

Portland, Oregon

## FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Teresa Elliott		2. Telephone No. 503-823-7622	3. Bureau/Office/Dept. Water / Engineering Services
4a. To be filed (date): December 12, 2013	4b. Calendar (Check One)  Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: December 4, 2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

**1) Legislation Title:** Amend contract for professional, technical and expert services with MWH Americas, Inc., to extend term and increase compensation in the amount of \$1,475,000 (Ordinance: amend Contract No. 30001127)

**2) Purpose of the Proposed Legislation:** Provide professional, technical and expert services to replace the above ground 10 million gallon (MG) storage tank at Kelly Butte with a 25 MG underground covered finished water reservoir as part of the solution for complying with the Environmental Protection Agency's (EPA) Long Term 2 Enhanced Surface Water Treatment Rule (LT2).

The Water Bureau has contracted with MWH Americas, Inc. (MWH) for the design and Engineer-of-Record services. This contract amendment approves an increase in time and fees for the technical and expert services during construction.

Initial geotechnical services did not allow for exploration under the original tank that was in service. Upon removal of the tank, a siltstone layer was found under the tank. Newly identified information dictated the need for reservoir design and contract modifications and ongoing geotechnical observations by the Engineer-of-Record.

During the construction phase, contaminated soils and other materials were identified. This required design modifications.

Due to the short timeline to comply with the EPA accepted LT2 compliance date for Kelly Butte Reservoir, the Water Bureau requested additional meetings and site visits to facilitate the construction schedule.

The current contract expiration date is October 1, 2014 and this amendment will extend the contract to September 30, 2015.

The permit process has required additional services that are to be provided by the Engineer-of-Record. This includes the Bureau of Development Services requirement for Engineer-of-Record geotechnical evaluations and inspections of the construction activities including the Mechanically Stabilized Earth wall.

Land Use Review and permits required modifications and improvements are requiring additional design services and facilities.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |   |   |                                    |                                |
|---|---|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast            | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast  | <input checked="" type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City       |   |                                    |                                |

### **FINANCIAL IMPACT**

**4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.**

No.

**5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense?**

The original not to exceed value of this contract was \$3,300,000. Amendments 1 through 6 added \$825,000. This amendment will add \$1,475,000 and increase the contract total to \$5,600,000, an overall increase of 70%. The additional costs for the contract will be \$900,000 for Fiscal Year 2013-2014, \$830,000 for Fiscal Year 2014-2015, and \$200,000 for Fiscal Year 2015-2016.

Of the \$80,000,000 project total, approximately \$40,000,000 is available in the revised Fiscal Year 2013-14 Budget. An additional \$19,000,000 and \$4,500,000 will be requested in Fiscal Year 2014-15 and 2015-16 Budgets. Current confidence rating is high and the proposed action will not result in a change in the forecast water rates.

**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)**

No.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

<b>Fund</b>	<b>Fund Center</b>	<b>Commitment Item</b>	<b>Functional Area</b>	<b>Funded Program</b>	<b>Grant</b>	<b>Sponsored Program</b>	<b>Amount</b>

**[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]**

**PUBLIC INVOLVEMENT**

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ YES: Please proceed to Question #9.

☒ NO: Please, explain why below; and proceed to Question #10.

**As part of the project, there was an extensive public outreach process that is ongoing.**

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

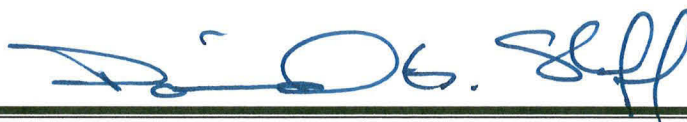
d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Public involvement and outreach on the project is ongoing.

David G. Shaff, Administrator



BUREAU DIRECTOR (Typed name and signature)