



**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: December 4, 2023		Subject: Resolution No. 3022 Authorizing the City Manager to Execute Guaranteed Maximum Price Amendment No. 3 to the Progressive Design-Build Agreement for the Boeckman Road Corridor Project with Tapani Sundt A Joint Venture – (CIP#s 2102, 4205, 4206, and 4212) Staff Member: Andrew Barrett, P.E. Capital Projects Manager and Nancy Kraushaar, P.E., Project Engineer Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: Staff recommends Council adopt Resolution No. 3022.			
Recommended Language for Motion: I move to adopt the Resolution No. 3022.			
Project / Issue Relates To:			
<input type="checkbox"/> Council Goals/Priorities:	<input checked="" type="checkbox"/> Adopted Master Plan(s): Transportation System Plan Project UU-01 & UU-02 Wastewater Collection System Master Plan Project CIP-33	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

A City of Wilsonville resolution approving Amendment No. 3, Guaranteed Maximum Price 3 (GMP 3), to the Progressive Design-Build Agreement with Tapani|Sundt, a Joint Venture, for the Boeckman Road Corridor Project (BRCP) in the amount of \$36,836,661.92.

EXECUTIVE SUMMARY:

At their June 6, 2022 meeting, the City Council approved Resolution No. 2976 authorizing the Progressive Design Build (PDB) agreement with Tapani|Sundt, a Joint Venture (TSJV), in association with KPFF (Design-Builder), for engineering design, environmental permitting, and right-of-way acquisition support services for the BRCP, with provisions to negotiate a Guaranteed Maximum Price (GMP) for individual construction packages. Each GMP requires authorization by the City Council and Urban Renewal Agency (URA) through an amendment to the PDB agreement prior to proceeding with construction activities. GMP 1 was previously authorized through Resolution No. 3020 and URA Resolution No. 335 on February 23, 2023. GMP 2 was previously authorized through Resolution No. 3021 and URA Resolution No. 336 on July 17, 2023.

Under GMP 1, TSJV constructed the traffic signal at Stafford Road and 65th Avenue in Clackamas County. The signal will assist traffic safety and congestion when detours are incorporated on Boeckman Road during bridge construction. Under GMP 2, TSJV replaced the undersized culverts at Meridian Creek. The new culverts will improve flow conveyance and direction to avoid flooding and property damage from erosion.

This is the third of three GMPs expected to complete the BRCP, which in its entirety consists of the following five adjacent and interconnected high priority Capital Improvement Projects (CIP):

- Boeckman Road Sanitary Sewer – CIP #2102 – extends sanitary sewer service to the Frog Pond development areas.
- Boeckman Road Street Improvements – CIP #4205 – completes urban street design standards that will serve all transportation modes and connect neighborhoods and local schools.
- Canyon Creek/Boeckman Intersection – CIP #4206 – addresses intersection capacity needs at Canyon Creek Road.
- Boeckman Dip Bridge – CIP #4212 – improves city-wide transportation connectivity and safety concerns associated with the Boeckman “Dip” and will re-establish fish and wildlife passage through culvert removal and creek channel restoration.
- Meridian Creek Culvert Replacement – CIP #7067 – replaces undersized culverts at Meridian Creek. *Note: This project is nearing completion under GMP 2.*



Given the complexities of the BRCP, the PDB project delivery approach offers several advantages over the more traditional Design-Bid-Build approach (such as collaboration between design and construction teams, schedule flexibility, cost efficiencies, scope adaptability, and reduced public impacts). For the BRCP, the GMPs represent one of the most significant advantages of the PDB approach by allowing adaptable phased construction and early material procurement, both of which can expedite the overall project duration.

