

DATE: May 8, 2013
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 13-15
Authorizing the Executive Director to Execute a Best Value Guaranteed Maximum Price Contract Not to Exceed \$1,775,000 for Construction of the Dawson Park Improvements in the Interstate Corridor Urban Renewal Area

BOARD ACTION REQUESTED

Adopt Resolution No. 7003

ACTION DESCRIPTION

This action will authorize the Executive Director to execute a Best Value Guaranteed Maximum Price (BV-GMP) contract not to exceed \$1,775,000 for the construction of improvements to Dawson Park in the Interstate Corridor Urban Renewal Area (ICURA).

This alternative construction contract approach allows award of a contract on the basis of best value versus low-bid and takes into consideration a number of no-price factors such as past performance, prime and subcontractor qualifications, capability and Minority, Women, and Emerging Small Business (MWESB)/Disadvantaged Business Enterprise (DBE) utilization. The BV-GMP approach allows the Portland Development Commission (PDC) to lock in a total contract price upfront and avoids the additional cost of multiple change orders which often characterize traditional low-bid contracting.

If this action is approved, PDC will offer a Request for Proposals (RFP) for construction of the Dawson Park improvements in May 2013. Construction is slated to begin in fall 2013, after the conclusion of the park's popular Summer Concert series, and conclude in late spring 2014.

BACKGROUND AND CONTEXT

Dawson Park is a 2.02-acre neighborhood park located in Northeast Portland in the heart of Portland's historic African-American community between North Williams and North Vancouver, North Morris and North Stanton. Renovation of Dawson Park was called out as a priority in the 2009 ICURA Parks Implementation Strategy, created collaboratively by PDC, Portland Parks & Recreation (PP&R) and the Interstate Corridor Urban Renewal Advisory Committee (ICURAC) Parks Subcommittee, and is on the ICURAC "Gem List" of important projects to complete during the life of the district.

The improvements have been designed to make Dawson Park a more welcoming and vibrant space and are based on the community's priorities of safety and access, multi-generational and family use, and honoring the important role Dawson Park has played in the neighborhood. Highlights of the design include:

- A more visible main entry with improved access and circulation;
- An expanded playground with new equipment, surrounded by a decorative fence designed by local artist Isaka Shamsud-Din;

- New picnic tables, barbeques and benches, and increased path lighting;
- A central plaza area with engraved plaques recalling key historic moments of Dawson Park and a waterplay feature to draw families; and
- Enhanced access to the historic Dawson Park gazebo (renovated by PDC in 2008), with additional space for performer/audience interaction (see Proposed Park Design, Attachment A).

The Gazebo itself was renovated in 2008 by PDC with funding from PDC's Community Livability Grant Program. It showcases the 120-year-old cupola salvaged from the Hill Block Building, once a cornerstone of the old Albina commercial district and an informal gathering place for the African-American community.

Broad public outreach, done by PP&R and PDC staff during the schematic design phase of the project in 2011, identified the key, community-supported improvements to Dawson Park. Final design and permitting work is near completion under an existing Intergovernmental Agreement (IGA) between the two agencies. Landscape architects 2.ink Studio created the final design.

During the construction phase, PP&R and PDC have agreed that bidding and construction will be managed by PDC so as to implement the innovative BV-GMP approach for contractor selection. Under a new IGA, PP&R will provide the final drawings to PDC to use for BV-GMP selection; authorize a permit of entry to perform the improvements; and continue to coordinate the design team during construction. The BV-GMP method enables the contracting agency to more effectively screen bidders and use an evaluation process that is fair and balanced to select a contractor that presents less risk, better quality, and enhanced business equity participation.

By a separate action, PDC prepared findings supporting this alternative contracting method as a pilot project. PDC published public notice of these and held a public hearing on March 20, 2013, on the proposed approach. No comments were received on the findings. The request for exemption from traditional low-bid solicitation was presented on May 8, 2013, to the PDC Board of Commissioners (Board), acting in its capacity as the Local Contract Review Board.

The anticipated timeline for the project is:

- May 2013: Construction RFP out to bid
- July – August 2013: RFP Evaluation and Contract Award
- September 2013: Construction Begins
- May 2014: Construction Ends
- August 2014: Final Project Closeout

COMMUNITY AND PUBLIC BENEFIT

The improvements will reenergize Dawson Park by adding amenities and attracting more visitors, particularly families with children.

The proposed BV-GMP approach will allow the project to meet a broader range of goals than a traditional construction contract, including optimum scheduling and social equity. Among the criteria on which a contractor will be selected will be the inclusion of opportunities for M/W/ESB and DBE firms and the contractor's demonstrated ability to comply with PDC's Equity Policy.

PDC's Business and Social Equity department is working with Metropolitan Contractor Improvement Partnership to do targeted outreach to minority contractors and subcontractors to encourage them to bid on the construction work and to assist them with the RFP bidding process. Activities include an optional class on interpreting bid documents and an informal networking event linking contractors and subs. PDC has hired an external construction project manager (CPM), Inici Group, with close ties to the

North/Northeast Portland community to oversee the construction process. The CPM will also be involved in the outreach to minority contractors.

PUBLIC PARTICIPATION AND FEEDBACK

In 2007, PDC and PP&R worked with the community to develop a new master plan for Dawson Park. The Plan, supported by the Eliot Neighborhood Association, included proposed improvements prioritized by the community. Extensive additional public outreach, done during the schematic design phase of the project in 2011, further shaped the final park design and features. This outreach included:

- Two public open houses;
- A series of one-on-one meetings with local stakeholders;
- Presentations of the park design at the Eliot Neighborhood Association, the ICURAC Parks Subcommittee, and the summer Dawson Park Concert;
- A survey on park preferences posted online, and distributed at the nearby Dishman Community Center and Legacy Emanuel Hospital, with 90 responses; and
- Feedback on the design and historical themes gathered at the Palm Sunday Procession and Celebration of the Vancouver Avenue First Baptist Church, and the African-American Chamber of Commerce and the African- American Alliance Unity Breakfast.

BUDGET AND FINANCIAL INFORMATION

The budget for this project is a maximum of \$1,775,000 for the construction contract, \$153,700 in construction soft costs, and \$196,900 in project management expenses for a total estimated cost of \$2,123,198 (see Dawson Construction Budget, Attachment B). The base bid work is estimated at \$1,450,000, with alternate bid items of \$95,000 and a contingency of \$230,000.

There is adequate funding for the project in the Proposed ICURA budget, \$1,700,000 in fiscal year (FY) 2013-14 and an additional \$600,000 in FY 2014-15 for a total budget of \$2,300,000 (see URA Financial Summary, Attachment C). In addition, PP&R has secured donations of \$200,000, and is committing an additional \$100,000 in System Development Charges (SDCs) to cover funding for the water feature.

RISK ASSESSMENT

This is a pilot BV-GMP alternative construction contract process not previously utilized by PDC and therefore entails some risk. An additional risk is that contractors and sub-contractors may not wish to take the time to prepare a proposal to respond to the RFP, and this could eliminate potential applicants. However, the targeted outreach and assistance provided should help to attract proposers. PDC procurement and construction staff has taken steps to help mitigate these concerns.

The design is in the final stages and permits are ready to issue. The site does have a number of critical constraints including a large number of mature tree roots and uncertain subsurface soil conditions along with fall/winter construction season that could drive up the costs of construction. However, there is a 15 percent contingency in the construction budget to cover such unforeseen events. In addition, there are a number of alternate bid items, such as Light Emitting Diode (LED) path lighting, which could be deleted from the final improvements to contain costs, if necessary.

Upon project completion, staff will perform a review of the BV-GMP process and pursuant to Oregon Revised Statutes (ORS) 279C.355 will provide a post-project evaluation to the Board acting as the LCRB within 30 days of final project acceptance. The evaluation will consist of an objective assessment of the pilot project in terms of cost savings and other factors to determine if it was in the best interest to use this alternative contract method.

ALTERNATIVE ACTIONS

The Board may choose to not approve use of the pilot project and alternative BV-GMP contract and direct PDC to use the traditional low-bid contract for the construction. This may cause a delay in the construction and may result in the selection of a contractor who provides less overall value to the project and does not meet the project goals.

