

**AGENDA**  
**CANBY CITY COUNCIL**  
**Work Session 6:30 PM – Willow Creek Conference Room**  
**Regular Meeting 7:00 PM - Council Chambers**  
**Executive Session 7:30 PM – Willow Creek Conference Room**  
**February 5, 2020**  
**222 NE 2<sup>nd</sup> Avenue, 1<sup>st</sup> Floor**  
**Mayor Brian Hodson**

**Council President Tim Dale**  
**Councilor Trygve Berge**  
**Councilor Traci Hensley**

**Councilor Greg Parker**  
**Councilor Sarah Spoon**  
**Councilor Shawn Varwig**

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**WORK SESSION - 6:30 PM**  
**WILLOW CREEK CONFERENCE ROOM**

Discussion on Quiet Zone Construction Costs. Pg. 1

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**CITY COUNCIL MEETING – 7:00 PM**  
**COUNCIL CHAMBERS**

- 1. CALL TO ORDER**
  - A. Invocation
  - B. Pledge of Allegiance
- 2. COMMUNICATION**
  - A. Update regarding Columbia Distributing’s Strategic Investment Zone application.
- 3. CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS:** This is an opportunity for audience members to address the City Council on items not on the agenda. Each person will be given 3 minutes to speak. Please complete a testimony/comment card prior to speaking and hand it to the City Recorder. Staff and the City Council will make every effort to respond to questions raised during citizens input before the meeting ends or as quickly as possible thereafter. For Agenda items, please fill out a testimony/comment card and give to the City Recorder noting which item you wish to address.
- 4. MAYOR’S BUSINESS**
- 5. COUNCILOR COMMENTS & LIAISON REPORTS**
- 6. CONSENT AGENDA:** This section allows the City Council to consider routine items that require no discussion and can be approved in one comprehensive motion. An item may be discussed if it is pulled from the consent agenda to New Business.
  - A. Approval of Minutes of the January 15, 2020 City Council Work Sessions and Pg. 3 Regular Meeting.

**7. ORDINANCES**

- A. **Ordinance No. 1521**: An Ordinance authorizing the City Administrator to execute a contract with Clackamas Construction, Inc. for the South Ivy Street Sanitary Sewer Pumping Station Improvement Project; and declaring an emergency. *(Second Reading)* Pg. 11
- B. **Ordinance No. 1522**: An Ordinance authorizing the City Administrator to execute an amendment to its contract with MV Transportation, Inc of Dallas, Texas for providing transit operations for Canby Area Transit (CAT). *(First Reading)* Pg. 22

**8. NEW BUSINESS**

**9. CITY ADMINISTRATOR'S BUSINESS & STAFF REPORTS**

**10. CITIZEN INPUT**

**11. ACTION REVIEW**

**12. ADJOURN**

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**EXECUTIVE SESSION - 7:30 PM  
WILLOW CREEK CONFERENCE ROOM**

The City Council will meet in Executive Session pursuant to ORS 192.610 to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

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\*The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Melissa Bisset at 503.266.0733. A copy of this Agenda can be found on the City's web page at [www.canbyoregon.gov](http://www.canbyoregon.gov). City Council and Planning Commission Meetings are broadcast live and can be viewed on CTV Channel 5. For a schedule of the playback times, please call 503.263.6287.



# City of Canby

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## City Council Staff Report

DATE: February 5, 2020  
TO: Honorable Mayor Hodson and City Council  
FROM: Scott McClure, City Administrator  
ITEM: Work Session: Quiet Zone Funding Options

### Summary

The purpose of this agenda item is to discuss options for funding the Downtown Quiet Zone Project.

### Background

The Downtown Quiet Zone Project will complete a series of safety improvements that will allow trains to limit horn usage. Improvements include grade changes, medians and signage.

### Discussion

The current project estimate is:

Design	\$ 323,378
Construction	\$ 898,084
Other Direct Costs	\$ 111,971
Contingency	<u>\$ 44,404</u>
Total	\$1,377,837

As the City's Urban Renewal program is reaching its limit for projects, staff reviewed this project to see if other funding sources could be identified. ODOT funds have been allocated to the project. Certain components of the project could be funded using City funds. This is shown below:

URA Tax Increment	1,239,886	870,850
ODOT Grant	137,951	137,951
Street Maint Fees	-	343,406
Stormwater	-	25,630
	<u>\$1,377,837</u>	<u>\$1,377,837</u>

Additionally, Public Works will take over most on site construction management to lower overall costs.

If supportive of the using Street Maintenance Fees and Stormwater fees to assist with the Quiet Zone Project, we would inform the Urban Renewal Agency and make necessary budget adjustments.

**Attachments**

None

**Fiscal Impact**

The alternative funding idea presented would conserve Urban Renewal Funds (\$369,036), but reduce funds available for Street and Stormwater maintenance

**Options**

1. Support using City Street Maintenance and Stormwater Funds to assist with funding of the Downtown Quiet Zone Project.
2. Do not allocate City funds for the Quiet Zone Project, which would have the project completed as originally budgeted.
3. Request additional information.

**Recommendation**

Staff recommends the Council allocate funds to the Downtown Quiet Zone Project as presented in this staff report.

**Proposed Motion**

I move that \$343,406 in Street Maintenance Funds and \$25,630 in Stormwater Funds be allocated the Urban Renewal Agency's Downtown Quiet Zone Project.

**CANBY CITY COUNCIL  
WORK SESSION MINUTES  
January 15, 2020**

**PRESIDING:** Mayor Brian Hodson

**COUNCIL PRESENT:** Trygve Berge, Traci Hensley, Greg Parker, Sarah Spoon, and Shawn Varwig.

**COUNCIL ABSENT:** Tim Dale

**STAFF PRESENT:** Scott McClure, City Administrator; Joseph Lindsay, City Attorney; Melissa Bisset, City Recorder; and Julie Blums, Finance Director

**OTHERS PRESENT:** None

**CALL TO ORDER:** Mayor Hodson called the Work Session to order at 6:15 p.m. in the Willow Creek Room.

**PERS UPDATE:**

Finance Director Julie Blums, gave an update on PERS. She explained the history of PERS and the various programs: Tier One, Tier Two and the Oregon Public Service Retirement Plan (OPSRP).

