

IMPACT STATEMENT

Legislation title: Direct the Bureau of Revenue and Financial Services Procurement Services Division to develop and implement a contract delivery method selection process for public improvement projects with construction contracts estimated at \$10 million and over. (Resolution)

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Purpose of proposed legislation and background information:

The City of Portland solicits for approximately 75 public improvement projects at an estimated value of \$75 million annually. ORS Chapter 279C requires a competitive low bid process for public improvement contracts unless a statutory exemption applies that allows the use of an alternative contract delivery method. Alternative contract delivery methods can provide substantial benefits and potential cost savings to the City for projects that have technical complexity, operational and scheduling constraints, public safety and risk impacts, or which require specialized expertise

All City projects for construction services benefit from ongoing City investments in workforce training, contractor development, technical assistance, and apprenticeship and pre-apprenticeship programs. The City has shown benefits for small contractors using alternative contract delivery methods.

The Community Equity and Inclusion Plan (CEIP) and Community Opportunities and Enhancement Fund (COEF), to be adopted by Council at the same time as this resolution, is intended to establish a single, consistent equity plan that is used for construction contracts valued at or above \$10 million using an alternative contracting method. This resolution complements the CEIP by directing the Office of Management and Finance (OMF), Bureau of Revenue and Financial Services, Procurement Services Division to establish processes for contract delivery methods.

Financial and budgetary impacts:

The contract delivery method selection process will be applied to public improvement contracts with contract values totaling \$10 million or more.

There are administrative costs to bureaus in terms of staff training and staff time in utilizing an alternative contract delivery method such as a Construction Manager/General Contractor (CM/GC). Although, the costs may also result in the achievement of equity contracting goals and increase the number of underserved and underrepresented communities trained and ready to work on projects. This social benefit is worth the costs to bureaus for using alternative contract delivery methods to provide the best value to the City and its citizens.

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