

## ORDINANCE No. 189649

Approve findings to authorize an exemption to the competitive bidding requirements and authorize the use of the alternative contracting method of Construction Manager/General Contractor in connection with the Downtown/Old Town SW Main/Taylor Sewer Rehabilitation Project for an estimated amount of \$7,100,000 (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City of Portland Bureau of Environmental Services (BES) needs to rehabilitate and upsize sanitary sewer pipe in the downtown area of SW Main, SW Salmon and SW Taylor between SW 13<sup>th</sup> and Naito Parkway.
2. The rehabilitation and upsizing requires bypassing sewer flow from services laterals connected to downtown buildings. Many of these service laterals are not accessible in the public right-of-way and may require work on private property.
3. The Project will require specialized skills and experience in construction methodology, problem solving, sequencing, scheduling, and cost estimating to successfully complete the work in a timely manner.
4. Procurement Services and BES recommends using the alternative contracting method of CM/GC for the Project to:
  - a. Allow BES to select a contractor with the experience and qualifications necessary to coordinate and perform complex sewer rehabilitation and upsizing in the downtown business area with demonstrated expertise in participating in a collaborative design process.
  - b. Provide input during the design process, including on the construction packaging and sequencing which will minimize disruptions to businesses and traffic downtown.
  - c. Provide input on trenchlessly upsizing sewer mains which can inform design decisions and/or be incorporated into the overall project schedule;
  - d. Provide continuous value engineering to ensure cost containment;
  - e. Provide opportunities for disadvantaged, minority-owned, women-owned, emerging, or disadvantaged businesses in the contracting community.
5. The Council is the Local Contract Review Board with the authority to exempt certain public contracts from the competitive bidding requirements of ORS Chapter 279C and Portland City Code 5.34.
6. The City will invite prospective contractors to submit competitive proposals in response to the City's Request for Proposals ("RFP"), which will include a

preliminary Request for Qualifications (RFQ) step. The Selection Committee will select the CM/GC Contractor based on an evaluation of the proposals. The selection committee will include staff from BES and others from the community, including minority evaluator(s) as required per Resolution 36757. The RFP process will be completed under the guidance and direction of Procurement Services and in accordance with Alternative Contracting Methods requirements set forth in Portland City Code 5.34.

7. 2. Draft findings addressing favoritism, competition, substantial cost savings, operations, budget and financial data, public benefits, value engineering, specialized expertise required, public safety, market conditions, technical complexity, and funding sources recommended by the City, substantially in the form attached hereto as Exhibit A (collectively, the "Findings"), were made available and a notice of the public hearing of this Ordinance was published fourteen (14) days in advance of this public hearing.
8. Based on the Findings, the exemption of the Project from the competitive bidding requirements of ORS 279C is: (i) unlikely to encourage favoritism or to diminish competition for public contracts because the contract will be awarded using a competitive solicitation process; and (ii) likely to result in substantial cost savings to the City because the CM/GC contractor will be integrated into the design team for value engineering, constructability review, and assistance in developing a construction phasing plan. Such early integration greatly reduces the chances of redesign, change orders and cost overruns.
9. The estimated Construction Contract cost is \$7,100,000. The estimated total Project cost is \$12,868,000, including construction, design services, project management/staff costs, construction management and other direct costs and contingences. The Project Estimate Confidence Level Rating Index, per Binding City Policy BCP-ADM-1.13 is Low.

NOW, THEREFORE, the Council directs:

- a. Council hereby approves the Findings, as attached as Exhibit A, and on that basis exempts the Downtown/Old Town; Main/Taylor Sewer Rehabilitation Project from the competitive bidding requirements of ORS 279C.
- b. The Chief Procurement Officer is authorized to use an alternative competitive solicitation process to select a CM/GC contractor for the Project and, upon selection of a CM/GC, is authorized to execute a contract for CM/GC pre-

construction services during design phase of the Project, provided the contract has been approved as to form by the City Attorney.

- c. The Mayor and Auditor are hereby authorized to pay for the contract from the Sewer System Operating Fund Budget when demand is presented and approved by the proper authority.
- d. As required by ORS 279C.355 and PCC 5.34.820C, BES will prepare and deliver a post project evaluation to the Council on behalf of the Chief Procurement Officer, once the City accepts the Project as complete.

Section 2.

Upon the Council's acceptance of the Chief Procurement Officer's report recommending the acceptance of a Guaranteed Maximum Price from the CM/GC for the Project, the Chief Procurement Officer is authorized to execute a contract for the construction of the Project, provided the contract has been approved as to form by the City Attorney's office.

Passed by the Council: **AUG 07 2019**  
Commissioner Nick Fish

Prepared by: Susan Hjorten  
Date prepared: July 5, 2019

**Mary Hull Caballero**  
Auditor of the City of Portland

By



Deputy



~~725~~ 765  
**Agenda No.** \_\_\_\_\_  
**Item Type:** Ordinance \_\_\_\_\_ **No.** 189649  
**Council Meeting Date:** July 31, 2019

**Title:** Approve findings to authorize an exemption to the competitive bidding requirements and authorize the use of the alternative contracting method of Construction Manager/General Contractor in connection with the Downtown/Old Town SW Main/Taylor Sewer Rehabilitation Project for an estimated amount of \$7.1 million (Ordinance)

**AGENDA TYPE**

- Consent**  
 **Regular**  
 **Time Certain** Start Time

Item 1 of 1

Total amount of time needed for presentation, testimony and discussion (Regular and Time Certain Only): 15 Minutes

**INTRODUCED BY:** Mayor Wheeler

**COMMISSIONER / AUDITOR APPROVAL**

Mayor - Finance & Admin. - Wheeler Mustafa Washington  
 Position 1/ Utilities - Fritz  
 Position 2/ Works - Fish  
 Position 3/ Affairs - Hardesty  
 Position 4/ Safety - Eudaly  
 City Auditor - Hull Caballero

**BUREAU APPROVALS**

Bureau: OMF/BRFS  
 OMF/CAO: Tom Rinehart  
 Bureau Approval: Jennifer Cooperman

Prepared By: Mahn Saechao

Date Prepared: July 5, 2019

1) Is a completed Impact Statement attached?  Yes

2) Does the item amend the budget?  Yes  No  
 If yes, **Budget Office** Approval

3) Is the item a Code ordinance?  Yes  No

4) Is this item a contract (current or future), code, easement, franchise, comp plan or Charter?  Yes  No  
 If yes, **Attorney Office** Approval

If yes, **Auditor Office** Approval

5a) Is item a Portland Policy Document or Administrative Rule?  
 Yes  No

5b) If yes, is the City Policy/Admin Rule directive in the ordinance or resolution?  
 Yes  No

**ACTION TAKEN:**

JUL 31 2019 PASSED TO SECOND READING      AUG 07 2019 9:30 A.M.

CLERK USE: DATE FILED 7/23/19

Mary Hull Caballero  
 Auditor of the City of Portland

By: Keelan McClymont  
 Deputy

**FOUR-FIFTHS AGENDA**

- 1. Fritz
- 2. Fish
- 3. Hardesty
- 4. Eudaly
- Wheeler

**COMMISSIONERS VOTED AS FOLLOWS:**

	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Hardesty	—	
4. Eudaly	✓	
Wheeler	✓	