

ORDINANCE NO. 185836

Adopt findings, authorize an exemption to the competitive bidding process to Procurement Services pursuant to ORS 279C and PCC 5.34, authorize contracts, and provide payment for construction of the Washington Park Reservoirs Improvements Project (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City of Portland (City) Water Bureau (PWB) is a water utility that provides drinking water to over 800,000 people. PWB strives to provide the highest quality water to enhance the public health and safety, and contribute to the economic viability and livability of the Portland metropolitan region. We are a recognized leader among water service agencies across the country.
2. The goal of the Washington Park Reservoirs Improvements Project is to provide increased reliability of stored drinking water at PWB's Washington Park Reservoir (WPR) site and to protect the stored water.
3. The PWB's current vision, as identified in the Long Term 2 Enhanced Surface Water Treatment Rule (LT2) Storage Recommendation (March 2009), is to replace the existing open finished drinking water reservoir (WPR No. 3) with 15 million gallons of buried storage on-site generally within the existing footprint and to disconnect a second open finished drinking water reservoir (WPR No. 4) from the public water system.
4. The project will require specialized skills and experience in reservoir construction methodology, sequencing, scheduling, and cost estimating. Technical and specialized expertise will be needed to work around the historic features and minimize impacts to those unique features. The construction of the Washington Park Reservoirs will require a highly specialized and qualified contractor in order to meet the tight project schedule and technical site constraints. The work will require excavation in a hillside with steep slopes with an existing landslide. A large portion of the project site lies within an environmental protection zone that will require minimal disturbance during construction activities. Due to the large excavations and the steep slopes, erosion control will be critical. An alternative contracting method utilizing a Construction Manager/General Contractor (CM/GC) will allow the Water Bureau to maintain a higher level of security, confidentiality, and control of system operations.
5. The PWB proposes to use an alternative contracting method in order to establish a CM/GC to provide input during the design process for value engineering, constructability review that will assist in developing a construction phasing plan and to assist in the land use review and permitting processes. Use of an alternative contracting method is more likely to minimize costs and construction impacts thereby ensuring continuous delivery of high quality water.

6. The City Council is the Local Contract Review Board with the authority to exempt certain public contracts from the competitive bidding requirements of ORS Chapter 279C.
7. Findings addressing competition, operational, budget and financial data, public benefits, value engineering, specialized expertise required, market conditions, technical complexity, public safety, and funding sources recommended by the Water Bureau were available 14 days in advance of the public hearing of this ordinance.
8. The City will invite prospective contractors to submit competitive proposals in response to the City's Request for Proposals (RFP). This will be a one-step RFP process. The Selection Committee will select the CM/GC based on an evaluation of the proposals. The selection committee will include staff from the Water Bureau, and others from the community, including a minority evaluator(s) as required per Resolution 36757. The selection process will be completed under the guidance and direction of Procurement Services.
9. The exemption of the Washington Park Reservoirs Improvements Project from the requirements of competitive bidding under ORS Chapter 279C is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts because the contract will be awarded using a competitive RFP process. In addition, the award will result in cost savings to the public because the CM/GC will be integrated into the design team for value engineering, constructability review, and assistance in developing a construction phasing plan. The early integration will greatly reduce the chances of redesign and change orders. Developing a well-coordinated project schedule, and ensuring continuous delivery of potable water is a significant advantage to the CM/GC process. An extensive discussion of the CM/GC procurement method is noted in the Factual Findings, Exhibit A.
10. The Engineer's estimate for construction costs is \$38 million with a Low Confidence Level Rating. Funding of \$150,000 is approved in the Water Bureau FY 2012-13 Budget and additional funding will be requested in the FY 2013-14 through FY 2020-21 Budgets.

NOW, THEREFORE, the Council directs:

- a. The Findings attached as Exhibit A to the original of this Ordinance, are hereby adopted.
- b. The Washington Park Reservoirs Project is hereby exempt from the competitive low bidding requirements of ORS Chapter 279.
- c. The Chief Procurement Officer is authorized to use a competitive Request for Proposal process to select a CM/GC contractor for the Project and, upon selection of a CM/GC, authorized to execute a contract for CM/GC pre-construction services during design of the Project.
- d. Upon Council's acceptance of the Chief Procurement Officer's report for recommending the acceptance of the Guaranteed Maximum Price from the CM/GC for the Project, the

Chief Procurement Officer is authorized to execute a contract for construction of the Project.

- e. The Mayor is authorized to draw and issue checks chargeable to Water Fund when demand is presented and approved by the proper authorities.
- f. As required by ORS 279C.355 and PCC 5.34.820C, the Water Bureau will prepare and deliver a post project evaluation to the Chief Procurement Officer on behalf of City Council, within 30 days of the date the City accepts the project.

Passed by the Council,

DEC 19 2012

Mayor Sam Adams

Prepared by: Teresa Elliott/KBrenes

Date Prepared: November 9, 2012

LaVonne Griffin-Valade

Auditor of the City of Portland

By



Deputy

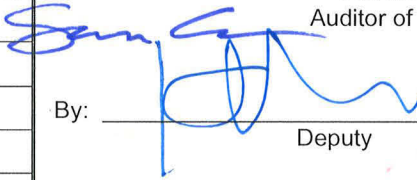


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Agenda No. **185836**
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Title

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INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED DEC 07 2012
COMMISSIONER APPROVAL	LaVonne Griffin-Valade Auditor of the City of Portland
Mayor—Finance and Administration - Adams	 By: _____ Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
BUREAU APPROVAL	ACTION TAKEN:
Bureau: OMF/Bureau of Internal Business Services CAO: Jack D. Graham  Bureau Head: Bryant M. Enge 	DEC 12 2012 PASSED TO SECOND READING DEC 19 2012 9:30 A.M.
Prepared by: Jeff Blade Date Prepared: 12/6/2012	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date December 12, 2012	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter	

AGENDA
TIME CERTAIN <input type="checkbox"/> Start time: _____
Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/> Total amount of time needed: 15 minutes (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz		<input checked="" type="checkbox"/>
2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	<input checked="" type="checkbox"/>	
Adams	<input checked="" type="checkbox"/>	