CLACKAMAS
WATER ENVIRONMENT SERVICES

GREGORY L. GEIST | DIRECTOR

Water Quality Protection
Surface Water Management
Wastewater Collection & Treatment

September 11, 2025 BCC Agenda Date/Item: _____

Board of County Commissioners
Acting as the governing body of Water Environment Services
Clackamas County

Approval of a Board Resolution for Exemption from Competitive Bidding for the Tri-City Influent Pump Station Expansion Project. No fiscal impact. No County General Funds are involved.

Previous Board Action/Review	N/A		
Performance Clackamas	1. This project supports the WES Strategic Plan Goal to strategically plan and execute capital projects to meet the growth, reliability, and regulatory needs of our service area at the lowest-life cycle cost. 2. This project supports the County's Strategic Priorities of Strong Infrastructure, Vibrant Economy, and Safe, Secure and Livable Communities.		
Counsel Review	Yes	**Procurement Review**	Yes
Contact Person	Jeff Stallard	**Contact Phone**	503-742-4694

EXECUTIVE SUMMARY: The Tri-City Influent Pump Station (IPS) is the primary means by which wastewater enters the Tri-City Water Resource Recovery Facility (WRRF). Originally constructed in 1985, the IPS is now operating near the limits of its pumping capacity with many components near the end of their useful life. An expansion of the IPS is necessary to maintain reliable operations and provide treatment capacity for increased wastewater flow from service area growth. This project is part of our Willamette Facilities Plan & Capital Improvement Plan.

In 2024, the Board of County Commissioners approved a professional services agreement with Carollo Engineers to perform the design of the IPS Expansion Project. Since that time, the project has advanced to the 60% design stage, providing a clear basis for understanding scope, schedule, and risks associated with the work. The design includes replacement of the existing pumps and electrical systems, and construction sequencing to maintain continuous plant operations during construction. The IPS expansion is a highly complex project that must be implemented while keeping the existing pump station online.

WES is requesting approval from the Clackamas County Board of County Commissioners, acting as the Local Contract Review Board, for an exemption from the competitive bidding requirements under ORS 279C.335. This exemption

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would allow WES to use the Construction Manager/General Contractor (CM/GC) alternative delivery method for the Tri-City WRRF IPS Expansion Project.

The CM/GC model helps WES manage market volatility by allowing the contractor to competitively solicit subcontractor pricing in real time and develop guaranteed maximum pricing based on actual conditions. This structure provides stronger cost and schedule control compared to traditional design-bid-build, which could expose WES to bid-day pricing uncertainty and change order risks related to construction means and methods. CM/GC delivery allows a contractor to be selected during design to collaborate with the engineering team on constructability, risk mitigation, and value engineering. This early engagement will help develop construction sequencing that minimizes reliance on costly temporary bypass pumping, improves safety planning, and supports successful transitions between old and new equipment. WES is also procuring long-lead electrical components (e.g., transformers, motor control centers, variable frequency drives, switchgear) due to ongoing supply chain challenges. CM/GC delivery allows the contractor to coordinate closely on integration of this equipment and identify opportunities for early work packages if needed to maintain schedule.

A public hearing will be held on September 11, 2025, in accordance with ORS 279C.335 prior to Board action. Full findings for the exemption request is attached.

RECOMMENDATION: Staff recommends that the Board of County Commissioners of Clackamas County, acting as the governing body of Water Environment Services, approve by board resolution an exemption from competitive bidding for a public improvement: Tri-City Influent Pump Station Expansion Project.

