



## 118-2023

### Report

### Accept bid of Moore Excavating, Inc. for the Penridge Water Mains for \$2,084,915 (Procurement Report - Bid 00001970)

Accepted

TO THE COUNCIL:

On April 13, 2022, Council approved Ordinance Number 190772 for Procurement Services to competitively solicit the Penridge Water Mains in accordance with PCC 5.34. The Chief Procurement Officer has advertised and received bids for Bid Number 00001970 on behalf of Portland Water Bureau (PWB). The construction cost estimate for the ordinance package was \$1,400,000 with a confidence level of High. Prior to bid, additional scope was added to reduce impacts of construction to the community.

Bids were opened on November 10, 2022, and two (2) bids were received. The lowest responsive bid is from Moore Excavation, Inc, thus it is recommended that their bid be accepted at the estimated unit prices quoted for a total bid amount of \$2,084,915, which is 48.92% over the engineer's estimate, in part due to the additional scope that was added.

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. **Moore Excavation, Inc has committed to subcontract 20.12% to COBID Certified firms as follows:**

Subcontractor	Certification	Area of Work	Ownership	Amount
A+ FLAGGING, INC.	DBE WBE	Traffic Control	Hispanic	\$70,620
Brothers Concrete Cutting Inc.	MBE	Saw Cutting	Native American (Indian)	\$10,000
CUTTER CONSTRUCTION CO INC	DBE WBE	Trucking	Caucasian (White)	\$75,000

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance;](#)  
[Revenue and Financial Services](#)

Contact

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**Requested Agenda Type**

Regular

**Date and Time Information**

**Requested Council Date**

February 8, 2023

**Time Requested**

10 minutes

Kodiak Pacific Construction Co.	WBE	Asphalt Paving	Caucasian (White)	\$263,800
<b>Total</b>				<b>\$419,420</b>

Moore Excavating, Inc, acting as the prime contractor intends to self-perform 79.64% of the work and to subcontract 0.24% to the following non-certified firm:

<b>Subcontractor</b>	<b>Area of Work</b>	<b>Amount</b>
BRYAN R. GREEN	Plumbing	\$5,000
<b>Total</b>		<b>\$5,000</b>

Moore Excavating, Inc is located in Fairview, Oregon, 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.

PWB has funding available in the FY 2022-23 Budget and has requested funding in the FY 2023-24 Budgets 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 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 Moore Excavation, Inc.

Recommended by:

Biko Taylor

Chief Procurement Officer

BT: veh

# Impact Statement

## Purpose of Proposed Legislation and Background Information

Authorize the Chief Procurement Officer to execute a construction contract for the Penridge Water Mains to Moore Excavation, Inc. The construction cost based on bids received is \$2,084,915.

In order to maintain aging water infrastructure and provide the most robust, consistent, and safe water delivery possible, the Portland Water Bureau (PWB) strives to replace thousands of feet of water pipe every year. The Penridge Mains Water Mains Project (Project) will install approximately 4,000 feet of new Ductile Iron water main, renew 41 household water services and install seven new fire hydrants. This work will replace aging, poor condition, and undersized infrastructure which will improve fire flow, reliability, and supply in the area.

Ordinance No. 190772 was approved by City Council on April 13, 2022, authorizing the Chief Procurement Officer to issue a competitive solicitation for the Penridge Water Mains on behalf of PWB.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

## Financial and Budgetary Impacts

Based on bids received, PWB anticipates the construction contract cost to be \$2,084,915. The engineer's estimate for this project was \$1,400,000 and the confidence level was High.

PWB conducted a bid analysis and determined that Moore Excavation, Inc's bid is in compliance with the specifications.

The original estimate reported to Council as "high" confidence was calculated in October of 2021 and submitted to council soon after that. Since that time, the project has encountered two largely unforeseeable cost increasing events.

First, additional Scope was added to the project. Approximately 200' of 12" sewer pipe, 3 manholes and 900 square yards of Level 3 AC paving were added to the project. This was a direct cost increase of \$150,000. This scope was transferred from another adjacent project with the intent of making the overall construction effort in the area during both projects much less impactful on the neighborhood.

Second, there have been significant inflationary cost increases over the past 13 months. Bid prices for underground construction materials and labor costs have increased substantially since the original council estimate was made. The project did not exceed engineers estimate at project bid and is considered a fair bid. The engineer's estimate at the time of the bid was \$2,151,608, 3.2% over the actual low bid price.

Funding for the Project (W02004) is available in the FY 2023-24 Budget and has been requested in the FY 2023-24 Budgets.

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 minority, women, and emerging small businesses became involved when the Chief Procurement Officer advertised and publicly noticed the project on the City's Online Procurement System on August 31, 2022.

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.

No known persons or groups will be testifying.

No future public involvement is anticipated or necessary for this request

## **100% Renewable Goal**

This is not applicable to this project.

## **Agenda Items**

### **118 Regular Agenda in [February 8, 2023 Council Agenda](#)**

Accepted - Prepare Contract

Motion to accept the report: Moved by Gonzalez and seconded by Mapps.

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea