



City of Oregon City

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Staff Report

File Number: 18-175

Agenda Date: 4/18/2018

Status: Consent Agenda

To: City Commission

Agenda #: 8a.

From: Public Works Director John Lewis

File Type: Contract

SUBJECT:

Contract for Construction of 15th Street Storm Sewer Improvements Project

RECOMMENDED ACTION (Motion):

Authorize the City Manager to execute the contract with Emery & Sons Construction Group for the 15th Street Storm Sewer Improvements Project (CI 17 - 009).

BACKGROUND:

In 2017, an inspection of the existing storm system was conducted as part of the Pavement Maintenance Utility Fee (PMUF) Roadway Reconstruction Project on 15th Street. Two sections of the piped stormwater system were found to be damaged enough to justify extensive repairs prior to roadway reconstruction. One of the damaged sections is approximately 260 linear feet between Jackson Street and JQ Adams Street where the pipe is aged; in several locations the pipe has structurally failed and collapsed. Repairs at this location include replacing a manhole at Jackson Street and 15th Street with a new manhole and replacing the 260 lineal feet of failed pipe.

The other location requires replacement and upsizing of approximately 110 linear feet of pipe between Center Street and Main Street. Repairs for this location include two new manholes in 15th Street and replacement of the 24-inch diameter pipe with 36-inch new pipe. Through our more detailed project scoping and deficiency research, it was determined that the existing catch basins at the corner of 15th and Main were plumbed into the sanitary system, so two new catch basins need to be installed and re-plumbed to the new manhole at Main Street. The initial discovery of the pipe deficiencies required the City to delay further paving work on these two sections of 15th Street until the stormwater system improvements could be designed, bid, and built.

In August, 2017, the City executed a design contract with Wallis Engineering. In March, 2018, the City solicited bids for the 15th Street Storm Sewer Improvements Project. Four responsive bids were received. City staff and consultant personnel from Wallis Engineering reviewed the bids and determined that Emery & Sons Construction Group was the low responsive bidder. The bidders and bids are listed below.

Emery & Sons Construction Group	-	\$487,616.00
Landis & Landis Construction LLC	-	\$498,203.00

Canby Excavating, Inc.	-	\$561,735.00
Trench Line Excavation, Inc.	-	\$572,900.00
<i>Engineering Estimate</i>		<i>\$359,770.00</i>

Staff is requesting that City Commission authorize the City Manager to execute a contract with Emery & Sons Construction Group in the amount of \$487,616.06 for completion of the repairs on the 15th Street Storm Sewer Improvements Project (CI 17 - 009).

Aside from the decision to proceed with the contract award, the issue of estimate vs. bid amounts warrant discussion. We were surprised by the bid results of the 15th Street Storm Sewer Project. The Engineering Estimate prepared for this project used a variety of data sources and bid results from the last 6-12 months to aid in approximation of likely unit bid prices, including a recent 2017 quote from the low bidder provided to the City for the emergency repair of a portion of this project. Following the bid opening of this project, Wallis Engineering obtained several recent project bid tabulations over the last few months from neighboring agencies and found a fairly dramatic spike in smaller scale utility project unit costs. Recent conversations with contractors have indicated that most of the common municipal contractors are currently busy and see optimism regarding the amount of work still to come this year. It appears that a higher margin of profit is being applied to recent project bids in response to this optimism, as well as the large quantity of work available in the private sector with commercial and residential development. These factors could weigh heavily on the unit prices we experienced for this project as most contractors are also considering their ability to bid on work still to come this summer.

Overall, most research shows that the construction industry is currently in a steady growth period. It is hard to predict how long this will last, but the consensus appears to be that this growth may continue for several years. Time will tell whether this is true or not, but we think having four bidders on this project who all had bid prices that are higher than expected is a strong indicator of the industry's optimism for the near term.

BUDGET IMPACT:

Amount: \$487,616.00

FY(s): 2017-18*

Funding Source: Storm Fund

(*) This project is unplanned in that it was determined to be a capital improvement need after the 2017-2019 biennial budget was adopted. Completion and funding of this project will force the projects included in the budget to be deferred to the next biennial budget.