



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Ted Wheeler, Mayor
Tom Rinehart, Chief Administrative Officer
Jennifer Cooperman, Chief Financial Officer,
Bureau of Revenue and Financial Services

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January 30, 2019

The City performs routine road maintenance and pavement preservation work on City roadways annually and has need for Asphaltic Concrete materials to perform this work.

On July 18, 2018, City Council passed Ordinance No. 189076 authorizing the Chief Procurement Officer to conduct a competitive solicitation in accordance with City Code for Asphalt Concrete Supply for an estimated amount of \$15,500,000, on behalf of the Portland Bureau of Transportation Maintenance Division (PBOT). On September 5, 2018, Procurement Services issued Invitation to Bid No. 00000869 for Asphalt Concrete Supply. Responses were due on October 11, 2018 and four (4) bids were received.

The City posted a Notice of Intent to award a Price Agreement to all bidders, as multiple suppliers are necessary for efficient and timely supply to work sites located citywide. However, one company has since dissolved their business operations. No protests were received.

The Chief Procurement Officer recommends Council accept bids received from Baker Rock Resources of Beaverton, Oregon, Lakeside Industries, Inc., and Porter W. Yett, Co., both of Portland, Oregon; and award three (3) Price Agreements, each with a contractual term of five (5) years, totaling \$18,500,000.

All three (3) firms have current City business tax registrations and are compliant with all of the City's contracting requirements. None of the firms are State of Oregon COBID certified firms.

Procurement has noted that the supplier's location allowing for timely supply, and the type of asphaltic materials they have available for the City's roadway projects is contributory to the difference in the annual not-to exceed values of their Price Agreements.

Improved efficiencies in PBOT's work process resulted in a 30% increase in the work performed over the summer of 2018 in comparison to the amount of work performed in the previous year's summer months. PBOT looks forward to accomplishing even more work leveraging those efficiencies and optimizing the important work they do. Determination to continue to have crews working at the same level of performance in the upcoming summer seasons was made after the initiating Ordinance was authorized by City Council. Therefore, the costs associated with the increase in work performance was not included in their original cost estimate and is contributory to the increase in the amount of the awarded Price Agreements. In addition, an unanticipated increase in the bidder's unit pricing and the cost of asphaltic materials being contingent upon a fluctuating index, were primarily responsible for the significant increase in PBOT's forecasted cost. Based on confirmed pricing and PBOT's forecasted usage of asphaltic concrete materials, the Bureau's confidence in the contractual values of the Price Agreements with these firms is "High".

Awarding Price Agreements to these firms will allow PBOT's maintenance crews to continue maintaining the City's valuable roadways. It is recommended that City Council authorize the Chief Procurement Officer to execute Price Agreements with Baker Rock Resources, Lakeside Industries, Inc., and Porter W. Yett, Co., each with a contractual term of five (5) years, totaling \$18,500,000.

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Recommended by:

Lester Spitler
Chief Procurement Officer

LS:tg

Agenda No.
REPORT
 Title

Authorize three (3) Price Agreements for Asphalt Concrete Supply, each with a contractual term of five (5) years, totaling \$18,500,000 combined. (Procurement Report - Project #122426)
 for a combined million No.

INTRODUCED BY Commissioner/Auditor: Mayor Ted Wheeler	CLERK USE: DATE FILED <u>JAN 22 2019</u>
COMMISSIONER APPROVAL Mayor—Finance & Administration - Wheeler <i>WCF</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Hardesty Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By: <u><i>[Signature]</i></u> Deputy
BUREAU APPROVAL Bureau: OMF/Bureau of Revenue and Financial Services Bureau Head: Jennifer Cooperman	ACTION TAKEN: JAN 30 2019 ACCEPTED <i>JW for JC</i>
Prepared by: Theresa Green Date Prepared: January 16, 2019	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan	
Council Meeting Date January 30, 2019	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)			
CONSENT <input type="checkbox"/>			
REGULAR <input checked="" type="checkbox"/> Total amount of time needed: <u>10</u> (for presentation, testimony and discussion)			
		YEAS	NAYS
	1. Fritz	1. Fritz ✓	
	2. Fish	2. Fish ✓	
	3. Hardesty	3. Hardesty ✓	
	4. Eudaly	4. Eudaly ✓	
	Wheeler	Wheeler ✓	