



STAFF REPORT

Meeting Type: City Council
Meeting Date: November 4, 2024
From: Jennifer Coker, Public Works Director
Subject: Contract Approvals: On-Call Construction Services for Drinking Water and Wastewater Facility Minor Upgrades

DECISION TO BE MADE:

Whether to authorize the City Manager to execute contracts for On-Call Construction Services for Drinking Water and Wastewater Facility Minor Upgrades.

BACKGROUND / CONTEXT:

On-Call Construction contracts are typically used by utilities to complete an ongoing body of work required to continuously maintain, repair and upgrade infrastructure assets. The contracts provide a flexible menu of services targeting smaller or minor upgrades, such that the utility may negotiate task orders for construction projects on an as-needed basis. The on-call construction contracts have a limited duration, maximum task order amount and total fee. Utilities typically have several contracts to choose from which allows them to choose from different construction specialty experts and firms that have availability to complete urgent projects.

The procurement process to create a master services agreement is set forth in Oregon Administrative Rule (ORS) 279C.335(5). This rule requires the City to seek an exemption from the standard requirement to award public improvement contracts (construction, reconstruction, or major renovation) through an Invitation to Bid (ITB) process. As required, City gave notice on [May 6, 2024](#) to provide interested parties with the opportunity to comment on the City's draft findings at a public hearing at the City Council Meeting on May 20, 2024.

At the [May 20, 2024 Council meeting](#), after the public hearing, the City passed [Resolution 2024-12](#) granting an exemption from the standard procurement process, which typically involves a formal invitation to bid to the lowest, responsible, responsive bidder. This exemption enables the City to expedite contracting with a construction contractor, crucial for fully utilizing the \$14.7 Million ARPA grant prior to expiration and achieving cost savings through time efficiencies by avoiding the traditional bidding process. As a result, the City issued a [Request for Proposal \(RFP\)](#) for a On-Call Construction Contractor Services for Drinking Water and Wastewater Facility Minor Upgrades on May 2, 2024

The following minor wastewater projects have currently been identified for bidding to on-call contractors, based upon the priorities of spending all the ARPA grant, maintaining compliance with the NPDES permit/consent decree and adding more capacity to the treatment plant to gain additional ERU for new development as laid out by the comprehensive capacity analysis and EPA conditional approval:

- UV Replacement – maintain treatment compliance
- Effluent Pump Upgrades – maintain compliance and gain additional ERUs
- Equalization Basin Expansion – maintain compliance and gain additional ERUs
- Northside Pump Station – maintain compliance and gain additional ERUs
- Sleepy Hollow Pump Station -maintain compliance with installation of a generator
- RRM Improvements -maintain compliance and improve operational reliability
- WWTP Cake Sludge -maintain compliance and improve operational reliability
- Buildings and Grounds – maintain compliance, improve site security

For the process of bidding the construction projects, a task order with detailed scope of work will be submitted to each contractor, who will be given 30 calendar days to submit a bid. The selected contractor will be chosen based both the bid price and their experience on construction projects similar construction projects.

KEY CONSIDERATIONS / ANALYSIS:

Two construction firms responded to the request for proposals. Proposals were evaluated and ranked by City staff and by the program management team, Stantec. It was determined that both J.W. Fowler and R.L Reimers received sufficiently high rankings to be awarded contracts. Notice of intent to award was advertised on August 5, 2024.

BUDGET IMPACT:

The Sandy Clean Waters program minor upgrade projects are identified in the sewer utility capital appropriations for the BN 23-25 budget and are financed from both the \$14.7 million ARPA grant funds, Clean Water State Revolving Fund Loan R80492 funds and WIFIA loan. Repayment will be made from sewer rate revenues, which is included in the current sewer rate model.

While no minor drinking water construction projects have been identified to date, any future projects will be repaid from water rate revenues and reimbursed by the applicable funding source. This contract provides the City with the flexibility to quickly address any urgent projects that arise to maintain or enhance water delivery services or address projects that have schedule pressure.

The contracts are limited to a total maximum fee of \$5,000,000 per construction firm as an accumulation of individual task orders. As is the case with on-call contracts, the City is not obligated to spend any of the funds; rather, the construction services will be used on an as needed basis to prioritize rehabilitation, repair, and modification projects at the wastewater treatment plant to maintain compliance with the NPDES permit, expand capacity, and wisely address operations and smaller capital projects in the water utility as we target completion of projects to expend all of the ARPA grant funds before they expire in September of 2026.

RECOMMENDATION:

Authorize the City Manager to execute contracts with James W. Fowler Co. and R.L. Reimers Company for a maximum total fee of \$10,000,000 (\$5,000,000 per construction firm).

SUGGESTED MOTION LANGUAGE:

“I move to authorize the City Manager to execute On-Call Construction Contract Services contracts with James W. Fowler Co. and R.L. Reimers Company for Drinking Water and Wastewater facility minor upgrades, as provided in the meeting packet.”

LIST OF ATTACHMENTS / EXHIBITS:

- Notice of Intent to Award
- Contract: James W. Fowler Co.
- Contract: R.L. Reimers Company