



# CITY OF PORTLAND

## OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor  
Jack D. Graham, Chief Administrative Officer  
Bryant Enge, Director, Bureau of Internal Business Services

Christine Moody  
Chief Procurement Officer  
Procurement Services

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Portland, Oregon 97204-1912  
(503) 823-5047  
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### REGULAR CALENDAR

April 11, 2012

#### TO THE COUNCIL:

The Chief Procurement Officer has advertised and received bids for Bid Number 113936 for the Columbia Boulevard Wastewater Treatment Plant Secondary Process Improvements project for the Bureau of Environmental Services, with a construction cost estimate of \$9,100,000.00. The Bureau of Environmental Services rated the level of confidence in the project estimate as Optimal.

Bids were opened on March 6, 2012, and five (5) bids were received. The low bid of Stellar J. Corporation was deemed responsive to the requirements of the solicitation. It is recommended that the bid of Stellar J. Corporation be accepted at the lump sum quoted in their bid for a total estimated amount of \$7,200,600.00.

The Bureau of Environmental Services along with Procurement Services, identified Ten (10) Divisions of Work as potential M/W/ESB subcontracting opportunities for this project, resulting in \$3,186,500.00 awarded to subcontractors.

The Divisions of Work identified were:

Concrete Cutting	Concrete Pumping	Concrete Work	Crane Service	Demolition
Electrical	Metal Fabrication	Structural Steel (Install/Erect)	Surveying	Welding

In their bid, Stellar J. Corporation indicated their intent to self-perform the following divisions of work:

Concrete Work	Crane Service	Demolition	Structural Steel (Install/Erect)	Welding
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Stellar J Corporation further indicated MWESB participation to be 6.8% or \$217,500.00 of the estimated subcontracting dollars:

- MBE - \$127,500.00 performing Concrete Cutting, Hauling Services (Trucking), and Lead Paint Abatement.
- WBE - \$65,000.00 performing Rebar and Structural Engineering.
- ESB - \$25,000.00 performing Concrete Pumping and Surveying.

Stellar J Corporation has committed to working with the City of Portland to attain its MWESB participation

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#### *An Equal Opportunity Employer*

*To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.*

aspirations on the Columbia Boulevard Wastewater Treatment Plant Secondary Process Improvements project, and has submitted a plan outlining additional good faith efforts they will engage in to increase participation. After Stellar J Corporation was found responsive to this bid and a Notice of Intent to Award a Contract was issued, Stellar J Corporation subsequently increased MWESB participation by 16.8% or \$536,461.00 of the estimated subcontracting dollars.

Stellar J. Corporation has a current City of Portland Business License and their EEO Certification is current through August 2, 2013. The company is located in Woodland, Washington, and is not a State Certified MWESB Contractor.

Stellar J. Corporation is in Full Compliance with the Equal Benefits Program.

Funds are available for this project under Owner Cost Center E07833.

It is further recommended that a Performance Bond and a Payment Bond each in the amount of 100% of the contract amount be furnished by the Contractor.

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.

Recommended by:

A handwritten signature in blue ink, appearing to read "Christine Moody / S. Gibson".



Christine Moody  
Chief Procurement Officer



CM:kbm

**BUREAU OF ENVIRONMENTAL SERVICES**  
**MEMORANDUM**  
*Engineering Services*

**DATE:** March 8, 2012

**TO:** Kathleen Brenes-Morua, Procurement Services

**FROM:** Dan Bush, Construction Project Mgr. (by JSO)   
Vu Han, Design Project Mgr. 

**THROUGH:** Mark Hutchinson, Construction Division Manager   
Susan Aldrich, CIP Manager 

**SUBJECT:** Awarding Contract for: CBWTP Secondary Process Improvements  
Bid No. 113936, Project No. E08909

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We have reviewed the bids for this project.

The proposal from Stellar J Corporation shows a bid amount of \$7,200,600.00, which is 20% under the Engineer's Estimate of \$9,000,000.00 and is the apparent low bid.

We therefore recommend that Procurement Services accept the proposal from Stellar J Corporation, the apparent low bidder, as the lowest responsible bidder. This recommendation is subject to your evaluation of the bid packet for completeness and responsiveness.

