

MEMORANDUM

TO: Mayor and City Council

FROM: Faye Stewart, Public Works Director

SUBJECT: AWARD OF SANITARY SEWER IMPROVEMENTS
CONTRACT

DATE: August 7, 2024

Background

On June 14, 2024, the City posted an Invitation to Bid (ITB) for sanitary sewer improvement projects. The City requested bids for replacing wastewater mains and laterals in four separate locations near E Jefferson Ave and E Madison Ave, E Polk Ave and Taylor Ave, and E Main St and E Washington Ave, all within the City limits. The work involves reconstruction of wastewater facilities, including pipe busting, excavation, pipe bedding, pipe laying, backfill, and trench patching.

Sealed bids were due by 2:00 pm July 10, 2024 at Branch Engineering located at 310 5th Street in Springfield. The ITB was published on June 14, 2024 in the Daily Journal of Commerce. One bid was received from H&J Construction Inc. and opened at 2:00 pm on July 10, 2024. The bid document was reviewed and deemed complete. The bid was for \$1,348,350.00. The Engineer's estimate for the project was between \$900,000 to \$950,000. On July 24th City staff met with Branch Engineering and H&J Construction to discuss ways to reduce the project cost to \$900,000 or less to match the City's available funds for the projects.


All parties agreed to reduce the project scope by removing the sanitary sewer line project between E. Main and E. Washington and to reduce the E. Adams and E. Jefferson project to the portion between 10th and 11th Streets. H&J Construction's revised bid for the sanitary sewer lines between E Polk Ave and Taylor Ave, between E. Madison and Jefferson Streets, and from 10th to 11th Street between E Jefferson and E. Adams Streets is \$876,736.25. The attached contract reflects the reduced scope of work revised bid.

Recommendation

The City Council move to award the sanitary sewer improvements for E. Polk, E. Madison, and a portion of E. Jefferson between 10th and 11th Streets for \$876,736.25 and authorize the City Manager to sign the contract and all associated documents.

Cost

The total cost of the contract is \$876,736.25. The Wastewater Reserve Fund will pay for the sanitary sewer improvements costs.



Mike Sauerwein, City Manager



Faye Stewart, Public Works Director

CONTRACT FOR CONSTRUCTION
OF
COTTAGE GROVE SANITARY SEWER IMPROVEMENTS

THIS CONTRACT, made and entered into this ____ day of August, 2024 by and between the City of Cottage Grove hereinafter called the OWNER and H & J Construction Inc. hereinafter called the CONTRACTOR.

WITNESSETH:

Said CONTRACTOR, in consideration of the sum to be paid by the said OWNER and of the covenants and agreements herein contained, hereby agrees to commence and complete the construction described as follows:

COTTAGE GROVE SANITARY SEWER IMPROVEMENTS

hereinafter called the PROJECT and to the extent of the Proposal made by the CONTRACTOR on the 8th day of August , 2024, all in full compliance with the Contract Documents referred to herein.

The "Advertisement for Bids", the "Instructions to Bidders", the signed copy of the "Bidder's Proposal", the signed copy of the "Addenda", the "General Conditions, the "Special Provisions", the "Technical Specifications", the "Performance Bond", the "Payment Bond", the "Public Works Bond", and the "Insurance Certification", all bound herewith; "Prevailing Wage Rates" dated January 5, 2024" published by the State of Oregon Bureau of Labor and Industry (BOLI) , the "Oregon Standard Specifications for Construction - 2024" including modifications and revisions, and the "Plans", which include all maps, plats and prints are hereby referred to and by reference made a part of this Contract as fully and completely as if same were fully set forth herein and are mutually cooperative herewith.

In consideration of the faithful performance of the work herein embraced, as set forth in these Contract Documents, and in accordance with the direction of the Engineer and to his satisfaction to the extent provided in the Contract Documents, the OWNER agrees to pay the CONTRACTOR the amount bid as adjusted in accordance with and as determined by the provisions of these Contract Documents, and based on the said Proposal made by the CONTRACTOR, and to make such payments in the manner and at the times provided in these Contract Documents.

