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191039

Emergency Ordinance

***Amend contract with Moore Excavation, Inc. for additional compensation due to increased bid item quantities and changed conditions for the NE 33rd Ave and NE Knott St Emergency Sewer Project, No. 11501, not to exceed \$936,000 (amend Contract No. 30008167)**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. In late May 2022, because of a sinkhole appearing at NE 33rd Ave and NE Knott St, the Bureau of Environmental Services discovered the 110-year-old 66-inch sewer junction chamber structure was severely deteriorated, with no access from the street surface.
2. In July 2022, Ordinance No. 190967 authorized an emergency procurement for construction services and Procurement Services conducted a competitive solicitation process for the lowest responsive bidder in accordance with Chapter 5.34 of the Portland City Code. The lowest responsive bid was Moore Excavation, Inc. in the amount of \$724,100.00. Contract No. 30008167 was executed and Moore Excavation, Inc. was issued a Notice to Proceed on July 27, 2022.
3. During excavation of the existing deteriorated pipe and structure, unforeseen conditions were encountered, including additional deteriorated pipe and pipe joints, unanticipated deteriorated concrete structures, and additional voids in the subsurface soils, some of which have migrated to the surface, resulting in large sinkholes.
4. To maintain levels of service, protect the community, adjacent utilities, and the environment, and to minimize impacts to the neighborhood, these unforeseen conditions need to be addressed as part of the existing emergency contract.
5. The engineer's estimate for the costs of repair, replacement, and restoration needed to address the changed conditions, including construction contingency, is an additional \$936,000, a 129% increase to the original contract. This will result in a total contract amount of

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Environmental Services](#)

Contact

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Requested Agenda Type

Consent

Date and Time Information

Requested Council Date October 19, 2022

\$1,660,100. Additional construction duration is anticipated to be six (6) weeks.

6. The established additional cost is \$936,000, resulting in a total contract amount of \$1,660,100. The level of confidence is high. Funds are available in the Sewer System Operating Fund, FY 2022-23 Budget, Bureau of Environmental Services, BES Project No E11501.

NOW, THEREFORE, the Council directs:

- A. The Bureau of Environmental Services Director or designee is authorized to execute a change order to Contract No. 30008167 with Moore Excavation, Inc. to increase the total contract amount to \$1,660,100.
- B. The Bureau of Environmental Services Director or designee is authorized to execute subsequent change orders to the contract, provided the cumulative total of all change orders does not exceed 25% of the new contract value of \$1,660,100.
- C. The Mayor and City Auditor are hereby authorized to pay for the contract from the Sewer System Operating Fund Budget when demand is presented and approved by the proper authority.

Section 2. The Council declares that an emergency exists because of the risks posed to the traveling public, property, and the existing utilities in the area; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
October 19, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

Purpose of Proposed Legislation and Background Information

In May 2022 investigation of sinkholes in the highly traveled intersection of NE 33rd Ave and NE Knott St resulted in the identification of deteriorated BES infrastructure including 30-inch, 60-inch and 66-inch pipes and a concrete junction structure where the three pipes meet. Due to the risks to the public, environment, and adjacent utilities this condition posed, in July 2022, an Emergency Declaration was executed. Procurement conducted a competitive solicitation process for the lowest responsive bidder in accordance with chapter 5.34 of the Portland City Code. The lowest responsive bid was submitted by Moore Excavation, Inc. in the amount of \$724,100.00 and Contract No. 30008167 was executed. Moore Excavation, Inc. was issued Notice to Proceed on July 27, 2022.

During excavation of the existing deteriorated pipe and structure changed conditions were encountered including

- Additional deteriorated pipe and pipe joints in the 30-inch pipe
- An unanticipated deteriorated concrete structure beneath the junction structure
- Additional voids in the subsurface soils, some of which have migrated to the surface resulting in large sinkholes.

To maintain levels of service, protect public safety, existing utilities, and the environment these previously unforeseen conditions need to be addressed as part of the existing emergency contract with Moore Excavation, Inc. This legislation will authorize amending the existing contract to address these conditions.

