

**CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report**

MEETING DATE August 20, 2013	AGENDA ITEM NUMBER
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TO: Mayor Shoji and City Councilors

FROM: Jennifer Wirsing, Engineering Service Coordinator
Through: Rodger Craddock, City Manager
Jim Hossley Public Works and Development Director

ISSUE: Award Final Design for Wastewater Treatment Plant 2 (WWTP 2) to SHN & CH2M HILL and Commence With Contract Negotiations

BACKGROUND:

WWTP 2 is located in the Empire area and has been in service since the late 1960s. The plant was upgraded in 1990 to meet National Pollutant Discharge Elimination System (NPDES) permit requirements. However, due to the age of the plant and violations of the NPDES permit, a Mutual Agreement and Order (MAO) with Oregon Department of Environmental Quality (DEQ) was issued in 2008. The MAO requires us to perform upgrades per an approved schedule. The schedule includes milestones and tasks that the City must complete in order to remain in compliance. The current milestone that is being met is the completion of the Pre-Design Report for the proposed Plant 2. Council approved the award of Pre-Design for Plant 2 to the design team of SHN and CH2M HILL in November 2012. Staff and the design team have finalized the pre-design report and are ready to commence with the final design. Council will direct staff on how to proceed forward with the selection of a consultant for the Final Design Phase. Per Administrative Directive 15, the Council has the ability to direct appoint this project to the same design team that performed the Value Analysis and the Pre-Design Report. Staff has provided the following advantages and disadvantages for Council consideration.

ADVANTAGES:

The following list of items are the advantages to direct appoint the design team of SHN & CH2M HILL to perform the Final Design Services for the proposed Plant 2: Consistency - the design team has performed an excellent job thus far for the City of Coos Bay, and they are excellent at communicating internally and with City staff; they have an excellent working relationship with DEQ; by utilizing this design team the City receives the benefit of a local firm with local knowledge (SHN) along with a big firm's experience and resources (CH2M HILL); they completed pre-design within budget and on-time; and they have extensive experience with CMGC.

Additionally, if the Council chooses to stay with the current design team, it will most likely be more cost effective due to their Value Engineering and Pre-design efforts that they already have on this project.

DISADVANTAGES:

If the Council chooses to direct staff to not direct appoint the Final Design phase to SHN & CH2M HILL, then staff will have to go through a Request for Qualifications (RFQ) process. As stated above, DEQ has issued an MAO with specific deadlines. The RFQ process typically takes three (3) months from the time that the RFQ is advertised to the time that the final contract is negotiated and executed. Additionally, an RFQ process is a chance to show a firms qualifications. With respect to the current design team and their experience on this project, it is most likely that they will be selected as the most qualified consultant; and as such, going through the RFQ process would only delay Plant 2's sensitive schedule. However, another disadvantage to direct appointment is that it does not allow other engineering firms an opportunity to submit their qualifications. Furthermore, if a new consultant is selected, there may be additional expenses that will have to be afforded to bring the new consultant familiar and up to speed with the project.

BUDGET:

In 2012, the City obtained a loan and grant from the Oregon Infrastructure Finance Authority (IFA) for \$4,853,213. The loan and grant was obtained to complete a portion of the projects from the City's 20-year take down schedule that was reviewed and approved by DEQ. The first phase of Final Design (\$500,000) is covered under this loan. Presently, staff is submitting an application for a second loan which will cover the remaining phases of Final Design. It is assumed that the final design will be approximately 7.5% of the total cost of construction.

RECOMMENDATION:

If it pleases council, staff recommends approval to direct appoint the Final Design of the proposed Plant 2 to the design team of SHN & CH2M HILL. Staff will negotiate a final contract, and prior to the execution of the contract, present to the Council for review and approval.