

**TO:** Honorable Mayor and City Council  
City of Canby  
ATTN: Mr. Richard Robinson, City Administrator

**FROM:** Curt J. McLeod, P.E.  
CURRAN-McLEOD, INC.

**DATE:** October 28, 2016

**ISSUE:** CANBY WASTEWATER TREATMENT FACILITY  
2017 WWTP SLUDGE STORAGE IMPROVEMENTS  
APPROVAL OF ORDINANCE 1451 FOR CONSTRUCTION

**SYNOPSIS:** On October 25, 2016, the City of Canby received nine bids for the 2017 WWTP Sludge Storage Improvements project. This staff report is to request Council approval for award of the contract.

**RECOMMENDATION:**

That the Council approve Ordinance 1451 authorizing the Mayor and City Administrator to execute a contract with R.L. Reimers Company in the amount of \$1,951,125 for the basic bid and all additive alternatives; and declaring an emergency.

**RATIONALE:** This solicitation was advertised and completed in compliance with ORS 279C as a formal bid process. Of the nine bids received, all but the highest bid were deemed responsive. The high bid from TEK Equipment neglected to submit the first tier disclosure form so was considered non-responsive. The bid from R.L. Reimers Company was the lowest responsive and responsible bid.

**BACKGROUND:**

This project is the third year of a five-year Capital Improvement Plan to upgrade the Wastewater Facility to accommodate waste loadings through a 20-year planning window. Last year the City completed the Biosolids Loadout Building and the previous year, the Headworks Rehabilitation.

This current project primarily provides needed storage to hold waste sludge until it can be processed, and various associated improvements throughout the plant. The original scope of work was to include two tanks, however, in the Pre-Design Report it was concluded that one tank could serve the required purpose through the 20-year planning window.

The remaining two years of the five-year Capital Improvement Plan are to include odor control and site restoration. In each of the first three phases, effective odor collection and treatment has been included, which will eliminate the immediate need for the odor control improvements, and eliminate the \$1,335,000 expenditure scheduled for 2017-18. If the system continues to perform as it has, the odor control CIP item will be deleted.

The basic bid work was bid as a lump sum totaling \$1,637,650. As a result of reducing the current basis bid work scope to one tank, the remaining budget was allocated to several minor additive alternative work tasks needed to upgrade the facility for the 20-year planning window. Each additive alternative work task was bid separately and can be added or deleted from the project scope at the Council's discretion, including the following:

1. Miscellaneous Concrete Pad Restoration	\$ 12,000
2. Site Corrosion Repairs	18,300
3. Handrail Restoration	17,650
4. Lab Building Expansion	94,750
5. Primary Sludge Vault Restoration	16,300
6. Solids Handling Building Modifications	47,675
7. Lime Silos 1 & 2 Restoration	98,900
8. Biosolids Loadout Building Air Louvers	<u>7,900</u>
Total Additive Alternative Bid	\$313,475

These work tasks were identified by working with the City staff and are detailed in the Pre-Design Report prepared for the City and DEQ earlier this year. With completion of all of the additive alternatives, the plant hydraulic and process facilities will be complete for the foreseeable future. The plant has more than 50% capacity to accommodate new loads, and the facilities are all in good operating order. Our recommendation is to approve all of the additive alternative work tasks.

Attached to this staff report is Ordinance 1451 with a bid tabulation of all nine bids received. All bidders were pre-qualified for this project and correctly executed the documents with the exception of one math error in the seventh low bidder and failure to submit the first tier disclosure from the highest bidder. All but the high bidder were deemed responsive.

The low bidder, RL Reimers Company, located in Albany and Lake Oswego, is registered with the Oregon CCB without any negative entries and was deemed to be responsive and responsible. Our recommendation is to accept the bid from RL Reimers Company and execute a Contract for Construction for the basic bid and all alternative bid items in the amount of \$1,951,125.