She explained that SB 1049 was recently passed and it:

- Capped contributions of salaries over \$195,000
- Extended UAL amortization period
- Shifted a portion of the employee IAP contribution to fund pension costs
- Changed rules regarding retired employees returning to work.
- Created an Employer Incentive Fund.

Ms. Blums explained the Employer Incentive Fund opened in December and the City was approved for up to \$500,000. It was first come first serve and all the money was spoken for and there was a waiting list. She showed a chart with the options for how much the City wanted to contribute and what the savings would be in future years by reducing the rate. Option 1 was if the City contributed \$250,000, the annual rate reduction would be .35% and over a 16 year period that came out to about \$495,000 in savings. Option 2 was if the City contributed \$300,000, the annual rate reduction would be .42% and over a 16 year period that would be \$594,000 in savings. If they put in \$400,000, the annual rate reduction would be .56% with a savings of \$793,000 and if they put in \$500,000, the annual rate reduction would be .7% with a savings of \$991,000. If they took out the initial contribution, the net savings would be \$245,000 to \$491,000. PERS was estimating that their annual rate of return was 7.2%. The rate was amortized out over 20 years and right now the City was earning 2.25% in their bank account. That meant there would be a 5% increase if the City were to move it to this fund. There was approximately \$229,000 in reserve funds for PERS. She showed what would need to be taken out of all the funds in order to get to the options she had discussed for the Incentive Fund. Most departments could not fund the \$400,000 and \$500,000 options. She noted they had started the year with an extra \$240,000. This was one-time money that could be used for this program. She recommended contributing at the highest level possible to get the most savings. The charge would be put into the budget next year and they could charge each fund the additional contribution amounts needed to reach their target in July

2020. It would be a part of the FY 20-201 Budget. She explained the \$240,000 came from higher than projected revenues and lower expenses.

Councilor Spoon asked if there were any risks involved with this program. Ms. Blums said the risk was that the City would not have the cash on hand if something catastrophic happened. Over time they would get a better interest rate and would save money.

Mayor Hodson asked about the separate reserve of \$229,000. How would they pay their current PERS payout? Ms. Blums said they would use the \$229,000 for this program as well. The current PERS payout was a separate line item. It was noted that the amount they contributed and the State contributed would go into an account that would be dedicated to the City's PERS rates.

Ms. Blums recommended to get to the \$500,000 they use \$201,000 of the \$240,000 that was extra in the budget as well as the \$229,000 and the rest would come from all the other funds. Once these funds were put in this program, they could not be accessed by the City. They would be used to buy down the rates in future years and it would go away in 16 years.

It was noted that there were still reserves. The current reserve was estimated 33-35% by the end of this year.

Discussion ensued regarding risk and the rate of return for this program.

Mayor Hodson wanted to make sure they were updated annually on the rate of return.

Ms. Blums stated that PERS valuations were for approximately three years and were advisory rates only. There would not be a rate change until 2021/2022 and it would be based on December 2019. This fund would not go into effect until the next rate change. Even though this was a 16 year program, the model was for a 20 year period. The amortization period was 22 years.

Councilor Parker asked how this would be accounted for in budget. Ms. Blums stated it would be included in the personal services section. It would only be in the budget one year and after that it would be off the books. The savings would then be reflected in the PERS line item of the budget.

There was consensus to make a contribution of one of the higher numbers and to include it in the budget.

The Work Session was adjourned at 6:55 p.m.

Melissa Bisset  
City Recorder

Brian Hodson  
Mayor

**CANBY CITY COUNCIL  
REGULAR MEETING MINUTES  
January 15, 2020**

**PRESIDING:** Mayor Brian Hodson

**COUNCIL PRESENT:** Trygve Berge, Traci Hensley, Greg Parker Sarah Spoon and Shawn Varwig.

**COUNCIL ABSENT:** Tim Dale

**STAFF PRESENT:** Scott McClure, City Administrator; Joseph Lindsay, City Attorney; Melissa Bisset, City Recorder; Jamie Stickel, Economic Development Director; Julie Blums, Finance Director; and Irene Green, Library Director.

**OTHERS PRESENT:** Joyce Ares, Catrina Nelson, Bob Cambra, Sarah Rodriguez, Lois Brooks, Patti McAlpin, Steve Thoroughman, Barbara Karmel, Mark Triebwasser, Cindy More, and Linda Warwick.

**CALL TO ORDER:** Mayor Hodson called the Regular Meeting to order at 7:04 p.m. in the Council Chambers followed by the opening ceremonies.

**COMMUNICATIONS:** None.

**PRESENTATION:** Friends of the Library Presentation – Joyce Ares, Chair of the Friends of the Canby Public Library Board of Directors, stated that she was at the end of her term on the Board. They would be electing two new members to the Board next month. They had promised to do \$22,500 worth of programing this fiscal year. She provided a background on the last seven years of the existence of the Friends of the Library Board. In the first year there was a request for \$10,000 worth of programing and each year it had gone up in the amount. They had just received the request for next fiscal year, which was \$21,800. The contributions paid for programing for adults, children, preschoolers, and teens. She presented the check to the City and introduced the other Board members in attendance.

Recognition of the Government Finance Officers Association's Distinguished Budget Presentation Award – Mayor Hodson explained this award was the highest award in governmental budgeting. It was awarded to the City's Finance Department on November 11, 2019. The Mayor presented the award to Julie Blums, Finance Director. This was the third year that the City had received this award.

**CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS:** Paul Ylvisaker, Canby resident, stated last time he came to Council he gave definitions of the words he had used in the petition to stop the fireworks at Canby High School football games. The consequences to the variance the Council approved for use of the fireworks was a form of discriminatory behavior and was abusive to the residents and pets that resided in the neighborhood. It was a new year and a new decade and it was a time to move Canby forward as a community that did not tolerate discriminatory behavior in any form.

Bob Cambra, Canby resident, discussed the need to develop a strategic plan for taking jurisdiction of County roads that were in the City. He wanted to make sure they recognized the delicate balance between the need to bring in those roads and the existing road projects. He thought the road projects needed to be included in the strategic plan and should be high priority, especially N 10<sup>th</sup> Avenue and N Locust Street.

**MAYOR'S BUSINESS:** Mayor Hodson stated the next Parks and Recreation Advisory Board meeting would be on January 21. It would be a joint meeting with the Bike and Pedestrian Committee to discuss the Logging

Road Trail project. He reminded Council of the January 23<sup>rd</sup> Clackamas County Cities Association Dinner, the February 6<sup>th</sup> First Thursday, Business Showcase, and State of the City Address, and the February 29<sup>th</sup> City Council Retreat.

