


## IMPACT STATEMENT

**Legislation title:** Approve findings to authorize an exemption to the competitive bidding requirements and authorize the use of the alternative contracting method of Construction Manager/General Contractor (“CM/GC”), all in connection with the Columbia Boulevard Wastewater Treatment Plant Secondary Treatment Expansion Program for an estimated amount of \$89,000,000 (Ordinance).

**Contact name:** Larry Pelatt, Interim Chief Procurement Officer   
Muriel Gueissaz-Teufel, Program Manager

**Contact phone:** Larry Pelatt – 503.823.1095  
Muriel Gueissaz-Teufel – 503.823.2498

**Presenter name:** Larry Pelatt

### Purpose of proposed legislation and background information:

The purpose of this legislation is to authorize the City to use a Construction Manager/General Contractor (CM/GC) contracting method that would support successful completion of the CBWTP Secondary Treatment Expansion Program (“Project”) in the most efficient and cost-effective manner to achieve BES goals. This ordinance allows the City to pursue an alternative contracting method. Once approval is granted, a separate Request for Proposal (RFP) process will occur to select the most qualified contractor to engage in the design phase of the project as well as construct the improvements identified. One or multiple Guaranteed Maximum Price(s) (GMP) will be developed to cover the complete construction costs of the Project and brought to City Council for approval prior to construction activities starting.

The project and the preceding facilities planning effort are consistent with the 2011-2016 BES Strategic Plan priorities and strategies. Specifically, the project is an investment in the Columbia Boulevard Wastewater Treatment that implements the BES Strategic Plan Strategy to “Invest in facilities, projects, and approaches that allow us to cost-effectively improve our infrastructure and meet operational and regulatory requirements.”

The CBWTP Facilities Plan and the No Feasible Alternatives Analysis for an approval of CSO-Related Secondary Treatment Bypass which recommended the project were submitted in December 2016 to the Oregon Department of Environmental Quality (DEQ). The recommendations were developed with input from the CBWTP Citizens Advisory Committee. The recommendations of the plan and analysis were approved by the DEQ in March 2017. Under the recently amended 2011 Mutual Agreement and Order with DEQ related to CSO capture and treatment, the City is required to complete the expanded secondary treatment facilities by December 2024.

### Financial and budgetary impacts:

A secondary expansion project was originally identified in the City’s budget for \$56,000,000. For constructability, sequencing, and risk reduction purposes, the initial project is now combined into a program to include other improvements previously identified in the City’s budget for a total combined construction cost estimate of \$89,000,000. Design work has not started and the level of confidence is “Low”, based on Class 5 AACE estimates, which provide order of magnitude costs with a broad range of accuracy of +100 percent to -50 percent of actual costs. Approximately \$9,000,000 of the construction costs, or 10 percent of the estimated construction costs, are allowances developed using engineering judgment based on experience.

While operational savings are anticipated with updates to the antiquated 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.

**Budgetary Impact Worksheet****Does this action change appropriations?**☐ **YES:** Please complete the information below.☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

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PP&R Finance Manager Approval