EXHIBIT A

COLUMBIA BOULEVARD WASTEWATER TREATMENT PLANT SECONDARY TREATMENT EXPANSION PROGRAM

FACTUAL FINDINGS FOR PROPOSED EXEMPTION FROM COMPETITIVE BIDDING

The Portland Bureau of Environmental Services ("BES") and the City of Portland Procurement Services ("Procurement Services") recommend that the Portland City Council ("Council") approve the following factual findings, including the Additional Findings (as hereinafter defined) (collectively, the "Findings") to exempt the Columbia Boulevard Wastewater Treatment Plant ("CBWTP" or the "Plant") Secondary Treatment Expansion Program (the "Project") from the competitive bidding requirements of ORS Chapter 279C and to approve the Construction Manager/General Contractor ("CM/GC") as the alternative contracting method for the selection of a Construction Manager/General Contractor ("Contractor") for the Project. Capitalized terms used herein have the meaning ascribed to them in the Ordinance.

I. BACKGROUND

BES owns and operates the CBWTP; which protects public health, safety, and the environment by treating wastewater from the City of Portland. The CBWTP was constructed in 1952, with secondary treatment facilities expanded in the early 1970's.

In December 2016, BES submitted an updated Facilities Plan and No Feasible Alternative Analysis for approval of CSO-related Bypass, which evaluated costs and benefits of feasible alternatives to further expand secondary treatment facilities. The plan and analysis recommended the addition of secondary clarification facilities to increase the capacity and resiliency of secondary treatment, particularly during peak wet weather events.

The Project is mandated by the Oregon Department of Environmental Quality (DEQ) to increase the proportion of captured combined sewer flows treated via biological treatment, with a stipulated completion date of December 31, 2024 for the startup of the facilities. As described in the 2016 Facilities Plan, the Project will increase the secondary (biological) treatment system's capacity during peak wet weather flows while providing the ability to take units out of service for extended periods.

The Project includes the following elements:

- Addition of two new secondary clarifiers adjacent to the existing eight.
- Columbia Slough side bank stabilization within the property line for the construction of the clarifiers
- Installation of new return activated sludge (RAS) and mixed liquor (ML) piping connecting the new clarifiers with the existing aeration basins and clarifiers,

including replacement and upsizing of the existing 30-inch RAS line and connections in the Silver tunnel, and new 54-inch ML piping in the Silver tunnel
- Demolition of the Compost Facility, including the odor control system housed in the three west vessels, and adjacent Storage Buildings
- Replacement of the demolished odor control for the Sludge Processing Building
- Replacement of the demolished Storage Buildings
- Installation of an interim odor control facility while design and construction of the permanent facility is completed
- Installation of a permanent odor control facility
- Replacement and relocation of motor control centers (MCCs) and associated transformers from the Silver Tunnel to above grade and protected from the elements
- Relocation of the composter building power and control room for sludge hopper operation
- Complete rehabilitation and upgrade of the Solids Handling Building and associated uses, including sludge thickening, dewatering, odor control, and associated polymer equipment, conveyors, controls, laboratory, where the building requires architectural and seismic upgrades.
- Replacement and upgrades of the biosolids hoppers and associated conveyors, truck load out, and scale.
- Rehabilitation of the structural surface of the vertical walls of the eight aeration basins, including surface preparation, crack injection, spall repairs, joint repairs, and final coating
- Replacement and upgrade of the SLPR boilers, which currently operate on biogas and provide building heat via steam system to the Silver tunnel, the Solids Handling Building, the Dodd building, and the Administration building

The CBWTP continuously receives wastewater and processes biosolids 24 hours a day, 365 days per year. The Project elements must be designed and built in a way that the new facilities can be sequenced and constructed in a manner that maintains CBWTP's ability to continuously treat wastewater and biosolids during Project construction. Due to the complexity of the Project and the various options to achieve the Project goals for performance criteria and scheduling, it has been determined that a CM/GC contracting method is the best way to ensure that the City receives the best value with the least amount of risk of schedule delays, cost overruns, claims, and workmanship issues.

Based on the Findings, using a CM/GC contracting method would support successful completion of the Project in the most efficient and cost-effective manner to achieve community and BES goals. Ordinarily, the City is required to use competitive sealed bidding as the process to award a contract for a proposed Project. Accordingly, the Project needs to be exempted from the requirements of ORS 279C which includes, among other things, the solicitation of competitive low bids. Council is the Local Contract Review Board with the authority to exempt certain public contracts from the competitive bidding requirements of ORS 279C if it is able to approve certain findings justifying an alternative approach.