**COUNCILOR COMMENTS & LIAISON REPORTS:** None

**CONSENT AGENDA:** **\*\*Councilor Hensley moved to adopt the minutes of the December 18, 2019 City Council Meeting and to approve the appointments to the Heritage and Landmark Commission, Library Board, Parks and Recreation Advisory Board, and Traffic Safety Commission. Motion was seconded by Councilor Varwig and passed 5-0.**

**RESOLUTIONS & ORDINANCES:**

Resolution 1330 – Jamie Stickel, Economic Development Director, explained the Rural Strategic Investment Zone application from Columbia Distributing who would be locating in the Industrial Park. She explained the Rural Strategic Investment Zone was a Clackamas County program. It provided an incentive for projects \$25 million or more and the business paid full property taxes on the first \$25 million investment. The taxes on the property in excess of \$25 million would be abated for 15 years. Businesses would pay a community service fee of 25% of the abated taxes or \$500,000 per year, whichever was less. The community service fee was intended to be first used to mitigate the direct impacts of the development and then to fund high priority projects or programs in the community. She explained the process for applying for the zone which had to be approved by the City, County, and Oregon Business Development Commission.

Councilor Parker asked if the other taxing districts had a role in this. Ms. Stickel said they were not required to notify the other taxing districts at this step. If the agreement was approved, the other taxing districts would be part of the discussion for how the community service fee would be distributed.

Councilor Parker asked if the tax amount was on the assessed value. Joe Lindsay, City Attorney, explained once the building was completely done, the assessor would determine the value of the property and that was how they came up with the tax amount. The eligibility for this project was triggered by the fact that they were investing more than \$25 million into a rural community. It was a different valuation than what it would be assessed at. He thought the first \$25 million would be taxed at the regular rate and anything above that would be abated.

Councilor Parker did not think they would be taxing \$25 million, but they would be taxing \$21 million because that would be what the project would be assessed.

Mr. Lindsay said the applicant must honor the agreement and meet what was in the agreement.

Councilor Parker stated that his constituents complained about the impact of traffic with this project. What he had told them was that the City would be getting taxes to address those impacts. He was not aware that this zone was in play with Columbia Distributing. He assumed that the City would be taxing on the \$65 million project. He would like to know the exact amount of money that would be collected. He stated he was told by the City Attorney that this was not really an application, but a procedure and that once the application was turned in, they had to approve it. He wanted to be able to explain the impact of this decision to his constituents.

Scott McClure, City Administrator, said the rough figures on a \$20 million project were \$342,000 in tax revenue. He thought they would be talking about at least \$350,000 in tax revenue for the first \$25 million. There was an income tax off-set for this program from the State which could be up to \$603,000 per year, but it might



not be a permanent program. He thought there was substantial money coming into the community even with the incentive package. How it was allocated would be a different discussion.

Councilor Parker asked if this project would have come to the City without the incentive package.

Ms. Stickel stated the discussions about using this zone started in April 2018. It was one of the biggest tools they had to use to bring in the project.

The Council expressed concern with not having the information earlier.

Mr. Lindsay explained the decision could be delayed as this would not go into effect until the property was developed and the business was up and running, and then it would be the next January after that. The applicant was starting to build and had applied for this zone and the City and the County had discussed what the agreement should look like to follow the statutes. The City was the first party to make a decision on the agreement, and then it would go to the County and then Business Oregon.

Discussion ensued regarding wanting more information earlier so the Council would be more informed.

Councilor Spoon also agreed that this would have been good information to have sooner when talking to constituents. It sounded like something the Council had to approve, and delaying it would not change that.

Mr. Lindsay pointed out that there used to be zero taxes on the property, and they would be getting \$25 million value of tax with an abatement that in 15 years would go away and the full amount would be taxed. There was also an income tax. He thought there was value to the incentive, but he apologized for not giving Council those talking points sooner.

Mr. McClure said they could delay this to the next meeting, but they were in the middle of the process where the City needed to take action so it could go to the County and then the State, which only met quarterly. They had a company that had in good faith applied for this program and decided to come to this community based on this incentive package.

Cindy Moore, Clackamas County Business and Community Services, gave a background on the program. The zone was put in place in 2010 and this was the first application to use the zone. This was one of the tools to keep them competitive as a community.

Jim Davis, Fire Chief, read a letter he had submitted to the Council that night requesting the Council to table the resolution to allow the Fire Board time to review the information. The Fire Board would be meeting on January 22. The Fire District was not opposed to this development, but had to provide fire and EMS services not only to this complex but to numerous other businesses in the City. He thought all of the taxing districts needed to be well aware of this and the impacts before the Council took action on the resolution. The application should have been turned in and approved before construction. For the most part, the building was done and the Fire Department had spent a great deal of time inspecting the building. He did not think the City had to approve the application per the Fire District's attorney. If the agreement was approved, it was estimated that the Fire District would lose up to \$60,000 per year if they received 25% of the community service fee. If they received less than 25%, they could lose up to \$85,000 per year. They wanted to work with the Council and find a resolution to this.

Steve Thoroughman, Fire Board Chair, stated Canby Fire had a long history of working with the City. They had no idea this was coming and he asked that the process be slowed down.

Councilor Parker asked if the applicant should have waited on the construction until the application was approved by Business Oregon. Ms. Stickel said Business Oregon had been working with them, and said they were in compliance.

Mr. Lindsay clarified the statutes did not have a timeline for when the application and construction needed to happen. It just had to be new construction.

The Council asked for clarification from Business Oregon that the sequence of the construction of the building prior to approval of the application was acceptable. Staff would also find out if Columbia Distributing would own the building or would be leasing it and who would be the entity benefitting from the zone. They would also like the School District contacted to let them know about this process.

**\*\*Councilor Hensley moved to table Resolution 1330 to February 5, 2019. Motion was seconded by Councilor Varwig and passed 5-0.**

Ordinance 1521 – Mr. McClure stated this ordinance would authorize construction of a pump station on S Ivy to serve multiple development projects. The winning bid was under budget at \$588,861.25.

