

**FINANCIAL IMPACT STATEMENT
For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Ed Newvine		2. Telephone No. 503-823-6929	3. Bureau/Office/Dept. OMI-Internal Bus Sclvics-Facilities Sclvics
4a. To be filed (date) 11/22/2010	4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst:

1) Legislation Title:

*Authorize contract with Clima-Tech Corporation for \$784,000 for the Portland Building VAV Controls Upgrade project (Ordinance)

2) Purpose of the Proposed Legislation:

Authorize the Chief Procurement Officer to execute the construction contract with Clima-Tech Corporation.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

None

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

The construction contract cost based on bids received is \$784,000.00.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)

None

6) Will positions be created or eliminated in future years as a result of this legislation?

None

Complete the following section if you are accepting and appropriating a grant via ordinance. This section should only be completed if you are adjusting total appropriations, which currently only applies to grant ordinances.

7) Change in Appropriations (If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. If the appropriation includes an interagency agreement with another bureau, please include the partner bureau budget adjustments in the table as well. Include the appropriate cost elements that are to be loaded by the Grants Office and/or Financial Planning. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount


JEFFREY B. BAER, DIRECTOR, BUREAU OF INTERNAL BUSINESS SERVICES

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor
Kenneth L. Rust, Chief Administrative Officer
Jeffrey B. Baer, Director, Bureau of Internal Business Services

Christine Moody
Chief Procurement Officer
Procurement Services
1120 S.W. Fifth Avenue, Rm. 750
Portland, Oregon 97204-1912
(503) 823-5047
FAX (503) 823-6865
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184267

MEMORANDUM

DATE: November 16, 2010
TO: Mayor Sam Adams
FROM: Christine Moody, Chief Procurement Officer *CM*
SUBJECT: Authorize contract with Clima-Tech Corporation for \$784,000 for the Portland Building VAV Controls Upgrade project (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** November 18, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** December 1, 2010
3. **CONTACT NAME & NUMBER:** Christine Moody, 503-823-1095
4. **PLACE ON:** CONSENT REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** Y N N/A
6. **ONE (1) ORIGINAL COPY OF THE CONTRACT APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** Yes No N/A

7. **BACKGROUND/ANALYSIS:** Ordinance Number 183771 adopted May 19, 2010 authorized an Intergovernmental Agreement with the State of Oregon Department of Energy for the Portland Building HVAC Controls Upgrade project.
8. **FINANCIAL IMPACT:** The estimated project cost was \$850,000. Per the bid submission, the total amount is \$784,000. Funds for this project are available in the Facilities Services FY 2010-11 Budget, and are partial federal American Recovery and Reinvestment Act (ARRA) funds administered by the Oregon Department of Energy.
9. **RECOMMENDATION/ACTION REQUESTED:** Authorize contract with Clima-Tech Corporation in the amount of \$784,000.
10. **SCOPE OF WORK ON PROJECT:** The project includes all labor, materials, tools, equipment, and supervision necessary to retrofit 454 terminal heating and cooling units in the Portland Building from the building's original pneumatic controls to direct digital controls. The enhanced control of the units will decrease building energy use with the use of schedules and temperature setbacks during unoccupied times of the day.

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**GOOD FAITH EFFORT
COMPLIANCE REPORT**

184267

fox P.W.

Submission substantially complies with Good Faith Effort Requirements		YES	NO
Reviewed by:	Paula Wendorf		
Date:	10/21/10		

PROJECT INFORMATION

PROJECT NAME & BUREAU	Portland Building VAV Controls Upgrade
BID NUMBER	112275
PRE-BID DATE	7/20/2010
BID OPEN DATE	10/21/10
BID AMOUNT	\$784,000.00
CONTRACTOR	Clima-Tech Corp

AT BID SUBMISSION

QUESTION	YES	NO
Did contractor submit the GFE Form 1 (Subcontractor and Self-Perform Work List)?	X	

MWESB PARTICIPATION – Total Bid

PARTICIPATION TYPE	TOTAL \$	PERCENTAGE OF TOTAL BID AMOUNT
MBE	0\$	0%
WBE	0\$	0%
ESB	\$41,580	5.31%
Total MWESB Participation	\$41,580	Total bid – 5.31% Subcontract percentage – 15%

MWBE PARTICIPATION – Subcontracting (35% Aspirational goal)

TOTAL OF ALL SUBCONTRACTS (including non-certified firms)	TOTAL MBE & WBE SUBCONTRACTS	PERCENTAGE OF MWBE SUBCONTRACTS
\$287,124	0\$	0%

	QUESTION	YES	NO	NOTES
1.	<i>Did prime contractor attend the mandatory pre-bid meeting? (If pre-bid meeting was waived, note in NOTES column.) Check sign-up sheet with Buyer.</i>		X	No prebid required for re-bid
2.	<i>Did contractor explain why identified divisions of work (DOW) were not included for subcontracting? (See Form 1)</i>	X		
3.	<i>Were letters or faxes sent to all M/W/ESBs (in identified DOW's to be subcontracted) at the pre-bid meeting?(Form 2)</i>		X	No prebid meeting
4.	<i>Was a minimum of five (5) M/W/ESB firms contacted (in each identified DOW to be subcontracted) by letter or fax to bid on this project?(Form 2)</i>	X		
5.	<i>Were M/W/ESB firms contacted at least seven (7) calendar days before the bid opening?(Form 2)</i>		X	Contacted subs after bid opening
6.	<i>Is a copy of the letter or fax sent to potential M/W/ESB subs included in Good Faith documentation?</i>	X		
7.	<i>Did prime provide a completed M/W/ESB Contact/Bids Received Log (Form 2)?</i>	X		