With the present action, Council will exempt the Project from the competitive bidding requirements of ORS 279C and authorize the CM/GC contracting method. The factual bases to support the required findings, including the Additional Findings are set forth below.

II. NO FAVORITISM OR DIMINISHED COMPETITION

ORS 279C.335 (2) requires that Council make certain findings as a part of exempting public contracts or classes of public contracts from competitive bidding. ORS 279C.335 (2) (a) requires Council to make a finding that, "[i]t is unlikely that such an exemption will encourage favoritism in the awarding of public improvement contracts or substantially diminish competition for public improvement contracts." This finding is appropriate for the Project and is supported by the following facts.

The Contractor will be selected through a two-phased solicitation process, where competitive Request for Qualifications and Request for Proposals ("RFP") processes will be followed. The RFQ for a CM/GC will be advertised in Portland's Daily Journal of Commerce and on the City's Online Procurement Center at least three weeks in advance of the deadline set for submitting responses to the RFQ. Those receiving the highest scores on the RFQ will be short listed and issued a Qualifications-Based Request for Proposal. The number of respondents short-listed will be defined in the RFQ. The proposals will be evaluated by a selection committee based on criteria such as experience, technical expertise, key personnel and staffing, diversity program, safety record, and percentage profit and overhead markup. The selection committee will review and rank the written proposals; hold interviews if necessary; and recommend a Contractor for the CM/GC contract award. As a result of the competitive RFP process, the use of an alternative contracting method for the Project is unlikely to encourage favoritism in the awarding of public contracts.

The alternative process can result in even broader participation and greater competition than the traditional bidding process. All qualified general contractors and construction management firms will have an opportunity to compete. These firms include some that might not be willing to face the uncertainties and potential financial risks associated with bidding and contracting for construction under a traditional design-bid-build competitive bid process. Structuring the Project under a CM/GC contract that includes the Contractor in the design phase allows the selected firm to improve constructability, develop phasing and staging plans to efficiently perform the work with minimal disruption to Plant operations, and determine effective construction methods. This may make the Project more attractive to qualified firms because of the opportunity to better understand the Project prior to providing the City with a price for the Project and to reduce their risk in undertaking the Project. Therefore, competition will not be diminished, and may even be enhanced by advertising the Project through a CM/GC process.

III. SUBSTANTIAL COST SAVINGS

ORS 279C.335 (2) requires that Council make certain findings as part of exempting public contracts or classes of public contracts from competitive bidding. ORS 279C.335 (2) (b) requires Council to find that "[t]he awarding of public improvement contracts under the exemption will result in substantial cost savings to the public contracting agency." This finding is appropriate for the Project and is supported by the following facts.

The CM/GC contracting method allows the Contractor to both understand and incorporate value-engineering ideas, and to participate in the acquisition of permits during the Project design phase, reducing the overall cost of the Project and avoiding costly change orders or disputes that impact BES's budget or schedule for the Project.

The CM/GC contracting process affords the opportunity for the Contractor to participate during the design phases of the Project, lending its expertise, knowledge, and experience to provide feedback as to whether the Project's proposed design is feasible within the Project parameters. Similarly, this allows the Contractor to make value engineering suggestions, that is, suggestions that propose alternative more efficient and less expensive ways of achieving the same result. This can result in more practical, constructible, and economic design solutions while maintaining the design's integrity. Participation in the design process also enables the Contractor to become more familiar with the Project features and requirements before it prepares its price and schedule for the work. This familiarity means that the Contractor may not include cost contingencies that other contractors frequently include in their bids to take account of uncertainties that are not resolvable during the brief bidding period under a traditional design-bid-build competitive bid process. This is especially true for this Project, which requires the new facilities to be constructed and integrated with existing Plant facilities while keeping the Plant operational and accessible to Plant staff during the construction period.

Finally, the CM/GC contracting process allows the Contractor to participate in the Project permitting processes. By including the Contractor's means and methods with the permit applications, the City will avoid delays and increased costs associated with permit acquisition. It will also avoid permit conditions that require prescriptive means and methods specifications for a competitively bid contract that can lead to change orders and disputes when the low bidder proposes alternate means and methods of construction.

IV. THE FACTUAL BASES TO SUPPORT THE ADDITIONAL FINDINGS

In order to declare the exemption, Council must approve additional findings in the areas set forth below to the extent applicable to this Project (collectively, the "Additional Findings").

