



[Home](#) / [Council Documents](#)

## 191683

Ordinance

### Approve findings to authorize an exemption to competitive bidding requirements and authorize use of the alternative contracting method of Construction Manager/General Contractor for the Columbia Boulevard Wastewater Treatment Plant Blower System and Building Improvements Project for an estimated amount of \$26,300,000 (Project E11038)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The City of Portland Bureau of Environmental Services (BES) owns and operates the Columbia Boulevard Wastewater Treatment Plant (CBWTP) which protects public health, safety, and the environment by treating sanitary sewage and stormwater from the City of Portland in accordance with State of Oregon Department of Environmental Quality (DEQ) issued National Pollutant Discharge Elimination System (NPDES) permit requirements.
2. The blower system in the CBWTP is required for the operation of the plant's aeration basins. The blower system, including four (4) blowers, were initially installed in early 1970s and then two of blowers were replaced in early 1990s. Since 1970s, the blower system has been operated 24 hours a day, 365 days a year for about 50 years.
3. The CBWTP Blower System and Building Improvements Project (Project) is to address deficiencies of the CBWTP blower system which has reached the end of its useful life, to improve system reliability, enhance energy efficiency and meet future wastewater treatment operation needs.
4. The Project will require specialized skills and experience in construction methodology, risk management, construction safety measures, construction sequencing, scheduling, and cost estimating to successfully integrate the new system with the existing CBWTP facilities while maintaining plant operation in compliance with NPDES permit requirements during construction.

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Environmental Services](#)

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date


April 10, 2024

5. Procurement Services and BES recommend using the alternative contracting method of Construction Manager/General Contractor (CM/GC) for the Project.
6. The Council is the Local Contract Review Board with the authority to exempt certain public contracts from the competitive bidding requirements of ORS Chapter 279C and Portland City Code 5.34.
7. Draft findings addressing favoritism, competition, operations, budget and financial data, public benefits, constructability reviews, specialized expertise required, public safety, market conditions, technical complexity, and funding sources recommended by the City, substantially in the form attached here to as Exhibit A (collectively, the Findings), were made available and a notice of the public hearing of this Ordinance was published fourteen (14) days in advance of this public hearing.
8. The estimated Construction Contract is approximately \$26,300,000, following AACE Class 5 cost estimating methods, with estimated ranges between -50% to +100%. Funds are available in the Sewer System Operating Fund, FY 2023-2024 budget, Bureau of Environmental Services, BES Project Number E11038. The Project Estimate Confidence Level Rating Index, per Binding City Policy BCP-ADM-1.13, is Low.

NOW, THEREFORE, the Council directs:

- A. Council hereby approves the Findings, as attached as Exhibit A, and on that basis exempts the CBWTP Blower System and Building Improvements Project from the competitive bidding requirements of ORS 279C.
- B. The Chief Procurement Officer is hereby authorized to use an alternative competitive solicitation process to select a CM/GC contractor for the Project and, upon selection of a CM/GC, is authorized to execute a contract for CM/GC pre-construction services during the design phase of the Project, provided the contract has been approved as to form by the City Attorney.
- C. The Mayor and 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.
- D. Upon the Council's acceptance of the Chief Procurement Officer's report recommending the acceptance of one or more Guaranteed Maximum Price(s) from the CM/GC for the Project, the Chief Procurement Officer is authorized to negotiate and execute a contract for the construction of the Project, provided the contract has been approved as to form by the City Attorney's office.
- E. As required by ORS 279C.355 and PCC 5.34.820C, BES will prepare and deliver a post project evaluation to the Council on behalf of the Chief Procurement Officer, once the City accepts the Project as complete.

## Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-a-e11038-blower-building-improvements-project-cmgc-findings.docx\)](https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-a-e11038-blower-building-improvements-project-cmgc-findings.docx) 49.6 KB

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  
April 10, 2024

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### 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 to support successful completion of the Columbia Boulevard Wastewater Treatment Plant (CBWTP) Blower System and Building Improvements Project (Project). 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 more Guaranteed Maximum Price(s) will be developed for complete construction costs of the Project and reported to City Council for approval prior to construction.

The Project is to replace the existing blower system and air piping and implement structural improvements to the blower building in CBWTP. The Project will improve the blower system reliability, enhance energy efficiency, extend facility service life, and meet future NPDES permit requirements and operation need.

The use of CM/GC contracting method in the Project will allow BES to select a contractor with the experience and qualifications necessary to:

- Coordinate and perform complex wastewater treatment facility construction and with demonstrated expertise in participating in a collaborative design process,
- Deliver input during the design process, including construction packaging and sequencing which will minimize operational risks and scheduling delays,
- Provide input on large equipment costs and procurement timelines which can inform design decisions and/or be incorporated into the overall project schedule,

- Review constructability and develop construction phasing plan focused on maintaining continuous plant operations during construction,

The CM/GC method will also support opportunities for disadvantaged, minority-owned, women-owned, emerging, or disadvantaged businesses in the construction contracting community.

## **Financial and Budgetary Impacts**

The estimated planning level project construction cost is approximately \$26.3 million. This is a Class 5 AACE estimate with a broad range of accuracy between +100 percent to -50 percent of actual costs. Design work has not started, and the level of confidence is low.

The Project does not modify current treatment processes at CBWTP, but it may yield operational cost savings and receive incentive for the blower replacement from the Energy Trust of Oregon by improving energy efficiency of the blower system. The overall Project is funded within the five-year capital improvement plan provided in the FY 2023-24 Sewer System Operating Fund Budget.

This legislation does not generate or reduce current or future revenue. In addition, no current positions will be affected, and no positions will be created, eliminated, or reclassified as a result of this legislation.

## **Community Impacts and Community Involvement**

The project is located within the CBWTP campus with limited anticipated impact to the public. The Community Advisory Committee will be updated on a regular basis. Debbie Caselton in BES is the contact for Community Outreach and Public Involvement for this project.

In addition, delivering the Project using alternative contracting supports the City goals to advance goals of equity and inclusion in the construction industry. This Project will apply the Regional Workforce Equity Agreement (RWEA) to promote the inclusion of historically under-represented people, including people of color and women, in construction. The CM/GC method supports training, employment and high-quality opportunities for workers to build pathways in long-term construction careers.

## **100% Renewable Goal**

This project does not contribute to the City's goal of meeting 100 percent of community-wide energy needs with renewable energy by 2050.

## Agenda Items

**273 Regular Agenda** in [April 3, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/4/3)  
(<https://www.portland.gov/council/agenda/2024/4/3>)

Passed to second reading

Passed to second reading April 10, 2024 at 9:30 a.m.

**296 Regular Agenda** in [April 10-11, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/4/10)  
(<https://www.portland.gov/council/agenda/2024/4/10>)

Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea