

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING)	RESOLUTION NO. 87-735
AN EXEMPTION TO THE PUBLIC)	
CONTRACTING PROCEDURE SET OUT)	Introduced by the
IN CHAPTER 2.04 FOR CONSTRUCTION)	Executive Officer
OF THE EDUCATION/INTERPRETIVE)	
CENTER)	

WHEREAS, The Metropolitan Service District (Metro) is considering construction of an Education/Interpretive Center at the Washington Park Zoo; and

WHEREAS, Metro Code Section 2.04.040 of the Metro Contract Procedures identifies contracts for construction of public improvements as public contracts and requires such contracts be entered into based on competitive bids; and

WHEREAS, All of the competitive bids received exceed the budget for the project and Metro desires to negotiate with the low bidder for a reduction in price; and

WHEREAS, Metro Code Section 2.04.041(c) allows an exemption to the process upon findings: 1) that it is unlikely that such exemption will encourage favoritism or substantially diminish competition, and 2) that awarding the contract pursuant to the exemption will result in substantial cost savings to Metro considering appropriate factors; and

WHEREAS, Negotiating to bring the contract within budget is unlikely to encourage favoritism or substantially diminish competition: 1) because the negotiations will be with the low bidder from the sealed bid competitive process, and 2) because the

negotiations will be on a variety of different project components, none of which individually or in combination would cause another bid to become the low bidder if these items were negotiated with another bidder; and

WHEREAS, The negotiation with the low bidder will result in substantial cost savings because: 1) a rebid with no change in design is not likely to bring in bids below the budget and would not be as competitive as the original bid and 2) the expense of redesign and timing of the new bids will make the project more costly; now, therefore,

BE IT RESOLVED,

That the contract for the construction of the Education/ Interpretive Center is exempted from the competitive bid process because the Council of the Metropolitan Service District finds that the requirements of Metro Code Section 2.04.041(c) have been met.

ADOPTED by the Council of the Metropolitan Service District this _____ day of _____, 1987.

NOT ADOPTED

Richard Waker, Presiding Officer

ESB/amn
6959C/491-2
02/04/87

CONSIDERATION OF RESOLUTION NO. 87-735, FOR THE
PURPOSE OF AUTHORIZING AN EXEMPTION TO THE PUBLIC
CONTRACTING PROCEDURE SET OUT IN CHAPTER 2.04 FOR
CONSTRUCTION OF THE EDUCATION/INTERPRETIVE CENTER

Date: January 28, 1987

Presented by: Kay Rich and
Bob Porter

FACTUAL BACKGROUND AND ANALYSIS

On January 27, 1987 at 2:00 p.m. bids were received at a public opening for the construction of the Education Interpretive Center. Seven bids were received and are detailed on the attached comparison sheet (Attachment 1).

Prior to opening the bids, a Basis of Award Summary Sheet was issued to those present at the bid opening (Attachment 2). The Basis of Award detailed eight progressive ways of determining the low bidder starting with a project including the base bid and all of the alternates and ending with only the base bid. The strategy was to prioritize the alternates before the bid opening to eliminate any bias in the selection of the low bidder based on alternate selection.

Silco Construction Company with a base bid of \$897,125 is the apparent low bidder based on any selection of alternates. The problem is that the low base bid is \$132,125 over the construction budget of \$765,000.

Since Silco Construction Company's base bid is \$60,858 lower than the next lowest bidder, the Zoo is requesting to be allowed to negotiate with Silco to bring the construction costs in line with the construction budget. If negotiations are successful, the Zoo recommends that the Executive Officer be authorized to execute the construction contract with Silco Construction Company.

If the negotiations with Silco are not successful, the Zoo will recommend a redesign and rebid of the project to lower the construction costs. Because of the delay that would be caused by the redesign and rebid process we would recommend delaying the start of construction until after the AAZPA Conference in September.

The project architect, Thompson Vaivoda & Associates, recommends the negotiation process. They believe the negotiations will be successful in bringing the construction costs in line with the budget without significant impact on the function or the form of the building.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of the resolution.

