

IMPACT STATEMENT

Legislation title: Accept bid of Faison Construction, Inc., for the North Park Blocks Play Area Improvements Project for \$ 1,111,387.00 (Procurement Report - Bid No. 00000892)

Contact name: Larry Pelatt, Procurement Manager

Contact phone: 503-823-2506

Presenter name: Larry Pelatt, Procurement Manager

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 North Park Blocks Play Area Improvements Project for \$ 1,111,387.00

Ordinance No. 188263 for the Portland Parks & Recreation (PP&R) work was approved by City Council on March 01, 2017 authorizing the Chief Procurement Officer to issue a competitive solicitation for the North Park Blocks Play Area Improvements Project on behalf of PP&R. The construction cost based on bids received is \$1,111,387.00

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

Financial and budgetary impacts:

The initial engineer's estimate for this project included in the authorizing ordinance was \$ 980,000.00. and the confidence level was medium. Based on bids received, PP&R anticipates the construction contract cost to be \$1,111,387.00 which is 13.4% over the engineer's estimate.

PP&R conducted a bid analysis and determined that the low bid was over the Engineer's Estimate due to the high labor demand currently prevailing within the commercial construction market. Building contractors and construction materials are currently in high demand throughout the entire Pacific Northwest, but most specifically in the Portland market. This shortage of labor and materials creates an adverse relationship between the true market cost and the accuracy of project estimating.

The funding for this project will be through the 2014 Parks Replacement Bond.

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 Disadvantaged, Minority, or Women owned enterprises, or Emerging Small Businesses became involved when the Chief Procurement Officer advertised and publicly noticed the project on the City's Online Procurement System on January 24, 2018.

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.

We do not anticipate any person or group 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