

## IMPACT STATEMENT

**Legislation title:** Accept bid of Brown Contracting, Inc. for the HSIP 2016 Signalized Improvements (Portland) Project for \$1,047,900.00 (Procurement Report - Bid No. 00001092)  
**Contact name:** Lester Spitler, Chief Procurement Officer  
**Contact phone:** 503-823-1095  
**Presenter name:** Larry Pelatt, Procurement Manager

### **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 HSIP 2016 Signalized Improvements (Portland) Project for \$1,047,900.00

The project involves signal and span wire replacements at different intersections.

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 \$718,900. Based on bids received, Portland Bureau of Transportation (PBOT) anticipates the construction contract cost to be \$ 1,047,900.00 which is 45% over the engineer's estimate.

PBOT conducted a bid analysis and determined that bid item 2," Temporary Protection and Direction of Traffic", was 610% over the Engineer's Estimate, but only 37% over the average bid price, pointing to the Engineer underestimating the cost and the difficulty of traffic control for site work. The lowest responsive bidder built the costs of flagger hours and flagger station lighting into their bid for bid item 2, while the Engineer's Estimate did not include "Flagger Hours" or "Flagger Station Lighting". Flagger Hours and Flagger Station Lighting were not included in the Engineer's Estimate because discussion at the pre-bid meeting during the first advertisement of this project revealed that several electrical contractors would perform the project work during the day without shutting down the traffic signals, so flaggers were not needed. The lowest responsive bidder also bid much more conservatively to address the risk of work not going as planned and needing to flag for longer periods of time than anticipated. If Flagger Hours and Flagger Station Lighting were included in the Engineer's Estimate and Bid Item 2 was estimated correctly, the lowest responsive bid would still be 15.45% over the Engineer's Estimate due to the bidder's conservative nature

Funds are available in PBOT's Owner Cost Centers T00545.

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

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

The construction contracting community, including State of Oregon COBID certified contractors as Disadvantaged, Minority, Women owned, Emerging Small Businesses, or Service Disabled Veteran owned businesses became involved when the Chief Procurement Officer advertised and publicly noticed the project on the City's Online Procurement System on December 04, 2018.

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.

We do not anticipate any person or group will be testifying.

### 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