

## IMPACT STATEMENT

**Legislation title:** Accept bid of Iron Horse Excavation, LLC dba Oxbow Construction for the CIPP SE Sewer Rehabilitation for \$2,882,314.00 (Procurement Report - Bid No 00000331)

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

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

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

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

Authorize the Chief Procurement Officer to execute a construction contract for the CIPP SE Sewer Rehabilitation to Iron Horse Excavation, LLC dba Oxbow Construction. The construction cost based on bids received is \$2,882,314.00.

This project is part of the Bureau of Environmental Services (BES), Large Scale Sewer Rehabilitation Program. Programs goals are to rehabilitate or replace severely deteriorated sewer pipes, manholes, service laterals, and inlet pipes throughout the City's sewer system and restore service life as economically and efficiently as possible.

This project's intent is to rehabilitate approximately 6,570 feet of deteriorating combination sewer located throughout the East Willamette area. The boundaries of the project span from 1-84 on the north, SE Claybourne St. on the south, SE 72nd Ave. on the east and SE 44th Ave. on the west.

Ordinance No. 187718 was approved by City Council on May 4, 2016 authorizing the Chief Procurement Officer to issue a competitive solicitation for the CIPP SE Sewer Rehabilitation on behalf of BES.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

**Financial and budgetary impacts:**

Based on bids received, BES anticipates the construction contract cost to be \$2,882,314.00. The engineer's estimate for this project was \$2,260,000.00 and the confidence level was high.

BES conducted a bid analysis and determined that:

The proposal from Oxbow Construction shows a bid amount of \$2,882,314.00, which is 27.54% over the Engineer's Estimate of \$2,260,000.00 and is the apparent low bid.

The 27.54% over the Engineer's Estimate amounts to \$622,314.00. A comparison was made on some of the bid prices between that of Oxbow and the Engineer's Estimate where there was at least \$20,000.00 difference, resulted to a general overall difference of \$640,939.00.

A comparison was also made between Oxbow and the second bid turned in by Michels, which amounts to \$2,999,857.00. The difference between these two bids amounts to \$117,543.00, and

this can be mainly attributed to higher pricing by Michels on Mobilization, Traffic Control and Diversion of Flow. Note that Oxbow will be using Michels as their subcontractor for the-CI PP portion of the project. In light of this, their overall pricing of the CIPP work is very close to each other.

Funds are available in BES's Owner Cost Center E10682.

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