**\*\*Councilor Varwig moved to adopt Ordinance 1521, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH CLACKAMAS CONSTRUCTION, INC. FOR THE SOUTH IVY STREET SANITARY SEWER PUMPING STATION IMPROVEMENT PROJECT; AND DECLARING AN EMERGENCY to come up for second reading on February 5, 2019. Motion was seconded by Councilor Hensley and passed 5-0 on first reading.**

**NEW BUSINESS:** None

**CITY ADMINISTRATOR'S BUSINESS & STAFF REPORTS:** Mr. McClure gave an update on the public input on the Splash Pad project. The majority were in favor of Option 1 with a minor change and it would go back to the architect. He still thought the work could begin early summer. He also gave an update on the Quiet Zone project. The price was going up and they would need to look at funding options. There was an offer made for the new Transit Director and background checks were currently being done.

Melissa Bisset, City Recorder, gave an update on increasing communications with the public including a new City newsletter and more social media posts.

**ACTION REVIEW:**

1. Approved the Consent Agenda.
2. Tabled Resolution 1330 to come back to Council on February 5, 2019.
3. Approved Ordinance 1521 to come up for second reading on February 5, 2019.

Mayor Hodson adjourned the Regular Meeting at 8:39 p.m.

Melissa Bisset  
City Recorder

Brian Hodson  
Mayor

CANBY CITY COUNCIL  
WORK SESSION MINUTES  
January 15, 2020

PRESIDING: Mayor Brian Hodson

COUNCIL PRESENT: Trygve Berge, Traci Hensley, Greg Parker, Sarah Spoon, and Shawn Varwig.

COUNCIL ABSENT: Tim Dale

STAFF PRESENT: Scott McClure, City Administrator; Joseph Lindsay, City Attorney; Melissa Bisset, City Recorder; Julie Blums, Finance Director; Jamie Stickel, Economic Development Director

OTHERS PRESENT: None

CALL TO ORDER: Mayor Hodson called the Work Session to order at 8:29 p.m.

Discussion on Potential Redevelopment of the Former Library – Jamie Stickel, Economic Development Director, said when the City moved into the new building on NE 2<sup>nd</sup> Avenue, they opened requests for expressions of interest for the former library building at 292 N Holly Street in both 2017 and 2018. Three proposals were received in 2017 and four were received in 2018. The City had decided to retain possession of the building and redevelop it into a public market with office space in the back corner. LRS Architects did exterior and interior renderings as well as cost estimates for the work. The estimates came in substantially over budget at \$3.5 million. At the beginning of this year, three different interested parties had contacted the City, two looking to purchase and one looking to lease and/or purchase the building. She asked if the Council wanted to open it up again for requests for expressions of interest.

Councilor Spoon asked what happened to the grant money if they decided to go a different way. Ms. Stickel said it was possible that it could be a pass through grant.

Councilor Spoon asked if the people who expressed interest would share the Council's vision for the building. Ms. Stickel thought at least one would.

Scott McClure, City Administrator, said they were getting to the end of life on the Urban Renewal District and they had to be careful about extra costs. Potentially there wouldn't be extra costs if the City was able to sell the building and someone else paid to upgrade the building which would protect those Urban Renewal dollars.

Councilor Hensley was not interested in the City being a landlord and was willing to entertain more offers.

Mayor Hodson asked if there were things they could do to reduce the \$3.5 million cost. Ms. Stickel said these were standard upgrades, such as the bathrooms, hardware, and walls. There was nothing big or glaring that could be removed that would bring the number down.

Mr. McClure said they were taking an open shell building and breaking it into pieces with separate pods and new HVAC, plumbing, walls, commercial kitchens, flooring, etc. The price for each of these pieces added up.

Councilor Berge asked about the return on investment for making these improvements. Ms. Stickel stated when they looked at the proposals from the last expressions of interest, they had looked at what other leased spaces downtown were going for and it was anywhere from \$0.78 per square foot to \$1.38 per square foot per month.

They did not have leasing numbers in place, but had hoped to make it work with what they had.

Councilor Varwig asked if they had looked into the cost of leveling the building and rebuilding a new one. Mr. McClure said it would still be a lot of money.

Councilor Varwig was not in favor of the City being a landlord and thought they should look at other proposals.

Ms. Stickel noted that there was currently momentum for businesses to come to downtown.

Councilor Spoon asked if they could have a short timeline for applications since there was interest.

Councilor Berge said as they grew, parking downtown would become an issue. He thought they should discuss keeping the property for future parking.

There was consensus to open it back up for proposals. The proposals would be reviewed in an executive session.

Mayor Hodson adjourned the Work Session at 8:44 p.m.

Melissa Bisset  
City Recorder

Brian Hodson  
Mayor



## City of Canby Staff Report

DATE: February 5, 2020  
TO: Mayor Hodson & City Council  
THRU: Scott McClure, City Administrator  
FROM: Curt J. McLeod, P.E.  
CURRAN-McLEOD, INC  
ITEM: Ordinance No. 1521: Contract with Clackamas Construction, Inc. for the South Ivy Street Sanitary Sewer Pumping Station Improvement Project.

### Summary

On January 9<sup>th</sup> the City of Canby received ten bids for construction of the South Ivy Street Sanitary Sewer Pumping Station project. This staff report is to request the City Council’s approval for award of the contract. On January 15<sup>th</sup> Ordinance No. 1521 was read for the first time and passed by the vote of the Council. Official notices of the Ordinance were posted as specified in the Canby City Charter and the final reading is scheduled for the February 5<sup>th</sup> City Council meeting.

### Background

In response to continued residential growth in the southern portion of the City Limits, the City directed the City Engineer to prepare plans and specifications in accordance with the Sanitary Sewer Facilities Plan for construction of the South Ivy Street pump station. This pumping station provides service to approximately 34.5 acres of residentially zoned properties along S Ivy Street to the limits of the UGB.