Please contact one us, Dan at 503-823-2669, Vu at 503-823-2635 (or James Oehler at 503-823-2672) if you have any questions.

cc: Paul Suto  
Garry Ott  
Rodney Krauter  
Scott Gibson  
Jaime de la Garza  
Project File E08909/Bid and Award



March 29, 2012

RE: CBWWTP Secondary Process Improvements Project, Bid Number 113936: MWESB Plan

To whom it may concern:

Stellar J Corporation (SJC) is committed to working with the City of Portland (City) to attain its MWESB Participation aspirations on the Columbia Boulevard WWTP Secondary Process Improvements project.

Even though SJC met and significantly exceeded the Good Faith Effort (GFE) specified in the contract documents and was identified by the Procurement Manager in the city's March 16<sup>th</sup>, 2012 letter to be found as the lowest responsive and responsible bidder, SJC is committed to further that Good Faith Effort and the MWESB participation for the project.

SJC's Good faith effort solicitation was 162% of the minimum number of firms required. SJC sent out requests to 76 MWESB firms for this project, and received quotes from 15 firms, of which we identified 7 MWESB firms for utilization. The GFE solicitation performed by SJC was well in excess of the 47 firms required under the contract documents.

Additionally, SJC placed advertisements seeking bids in both the Portland DJC and Contract and Careers (a local paper specializing in minority distribution).

At bid time, SJC identified 7 MWESB firms for utilization (more than twice as many MWESB firms as any other bidder) with a total dollar value of \$217,500.00. SJC has actively worked to increase this utilization and has been successful in this endeavor.

SJC was able to evaluate the metals supply package and split the scope into two discreet packages: Supply of the cover plates and Supply of the structural metals. This allowed use of a MWESB Firm, Mid Valley Metal Works, in the amount of \$536,461.00, while still utilizing our original bidder at bid time for the Structural Metals.

This additional MWESB firm brings our current MWESB utilization to \$753,961. This is 10.47% of the contract amount.

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SJC's plan to further increase the MWESB participation on this project includes:

1. Working with the City to identify other MWESB firms to solicit. This includes divisions of work previously identified, additional work divisions, and additional MWESB firms.
  - a. SJC has already contacted your office and was provided other firms to solicit from your Contracting Compliance Specialist which we are actively performing in advance of the contract award.
2. Contact the firms we previously solicited, but did not receive a bid from and see if they are interested in bidding the project at this time.
  - a. This will allow MWESB firms that may have not had time to bid the project previously to now provide bids.
3. Solicit additional firms in divisions that were previously solicited.
  - a. SJC will expand the MWESB GFE solicitation on Divisions of work that have additional firms available to be solicited. This will expand that pool of bidders and should result in additional MWESB participation.
4. Solicitations in other divisions that were not originally identified either by the City or SJC.
  - a. We are reviewing the project to identify other divisions of work that will provide additional MWESB opportunities. All of these scopes will be solicited in full accordance with the good faith effort requirements.
  - b. We have already identified two scopes: Temporary Fencing (Approximate Value 2,500), and Miscellaneous Fabrication (Approximate Value 45,000) that were not identified in the contract documents or in the GFE requirements that we will actively solicit MWESB firms for these scopes of work.
5. Further we will solicit MWESB firms for the divisions of work SJC was looking at self-performing, including breaking down the work SJC was planning to self-perform into smaller economically feasible units.
  - a. Stellar J has already identified additional opportunities to increase MWESB participation in the project by subcontracting out items that we intended to self-perform, including: Pipe Welding (Approximate value \$60,000), Structural Steel Erection (Approximate value \$220,000), Carpentry

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(Approximate value 20,000), and Concrete Installation (Approximately \$216,000). All of these scopes will be solicited in full accordance with the good faith effort requirements.

6. We have contacted all of our significant Subcontractors \ Suppliers and have asked them to re-evaluate their scopes to provide additional opportunities for MWESB participation at lower tiers and if so, to solicit and break this work out.
  - a. Specifics include: Our electrician, Tice Electric, has identified items with an approximate value of \$65,000 in opportunities for MWESB participation.
7. SJC split the metals supply package into two discreet packages: Supply of the cover plates and Supply of the structural metals. This allowed use of a MWESB Firm, Mid Valley Metal Works, in the amount of \$536,461.00, while still maintaining utilization of our original bidder.
8. SJC has scheduled a meeting with the city's personnel to see what other components could be included in this plan to maximize its results.
9. SJC will continue to work diligently and aggressively to increase the GFE and MWESB utilization on the project. In prior City of Portland projects SJC has had great success in increasing MWESB utilization and intends to do the same herewith.

