

ORDINANCE NO. 188559

Approve findings to authorize an exemption to the competitive bidding requirements and authorize competitive solicitation using the alternative contracting method of Design-Build, and authorize payment for construction related to the Columbia Boulevard Wastewater Treatment Plant Wash Water and Hypochlorite Piping Replacement Project for an estimated amount of \$4,000,000. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City of Portland's Bureau of Environmental Services ("BES") owns and operates the Columbia Boulevard Wastewater Treatment Plant ("CBWTP" or the "Plant"), which protects public health, safety, and the environment by treating municipal wastewater and stormwater from the City of Portland in accordance with a discharge permit issued by the Oregon State Department of Environmental Quality.
2. The CBWTP, which was originally constructed in 1952, is located on North Columbia Boulevard in the northern part of Portland. The CBWTP treats an annual average flow of 76 million gallons per day (MGD) and is rated to treat peak hourly flows of 450 MGD.
3. On any day, up to 6 MGD of water, including treated effluent water, is used on site to supply water for numerous plant processes and functions including biosolids dewatering, seal water, chlorination makeup water and tank washdowns. The water is identified as "washwater" in plant processes. The plant's washwater piping was installed over 40 years ago.
4. Sodium hypochlorite is a critical product used daily to disinfect plant effluent, assist in biological system control, and to provide odor control for different process areas. The chemical is essential in meeting the City's discharge permit. The chemical is corrosive to equipment and piping.
5. The CBWTP Wash Water & Hypochlorite Piping Replacement Project ("Project") scope of work includes replacing plant (wash) water piping and chemical piping in sections of the CBWTP's tunnels.
6. The pipes are exhibiting signs of failure which are mitigated with maintenance strategies. BES must permanently replace these critical piping sections to minimize operational risks.
7. Due to field access issues, concerns with maintenance of plant operations, most of the project risks lie with constructability issues that cannot be mitigated by more extensive design. The standard design-bid-build approach is anticipated to yield a large number of field fitting issues and change orders.
8. BES proposes to use the alternative contracting method of Design-Build ("DB") for the Project to:
 - Contract with a single entity for project design and construction, where the City is removed from conflicts between designer and constructor.

- Minimize the risks of change orders during construction which would arise from a traditional low bid process.
 - Allow input from the construction contractor during the design process; provide input on the pipe routing and temporary bypass alternatives to maintain continuous operation of the treatment facilities.
 - Allow the selection of a Design/Builder (“DB Contractor”) with specialized skills and experience in industrial pipe replacement projects to provide a construction methodology, sequencing, and scheduling to successfully integrate the new piping with the existing essential piping systems.
 - Bring certainty to the completion date for the overall project, which will facilitate scheduling other planned projects in the tunnels.
 - Facilitates the delivery of a high-quality piping replacement project that minimizes the risk of cost overruns, schedule delays, claims and workmanship issues, and provides the City with the best possible value.
9. Procurement Services and BES recommend that a DB competitive solicitation process be used in lieu of the traditional low bid competitive bidding process. The successful contractor will be made up of both design and construction teams that will work together providing feedback and support to one another throughout the design and construction stages.
 10. 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.
 11. A two-stage solicitation process is recommended and will include both a Request for Qualifications (“RFQ”) and a Request for Proposals (“RFP”). The City will invite prospective Proposers to submit qualifications in response to the City’s RFQ. The qualifications will be reviewed and a short list will be developed. The City will then invite short-listed Proposers to submit competitive proposals in response to the City’s RFP. The Selection Committee will select the DB Contractor based on an evaluation of the proposals and interviews with the short-listed Proposers. The selection committee will include staff from BES and others from the community, including minority evaluator(s) as required per Resolution 36757. A Technical Advisor experienced with DB selection processes with similar projects may also be part of the selection process as a non-voting member, which will be disclosed in the solicitation documents.
 12. Draft findings addressing favoritism, competition, anticipated cost savings, operations, budget and financial data, public benefits, value engineering, specialized expertise required, public safety, market conditions, technical complexity, and funding sources recommended by the City, are attached hereto 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.
 13. Based on the Findings, the exemption of the Project from the competitive bidding requirements of ORS 279C is: (i) unlikely to encourage favoritism or to diminish competition for public contracts because the contract will be awarded using a competitive solicitation process; and (ii) likely to result in substantial cost savings to the City because the construction contractor will be integrated into the design team for value engineering, constructability

review and assistance in developing a construction phasing plan. Such early integration greatly reduces the chances of redesign, change orders and cost overruns.

14. The overall Project Budget including construction, design services, bonding, and project management/staff costs is approximately \$5.4 million. The Project Estimate Confidence Level Rating Index per Binding City Policy BCP-ADM-1.13 is Low. The Project will be funded by the Sewer System Operating Fund.

NOW, THEREFORE, the Council directs:

- a. Council hereby approves the Findings, attached as Exhibit A, and on that basis exempts the Columbia Boulevard Wastewater Treatment Plant Washwater & Hypochlorite Piping Replacement Project from the competitive bidding requirements of ORS 279C.
- b. The Chief Procurement Officer is authorized to use an alternate competitive solicitation process and, upon Council's acceptance of the Chief Procurement Officer's report recommending the acceptance of the contractor for the Project, the Chief Procurement Officer is authorized to execute a contract for the Project, provided the contract has been approved as to form by the City Attorney.
- c. The Commissioner in Charge of Public Works and the Auditor are hereby authorized to draw and deliver checks, chargeable to BES, when demand is presented and approved by the proper authorities.
- d. As required by ORS 279C.355 and PCC 5.34.820B, BES will prepare and deliver a post project evaluation to the Council on behalf of the Chief Procurement Officer, within 30 days of the date the City accepts the project as complete.

Passed by the Council:
Commissioner Nick Fish
Mayor Ted Wheeler
Prepared by: Larry Pelatt
Date Prepared: 7/14/2017

AUG 23 2017

Mary Hull Caballero
Auditor of the City of Portland

By


Deputy

Agenda No.
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Title

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INTRODUCED BY Commissioner/Auditor: Mayor Ted Wheeler	CLERK USE: DATE FILED <u>AUG 08 2017</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Wheeler <i>Wheeler</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By: <i>Mary Hull Caballero</i> Deputy ACTION TAKEN: AUG 16 2017 PASSED TO SECOND READING AUG 23 2017 9:30 A.M.
BUREAU APPROVAL Bureau: OMF/BRFS/Procurement Services Bureau Head: Larry Pelatt <i>cl</i> Prepared by: Mahn Saechao Date Prepared: 7/14/2017 Impact Statement Completed <input type="checkbox"/> Amends Budget <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input type="checkbox"/> City Auditor Office Approval: required for Code Ordinances City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter Council Meeting Date: August 16, 2017	

AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> Start time: 10:15 a.m. Total amount of time needed: 15 minutes (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	✓	
4. Eudaly	✓	
Wheeler	✓	