Ten bids were received January 9<sup>th</sup>, as listed below and shown on the bid tabulation attached, with the low bid from Clackamas Construction, Inc. from Boring, Oregon:

	<i><b>BIDDER</b></i>	<i><b>TOTAL BID</b></i>
1	<i><b>Clackamas Construction, Inc.</b></i>	<i><b>\$588,861.25</b></i>
2	<i>Lee Contractors, LLC</i>	<i>\$637,400.00</i>
3	<i>C &amp; M Excavation &amp; Utilities, LLC</i>	<i>\$686,410.00</i>
4	<i>Canby Excavating, Inc.</i>	<i>\$691,710.00</i>
5	<i>R. L. Reimers Co.</i>	<i>\$704,884.00</i>
6	<i>Trench Line Excavation, Inc.</i>	<i>\$739,900.00</i>
7	<i>Clark &amp; Sons Excavating, Inc.</i>	<i>\$742,230.00</i>
8	<i>Emery &amp; Sons Construction Group</i>	<i>\$748,757.00</i>
9	<i>McClure &amp; Sons, Inc.</i>	<i>\$759,223.00</i>
10	<i>Stettler Supply Company</i>	<i>\$865,509.00</i>

Clackamas Construction is located in Boring, Oregon and has been active in the local construction industry for several decades with a history of successful projects. Correct Equipment from Canby is a subcontractor that will be supplying the pump station structure and controls, similar to their role in the Mulino and Willow Creek pump station improvements completed in recent years.

There are no concerns listed on the Oregon Construction Contractors Board (CCB) records for this firm. Their bid was deemed to be responsive and responsible. Our recommendation is to accept the bid from Clackamas Construction, Inc. and execute a Contract for Construction in the amount of \$588,861.25.

### **Discussion**

This solicitation was advertised and completed in compliance with ORS 279C as a formal bid process. All the bids received were responsive with only one minor math error in the fourth low bid. The bid from Clackamas Construction, Inc. was the lowest responsive and responsible bid.

This project has long lead items including the pump station structure, pumping equipment and controls. As a result, the ordinance includes an emergency clause to permit the project to proceed immediately upon second reading on February 5<sup>th</sup>.

### **Attachments**

1. Ordinance 1521
2. Contract for Construction
3. Bid Tabulation

### **Fiscal Impact**

This construction was estimated to cost approximately \$650,000 and is adequately funded with System Development Charge revenues. The capital budget for this project will have an available contingency of over \$200,000 remaining after award of this contract.

### **Options**

1. Approve the contract as presented.

### **Recommendation**

That the City of Canby approve Ordinance 1521 authorizing the City Administrator to execute a contract with Clackamas Construction, Inc. in the amount of \$588,861.25 for construction of the South Ivy Sanitary Sewer Pumping Station Improvement project and declare an emergency to allow the project to proceed immediately upon second reading.

### **Proposed Motion**

I move to adopt Ordinance 1521 authorizing the City Administrator to execute a contract with Clackamas Construction, Inc. in the amount of \$588,861.25 for construction of the South Ivy Street Sanitary Sewer Pumping Station and declaring an emergency.

**ORDINANCE NO. 1521**

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH CLACKAMAS CONSTRUCTION, INC. FOR THE SOUTH IVY STREET SANITARY SEWER PUMPING STATION IMPROVEMENT PROJECT; AND DECLARING AN EMERGENCY.**

**WHEREAS**, the City of Canby has heretofore advertised and received bids for the South Ivy Street Sanitary Sewer Pumping Station Improvements; and

**WHEREAS**, the notice of call for bids was duly and regularly published in the Oregon Daily Journal of Commerce on December 16, 2019; and

**WHEREAS**, ten bids were received and opened at 2:00 PM on January 9<sup>th</sup>, 2020 in the City Hall Conference Room which included the following bids:

	<b>BIDDER</b>	<b>TOTAL BID</b>
1	<i>Clackamas Construction, Inc.</i>	<b>\$588,861.25</b>
2	<i>Lee Contractors, LLC</i>	<b>\$637,400.00</b>
3	<i>C &amp; M Excavation &amp; Utilities, LLC</i>	<b>\$686,410.00</b>
4	<i>Canby Excavating, Inc.</i>	<b>\$691,710.00</b>
5	<i>R. L. Reimers Co.</i>	<b>\$704,884.00</b>
6	<i>Trench Line Excavation, Inc.</i>	<b>\$739,900.00</b>
7	<i>Clark &amp; Sons Excavating, Inc.</i>	<b>\$742,230.00</b>
8	<i>Emery &amp; Sons Construction Group</i>	<b>\$748,757.00</b>
9	<i>McClure &amp; Sons, Inc.</i>	<b>\$759,223.00</b>
10	<i>Stettler Supply Company</i>	<b>\$865,509.00</b>

**WHEREAS**, the Canby City Council, acting as the City’s Contract Review Board, met on Wednesday, January 15, 2020, 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 Notice of Intent to Award as required by ORS 279C.375 was issued on January 10, 2020, and provides seven days notice before the contract award can be made, and


**WHEREAS**, the Canby City Council determined that the low responsive bid was that of Clackamas Construction, Inc.; now therefore

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

Section 1. Upon expiration of the seven day period to appeal the award by January 17, 2020 without appeal, the City Administrator is 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 Clackamas Construction, Inc. for the South Ivy Street Sanitary Sewer Pumping Station Improvement project, for the bid amount of \$588,861.25. A copy of the contract form with Clackamas Construction, Inc. is attached herein.

Section 2. Due to the need to provide continuous sanitary sewer treatment and effluent disposal, 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, January 15, 2020 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, February 5, 2020, commencing at the hour of 7:00 PM in the Council Meeting Chambers located at 222 NE 2nd Avenue, Canby, Oregon.

  
\_\_\_\_\_  
Melissa Bisset, CMC  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 5th day of February 2020 by the following vote:

YEAS \_\_\_\_\_

NAYS \_\_\_\_\_

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

ATTEST:

\_\_\_\_\_  
Melissa Bisset, CMC  
City Recorder



**AFFIDAVIT OF POSTING**

STATE OF OREGON )  
 )  
County of Clackamas ) ss:  
 )  
CITY OF CANBY )

I, Melissa Bisset, being first duly sworn, depose and say that I am the City Recorder for the City of Canby, Clackamas County, Oregon, a City duly incorporated under and by virtue of the laws of the State of Oregon.

That on the 15<sup>th</sup> day of January, 2020 the Council for said City of Canby held a Regular City Council Meeting, at which meeting Ordinance No. 1521 was read for the first time and passed by the vote of said Council and was then and there ordered posted in at least three (3) public and conspicuous places in said City for a period of five (5) days prior to the second reading and final vote on said Ordinance, as provided in Section 2 of Chapter 8 of the Charter of the City of Canby, and

Thereafter, on the 16<sup>th</sup> day of January, 2020, I personally posted said Ordinance in the following four (4) conspicuous places, all within the said City of Canby, to wit:

- 1. Canby Civic Building Bulletin Board (Upstairs)
- 2. Canby Civic Building Bulletin Board (Downstairs)
- 3. Canby Post Office
- 4. City of Canby Web Page

That since said posting on the date aforesaid, the said Ordinance will remain posted in the said four (4) public and conspicuous places continuously for the period of five (5) days and until the very 5<sup>th</sup> day of February, 2020.