The BRCP project team prepared Amendment 3 – GMP 3 to deliver the third round of project elements to achieve the overall project goals. GMP 3 constructs the Boeckman Road sanitary sewer, the Boeckman Road east street improvements, the Canyon Creek/ Boeckman roundabout, and the Boeckman Dip Bridge. GMP 3 work includes:

- Install approximately 2,500 feet of 18-inch diameter sewer main from Stafford Road to the east side of Boeckman Creek to serve the Frog Pond expansion areas
- Widen and modernize just under one mile of existing roadway from Stafford Road to SW Canyon Creek Road to a Minor Arterial standard including:
 - Medians
 - Lighting
 - Landscaping and irrigation
 - Separated pedestrian and bicycle facilities along the corridor
 - New rectangular rapid flashing beacon (RRFB) pedestrian crossing at Willow Creek Drive and relocate RRFP at Sherman Drive to better serve the future Frog Pong Primary School
 - Pavement reconstruction with asphaltic concrete
 - Updated striping and signage
- Upgrade and improve over 3,000 feet of storm drainage and water quality systems for Boeckman Road to current standards
- Coordinate construction of franchise utility joint trench and pathway to underground all overhead service except for the Portland General Electric (PGE) transmission power
- Extend City fiber pathway in accordance with Public Works Standards
- Protect significant trees
- Construct three-span Boeckman Dip Bridge over Boeckman Creek including:
 - Bicycle and pedestrian facilities, architectural features, and lighting
 - Drive deep pile foundations for the abutments and bridge structure
 - Place structural fill and construct Mechanically Stabilized Earth (MSE) walls with concrete and rock facing for the bridge abutments; monitor settlements
- Grade city maintenance access to the underside of the bridge for trail, storm, and sewer maintenance
- Construct roundabout at Boeckman Road and SW Canyon Creek Road
- Reconstruct north end of Canyon Creek South Road to allow right-in and right-out access to Boeckman Road
- Demolition, grading, and erosion and sediment control
- Provide temporary traffic control and signage, including detours for the Boeckman Road closure during the bridge construction
- Department of State Lands (DSL) and Army Corps of Engineers permit compliance
- Construction engineering support services led by the Engineer of Record (KPF)

Amendment 3 – GMP 3 also includes:

- Contingencies and Owner allowance for unknown, uncertain, or variable items and/or their quantities
- Contractors fee in accordance with the PDB agreement

- Oregon corporate tax
- Contract amendments that clarify City of Wilsonville and TSJV responsibilities In order to provide the City with more certainty that the Guaranteed Maximum Price established by Amendment 3 – GMP 3 will not be increased unless the City directs changes or additional work or if unknown conditions are encountered that could not be reasonably anticipated.

In consultation with the environmental permitting and regulatory agencies, the project team has determined that the culvert removal and creek channel restoration work should be permitted as part of the stream flow mitigation work necessary to offset increased flows due to the culvert removal. As a result, additional time is needed to prepare regulatory agency permits for this stream restoration work. In order to proceed with the Boeckman Bridge construction on schedule, the culvert removal and creek channel restoration work will be completed under a separate, future contract and are not included in GMP 3 as originally envisioned. The regulatory agencies are agreeable to advancing the bridge construction work, as long as the City permits and constructs the creek channel restoration and flow mitigation work by the end of 2026. Design and permitting of this work is underway and will occur in parallel with the Boeckman Bridge construction.

Amendment 3 – GMP 3 was prepared in accordance with the PDB agreement and Oregon public contracting requirements. The processes below demonstrate how the BRCP is engaging in competitive pricing and favoritism is not being encouraged through the PDB process.

- The Design-Builder, City staff, and the City’s Owner’s Representative (Consort Engineers) negotiated GMP 3.
- Independent cost estimators (ICEs) provided review of all pay items, quantities, and bid prices for both self-perform and subcontracted work. City staff obtained a second ICE opinion on the GMP 3 overall Schedule of Values to validate pricing.
- The TSJV Scope of Work (attached to Resolution No. 3022) documents 41 categories of trades or suppliers for which competitive pricing has or will be obtained and the work will be subcontracted based on low bid.

