



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action - Mahler WRF Dewatering Equipment contingency budget

Preferred Agenda: March 14, 2023

Submitted By: Trish Rice, Engineering Technician
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: N/A

Purpose of this RCA:

Staff requests authorization of owner-controlled contingency funds for the dewatering equipment for the Mahler WRF Improvements Project.

Background/Context:

On February 14 Council awarded the contract to FKC Co. Ltd for the procurement of mechanical equipment (dewatering screw press and appurtenances) for \$617,257. During submittal reviews, it was discovered that the conveyor belt layout needs to be adjusted and a longer conveyor will be ordered. The additional cost is \$13,275. Staff missed including contingency funds in the previous request, so we are now requesting authorization of up to \$25,000 (4%) owner-controlled contingency to cover this change and any other small changes that may occur during the rest of the submittal reviews.

This project is funded by a combination of the \$7M state earmark. We project our eligible expenses by June 30 for the earmark will be 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:

This project is funded by a combination of the \$7M state earmark. We project our eligible expenses by June 30 for the earmark will be 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.

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 authorize the contingency funds as presented. Recommended.
2. Option 2 – Move to authorize a different contingency fund. Not recommended.
3. Option 3 – Do nothing. Not recommended.

Recommendation:

Staff recommends Option 1 – Move to authorize the contingency funds as presented.