Melissa Bisset  
Melissa Bisset, City Recorder

Subscribed and sworn to before me this 21 day of January, 2020.

Erin Elizabeth Burckhard  
Notary Public For Oregon  
My Commission Expires: 9/4/2022



## CONTRACT FOR CONSTRUCTION

THIS AGREEMENT is dated as of the \_\_\_ day of \_\_\_\_\_ in the year 2020, by and between the:

CITY OF CANBY

(Hereinafter called OWNER) and

CLACKAMAS CONSTRUCTION, INC.

(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 SOUTH IVY STREET SANITARY SEWER PUMPING STATION IMPROVEMENTS

The scope of work consists of construction of a new duplex sanitary sewer pumping station with 10 foot diameter by 20 feet deep fiberglass wet well, 570 lineal feet of 4" HDPE force main, and approximately 730 feet of 8" PVC gravity sanitary sewer, both with private utilities in the common trench.

### 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 successful bidder agrees to be substantially complete with all work within 180 days of Notice to Proceed and to achieve final completion within 30 calendar days after issuance of the Notice of Substantial Completion.

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 Four Hundred Dollars (\$400.00) 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

Five Hundred Eighty-Eight Thousand, Eight Hundred Sixty-One and 25/100 Dollars

( \$588,861.25 ) 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  
SOUTH IVY STREET SANITARY SEWER  
PUMPING STATION IMPROVEMENTS**

- 8.9 Addenda number 1 of 1.
- 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 \_\_\_\_\_, 2020.

OWNER:

**CITY OF CANBY**  
**222 NE 2<sup>nd</sup> Avenue**  
**Canby, OR 97013**

CONTRACTOR:

**CLACKAMAS CONSTRUCTION, INC.**  
**28890 SE Hwy 212,**  
**Boring, OR 97009**

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

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

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

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

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

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

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

Address for giving notices:

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

City of Canby  
 Project: South Ivy Street Sanitary Sewer Pump Station  
 Bid Date: Thursday, January 9, 2020 @ 2PM

