



The following question has been posed by Commissioners prior to the scheduled Board Meeting on August 1, 2023. Staff's response is included below.

Consent Calendar

CONTRACTS

HP Civil, Inc. – for Campus Improvements at EWEB's Carmen-Smith project (KELLEY/KRENTZ) Did anyone at EWEB look at the cost differentials of the products such as concrete when compared to typical costs locally?

RESPONSE: *Although we haven't attempted to quantify it for this project, our experience is that construction costs for work at Carmen are consistently higher than similar work in the valley.*

Using concrete as an example, the cost of transportation to Carmen-Smith is substantial, whether the supplier is in Eugene or Bend. In addition to the extra fuel/labor costs, the concrete mixes require the inclusion of chemical additives to prevent it from setting too early. Contractors also often mobilize redundant equipment to minimize the consequences of a failure that might otherwise botch a remote project. Essentially, contractors need to 'over-prepare' and ensure self-sufficiency at the site since it's not feasible to get timely supply of additional resources.

Staffing remote project work is also expensive. Workers either need to be housed and the schedule compressed (including overtime), or daily productivity is low to account for travel time (extending the time to completion). Both are costly.

Notably, the more local bidder on this project was significantly more expensive, suggesting that it would be challenging to get substantially lower costs for this project even if we were able to attract more bidders.