EXPECTED RESULTS:

GMP 3 allows the Design-Builder to most efficiently deliver and substantially complete the largest BRCP project elements, including the Frog Pond sewer extension and the Boeckman Bridge, roadway, and intersection improvements by mid-2025. This timing allows those elements to be complete before the new Frog Pond Primary School opens on Boeckman Road.

TIMELINE:

The current project schedule indicates the sewer, bridge, and roadway work in GMP 3 will begin in late December 2023 and be substantially complete in summer 2025. The culvert and flow control structure removal and stream restoration work to re-establish fish passage to this reach of Boeckman Creek will follow under a separate construction contract in 2025 and 2026.

CURRENT YEAR BUDGET IMPACTS:

The amended budget for Fiscal Year (FY) 2023/2024 includes funding for owner’s representative services, engineering design, right-of-way acquisition, partial construction, contract administration, and overhead for the BRCP. The Meridian Creek Culvert (CIP #7067) was completed under GMP 2.

The source of project funds for the GMP 3 work include Sewer Operations (Ops) and System Development Charges (SDC), Road SDC, Frog Pond Infrastructure Fee, Year 2000 Urban Renewal Agency (URA), and Road Capital Improvement Program (CIP) as summarized below:

CIP No.	Project Name	Funding Source	FY 2023-2024 Amended Budget	GMP 3 Amount
NEW	Boeckman Rd Water Relocation	Water Ops	\$0	\$1,000,000.00
2102	Boeckman Rd Sanitary Improvements	Sewer SDC/ Frog Pond Fee	\$1,013,195	\$2,704,000.00
4205	Boeckman Rd Street Improvements	Road SDC/Frog Pond Fee	\$5,166,336	\$6,531,000.00
4206	Canyon Creek/Boeckman Roundabout	Road SDC	\$2,630,696	\$3,142,000.00
4212	Boeckman Dip Bridge	Road CIP/Year 2000 URA	\$17,272,690	\$23,459,661.92
		TOTAL	\$26,082,917	\$36,836,661.92

GMP 3 reflects previously unanticipated additional scope mandated by soil conditions and higher costs related to local supply and demand of goods and services in the Portland Metro region. But most significantly, the BRCP is impacted by severe inflation that has increased nation-wide construction costs (equipment, materials, and labor) to record levels in the last two years. Construction inflation has been difficult to predict or even quantify since 2021. The Engineering News Record - Seattle Construction Cost Index posts construction cost increases 20% in that timeframe. The Mortenson Portland Area Construction Cost Index has increases of 30% since that time. The City’s local data has shown bid price increases of 80% in the same two-year period for items like asphalt and aggregate backfill.

What remains in the BRCP project budget is insufficient for all of GMP 3. The current FY 2023-24 budget is sufficient for GMP 3 work to be performed during this funding year, however, the overall project total will need to be increased during the FY 2024-25 budget process to reflect the total GMP 3 contract cost of \$36,836,661.92.

Finance and Engineering staff have developed a plan to fill the BRCP funding gap, estimated at approximately \$13 million, through addition of water operating funds to pay for the water line relocation on the Boeckman Bridge, addition of Road Operating and Clackamas Vehicle Registration Fee funds, and interfund loans to be repaid through a portion of Willamette Water Supply Program right-of-way lease payment and Frog Pond Infrastructure Fee.

For the stream restoration and flow mitigation work to be constructed as a future, separate project, staff recommends delay of storm water maintenance projects identified in the CIP for up to two years until the restoration costs are better quantified.

Staff recommends moving forward with GMP 3 and will be seeking any cost savings as construction advances.

COMMUNITY INVOLVEMENT PROCESS:

After public vetting and adoption into master plans, the Frog Pond Master Plan, and the Urban Renewal Year 2000 Plan amendment, the BRCP design began in early 2022. BRCP public outreach activities kicked off and now include frequent project updates to the community and opportunities to provide feedback on project priorities and concerns. The project team has sponsored several public events have been held, including the 2022 and 2023 Block Parties, Popsicles in the Park, two open houses at Meridian Creek Middle School, and a project survey on Let’s Talk, Wilsonville!