**FISCAL IMPACT:**

This project is budgeted at \$2,200,000 as the third component of a five-year \$6.5 million Capital Improvement Plan to upgrade the plant to maintain its capacity and efficiency. The tasks and estimated costs of the five-year program include:

2014-15	Headworks Rehabilitation	\$1,700,000
2015-16	Biosolids Loadout Building	875,000
2016-17	Sludge Storage & Conditioning	2,200,000
2017-18	Odor Control Improvements	1,335,000
2018-19	Plant Site Restoration	<u>400,000</u>
	Total Five-Year CIP	\$6,510,000

Engineering and as-bid construction costs for this third phase of the CIP match the FY 2016-17 budget of \$2.2 million with the inclusion of all of the additive alternative work tasks. With approval of all additive alternatives there is no remaining contingency in the budgeted line item.

This project is being funded by the Sanitary Sewer SDC revenues in the Sewer Capital Reserve Fund, which has sufficient balance to complete all work and allow for a contingency as needed. With the elimination of the \$1,335,000 expenditure in next year's odor control CIP project, a portion of that allocated resource could be made available as a contingency fund to cover any unknown expenses that may arise during this project.

Cc: Mr. Richard Robinson, City Administrator  
Ms. Kim Scheafer, City Recorder  
Mr. Dave Conner, WWTP Superintendent

Enclosures: Ordinance 1451  
Contract for Construction  
Bid Tabulation

**ORDINANCE NO. 1451**

**AN ORDINANCE AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH R.L. REIMERS COMPANY FOR THE 2017 WWTP SLUDGE STORAGE IMPROVEMENTS; AND DECLARING AN EMERGENCY.**

**WHEREAS**, the City of Canby has heretofore advertised and received bids for the 2017 WWTP SLUDGE STORAGE IMPROVEMENTS Project; and

**WHEREAS**, the notice of call for bids was duly and regularly published in the Oregon Daily Journal of Commerce on September 30, 2016; and

**WHEREAS**, bids were received and opened on October 25th at 2:00 PM in the City Hall Mt. Hood Conference Room and the following nine bids were read aloud:

	<i>Bidder</i>	<i>Basic Bid</i>	<i>Alternative Bid</i>	<i>Total Bid</i>
1	<b>R.L. Reimers Co.</b>	\$1,637,650	\$313,475	\$1,951,125
2	McClure & Sons, Inc.	1,691,905	370,500	2,062,405
3	Tapani, Inc.	1,781,000	557,000	2,338,000
4	Stettler Supply Co.	1,797,265	398,870	2,196,135
5	2KG Contractors, Inc	1,849,800	728,620	2,578,420
6	Steller J Corporation	1,891,000	411,000	2,302,000
7	Emery & Sons	1,998,139	310,843	2,308,982
8	James W. Fowler	2,054,900	473,173	2,528,073
9	TEK Equipment	2,190,000	302,000	2,492,000

**WHEREAS**, the Canby City Council, acting as the City’s Contract Review Board, met on Wednesday, November 2, 2016, and considered the bids and reports and recommendations of the City staff, including the staff recommendation that the low responsive bid be selected; and

**WHEREAS**, the Canby City Council determined that the low responsive bid was that of R.L. Reimers Company; the now therefore

**THE CITY OF CANBY ORDAINS AS FOLLOWS:**

Section 1. The Mayor and City Administrator are hereby authorized and directed to make, execute, and declare in the name of the City of Canby and on its behalf, an appropriate contract with R.L. REIMERS COMPANY for the 2017 WWTP SLUDGE STORAGE IMPROVEMENTS, for the bid amount of \$1,951,125. A copy of a contract with R.L. REIMERS COMPANY is attached hereto and marked as Exhibit “A” and by this reference incorporated herein.