		1	2	3	4	5	6	7	8	9	10	
BID TABULATION		Clackamas Construction	Lee Contractors	C & M Excavation & Utilities	R.L. Reimers Co.	Canby Excavating	Trench Line Excavation	Clark & Sons Excavating	Emery & Sons Construction	McClure & Sons	Stettler Supply Company	
Basic Bid Items:		Units	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	
<b>1. Wastewater Pump Station</b>												
1.1	Mobilization, Bond, Insurance, Temporary Traffic Control and Erosion & Sediment Control	1 LS	\$ 34,000.00	\$ 45,000.00	\$ 50,000.00	\$ 34,550.00	\$ 81,000.00	\$ 41,080.00	\$ 75,000.00	\$ 50,000.00	\$ 30,000.00	\$ 50,000.00
			\$ 34,000.00	\$ 45,000.00	\$ 50,000.00	\$ 34,550.00	\$ 81,000.00	\$ 41,080.00	\$ 75,000.00	\$ 50,000.00	\$ 30,000.00	\$ 50,000.00
1.2	Site Improvements, Grading, AC Surfacing, Site Restoration	1 LS	\$ 18,500.00	\$ 50,000.00	\$ 30,000.00	\$ 21,700.00	\$ 26,000.00	\$ 10,000.00	\$ 25,000.00	\$ 25,000.00	\$ 15,000.00	\$ 58,000.00
			\$ 18,500.00	\$ 50,000.00	\$ 30,000.00	\$ 21,700.00	\$ 26,000.00	\$ 10,000.00	\$ 25,000.00	\$ 25,000.00	\$ 15,000.00	\$ 58,000.00
1.3	Pump Station Wet Well and Valve Vault, Pumping Equipment, Site Restoration	1 LS	\$ 244,150.00	\$ 180,000.00	\$ 230,000.00	\$ 229,550.00	\$ 215,000.00	\$ 285,000.00	\$ 243,000.00	\$ 272,000.00	\$ 240,000.00	\$ 244,000.00
			\$ 244,150.00	\$ 180,000.00	\$ 230,000.00	\$ 229,550.00	\$ 215,000.00	\$ 285,000.00	\$ 243,000.00	\$ 272,000.00	\$ 240,000.00	\$ 244,000.00
1.4	Building Improvements including Building Structure, Electrical, Engine Generator, and all miscellaneous work.	1 LS	\$ 164,000.00	\$ 150,000.00	\$ 185,000.00	\$ 174,590.00	\$ 177,100.00	\$ 185,000.00	\$ 150,000.00	\$ 190,000.00	\$ 164,294.00	\$ 197,400.00
			\$ 164,000.00	\$ 150,000.00	\$ 185,000.00	\$ 174,590.00	\$ 177,100.00	\$ 185,000.00	\$ 150,000.00	\$ 190,000.00	\$ 164,294.00	\$ 197,400.00
1.5	Site Piping Including all Mechanical Piping & Valve Vault, 48 LF of gravity sewer and connection to Riverside Park Manhole, new 48" MH and connection to the wet well, Utility Trenching to the transformer and Transformer pad Preparation, and Coordination with private utilities, to the Pay Limits Shown on the Plans	1 LS	\$ 9,700.00	\$ 50,000.00	\$ 40,000.00	\$ 36,500.00	\$ 40,500.00	\$ 18,000.00	\$ 6,000.00	\$ 50,000.00	\$ 42,000.00	\$ 33,100.00
			\$ 9,700.00	\$ 50,000.00	\$ 40,000.00	\$ 36,500.00	\$ 40,500.00	\$ 18,000.00	\$ 6,000.00	\$ 50,000.00	\$ 42,000.00	\$ 33,100.00
<b>Subtotal Wastewater Pump Station</b>			\$ 470,350.00	\$ 475,000.00	\$ 535,000.00	\$ 496,890.00	\$ 539,600.00	\$ 539,080.00	\$ 499,000.00	\$ 587,000.00	\$ 491,294.00	\$ 582,500.00
<b>2. Force Main, Gravity Sewer &amp; Private Utilities</b>												
2.1	Mobilization, Bond, Insurance, Temporary Traffic Control and Erosion & Sediment Control	1 LS	\$ 30,700.00	\$ 15,000.00	\$ 20,000.00	\$ 45,000.00	\$ 58,000.00	\$ 48,000.00	\$ 20,000.00	\$ 16,000.00	\$ 50,000.00	\$ 68,100.00
			\$ 30,700.00	\$ 15,000.00	\$ 20,000.00	\$ 45,000.00	\$ 58,000.00	\$ 48,000.00	\$ 20,000.00	\$ 16,000.00	\$ 50,000.00	\$ 68,100.00
2.2	4" HDPE SDR 26 Force Main w/ Native Backfill (Common Trench w/Utility Conduits)	570 LF	\$ 43.75	\$ 70.00	\$ 70.00	\$ 65.00	\$ 34.00	\$ 80.00	\$ 120.00	\$ 64.00	\$ 124.00	\$ 92.00
			\$ 24,937.50	\$ 39,900.00	\$ 39,900.00	\$ 37,050.00	\$ 19,380.00	\$ 45,600.00	\$ 68,400.00	\$ 36,480.00	\$ 70,680.00	\$ 52,440.00
2.3	8" PVC 3034 SDR 35 Gravity Sewer w/ Native Backfill (Common Trench w/Utility Conduits)	727 LF	\$ 40.25	\$ 100.00	\$ 80.00	\$ 97.00	\$ 65.00	\$ 100.00	\$ 140.00	\$ 100.00	\$ 137.00	\$ 162.00
			\$ 29,261.75	\$ 72,700.00	\$ 58,160.00	\$ 70,519.00	\$ 47,255.00	\$ 72,700.00	\$ 101,780.00	\$ 72,700.00	\$ 99,599.00	\$ 117,774.00
2.4	Crushed Rock Driveway Surfacing, 12"	230 LF	\$ 47.00	\$ 10.00	\$ 20.00	\$ 20.00	\$ 30.00	\$ 14.00	\$ 25.00	\$ 49.90	\$ 65.00	\$ 16.50
			\$ 10,810.00	\$ 2,300.00	\$ 4,600.00	\$ 4,600.00	\$ 6,900.00	\$ 3,220.00	\$ 5,750.00	\$ 11,477.00	\$ 14,950.00	\$ 3,795.00
2.5	48" Manhole with Tamperproof Frame and Lid	3 Ea.	\$ 1,800.00	\$ 8,000.00	\$ 5,000.00	\$ 6,300.00	\$ 3,975.00	\$ 6,700.00	\$ 10,000.00	\$ 6,000.00	\$ 5,000.00	\$ 6,400.00
			\$ 5,400.00	\$ 24,000.00	\$ 15,000.00	\$ 18,900.00	\$ 11,925.00	\$ 20,100.00	\$ 30,000.00	\$ 18,000.00	\$ 15,000.00	\$ 19,200.00
2.6	Connect to Existing Manhole	1 LS	\$ 900.00	\$ 500.00	\$ 2,500.00	\$ 4,600.00	\$ 3,850.00	\$ 2,400.00	\$ 1,800.00	\$ 2,400.00	\$ 6,500.00	\$ 3,700.00
			\$ 900.00	\$ 500.00	\$ 2,500.00	\$ 4,600.00	\$ 3,850.00	\$ 2,400.00	\$ 1,800.00	\$ 2,400.00	\$ 6,500.00	\$ 3,700.00
2.7	644 LA Utility Vault Excavation & Foundation	3 Ea.	\$ 3,934.00	\$ 2,000.00	\$ 2,250.00	\$ 8,175.00	\$ 1,150.00	\$ 2,000.00	\$ 3,500.00	\$ 1,000.00	\$ 2,400.00	\$ 3,000.00
			\$ 11,802.00	\$ 6,000.00	\$ 6,750.00	\$ 24,525.00	\$ 3,450.00	\$ 6,000.00	\$ 10,500.00	\$ 3,000.00	\$ 7,200.00	\$ 9,000.00
2.8	810 LA Utility Vault Excavation & Foundation	1 Ea.	\$ 4,700.00	\$ 2,000.00	\$ 4,500.00	\$ 2,800.00	\$ 1,350.00	\$ 2,800.00	\$ 5,000.00	\$ 1,700.00	\$ 4,000.00	\$ 9,000.00
			\$ 4,700.00	\$ 2,000.00	\$ 4,500.00	\$ 2,800.00	\$ 1,350.00	\$ 2,800.00	\$ 5,000.00	\$ 1,700.00	\$ 4,000.00	\$ 9,000.00
<b>Subtotal Force Main, Gravity Sewer &amp; Private Utilities</b>			\$ 118,511.25	\$ 162,400.00	\$ 151,410.00	\$ 207,994.00	\$ 152,110.00	\$ 200,820.00	\$ 243,230.00	\$ 161,757.00	\$ 267,929.00	\$ 283,009.00
<b>TOTAL BASIC BID</b>			\$ 588,861.25	\$ 637,400.00	\$ 686,410.00	\$ 704,884.00	\$ 691,710.00	\$ 739,900.00	\$ 742,230.00	\$ 748,757.00	\$ 759,223.00	\$ 865,509.00

Red denotes variation from written bid, after calculation



# City of Canby

PO Box 930  
222 NE 2nd Ave  
Canby, OR 97013

Phone: 503.266.4021  
Fax: 503.266.7961  
www.canbyoregon.gov

## City Council Staff Report

DATE: February 5, 2020

TO: Honorable Mayor Hodson and City Council

THRU: Scott McClure, City Administrator

FROM: Julie Wehling, Transit Director

ITEM: Ordinance No. 1522: Contract with MV Transportation of Dallas, Texas. for providing transit service operations

### Summary

Approval of this ordinance will extend the term of the contract between the City and MV Transportation, Inc. for one additional year and includes a 2.21% increase in the contractor's rate per Vehicle Revenue Hour (VRH). The 2.21% increase in the estimated annual cost is \$24,603 over the annual "not to exceed amount" for fiscal year 2019-20.

