



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

191861

Ordinance

Amend contract with Total Mechanical, Inc. for additional compensation of \$1,165,664 due to changed conditions for Water Pollution Control Lab Air Handler Replacement Project (amend Contract 30008163)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. On June 29th, 2022, the Council approved Ordinance No. 190901, authorizing an emergency procurement for a construction services contract with Total Mechanical, Inc., to replace the chilled water system in the Water Pollution Control Lab (WPCL).
2. Contract No. 30008163 was issued for \$4,118,794, with change orders to the contract covering unforeseen conditions related to the original scope of work bringing the original contract value up to \$4,930,369.
3. The Bureau of Environmental Services (BES) needs to amend the contract to replace the failing heating hot water system in the WPCL. The heating hot water system has aged beyond its service life and must be replaced to ensure the continued operation of the laboratory.
4. The original contract included only minor modifications to the heating hot water system, focusing on the rest of the Ventilation and Air Condition of the HVAC system. However, during construction, the heating hot water system for the building was found to be in a state similar to the rest of the HVAC system that was being replaced. The heating hot water system has experienced multiple system failures/emergency repairs and needs immediate replacement before the upcoming heating season. In the winter of 2023, the WPCL experienced extensive damage due to deficiencies in the heating system and lost use of part of the building for months while repairs were made.
5. While extensive repairs have been made, the heating hot water system can no longer reliably maintain building temperatures and is unlikely to withstand another winter, particularly if the region continues to experience record low temperatures like those experienced in 2023. Therefore, the system needs to be replaced instead of simply modified.

Introduced by

[Mayor Ted Wheeler](#)

City department

[Environmental Services](#)

Contact

Anthony Bohan

Capital Project Manager III

✉ anthony.bohan@portlandoregon.gov

📞 [971-917-7053](tel:971-917-7053)

Requested Agenda Type

Consent

Date and Time Information

Requested Council Date

August 14, 2024

6. The replacement will be a more efficient and environmentally sustainable heating hot water system that will provide a lower total cost of ownership and will last longer than the current system technology.
7. The laboratory runs 24 hours a day, 7 days a week. Continuous operation is essential to delivering the levels of service required by BES as a public utility dedicated to the environment and public health and safety. Interruptions in laboratory operation will jeopardize regulatory compliance, and adversely affect non-BES entities who rely upon dependable and uninterrupted WPCL services.
8. The proposed additional scope will bring the contract value to \$6,096,033. The project estimate confidence level rating is high.
9. The established additional cost is \$1,165,664. Funds are available in the Sewer System Operating Fund, FY 2024-25 Budget, Bureau of Environmental Services, WBS Element E11346.

NOW, THEREFORE, the Council directs:

- A. The Chief Procurement Officer is authorized to amend Contract No. 30008163 with Total Mechanical, Inc., to increase the total not-to-exceed contract value to \$6,096,033, as specified in Section 1, provided the amendment has been approved as to form by the City Attorney.
- B. 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.

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
August 14, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

Water Pollution Control Laboratory (WPCL), located at 6543 N Burlington Ave, is an essential city facility and the largest full-service municipal environmental lab in Oregon. The WPCL is a critical component of public health for the region and generates roughly 60,000 analyses per year, in support of not only BES requirements, but of other City bureaus, such as Parks, Water, and Transportation, and regional partners. Built in 1997, the existing original Heating, Ventilation and Air Conditioning (HVAC) has reached the end of life and is beyond repair. In addition to providing climate control for the laboratory and office spaces the HVAC system runs exhaust to the fume hoods in the laboratory and is an essential component to lab ventilation and

managing pollutants, bacteria, and odor in the building. Proper temperature variability of the building is critical for running samples.

While the system was operating in Winter of 2023 changed conditions were found in the heating hot water system after multiple failures occurred. The heating hot water system required only minor modifications as part of the emergency repairs scope that were completed to date as that scope was focused on the ventilation and chilled water systems. These failures in the system caused significant damage to the building and prevented a portion of the building from being used for approximately 5 months.

The current system will be replaced with a more efficient and environmentally sustainable heating hot water system that provides a lower total cost of ownership and lasts longer than the current technology.

To address these previously unidentified conditions before the upcoming heating season this work needs to be addressed as part of the existing emergency contract with Total Mechanical, Inc. This legislation will authorize amending the existing contract to address these conditions.

This is the 8th contract amendment for Total Mechanical, Inc. contract No 30008163. This amendment will add the replacement/upgrade of the Heating Hot Water system to the contract.

Financial and Budgetary Impacts

- The contractors proposed change for replacing the heating hot water system to correct the current system conditions is \$1,165,664.
- Costs for addressing this change in conditions were negotiated with Total Mechanical Inc. considering current market conditions and input from the Sazan the Design consultant on historical project costs.
- Funds are available in the Sewer System Operating Fund, FY 2024-25 Budget, Bureau of Environmental Services, BES Project No. E11346The proposed work removes/replaces the majority of the Heating Hot Water System and when combined with the work already completed as part of this project the level of confidence for this estimate is high.
- The action will not create immediate or long term financial or budgetary impacts.
- Long-term the new heating system will require less staff time and budget for maintenance.

Community Impacts and Community Involvement

Continuous operation of the lab is essential to delivering the levels of service required by BES as a public utility dedicated to the environment and public health and safety. Interruptions in operation would cripple BES' ability to operate its wastewater treatment processes, jeopardize regulatory compliance, and adversely affect the non-BES entities who rely upon dependable and uninterrupted WPCL services. Because the work does not

directly impact the community and involved replacement of mechanical equipment, public input did not shape the bureau's recommended action.

100% Renewable Goal

- The proposed legislation will allow the WPCL to further improve the energy efficiency of the building. These improvements qualify for Energy Trust of Oregon (ETO) credits, the anticipated incentives for this project are \$247,851.

Budget Office Financial Impact Analysis

The bureau initially came to Council and had a contract (30008163) approved for \$4,118,794, with subsequent change orders raising the contract value to \$4,903,369. This ordinance amends that contract and adds \$1,165,664 for a contract total of \$6,096,033. The increase in contract is due to previous projections for minor modifications for the heating hot water system has changed to replacement. This project has a high confidence level rating and funds for the project are available in the bureau's FY 2024-25 budget.

Document History

Item 704 Consent Agenda in [August 7, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/8/7)
(<https://www.portland.gov/council/agenda/2024/8/7>)

City Council

Passed to second reading

Passed to second reading August 14, 2024 at 9:30 a.m.

Item 725 Consent Agenda in [August 14, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/8/14)
(<https://www.portland.gov/council/agenda/2024/8/14>)

City Council

Passed

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Absent

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea