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666-2024

Report

Accept recommendation of Chief Procurement Officer to award contract to Raimore Construction, LLC for a guaranteed maximum price of \$42,800,000 for pre-construction and construction of the 82nd Ave Major Maintenance Project

Accepted
July 17, 2024

TO THE COUNCIL:

Ordinance Number 191119 passed by Council on December 14, 2022, authorized Procurement Services to use an alternative contracting method to select a Construction Manager/General Contractor (CM/GC) for the Portland Bureau of Transportation (PBOT) 82nd Avenue Major Maintenance Project. The Chief Procurement Officer advertised Request for Proposals (RFP) Number 00002051 on February 24, 2023, for pre-construction services and construction of the 82nd Avenue Major Maintenance Project with a construction services estimate between \$30,000,000 to \$40,000,000. PBOT rated the project estimate confidence level as Low.

On April 4, 2023, two (2) proposals were received. The proposals were reviewed, evaluated, and scored by a four (4)-member evaluation committee. The evaluation committee consisted of representatives from PBOT. The evaluation committee selected Raimore Construction, LLC as the highest scoring proposer. Pre-Construction Services Contract Number 30008447 was entered into with Raimore Construction, LLC, effective May 29, 2023, with a contract value of Four Hundred Thousand Dollars (\$400,000). The Pre-Construction Services Contract included project partnering, collaborative project design, constructability reviews, development of construction procurement, management and safety plans, and the development of the Guaranteed Maximum Price for construction of the Project.

The Chief Procurement Officer recommends the award of the CM/GC construction services contract to Raimore Construction, LLC for the guaranteed maximum (GMP) price of \$42,800,000.

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Procurement and Business Opportunities](#)

Contact

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Design & Construction,
Manager II

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

July 17, 2024

Time Requested

10 minutes

Raimore Construction, LLC has made a commitment of \$16,128,900 in utilization of disadvantaged, minority, women and emerging small business subcontractors, material suppliers and manufacturers certified by the Certification Office for Business Inclusion and Diversity (COBID), which represents 37.68% of the hard construction costs of the project. The Contractor Diversity and Inclusion Policy from Raimore Construction, LLC is attached as Attachment 1 to this Report.

Raimore Construction, LLC is located in Portland, OR and is a State Certified Minority Business Enterprise COBID Contractor. They have a current City of Portland Business Tax Registration and EEO Certification and are in Full Compliance with the City's contracting requirements.

The Bureau of Transportation has funds budgeted FY 2024/2025 and proposed FY 2025/2026 for design, construction, inspection, and management of the project. The project is funded by the American Rescue Plan Act (ARPA). On April 28, 2022, the Council approved Ordinance 190795, approving an Intergovernmental Agreement with the Oregon Department of transportation for the Jurisdictional Transfer of Portions of 82nd Avenue and acceptance of \$80,000,000 in ARPA funding for improvements to 82nd Avenue with the Oregon Department of Transportation. This funding must be obligated by December 31, 2024, and expended by December 31, 2026.

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.

Recommended by:

Kathleen Brenes-Morua

Interim Chief Procurement Officer

KBM: rab

Documents and Exhibits

 [Attachment 1 \(https://www.portland.gov/sites/default/files/council-documents/2024/attachment-1-procurement-plan-rev1.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2024/attachment-1-procurement-plan-rev1.pdf) 312.51 KB

Impact Statement

Purpose of Proposed Legislation and Background Information

The Project will make major safety and maintenance improvements to 82nd Avenue between SE Foster Road and SE Mill Street; between NE Schuyler to NE Siskiyou streets; and at the NE Fremont intersection. The Project will pave 82nd Avenue and construct crossing and signal improvements, ADA

corner ramps, sidewalk spot widening, safety improvements and tree planting.

Ordinance Number 191119 passed by Council on December 14, 2022, authorized Procurement Services to use an alternative contracting method to select a Construction Manager/General Contractor (CM/GC) for the 82nd Avenue Major Maintenance Project. The Chief Procurement Officer advertised Request for Proposals (RFP) Number 00002051 on February 24, 2023, for pre-construction services and construction of the 82nd Avenue Major Maintenance Project with an estimated Construction Contract cost between \$30,000,000 and \$40,000,000. Portland Bureau of Transportation (PBOT) rated the project estimate confidence level as Low at that time.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

Financial and Budgetary Impacts

Based on the Guaranteed Maximum Price received, PBOT anticipates the construction contract cost to not exceed \$42,800,000.

PBOT has funds budgeted FY 2024/2025 and proposed FY 2025/2026 for design, construction, inspection, and management of the project. The project is funded by the American Rescue Plan Act (ARPA). On April 28, 2022, the Council approved Ordinance 190795, approving an Intergovernmental Agreement with the Oregon Department of transportation for the Jurisdictional Transfer of Portions of 82nd Avenue and acceptance of \$80,000,000 in ARPA funding for improvements to 82nd Avenue with the Oregon Department of Transportation. This funding must be obligated by December 31, 2024, and expended by December 31, 2026.

No present positions will be created, eliminated or re-classified as a result of this legislation.

Community Impacts and Community Involvement

The public, construction contracting community, including contractors certified as State of Oregon disadvantaged, minority, women, and emerging small businesses became involved when the Chief Procurement Officer and PBOT advertised a notice of public hearing in the DJC on November 30, 2022, to welcome the public's comments on the findings and recommendation to exempt the project from the requirement of competitive bidding during Council's presentation on December 14, 2023. Procurement Services also advertised and publicly noticed the project on the City's Online Procurement System on February 24, 2023, to welcome proposals from the contracting community.

Potential proposers were able to review the competitive solicitation, attend a pre-proposal meeting, ask questions, provide comments and submit a proposal in response to the Request for Proposals (RFP). Proposals received

resulted in the award of the CM/GC Pre-Construction Services contract. Procurement Services managed the procurement process. No protests were received.

The use of a CM/GC contracting method is critical to facilitating this complicated Project with the least amount of disruptions to the general public, business and property owners, and commerce in the project area. This method promotes schedule efficiencies through early Contractor involvement and the incorporation of schedule-saving approaches prior to the completion of the design.

Utilizing the CM/GC method allows the City to monitor Contractor outreach and utilization of apprentices, SDVBE/D/M/W/ESB subcontractors and help the City achieve the Regional Workforce Equity Agreement (RWEA) and the Contractor Diversity and Inclusion Policy (CDIP) objectives for this Project. Also, to set the City and local economy on a path where more local contractors have the ability to provide CM/GC services while meeting the qualifications established by the RWEA and the CDIP.

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.

Budget Office Financial Impact Analysis

Based on the Guaranteed Maximum Price received, PBOT anticipates the construction contract cost to not exceed \$42.8 million. PBOT has funds budgeted in FY 2024-25 and proposed for FY 2025-26 for the design, construction, inspection, and management of the project. The project is funded by the American Rescue Plan Act (ARPA). On April 28, 2022, the Council approved Ordinance 190795, approving an Intergovernmental Agreement with the Oregon Department of transportation for the Jurisdictional Transfer of portions of 82nd Avenue and acceptance of \$80.0 million in ARPA funding for improvements to 82nd Avenue with the Oregon Department of Transportation.

Document History

Item 666 Regular Agenda in [July 17, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/7/17)
(<https://www.portland.gov/council/agenda/2024/7/17>)

City Council

Accepted

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

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Absent

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Mayor Ted Wheeler Absent