

Portland, Oregon

# FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Mark Hutchinson		2. Telephone No. 503-823-7113	3. Bureau/Office/Dept. BES/Construction
4a. To be filed (hearing date):  November 16, 2011	4b. Calendar (Check One)  Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst:
6a. Financial Impact Section: X Financial impact section completed		6b. Public Involvement Section: X Public involvement section completed	

**1) Legislation Title:**

Amend contract with Emery and Sons Construction, Inc., for additional work and compensation for the Fanno Basin Pump Station Force Main: Garden Home Section project, Project No. E09115 (Ordinance, Amend Contract No. 30001207)

**2) Purpose of the Proposed Legislation:**

To authorize the Commissioner of Public Affairs to increase the contract amount of Contract No. 30001207 with Emery and Sons Construction, Inc. in the amount of \$480,803.75.

This change causes the final contract amount to exceed the bid by more than 25% and requires Council approval. The bid amount was \$6,335,357.00 and the final contract amount will be \$8,400,000.00

**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 type="checkbox"/> Southeast | <input checked="" 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? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project

estimate, please identify the level of confidence.)

185016

\$480,803.75

**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.)*

None

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

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

**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.

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

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

This Council item is related to a sewer reconstruction project that is in the final stages of completion in the Garden Home neighborhood of unincorporated Washington County. The project area has been restored and revegetated where appropriate. During construction, the Fanno Trail was closed between SW 76<sup>th</sup> and SW 86<sup>th</sup> Avenues.. Construction took place on the trail, in the public ROW and in easement areas on private property.

**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?**

Construction began in June 2010 for this project. BES staff began engaging area residents, the Garden Home Recreation Center, the Portland Golf Club and Citizen Participation Organization 3 (CPO-3) in late 2008. Public meetings were held at the Garden Home Recreation Center and flyers were mailed to residents and businesses during the design phase in order to share information about the project. Feedback and input from residents and stakeholders was received by email, phone conversations, site visits, project specific stakeholder meetings and community meetings.

Throughout construction the public was provided information regarding the project's status and traffic impacts through email and postal mail notification to Tualatin Hills Parks and Recreation District user lists and periodic updates to CPO-3 and nearby neighborhood associations including Multnomah, Ash Creek, Maplewood and Hillsdale.

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

Feedback from residents and stakeholders helped shape how and when construction took place on private property and at the Garden Home Recreation Center. Additionally, conversations and feedback from nearby residents helped refine the construction phase of this project in order to minimally impact residents. For example, construction activities on private property were scheduled around summer vacations, family reunions and other events that some of the property owners had planned in advance.

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



BES Communications staff designed and implemented the public involvement and outreach for this project.

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

Stephen Sykes, Senior Community Outreach and Information Representative, 503-823-7898,  
stephen.sykes@portlandoregon.gov

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

As this project is near completion, additional public involvement activities are not anticipated other than email and postal mail updates notifying the public of the project's completion.



Dean Marriott, Director, Bureau of Environmental Services

APPROPRIATION UNIT HEAD (Typed name and signature)



# CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Dan Saltzman, Commissioner ■ Dean Marriott, Director

City Council  
Agenda Item  
Staff Supplemental Report

TO: Commissioner Dan Saltzman  
THROUGH: Matt Grumm or Amy Trieu

FROM: Mark Hutchinson *AA.*

*With Fry*

DATE: November 1, 2011

RE: Amend contract with Emery and Sons Construction, Inc., for additional work and compensation for the Fanno Basin Pump Station Force Main: Garden Home Section project, Project No. E09115 (Ordinance, Amend Contract No. 30001207)

Requested Council Hearing Date: November 16, 2011

## I. RECOMMENDATION

Amend contract with Emery and Sons Construction, Inc., for additional work and compensation for the Fanno Basin Pump Station Force Main: Garden Home Section project, Project No. E09115 (Ordinance, Amend Contract No. 30001207)

## II. BACKGROUND

Emery and Sons Construction entered into Contract No. 30001207, effective March 15, 2010, with the City to construct the Fanno Basin Pump Station Force Main: Garden Home Section project. This project replaced the existing 32-inch HDPE pressure line with two side by side 30-inch welded steel pressure lines from the Fanno Basin Pump Station (on SW 86<sup>th</sup> Avenue, near Scholls Ferry Road) to SW 69<sup>th</sup>, just off Multnomah Boulevard. This project is one part of a program to replace and upsize the entire pressure line and to increase the capacity of, and construct improvements at, the Fanno Basin Pump Station.

During construction, a couple of dozen extra work items and utility conflicts were encountered. Most of these were relatively small in scope, but there were several items that substantially impacted the project budget.

