

## IMPACT STATEMENT

**Legislation title:** Accept bid of Titan Utilities, LLC for the SE Division Place & SE 6<sup>th</sup> Avenue Sewer Rehabilitation for \$868,490.00. (Procurement Report – Bid No. 117402)

**Contact name:** Christine Moody, Chief Procurement Officer *CM*

**Contact phone:** 503-823-1095

**Presenter name:** Christine Moody, Chief Procurement Officer

**Purpose of proposed legislation and background information:**

Authorize the Chief Procurement Officer to execute a contract for the SE Division Place & SE 6<sup>th</sup> Avenue Sewer Rehabilitation. The construction cost based on bids received is \$868,490.00.

Ordinance No. 186994 was approved by authorizing the Chief Procurement Officer to issue a competitive solicitation and the Commissioner in Charge to authorize and execute a contract for the SE Division Place & SE 6<sup>th</sup> Avenue Sewer Rehabilitation on behalf of the Bureau of Environmental Services (BES).

The proposed project will replace and upsize about 280 feet of combined sewer pipe on SE Division Place between SE 6<sup>th</sup> and SE 7<sup>th</sup> Avenue that is 95 years old and deteriorating due to age. The project will construct new public sewers, storm drains and manholes in one city block within the Hosford- Abernethy Neighborhood and the Central Eastside Industrial District. These sewer repairs will increase sewer capacity and reduce the risks of street flooding and sewage releases to buildings and streets, thereby protecting public health, water quality and the environment.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

**Financial and budgetary impacts:**

Based on bids received, the Bureau of Environmental Services anticipates the construction contract cost to be \$868,490.00. The engineer's estimate for this project was \$750,000.00 and the confidence level was Optimal. Funds are available in Sewer System Operating Fund FY15 Budget, Bureau of Environmental Services, WBS E10630. There were some unique aspects of the work that contributed to the engineer's estimate being exceeded. The major factor effecting the pricing included the overall limited work hours for the open trench work. The engineer's estimate was based upon standard work hours, however with the shorter construction shifts and more iterations of mobilization in and out of the site, the additional costs were appropriate. The other contractors also reflected additional costs in their bids for the limited work hours. When the unique aspects of work on this project are factored in the bureau feels that the bid items and contract price are balanced and acceptable.

No present positions will be created, eliminated or re-classified as a result of this legislation.

**Community impacts and community involvement:**

On March 13, 2015, the Chief Procurement Officer advertised a competitive Invitation to Bid Number 117402. The construction contracting community, including contractors certified with the State of Oregon as minority, women, and emerging small businesses became involved when the public notice was posted on the City's Online Procurement System on March 13, 2015.

Potential bidders were able to review the competitive solicitation, attend a pre-bid meeting, visit the project site, ask questions, provide comments and submit a bid in response to the Invitation to Bid. Bids received resulted in the award of the construction contract. Procurement Services managed the procurement process and no protests were received.

The low bid of Titan Utilities, LLC was deemed responsive to the requirements of the solicitation, and it is recommended that their bid be accepted at the unit prices quoted in their bid for a total estimated amount of \$868,490.00. It should be noted that Titan Utilities, LLC is a State Certified ESB contractor. MWESB participation, prime and subcontracting participation combined, represents 100% or \$868,490 of the total contract amount.

No known persons or groups will be testifying.

No future public involvement is anticipated or necessary for this request.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- YES: Please complete the information below.
- NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount