



PORT OF HOOD RIVER COMMISSION
MEETING AGENDA
Wednesday, August 28, 2019
Marina Center Boardroom

2:00 P.M.
Special Meeting

1. Call to Order
 - a. Modifications, Additions to Agenda
2. Action Items
 - a. Approve Contract with Beam Excavating for Lower Mill Grade & Pave Project Not to Exceed \$440,000, Subject to Legal Counsel Review (*Anne Medenbach*)
3. Adjourn

If you have a disability that requires any special materials, services, or assistance, please contact us at 541-386-1645 so we may arrange for appropriate accommodations.

*The chair reserves the opportunity to change the order of the items if unforeseen circumstances arise. The Commission welcomes public comment on issues not on the agenda during the public comment period. With the exception of factual questions, the Commission does not immediately discuss issues raised during public comment. The Commission will either refer concerns raised during public comment to the Executive Director for a response or will request that the issue be placed on a future meeting agenda. People distributing copies of materials as part of their testimony should bring **10 copies**. Written comment on issues of concern may be submitted to the Port Office at any time.*

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Commission Memo



Prepared by: Anne Medenbach
Date: August 28, 2019
Re: Lower Mill Grade and Pave Contract

The Lower Mill Grade and Pave project bid opening took place on August 20 and all received bids were significantly over the engineer's estimate. The project was originally intended to be completed in 2017 and engineering, specifications, and plans were completed. Wetland permits took longer than expected and by the time they were received in 2019, the project had changed. Originally, the project included a large stormwater pond and did not include the road paving. Staff added the road paving and deleted the pond in 2019, as it was not required.

The Port engaged HRK Engineering, who have been working on the Lower Mill since 2015, to put the road and the grading project specs together into one bid package for cost efficiency. They did this in April of 2019 and the cost estimate increased to \$299,000.

Staff requested an update to the estimate prior to bidding. This update showed a new engineer's estimate of \$321,990. Additionally, a change in specification was needed for the rock fill to ensure fair bidding. ODOT specs were inserted rather than individual submissions. This strategy has been confirmed as correct by contractors polled by staff. However, ODOT-sped rock is more expensive. After the project went to bid, the engineers provided a new estimate using the ODOT spec which was closer to \$400,000. The lowest bid came in at \$484,443.00.

Other contributing factors for the large difference in the engineers estimate and the received bids were as follows:

1. The engineer did not include prevailing wage, which would increase the estimate by 15% or \$60,000.
2. ODOT rock prices increased during the construction season and prices used in the estimate were from the beginning of the season.

Staff recommends the Commission evaluated the following three options moving forward:

1. Delay the project. If the project is delayed, we can go out to bid for it in 2020, include it in the 20/21 budget and begin work as early as July 2020. The bid docs won't change, and we can't anticipate how much prices will fluctuate between now and then.
2. Cancel the bid and get quotes for doing just the road this year, which is likely under \$120,000. This would appease the party that we are currently negotiating with for

purchase of a lot that is served by the road. We could then go to bid as outlined in Option 1 above for the grading portion.

3. Move forward this year. If the Port moves forward this year, we will need to change project budgets (see below). The contractor is working with staff to value engineer the larger line items in order to reduce the project budget. Additionally, staff has made it clear that cost change orders will not be approved, and we have prioritized the project tasks to ensure that the if the project does have to be cut short due to budget, the essential components are completed.

Requested budget	\$	300,000.00		
Approved budget	\$	236,000.00		
Proposed Contract amount	\$	440,000.00		
Proposed engineering	\$	13,972.00		
	\$	453,972.00		
Project deficit	\$	217,972.00		
Projects pulling from				
Property	Project	Amount	Notes	
Lower mill	Due Dilligence	\$ 30,000.00	undertermined use	
Lower mill	contingency	\$ 24,000.00	contingency	
Big 7	parking/landscape	\$ 36,000.00	no projects planned	
Big 7	HVAC placeholder	\$ 20,000.00		
Maritime	placeholder	\$ 15,000.00		
Halyard	TI	\$ 10,000.00	no projects planned	
Jensen	Entry doors	\$ 20,000.00	would need to push	
Airport	Light replacement	\$ 12,000.00	no project planned	
Airport	Box hangar design	\$ 50,000.00	no project planned	
		\$217,000.00		
Contingency left				
Property	Project	Amount		
Big 7	TI placeholder	\$ 30,000.00		
Halyard	HVAC	\$ 18,000.00		
State office	placeholder	\$ 10,000.00		
Marina office	placeholder	\$ 5,000.00		
Marina office	deck repairs	\$ 8,000.00		
Timber inc	placeholder	\$ 5,000.00		
Timber inc	concrete	\$ 10,000.00		
Airport	lights	\$ 12,000.00		
		\$ 98,000.00		

RECOMMENDATION: Approve contract with Beam Excavating Inc in an amount not to exceed \$440,000.00, barring no protests and subject to legal counsel review.