#### BACKGROUND:

Additionally, we wanted to provide some background on this project's unique make-up that led to the MWESB participation percentage:

Of SJC's bid price of \$7,200,600.00, approximately 6.2 million was available for subcontracting and supply after allocation for site and home office overhead and mark-up. The electrical and instrumentation portion of this project was \$2.0 million. All three low bidders had the same electrician, Tice Electric. Equipment supply (including the sole sourced aeration tank mixers, and compressed air equipment) was \$700,000; material supply for the valves was \$550,000; and material supply for the piping was \$1,200,000. These four items represented nearly \$4.5 million dollars of work of which there were limited MWESB's available to SJC to subcontract to. This reduces the amount of the contract available for MWESB participation to approximately \$1,750,000.00. SJC is now able to contract nearly 43% of this to MWESB firms, and will actively work to increase MWESB participation throughout the contract life.

As stated previously we are working with Tice Electric to make additional opportunities for MWESB's available. They provided the following background information on their scope of work: Of the \$2.0 million in electrical and instrumentation, approximately \$1,653,000 was available after allocation for site and home office overhead and mark-up. Of this, the electrical materials were worth approximately \$988,000. Labor costs make up the balance of the electrical package. We have been working with Tice to provide additional MWESB opportunities and they have now identified \$65,000 in opportunities that they are actively soliciting to MWESB firms.

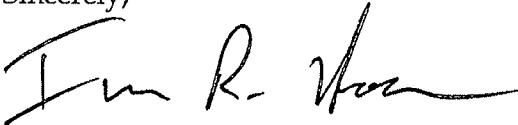
We at Stellar J are committed to affording as many opportunities as possible to MWESB firms, and will continue to actively work toward increasing our participation on this and other projects with the City of Portland. Our track record shows that we have been successful in this endeavor in the past and we intend for it to continue.

**Summary:**

Our current MWESB utilization is now \$753,961, 11% of the contract amount. Stellar J is utilizing more MWESB firms than any other bidder, Stellar J met and even exceeded the required Good Faith Efforts as confirmed by the Intent to Award letter, and SJC did this while providing the owner a savings in excess of \$820,000 with our bid price.

If you have any questions, please do not hesitate to contact myself or Jeff Walker, our Vice President. We look forward to working with the city to maximize this opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Ivan R. Hooper", with a stylized, flowing script.

Ivan Hooper  
Senior Estimator



# GOOD FAITH EFFORT COMPLIANCE REPORT

*BS* *LSM*

<b>Submission substantially complies with Good Faith Effort Requirements</b>		<b>YES</b>	<b>NO</b>
<b>Reviewed by:</b>	Angela Y. Pack / Brenda Scott		
<b>Date:</b>	3/13/2012		

## PROJECT INFORMATION

<b>PROJECT NAME &amp; BUREAU</b>	CBTWP Secondary Process Improvements (BES)
<b>BID NUMBER</b>	113936
<b>PRE-BID DATE</b>	February 8, 2012
<b>BID OPEN DATE</b>	March 6, 2012
<b>BID AMOUNT</b>	\$7,200,600.00
<b>CONTRACTOR</b>	Stellar J. Corporation

## AT BID SUBMISSION

QUESTION	YES	NO
Did contractor submit the GFE Form 1 (Subcontractor and Self-Perform Work List)?	X	

## M/W/ESB PARTICIPATION – Total Bid

PARTICIPATION TYPE	TOTAL \$	PERCENTAGE OF TOTAL BID AMOUNT
<b>MBE</b>	<b>\$127,500</b>	<b>1.8%</b>
<b>WBE</b>	<b>\$65,000</b>	<b>.9%</b>
<b>ESB</b>	<b>\$25,000</b>	<b>.3%</b>
<b>Total M/W/ESB Participation</b>	<b>\$217,500</b>	<b>Total bid – 3% Subcontract percentage – 6.8%</b>

## M/WBE PARTICIPATION – Subcontracting (35% Aspirational goal)

TOTAL OF ALL SUBCONTRACTS (including non-certified firms)	TOTAL MBE & WBE SUBCONTRACTS	PERCENTAGE OF M/WBE SUBCONTRACTS
<b>\$3,186,500</b>	<b>\$192,000</b>	<b>6%</b>