Respectfully submitted,

Greg Geist
Director, WES

Attachment: Board Resolution

BEFORE THE BOARD OF COUNTY COMMISSIONERS

Acting as the Water Environment Services Board of Directors

OF CLACKAMAS COUNTY, STATE OF OREGON

In the Matter of Granting an Exemption from Competitive Bidding Requirements for the Tri-City Influent Pump Station Expansion Project and Authorizing Selection of a Construction Manager/General Contractor by Request for Proposals	Resolution No. *Page 1 of 2*

Whereas, the Clackamas County Board of County Commissioners ("Board"), acting as the governing body of Water Environment Services ("WES"), is the local contract review board for WES pursuant to ORS 279A.060;

Whereas, the Board has authority to exempt certain contracts from the competitive bidding requirements of ORS Chapter 279C; and

Whereas, ORS 279C.335 provides a process for exempting certain contracts from competitive bidding and authorizes the selection of a contractor through the request for proposal ("RFP") process; and

Whereas, draft findings, attached hereto as Exhibit A and incorporated herein ("Findings"), addressing competition, operational, budget and financial data, public benefits, value engineering, specialized expertise required, market conditions, technical complexity, public safety and funding sources recommended by WES were available 14 days in advance of the public hearing on this Resolution as related to the Tri-City Influent Pump Station Expansion Project ("Project"); and

Whereas, the Findings also highlight the public benefits of using the Construction Manager/General Contractor method of contracting for the Project;

Whereas, the Board has reviewed the Findings and is satisfied with the supporting information and materials that have been provided to justify the application of the exemption and the use of the RFP process in its place;

NOW THEREFORE, the Clackamas County Board of Commissioners do hereby resolve:

1. The Board adopts the Findings, as set forth in Exhibit A to this Resolution, and makes the following additional findings:

    a. The exemption from competitive bidding will promote competition and will not encourage favoritism, because the contractor will be chosen by a competitive RFP process and a significant portion of the construction work may be performed by subcontractors chosen by competitive bidding.

    b. The exemption from competitive bidding is likely to result in substantial cost savings and other substantial benefits to WES and to the public, for the reasons set forth in the adopted Findings.

BEFORE THE BOARD OF COUNTY COMMISSIONERS

Acting as the Water Environment Services Board of Directors

OF CLACKAMAS COUNTY, STATE OF OREGON

In the Matter of Granting an Exemption from Competitive Bidding Requirements for the Tri-City Influent Pump Station Expansion Project and Authorizing Selection of a Construction Manager/General Contractor by Request for Proposals	Resolution No. *Page 2 of 2*

2. The Board authorizes Water Environment Services staff to proceed with the procurement of Construction Manager/General Contractor services for the Project using the Request for Proposals process in accordance with the Attorney General Model Rules as required by ORS 279A.065(3).

DATED this 11th day of September, 2025

BOARD OF COUNTY COMMISSIONERS

_____
Chair

_____
Recording Secretary

EXHIBIT A

TRI-CITY WRRF INFLUENT PUMP STATION EXPANSION

FINDINGS IN SUPPORT OF USE OF REQUEST FOR PROPOSALS AND ALTERNATIVE CONTRACTING METHODS

These Findings are for the approval of the use of an alternative contracting method so that Water Environment Services ("District") may utilize the request for proposals ("RFP") competitive process to retain a construction contractor to complete the Tri-City Water Resource Recovery Facility ("WRRF") Influent Pump Station Expansion project ("Project") using the construction manager/general contractor ("CM/GC") project delivery method.

A. Alternative Contracting Exemption under Oregon Law

Oregon law and the District's Local Contract Review Board Rules ("LCRB Rules") require all contracts for public improvement projects be based on competitive bids unless the governing body of the District ("District Board") grants an exemption under LCRB C-049-0600 and ORS 279C.335. ORS 279C.335 requires the District Board to approve two findings: (1) that the exemption is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition; and (2) awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the District.

For public improvement projects, ORS 279C.330 and 279C.335 provide that the District Board must consider the type, cost and amount of the contract(s) and information regarding the following:

a. Operational, budget and financial data;
b. Public benefits;
c. Value engineering;
d. Specialized expertise required;
e. Public safety;
f. Market conditions;
g. Technical complexity; and
h. Funding sources.

