



City of Oregon City

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Staff Report

File Number: 17-175

Agenda Date: 3/15/2017

Status: Agenda Ready

To: City Commission

Agenda #: 7b.

From: Public Works Director John Lewis

File Type: Contract

SUBJECT:

Linn Avenue Sewer Moratorium Project Closeout

RECOMMENDED ACTION (Motion):

Authorize the City Manager to execute contract amendment(s) for the Linn Avenue Sewer Improvements Project for an additional \$78,533.13 establishing a final total contract amount of \$632,796.13.

BACKGROUND

In September, 2016, the City entered into a \$404,263 public improvement construction contract with Interlaken Construction to complete the Linn Avenue Sewer Improvements Project. This work included 1,055 lineal feet of trench excavation and new pipe, 4 manholes and 4 service lines along with all the other miscellaneous and associated sewer work. Construction of the work is complete and has since eliminated building restrictions on this previously identified sanitary sewer moratorium flow-constrained area.

As previously reported, in early October 2016 the Contractor started encountering unanticipated ground conditions much different than articulated in our bid package which was based on four geotechnical borings. The main difference was several large (3-5 cubic yard) boulders found within the trench and manhole excavations at depths between three to twelve feet. The excavation work was further complicated by loose or soft surrounding soils, an unmapped, abandon and conflicting 12 inch water line, and the historic concrete panels that made up the old County Market Road. These unanticipated conditions resulted in a change of conditions beyond the contractor's control. These differing trench conditions forced the City to direct the Contractor to close Linn Avenue, mobilize a larger excavator and a dedicated track mounted rock breaker. The conditions of the surrounding soil varied greatly, including very loose material which often gave way as boulders were removed, undermining the adjacent pavement and resulting in a much wider than anticipated trench. In a few cases, boulders fell from the trench sidewall and damaged exposed utility service lines.

Throughout the project, difficulties persisted. Construction of the new service lateral lines required removal of several boulders, and the unstable trench conditions resulted in more trench cave-ins. Severe weather during the months of December and January hindered construction, resulting in additional equipment rental among other continuing expenses.

The above-mentioned difficulties justified the additional costs associated with differing working

conditions. The City determined that given the situation the most responsible way to manage the cost over/under runs is through the Force Account provisions of the contract. This provision of the contract establishes the procedure on how to compensate Interlaken for the true cost of labor and equipment for difficult trenching, as opposed to using the unit costs originally bid for the project.

Wallis Engineering, Interlaken Construction, and Oregon City staff have been working collaboratively to reduce project cost to the maximum extent practicable by monitoring and documenting daily activities. Detailed review of force account work and cost documentation from the Contractor has occurred, and compared with daily records kept independently by the construction inspector.

All of these project complications has resulted in a \$228,533.13 cost increase over the original contract amount of \$404,263. In November 2016 the City Commission Authorized the City Manager to execute \$150,000 of additional funds to ensure the work continued and the contractor could be compensated for the anticipated extra work. This second and final recommendation would close out the final funding increase authorization by an additional \$78,533.13.

After a variety of discussions/negotiations with Interlaken, and review by the Engineer and staff, it is recommended that the City Commission support this final request for additional funding authority for the Interlaken Contract. These funds can be authorized from within the existing budget allocation included in the 2015-2017 capital budget.

BUDGET IMPACT:

Amount: \$78,533.13

FY(s): 16/17

Funding Source: Sewer Fund & Sewer SDC Fund