

## **IMPACT STATEMENT**

**Legislation title:** Accept bid of James W. Fowler Co. for the Carolina Trunk WZ-02 Rehabilitation Project for \$1,563,000 (Procurement Report - Bid No. 00001609)

**Contact name:** Kathleen Brenes-Morúa, Interim Chief Procurement Officer

**Contact phone:** (503) 823-2506

**Presenter name:** Kathleen Brenes-Morúa, 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 Carolina Trunk WZ-02 Rehabilitation Project for \$1,563,000.

The Carolina Trunk WZ-02 Rehabilitation project is a part of Bureau of Environmental Services (BES)' Large Scale Sewer Rehabilitation Program. Program goals are to rehabilitate or replace severely deteriorated sewer pipes, manholes, service laterals, and inlet pipes throughout the City's sewer system and restore service life as economically and efficiently as possible. During this project, approximately 1,100 feet of deteriorated sewer pipes will be rehabilitated.

Ordinance No. 190224 was approved by City Council on December 9, 2020 authorizing the Chief Procurement Officer to issue a competitive solicitation for the Carolina Trunk WZ-02 Rehabilitation Project on behalf of Bureau of Environmental Services (BES). The construction cost based on bids received is \$1,563,000.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

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

The engineer's estimate was \$1,462,000 and the confidence level was high. Based on bids received, the Bureau of Environmental Services (BES) anticipates the construction contract cost to be \$1,563,000, which is 6.91% over the engineer's estimate.

The bid item for Manned Entry Surface Repair is not a common bid item, and the City lacks historical bid data. This bid item includes entry into underground sewer trunk and performing repair inside of the trunk. The cost of such a repair could vary significantly on a case-by-case basis due to different trunk conditions; and the Contractor's means and methods may also impact costs. The unit price of this bid item in the project appears being underestimated by comparing Engineer's estimate with the bid.

Additionally, the Construction Cost Index from ENR (Feb 2021) shows that over the last 12 months, costs have risen about 5.85%. General increase in costs due to gradual recovery of economy may have contributed to some the cost differences.

Funds are available in the Sewer System Operating Fund, FY 20-21 and FY 21-22 Budget, Bureau of Environmental Services, WBS Element E11005.

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 contractors certified with the State of Oregon as Disadvantaged, Minority, Women, and Emerging Small Businesses or Serviced Disabled Veteran Businesses became involved when the Chief Procurement Officer advertised and publicly noticed the project on the City's Online Procurement System on February 10, 2021.

Potential bidders were able to review the competitive solicitation, 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.

### **100% Renewable Goal:**

This project will neither increase or decrease the City's total energy use.

This project neither contributes nor takes away from the City's goal of meeting 100 percent of community-wide energy needs with renewable energy by 2050.

### **Budgetary Impact Worksheet**

#### **Does this action change appropriations?**

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

<b>Fund</b>	<b>Fund Center</b>	<b>Commitment Item</b>	<b>Functional Area</b>	<b>Funded Program</b>	<b>Grant</b>	<b>Sponsored Program</b>	<b>Amount</b>