

MEMORANDUM



TO: CITY COUNCIL
FROM: Greg Springman, Steven Haney and Trish Rice
Public Works
DATE: January 4, 2023
SUBJECT: Mahler WRF Project Update

Public Works staff and our engineering consultant West Yost would like to keep City Council updated on the Mahler WRF Upgrades Project. This update will be provided on a monthly basis and contains the following sections:

- Section 1. Project Overview and Current Status
- Section 2. Project Schedule Update & City Council Engagement
- Section 3. Project Budget Status Update
- Section 4. Updates on Key Issues

1. PROJECT OVERVIEW AND CURRENT STATUS

Bids for the MWRF Phase 1 Improvements Project were over 25% above the Engineer's Estimate and the contract was cancelled. Staff propose the following approach for project phasing and construction:

MWRF Interim Improvements Project (MWRF IIP)

Work on the MWRF IIP is progressing as fast as possible. Three separate bid packages have now been advertised, with buds due January 10, 2023 at 2P. The bid packages are summarized as follows:

Package 1 - Owner-Supplied Electrical Equipment Pre-Purchase: Standby Generator and Main Switchboard to be procured by The Automation Group as the City's Integrator-of-Record.

Package 2 - Owner-Supplied Dewatering Equipment Bid Documents: The City will pre-purchase a new screwpress solids dewatering system that will initially be located near the existing Solids Building before ultimately being relocated to the Dewatering Building as part of the major MWRF expansion.

Package 3 – Sludge Blend Tank Design-Build Bid Documents: The City will hire a Design-Build Contractor to install a new 100,000 gallon concrete tank that will be used to store solids in the near-term that will also be utilized as the sludge blend tank as part of the MWRF expansion.

Staff and Engineers are also proceeding with final design for other civil site work, mechanical and electrical upgrades required to install and connect the dewatering screw press and new 100,000 gallon concrete tank. Following is the current schedule for the MWRF

- **Completion of Draft Contract Documents:** Jan. 19, 2023
- **Bidding:** Jan. 25, 2023 – Feb. 16, 2023
- **City Council Bid Award and Contracts Approval:** Feb. 28, 2023
- **MWRF IIP Construction Start:** March 2, 2023
- **MWRF IIP Substantial Completion:** June 2023

MWRF Improvements Project

West Yost's design team is currently working at a feverish pace to complete 60% design of the MWRF Improvements Project, which is the major MWRF expansion and separate from the MWRF IIP. The most Engineer's Opinion of Probable Construction Cost (OPCC) for the MWRF Improvements Project is **\$56,813,000**. Staff are working on securing the additional funding needed to construct the project.

2. PROJECT SCHEDULE UPDATE & CITY COUNCIL ENGAGEMENT

Below is the current project schedule for the MWRF IIP and larger MWRF Improvements Project.

	2022			2023				2024	2025	2026
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 – Q4	Q1 – Q4	Q1 – Q4
MWRF Interim Impr. Project (IIP)										
MWRF Impr. Project										
Planning & Design			Bidding & Contracts				Construction			

Following are current Requests for Council Actions (RCA):

Upcoming Requests for Council Action (RCA) are summarized in this section to give City Council advance notice of anticipated City Council engagement related to the MWRF Improvements Project.

January 24 City Council Meeting Requests for Council Action:

If recommended by Staff, the Recommendations of Award for the MWRF IIP contracts will be presented to City Council by Staff, including:

1. Owner-Supplied Electrical Equipment Pre-Purchase Contract Documents
2. Owner-Supplied Dewatering Equipment Contract Documents
3. Sludge Blend Tank Design-Build Bid Contract Documents

February 14 City Council Meeting Requests for Council Action:

West Yost contract amendment for engineering services to complete Final Design and Bidding for the MWRF Improvements Project.

February 28 City Council Meeting Requests for Council Action:

If recommended by Staff, the Recommendations of Award for the MWRF Interim Improvements Project civil and site work for installation of pre-purchased equipment and associated improvements.

