

**Agenda No. 417**

**REPORT**

Accept bid of MJ Hughes Construction, Inc. for the NW Cornell Tunnel Rehabilitation Project for \$2,773,237 (Procurement Report - Bid No. 00001605)

June 02, 2021

TO THE COUNCIL:

On June 17, 2020, Council approved Authorizing Ordinance No.190007 for Procurement Services to competitively solicit the NW Cornell Tunnel Rehabilitation Project in accordance with PCC 5.34. The Chief Procurement Officer has advertised and received bids for Bid Number 00001605 on behalf of Portland Bureau of Transportation (PBOT), with a project construction estimate of \$3,180,000. PBOT rated the project estimate confidence level as Moderate .

Bids were opened on April 08, 2021, and four (4) bids were received. The lowest responsive bid is from MJ Hughes Construction, Inc., thus it is recommended that their bid be accepted at the estimated unit prices quoted for a total bid amount of \$2,773,237, which is 12.79% the engineer’s estimate.

The City’s equity in contracting aspirational goal of 20% of the hard construction costs for subcontractor and supplier utilization of firms certified by the State’s Certification Office for Business Inclusion and Diversity (COBID) applies to this project.

**MJ Hughes Construction, Inc. has committed to subcontract 25.99% to COBID Certified firms as follows:**

**Introduced by**

Mayor Ted Wheeler

**Bureau**

Management and Finance

**Prepared by**

Emanuel Amunga

**Date Prepared**

May 14, 2021

**Requested Council Date**

June 2, 2021

**Requested Agenda Type**

Regular 15 minutes

**Date Filed with Clerk**

May 25, 2021

<b>Subcontractor</b>	<b>Certification</b>	<b>Area of work</b>	<b>Ownership</b>	<b>Amount</b>
A&D Flagging, LLC.	DMWESB	Flagging	Black/Female	\$500
Affordable Electric, Inc.	DMBE	Electrical Lighting	Black/Male	\$710,143
Egami Construction, Inc.	DMWESB	Permanent Signage	Asian Pacific/Female	\$7,750
Northwest Geotechnical Consultant, Inc.	DMBE	Material Testing	Hispanic/Male	\$2,500
<b>Total</b>				<b>\$720,893</b>

MJ Hughes Construction, Inc. acting as the prime contractor intends to self-perform 35.25% of the work and to subcontract 38.76% to the following non-certified firm:

<b>Subcontractor</b>	<b>Area of work</b>	<b>Amount</b>
DSE & Associates, Inc.	Survey	\$1,200
Pacific Foundation, Inc.	Grouting Holes	\$58,587
Pacific Northern Environmental Corp.	Demolition	\$290,000
Superior Gunitite Co.	Shortcrete	\$725,000
<b>Total</b>		<b>\$1,074,787</b>

MJ Hughes Construction, Inc. is located in Vancouver, Washington, and is not a State COBID Certified Contractor and is a white/male owned firm. They have a current City of Portland Business Tax Registration and are in full compliance with all of the City's contracting requirements.

The Bureau of Transportation has funds budgeted in FY 19/20 and 20/21 for construction, inspection, and management of the project.

It is recommended that a Performance Bond and Payment Bond each at 100% of the contract amount be furnished by the Contractor. Further, it is also recommended that a two (2) year Maintenance/Warranty Bond for 20% of the final contract amount be furnished by the Contractor before final payment is released.

The bid sureties of the remaining bidders should be returned immediately in compliance with Section 5.34.410D of the City Code.

Procurement Services recommends that Council accept this Report and authorize the Chief Procurement Officer to execute the contract with MJ Hughes Construction, Inc..

Recommended by:

Kathleen Brenes-Morua

Interim Chief Procurement Officer

KBM: ec

Action Taken: June 2, 2021 Accepted - Prepare Contract

Commissioners voted as follows (Yea or Nay)

Rubio - Yea

Ryan - Yea

Hardesty - Yea

Mapps - Yea

Wheeler - Yea