During design of the force main project, plans were also being developed for construction of a second pump station and a set of surge tanks at the Fanno PS site. As part of those projects, valves and piping suitable for the connection of both force main pipes to the pump station would have been installed on the pump station site, out to the property line. Unfortunately, these projects were delayed by permitting issues and have

not been built. As a result, the Garden Home project (which started at the property line) had to provide for piping and a connection, to the pump station. This work cost approximately \$391,000.

The force main alignment ran very close to an existing sanitary sewer owned and operated by Clean Water Services in SW 76<sup>th</sup> Avenue and SW Esther Court, which was at almost the same elevation.. It appears that the sewer may have been installed after the force main was first constructed. The CWS sewer had to be relocated to mitigate the impact of the force main construction. This cost \$287,000.

There were other cost impacts from other agencies and jurisdictions. Washington County required paving restoration in excess of what City of Portland construction specifications called for (and in fact, in excess of the paving that existed at the time of the project), costing this project an extra \$83,000.

A Change Order was recently written to settle 18 separate smaller issues, for roughly \$180,000. Another Change Order captured the costs of seven conflicts and changed issues, including the temporary connection to the pump station, for roughly \$227,000. In addition, due to the City's desire to have this project completed before the start of the rainy season in order to avoid surcharging Clean Water Services' facilities and flooding downtown Beaverton, as well as other construction constraints, the Contractor was requested to expedite pipe manufacturing and installation. Based on these factors, Emery and Sons has filed a Notice of Change with the City, requesting \$407,000 in additional costs for project acceleration, schedule impacts and productivity losses. This issue has not been settled yet, but Emery will likely be paid the bulk of their request.

### III. FINANCIAL IMPACT

The cost of this change is \$480,803.75. Funds are available in the Sewer Operating Fund, FY 11-12 Budget, BES Project No. 9115. This amendment is to provide funding for the portion of the extra costs that exceed 25% over the original contract value. This excess requires Council approval.

### IV. LEGAL ISSUES

No legal issues related to the proposed amendment have been identified.

### V. CONTROVERSIAL ISSUES

No controversial issues related to the proposed amendment have been identified.

### VI. LINK TO CURRENT CITY POLICIES

This project is consistent with BES strategic planning and the BES CIP process. Construction was performed in accordance with the City of Portland Standard Construction Specifications (with some minor modifications as required while working in other jurisdictions such as Washington County and the City of Beaverton).

## VII. CITIZEN PARTICIPATION

Public outreach for this project was conducted by the Public Involvement / Community Relations staff of the Communications Division in the Office of the Director, BES. Citizen questions and complaints were fielded by staff and brought to the attention of the Construction Division staff and the Contractor as appropriate. A regular update of project progress was sent to residents and property owners in the project area.

## VIII. OTHER GOVERNMENT PARTICIPATION

No other government participated directly in this project. However, we coordinated with and followed the specifications of Washington County and the City of Beaverton as necessary to construct the project. We also coordinated with and addressed the concerns of Clean Water Services and the Tualatin Valley Water District while working near their facilities.

## IX. FINANCIAL IMPACT ON LOCAL ECONOMY

IF APPLICABLE, PROVIDE INFORMATION ON ESTIMATED NUMBER OF JOBS CREATED BY THIS ACTION

This work maintained local construction industry jobs. It is not known if any new jobs were created.

IF THIS ACTION IS CONTRACT-RELATED, PROVIDE INFORMATION ON M/W/ESB PARTICIPATION (NUMBER AND PERCENTAGE)

As of August 1, 2011, Emery and Sons has utilized five M/W/ESB firms, in the amount of \$791,041. This represents 12.49% of the original contract value, or 9.42% of the expected final contract amount.

- X. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? YES  
WHAT IS THEIR BUSINESS LICENSE NUMBER? 388018  
IS THEIR ACCOUNT WITH THE CITY CURRENT? YES  
IF NOT, HOW MUCH IS OWING? \_\_\_\_\_



# CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Dan Saltzman, Commissioner ■ Dean Marriott, Director

## MEMORANDUM

185016

**Date:** November 1, 2011

**TO:** Dan Saltzman, Commissioner of Public Utilities  
Dean Marriott, Director, Bureau of Environmental Services  
Jeffrey Baer, Purchasing Director, Bureau of Procurement Services

**FROM:** Mark Hutchinson, Construction Division Manager *AA.*

**SUBJECT:** Fanno Basin Pump Station Force Main: Garden Home Section  
Project No. 9115, Contract No. 30001207

**Copies:** Bill Ryan, Scott Gibson, Ted Luyben, Dan Hebert

City Code requires the Commissioner, Bureau Director and Purchasing Agent's approval for expenditures in excess of 125% of the original authorized construction contract amount.

