

IMPACT STATEMENT

Legislation title: Accept bid of Kodiak Pacific Construction Co. for Errol Heights Street and Storm Drainage Improvements Project for \$5,991,000 (Procurement Report - ITB No. 00001843)

Contact name: Biko Taylor, Chief Procurement Officer

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Presenter name: Biko Taylor, Chief Procurement Officer

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 Errol Heights Street and Storm Drainage Improvements Project for \$5,991,000.

The Errol Heights Street and Storm Drainage Improvements Project consists of paving 1.2 miles of unpaved streets, adding a sidewalk to the north side of SE Malden Drive, adding a sidewalk to the south side of portions of SE Tenino Drive and SE Tenino Court, paved driveway connections, streetlights, street trees, and stormwater management systems including swales, sump systems, and two large treatment and detention ponds.

Ordinance No. 190716 was approved by City Council on February 23, 2022, authorizing the Chief Procurement Officer to issue a competitive solicitation for the Errol Heights Street and Storm Drainage Improvements Project. The construction cost based on bids received is \$5,991,000.

Financial and budgetary impacts:

The engineer's estimate for this project was \$6,591,448 and the confidence level was High. Based on the proposal received, the Portland Bureau of Transportation (PBOT) anticipates the construction contract cost to not exceed \$5,991,000 which is 9% below the engineer's estimate.

Funds for construction of the project are programmed in the PBOT Capital Improvement Program in FY 2021-22 and 2022-23 under cost center T00526.

The purposed legislation will not create, eliminate or re-classify any positions now or in the future.

Community impacts and community involvement:

PBOT and other city staff have engaged the Errol Heights community to discuss street improvements for at least the past 15 years. As noted above, LID formations faltered in 2008 and 2014 due to untenable financial burdens on property owners. When Council provided additional subsidy for the project as part of the General Fund "Out of the Mud" allocation starting in 2016, combined with BES's tentative commitment of CIP funds, the LID became financially feasible to the extent that PBOT initiated design engineering and additional public outreach.

At a community open house in December 2017, staff shared preliminary project designs, sought feedback on where to place limited sidewalks, and explained LID details, including the commitment to full deferral. Staff also presented the results of a hedonic real estate analysis that found that the assessment will be equal to or less than the expected boost in property value provided by paved streets compared to gravel streets. The project manager followed up with one-on-one communications with affected property owners.

PBOT distributed LID petitions in April 2018 and hosted a May 2018 “office hours” session in the neighborhood to answer detailed questions. The 2018 petition drive yielded greater than 50% outright support, clearing the criteria for LID formation. However, design engineering challenges and new funding questions in 2019 and 2020 delayed implementation of the LID. All the while, PBOT provided updates to the neighborhood.

With public funding and design engineering issues settled in fall 2020, PBOT provided a comprehensive project update to the neighborhood (by first class mail and email) and initiated a second round of petitions. The second round of petitions was necessary to account for the fact that about ten properties had changed hands since 2018, causing outright support to drop below 50%. Despite COVID-19 and its economic impacts, PBOT received 24 new petitions of support as of the filing date of this Resolution, bringing LID support up to 57%. When properties with Waivers of Remonstrance are included, de facto support increased to 67%.

Property owners were notified of this LID formation hearing by mail. PBOT also publicized notice of the hearing in a local newspaper and displayed on neighborhood lawn signs placed within the LID Boundary.

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 publicly noticed the project on the City’s Online Procurement System on March 3, 2022. A public notice was also posted in the Daily Journal of Commerce on March 4, 2022.

Potential bidders were able to review the competitive solicitation, ask questions, provide comments and submit a bid in response to the Invitation to Bid (ITB). Proposals received resulted in the award of the construction contract. Procurement Services managed the procurement process. No protests were received.

The City’s equity in contracting aspirational goal of 20% of the hard construction costs for subcontractor and supplier utilization of firms certified by the State’s Certification Office for Business Inclusion and Diversity (COBID) applies to this project. **Kodiak Pacific Construction Co. has committed to subcontract 23.49% to COBID Certified firms** as follows:

Subcontractor	Certification	Area of Work	Ownership	Amount
C & C Flagging LLC	D/M/W/ESB	Flagging	African American/Female	\$12,480
Faison Construction Inc	D/MBE	Concrete	African American/Male	\$1,176,500
CBK Constructors, LLC	D/WBE	Metal Handrail	Caucasian/Female	\$49,987
Fox Erosion Control and Landscape, Inc.	D/WBE	Erosion Control and Landscaping	Caucasian/Female	\$91,209
Harrity Tree Specialists, Inc.	ESB	Erosion Control	Caucasian/Male	\$76,995
Total				\$1,407,171

Kodiak Pacific Construction Co. acting as the prime contractor intends to self-perform 73.1% of the work and to subcontract 3.41% to the following non-certified firms:

Subcontractor	Area of Work	Amount
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Duke Construction & Excavation LLC	Storm Drywell Sumps	\$96,776
Hicks Striping & Curbing Inc.	Striping	\$6,650
Northstar Electrical Contractors	Lighting	\$88,400
Scott Pipeline Video Inc	Pipeline Video & Cleaning	\$12,430
Total		\$204,256

Kodiak Pacific Construction Co. is located in Sherwood, Oregon, and is a State COBID Certified WBE Contractor and is a Caucasian/female owned firm. They have a current City of Portland Business Tax Registration and are in full compliance with all of the City's contracting requirements.

No known persons or groups will be testifying.

No future public involvement is anticipated or necessary for this request.

100% Renewable Goal:

This action neither increases nor decreases the City's total energy use.

This action neither increases nor decreases the City's renewable energy use.

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