

IMPACT STATEMENT

Legislation title: Authorize a class exemption to implement Job Order Contracting for asphalt paving, repair and concrete work. (Ordinance)

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Purpose of proposed legislation and background information:

The purpose of this Ordinance is to authorize a class exemption to implement Job Order Contracting for asphalt paving, repair and concrete work. In order to authorize a class exemption, City Council must approve findings that support the use of an alternative procurement and contracting delivery model for the projects covered under the class exemption. The projects covered under this exemption will be projects between \$5,000 and \$1,000,000 and for concrete work performed by PBOT in the public right-of-way; concrete flatwork performed by Portland Parks and Recreation not in the public right-of way; and asphalt paving, repair and maintenance work performed by both PBOT and Portland Parks and Recreation.

Procurement Services requests that Council limit the pool of competition for this class exemption to firms that are certified with the State Certification Office of Business Inclusion and Diversity (COBID) as one or more of the following: disadvantaged business enterprise; minority-owned business enterprise; women-owned business enterprise, emerging small business; and service-disabled veteran business enterprise (D/M/W/ESB/SDVBE).

The alternative procurement and contracting methodology being proposed is a form of job order contracting (JOC). JOC is a delivery method for construction and repair/maintenance projects that establishes contracts with multiple contractors for each category of work where the pricing is established by a third-party consultant. Contractors respond to the solicitation by proposing an adjustment factor to the pre-established pricing to cover overhead, profit and other related costs. Once contracts are awarded, the bureaus using them can schedule projects out in advance using the pricing without having to go through a solicitation and contract for every job. This model is transparent, auditable and encourages high quality of work and collaboration between the City and the awarded contractors. A benefit to the contractors is that, as long as they perform quality work, they can reasonably expect to continue to perform work in their category throughout the life of the contract. Being able to plan ahead and forecast work through this model will allow the contractors to develop relationships with the City and understand the intricacies of administering a City contract. It should also allow them the ability to forecast resource planning and grow their capacity throughout the life of the contract.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

Financial and budgetary impacts:

There is no direct budgetary impact based on this legislation.

Community impacts and community involvement:

The City of Portland has a core goal and objective to increase opportunities for COBID certified firms. The subject exemption aligns with this goal and results in a significant public benefit because all of the work resulting from this exemption and the resulting solicitation will be performed by COBID certified firms, thus helping the awarded firms increase their capacity and develop strong working relationships with the City. It also provides

the awarded firms experience working on City projects that they may not have had the opportunity to work on, if this exemption isn't approved.

Procurement Services has conducted outreach to various contractor associations that support COBID certified firms to notify and inform potential contractors that the City is in the process of implementing this model. Procurement Services, with help from our third-party consultant, has conducted specific trainings for firms that have expressed interest in responding to this solicitation and that perform asphalt paving, repair and concrete work. The list of interested firms continues to grow and Procurement Services will conduct a couple more trainings to ensure that interested COBID certified contractors are comfortable responding to the solicitation and administering the contract, if awarded.

No known 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