

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
March 15, 2016	

TO: Mayor Shoji and City Councilors

FROM: Jennifer Wirsing, Wastewater Project Engineer

THROUGH: Rodger Craddock, City Manager *RC*
Jim Hossley, Public Works Director *JH*

ISSUE: Award a Zero Cost Contract to CMGC/Mortenson for the Wastewater Treatment Plant 2 Project.

BACKGROUND:

On December 17, 2013, Council approved the award of CMGC services for the proposed Wastewater Treatment Plant 2 project to Mortenson Construction. The first phase of the project was called "during design services". This allowed for the contractor to be involved in the design phase, make comments, and bring up any constructability issues. After completing this phase, it has been confirmed that there was cost-savings input provided by the contractor that made a more complete design for Plant 2 with the potential of reducing construction change orders. Additionally, during this phase, the contractor has also been providing cost estimates for the project. This phase has been completed and it is time for the City to enter into a construction contract with Mortenson. Once under contract, they will conduct an open bid process for the project and determine a guaranteed maximum price (GMP). Upon completion of the open book bid process, the city will negotiate the general conditions (note that the overhead and profit fee, bond rate, and insurance rate have already been established and provided in Mortenson's 2013 proposal) and a GMP for the project will be established.

At this time, Staff is recommending to Council, that the City enter into a Zero Cost contract with Mortenson so that Mortenson can commence with the bid process.

ADVANTAGES:

Because of Mortenson's knowledge and experience with the design plans, they can provide better opportunities for reducing construction time by fast tracking construction where beneficial. Entering into this contract and commencing with the bidding, while environmental approvals are still pending, will reduce any further delays. There is no risk to the City should the project be further delayed since Mortenson is bidding this project for a zero dollar amount.

DISADVANTAGES:

Staff sees no disadvantages.

BUDGET IMPLICATIONS:

Since this is a Zero Cost contract there are no cost implications. However, it is anticipated that on April 5, 2016 Staff will be presenting to council a GMP (addendum to the zero cost contract).

ACTION REQUESTED:

If it pleases Council, staff recommends Council award a Zero Cost contract to CMGC/Mortenson for the Wastewater Treatment Plant 2 project.