A. How Many Persons are Available to Bid

The CM/GC contracting method will result in broader participation and greater competition than the traditional bidding process. All qualified general contractors and construction management firms will have an opportunity to compete. These firms include some that might not be willing to face the uncertainties and potential financial risks associated with bidding and contracting for construction under a traditional design-bid-build competitive bid process. There are a number of qualified firms in the Portland area and beyond that will be able bid on this Project.

B. The Construction Budget and the Projected Operating Costs for the Project

The Project will be funded by the Sewer System Operating Fund. The anticipated construction contract costs are estimated at approximately $89 million. The total Project budget is $146 million. The budget for the Project was set based on the preliminary estimates performed during

the 2016 Facilities Plan and existing budgets in the Bureau's CIP. At planning level, the Project budget includes a -50 percent to +100 percent cost estimating uncertainty. The CM/GC construction method will provide the opportunity for careful consideration of means and methods of construction as well as cost saving measures through construction phasing and timing which will allow for construction without disruption of existing Plant operations.

The CBWTP Operations and Maintenance costs for fiscal year 2017 was $24 million. While operational savings are anticipated with updates to the solids handling facilities, the Project is ultimately adding process units which may increase operations and maintenance costs at CBWTP. Operations and maintenance cost impacts will be part of alternatives selection during the predesign effort. A CM/GC construction delivery method will allow the City to consider specific life cycle costs in actual equipment selection and minimize the long term operational impacts of the new process units.

C. Public Benefits That May Result from Granting the Exemption

There are multiple public benefits in connection with exempting the Project. The CM/GC process is critical to facilitating this complicated Project without interrupting the ability of the existing facilities to treat wastewater. During the design phase of the Project, CM/GC participation with and feedback to the Design Team will be invaluable in determining design features that are critical to successful completion without impacting existing plant operations or neighboring residences or public facilities, including the 40-miles loop trail. The public benefit is a lower risk of water quality issues related to impaired plant operations and a better ability to have the contractor participate in development of a design that allows for means and methods that minimize construction impacts on the CBWTP neighbors.

The alternative contracting method also allows the City opportunities to monitor the Contractor's outreach and utilization of D/M/W/ESB subcontractors to achieve equity goals with the Project during construction.

D. Whether Value Engineering Techniques May Decrease the Cost of the Project

Value engineering is defined as a process by which multiple subject experts evaluate and propose the most efficient and cost effective ways to deliver a project without reducing project quality and functionality. Value engineering will be enhanced on the Project where the contractor can take part in design development and early equipment selection and procurement. In that way, early equipment procurement allows the design team to design the electrical, mechanical, and structural support systems specifically for the selected equipment, rather than have the equipment proposals come after the design or some construction is already completed. This will limit the amount of changes during project construction. Changes after a project is competitively bid can result in project delays for permit revisions and higher costs for the City.

Having the Contractor review the design prior to the start of construction best leverages the value engineering ideas that are accepted and incorporated into the final design. It is less expensive to implement ideas during the design phase than to wait and provide a change order and potential redesign during construction. Additionally, Project permits will require the new facilities to be

built in strict accordance with the approved permit plans that must be developed early in the design process. The permit revision process is lengthy and the cost of the delay and permit revisions would likely prevent the City from realizing benefits from value engineering change proposals made by the contractor after construction has started. Utilizing the CM/GC process and having the Contractor on the Project team during the design and permitting phase will allow the City to realize the full benefits of value engineering.

E. The Cost and Availability of Specialized Expertise Required for the Project

Through the solicitation process, the City will have an opportunity to evaluate and select a Contractor with the specialized expertise required to meet the Project goals. The cost for such specialized expertise is included in the overall Project budget. The Project involves several components that require specialized expertise to implement a high quality Project. Specifically, the Project requires complex construction sequencing, wastewater treatment equipment and piping, shoring and dewatering to protect critical facilities, soil stabilization methods implementation adjacent to the Columbia Slough, electrical power distribution system improvements, and the interconnection and integration of these new facilities with the existing Plant in a manner that maintains existing system operations at all times.

The CM/GC contracting method provides the best opportunity for the City to allocate additional weight in the selection process to contractors with a high degree of specialized expertise necessary for the requirements of the Project.

F. Likely Increases in Public Safety

The CM/GC contracting method allows a contractor's actual safety performance on similar projects to be considered as selection criteria. It also permits the City to work closely with the Contractor during the design phase of the Project to ensure that the construction process provides appropriate safety measures, that the Contractor understands the City's safety concerns and that the Contractor will take appropriate steps to address them. Because CBWTP is an actively operating wastewater treatment facility that must remain accessible for operations and maintenance activities by City staff at all times, it is imperative that the Contractor maintains good safety practices within the construction work zones.

