


## IMPACT STATEMENT

**Legislation title:** Accept bid of McDonald Excavating, Inc. for the SW Bond Ave, Surcharge and Retaining Wall Improvements project \$3,142,478.69 (Procurement Report - Bid No. 00000431)

**Contact name:** Christine Moody, Chief Procurement Officer 

**Contact phone:** 503-823-1095

**Presenter name:** Christine Moody, Chief Procurement Officer

### **Purpose of proposed legislation and background information:**

The purpose of this legislation is to authorize the Chief Procurement Officer to execute a construction contract for the SW Bond Ave, Surcharge and Retaining Wall Improvements project \$3,142,478.69.

Ordinance No. 187655 was approved by City Council on March 30, 2016 authorizing the Chief Procurement Officer to issue a competitive solicitation for the SW Bond Ave, Surcharge and Retaining Wall Improvements project on behalf of Portland Bureau of Transportation (PBOT). The construction cost based on bids received is \$3,142,478.69.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

### **Financial and budgetary impacts:**

The engineer's estimate for this project was \$3,260,619.00 and the confidence level was moderate. Based on bids received, the Portland Bureau of Transportation (PBOT) anticipates the construction contract cost to be \$3,142,478.69 which is 3.62% under the engineer's estimate.

The proposed budget is a project estimate assigned a moderate confidence level.

Funds are available in PBOT Owner Cost Centers TRED000009.

No present positions will be created, eliminated or re-classified as a result of this legislation.

Citywide transportation system development charges (TSDCs) and North Macadam Overlay TSDCs will be used to fund the SW Bond Avenue Phase 1 Surcharge. Construction of SW Bond Avenue between SW Sheridan Street and SW Gibbs Street (which includes the Phase 1 segment) is an eligible expenditure of both TSDCs. Funding the SW Bond Avenue Phase 1 Surcharge will require spending all remaining Citywide TSDCs that are currently attributed to the project and will require the North Macadam TSDC account to continue to incur temporary debt. This debt is expected to be repaid and the account brought into positive balance by anticipated North Macadam Overlay TSDC payments associated with major development projects currently underway in South Waterfront.

In addition, an Intergovernmental Agreement with the Portland Development Commission, passed by City Council on September 28, 2016 and executed on October 6, 2016, allows up to \$3,601,000 in tax increment financing (TIF) from the North Macadam Urban Renewal Area to be expended on the surcharge and subsequent construction of SW Bond Avenue Phase 1.

Funds for SW Bond Avenue Phase 1 Surcharge will be expended in Fiscal Years 2016-17 and 2017-18.

## **Community impacts and community involvement:**

The construction contracting community, including contractors certified with the State of Oregon as Disadvantaged, Minority, Women, or Emerging Small Businesses became involved when the Chief Procurement Officer advertised and publically noticed the project on the City's Online Procurement System on November 14, 2016.

Potential bidders were able to review the competitive solicitation, attend a pre-bid meeting, ask questions, provide comments and submit a bid in response to the Invitation to Bid (ITB). Bids received resulted in the award of the construction contract. Procurement Services managed the procurement process. No protests were received.

This project will allow the City to hire a contractor to place the fill upon which SW Bond Avenue Phase 1 will be constructed in the South Waterfront District. This process, known as surcharge or pre-consolidation, consists of placing and compacting soil over a period of eight to twelve months to allow for settlement. Surcharge reduces the risk and severity of future roadway settlement.

SW Bond Avenue Phase 1 is part of the City's commitment to provide critical transportation infrastructure to facilitate redevelopment in the South Waterfront District. This portion of future SW Bond Avenue, extending from SW River Parkway (under the Marquam Bridge) to SW Porter Street (Tilikum Crossing), will provide access to the Oregon Health & Science University (OHSU) Schnitzer Campus. The roadway will also provide an alternate route for people bicycling and walking between the Tilikum Crossing and downtown Portland.

On February 17, 2016 City Council adopted Resolution 37189 amending the *South Waterfront Street Plan, Criteria and Standards* to realign SW Bond Avenue Phase 1 to better facilitate adjacent site development and provide access to public amenities including the Willamette Greenway.

SW Bond Avenue Phase 1 Surcharge will take place entirely on property owned by OHSU that will ultimately be conveyed to the City once the street is constructed. Currently there are no residents in the immediate area and public travel will be prohibited during the surcharge process and subsequent construction. Employers and employees affected by the surcharge process will be mostly limited to OHSU and City staff and contractors.

The extension of SW Bond Avenue has been publicly vetted numerous times, including during the development of the *North Macadam Urban Renewal Plan*, the *South Waterfront Plan*, and the *South Waterfront Street Plan, Criteria and Standards*. The Bureau of Transportation has been providing project updates to the public periodically, including at an October 6, 2016 open house, the January 4, 2017 South Portland Neighborhood Association meeting, the January 28, 2017 Aerial Tram 10th Anniversary Celebration, and on the project website and email list.

We do not anticipate anyone, or group will be testifying at Council.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- ☐ **YES:** Please complete the information below.  
☒ **NO:** Skip this section

| Fund | Fund Center | Commitment<br>Item | Functional Area | Funded Program | Grant | Sponsored<br>Program | Amount |
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