

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new Intergovernmental Agreement with the **City of Eugene for construction project coordination.**

Board Meeting Date: August 4, 2020
Project Name/Contract #: City of Eugene Construction Project Coordination / 20-106-IGA
Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$5,000,000 (estimated over 5 years)
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Percentage over last approval: 0%
Amount this Request: \$5,000,000 (estimated over 5 years)
Resulting Cumulative Total: \$5,000,000 (estimated over 5 years)

Contracting Method:

Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: Exemption – Intergovernmental Agreement
Term of Agreement: July 31, 2020 until terminated with 30 days' notice by either party
Option to Renew? Yes
Approval for purchases "as needed" for the life of the Contract Yes No
Proposals/Bids Received (Range): Direct Negotiation
Selection Basis: Direct Negotiation-Intergovernmental Agreement

Narrative:

Operational Requirement and Alignment with Strategic Plan

To reduce EWEB costs and lessen the impact to Customers it is often advantageous to include certain EWEB work in City street improvement contracts. This work includes:

- Adjustments to valve boxes, manholes, and water meter boxes,
- Surface restoration i.e. paving of EWEB trenches, and
- Water main replacements.

Combining this work into the City's contracts can result in fewer contractors working in an area for a shorter length of time thus lessening the construction impact to our customers. In addition, cost savings are realized due to the minimization of duplicate efforts such as mobilization/demobilization and traffic control.

Combining EWEB work into City contracts is a common practice that was previously completed under past Intergovernmental Agreements with the City. The proposed Agreement updates and revises the procedures for completing the work. The proposed Agreement now allows for larger projects to be completed in conjunction with the City contract. While previous Agreements were focused on smaller tasks such as valve box adjustments and minor paving, the proposed Agreement expands the scope to allow for larger projects such as main replacement projects. Joint City and EWEB project plans vary in scope with the EWEB portion ranging from \$250,000 to \$1,000,000 per year. Efficiencies of EWEB using the same contractor the City uses can result in savings of up to 50% for EWEB as opposed to EWEB contracting separately.

Contracted Goods or Services

This IGA covers the cost of EWEB work that may be included in City of Eugene paving projects. The City will request a bid item from their contractor for any item of EWEB work that is included in their project's scope of work. The bid cost is then approved by EWEB before the contractor can move forward with the work.

Prior Contract Activities

The total amount spent on IGAs for similar work, not including main replacements, from 2008 to 2020 is \$975,000. Our previous IGA limited our use of the joint bid process so the historical amounts do not reflect anticipate spend under this contract, but we expect to use the new IGA to more fully leverage savings in future projects.

Purchasing Process

Exemption – Intergovernmental Agreement

ACTION REQUESTED:

Management requests the Board approve a new Intergovernmental Agreement (IGA) with **City of Eugene** for incorporating EWEB work into City street improvement contracts. The majority of this work is planned for in the water main replacement budget in the Water Capital Plan. This budget totals approximately \$3.5 million per year. The Water Five Year Capital Plan totals approximately \$118 million. In addition, approximately \$55,000 was planned for these goods or services in the 2020 Water Division Operations and Maintenance budget of \$14 million. Variances will be managed within the budget process and Board policy.