ATTACHMENTS

- A. Dawson Park Proposed Design
- B. Dawson Construction Budget
- C. Interstate Corridor URA Financial Summary



Dawson Park Construction Budget

Updated 4-17-13

Construction Hard Costs

Base Bid Est. Cost (Inc Water Feature)	\$	1,450,000.00
Alt #1 LED Path Lighting Upgrade	\$	15,000.00
Alt #2 Granite at Water Feature Upgrade	\$	25,000.00
Alt #3 LED Boulder Lighting Upgrade	\$	15,000.00
Alt#4 Stone Boulders in Lieu of Concrete	\$	25,000.00
Unit Cost - Drywell Installation	\$	15,000.00
Sub Total Construction	\$	1,545,000.00
Construction Contingency @15% (rounded)	\$	230,000.00
Total Est. Hard Cost	\$	1,775,000.00

Construction Soft Costs

PP&R IGA #2 Permitting & City Requirements	\$	500.00
PP&R IGA #2 Consultants	\$	65,000.00
PP&R IGA #2 Post Occp Solve	\$	12,000.00
PDC Special Inspections	\$	12,000.00
PDC RACC Percent for Arts (2%) Base Bid Work	\$	29,000.00
PDC BOLI PWR Fee	\$	1,200.00
PDC PWB Utility Connection Fee	\$	14,000.00
PDC Splash Pad Commissioning	\$	5,000.00
Sub Total Soft Costs	\$	138,700.00
Soft Contingency @ 10% (rounded)	\$	15,000.00
Total Est. Soft Cost	\$	153,700.00

Project Mgmt & Administration

PP&R IGA #2 Proj Mgmt + Expenses	\$	75,000.00
PDC CPM Field Rep. Inici PS Contract	\$	81,900.00
CPM Field Rep Inici PS Amendment (hold)	\$	10,000.00
Public/Contractor Outreach	\$	30,000.00
Total Est. Project Mgmt Cost	\$	196,900.00

Grand Total Estimated Project Cost	\$	2,125,600.00
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URA Financial Summary

Five-Year Forecast Program Requirements Detail

	Revised-2 FY 2012-13	Proposed FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
Interstate Corridor URA						
Resources						
Beginning Fund Balance	7,316,861	6,753,143	5,433,605	5,792,596	16,757,369	18,969,728
Interest on Investments	30,000	30,000	30,000	30,000	30,000	30,000
Loan Collections	6,000,000	303,678	256,423	365,747	261,150	971,574
Long Term Debt	0	7,000,000	2,000,000	12,467,837	5,000,000	4,000,000
Property Income	211,580	574,998	210,000	210,000	210,000	210,000
Reimbursements	61,573	0	0	0	0	0
Short Term Debt	10,936,644	10,216,020	10,630,927	11,488,500	8,987,314	9,795,473
Total Resources	24,556,658	24,877,839	18,560,955	30,354,680	31,245,833	33,976,775
Requirements						
Program Expenditures						
Administration						
Financial Administration						
A45101370 Debt Management-ISC	50,000	22,532	22,532	22,532	22,532	22,532
Total Administration	50,000	22,532	22,532	22,532	22,532	22,532
Business Dev						
Business Lending						
L02100370 BIF-General-ISC	250,000	500,000	500,000	500,000	500,000	500,000
L02110370 BIF-Cluster Group-Budget-ISC	0	300,000	200,000	200,000	200,000	200,000
L02119370 BIF-Nbrhood Ec Dev-Budget-ISC	0	300,000	300,000	300,000	300,000	300,000
Small Business & Community Dev						
G07100370 MAIN-General-ISC	0	74,000	74,000	74,000	74,000	74,000
B55800370 Business Development-ISC	75,000	1,000	1,000	1,000	1,000	1,000
B55900370 Community Development-ISC	200,000	80,000	80,000	80,000	80,000	80,000
Traded Sector Business Dev						
B15102370 Site Recruitment-ISC	2,000,000	2,000,000	2,000,000	2,075,000	2,075,000	75,000
T01069370 Lean Manufacturing-ISC	70,000	70,000	70,000	70,000	70,000	70,000
Total Business Dev	2,595,000	3,325,000	3,225,000	3,300,000	3,300,000	1,300,000
Infrastructure						
Parks						
N37017315 Bridgeton-ISC-Adm	262,000	1,500,000	0	0	0	0
N37017415 Dawson Park-ISC-Adm	598,000	1,700,000	600,000	0	0	0
N37017515 Small Scale Improv-ISC-Adm	0	50,000	0	0	0	0
Transportation						
N37032115 Interstate Trans-ISC-Adm	200,000	0	0	0	0	0
N37037615 Denver Streetscape-ISC-Adm	15,000	0	0	0	0	0
N37037715 Killingsworth Stscape-ISC-Adm	0	2,000,000	1,000,000	900,000	0	0
N37037815 Lombard Investment-ISC-Adm	0	670,000	1,000,000	1,000,000	1,000,000	0
Total Infrastructure	1,075,000	5,920,000	2,600,000	1,900,000	1,000,000	0
Portland Hsg Bureau						
PHB Housing						
H15908370 McCoy Apts-ISC	126,891	0	0	0	0	0
H15410370 Home Repair Projects-ISC	555,685	500,000	500,000	500,000	500,000	500,000
H15420370 Home Buyer Assistance-ISC	530,416	500,000	500,000	500,000	500,000	500,000
H15430370 Affordable Rental Hsg-ISC	3,840,991	1,700,000	400,000	400,000	700,000	2,600,000
H15712370 Habitat for Humanity HO-ISC	19,250	800,000	0	0	0	0
H15900370 PHB Staff & Admin-ISC	599,946	788,012	818,505	793,527	925,055	1,045,092
H15928370 PCRI Scat Sites 2 (NOFA)-ISC	193,533	0	0	0	0	0
H15929370 HAP Afford Ownrshp/Rehab-ISC	13,924	0	0	0	0	0

