

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
November 22, 2016	

TO: Mayor Benetti and City Councilors

FROM: Jim Hossley, Public Works Director *JH*

THROUGH: Rodger Craddock, City Manager

ISSUE: Work Session - Award Addendum Number 2 to the Mortenson Contract for Wastewater Treatment Plant 2

BACKGROUND:

On March 15, 2016 Council approved a Zero Cost contract to the CMGC (Mortenson Construction) for the Wastewater Treatment Plant 2 (WWTP2) project. This award allowed Mortenson to proceed forward with the bidding process. Altogether Mortenson plans on bidding 22 separate bidding packages.

Originally staff intended to bring the City Council one addendum representing all 22 bid packages for construction of WWTP2 in late spring or early summer 2016, however in light of the potential conflict with the Empire Boulevard project, staff recommended two Addendums; Addendum 1 for the piping work and Addendum 2 for the remainder of the project. The City's Empire Boulevard Widening project was under construction at the time. Due to construction constraints and schedules, the piping work associated with the proposed Plant 2 construction within Empire Boulevard right of way needed to be completed before the new asphalt was installed. As a result, the bidding package associated with this piping work was expedited. The CMGC provided a Guaranteed Maximum Price (GMP) of \$868,277 for Addendum 1. The City Council approved Addendum 1 to the Zero Cost contract on May 3, 2016.

On November 15, 2016 the City Council voted to move forward with the DEQ approved SBR project. The next step is for Council to approve Addendum 2 to the Zero Cost contract authorizing Mortenson to proceed with the construction of the remainder of the WWTP2 project and authorizing the necessary expenditure to construct the project. The work under Addendum 2 includes construction of the WWTP2 DEQ approved SBR facility, installation of the sludge pipeline between WWTP2 and WWTP1, and the demolition of the existing WWTP2. On December 6, 2016 the City Council will consider approval of Addendum 2.

ADVANTAGES:

Approval of Addendum 2 to the Mortenson Zero Cost contract is necessary to authorize construction and spending for WWTP2.

DISADVANTAGES:

Staff sees none.

BUDGET IMPLICATIONS:

Funds for the project will come from the Oregon DEQ State Revolving Fund (SRF) loan that the City Council previously accepted. With Addendum 2 the Guaranteed Maximum Price for the Mortenson contract is \$24,830,242.

WWTP2 SBR Facility	\$20,658,808
Sludge Pipe Line	\$ 2,916,016
Demolition of Existing WWTP2	\$ 387,141
Road Pipe Crossing	\$ 868,277
TOTAL = Guaranteed Maximum Price	\$24,830,242

The SRF loan is currently approved for \$19.1 Million, which was the estimated construction cost at the time the loan application was submitted. As this will not likely be enough to cover the total cost of the project, staff has discussed the potential shortfall with DEQ staff. Because there are adequate funds available in the SRF program, we have been told it will be no problem to request and receive additional loan funds should that be necessary.

ACTION REQUESTED:

On December 6, 2016, staff will recommend that Council consider approving Addendum Number 2 authorizing Mortenson to proceed with the construction of the remainder of the WWTP2 project and authorizing the necessary expenditure to construct the project for a Guaranteed Maximum Price of \$24,830,242.

ATTACHMENTS:

Mortenson Most Current Project Schedule
List of Other Upcoming Wastewater Related Items

List of Other Upcoming Wastewater Related Items

- Wastewater Rate Study
- Facility Planning for WWTP 1
- Intergovernmental Agreement (IGA) with Charleston Sanitary District
 - Construction of WWTP2/provisions for WW treatment services
- Operations and management services contract with CH2M/OMI
- Contract amendment with The Dyer Partnership for 6th Avenue culvert/bridge project