Future City Council Requests for Council Action:

Future City Council engagement and Requests for Council Action are anticipated as follows:

- 3rd Party Special Inspections and Testing Services Contract Award – RCA timing TBD
- Electronic Construction Document Control System Contract Award – RCA timing TBD
- MWRF Improvements Project Bid Award – RCA timing TBD

3. PROJECT BUDGET STATUS UPDATE

The following budget status updates provide a high-level review of contract amounts and expenditures for engineering services, Owner-supplied electrical equipment, Construction, 3rd Party Special Inspections and Testing, and the Electronic Construction Document Control System.

a. Construction

No current update. Bid solicitations for three MWRF IIP pre-purchase packages have been advertised, with bids due on January 10th. Staff anticipated advertising for bids for associates MWRF IIP civil and site improvements this month with City Council award in February.

b. Owner-Supplied Electrical Equipment

Bids for Owner-Supplied Electrical Equipment will be received by TAG on January 10, 2023.

c. 3rd Party Special Inspections and Testing Services

Budget status updates for 3rd Party Special Inspections and testing will be provided once construction activities begin.

d. Electronic Construction Document Control System (ECDCS)

Budget status updates for ECDCS will be provided once construction activities begin.

e. Engineering Services

West Yost anticipates completing 60% final design for the MWRF Improvements Project in January 2023. A letter proposal will be submitted in February 2023 to complete final design and bidding for the project.

Firm	Dates	Purpose	Contract Amount	% Complete
Murraysmith ⁽¹⁾	2018 – 2021	Preliminary and Final Design	\$2,134,373	100%
West Yost	Jul 2021	Final Design Review	\$66,224	100%
West Yost ⁽²⁾	Aug 2021 – present	Project Planning, Permitting, Preliminary and Final Design	\$3,428,335	89%
West Yost ⁽³⁾	Oct. 2023 thru Oct. 2026	Engineering Services During Construction (ESDC)	\$879,670	0%

(1) Contract Amount listed is actual amount paid to Murraysmith by City. This amount is being confirmed.

(2) West Yost's current Mahler WRF design contract is for completion of Phase 1 final design and Phase 2 60% Design. It is anticipated a contract for completing MWRF Improvements Project final design will be executed in Q1 2023.

(3) West Yost's current Mahler WRF Engineering Services During Construction (ESDC) contract was for Phase 1 construction. If authorized, a portion of this current contract will be used for MWRF IIP ESDC. The balance would be used for initial ESDC on the larger MWRF Improvements Project.

4. UPDATES ON KEY ISSUES

- **Preliminary Engineering Report (PER) Update.** Concurrent with design of the MWRF IIP and completion of 60% final design for the MWRF Improvements project, West Yost's team is also working on updating the Preliminary Engineering Report (PER) required for obtaining USDA funding for the project. The PER will be submitted to USDA and Oregon DEQ for review and approval. This PER update will incorporate the recently updated construction cost estimate (Engineers OPCC).
- **Outfall Permitting and "Crosscutters".** West Yost is working with Pacific Habitat to begin work on the Environmental Assessment (EA) and Biological Assessment (BA) required for the project, assuming a new South Santiam River outfall will be installed as part of the project.
- **MWRF Improvements Project Funding.** Staff are now meeting on a monthly basis with representatives from USDA, DEQ and Business Oregon to discuss project funding. The DEQ Regional Solutions Team (RST) is also engaged on the project and in these meetings.
- **Current MWRF Permit Compliance Issues.** The MWRF continues to struggle with permit compliance. It is anticipated the MWRF IIP will help process solids and help improve treatment plant performance. Staff continue to monitor for illicit discharges to the City's sanitary sewer system.
- **Expenditure of Oregon Legislature Funding.** MWRF IIP bids for three equipment pre-purchase packages are due January 10, 2023. Design for installation of the pre-purchased equipment will be completed in January for bidding. The MWRF IIP and continuing engineering services for the larger MWRF expansion are anticipated to utilize the \$7M in grant funding awarded to the City by the Oregon Legislature and required to be spent by June 30, 2023.

Cc: Dept. Heads