### Background

Since the execution of the original contract a service hour expansion to Route 99X was implemented in April of 2018. Also, during the first 2 years of the contract Dial-A-Ride trips averaged 26 Vehicle Revenue Hours (VRH) per service day instead of the originally estimated 22 VRH per day. Additionally, CAT implemented a limited Saturday service for both Dial-A-Ride and the Route 99X in September of 2019 which resulted in 2 amendments to the original agreement between the City and MV Transportation to increase the number of VRH to be provided under the contract.

### Discussion

All of the amendments to date have been initiated by the City to increase services provided to Canby citizens. This amendment allows the City to postpone the next procurement process to select a service provider until a Transit Master Plan update can be completed and more information is available regarding available Statewide Transportation Improvement Funds (STIF).

Oregon State regulations require a procurement process when/if a service contract exceeds a 25% cost increase over the original agreement. The new services implemented by the City over the past 3 years are approaching that threshold. MV has agreed to extend their agreement with the City for one year with a 2.21% increase which keeps our contract just under the 25% threshold.

### Attachments

1. Ordinance 1522
2. Exhibit A - Amendment 3



**Fiscal Impact**

This amendment increases the “not to exceed amount” of the agreement by 2.21% (\$24,603) over FY 2019-20. Historically, the contractor does not provide maximum VRH (17,700) so the actual amount paid will be less than the “not to exceed amount”. The VRH estimate cannot be exact because it is not possible to estimate the number of Dial-A-Ride requests exactly.

**Options**

Extending the contract with MV or conducting a procurement process to select a service provider prior to June 30, 2020.

**Recommendation**

Staff recommends that Council approve the contract amendment in order to allow time for additional service planning before conducting the next service provider procurement process.

**Proposed Motion**

I move that we approve Ordinance 1522, An Ordinance Authorizing the City Administrator to execute an amendment to the contract with MV Transportation of Dallas, Texas. for providing transit service operations on behalf of the City and Canby Area Transit to come up for second reading on February 19, 2020.

**ORDINANCE NO. 1522**

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AN AMENDMENT TO ITS CONTRACT WITH MV TRANSPORTATION, INC OF DALLAS, TEXAS FOR PROVIDING TRANSIT OPERATIONS FOR CANBY AREA TRANSIT (CAT).**

**WHEREAS**, the City of Canby on behalf of Canby Area Transit (CAT) entered into a contract with MV Transportation of Dallas, Texas on June 7, 2017 for the provision of transit services; and

**WHEREAS**, the City amended the original agreement via Amendment 1 and Amendment 2 to add Vehicle Revenue Hours (VRH) for new services.

**WHEREAS**, state regulations require a procurement process when costs exceed 25% of the original agreement.

**WHEREAS**, it is in the best interest of the City to extend the agreement with MV Transportation, Inc. through June 30, 2021 to allow time for transit planning efforts related to the new Statewide Transportation Improvement Fund (STIF) prior to the next service provider procurement process.

**WHEREAS**, the Parties have agreed to extend the contract for one year. The adjusted hours and the compensation amounts are as follows:

Year 4 (7/1/20 – 6/30/21) \$1,137,579.00 (17,700 VRH - @ \$64.27 per VRH)

**NOW, THEREFORE, THE CITY OF CANBY ORDAINS AS FOLLOWS:**

Section 1. The City Administrator is hereby authorized and directed to make, execute and declare in the name of the City of Canby and on its behalf, an appropriate contract amendment with MV Transportation, Inc. of Dallas, Texas to provide transit operations for the City's Transit System. A copy of said amendment, dated February 19, 2020, is attached hereto as Exhibit "A" and by this reference incorporated herein.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting thereof on Wednesday, February 5, 2020, 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, February 19, 2020 commencing at the hour of 7:00 PM in the City Council Chambers located at 222 NE 2<sup>nd</sup> Avenue, 1<sup>st</sup> Floor, Canby, Oregon.

---

Melissa Bisset  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on February 19, 2020 by the following vote:

YEAS \_\_\_\_\_

NAYS \_\_\_\_\_

---

Brian Hodson  
Mayor

**ATTEST:**

---

Melissa Bisset  
City Recorder

**Amendment 3  
Contract for Transit Services  
No.: CAT2017**

**THIS CONTRACT** previously entered into the 7<sup>th</sup> day of June 2017 and amended effective June 5, 2019 by and between the City of Canby, Oregon, a municipal corporation, hereinafter called "City," and MV Transportation, Inc., with headquarters located in Dallas, Texas hereinafter called "Contractor" and collectively referred to herein as the "Parties".

**WITNESSETH THAT:**

**WHEREAS**, the Parties entered into a Contract for Transit Services dated June 7, 2017, with an initial contract term of three (3) years, running from July 3, 2017 to June 30, 2020.

**WHEREAS**, Year 3 of the original agreement stated the following annual estimate:

Year 3 (7/1/19 – 6/30/20) \$910,376.64 (14,478 VRH - @ \$62.88 per VRH).

**WHEREAS**, the Parties amended the original agreement via Amendment 1 and Amendment 2 to add Vehicle Revenue Hours (VRH) for new services. The following was effective June 5, 2019:

Year 2 (7/1/18 – 6/30/19) \$997,723.00 (16,300 VRH - @ \$61.21 per VRH)

Year 3 (7/1/19 – 6/30/20) \$1,112,976.00 (17,700 VRH - @ \$62.88 per VRH)

**WHEREAS**, state regulations require a procurement process when costs exceed 25% of the original agreement.

**WHEREAS**, it is in the best interest of the City to extend the agreement with MV Transportation, Inc. through June 30, 2021 to allow time for transit planning efforts related to the new Statewide Transportation Improvement Fund (STIF) prior to the next service provider procurement process.

**WHEREAS**, the Parties have agreed to extend the contract for one year. The adjusted hours and the compensation amounts are as follows:

Year 4 (7/1/20 – 6/30/21) \$1,137,579.00 (17,700 VRH - @ \$64.27 per VRH)

All other terms, conditions, agreements, and addendums remain in effect between the parties.

**IT IS SO AGREED**, City and Contractor have executed this Transit Contract Amendment 3 effective July 1, 2020.

---

EXHIBIT "A"

Date

Date

---

Name: Scott McClure  
Title: City Administrator

---

Name:  
Title:

City of Canby  
PO Box 930  
Canby, OR 97031  
503.266.0745

MV Public Transportation, Inc.  
2711 N. Haskell Avenue Suite 1500  
Dallas, TX 75204  
972.391.4600