The Fanno Basin Pump Station Force Main: Garden Home Section project will exceed the original contract amount (\$6,335,357) by \$2,064,643, or 29.43%. The amount exceeding 25% of the original contract, for which additional authorization is needed, will be \$480,803.75.

The Garden Home section of the force main project runs from the Fanno Basin Pump Station at SW 86<sup>th</sup> Avenue, off Scholls Ferry Road, to SW 69<sup>th</sup> and Railroad Street. It runs under the Fanno Recreation Trail, crosses the property of the Tualatin Hills Parks and Recreation District, then travels in a few small streets and in private property easements before it crosses Oleson Road and goes on to meet the Multnomah section pipe at 69<sup>th</sup> and Railroad (mostly outside of the City of Portland). Emery and Sons Construction, Inc. installed twin 30-inch welded steel pipes to replace the existing 32" HDPE force main. The new pipes have been tested and are currently in use, conveying flows from the Fanno Basin Pump Station.

The Garden Home project was bid before the plans and permits were complete to provide sewage flooding relief in Washington County with the acknowledgement that additional work beyond the scope of the bid would be necessary but that protection of public health was our paramount goal. In all, there were more than 45 changes or extra cost issues to this contract due to utility conflicts and unforeseen requirements of other jurisdictions [Washington County, City of Beaverton, Clean Water Services, and Tualatin Valley Water District].

The largest costs to this project were for:

- Relocation of a Clean Water Services sewer that was in conflict with the force main alignment because of inaccurate records provided by Clean Water Services
- The need to install a permanent, connection from the force main project, which started at the gate of the Fanno Pump Station, onto the PS property and connect to the existing Pump Station piping. Other projects were planned to construct this work, but these projects were delayed by permitting issues in Washington County.
- Changes and delays as a result of utility conflicts and Washington County Requirements (18 separate issues).



- A Change Order for Temporary connection to the pump station and rework of City Supplied Valves.

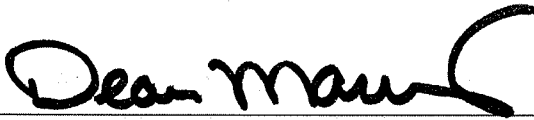
The above noted changes have been resolved and paid for. What remains to be paid and requires councils approval is additional costs to expedite pipe manufacturing and accelerate pipe installation to meet the City's desire to have this project completed before the start of the rainy season in order to avoid surcharging Clean Water Services' facilities and flooding downtown Beaverton, resulting in additional cost of \$407,000. Along with investigation and temporary pump station flood relief work valued at \$250,000.

Change Orders have already been written for 19.5% of the original contract value. Further payments to Emery are contingent on this further budget authority. Please contact me at 3-7113 if you have any further questions.

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Dan Saltzman, Commissioner of Public Utilities



Dean Marriott  
Director, Bureau of Environmental Services

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Jeffrey Baer, Purchasing Director  
Bureau of Procurement Services

MWH/mb



# CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Dan Saltzman, Commissioner ■ Dean Marriott, Director

## MEMORANDUM

**Date:** September 23, 2011  
**TO:** Dan Saltzman, Commissioner of Public Utilities  
**FROM:** Mark Hutchinson, Construction Division Manager  
**SUBJECT:** Fanno Basin Pump Station Force Main: Garden Home  
Section Project No. 9115, Contract No. 30001207

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Listed below are changes to the project cost:

<u>Original Contract Amount</u>	<u>\$6,335,357.00</u>
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Change Order #1 Relocate exst. CWS sewer	286,930.00
CO #2 Bedding & backfill req'd by Beaverton	5,486.00
CO #3 Pipe abandonment above contract qty	23,400.00
CO #4 Perm. Connection of FM to PS	391,350.00
CO #5 Paving to meet Wash. Co. Reqmts	83,005.50
CO #6 Restoration of Easements & drainage	37,535.00
CO #7 Utilities & outside agencies (18 items)	180,626.16
CO #8 Temp connection to the PS (+ 6 items)	226,699.16

subtotal:	\$7,570,388.82
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Unit Quantity Increases	53,012.92
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\$ amount committed to date:	\$7,623,401.74
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### Outstanding Items:

Acceleration Claim	407,560.38
Pump Station Screen	25,000.00
Pump Station HDPE Pipe	51,583.64
Bid Item Quantity Issues	16,242.21
Leak Investigation	250,000.00

subtotal:	\$8,373,787.97
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Contingency	26,212.03
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<u>Total Authority Requested</u>	<u>\$8,400,000.00</u>
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