Section 2. Inasmuch as it is in the best interest of the citizens of Canby, Oregon, to complete this project as soon as possible, an emergency is hereby declared to exist and this ordinance shall therefore take effect immediately upon its enactment after final reading.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting thereof on Wednesday, November 2, 2016 and ordered posted in three (3) public and conspicuous places in the City of Canby as specified in the Canby City Charter and to come before the City Council for final reading and action at a regular meeting thereof on Wednesday, November 16, 2016, commencing at the hour of 7:30 PM in the Council Meeting Chambers located at 222 NE 2nd Avenue, 1<sup>st</sup> Floor, Canby, Oregon.

THIS HAS BEEN REVIEWED  
BY THE FINANCE DIRECTOR  
*Julie Blew* 10-31-16

\_\_\_\_\_  
Kimberly Scheafer, MMC  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 16th day of November 2016, by the following vote:

YEAS \_\_\_\_\_

NAYS \_\_\_\_\_

\_\_\_\_\_  
Brian Hodson, Mayor

ATTEST:

\_\_\_\_\_  
Kimberly Scheafer, MMC  
City Recorder

**CONTRACT FOR CONSTRUCTION**

THIS AGREEMENT is dated as of the \_\_\_ day of \_\_\_\_\_ in the year 2016, by and between the:

\_\_\_\_\_ CITY \_\_\_\_\_ OF  
CANBY

(Hereinafter called OWNER) and

\_\_\_\_\_ R.L. REIMERS COMPANY \_\_\_\_\_  
(Hereinafter called CONTRACTOR)

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

**ARTICLE 1 - WORK**

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents:

**CITY OF CANBY  
WASTEWATER TREATMENT FACILITY  
2017 WWTP SLUDGE STORAGE IMPROVEMENTS**

The scope of work consists of construction of a 300,000 gallon concrete storage tank, transfer pumping station, lab building expansion and associated improvements throughout the treatment facility, including the basic bid and additive alternatives.

**ARTICLE 2 - ENGINEER**

The Project has been designed by CURRAN-McLEOD, INC., Consulting Engineers, who are hereinafter called ENGINEER and who will assume all duties and responsibilities and will have the rights and authority assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

**ARTICLE 3 - CONTRACT TIME**

3.1 The Work will be substantially completed within 180 calendar days after the date when the Contract Time commences to run, and completed and ready for final payment within 30 days after the date when the issuance of the Certificate of Substantial Completion including punch list items.

3.2 Liquidated Damages: OWNER and CONTRACTOR recognize that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not substantially complete within the time specified in paragraph 3.1 above, plus any extensions thereof allowed in accordance with the General Conditions. They also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by OWNER if the Work is not substantially complete on time.

Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay OWNER or the OWNER may withhold from amounts due the CONTRACTOR Two Hundred Fifty Dollars (\$250.00) for each day that expires after the time specified in paragraph 3.1. for Substantial Completion until the Work is substantially complete AND/OR for each day of delay beyond the deadline for Final Completion.

#### **ARTICLE 4 - CONTRACT PRICE**

4.1 OWNER shall pay CONTRACTOR for performance of the Work in accordance with the Contract Documents in current funds by check, an amount totaling

One Million Nine Hundred Fifty One Thousand, One Hundred Twenty Five and  
No/ Dollars

( \$1,951,125.00 ) as shown in the attached Bid Proposal.

#### **ARTICLE 5 - PAYMENT PROCEDURES**

CONTRACTOR shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by ENGINEER as provided in the General Conditions.

5.1 Progress Payments: OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR'S Applications for Payment as recommended by ENGINEER, on or about the 25th day of each month during construction as provided below. All progress payments will be on the basis of the progress of the Work measured by the schedule of values provided for in paragraph 2.03 of the General Conditions.

5.1.1 Prior to Substantial Completion progress payments will be in an amount equal to:

- (a) 95 % of the Work completed; and
- (b) 95 % of materials and equipment not incorporated in the Work but delivered and suitably stored, less in each case the aggregate of payments previously made.

