

Agenda No. 417

REPORT

Accept bid of MJ Hughes Construction, Inc. for the NW Cornell Tunnel Rehabilitation Project for \$2,773,237 (Procurement Report - Bid No. 00001605)

June 02, 2021

TO THE COUNCIL:

On June 17, 2020, Council approved Authorizing Ordinance No.190007 for Procurement Services to competitively solicit the NW Cornell Tunnel Rehabilitation Project in accordance with PCC 5.34. The Chief Procurement Officer has advertised and received bids for Bid Number 00001605 on behalf of Portland Bureau of Transportation (PBOT), with a project construction estimate of \$3,180,000. PBOT rated the project estimate confidence level as Moderate .

Bids were opened on April 08, 2021, and four (4) bids were received. The lowest responsive bid is from MJ Hughes Construction, Inc., thus it is recommended that their bid be accepted at the estimated unit prices quoted for a total bid amount of \$2,773,237, which is 12.79% the engineer's estimate.

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.

MJ Hughes Construction, Inc. has committed to subcontract 25.99% to COBID Certified firms as follows:

Introduced by

Mayor Ted Wheeler

Bureau

Management and Finance

Prepared by

Emanuel Amunga

Date Prepared

May 14, 2021

Requested Council Date

June 2, 2021

Requested Agenda Type

Regular 15 minutes

Date Filed with Clerk

May 25, 2021

Subcontractor	Certification	Area of work	Ownership	Amount
A&D Flagging, LLC.	DMWESB	Flagging	Black/Female	\$500
Affordable Electric, Inc.	DMBE	Electrical Lighting	Black/Male	\$710,143
Egami Construction, Inc.	DMWESB	Permanent Signage	Asian Pacific/Female	\$7,750
Northwest Geotechnical Consultant, Inc.	DMBE	Material Testing	Hispanic/Male	\$2,500
Total				\$720,893

MJ Hughes Construction, Inc. acting as the prime contractor intends to self-perform 35.25% of the work and to subcontract 38.76% to the following non-certified firm:

Subcontractor	Area of work	Amount
DSE & Associates, Inc.	Survey	\$1,200
Pacific Foundation, Inc.	Grouting Holes	\$58,587
Pacific Northern Environmental Corp.	Demolition	\$290,000
Superior Gunitite Co.	Shortcrete	\$725,000
Total		\$1,074,787

MJ Hughes Construction, Inc. is located in Vancouver, Washington, and is not a State COBID Certified Contractor and is a white/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.

The Bureau of Transportation has funds budgeted in FY 19/20 and 20/21 for construction, inspection, and management of the project.

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 MJ Hughes Construction, Inc..

Recommended by:

Kathleen Brenes-Morua

Interim Chief Procurement Officer

KBM: ec

Action Taken:

Commissioners voted as follows (Yea or Nay)

Rubio -

Ryan -

Hardesty -

Mapps -

Wheeler -

IMPACT STATEMENT

Legislation title: Accept bid of MJ Hughes Construction, Inc. for the NW Cornell Tunnel Rehabilitation Project for \$2,773,237 (Procurement Report - Bid No. 00001605)

Contact name: Kathleen Brenes-Morua, Interim Chief Procurement Officer

Contact phone: (503) 823-2506

Presenter name: Kathleen Brenes-Morua, Interim Chief Procurement Officer

Purpose of proposed legislation and background information:

The purpose of this legislation is to authorize the Chief Procurement Officer to execute a construction contract for the NW Cornell Tunnel Rehabilitation Project for \$2,773,237.

The NW Cornell Tunnel Rehabilitation Project will consist of select demolition of the existing tunnel lining, and the addition of a new reinforced concrete lining. It will also allow for the rehabilitation of some minor maintenance issues on the Eastern NW Cornell Road tunnel lining, as well as integrating a Signals and Street Lighting plan to upgrade the tunnel lighting systems.

Ordinance No. 190007 was approved by City Council on June 17, 2020 authorizing the Chief Procurement Officer to issue a competitive solicitation for the NW Cornell Tunnel Rehabilitation Project. The construction cost based on bids received is \$2,773,237.

Financial and budgetary impacts:

The engineer's estimate for this project was \$3,180,000 and the confidence level was Moderate. Based on the proposal received, PBOT anticipates the construction contract cost to not exceed \$2,773,237 which is 12.79% under the engineer's estimate.

The Bureau of Transportation has funds budgeted in FY 19/20 and 20/21 for construction, inspection, and management of the project.

The purposed legislation will not create, eliminate, or re-classify any positions now or in the future.

Community impacts and community involvement:

The project's intention is mainly a safety focus, increasing visibility and to increase the structural integrity of the tunnel. Public involvement for the design occurred through a series of public open houses and as part of the communication plan. Additional outreach to property and business owners was done as the project moved through the final design engineering phases.

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 March 05, 2021. A public notice was also posted in the Daily Journal of Commerce on March 08, 2021.

Potential bidders were able to review the competitive solicitation, 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 action neither increases nor decreases the City's total energy use.
This action neither increases nor decreases the City's renewable energy use.

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