



Staff Report

Meeting Date: August 16, 2021

From Mike Walker, Public Works Director

SUBJECT: Guaranteed Maximum Price Proposal from Oxbow Construction for
Collection System Basin #2 Rehabilitation

BACKGROUND / CONTEXT:

The first phase of the City's large wastewater system improvements project is underway with the rehabilitation of the leakiest portions of our sewer collection system and the improvements at the existing wastewater treatment plant.

As sewer pipes age, they leak, allowing groundwater and stormwater to enter the sewers and mix with wastewater in the pipes. The City then has to treat groundwater and stormwater along with wastewater. This problem is called inflow and infiltration (I&I). The City is working to repair and replace the aging sewer pipelines and disconnect storm drains from the sewer. The locations with the highest I&I flows where improvements can be made most cost-effectively and are thus the highest priority are in sewer basins 8 (southeast area) and basin 2 (west). These improvements reduce the volume of water to be treated and discharged from the wastewater plant. The city has hired a contractor, Oxbow Construction, to perform this work in Basins 2 and 8.

After selecting Oxbow Construction last November as our Construction Manager/General Contractor (CM/GC) partner for rehabilitation of the sewer collection system in Basins 2 and 8, we negotiated a Guaranteed Maximum Price (GMP) for the work in Basin 8. In negotiating a GMP for the work in Basin 2, Oxbow and their subs have agreed to use the same unit prices negotiated for Basin 8 in April, 2021. Oxbow had anticipated an increase in the cost of lining materials and wisely ordered sufficient quantities for both basins at that time. As a result, they have been able to hold their prices for the work in Basin 2.

The work in Basin 2 consists of rehabilitating approximately 13,600 lineal feet of main line sewers, 100 private and public laterals, and grouting 88 manholes. The GMP proposal for Basin 2 is \$2,171,258.86.

RECOMMENDATION:

Approve the Guaranteed Maximum Price of \$2,171,258.86 and award the contract for Basin 2 rehabilitation to Oxbow Construction.

BUDGETARY IMPACT:

There are sufficient funds in the FY 2021-23 capital budget for this work.

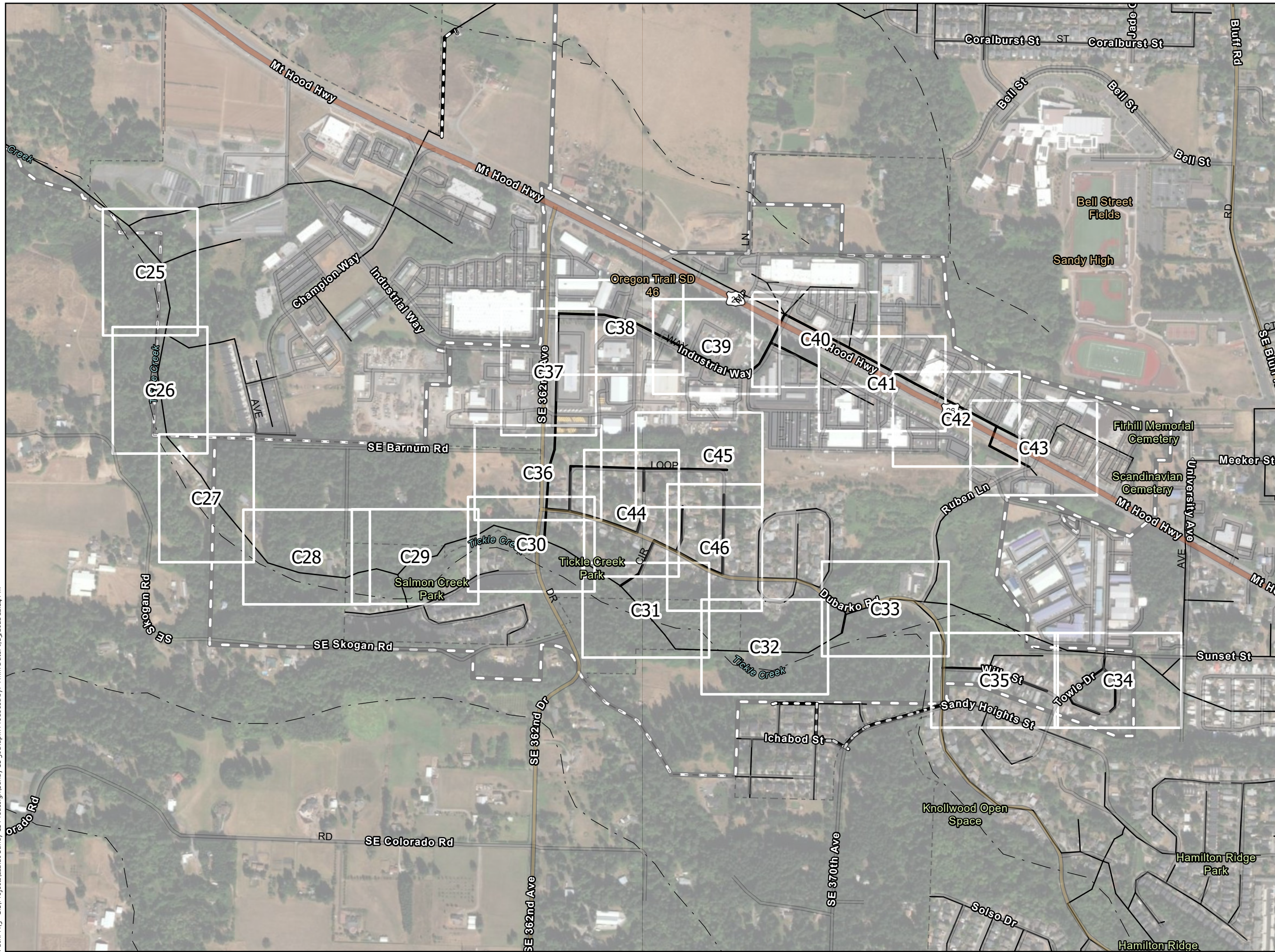
SUGGESTED MOTION LANGUAGE:

I move to approve the Guaranteed Maximum Price for Basin 2 rehabilitation in the amount of \$2,171,259 and authorize the City Manager to enter into an agreement with Oxbow Construction for this work.

LIST OF ATTACHMENTS/EXHIBITS:

- Basin 2 overview plan
- Recommendation of Award - Leeway Engineering

Path: Y:\5 - GIS\Projects\11z.20 Sandy CS PreDesign\Sandy CS goD.aprx Produced by: YMM Date: 6/15/2021 11:24 PM



RENEWS 12-31-22

Final Design



When printed on 11 x 17
 1 inch equals 600 feet
 0 150 300 600
 US Feet

Collection System RDII Reduction

Sheet Key - Basin 2

This map published for the City of Sandy, Oregon by Leeway Engineering Solutions on 6/15/2021. Disclaimer: This map product displays data from multiple sources and it is for informational purposes only. The accuracy of this drawing is not guaranteed for legal purposes. Locations of sewer pipelines and other utilities are to be verified by the user.



August 11, 2021

Mr. Mike Walker
Public Works Director
City of Sandy, Oregon
39250 Pioneer Blvd
Sandy, OR 97055

Re: Basin 2 Sewer Rehabilitation Project for I/I Reduction
Guaranteed Maximum Price Evaluation and Recommendation

Dear Mr. Walker,

After careful review of the Guaranteed Maximum Price (GMP) proposal received by the City of Sandy (City) for the subject project, Leeway Engineering recommends the City accept the GMP submitted by Oxbow Construction (Oxbow).

The GMP contains lump sum costs for General Conditions, Contingency, and includes unit prices for the work. Unit bid prices appear balanced and the bid met the requirements of the Contract Documents.

The total GMP for Basin 2 is \$2,171,258.86. Subcontracted work will be at the competitive bid prices obtained from the Basin 8 GMP.

Based on our review of the GMP, the subcontracted bids received, and our discussions and negotiations with the prime contractor, Leeway recommends acceptance of Oxbow's GMP for Basin 2.

If you have any questions, please contact me at (503) 828-7542.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Lee", is written over a light blue horizontal line.

Leeway Engineering Solutions, LLC
Robert Lee, PE, PMP
Principal Engineer / Owner

Leeway Engineering Solutions, LCC
Portland, Oregon | (503) 828-7542