

IMPACT STATEMENT

Legislation title: Accept bid of Just Bucket Excavating, Inc., for the SE 50th Avenue – SE Division St. to SE Hawthorne Blvd. project for \$ 1,150,656.10 (Procurement Report - Bid No. 00000792)

Contact name: Larry Pelatt, Interim Chief Procurement Officer

Contact phone: 503-823-2506

Presenter name: Larry Pelatt, Interim 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 SE 50th Avenue – SE Division St. to SE Hawthorne Blvd. project for \$ 1,150,656.10.

Ordinance No. 188663 for the Portland Bureau of Transportation (PBOT) work was approved by City Council on November 01, 2017 authorizing the Chief Procurement Officer to issue a competitive solicitation for the SE 50th Avenue – SE Division St. to SE Hawthorne Blvd project on behalf of PBOT. The construction cost based on bids received is \$1,150,656.10.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

Financial and budgetary impacts:

The initial engineer's estimate for this project included in the authorizing ordinance was \$ 1,110,000. and the confidence level was moderate. Based on bids received, PBOT anticipates the construction contract cost to be \$1,150,656.10 which is 3.7% over the engineer's estimate.

PBOT conducted a bid analysis and determined that the low bid was over the Engineer's Estimate due to the high labor demand currently prevailing within the commercial construction market. Building contractors and construction materials are currently in high demand throughout the entire Pacific Northwest, but most specifically in the Portland market. This shortage of labor and materials creates an adverse relationship between the true market cost and the accuracy of project estimating.

The project is funded with Fixing Our Streets general funds and is budgeted in FY 2017-18. The cost center for this project is T00590.

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

Community impacts and community involvement:

This project was bid to the Prime Contractor Development Program (PCDP) participants. The construction contracting community, including contractors certified with the State of Oregon as Disadvantaged, Minority, Women, or Emerging Small Businesses became involved during enrollment in the PCDP. Projects bid to PCDP are not bid to the open market and are only available for participants in PCDP.

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.

No known persons or groups will be testifying.

No future public involvement is anticipated or necessary for this request.

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount