

IMPACT STATEMENT

Legislation title: Accept bid of Kodiak Pacific Construction for SW Oak Street (SW Naito Parkway to SW 10th Ave) for \$954,954 (Procurement Report - Bid No 00000338)

Contact name: Christine Moody, Chief Procurement Officer

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Presenter name: Christine Moody, Chief Procurement Officer

Purpose of proposed legislation and background information:

Authorize the Chief Procurement Officer to execute a construction contract for SW Oak Street (SW Naito Parkway to SW 10th Ave) to Kodiak Pacific Construction. The construction cost based on bids received is \$954,954.

This project is part of the Bureau of Transportation (PBOT), goal of keeping 80% of streets in fair or better condition and no more than 2% in very poor condition.

As part of the 2015-16 one-time General Fund surplus authorization, the Portland Bureau of Transportation will be constructing pavement rehabilitation work on SW Oak Street from SW Naito Parkway to SW 10th Avenue. Work includes striping for a dedicated bike lane and upgrading sidewalk ramps to meet current ADA guidelines.

The pavement condition on SW Oak Street has deteriorated to a point at which a 3 inch grind and overlay is now required. Grinding and paving 3 inches at this time meets PBOT's Pavement Management strategy of performing pavement maintenance earlier in the lifecycle to prevent much higher rehabilitation costs in the future.

Ordinance No. 187736 was approved by City Council on May 11, 2016 authorizing the Chief Procurement Officer to issue a competitive solicitation for SW Oak Street (SW Naito Parkway to SW 10th Ave) on behalf of PBOT.

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 \$954,954. The engineer's estimate for this project was \$696,580 and the confidence level was Moderate.

PBOT conducted a bid analysis and determined that since the low bidder was 37% over the Engineer's Estimate the bid would not normally be considered competitive when doing a direct comparison to standard cost estimates. However, there are several considerations that lead PBOT to believe that the costs presented are reasonable for the circumstances: 1) the project is in the heart of downtown where pedestrian and vehicle traffic is very high; 2) PBOT has specifications that restrict sidewalk closures to only one corner at a time to facilitate pedestrian access, as well as traffic lane closure requirements that limit the speed at which the grind and overlay can take

place; 3) there are numerous parking lots and businesses that require maintaining access during construction.

Based upon this analysis and that fact that all 4 bidders showed higher costs for traffic control, removal of structures and performing the grinding and paving work, and considering the complexity of working downtown with its many constraints, PBOT believes the higher bid costs for this area are justified, PBOT has considered the overall pavement rehab project budgets and has determined that this project is affordable and should be awarded to the lowest responsible bidder. PBOT does not believe that waiting or re-bidding will produce a better result.

Funds are available in PBOT's Owner Cost Center T00318.

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 May 18, 2016.

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