A ceremonial groundbreaking event was held in August which garnered earned media coverage from the *Wilsonville Spokesman* furthering the reach of the city’s message about the project, progress, and construction impacts. Most recently, the project team organized an October 17 remote meeting with the Morgan Farms Homeowners Association to share information and respond to questions about project status, design, and what to expect during construction.

Ongoing outreach and public participation (particularly information about traffic delays and the detour) occurs through the project website, the project e-newsletters, text message and email alerts about travel conditions related to the project, and Boones Ferry Messenger articles. The project team also continues to directly communicate with individual stakeholders using mailings, phone calls, and meetings.

Link to the project website and news updates:

<https://www.ci.wilsonville.or.us/engineering/page/boeckman-road-corridor-news-and-updates>

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

The BRCP includes roadway improvements necessary to provide safe and accessible transportation infrastructure, improving the City’s local transportation network and benefitting the community. The just completed upsizing and realigning of the existing Meridian Creek culverts will alleviate potential flooding risks and property damage. Also just completed, the temporary traffic signal at the Stafford Road/65th Street intersection will improve safety and level of service during detour conditions when the “dip” is closed during bridge construction. The roundabout at the Canyon Creek/Boeckman intersection will offer a safer, more efficient transportation connection along an important school access route and transition between office/industrial on the north and west to residential neighborhoods on the south and east. The sanitary sewer extension is necessary to serve the Frog Pond development areas. The future bridge will flatten the “dip”, provide safer travel conditions for all users, and allow for upcoming fish passage and stream and wildlife habitat improvement for the watershed.

ALTERNATIVES:

Resolution No. 3022 is recommended at this time to allow an efficient progression of the BRCP construction and complete the most significant elements of the project. If Amendment 3 – GMP 3 is not approved at this time, the Council could decide to either:

- “Off-ramp” from the PDB delivery approach (cancel the Progressive Design Build contract with TSJV) and then publicly bid the items in GMP 3. The risks associated with this alternative include:
 - No guarantee that the City will receive a lower price by publically bidding construction of the project.
 - City accepts risk that the design and construction documents are complete, which could result in additional change orders, project costs, and delays. Under PDB, TSJV is responsible for the design and construction documents and retains the risk.
 - Inflation has leveled off, but is not decreasing and is predicted to keep rising over the next twelve months. Added delay may result in increased costs.
 - Construction will be delayed at least six months. While the road work in front of the school could be completed in time, the bridge construction will not be finished before the new Frog Pond School opens.
- “Shelve” the project and delay its construction to a future time. Staff does not recommend this option for the following reasons:
 - Sanitary sewer pipeline is necessary for Frog Pond East and South.
 - Canyon Creek/Boeckman Road intersection is one of the City’s highest injury crash locations and the roundabout provides needed safety improvements.
 - Canyon Creek/Boeckman Road intersection does not meet Level of Service (LOS) operational standards and capacity improvements through roundabout construction is needed for Frog Pond development to continue per City concurrency requirements.
 - Boeckman “Dip” has a vertical curve safety deficiency that must be corrected by raising the roadway surface elevation before capacity improvements are made to the Canyon Creek/Boeckman Road intersection. The only way to raise the roadway surface elevation is through construction of a bridge over Boeckman Creek.
 - The City is responsible for the Boeckman Road improvements fronting Frog Pond West through collection of the Frog Pond Infrastructure Fee. These roadway improvements provide necessary safety improvements that need to be in place prior to opening of the new Frog Pond School.
 - Construction inflation continues to increase and delay will likely result in higher construction costs.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 3022
 - A. Guaranteed Maximum Price Amendment 3 to the Progressive Design-Build Contract for the Canyon Creek Round-A-Bout, Boeckman Road Bridge, Sanitary Sewer, and East Boeckman Road Improvements of the Boeckman Road Corridor Project