**GOOD FAITH DOCUMENTATION (24 HOURS AFTER BID OPENING)**

	QUESTION	YES	NO	NOTES
1.	<i>Did prime contractor attend the mandatory pre-bid meeting? (If pre-bid meeting was waived, note in NOTES column.) Check sign-up sheet with Buyer.</i>	<b>X</b>		
2.	<i>Did contractor explain why identified divisions of work (DOW) were not included for subcontracting? (See Form 1)</i>	<b>X</b>		Self-performing
3.	<i>Were letters or faxes sent to all M/W/ESBs (in identified DOW's to be subcontracted) at the pre-bid meeting?(Form 2)</i>	<b>X</b>		
4.	<i>Was a minimum of five (5) M/W/ESB firms contacted (in each identified DOW to be subcontracted) by letter or fax to bid on this project?(Form 2)</i>	<b>X</b>		
5.	<i>Were M/W/ESB firms contacted at least seven (7) calendar days before the bid opening?(Form 2)</i>	<b>X</b>		
6.	<i>Is a copy of the letter or fax sent to potential M/W/ESB subs included in Good Faith documentation?</i>	<b>X</b>		
7.	<i>Did prime provide a completed M/W/ESB Contact/Bids Received Log (Form 2)?</i>	<b>X</b>		

**GOOD FAITH EFFORT ANALYSIS**

1.	<b>Divisions of Work Identified by City:</b> Concrete Cutting; Concrete Pumping; Concrete Work; Crane Service; Demolition; Electrical; Metal Fabrication; Structural Steel (Install/Erect); Surveying; and Welding.
2.	<b>Rationale for non-utilization of subcontractors for suggested Divisions of Work:</b> Self-performing.
3.	<b>All Divisions of Work to be used on this project:</b> Same as #1 plus Missed Opportunities for Painting/Wallpapering; Hauling Services (Trucking) and Lead Paint Abatement.
4.	<b>Certified Subcontractors' name, Cert Type, and Subcontract amount used on the Project:</b> H & F Concrete Pumping (ESB Concrete Pumping) \$20,000; Western Rebar (WBE Rebar Supply - not a DOW) \$55,000; Brothers Concrete Cutting (MBE Concrete Cutting) \$70,000; Engineering Solutions, Inc. (WBE Structural Engineering - not a DOW) \$10,000; Fine Painting (MBE Painting/Wallpapering and Lead Paint Abatement) \$55,000; Tom Nelson & Associates (ESB Surveying) \$5,000; and Salt & Pepper Construction Co Inc (MBE Trucking) \$2,500.
5.	<b>Subcontractor names and subcontract amounts awarded to non-certified firms:</b> Tice Electric - \$1,900,000; Instafab- \$1,000,000; and Taurus Power & Controls Inc - \$69,000.
6.	<b>Divisions of Work retained by Prime:</b> Concrete Work; Crane Service; Structural Steel (Install/Erect); Welding; and Demolition.
7.	<b>Bids received from certified firms (not used):</b> All American Steel Products (WBE Concrete Work) \$33,560; Camp Creek Electric, LLC (ESB Electrical) \$1,950,000; and The Automation Group (ESB Electrical – instrumentation only) \$100,500. Stellar also received bids from Don Hines Trucking - \$105hr; Kohling Construction, LLC - \$75hr; Peter Akhtar Trucking, Inc.- \$75hr; Renner Trucking and Excavating - \$80hr and Coat Flagging - \$43hr.
8.	<b>Check Compliance file for prime contractor. Are there any contract compliance issues in the prime's Compliance file (last 3 years) that should be noted for the Purchasing Agent's Report to Council?</b> No.
9.	<b>Any special Good Faith Efforts undertaken by the Prime Contractor?</b> Utilization of MBE sub in Missed Opportunity DOW. Also used WBE supplier for Rebar.

10.

**List of other prime bids received: Note any special Good Faith Efforts taken by the Prime Contractor and if good faith effort documentation submitted (Forms 1/2).**

MKB Constructors - \$9,406,466 (No forms submitted); McClure and Sons, Inc.- \$9,274,425 (Form 1); James W. Fowler Co.- \$8,021,000 (Form 1); and Harbor Pacific Contractors, Inc. - \$9,490,000 (No forms submitted).

**Notes:**

**EEO Cert. Expires:** 8/2/13

**COP License No.:** 657473

**CCB License No.:** 127903

**Issues:**

1. Form 2 – Didn't list some of the MWESB bids, listed only 'Unit Prices'.
2. ITB (Invitation To Bid) – Their letter did not list all the DOW's and I explained that this should be their practice in the future.
3. Low participation – I explained that this project is over \$7 million and they have very low participation; they need to consider improving their participation between now and their Council date.

