

FINANCIAL IMPACT STATEMENT
For Council Action Items
(Use this form for Ordinances and Resolutions)
 (Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Paul Gribbon	2. Telephone Number 503-823-7747	3. Bureau/Office/Dept. Environmental Services
4a. To be filed (date) October 20, 2010	4b. Calendar (Check One) Regular Consent 4/5ths [X] [] []	5. Date Submitted to FPD Budget Analyst: October 4, 2010

1) Legislation Title:

Authorize additional change order authority to the Director of the Bureau of Environmental Service or his designee for the Portsmouth Force Main Segment 2 construction contract, Project No. E09039, Contract No. 30000424. (Ordinance)

2) Purpose of the Proposed Legislation:

To authorize the Bureau of Environmental Services to increase the contract amount of Contract No. 30000424 with Michels Corporation to an amount not-to-exceed \$32,000,000.

Per Ordinance No. 183705, the authorized contract amount was revised to \$28,000,000 due to the impacts of differing ground conditions. Since that time, it was determined that an alternate tunnel boring machine, better suited for the actual ground conditions encountered, is required for the project to meet the mandated ASFO schedule deadline. An accelerated work schedule is also required to stay within the construction window to meet the mandated deadline.

Based on this analysis, the current revised contract amount is \$30,460,088. Since there is still construction risk involved in the remaining contract work, an additional 5% change order authority is requested over the revised contract amount for a total contract authorization, if necessary, of \$32,000,000.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? No.
If so, by how much? If new revenue is generated identify the source.

4) Expense:

What are the costs to the City as a result of this legislation? *Include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract include the local contribution or match required.* The cost will exceed the bureau's current change order authority for the contract, but will still be within 6% of the original engineer's estimate and will consequently not affect the project budget.

5) Staffing Requirements:

a) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *If new positions are created include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term, indicate the end of the term.* No.

b) Will positions be created or eliminated in future years as a result of this legislation? No.

6) Change in Appropriations: Budget changes for the current year must go through the BMP Process. This section may only be use with prior permission of your OMF analyst for exceptions. Reflect the dollar amount to be appropriated by this legislation. Include the appropriate center codes and

accounts to be used by Central Accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.

Fund	Center Code	Account	Amount	Project Fund	Project No.

DM
Dean Marriott
Dean Marriott, Director, Bureau of Environmental Services
APPROPRIATION UNIT HEAD (Typed name and signature)