

April 15, 2010

10-089

AUTHORIZE THE PRESIDENT OR THE PRESIDENT'S  
DESIGNEE TO NEGOTIATE A PERSONAL SERVICES  
CONTRACT WITH HILLSBORO AVIATION, INC., TO  
PROVIDE FLIGHT INSTRUCTION SERVICES  
PURSUANT TO THE COLLEGE'S AVIATION SCIENCE  
PROGRAM

PREPARED BY: Steve Hopf, Director, Procurement

APPROVED BY: Wing-Kit Chung, Vice President, Administrative Services  
Dr. Preston Pulliams, District President

REPORT: The Portland Community College ("PCC") Aviation Science ("AVS") Program has had a long-term partnership with Hillsboro Aviation, Inc. ("HAI"), beginning in the 1990s when HAI worked with PCC to create the program. A rule change this year in the way the United States Veterans Administration ("VA") pays flight training fees for veterans under the GI Bill changes our relationship from a public/private partnership to a contractual relationship. Because PCC's Personal Services Contract Rules require PCC to compete the contract through a request for proposals process, staff is requesting authority to extend the existing contract through June 30, 2011 so that PCC can conduct sufficient research to issue a thorough Request for Proposal without adversely affecting students in the program.

The Background: The AVS Program provides an opportunity for students to earn an Associate of Applied Science degree, while at the same time earning their Federal Aviation Administration ("FAA") Commercial Pilot and Flight Instructor certificates in either airplanes or helicopters. PCC provides all of the required FAA ground training and general educational requirements, as well as aviation academic courses that exceed the FAA requirements. The flight training is provided by HAI. The program was approved by PCC, the Oregon Board of Education and FAA and classes began in the fall of 1999, with the addition of the helicopter option in fall of 2001.

Prior to this year, students registered at PCC for the courses that involved flight training, and then paid flight training fees directly to HAI. A change in the VA rules (chapter 33) now requires PCC to collect all the flight training fees and transfer them electronically to HAI for all PCC AVS students, not just VA students, if PCC is to remain approved for VA-funded students. Staff at PCC's business office, PCC's VA office, and HAI's accounting department all worked over the summer of 2009 to build a system of fee collection to allow fee tracking.

The Issue: The VA rule change is basically an accounting change; it doesn't change the programmatic relationship or the sources of funding. But the fact that PCC will now be collecting the flight training fees and making payment to HAI to provide flight training for PCC students arguably converts the relationship between HAI and PCC from a public/private partnership to a contractual relationship. Such a contract would be a "personal services contract" (a contract for services that calls for specialized skills, knowledge, and resources) under PCC procurement rule CCR.250. Because the total amount of the fees for flight training is approximately \$3 million on an annual basis, CCR.250.III.B would require that PCC conduct a formal request-for-proposals process to award a contract to provide flight training services.

For these reasons, it would be best for the program and PCC to extend the contract with HAI for one academic year to allow time for staff to do the necessary research and prepare for the competitive procurement process.

**RECOMMENDATION:** That the Board of Directors of Portland Community College District authorize the President or the President's designee to negotiate and execute a contract extension with Hillsboro Aviation, Inc. to continue to provide flight instruction services to PCC students pursuant to PCC's Aviation Sciences Program through June 30, 2011.

ADOPTED by the Board of Directors of Portland  
Community College District, Multnomah, Washington,  
Columbia, Yamhill, and Clackamas Counties, Oregon,  
this \_\_\_\_ day of \_\_\_\_\_, 2010.

PORTLAND COMMUNITY COLLEGE DISTRICT

By Wing Ki-Chung, Vice President, Administrative Services

PREPARED BY:

Dr. Preston Pulliams, District President

APPROVED BY:

Harold Williams  
Chair, Board of Directors

REPORT:

ATTEST:

Preston Pulliams, District President