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## 719-2022

Report

### Accept bid of Landis & Landis Construction, LLC for the Stark and Buckman East Reconstruction and Green Streets Project for \$25,873,710 (Procurement Report - Bid No. 00001864)

Accepted

TO THE COUNCIL:

On February 3, 2022, Council approved Ordinance Number 190286 for Procurement Services to competitively solicit the Stark and Buckman East Reconstruction and Green Streets Project, No. E10216 in accordance with PCC 5.34. The Chief Procurement Officer has advertised and received bids for Bid Number 00001864 on behalf of the Bureau of Environmental Services (BES), with a project construction estimate of \$23,837,000. BES rated the project estimate confidence level as High.

Bids were opened on June 7, 2022, and three (3) bids were received. The lowest responsive bid is from Landis & Landis Construction, LLC, thus it is recommended that their bid be accepted at the estimated unit prices quoted for a total bid amount of \$25,873,710, which is 8.54% over the estimated cost of \$23,837,000.

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. **Landis & Landis Construction, LLC has committed to subcontract 21.12% to COBID Certified firms as follows:**

Subcontractor	Certification	Area of Work	Ownership	Amount
Brothers Concrete Cutting Inc.	MBE	Concrete cutting	Native American/Male	\$220,000.00
C & C Flagging LLC	D/M/W/ESB	Flagging/Traffic control	African American/Female	\$175,000.00
Chick of All Trades LLC	D/M/WBE	Flagging/Traffic Control	Hispanic/Female	\$75,000.00

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance;](#)  
[Revenue and Financial Services](#)

Contact

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 Chief Procurement Officer

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Requested Agenda Type

Regular

Clark Moore Trucking, Inc.	D/M/W/ESB	Trucking/Hauling	Asian Pacific/Male	\$2,680,000.00
Heffner Paving, LLC	ESB	Asphalt Paving	Caucasian/Female	\$1,520,000.00
Iron Horse Excavation, L.L.C.	D/WBE	CIPP	Caucasian /Female	\$645,000.00
JTWA Trucking LLC	M/ESB	Trucking Hauling	African American/Male	\$100,000.00
La Londe lie	W/ESB	Traffic Loops Ground Rods	Caucasian /Female	\$50,000.00
<b>Total</b>				<b>\$5,465,000</b>

Landis & Landis Construction, LLC acting as the prime contractor intends to self-perform 70.07% of the work and to subcontract 8.80% to the following non-certified firm:

<b>Subcontractor</b>	<b>Area of Work</b>	<b>Amount</b>
A&A Pest Control Inc	Pest Control	\$40,000.00
Picon Pacheco LLC	Top Soil Landscape	\$40,000.00
Roger Langeliers Construction Co.	Concrete Work	\$2,200,000.00
<b>Total</b>		<b>\$2,280,000.00</b>

Landis & Landis Construction, LLC is located in Marylhurst, Oregon, is not a State COBID Certified Contractor and is a Caucasian /Male 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.

Funds are available in the Bureau of Environmental Services FY 2021-22 Operating Fund Budget under WBS Element E10216.C60.

It is recommended that a Performance Bond and Payment Bond each at 100% of the contract amount be furnished by the Contractor. Further, it is also recommended that a two (2) year Maintenance/Warranty Bond for 20% of the final contract amount be furnished by the Contractor before final payment is released.

The bid sureties of the remaining bidders should be returned immediately in compliance with Section 5.34.410D of the City Code.

Procurement Services recommends that Council accept this Report and authorize the Chief Procurement Officer to execute the contract with Landis & Landis Construction, LLC.

Recommended by:

Biko Taylor

Chief Procurement Officer

BT: veh

## Impact Statement

### Purpose of Proposed Legislation and Background Information

Authorize the Chief Procurement Officer to execute a construction contract for the Stark and Buckman East Reconstruction and Green Streets (HSS-17) to Landis & Landis Construction, LLC. The construction cost based on bids received is \$25,873,710.

This project is part of the Bureau of Environmental Services (BES), Maintenance and Reliability Sewer Program and Neighborhood to the River Program (NTR). The Maintenance and Reliability program aims 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. The NTR program goals are to relieve undersized sewer pipes from surcharging and filling basements and to treat some of the storm water with Green Infrastructure methods, while avoiding having to replace sewers which are not yet deteriorated. During this project, approximately 23,077 feet of deteriorated or undersized sewer pipes will be rehabilitated or replaced, and 71 vegetated stormwater facilities will be built.

The Stark and Buckman East Reconstruction and Green Streets (HSS-17) involves the construction of combination sewer and street improvements including water quality facility basins, and potable water main, water service, and hydrant work, between SE Hawthorne St and NE Everett St., from SE 14th Ave to SE 32th Ave.

Ordinance No. 190286 was approved by City Council on February 3, 2022 authorizing the Chief Procurement Officer to issue a competitive solicitation for the Stark and Buckman East Reconstruction and Green Streets (HSS-17) on behalf of BES.

No revenues will be impacted by this legislation nor does it change existing City policy.

### Financial and Budgetary Impacts

Based on bids received, BES anticipates the construction contract cost to be \$25,873,710. The estimated construction cost was \$23,837,000 and the confidence level was High. BES assigned that rating given the stage of the project at that time (~90% design). Per Resolution 36430, a "high" confidence

project rating allows for total project contingencies (including project management, design, engineering, plus construction) range between 20%-30%.

BES conducted a bid analysis and determined that the bid from Landis & Landis Construction shows a bid amount of \$25,873,710, which is approximately 8.5% above the estimated construction cost of \$23,837,000 and is the apparent low bid. Three (3) bids were received for this project.

The prices submitted by Landis & Landis Construction for the mobilization, stormwater facilities, manholes, water pipes, sanitary and storm pipes, and resurfacing are higher than those from the engineer's estimate (bid items 1, 36, 39, 40, 43, 45, 48, 67, 93, 102, 130). These items all had a difference from the engineer's estimate of at least \$198,616.

The mobilization, stormwater facilities, manholes, water pipes, sanitary and storm pipes, and resurfacing account (11 bid items) which accounted for \$4,167,509 of the \$6,033,667 cost difference between the engineer's estimate and the projected contract. This is a result of the current shortage of raw materials increasing the material cost and lead times, labor shortages increasing labor costs, and other economic hardships due to multiple ongoing global events.

The prices submitted by Landis & Landis Construction for trench backfill and removal of surfacing are lower than those from the engineer's estimate (bid items 27, 15).

Uncertainty of future prices has also influenced bid prices, and contractors must lock in prices for the next three years. Additionally, most of the additional costs are material costs and material prices have increased dramatically in the last two years.

Funds are available in the Bureau of Environmental Services FY 2021-22 Operating Fund Budget under WBS Element E10216.C60.

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 publicly noticed the project on the City's Online Procurement System on April 13, 2022.

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.

## 100% Renewable Goal

This legislation does not increase or decrease the City's total energy use and does not increase or decrease the City's renewable energy use.

## Budget Office Financial Impact Analysis

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BES conducted a bid analysis and determined that the bid from Landis & Landis Construction shows a bid amount of \$25,873,710, which is approximately 8.5% above the estimated construction cost of \$23,837,000 and is the apparent low bid. Funds are available in the Bureau of Environmental Services FY 2021-22 Operating Fund Budget under WBS Element E10216.C60.

## Agenda Items

### 719 Regular Agenda in [August 24, 2022 Council Agenda](#)

Accepted - Prepare Contract

Motion to accept the report: Moved by Mapps and seconded by Rubio.

Commissioner Jo Ann Hardesty Absent

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea