

IMPACT STATEMENT

Legislation title: Accept bid of Lovett Inc. for the Rose Quarter Planter Box Project for \$753,073.08 (Procurement Report – Bid No. 00000011(formerly 117829))

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Presenter name: Christine Moody, Chief Procurement Officer

Purpose of proposed legislation and background information:

Authorize the Chief Procurement Officer to execute the construction contract for the Rose Quarter Planter Box Project. The construction cost based on bids received is \$753,073.08.

Per Section 17.14 of the Rose Quarter Arena Ground Lease, the City is responsible for the cost and performance of capital repair and replacement of Plaza improvements at the Rose Quarter.

During routine landscaping maintenance of the Rose Quarter Planter Boxes in early 2014, Portland Arena Management and their contractors discovered significant deterioration of the waterproof membranes in seven large above-ground planter boxes in the Plaza. Portland Arena Management confirmed that there have been signs of water infiltration into areas of the Rose Quarter Complex below these planter boxes. The project will replace the failing waterproof membranes within the seven planter boxes and includes removal of the existing trees and soil from the planters, removal and replacement of the failed waterproof membranes, other repairs to the planters as needed, and replacement of the soils and trees.

Ordinance No. 187051 was approved by City Council on March 18, 2015 authorizing the Chief Procurement Officer to issue a competitive solicitation for the Rose Quarter Planter Box Project on behalf of OMF.

No revenues will be impacted by this legislation.

This legislation does not change existing City policy.

Financial and budgetary impacts:

Based on bids received, OMF anticipates the construction contract cost to be \$753,073.08. The engineer's estimate for this project was \$466,200.00 and the confidence level was Medium.

Procurement Services and OMF Spectator Facilities Program staff met with Lovett Inc. to review Lovett's schedule of values against the cost estimate. Through this effort of identifying cost discrepancies and any opportunities for alternative methods, materials or systems that could be used to reduce costs, it was determined that the low bid was fair and reasonable. Following are the factors identified that contributed to the increased cost as represented by the low bid:

The cost estimate was performed in December 2014 when the project specifications were nearing completion, but not yet finalized. Elements missing from or underestimated in the cost estimate include the cost of:

- Soils. The estimate included removing, storing, and reusing the existing soils from the

planter boxes. The final technical specifications of the project require new soils and disposal of the old soils. This adds significant costs for materials, transportation, and disposal. If any of the removed soils are contaminated with materials from the waterproofing system, disposal costs rise dramatically. This additional risk is factored into the bid as additional cost.

- Electrical fixtures. The estimate included costs for less than half of the light fixtures required in the final plan drawings.
- Restrictive weight limits. Much of the Plaza is built above structure, which places significant limits on the type and size of equipment that may be used on the project. This necessitates using smaller equipment and more labor intensive methods, thereby increasing costs. These additional costs were not captured in the estimate.
- Market conditions have changed since the original estimate. Industry experts acknowledge that the construction market has changed significantly over the past 6 to 12 months, with a high level of construction activity driving costs significantly higher, and capable contractors and subcontractors in high demand. Only one bid was received for this project, reflecting the tight market for qualified contractors. This phenomenon has contributed to increased costs on the project, both for labor as well as materials pricing as demand increases and supply tightens.

An additional factor contributing to the increased cost is the acceptance of an add alternate bid item for electrical and lighting improvements to two of the planter boxes. While the soil is removed and repairs are made to the planter boxes it's an opportune time for these additional improvements to be constructed. The additional cost of \$21,525.00, included in the overall \$753,073.08 contract cost, was determined to be favorable and nominal to the overall cost of the project delivery.

Funds are available in the Spectator Facilities Program FY 15-16 Budget, WBS Element MFOP000034.

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 publically noticed the project on the City's Online Procurement System on March 23, 2015.

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.

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