



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Charlie Hales, Mayor
Fred Miller, Chief Administrative Officer
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REGULAR CALENDAR

May 25, 2016

TO THE COUNCIL:

The City of Portland (City) Water Bureau (PWB) is a water utility that provides drinking water to over 800,000 people. PWB strives to provide the highest quality water to enhance the public health and safety, and contribute to the economic viability and livability of the Portland metropolitan region. PWB is a recognized leader among water service agencies across the country.

The goal of the Washington Park Reservoirs Improvements Project is to provide increased reliability of stored drinking water at PWB's Washington Park Reservoir (WPR) site and to protect the stored water. Technical and specialized expertise will be needed to work around the historic features and minimize impacts to those unique features. The construction of the Washington Park Reservoirs will require a highly specialized and qualified contractor in order to meet the tight project schedule and technical site constraints. A large portion of the project site lies within an environmental protection zone that will require minimal disturbance during construction activities. Due to the large excavations and the steep slopes, erosion control will be critical

Ordinance Number 185836 passed by Council on December 19, 2012 authorized Procurement Services to use an alternative contracting method to select a CM/GC for the Washington Park Reservoirs Improvements Project. The Chief Procurement Officer advertised Request for Proposals (RFP) Number 115122 on October 23, 2013, for pre-construction services and construction of the Washington Park Reservoirs Improvements Project with a combined pre-construction and construction services estimate of \$38,000,000.00. PWB rated the project estimate confidence level as Low at that time. On November 18, 2013 three (3) proposals were received. The proposals were reviewed, evaluated, and scored by a five (5)-member evaluation committee with representatives from PWB and the Minority Evaluator Program. The evaluation committee selected Hoffman Construction Company as the highest scoring proposer. A pre-construction Services contract (30003970), for a sum not to exceed one million three hundred fifty nine thousand nine hundred eighty dollars (\$1,359,980.00), was entered into with Hoffman Construction Company, effective April 1, 2014.

Hoffman Construction Company and their subcontractors at all tiers have made a commitment of 22% of the hard construction costs in utilization of State Certified Disadvantaged, Minority, Women and Emerging Small Business (D/M/W/ESB) subcontractors on this project. Within this 22% goal there is a disaggregate goal of 12%

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

MBE, 5% WBE and the remaining percentage to ESB.

Hoffman Construction Company has agreed to implement the City's Workforce Training & Hiring Program, including the 20% apprenticeship requirement. In order to facilitate the recruitment, retention and promotion of historically disadvantaged individuals, the workforce diversity goals for apprentice workers is 31% with a goal of 22% for minority apprentices and 9% for women apprentices. The workforce diversity goals for journey level workers is 28% with a goal of 22% for minority and 6% for women journey workers.

The City will implement a Community Benefits Plan in substantial compliance with the attached Exhibit C in which the diversity goals are established.

Hoffman Construction Company has a current City of Portland Business Tax Registration and their EEO Certification. The company is located in Portland, Oregon and is not a State Certified D/M/W/ESB Contractor. Hoffman Construction Company is in Full Compliance with the Equal Benefits Program.

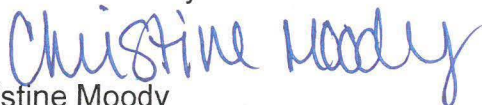
Given the preceding, the Chief Procurement Officer is submitting this report and recommending that Procurement Services, on behalf of the Portland Water Bureau (PWB), be authorized to proceed with awarding a contract to Hoffman Construction Company as Construction Manager/General Contractor (CM/GC) for construction of the Washington Park Reservoirs Improvements Project in the amount of \$152,181,850.00, which includes the Guaranteed Maximum Price (GMP) of \$140,155,591.00 and a contingency amount of \$12,026,259.00, as stated in Exhibit A and Exhibit B, which are attached to this report.

The Washington Park Reservoirs Improvements Project will be funded through PWB's Water Fund through FY 23/24.

It is further recommended that a Performance Bond and a Payment Bond each in the amount of 100% of the contract amount be furnished by the Contractor.

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:



Christine Moody
Chief Procurement Officer

CM:cek

Agenda No.
REPORT
Title

Accept Guaranteed Maximum Price of \$152,181,850 from Hoffman Construction Company for the construction of the Washington Park Reservoirs Improvements Project (Procurement Report - RFP No. 115122)

<p>INTRODUCED BY Commissioner/Auditor: Mayor Hales</p>	<p>CLERK USE: DATE FILED <u>MAY 17 2016</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor - Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>Susan Parsons</i></u> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Procurement Services Bureau Head: Christine Moody <i>CM</i></p> <p>Prepared by: Celeste King Date Prepared: 05/09/16</p> <p>Impact Statement Completed <input type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan</p> <p>Council Meeting Date May 25, 2016</p>	<p>ACTION TAKEN: MAY 25 2016 ACCEPTED PREPARE CONTRACT</p>

AGENDA
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input checked="" type="checkbox"/></p> <p>Total amount of time needed: 30 min (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	_____	
Hales	Hales	✓	