**Clarifications (Spoke to Ivan Hooper 3-16-12):**

1. The reason they list Unit Prices is because most truckers simply fax over a Price Sheet listing a variety of trucks with different prices depending on what the contractor wants (solo, superdump, truck/pup, etc).  
Solo prices not previously listed:
  - a. Don Hines Trucking - \$85hr
  - b. Kohling Construction - \$75hr
  - c. Peter Akhtar Trucking - \$75hr
  - d. Renner Trucking - \$80hr
  - e. Coat Flagging - \$43hr (but no flagging on project)
2. Ivan agreed that this was a good practice and will do so in future.
3. The largest portion of this work is almost \$2 million of electrical; another \$1 million in metal fabrication, which no MWESB firms bid on; and instrumentation for \$69k, which is specialized work. All other seven subcontractors utilized are MWESB's; including utilizing MWESB's in 3 Missed Opportunity DOW's and an MBE in both Rebar Supply and Structural Engineering. However, Ivan Hooper did commit to see about using an MWESB to do part of the Electrical scope.

*Summary of Stellar J Corporation – CBWTP Secondary Process Improvements Good Faith Efforts:*

DOW		Required M/W/ESB Contacts	# M/W/ESBs Contacted	# Bids Received	# Bids Used
91382	CONCRETE CUTTING	5	7	1	1
92519	CONCRETE PUMPING	2	2	1	1
91438	ELECTRICAL	6	13	2	0
96239	HAULING SERVICES (TRUCKING)	0	6	6	1
91047	LEAD PAINT ABATEMENT	0	1	1	1
91458	METAL FABRICATION	5	7	0	0
91461	PAINTING/WALLPAPERING	0	1	1	1
92586	SURVEYING	5	8	1	1
Total		23	45	13	6

**Level of Effort:**

	<b>High</b>	Met the aspirational goal.
<b>X</b>	<b>Moderate</b>	Exceeded the solicitation requirements and/or achieved some participation.
	<b>Low</b>	Met the minimal solicitation requirements but achieved NO participation.

**Recommendation:**

*Approval. The contractor is in compliance with the GFE specifications.*

# TABULATION OF BIDS

CITY OF PORTLAND  
PROCUREMENT SERVICES

**Project: CBWTP Secondary Process Improvements**  
**Bid Opening: 3/6/2012**

<b>Bid Number: 113936</b> <b>Bureau: BES</b> <b>Estimate: \$ 9,100,000.00</b>			
<b>Bidder's Name</b>	<b>Lump Sum Bid Amount</b>	<b>Bid Surety</b>	<b>OCCB License Number</b>
Stellar J Corporation	\$ 7,200,600.00	Y	127903
James W Fowler Co.	\$ 8,021,000.00	Y	63701
McClure & Sons Inc.	\$ 9,274,425.00	Y	71127
MKB Constructors	\$ 9,406,466.00	Y	190035
Harbor Pacific Contractors, Inc.	\$ 9,490,000.00	Y	99131

Buyer: Kathleen Brenes-Morua

Agenda No.  
**REPORT NO.**  
 Title

Accept bid of Stellar J. Corporation for the Columbia Boulevard Wastewater Treatment Plant Secondary Process Improvements Project for \$7,200,600.00 (Procurement Report - Bid No. 113936)

<p><b>INTRODUCED BY</b>          Commissioner/Auditor:  <b>Mayor Sam Adams</b></p> <p><i>K. O'Hanrahan on behalf of Mayor Adams</i></p> <p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Adams</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Leonard</p> <p><b>BUREAU APPROVAL</b></p> <p>Bureau: Procurement Services          Bureau Head: Christine Moody <i>cm/bsr</i></p> <p>Prepared by: Kathleen Brenes-Morua          Date Prepared: March 30, 2012</p> <p>Financial Impact &amp; Public Involvement Statement          Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Council Meeting Date  <b>April 11, 2012</b></p> <p><b>City Attorney Approval</b></p>	<p>CLERK USE: DATE FILED <u>APR 06 2012</u></p> <p><i>LaVonne Griffin-Valade</i>          LaVonne Griffin-Valade          Auditor of the City of Portland</p> <p>By: <i>[Signature]</i>          Deputy</p> <p>ACTION TAKEN:  <b>APR 11 2012 ACCEPTED PREPARE CONTRACT</b></p>
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<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____          (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input checked="" type="checkbox"/></p> <p>Total amount of time needed: <b>5 minutes</b>          (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz ✓	
2. Fish	2. Fish ✓	
3. Saltzman	3. Saltzman ✓	
4. Leonard	4. Leonard ✓	
Adams	Adams _____	