In evaluating whether award of a public improvement contract will likely result in substantial cost savings and other substantial benefits to the District, the District Board is required to consider the following items:

a. How many persons are available to bid;
b. The construction budget and the projected operating costs for the completed public improvement;
c. Public benefits that may result from granting the exemption;
d. Whether value engineering techniques may decrease the cost of the public improvement;
e. The cost and availability of specialized expertise that is necessary for the public improvement;
f. Any likely increases in public safety;
g. Whether granting the exemption may reduce risks to the District or the public that are related to the public improvement;
h. Whether granting the exemption will affect the sources of funding for the public improvement;
i. Whether granting the exemption will better enable the District to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement;

j. Whether granting the exemption will better enable the District to address the size and technical complexity of the public improvement;
k. Whether the public improvement involves new construction or renovates or remodels an existing structure;
l. Whether the public improvement will be occupied or unoccupied during construction;
m. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; and
n. Whether the District or state agency has and will use District personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the District will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract.

B. Background Information

The Project will address hydraulic capacity limitations and critical electrical/mechanical deficiencies in the Influent Pump Station ("IPS") at the Tri-City Water Resource Recovery Facility. The existing IPS has a firm capacity of 47.6 million gallons per day ("MGD"), below the projected 2048 peak hour flow of 72.3 MGD. The facility also relies on outdated and difficult-to-maintain electrical infrastructure.

The Project includes the replacement of five dry-pit centrifugal pumps, structural improvements, replacement of suction and discharge piping, and installation of new motor control centers, variable frequency drives, transformers, programmable logic controllers, and instrumentation. Continuous facility operation must be maintained throughout construction.

Estimated construction cost is $19.4 million. The Project is budgeted in the District's existing Capital Improvement Plan and no county general funds will be used to fund the Project.

The CM/GC method is an alternative contracting method in which the owner hires the construction contractor to provide feedback during the design phase before the start of construction. The benefits of the CM/GC method include fostering innovation, mitigating risk, improving design quality, improving cost control, and optimizing construction schedules and logistics.

CM/GC is the preferred project delivery methodology for the Project for several reasons, including the need for cost control, the multi-faceted nature of the proposed scope of work, and the priority to optimize the construction schedule to minimize impacts to the existing facility, which must remain in continuous operation. Specifically, the following Project elements represent opportunities for substantial cost savings and benefits, per ORS 279C.335(2)(b):

- **Bypass Risk Reduction:** CM/GC delivery allows the contractor to participate in design discussions and help develop construction sequencing strategies that maintain pumping capacity throughout the Project. This reduces reliance on costly temporary bypass systems. Under a traditional Design-Bid-Build approach, the engineer would need to design a conservative bypass system to manage risk, despite its high cost and lack of long-term benefit to the District.
- **Phased Electrical Integration:** The Project involves transitioning from existing to new electrical and control systems while maintaining operation of existing pumps. The CM/GC can coordinate the phasing and integration of new infrastructure, minimizing outages and duplication of effort.

- **Coordination of Owner-Furnished Equipment:** The District is directly procuring long-lead equipment including transformers, MCCs, VFDs, and switchboards. The CM/GC will coordinate installation of this equipment, reducing the risk of construction conflicts and improving schedule control.

In summary, the District believes the unique nature of this Project makes it appropriate for an exemption from the standard bidding process and for approval to use the RFP procurement process to retain the services of a CM/GC.

C. Findings

1. Appropriate alternative contracting methods will be used.

   The qualifications-based RFP process for selecting a CM/GC contractor for this Project falls within the purview of ORS 279C.335(2) because the process is competitive and contractors will be selected based not only on price, but also on their ability to best complete the Project. The qualifications-based RFP approach is widely used and recognized as one of the preferred alternative approaches where projects are more complex. RFP responses allow contractors to compete based on their skills and experience in addition to their price. In this Project, some of the complexities require a combination of skills that cannot be evaluated in a standard low-bid process, such as time constraints, budget constraints, and work within an existing facility that must remain in operation during construction. The benefits of utilizing the CM/GC delivery method have been identified above. As such, the CM/GC delivery method, selected through a qualifications-based RFP process, is the most appropriate contracting method for the Project.

