



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 Moor
Chief Procurement Officer

Procurement Services

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REGULAR CALENDAR

September 5, 2012

TO THE COUNCIL:

The Chief Procurement Officer is submitting this report and recommending that the Portland Water Bureau (PWB) and Procurement Services be authorized to proceed with awarding a contract to Hoffman Construction Company of Oregon ("Hoffman") as Construction Manager/General Contractor (CM/GC) for construction of the Kelly Butte Reservoir Project in the amount of \$57,250,000.00. The Guaranteed Maximum Price (GMP) submittal from Hoffman dated August 28, 2012 is attached as Exhibit A to this Report. However, if any unforeseen conditions are encountered, the construction cost may exceed this GMP.

Ordinance Number 183913 passed by Council on June 16, 2010 authorized Procurement Services to use an alternative contracting method to select a CM/GC for the Kelly Butte Reservoir Project. The Chief Procurement Officer advertised Request for Proposals (RFP) Number 111848 on November 22, 2010, for pre-construction and construction services of the Kelly Butte Reservoir Project with a construction estimate of \$70,000,000.00. PWB rated the project estimate confidence level as Low. Proposals were due on December 20, 2010, and four (4) proposals were received. A five (5) person selection committee with representatives from PWB and the community selected Hoffman as the CM/GC Contractor in accordance with Ordinance 183913. Pre-Construction Services Contract Number 30002022 for a sum not to exceed Three Hundred Sixty Thousand Dollars \$360,000.00 was entered into with Hoffman effective May 10, 2011.

This contract includes a pilot Community Benefits Agreement (CBA). Hoffman has made a commitment to adopt and implement a CBA in a form substantially in accordance with the agreement attached as Exhibit B. The diversity goals for this project, as stipulated in the CBA, are as follows:

- Minority workforce equal to 18% of total project hours
- Women workforce equal to 9% of total project hours
- Apprentice goal of 20% of all covered work hours
- Utilization of state certified minority-owned, women-owned, or disadvantaged business enterprises equal to 20% of the GMP (minus the CM/GC fee)

Hoffman has a current City of Portland Business License and their EEO Certification is current through January 13, 2013. The company is located in Portland, OR, and is not a State Certified M/W/ESB Contractor.

An Equal Opportunity Employer

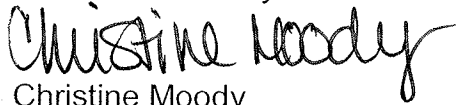
To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

Hoffman is in Full Compliance with the Equal Benefits Program.

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.

Recommended by:

A handwritten signature in black ink that reads "Christine Moody". The signature is written in a cursive, flowing style.

Christine Moody
Chief Procurement Officer

CM:kbm

Agenda No.
REPORT NO.
 Title

Accept Guaranteed Maximum Price of \$57,250,000.00 from Hoffman Construction Company of Oregon for the construction of the Kelly Butte Reservoir Project (Procurement Report - RFP Number 111848)

<p>INTRODUCED BY Commissioner/Auditor: <i>K. Allmon on behalf of Mayor Adams</i> Mayor</p>	<p>CLERK USE: DATE FILED <u>AUG 30 2012</u></p>
<p>COMMISSIONER APPROVAL</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>LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Procurement Services Bureau Head: Christine Moody <i>CM</i></p> <p>Prepared by: Kathleen Brenes-Morua Date Prepared: August 29, 2012</p> <p>Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Council Meeting Date September 5, 2012</p> <p>City Attorney Approval</p>	<p>ACTION TAKEN:</p> <p>SEP 05 2012 ACCEPTED <u>PREPARE CONTRACT</u></p>

AGENDA
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input checked="" type="checkbox"/></p> <p>Total amount of time needed: 10 Minutes (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	✓	