissioner Shaffley said that she appreciated everyone doing this and the work that goes into it.

   Kyle Heaton added that it was nice to see a local company get a bid this big. Midway Underground was the only local bidder. Commissioner Shaffley said that she appreciated that as well.

   Commissioner Lahmann asked why there was a $3 million discrepancy between Midway Underground and Tapani, which were within the engineer's estimate, and the next two bidders. Kyle Heaton replied that he did not have the complete tabulation and does not know what they saw differently. He said that he believed in the engineer's estimate as well so he does not know why. Commissioner Lahmann said that it was a significant difference. Kyle Heaton said that it was not unusual and happens on every public works project bid and especially now with inflation and project delays. He said that he met with Colin Newall with the Washington State Department of Transportation and they have been experiencing a lot of the same. Commissioner Lahmann said with how busy they are maybe those companies were not quite as hungry. Kyle Heaton replied that could be.

Commissioner Lahmann asked what the Port is doing about apprenticeship utilization on the project. He asked if the Port is leaving that to the contractor. Kyle Heaton replied that the Port is following the Washington State Department of Transportation's contracts as per the requirement of the money that is funding the project. Commissioner Lahmann said that he had asked about it in the past and that it is way too late for it. Kyle Heaton said that the Port cannot add to or modify WSDOT documents. Commissioner Lahmann said that the Port could add a bullet point to its contracts that respectfully requests a local hire to bring somebody into the apprenticeship program from Centralia High School and Centralia College. He said that the Port did not do it and that is the way it goes, but it does have the ability to do that in the contract. It is not a requirement but the Port can respectfully request that. Kyle Heaton said that was more of a question for Ray Liaw.

Commissioner Lahmann asked if the Brotherson Road Apartments demolition is part of the bid on this project. Kyle Heaton replied that it was not. Commissioner Lahmann said that the Port would have another expense for that.

Commissioner Lahmann asked what the Port's plan for the Keepers property was. He said that if the Port realigns the sewer it disconnects on Long Road and the Port is going to have to extend some utilities for that. He asked if that extension was part of this project as well. Kyle Heaton replied that it was and is minimal, similar to other projects. Commissioner Lahmann said that it may be minimal but it is thousands of dollars that the Port might not have to expend if it had already been taken care of. Kyle Heaton asked how it should have been taken care of. Commissioner Lahmann replied by purchasing the property. Commissioner Markstrom added that it takes two willing participants to have a transaction. There were attempts made in the past between the Port and that property owner and they were unable to come to terms, which is just fine. He said that it was best for both parties at the time and the Port is ready to move forward on this project. Commissioner Lahmann said that he understood that, but he is pointing out that the Port is spending thousands of extra dollars that it might not have had to spend. Commissioner Shaffley said that the Port would have spent thousands of dollars, probably more than thousands, purchasing the property than what is now going to be spent. She said that there was going to be money expended either way. Kyle Heaton said that the Port frequently has to build utilities for others. The Port spent $1.2 million years ago for sewer that serves no Port tenant, only the City of Centralia, just to get sewer near the project. He agreed that it was frustrating but to a larger scale it is more the City than any one property owner. He said they are not getting a windfall because they still have to pay their water and sewer bills and he does not see the issue. Commissioner Lahmann asked what the timeframe was for getting rid of the apartments so they can finish the sewer portion. Kyle Heaton replied no longer than four months, but first after they are vacated the Port has to go through and complete asbestos testing and pull demolition permits. There are a number of steps that must be done prior to demolition. He said that he has read Commissioner Lahmann's concerns and heard his concerns that it is adding thousands of dollars to the project, but he does not agree, though fair enough. He said that bottom line those are the conditions on the ground and these are the conditions the Port is dealing with. Commissioner Lahmann said that he is trying to move the project forward in a cost-effective manner. Commissioner Shaffley said that they appreciate that.

Commissioner Shaffley made a motion to award bid to the apparent low bidder, Midway Underground, in the amount of $6,116,322.03 subject to meeting all of contract requirements and to authorize the executive director to execute all the contract documents. Commissioner Markstrom seconded the motion. The motion carried.

Commissioner Shaffley said that it was exciting. Commissioner Markstrom agreed and said that he was extremely excited about it. He said that he appreciated his fellow Commissioners, Port staff, the Port's consultants, engineers, attorneys, and local partners that have worked on this. He said that this is going to be a big first step in this long-awaited project and he knows the community is extremely excited about it. He said that it is great to get this box checked and to get things moving forward.

Commissioner Shaffley said that she is excited for the community and that this is going to be a major step. She added that she appreciates all of the years of work that has gone into this and now it is coming to fruition.

4) **Adjourn:** Commissioner Shaffley made a motion to adjourn the meeting at 7:40 a.m. Commissioner Lahmann seconded the motion. The motion carried.

COMMISSIONER **COMMISSIONER**