5.1.2 Upon Substantial Completion, OWNER shall pay an amount sufficient to increase total payments to CONTRACTOR to 95% of the value of the Contract Work completed, less such amounts as ENGINEER shall determine in accordance with paragraph 15.01 of the General Conditions.

5.2 Final Payment: Upon final completion and acceptance of the Work in accordance with paragraph 15.06 of the General Conditions, OWNER shall pay the remainder of the value of the Contract Work completed, as recommended by ENGINEER as provided in said paragraph 15.06.

## **ARTICLE 6 - INTEREST**

All monies not paid when due hereunder shall bear interest at the maximum rate allowed by law at the place of the Project, when requested in accordance with ORS 279C.570

## **ARTICLE 7 - CONTRACTOR'S REPRESENTATIONS**

In order to induce OWNER to enter into this Agreement CONTRACTOR makes the following representations:

7.1 CONTRACTOR has familiarized himself with the nature and extent of the Contract Documents, Work, locality, and with all local conditions and federal, state and local laws, ordinances, rules and regulations that in any manner may affect cost, progress or performance of the Work.

7.2 CONTRACTOR has studied carefully all reports of investigations and tests of subsurface and latent physical conditions at the site or otherwise affecting cost, progress or performance of the Work which were relied upon by ENGINEER in the preparation of the Drawings and Specifications and which have been identified in the Supplementary Conditions.

7.3 CONTRACTOR has made or caused to be made examinations, investigations and tests and studies of such reports and related data in addition to those referred to in paragraph 7.2 as he deems necessary for the performance of the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents; and no additional examinations, investigations, tests, reports or similar data are or will be required by CONTRACTOR for such purposes.

7.4 CONTRACTOR has correlated the results of all such observations, examinations, investigations, tests, reports and data with the terms and conditions of the Contract Documents.

7.5 CONTRACTOR has given ENGINEER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.

## **ARTICLE 8 - CONTRACT DOCUMENTS**

8.1 This Agreement

8.2 Exhibits to this Agreement.

- 8.3 Performance and other Bonds
- 8.4 Notice of Award.
- 8.5 General Conditions of the Construction Contract
- 8.6 Supplementary Conditions
- 8.7 Technical Specifications as listed in the Table of Contents.
- 8.8 Specifications bearing the following general title:

**CITY OF CANBY  
WASTEWATER TREATMENT FACILITY  
2017 WWTP SLUDGE STORAGE IMPROVEMENTS**

- 8.9 Addenda numbers 1 through 3.
- 8.10 CONTRACTOR'S Bid
- 8.11 Any Modification, including Change Orders, duly delivered after execution of Agreement.

There are no Contract Documents other than those listed above in this ARTICLE 8. The Contract Documents may only be altered, amended or repealed by a Modification (as defined in Article 1 of the General Conditions).

**ARTICLE 9 - MISCELLANEOUS**

- 9.1 Terms used in this Agreement which are defined in Article 1 of the General Conditions shall have the meanings indicated in the General Conditions.
- 9.2 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically by without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.
- 9.3 OWNER and CONTRACTOR each binds himself, his partners, successors, assigns and legal representatives to the other party hereto, his partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

9.4 In the event a suit, arbitration or other legal action is required by either the OWNER or the CONTRACTOR to enforce any provisions of this Agreement, the prevailing parties shall be entitled to all reasonable costs and reasonable attorney's fees upon trial or subsequent appeal.

IN WITNESS WHEREOF, the parties hereto have signed three counterparts of this Agreement.

This Agreement will be effective on \_\_\_\_\_.