2. No favoritism or diminished competition.

   The exemption is sought only to authorize a different competitive process to the standard low-bid procurement process. The CM/GC contractor will still be selected through the competitive RFP process. To ensure the exemption requested does not encourage favoritism or substantially diminish competition, a well-defined competitive procedure will be followed to select the contractor for this public improvement contract.

   Procurement will include advertisements in the *Portland Tribune* and post the opportunity on the State of Oregon Procurement Website ("OregonBuys"). Further steps include direct notification to qualified CM/GC contractors, scheduling a pre-proposal conference, and appointment of an unbiased evaluation committee that will consider proposals received utilizing the criteria identified in the RFP. District staff research indicates that current market trends show that many qualified contractors prefer to pursue work delivered through alternative methods such as CM/GC. As a result, using this delivery method may actually increase the pool of interested and competitive proposers during the RFP process, rather than limit it.

   Additionally, during the subcontractor bidding phases of the Project, outreach to minority, women-owned, and emerging small businesses ("MWESB") will be conducted by the selected CM/GC contractor to inform this audience of bidding opportunities.

   By Procurement marketing these opportunities and working to notify all likely potential proposers, the process will not encourage favoritism in the awarding of the public improvement contract, nor substantially diminish competition. Use of the alternative contracting method will also allow the District to maximize opportunities for participation by

all potential subcontractors, including MWESB businesses.

The evaluation criteria may include, among other things, consideration of the contractor's background, references, experience, capacity, personnel, client relations, schedule, quality control, and problem and solution identification. In addition, the proposals will include, where appropriate, an evaluation of the contractors' fee proposals for providing preconstruction services and overhead and profit fee rates for performing construction work. The evaluation criteria will be used by the committee to score proposals using a scoring system that quantifies the value for each criterion and assures that proposers are fairly evaluated based on criteria set forth in the RFP.

3. Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the public agency.

In terms of the benefits of using an RFP process for CM/GC, District staff research and experience indicates that standard low-bid contracting for work of this nature is likely to result in numerous change orders and increased costs through claims. This typically occurs when a contractor identifies issues after construction has begun that require a "re-working" of the original design. The result is more change orders, not realizing the benefits of value engineering and not optimizing quality that would occur in the CM/GC method.

Further, by utilizing the RFP process to engage a CM/GC partner during design, the District has the capacity to obtain real-time market pricing information. This pricing will facilitate more accurate assessment of design options and maximize opportunities for value engineering, resulting in cost savings that cannot be achieved by the standard competitive-bid process. The involvement of the CM/GC contractor will allow phasing of the bidding and construction more effectively. This will significantly mitigate schedule impacts with a resulting cost savings in material/labor inflation and construction general conditions.

In terms of the benefits of selecting a CM/GC contractor through a competitive RFP process, such a process will allow the District to select contractors based upon criteria in addition to price. It will allow selection of a contractor whose proven experience matches the nature of the required work, in both the design and the construction phases. CM/GC contracts are more easily structured to accommodate variable and changing conditions while minimizing cost and avoiding disruptive change orders and claims.

As the analysis below shows, allowing a contract-specific exemption for the Project will result in substantial cost savings and other substantial benefits to the District.

a. How many persons are available to bid.

The construction market for complex pump station retrofits is limited to experienced heavy civil contractors. The District expects three to five qualified firms to respond to a CM/GC RFP.

b. The construction budget and the projected operating costs for the completed public improvement.

The construction budget totals approximately $19.4 million, as prepared and refined by the design team led by Carollo Engineers and District staff for the 30% design. As the contract is established, the Project budget will become fixed by a Guaranteed Maximum Price ("GMP") negotiation, including limited contractor's contingencies.

