



Nick Fish, Commissioner  
David G. Shaff, Administrator

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## REPORT TO COUNCIL

February 25, 2015

Accept contracts with Advanced American Construction, Inc. and Black & Veatch Corporation for the design and construction of the Bull Run Dam 2 Towers Improvement project as complete and authorize final payment (Report; Contract No. 30003237 and Contract No. 37587)

The Bull Run Dam 2 Towers Improvement (Project) was part of a suite of projects to fulfill federal and state requirements for compliance with the Clean Water and Endangered Species Acts. The Project created the infrastructure necessary to facilitate managing water temperatures in the lower Bull Run River according to Oregon Department of Environmental Quality standards. It consisted of constructing a multiple-level water intake structure on the existing North Tower and modifying piping at the Headworks Facility. Construction required underwater work in the City's raw water reservoir while providing a continuous supply of water, without impacting the drinking water quality, or causing major environmental impacts. The Project took six years from conceptual design to construction and commissioning. It was recognized by the *Oregon Daily Journal of Commerce* as a 2014 Top Project for infrastructure, and the *Engineering News-Record* as Best Water/Environment Project in the Pacific Northwest Region, 2014.

Per Resolution No. 36430, a post-project evaluation is mandated for projects over \$500,000. Project design and construction support was provided by Black & Veatch Corporation (B&V). Advanced American Construction (AAC) provided Construction Manager/General Contractor (CM/GC) services for construction of the project.

### Black and Veatch Corporation Design and Construction Support Services

Ordinance No. 181218 authorized the City to enter into a contract with B&V for preliminary consulting services for an amount of \$407,000. No confidence rating was provided. The design and construction support services used a two-phased approach: Phase 1 – Conceptual Design and Phase – 2 Final Design and Construction Support Services.

On August 1, 2007, the City entered into Contract No. 37587 with B&V for design services to create a Conceptual Design Report (CDR) on how best to install multiple-level intakes onto the Bull Run Dam 2 Towers. The Portland Water Bureau (PWB) approved the CDR recommendations provided by B&V on April 30, 2009. B&V then submitted a Scope of Work (SOW) and fee based upon the CDR to design and permit the project. Amendment 1 on the contract added the Final Design SOW to the contract and was approved by Council on September 2, 2009.

Amendments 1, 3, 4, 7, and 8 added \$4,814,380 to the original contract amount. The final contract amount with all amendments was \$5,221,787. All the amendments were approved by Council. The Office of Minority, Women and Emerging Small Businesses (OMWESB) received \$776,040 or 40% of the total subcontract dollars.

Advanced American Construction CM/GC Contract

On September 2, 2009, City Council authorized an exemption from competitive bidding for construction of Bull Run Dam 2 Towers Improvement project. Ordinance No. 183161 provided an engineer's estimate for the project of \$30,000,000. A low confidence rating was given to this estimate, given the early stage of design.


On July 16, 2010, the City entered into Contract No. 30001348 with Advanced American Construction, Inc. (AAC) for the Phase 1 Pre-Construction Services for modifications to the project. This contract had an original value of \$350,000. Two amendments increased the contract amount to \$437,086.92 (\$87,086.92 increase, 24.8%). The pre-construction contract with AAC was completed on October 13, 2011, and the City entered into negotiations for a Guaranteed Maximum Price (GMP) for Construction Services.

On January 30, 2012, the City entered into a GMP Contract with AAC for Construction Services (Contract No. 30002475). This contract had a GMP value of \$31,552,701. No change orders were issued that impacted the GMP. All work on the contract was completed satisfactorily on July 31, 2014. The final cost of the work was \$29,889,640.48 (\$1,663,060.52 decrease, 5.2%). OMWESB firms received \$4,603,088, or 30.7% of the total subcontract dollars.

The final costs were within 0.3% of the estimate developed for Ordinance No. 183161. This is especially notable given the low confidence rating, which indicates that costs could vary 30%-50% from the original engineer's estimate. The diligent efforts of the PWB, B&V, and AAC teams throughout the life of the project provided the talent, hard work, and focus necessary to maintain the project within the established budgets.

This procurement was exempted from competitive bidding requirements under ORS 279C.335 and City Code Title 5 Section 5.34.810 and 5.34.820. ORS 279C.335 requires a post-project evaluation upon completion of a public improvement contract exempt from competitive bidding. The post-project evaluation is attached as Exhibit A.

The Project is complete and all work has been executed in accordance to the contract. It is recommended that Council accept the post-project evaluation and accept the contracts with Black & Veatch Corporation and Advanced American Construction, Inc. as complete and authorize final payment.

  
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David G. Shaff  
Administrator

TO THE COUNCIL:

The Commissioner of Public Works concurs with the above Report to Council, and;

RECOMMENDS

That the Council accept the post-project evaluation and accepts the contracts with Black and Veatch Corporation and Advanced American Construction, Inc. as complete and authorize final payment.

Respectfully submitted,

Commissioner Nick Fish



Agenda No.  
**REPORT**  
Title

Accept contracts with Advanced American Construction, Inc. and Black & Veatch Corporation for the design and construction of the Bull Run Dam 2 Towers Improvement project as complete and authorize final payment (Report; Contract No. 30003237 and Contract No. 37587)

<p align="center"><b>INTRODUCED BY</b> Commissioner/Auditor: <b>Commissioner Nick Fish</b></p> <hr/> <p align="center"><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish <i>Nick Fish</i></p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p> <hr/> <p align="center"><b>BUREAU APPROVAL</b></p> <p>Bureau: Water Bureau Head: David G. Shaff <i>David G. Shaff</i></p> <p>Prepared by: Tim Collins Date Prepared: February 25, 2015</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Council Meeting Date <b>April 8, 2015</b></p> <p><b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter</p>	<p>CLERK USE: DATE FILED <u>APR 03 2015</u></p> <p align="right">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <i>Mary Hull Caballero</i> Deputy</p> <p><b>ACTION TAKEN:</b></p> <p align="center"><b>APR 08 2015 ACCEPTED</b></p>
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<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input checked="" type="checkbox"/> <i>Pulled</i></p>
<p><b>REGULAR</b> <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<i>_____</i>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<i>_____</i>	
4. Novick	4. Novick	<input checked="" type="checkbox"/>	
5. Hales	5. Hales	<input checked="" type="checkbox"/>	