OWNER:

**CITY OF CANBY  
222 NE 2<sup>nd</sup> Avenue  
P.O. Box 930  
Canby, OR 97013**

CONTRACTOR:

**R.L. REIMERS COMPANY  
3939 Old Salem Rd, Ste 200  
Albany, OR 97321**

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Address for giving notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

City of Canby  
 2017 WWTP Sludge Storage Improvements  
 Bid Date: Tuesday, October 25, 2016

BID TABULATION		1	2	3	4	5	6	7	8	9
Basic Bid Items: Sludge Storage Improvements		Units	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total
1.	Furnish all equipment, material and labor required to complete all BASIC BID work on the City of Canby Wastewater Treatment Facility 2017 WWTP Sludge Storage Improvements project in strict conformance with the requirements of the plans and specifications, including a \$25,000 allowance for I&C per Division 16910	1	LS \$ 1,637,650.00	\$ 1,691,905.00	\$ 1,781,000.00	\$ 1,797,265.00	\$ 1,849,800.00	\$ 1,998,139.00	\$ 2,054,900.00	\$ 2,190,000.00
			\$ 1,637,650.00	\$ 1,691,905.00	\$ 1,781,000.00	\$ 1,797,265.00	\$ 1,849,800.00	\$ 1,998,139.00	\$ 2,054,900.00	\$ 2,190,000.00

**TOTAL BASIC BID \$ 1,637,650.00 \$ 1,691,905.00 \$ 1,781,000.00 \$ 1,797,265.00 \$ 1,849,800.00 \$ 1,998,139.00 \$ 2,054,900.00 \$ 2,190,000.00**

Additive Alternative Bid Items:		Units	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total
A.1	Miscellaneous Concrete Pad Removal and Replacement	1	LS \$ 12,000.00	\$ 6,500.00	\$ 2,000.00	\$ 18,800.00	\$ 8,800.00	\$ 10,250.00	\$ 7,000.00	\$ 6,000.00
A.2	Site Corrosion Repairs Labor Only	300	Hrs \$ 81.00	\$ 70.00	\$ 90.00	\$ 65.00	\$ 75.00	\$ 81.72	\$ 90.00	\$ 80.00
A.3	Removal, Re-Galvanizing & Reinstallation of Existing Handrail	1	LS \$ 17,650.00	\$ 20,000.00	\$ 17,500.00	\$ 29,295.00	\$ 78,300.00	\$ 24,585.00	\$ 42,000.00	\$ 35,000.00
A.4	Lab Building Expansion	1	LS \$ 94,750.00	\$ 85,000.00	\$ 166,000.00	\$ 131,595.00	\$ 112,620.00	\$ 109,312.00	\$ 153,200.00	\$ 112,000.00
A.5	Primary Sludge Vault Restoration	1	LS \$ 16,300.00	\$ 17,000.00	\$ 25,000.00	\$ 22,255.00	\$ 9,500.00	\$ 10,695.00	\$ 26,928.00	\$ 6,000.00
A.6	Solids Handling Building Modifications	1	LS \$ 47,675.00	\$ 85,000.00	\$ 138,500.00	\$ 48,615.00	\$ 285,700.00	\$ 16,875.00	\$ 73,300.00	\$ 40,000.00
A.7	Line Silo 1 and 2 Rehabilitation	1	LS \$ 98,800.00	\$ 125,000.00	\$ 169,000.00	\$ 116,895.00	\$ 199,600.00	\$ 113,420.00	\$ 132,000.00	\$ 75,000.00
A.8	Biosolids Loadout Building Air Louvers	1	LS \$ 7,900.00	\$ 11,000.00	\$ 12,000.00	\$ 11,915.00	\$ 11,600.00	\$ 4,500.00	\$ 1,200.00	\$ 4,000.00
			\$ 313,475.00	\$ 370,500.00	\$ 557,000.00	\$ 398,870.00	\$ 728,620.00	\$ 411,000.00	\$ 473,173.00	\$ 302,000.00

Red denotes variation from written bid, after calculation

**TOTAL ADDITIVE ALTERNATIVE BID \$ 313,475.00 \$ 370,500.00 \$ 557,000.00 \$ 398,870.00 \$ 728,620.00 \$ 411,000.00 \$ 473,173.00 \$ 302,000.00**