The selection of a CM/GC contractor during the design phase through an RFP encourages increased collaboration, teamwork and ownership. This results in a more efficient design, fewer change orders attributable to design issues and unforeseen costs, and faster progress with fewer unexpected delays. This, combined with specific expertise from the contractors that will build the Project (in timely real market pricing, constructability guidance, and other areas), allows the District to better control costs. Moreover, the ability to have the CM/GC do early work if applicable prior to completion of design may shorten the overall duration of construction.

c. Public benefits that may result from granting the exemption.

Public benefits include uninterrupted operation of a critical wastewater facility, reduced risk of bypass failure, improved safety, and lower likelihood of costly change orders.

d. Whether value engineering techniques may decrease the cost of the public improvement.

Yes. Value engineering will be actively employed during the design phase with the involvement of the CM/GC contractor. One of the most significant opportunities for cost savings lies in reducing reliance on temporary bypass pumping during construction. Temporary bypass systems—while necessary to maintain facility operation—can be costly, complex, and carry operational risk.

By participating in design, the CM/GC can evaluate multiple construction sequencing strategies and propose means and methods that preserve as much of the existing pumping capacity as possible during critical work phases. For example, the contractor may identify opportunities to install new pumps or electrical infrastructure in parallel with existing systems, or to construct temporary tie-ins that minimize the duration and scope of full bypass conditions.

In a traditional Design-Bid-Build model, the engineer must account for all potential risks and unknowns in the design without contractor input, often resulting in an overly conservative bypass strategy. These conservative designs may involve larger temporary systems, extended rental periods, or redundant equipment—all of which significantly increase Project cost without providing any long-term benefit to the District.

In contrast, under CM/GC delivery, the contractor can tailor the bypass approach to match actual construction conditions and the selected means and methods. This collaboration allows for more efficient staging, reduced bypass duration, and avoidance of overdesign—all of which lower overall construction cost.

e. The cost and availability of specialized expertise that is necessary for the public improvement.

Specialized expertise in dry-pit pump installation, electrical cutovers, bypass planning, and phased integration is required. Using the RFP model to select a CM/GC contractor allows the District to identify a firm with this skill set.

f. Any likely increases in public safety.

CM/GC allows early coordination of safety planning for confined space entry, energized work

zones, and temporary systems, improving safety outcomes. Additionally, early coordination with the CM/GC helps reduce the risk of sewage overflows during construction. By carefully planning how to maintain pumping operations and limit the use of temporary bypass systems, the Project team can better manage flows and prevent uncontrolled discharges to the environment.

g. Whether granting the exemption may reduce risks to the District or the public that are related to the public improvement.

Yes. Granting the exemption and using the CM/GC method significantly reduces both technical and operational risks to the District and the public. The Influent Pump Station Expansion Project involves construction within an active, critical wastewater facility. The work includes complex electrical transitions, pump cutovers, and temporary bypass pumping—all of which pose risks if not tightly coordinated.

Early collaboration with the CM/GC during design allows the contractor to provide detailed input on:

- **Construction sequencing** to maintain existing pump station capacity;
- **Staging and logistics** for installing new equipment around live systems;
- **Risk mitigation strategies** for electrical switchover and control system integration;
- **Emergency contingency planning** for bypass system failures or unexpected shutdowns.

By addressing these items during design, the District can avoid costly surprises, ensure continuity of wastewater service, and prevent environmental impacts such as sewage backups or overflows. These risks would be harder to manage under a traditional Design-Bid-Build approach, where the contractor is not involved until after the design is complete and risk has already been embedded in the bid documents.

h. Whether granting the exemption will affect the sources of funding for the public improvement.

No. The Project is funded through the District's existing Capital Improvement Plan. CM/GC delivery will not affect the funding source.

i. Whether granting the exemption will better enable the District to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement.

Yes. The District is proactively pre-purchasing long-lead electrical components—including transformers, motor control centers ("MCCs"), variable frequency drives ("VFDs"), and switchboards—due to extended lead times and continued market volatility in the electrical equipment supply chain. Granting the exemption and using the CM/GC delivery method will allow the construction contractor to coordinate early with the District and the design team to ensure these owner-furnished components are properly integrated into the construction schedule, work sequencing, and subcontractor scopes.