Five-Year Forecast Program Requirements Detail

	Revised-2 FY 2012-13	Proposed FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
H15901370 King-Parks-ISC	393,405	0	0	0	0	0
H15906370 Killingsworth Station-ISC	400,000	0	0	0	0	0
Total Portland Hsg Bureau	6,674,041	4,288,012	2,218,505	2,193,527	2,625,055	4,645,092
Property Redev						
Commercial Property Redevelopm						
P37060325 Former Living Color-ISC-Adm	2,761	2,646	2,646	0	0	0
P37091015 Public Outreach-ISC-Adm	10,000	5,000	5,000	5,000	5,000	5,000
P37090015 Project Development-ISC-Adm	0	10,000	10,000	1,600,000	1,000,000	10,000
P37060515 Reiss House-ISC-Adm	8,519	7,960	7,960	0	0	0
P37060415 C&M Motors Lot-ISC-Adm	6,621	27,870	27,870	23,517	23,517	23,517
P37060335 Fmr WalnutPark Thtr-ISC-Adm	115	0	0	0	0	0
P37060155 Argyle Lot-ISC-Adm	4,754	4,754	4,754	4,754	4,754	4,754
P37060145 Spar-Tek Building-ISC-Adm	23,517	0	0	0	0	0
P37060125 Nelson Bldg-Indust-ISC-Adm	670,086	91,141	91,141	91,141	91,141	91,141
P37054815 Kenton Redev Dtwm-ISC-Adm	0	20,000	50,000	0	0	0
P37052215 CC 2035-ISC-Adm	30,767	0	0	0	0	0
P37051018 Jefferson Frontage-ISC-Impl	595,000	0	0	0	0	0
P37050315 MLK Gateway Improve-ISC-Adm	48,500	0	0	0	0	0
P37050215 Vanport III-ISC-Adm	10,000	10,000	0	0	0	0
G03100370 SIP-General-ISC	0	10,000	10,000	10,000	10,000	10,000
P37060135 Nelson Bldg-Retail-ISC-Adm	4,764	3,798	3,888	3,798	3,798	3,798
P37060365 Fmr Wirfs Whse 1-ISC-Adm	1,314	0	0	0	0	0
Commercial Real Estate Lending						
R01100370 CPRL-General-ISC	750,000	300,000	400,000	400,000	400,000	400,000
Community Redevelopment Grants						
G04100370 GFGP-General-ISC	300,000	200,000	200,000	200,000	200,000	200,000
G03100370 SIP-General-ISC	1,300,000	790,000	790,000	790,000	790,000	790,000
G02100370 DOS-General-ISC	350,000	150,000	150,000	150,000	150,000	150,000
G01100370 CLG-General-ISC	381,000	300,000	300,000	300,000	300,000	300,000
Total Property Redev	4,497,718	1,933,169	2,053,259	3,578,210	2,978,210	1,988,210
Total Program Expenditures	14,891,759	15,488,713	10,119,296	10,994,269	9,925,797	7,955,834
Personal Services	685,013	914,214	572,717	622,186	561,777	450,399
Transfers - Indirect	2,226,743	3,041,307	2,076,346	1,980,856	1,788,531	1,433,938
Total Fund Expenditures	17,803,515	19,444,234	12,768,359	13,597,311	12,276,105	9,840,171
Contingency	6,753,143	5,433,605	5,792,596	16,757,369	18,969,728	24,136,604
Ending Fund Balance	0	0	0	0	0	0
Total Requirements	24,556,658	24,877,839	18,560,955	30,354,680	31,245,833	33,976,775