

## IMPACT STATEMENT

**Legislation title:** Accept Guaranteed Maximum Price of \$152,181,850 from Hoffman Construction Company for the construction of the Washington Park Reservoirs Improvements Project (Procurement Report - RFP No. 115122)

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**Presenter name:** Christine Moody *CM*

**Purpose of proposed legislation and background information:**

The City of Portland (City) Water Bureau (PWB) is a water utility that provides drinking water to over 800,000 people. PWB strives to provide the highest quality water to enhance the public health and safety, and contribute to the economic viability and livability of the Portland metropolitan region. PWB is a recognized leader among water service agencies across the country.

The goal of the Washington Park Reservoirs Improvements Project is to provide increased reliability of stored drinking water at PWB's Washington Park Reservoir (WPR) site and to protect the stored water.

**Financial and budgetary impacts:**

Based on the Guaranteed Maximum Price received, PWB anticipates the construction contract cost to be \$152,181,850. The original engineer's estimate for construction for this project was \$38,000,000 with a Low Confidence Level.

As presented to the City Council in a Work Session on September 22, 2015, the initial budget was developed for constructing a typical underground reservoir base on cost data in 2008 with a Low Confidence Level Rating. At the work session, PWB indicated the project was at 90% design and had an estimated total project cost of \$170 million with a Moderate Confidence Level Rating. This assumed the construction costs would be approximately \$140 million. This GMP for \$152,181,850, is slightly higher than what was assumed at the Work Session but is still within the contingency range for the confidence level.

The site challenges for addressing a large ancient landslide, weak soils on top of bedrock, and limited space and access based on available data were not captured in the original estimate. Additional engineering and geotechnical investigation revealed a more complex site requiring at the Reservoir No. 3 site, strong temporary shoring walls, a thick permanent engineered earth wall, compressible buffer layers and anchors, and drilled shaft foundations embedded in bedrock for the underground reservoir. Reservoir No. 4 includes fill material to restore the hillside slope to pre-reservoir conditions to stabilize the landslide. In addition the limited space and access required innovative methods of material handling including moving soils from the upper reservoir excavations via conveyor belt for reused in the lower reservoir as fill.

The Washington Park Reservoirs Improvements Project will be funded through PWB's Water Fund through FY 23/24.

**Community impacts and community involvement:**

The construction contracting community, including contractors certified with the State of Oregon as minority, women, and emerging small businesses became involved when the Chief Procurement Officer advertised and publically noticed the project on the City's Online Procurement System on October 23, 2013.

Potential proposers were able to review the competitive solicitation, attend a pre-proposal meeting, ask questions, provide comments and submit a proposal in response to the Request for Proposals (RFP). Proposals received resulted in the award of the CM/GC Pre-Construction Services contract. Procurement Services managed the procurement process. No protests were received.

The Community Benefits Plan (CBP) allows for a Compliance Review Committee that includes members of the public to provide for cooperation and communication in achieving the diversity goals of the CBP.

### Budgetary Impact Worksheet

**Does this action change appropriations?**

- YES:** Please complete the information below.
- NO:** Skip this section

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