In a traditional Design-Bid-Build ("DBB") delivery model, pre-procured equipment

introduces significant coordination risk. The construction contractor has no role during design and must accept full responsibility for installation of equipment they did not select, scope, or schedule—often leading to change orders, rework, and delays if the design does not perfectly match field conditions or procurement timing. DBB also constrains flexibility to adjust to real-time market conditions once bids are received.

CM/GC mitigates these risks by involving the contractor during design, allowing for detailed review of installation requirements, delivery logistics, and necessary accommodations in the work plan. This proactive coordination reduces the risk of misalignment between owner-furnished equipment and field conditions, helping the District avoid costly delays and disputes.

j. Whether granting the exemption will better enable the District to address the size and technical complexity of the public improvement

Yes. The Project includes complex phasing, electrical transitions, and live facility retrofitting that are best managed through contractor collaboration during design.

k. Whether the public improvement involves new construction or renovates or remodels an existing structure.

This is a hybrid Project involving new pump and electrical systems installed within and around an existing, operational facility.

l. Whether the public improvement will be occupied or unoccupied during construction.

The facility will be fully operational during construction. All improvements must be phased to avoid service disruption.

m. Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions.

Construction is anticipated to occur primarily in a single phase. However, the District and the CM/GC may determine during design that issuing an early work package—focused on preparing the underlying electrical infrastructure for the new pumps—would yield substantial schedule benefits. If such an approach is pursued, it would be limited in scope and justified by a clear advantage in reducing overall Project risk, duration, or disruption to ongoing operations. This flexibility is one of the key advantages of the CM/GC delivery method and would not be easily achievable under a traditional Design-Bid-Build process.

n. Whether the District has retained under contract, and will use District personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the District will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract.

The District has successfully delivered CM/GC and PDB projects, including the Kellogg WRRF CM/GC and the Tri-City WRRF Outfall Project. The District has in-house staff capable of managing CM/GC delivery and will contract with consultants as necessary to provide additional expertise for this Project.

D. Contract Terms and Conditions

The technical complexities and uncertainties of the Project make it critical for the contract to contain specific terms and conditions that will increase efficiency and result in reduced costs. The above referenced Project team will ensure the resulting contract includes industry best practices, mitigates the District's and the Project's risk exposure, and ensures that fees are fair and reasonable for the Project. County Counsel will also ensure that the contract includes all legally required public procurement terms.

E. Reservation of Rights

ORS 279C.335(6) provides that the representations in and the accuracy of these findings are the bases for a contract-specific exemption if adopted by a Board of Directors resolution. These findings also describe, to some extent, anticipated features of the RFP and resulting public improvement contract, but the final parameters of the contract are those characteristics that will be announced in the solicitation document, and the District specifically reserves all of its rights in this regard.

F. Recommendation

A competitive RFP process to procure a CM/GC contractor is the preferred option for the Project. The RFP process will ensure that the selected contractors have the experience, expertise, and past performance to position the Project for success. Further, the RFP competitive process ensures that meaningful competition occurs and that favoritism is not an element of the selection process. All these factors will assist the District in achieving fair and equitable selection of a contractor that will deliver both good design and successful completion while minimizing public impacts, controlling construction costs and meeting an agreed-upon schedule.

Utilizing the CM/GC delivery method will enable the selected contractor to collaborate in the design effort and will yield the most cost-effective and practical choices in design options while still allowing the District to retain control of the design and costs. Perhaps most importantly, the CM/GC method will provide the team collaboration needed to meet financing timelines for construction and allow for a smoother and timelier progression to the start and completion of construction.

District staff therefore recommends adoption of a resolution approving a contract-specific exemption for the Project that permits use of the CM/GC delivery method, and to permit use of the competitive RFP process to select a CM/GC contract.