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MEMORANDUM

Engineering Services

Date: October 1, 2025

To: Mayor Jackola and City Council
From: Ron Whitlatch, City Manager
Subject: **Approval to Award GMP Amendment No. 1**
Cheadle Lake Park Improvements Project
Project No. 23704

Background

On July 23, 2025, the Lebanon City Council awarded the CM/GC Contract for the Cheadle Lake Park Improvements Project to Knife River Corporation - Northwest. This initial contract was for Pre-Construction Phase Services, which included Value Engineering, final design recommendations, cost estimating, and development of an initial Guaranteed Maximum Price (GMP) for the project's construction.

During the last couple of months, the Project Team (Knife River, City Staff, and Udell Engineering) have been working towards a final scope and design that fits within the available funding. The Team primarily looked at the stage component of the original project scope to determine design aspects and associated construction costs. It became apparent from the multiple iterations and cost estimates that building a stage would not be feasible due to the price.

The Project Team is continuing to work through the final scope and design of the improvements on the Park Property. To move the project forward and begin construction this fall, the Team opted to phase the project and go through Guaranteed Maximum Price Amendments (GMPs) to ensure the project scope stays within the appropriated funding.

The scope of GMP Amendment No. 1 includes all work necessary to widen Weirich Drive, construct the multi-use path along the frontage of Weirich Drive, install all utility stub-outs to the park, and final paving of Weirich Drive. There is a total of \$5.2 million available to complete the entire project (Grant for the State of Oregon, Large Government Grant, Parks System Development Funds, and Street System Development Funds). The Cost for GMP Amendment No. 1 is \$1,212,325.24.

The Project Team will continue to work through the final scope of the project which will include parking lot paving, ADA Path construction throughout the park, restroom installation, utility installation, and access road construction to the future stage area. An additional GMP Amendment will be brought before the City Council for approval in the next couple of months.

Recommendation

Staff recommends that City Council pass a motion to approve GMP Amendment No. 1 in the amount of \$1,212,325.24 to the original contract for Construction Manager/General Contractor (CM/GC) Services for the Cheadle Lake Park Improvements Project.