

IMPACT STATEMENT

Legislation title: Accept bid of Emery & Sons Construction Group for the 2016 Local Improvement Districts Project for \$580,812 (Procurement Report - Bid No. 00000184)

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Presenter name: Christine Moody, Chief Procurement Officer



Purpose of proposed legislation and background information:

The purpose of this legislation is to authorize the Chief Procurement Officer to execute a construction contract for the 2016 Local Improvement Districts project to Emery & Sons Construction Group. The 2016 Local Improvement Districts Project involves the construction of street improvements along the following streets:

- NE Couch Ct: NE 3rd Avenue – NE Couch St LID
- SW 45th Avenue & California Street LID

Ordinance No 186539 was approved by City Council on April 23, 2014 and Ordinance No 186847 was approved by City Council on October 9, 2014 authorizing the Chief Procurement Officer to issue a competitive solicitation for the 2016 Local Improvement Districts project on behalf of PBOT. The construction cost based on bids received is \$580,812.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

Financial and budgetary impacts:

Based on bids received, PBOT anticipates the construction contract cost to be \$580,812. The engineer's estimate for this project was \$500,000 and the confidence level was Low.

PBOT conducted a bid analysis and determined that the bid amount of \$580,812 was 16% over the Engineer's Estimate of \$500,000 and is the apparent low bid. PBOT determined the overage was due to the Engineer's Estimate being prepared at a time when the market had not yet revealed the increase in costs for building materials and labor due to the improving economy. At this time, building contractors and construction materials are in high demand throughout the Pacific Northwest therefore, contractors and suppliers are now charging higher prices for labor, equipment and materials in general. Additionally, many specialty trade workers and subcontractors including electricians, plumbers and concrete finishers are too busy to competitively bid many projects. The resulting bid amount shows the present supply-demand imbalance in the economy. PBOT recommended that Procurement Services accept the proposal

from Emery & Sons Construction Group, subject to Procurement Services' evaluation of the bid packet for completeness and responsiveness.

Funds are available in PBOT's Owner Cost Centers T00360 and T000450.

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 publically noticed the project on the City's Online Procurement System on December 2, 2015.

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.

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