GOOD FAITH EFFORT ANALYSIS

1.	<i>Divisions of Work Identified by City: Electrical, HVAC, & Insulation</i>
2.	<i>Rationale for non-utilization of subcontractors for suggested Divisions of Work: Contractor to sub out all divisions of work. Originally bid to self perform all DOW.</i>
3.	<i>All Divisions of Work to be used on this project: Electrical, HVAC & Insulation</i>
4.	<i>Certified Subcontractors' name, Cert Type, and Subcontract amount used on the Project: A-Absolute Comfort, ESB-5317, \$41,580.00</i>
5.	<i>Subcontractor names and subcontract amounts awarded to non-certified firms: EC Company, \$245,544.00</i>
6.	<i>Divisions of Work retained by Prime: None- Prime will supply Automated Logic Controls to electrical sub to install. Also, any technical support needed.</i>
7.	<i>Bids received from certified firms (not used):Affordable Electric, Metro Area Construction Service, BFP Electrical, West Hills Electric, Direct Electrical Contractors, Roberts Electric, A-Absolute Comfort, Mechanical Inc, Collins Mechanical Inc., Grey Wolf HVAC Inc, Pacific Coast Air Balance, Complete Heating & Cooling</i>
8.	<i>Check Compliance file for prime contractor. Are there any contract compliance issues in the prime's Compliance file (last 3 years) that should be noted for the Purchasing Agent's Report to Council? None</i>
9.	<i>Any special Good Faith Efforts undertaken by the Prime Contractor? Yes, contractor was originally bidding as Self Perform and was asked to pull out some sub contracting opportunities. Contractor made GFE to sub out electrical, insulation and HVAC.</i>
10.	<i>List of other prime bids received: Note any special Good Faith Efforts taken by the Prime Contractor and if good faith effort documentation submitted (Forms 1/2). Hunter Davisson \$868,740.00-(no extra effort), Environmental Controls \$1,256,209.00-(no extra effort), Johnson Controls \$888,544.00-(no extra effort), Robert Lloyd Sheet Metal \$830,000.00-(no extra effort)</i>

NOTES:

EEO cert: 8/31/2011
 COP Lic: 655293
 CCB Lic: 106370

Clarifications: (Spoke to:) Asked Clima-tech to do more outreach for some MWESB participation. Contractor pulled out all electrical installation and HVAC to subcontract out. Contractor contacted 12 subcontractors to participate in bidding and gave them 7 days to respond.

Issues:

Recommendation: Substantial compliance with GFE.

- Bids Solicited – 12 in 2 DOW's
- Bids Received – 2 in 2 DOW's
- MWESB Bids Used - 1 in 1 DOW's
- OBE Bids Used - 1 in 1 DOW's

Comparatively, the next low bidder... would be self performing all work.

Level of effort:

	High	Met the aspirational goal.
X	Moderate	Exceeded the solicitation requirements and/or achieved some participation.
	Low	Met the minimal solicitation requirements but achieved NO participation.

Cc: Loretta Young – \$500k and above
 Susan Wheaton – BES reports

Paula Wendorf 11/3/10

TABULATION OF BIDS

CITY OF PORTLAND
PROCUREMENT SERVICES

Project: REBID-Portland Building VAV Controls Upgrade
Bid Opening: October 21, 2010

Bid Number: 112275 Bureau: Facilities Estimate: \$ 850,000.00			
Bidder's Name	Lump Sum Base Bid	Bid Surety	OCCB License Number
Clima-Tech Corp.	\$ 784,000.00	Y	106370
Robert Lloyd Sheet Metal	\$ 830,000.00	Y	62476
Hunter-Davisson, Inc.	\$ 868,740.00	Y	1612
Johnson Controls, Inc.	\$ 888,544.00	Y	65320
Environmental Controls Corp.	\$ 1,256,209.00	Y	189329

Buyer: Kathleen Brenes-Morua

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CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor
Kenneth L. Rust, Chief Administrative Officer
Jeffrey B. Baer, Director, Bureau of Internal Business

Robert F. Kieta, Manager
Facilities Services
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Portland, Oregon 97204-1912
(503) 823-5288
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TTY (503) 823-6868

MEMORANDUM

184267

DATE: October 27, 2010

TO: Kathleen Brenes-Morua – Procurement Supervisor, Construction

FROM: Ed Newvine, PE, OMF Facilities

SUBJECT: Portland Building VAV Controls Upgrade
Bid Number 112275

The bids have been reviewed by OMF/Facilities Services and it is recommended that a contract be entered into with Clima-Tech Corp., as the bidder submitting the lowest, responsive, responsible bid for \$784,000.00.

cc: Diane Seaton

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