



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Charlie Hales, Mayor
Fred Miller, Chief Administrative Officer
Ken Rust, Director, Bureau of Revenue and Financial Services

Christine Moody
Chief Procurement Officer
Procurement Services

1120 S.W. Fifth Avenue, Rm. 750
Portland, Oregon 97204-1912
(503) 823-5047
FAX (503) 823-6865
TTY (503) 823-6868

REGULAR CALENDAR

July 27, 2016

TO THE COUNCIL:

The City of Portland ("City"), Office of Management & Finance ("OMF") provides internal services to City bureaus to accomplish its mission of supporting the administrative and operational needs of the City to enhance quality service delivery to the public. OMF Facilities Services ("Facilities") provides professional project management, property management, and building operation services to City bureaus. Facilities' mission is to be leaders in the planning, constructing, redeveloping, and operation of public facilities that are efficient, cost-effective, and well-maintained. Facilities is committed to constructing and maintaining buildings that contribute to Portland's civic character and make Portland a better place to live and work.

The Portland Building, designed and built in 1982 to support the administrative and operational needs of the City, has shown numerous signs of environmental and structural issues and, as evidenced in building condition studies and assessments, is in need of extensive reconstruction to survive another 50-100 years; it has a history of significant water infiltration issues that have deteriorated its structural integrity. Separately, the building's mechanical, electrical, and plumbing systems are at, or near, the end of their useful lives and the building does not meet current seismic resiliency building code requirements. These issues have been studied extensively by consultants and staff. An advisory committee was convened in 2014, and along with staff recommended a full renovation of the building given the impact of these remediation efforts. The scope of reconstruction will include envelope repair/replacement, seismic upgrades, system replacements, full interior remodel, and will seek LEED™ Gold certification.

The Portland Building Reconstruction Project ("Project") requires a highly specialized and qualified contractor in order to meet the tight Project schedule and constraints. In collaboration with Procurement Services, an analysis of alternative project delivery methods was completed by Facilities and it was determined that the progressive design-build relocate delivery method is the most cost effective method for reconstructing the building and poses less risk. This methodology will support the project mission of reconstructing the building in a fiscally responsible way and creating a functional, accessible, sustainable, seismically upgraded workplace.

Resolution No. 37158 adopted by the Council on October 21, 2015 directed OMF to develop a Request for Proposals (hereafter "RFP") and solicit proposals for the design,

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.

relocation, and reconstruction of the Portland Building for an amount not to exceed \$195,000,000 and for Project completion by the end of 2020.

Ordinance Number 187559 passed by the Council on January 20, 2016 authorized Procurement Services to use an alternative competitive solicitation process to procure progressive design-build relocate services for the Project. The Chief Procurement Officer advertised RFP Number 119218 on April 1, 2016 for the selection of a Prime Contractor and Architect Team to provide such services with an overall Project budget of \$195,000,000. Facilities rated the project estimate confidence level as High at that time. On May 13, 2016 three (3) proposals were received. The proposals were reviewed, evaluated, and scored by a five (5)-member evaluation committee with representatives from Facilities, Parks, Multnomah County and the Minority Evaluator Program. Technical advisors from Technology Services, Planning and Sustainability, Office of Equity and City Attorney participated in the evaluation process as well. The evaluation committee selected Balfour Beatty Construction, LLC dba Howard S. Wright and DLR Group as the highest scoring proposer.

Howard S. Wright and DLR Group in collaboration with the City will develop and implement a Professional, Technical, and Expert (PTE) Services Disadvantaged, Minority, Women and Emerging Small Business (D/M/W/ESB) Plan and a separate Construction Services Equity, Inclusion, and Diversity Plan in substantial compliance with the attached Exhibit A during the design and relocation services phase of the Project. The City's minimum aspirational goals for utilization of State Certified D/M/W/ESB subconsultants and subcontractors on the Project are as follows:

- 8% MBE(DBE), 8% WBE(DBE), and 4% ESB utilization of PTE consultants for the design and relocation services
- 12% MBE(DBE), 5% WBE(DBE), and 5% ESB of construction contractors for the construction services

Howard S. Wright and DLR Group have committed to achieving the City's minimum aspirational goals, plus an additional 1% of D/M/W/ESB PTE inclusion and 3% D/M/W/ESB construction services inclusion as further summarized in the attached Exhibit B. Additionally, they have committed to developing and implementing mentoring programs focused on building business understanding and capacity of D/M/W/ESB subconsultants and subcontractors involved on the Project.

In order to facilitate the recruitment, retention and promotion of historically disadvantaged and underrepresented individuals, Howard S. Wright has committed to achieving the City's workforce diversity goals for the life of the Project. The workforce diversity goals for apprentice workers is 31% with a goal of 22% for minority apprentices and 9% for women apprentices. The workforce diversity goals for journey level workers is 28% with a goal of 22% for minority and 6% for women journey workers.

Howard S. Wright has a current City of Portland Business Tax Registration and EEO Certification. The company is located in Portland, Oregon and is not a State Certified

D/M/W/ESB Contractor. Balfour Beatty Construction, LLC dba Howard S. Wright is in Full Compliance with the Equal Benefits Program.

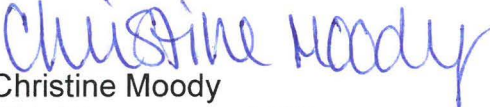
Given the preceding, the Chief Procurement Officer is submitting this report and recommending that Procurement Services, on behalf of Facilities be authorized to proceed with awarding a contract to Balfour Beatty Construction, LLC dba Howard S. Wright as the Progressive Design-Build Relocate (DBR) contractor for the design and construction of the Project in the amount of \$140,000,000.00, the Initial Guaranteed Maximum Price (GMP). A final GMP shall be negotiated and accepted by contract amendment upon the completion of the Project's criteria design. Under no circumstances shall the final GMP exceed the Initial GMP.

The Project will be funded through the City's Facilities Services Fund through FY 2021-22.

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:

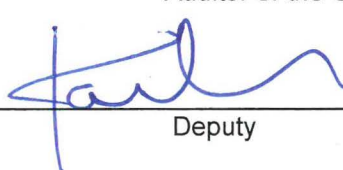


Christine Moody
Chief Procurement Officer

CM:kbm

Agenda No.
REPORT
Title

Accept the Initial Guaranteed Maximum Price of \$140,000,000.00 from Balfour Beatty Construction, LLC dba Howard S. Wright for the design and construction of the Portland Building Reconstruction Project Progressive Design-Build Relocate Services (Procurement Report - RFP No. 00000260)

<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Mayor Hales</p>	<p>CLERK USE: DATE FILED <u>JUL 19 2016</u></p>
<p style="text-align: center;">COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  _____ Deputy</p>
<p style="text-align: center;">BUREAU APPROVAL</p> <p>Bureau: Procurement Services Bureau Head: Christine Moody <i>CM</i></p>	<p>ACTION TAKEN:</p> <p style="font-size: 1.2em; font-weight: bold;">JUL 27 2016 ACCEPTED</p>
<p>Prepared by: K. Brenes-Morua Date Prepared: 07/11/16</p>	
<p>Impact Statement</p> <p>Completed <input type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan</p>	
<p>Council Meeting Date July 27, 2016</p>	

AGENDA
<p>TIME CERTAIN <input checked="" type="checkbox"/></p> <p>Start time: <u>10:15 a.m. (1 of 3)</u></p> <p>Total amount of time needed: 30 min ⁴⁵ min (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/></p> <p>Total amount of time needed: (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	✓	
4. Novick →	✓	
Hales	_____	