



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action - Mahler WRF Improvements Project proposal for owner-supplied equipment

Preferred Agenda: September 28, 2022

Submitted By: Trish Rice, Engineering Tech 2

Reviewed By: Christy Wurster, City Manager Pro Tem
Greg Springman, Public Works Director

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

Relevant Code/Policy: N/A

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

Attachments: Integrator of Record proposal for owner-supplied equipment

Purpose of this RCA:

Staff is requesting Council authorization to proceed with purchasing owner-supplied equipment for the Mahler Water Reclamation Facility Improvements Project, Phase 1, to be installed by the Phase 1 construction contractor upon delivery.

Background/Context:

The City has been in design for wastewater treatment plant capacity and process improvements to meet DEQ requirements since 2018. Phase 1 was out to bid at the time of this writing with bid opening on September 22. The Phase 1 construction contract includes installation of owner-supplied equipment along with the heavy construction elements. This request pertains to the owner-supplied equipment.

A detailed description of the pre-ordering plan has been prepared by our Integrator of Record, The Automation Group (TAG), and reviewed by our Engineer of Record, West Yost. TAG solicited bids for the equipment as detailed in the attached proposal and evaluated the bids in coordination with West Yost to ensure compatibility with the project design intent.

The proposal will cost \$2,461,967.77 which includes purchasing the motor control centers, main plant switchgear, backup power generator; control software; in-house manufacturing of the plant control panels; and integration services for all of the above. It also includes performance & payment bonds, and a 4% contingency provide for any minor issues during installation.

The proposal is a task order under the City's existing contract with TAG. West Yost has provided a letter of recommendation.

The equipment will be provided to the Phase 1 construction contractor as owner-supplied equipment, to be installed by the construction contractor. (The Aug 8 staff report erroneously reported equipment being installed in Phase 2.) The construction contract is currently planned for a 12-month duration, however due to the quoted lead times, a change order to extend the construction contract will probably be needed.

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 proposal will cost \$2,461,967.77. Due to quoted lead times, a change order to extend the construction contract will probably be needed.

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 – Do Nothing. This will result in project delays and regulatory action by DEQ.
2. Option 2 – Move to authorize staff to execute the task order with The Automation Group as presented. Staff will execute the task order authorizing TAG to proceed with equipment purchases.
3. Option 3 – Move to negotiate the task order with The Automation Group. Staff will revisit the task order with TAG to address Council's concerns, then bring it back to Council to reconsider approval. This may result in cost increases due to fluctuating market prices.

Recommendation:

Staff recommends Option 2 – Move to authorize staff to execute the task order with The Automation Group as presented.