Bid Comparison Sheet							
Education/Interpretive Center							
Bids Due 1/27/87							
	Bishop Contractors	Colamette Const.	Darrit Const.	Huyland Const.	Northwest Bldrs.	Silco Const.	Slayden Const.
Bond	yes	yes	yes	yes	yes	yes	yes
DBE %	13%	0%	3%	13%	3%	6%	10%+
WBE %	3%	4.7%	0%	2%	0%	3.7%	3%+
Base Bid	\$1,090,000.00	\$988,033.00	\$1,055,834.00	\$957,983.00	\$1,000,000.00	\$897,125.00	\$968,500.00
Allowance A-1							
500 cy base rock	\$5,500.00	\$4,650.00	\$5,125.00	\$7,500.00	\$5,225.00	\$4,650.00	\$5,100.00
1 cy base rock	\$11.00	\$9.50	\$10.25	\$15.00	\$10.25	\$12.00	\$14.00
500 cy excav.	\$9,000.00	\$6,125.00	\$6,725.00	\$7,500.00	\$8,100.00	\$6,125.00	\$6,900.00
1 cy excav.	\$18.00	\$12.50	\$13.45	\$15.00	\$16.50	\$17.00	\$16.00
Allowance A-2	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
Alternate No. 1	\$22,200.00	\$21,171.00	\$21,375.00	\$21,000.00	\$34,691.00	\$21,472.00	\$22,100.00
Alternate No. 2	\$10,300.00	\$11,726.00	\$17,124.00	\$10,500.00	\$7,200.00	\$3,866.00	\$7,500.00
Alternate No. 3	\$7,900.00	\$8,573.00	\$8,656.00	\$2,000.00	\$3,400.00	\$3,672.00	\$4,200.00
Alternate No. 4	\$3,800.00	\$2,364.00	\$2,388.00	\$1,000.00	\$2,500.00	\$2,500.00	\$3,200.00
Alternate No. 5	\$34,600.00	\$32,691.00	\$33,000.00	\$33,000.00	\$33,675.00	\$32,844.00	\$35,500.00
Alternate No. 6	\$4,400.00	\$2,997.00	\$3,026.00	\$3,000.00	\$3,432.00	\$4,200.00	\$4,500.00
Alternate No. 7	\$4,500.00	\$3,936.00	\$3,975.00	\$4,000.00	\$4,471.00	\$4,300.00	\$5,000.00
Total	\$1,177,700.00	\$1,071,491.00	\$1,145,378.00	\$1,032,483.00	\$1,089,369.00	\$969,979.00	\$1,050,500.00
Basis of Award							
#1	\$1,177,700.00	\$1,071,491.00	\$1,145,378.00	\$1,032,483.00	\$1,089,369.00	\$969,979.00	\$1,050,500.00
#2	\$1,173,300.00	\$1,068,494.00	\$1,142,352.00	\$1,029,483.00	\$1,085,937.00	\$965,779.00	\$1,046,000.00
#3	\$1,168,800.00	\$1,064,558.00	\$1,138,377.00	\$1,025,483.00	\$1,081,466.00	\$961,479.00	\$1,041,000.00
#4	\$1,134,200.00	\$1,031,867.00	\$1,103,377.00	\$992,483.00	\$1,047,791.00	\$928,635.00	\$1,005,500.00
#5	\$1,112,000.00	\$1,010,696.00	\$1,084,002.00	\$971,483.00	\$1,013,100.00	\$907,163.00	\$983,400.00
#6	\$1,104,100.00	\$1,002,123.00	\$1,075,346.00	\$969,483.00	\$1,009,700.00	\$903,491.00	\$979,200.00
#7	\$1,100,300.00	\$999,759.00	\$1,072,958.00	\$968,483.00	\$1,007,200.00	\$900,991.00	\$976,000.00
#8	\$1,090,000.00	\$988,033.00	\$1,055,834.00	\$957,983.00	\$1,000,000.00	\$897,125.00	\$968,500.00

**BASIS FOR AWARD OF BID
FOR EDUCATION/INTERPRETIVE CENTER PROJECT**

Bid will be recommended for award on the following basis if within the budget.

- _____ 1. Base bid including allowances A-1 and A-2 plus all seven alternates
- _____ 2. Base bid plus including allowances A-1 and A-2 plus alternates 1, 2, 3, 4, 5 and 7
- _____ 3. Base bid plus including allowances A-1 and A-2 plus alternates 1, 2, 3, 4, and 5
- _____ 4. Base bid plus including allowances A-1 and A-2 plus alternates 1, 2, 3 and 4
- _____ 5. Base bid plus including allowances A-1 and A-2 plus alternates 2, 3 and 4
- _____ 6. Base bid plus including allowances A-1 and A-2 plus alternates 2 and 4
- _____ 7. Base bid plus including allowances A-1 and A-2 plus alternate 2
- _____ 8. Base bid including allowances A-1 and A-2

9.2 Consideration of Resolution No. 87-735, for the Purpose of Granting an Exemption to the Public Contracting Procedure, Set out in Metro Code Section 2.04.001 Et Seq, for Construction of the Zoo Education/Interpretive Center

Executive Officer Cusma recommended the Resolution be tabled until she had a chance to investigate the project in more detail. She explained that bids for constructing the Zoo's Education/Interpretive Center had been received and the low bid was well over the architect's construction estimate. She also wished to investigate concerns regarding minority and female subcontract participation.

Motion: Councilor Ragsdale moved to remove Resolution No. 87-735 from the Agenda and for the Executive Officer to bring the matter back to the Council as soon as possible. Councilor Bonner seconded the motion.

Councilor Cooper announced he would abstain from voting on the matter due to a conflict of interest.

Vote: A vote on the motion resulted in:

Ayes: Councilors Bonner, Collier, DeJardin, Gardner, Knowles, Ragsdale, Van Bergen and Waker

Absent: Councilors Hansen, Kelley and Kirkpatrick

Abstain: Councilor Cooper

The motion carried.

David Bowles, one of the bidders on the project, testified before the Council. He encouraged the Executive Officer to contact his construction firm to discuss how value engineering could be used to protect the bid process and the quality of the building.

Harold Williams, President of Pen-Norr, Inc., testified he was concerned the lowest bid on the project was about 28 percent over the architect's estimate. He was also concerned that legitimate minority-owned businesses had been bypassed for subcontract work. He said minority-owned businesses had been placed in the unfair position to having to compete with minority-owned "fronts." Those "front" organizations, he explained, were not actually owned by minority business people.

EXECUTIVE SESSION

Presiding Officer Waker called the meeting back into executive session at 8:00 p.m. under the authority of ORS 102.660(1)(h) for