G. Whether Granting the Exemption May Reduce Risks to the City related to the Project

The Project will be constructed in the middle of an existing wastewater treatment plant, adjacent to the Columbia Slough. The City's risk for a discharge permit violation is higher when temporary facilities are required to modify the existing plant. Limiting the time frame during which plant operations rely upon temporary facilities is a major scheduling goal. Using the CM/GC contracting method will allow the City to hire the Contractor during the design phase of the Project. This enables the Contractor to develop a comprehensive construction schedule before initiating the work with input from the Project Team. The interaction between the Project Team and the Contractor during the design process makes it far more likely that the final design will take into account any potential construction problems and allow early coordination of construction phases to minimize impacts to the Plant and surrounding residents and businesses.

The solicitation process for selecting the Contractor allows BES an opportunity to question the respondents to discern their expertise on contracting methods and phasing. This approach also offers the greatest flexibility, risk reduction, reliability, and ease of construction. The Project budget is likely to be more stable as a result of this approach and it is less likely that there will be cost overruns.

H. Whether Granting the Exemption will Affect the Funding Sources for the Project

The overall Project budget is $146 million, including predesign, design, permitting, preconstruction services, construction, and startup and closeout. The Project will be funded by the Sewer System Operating Fund. The exemption will not impact Project funding.

I. Whether Granting the Exemption will Better Enable the City to Control the Impact That Market Conditions May Have on the Cost of and Time Necessary to Complete the Project

The CM/GC contracting method for the Project would reach the same or greater market of construction contractors as the traditional low bid process. Considering the size and location of the Project and major components of work, the solicitation will reach the regional marketplace. The RFP will also require a response addressing the latest market innovations in sequencing and in construction means and methods. In addition, cost savings are anticipated due to the ability for the City to procure specialty equipment during the design and take advantage of market fluctuations. Selection of the Contractor will be made by a committee, which will evaluate qualifications, expertise and ability to deliver on the City's policy goals and community expectations, among other things, in addition to cost to ensure the best combination to achieve the Project objectives.

J. Whether Granting the Exemption Will Better Enable the City to Address the Size and Technical Complexity of the Project

Special technical complexities of the Project include construction of new facilities while ensuring continued operation of existing CBWTP facilities, construction of reinforced concrete hydraulic structures in high water table conditions and unstable soils, coordination of mechanical, electrical, instrumentation and controls disciplines, and implementation of temporary facilities to maintain odor control, solids processing, and secondary treatment. The CM/GC contracting method will allow the Contractor to proactively be involved in the design phase to help develop construction approaches and methods to maximize the quality and constructability of these areas and to assist in obtaining required Project permits. Also, having the CM/GC issue competitively bid treatment equipment procurement packages prior to design completion will allow the design team to tailor the facility design to the actual treatment equipment that is being furnished rather than providing a design that can accommodate all of the potential equipment that could meet the treatment equipment specifications. This early involvement during the design phase and early procurement of treatment equipment will allow the Project Team and the Contractor to actively work together to find solutions to complete the Project in the most efficient manner possible.

K. Whether the Project Involves New Construction or Renovates an Existing Structure.

The Project includes both new construction and renovations to existing facilities.

L. Whether the Project Will be Occupied or Unoccupied During Construction

The Project will be occupied and treating wastewater for the duration of the Project.

M. Whether the Project Will Require a Single Phase or Multiple Phases of Construction Work to Address Specific Project Conditions.

The Project is anticipated to include multiple construction packages in a single phase once construction commences. It is necessary to carefully consider the means and methods of construction and possible phasing options during the design phase of the Project to ensure a minimum of delays and costs during construction.

N. Whether the City Has or Will Retain Personnel, Consultants and Legal Counsel that Have Necessary Expertise and Substantial Experience in Alternative Contracting Methods to Assist in Developing the Alternative Contracting Method and to Help Negotiate, Administer and Enforce the Terms of the Project Contract

City personnel have the expertise and experience necessary to effectively implement the CM/GC contracting method and to negotiate, administer and enforce the terms of the resultant construction contract for the Project. By the time the CM/GC contract is awarded, the City will have proceeded with selection of design consultants for the Project where qualifications to work collaboratively under a CM/GC project delivery will be considered, and where another contract is intended to be awarded for program controls support to assist with cost estimates evaluation, establishing program controls procedures, auditing, and contract management and schedule control.