Financial and Budgetary Impacts

- Engineer's estimate for the contract amendment, including contingency, for repairing, replacing and/or otherwise addressing the unanticipated changed conditions is \$936,000.
- Costs of addressing the changed conditions are being negotiated with Moore Excavation, Inc. Negotiations take into consideration historic BES project costs, specific project elements and current market conditions.
- Funds are available in the Sewer System Operating Fund, FY 2022-23 Budget, Bureau of Environmental Services, BES Project No E11501
- Given the nature of the subsurface deficiencies noted and the potential for additional deteriorated structures to be uncovered the level of confidence for this estimate is moderate.

Community Impacts and Community Involvement

Significant impacts to the community are anticipated (and have already occurred), due to the need to close the intersection of NE 33rd and NE Knott to traffic for the duration of the project. The construction zone needed for the replacement of the junction structure and the 30-inch pipe does not allow for maintaining traffic on NE 33rd or NE Knott through the area. This intersection is quite busy, and there are few nearby detour routes that avoid cutting through neighborhood streets.

Because of the emergency nature of the project, BES staff were not able to conduct the thorough outreach and information campaign that would typically accompany a project of this type. We recognize that the surprise of this project creates additional complexity and concern. BES has dedicated additional staff resources to collecting and responding to neighborhood concerns during construction.

Although there are significant traffic impacts, this work will address the immediate risk of roadway collapses due to sinkholes and the release of sanitary sewage to homes, businesses, and streets. It will also reduce the risk and improve system reliability for years to come.

Significant effort and outreach have been conducted throughout the neighborhood to address concerns, especially regarding the temporary traffic detours required to complete this emergency work.

BES has worked closely with our PBOT partners to assess and modify traffic controls and install safety measures to reduce speeds and cut through traffic in the neighborhood.

BES Public Involvement (PI) is assisting with community outreach on this project.

- PI staff developed a contractor door notice that includes construction impacts and contact information for both the construction contractor (MEI) as well as BES PI staff. This door notice was distributed in the project area (2-block radius) prior to the work.
- BES staff developed a project webpage and are regularly updating it with project information. In addition, BES PI staff will send out weekly project communications via email and social media (Nextdoor) to keep neighbors informed.
- BES Staff have sent out traffic advisories via the flash alert system and have coordinated closely with PBOT and Trimet to ensure active communication about the closure.

BES Staff have also reached out to PPS to ensure that school bus operations are not negatively impacted. To communicate emergency project updates affecting student transportation further effectively, BES Staff also connected with PBOT's Safe Routes to School communications team; as well as with administrators, teachers, staff, and concerned citizens at Grant Park Church, Small Wonders Preschool, and Grant Park High School.

BES PI Staff are in daily contact with residents throughout the project area. Staff have responded to dozens of calls and the construction team has worked closely with PBOT and the contractor to update traffic control plans to increase public safety. Multiple modifications have been made to respond to community need, including additional signage, the addition of flaggers, hard closure of NE Knott and NE 33rd, Type III barricades, temporary speed bumps, and electronic speed reader boards.

BES will continue to provide a dedicated staffer to respond to community concerns throughout the remainder of this project.

100% Renewable Goal

- This project will neither increase nor decrease the City's total energy use.
- This project neither contributes nor takes away from the City's goal of meeting 100 percent of community-wide energy needs with renewable energy by 2050.

Budget Office Financial Impact Analysis

This ordinance would approve a 129% increase to the original contract, adding \$936,000 to the initial \$724,100 bid for a new total of \$1,660,100. The increase of costs is due to encountering additional deteriorated structures while excavating the site. Given the nature of this kind of project, the confidence for this estimate is moderate. The bureau has funds available in the Sewer System Operating Fund specific for this specific amendment.

Agenda Items

865 Consent Agenda in October 19, 2022 Council Agenda

Passed

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Absent

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Mayor Ted Wheeler Yea