

## IMPACT STATEMENT

**Legislation title:** Accept bid of 2KG Contractors, Inc. for the Grant Pool Mechanical Renovation Rebid Project for \$1,744,000 (Procurement Report - Bid No. 00000195)

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

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

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### **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 Grant Pool Mechanical Renovation Rebid project to 2KG Contractors, Inc. The Grant Pool Mechanical Renovation Rebid Project includes construction of upgrades to the mechanical systems servicing the existing pool including removal of existing mechanical/pool equipment and installation of new equipment, pool gutters, pool lifts, pool drains, boiler installation and improvements to bring the pool decking up to ADA requirements.

Ordinance No 187413 was approved by City Council on October 28, 2015 authorizing the Chief Procurement Officer to issue a competitive solicitation for the Grant Pool Mechanical Renovation Rebid project on behalf of PP&R. The construction cost based on bids received is \$1,744,000.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

### **Financial and budgetary impacts:**

Based on bids received, Portland Parks & Recreation anticipates the construction contract cost to be \$1,744,000. The original estimate for this project was \$1,500,000. The primary cause for the difference in the low bid compared to the Engineer's Estimate is the high demand currently prevailing within the commercial construction market. Though the Engineer's Estimate is only six months old, the bidding climate has changed significantly within the last three-to-four months. Building contractors and construction materials are currently in high demand throughout the Pacific Northwest, resulting in a smaller bidding pool of available contractors and higher prices for labor, equipment, and materials. Additionally, this project requires specialty work from the contractor, which further limits the bidding pool of available contractors. There were two bids received for this project, and they were within 2% of each other.

Portland Parks and Recreation has the funds to move forward with the project; funds are available in the PP&R's Owner Cost Center P30050.

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 28, 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