



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action - Mahler WRF Interim Improvement Project contract award

Preferred Agenda: March 14, 2023

Submitted By: Trish Rice, Engineering Technician 2
Greg Springman, Public Works Director

Reviewed By: Kelcey Young, City Manager

Type of Action: Resolution ____ Motion ____ Roll Call X Other ____

Relevant Code/Policy: N/A

Towards Council Goal: 1.1 Develop specific steps for implementation of the adopted infrastructure master plans.

Attachments: Procurement documents set

Purpose of this RCA:

Staff requests authorization to award the contract for construction of the Mahler Water Reclamation Facility Interim Improvement Project to Boede Construction.

Background/Context:

On November 8, 2022, Council approved the Engineer's recommendation for the Interim Improvements Project. On February 14, 2023, Council awarded procurement contracts for the mechanical equipment (FKC), electrical and controls equipment (TAG), and sludge blend tank (Baker Silo). This request for action is the final piece of this multi-pronged project. The selected contractor will install the mechanical equipment and associated controls received from FKC Co. Ltd. and TAG, and will work onsite in close coordination with Baker Silo to reach substantial completion prior to June 30, 2023.

The Engineer of Record (West Yost) prepared the specifications and contract documents. The procurement was advertised for bid on February 15, 2023, and bids closed on March 2, 2023. We received two bids from Boede Construction (\$839,995) and Pacific Excavation (\$936,800).

Staff recommends awarding the procurement contract to Boede Construction and authorizing a 10% contingency (\$84,000) controlled by the City Manager, bringing the total project budget to \$923,995.

This project is funded by a combination of the \$7M state earmark and ARPA funds. This will bring our eligible expenses for the earmark to at least \$7.15M before contingencies (potentially up to \$7.46M including contingencies), ensuring that the City makes full use of the grant funds

before the grant expires. There are sufficient ARPA funds available to cover expenditures beyond the \$7M grant.

The Challenge/Problem:

To make efficient use of limited funds to complete needed wastewater treatment improvements and satisfy DEQ requirements and state funding timelines.

Stakeholders:

- City Residents. Residents are the customers who deserve good service with the highest return on their taxes and fees that we can provide, and who trust the City to maintain their infrastructure systems at a high level of service.
- Council Members. Council members are the voice of the citizens we serve. Each member of this group is interested in providing the best service possible at the lowest possible cost. They must balance leadership with representation.
- Public Works Department Staff. This project will greatly improve the operability of the WWTP which is currently undersized and beyond its serviceable lifespan. Staff spends significant time fixing broken down equipment and fighting with system inefficiencies.
- Management Team. Comprised of five department heads, each with a responsibility to the citizens and City Manager to run their day-to-day operations as efficiently as possible.
- Oregon DEQ. The WWTP upgrade project is required to comply with DEQ regulations.

Issues and Financial Impacts:

The low bidder is Boede Construction at \$839,995. Staff also requests a 10% contingency (\$84,000) controlled by the City Manager, bringing the total project budget to \$923,995.

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Elements of a Stable Solution:

A stable solution will provide efficient completion of needed facility improvements and make full use of the funding from the State of Oregon for this project.

Options:

1. Option 1 – Move to cancel the project. Not recommended. This project is essential to making full use of the \$7M state earmark.
2. Option 2 – Move to reject all bids and re-bid the project. Not recommended. This project has a very tight schedule to meet the June 30 deadline.
3. Option 3 – Move to execute the procurement as presented. Staff will execute the contract and give notice to proceed.

Recommendation:

Staff recommends Option 3 – Move to execute the procurement as presented.