

MEMORANDUM



TO: CITY COUNCIL
FROM: Greg Springman, Steven Haney and Trish Rice
Public Works
DATE: December 7, 2022
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)** is progressing quickly. The following three sets of contract documents have been completed:
 - **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 plans to advertise and competitively bid the purchase of a new solids dewatering screwpress that will ultimately be utilized as part of the larger MWRF expansion.
 - **Package 3 – Sludge Blend Tank Design-Build Bid Documents:** The City plans to hire a Design-Build Contractor to design a new 100,000 gallon concrete tank that will be used to store solids. The tank will be used to help address current plant operational issues is also part of the MWRF expansion.
- Staff and Engineers are also proceeding with design of the MWRF Interim Improvements Project involving installation of the new dewatering equipment, piping, site work and other upgrades in the lower area of the MWRF. We continue to anticipate the following schedule for MWRF IIP:
 - **Completion of Draft Contract Documents:** Jan. 12, 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
- **Updated Construction Cost Estimate:** West Yost recently completed a detailed update of the Engineer's Opinion of Probable Construction Cost (OPCC) for the MWRF Improvements Project. The current estimated construction cost for all improvements is **\$56,813,000**. City and engineering staff continue to work on refining the project scope and cost estimate, but construction costs, equipment inflation, supply chain and schedule issues continue to impact the project.
- **MWRF Improvements Design Status:** West Yost's design team continues to complete 60% design for the MWRF Improvements Project on a parallel track with the MWRF IIP Project. The target date for submittal of 60% Contract Documents for City review is January 23, 2023.

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):

Owner-Supplied Electrical Equipment Procurement Contracts (RCA): Staff have completed updated Contract Documents for owner-supplied electrical equipment to be pre-purchased by The Automation Group (TAG) for the MWRF Improvements Project. The equipment proposed for pre-purchase include the a new standby generator and electrical switchgear for the MWRF Improvements Project. These long-lead equipment items will be pre-purchased following approval of contracts by City Council.

Future RCA Requests related to MWRF projects are anticipated to include:

Owner-Supplied Dewatering Equipment Procurement Contract Award: Staff have completed Bid and Contract Documents for procuring new solids dewatering equipment that will be utilized for the MWRF IIP and ultimately, as part of the larger MWRF Improvements Project. Advertising for bids will begin on December 14, 2022. The anticipated date for the RCA for the contract award is January 24, 2023.

Design-Build Sludge Blend Tank Contract Award: Staff have completed Bid and Contract Documents for procuring a 100,000-gallon concrete tank that will be utilized for the MWRF IIP and ultimately, as part of the larger MWRF Improvements Project. Advertising for bids will begin on December 14, 2022. The anticipated date for the RCA for the contract award is January 24, 2023.

MWRF Interim Improvements Contract Award – anticipated RCA on February 28, 2023

MWRF Improvements Project Final Design and Bidding Engineering Services Contract Amendment – anticipated RCA on January 24, 2023

3rd Party Special Inspections and Testing Services Contract Award – RCA timing TBD

Electronic Construction Document Control System Contract 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

Budget status updates will be provided for the MWRF IIP if the project is authorized to proceed by City council. The MWRF IIP would include a combination of Owner-supplied equipment and onsite construction that would be bid by the City's list of pre-qualified contactors. There is no update on budget or status at this time.

b. Owner-Supplied Electrical Equipment

Budget status updates related to owner-supplied electrical equipment to be provided by TAG serving as the City's Integrator-of-Record will be provided following approval of TAG contracts. If authorized, the MWRF IIP includes pre-purchase of the MWRF Standby Generator and Main Switchgear.

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 January 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	82%
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.** Initial bid and contract documents packages to begin completion of the MWRF IIP are complete and await authorization to proceed from City Council. The next step is finalizing the design for installation and other onsite activities. These contract documents are anticipated to be completed in January 2023. These efforts along with continued engineering services are planned for utilizing 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