The CONTRACTOR agrees to indemnify and save harmless the OWNER from any and all defects appearing or developing in the workmanship performed or furnished under this Contract while in progress and for a period of one (1) year after the final acceptance thereof by the OWNER.

It is agreed that the time limit for the completion of the contract, based on the Bidder's Proposal shall be Seventy-four (74) calendar days. In the event the CONTRACTOR shall fail to complete the work within the time limit, or extended time limit agreed upon as more particularly set forth in these Contract Documents, liquidated damages shall be computed at the

rate indicated in the SCHEDULE OF LIQUIDATED DAMAGES, Item 5.3 of the General Conditions.

The parties further agree that this amount of liquidated damages is a reasonable forecast of just compensation for the harm caused by any breach and that this harm is one which is impossible or very difficult to accurately estimate.

Contractor shall comply with all applicable provisions of federal, state, and local laws, including without limitation, applicable provisions of the Oregon Public Contracting Code ORS 279C, as more specifically set forth on Exhibit B. (See attached "Exhibit B")

Contractor shall not assign, sell, dispose of, or transfer rights, nor delegate duties under the Contract, wither in whole or in part, without the City of Cottage Grove's prior written consent. Such consent shall not relieve Contractor of any obligations under the Contract. Any assignee or transferee shall be considered the agent of the Contractor and bound to abide by all provisions of the Contract. If the City of Cottage Grove consents in writing to an assignment, sale, disposal, or transfer of the Contractor's rights or delegation of Contractor's duties, the Contractor and its surety shall remain liable to the City of Cottage Grove for complete performance of the Contract as if no such assignment, sale, disposal, transfer, or delegation had occurred, unless the City of Cottage Grove otherwise agrees in writing.

IN WITNESS WHEREOF, we the parties hereto each herewith subscribe the same this _____ day of August, 2024.

OWNER

BY: _____

TITLE: City Manager

ATTEST: _____
CITY RECORDER

CONTRACTOR

BY: _____

TITLE: _____

IF THE CONTRACTOR IS A CORPORATION:

ATTEST: _____

TITLE: _____

(SEAL)

EXHIBIT A

SCOPE OF SERVICES TO BE PERFORMED (Bid Schedule)

SECTION 230

SCHEDULE OF BID ITEMS

ITEM No. ODOT SPEC	ITEM DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL BID PRICE
1 210	Mobilization, Bonds, And Insurance	1	Lump Sum	\$129,540.00	\$129,540.00
2 221	Temporary Work Zone Traffic Control, Complete	1	Lump Sum	\$6,473.00	\$6,473.00
3 280	Erosion Control	1	Lump Sum	\$3,242.00	\$3,242.00
4 310	Saw Cutting (Includes Second Cut)	550 321	Ft	\$10.00	\$3,210.00
5 411	Pipe Bursting, 8-Inch HDPE SDR 11	3250 2105	Ft	\$130.00	\$273,650.00
6 411	Service Line Reconnections	96 65	Each	\$650.00	\$42,250.00
7 415	Mainline Video Inspection	3250 2105	Ft	\$15.00	\$31,575.00
8 445	4-Inch Sanitary Sewer Lateral, Class B Backfill, 5-Foot Depth, As Directed by Engineer	1200 812.5	Ft	\$178.50	\$145,031.25
9 445	Sanitary Sewer Clean-outs	96 65	Each	\$625.00	\$40,625.00
10 490	Sewer Bypass and Flow Diversion	1	Lump Sum	\$64,770.00	\$64,770.00
11 495	Trench Resurfacing	75 41	Sq Yd	\$400.00	\$16,400.00
12 1030	Site Restoration, Permanent Seeding and Top Soil	1	Lump Sum	\$64,770.00	\$64,770.00
13 1050	Remove and Reinstall Fence	1200 736	Ft	\$75.00	\$55,200.00
BID TOTAL				\$876,736.25	

Total Amount of Base Bid **\$876,736.25** _____

Total Base Bid price written out in words
EIGHT HUNDRED SEVENTY-SIX THOUSAND SEVEN HUNDRED THIRTY-SIX DOLLARS AND NO CENTS

**Note: All Unit Price Bids should be considered as "Furnished and Installed".
Billing is to be as complete units and partial bills will not be paid.**

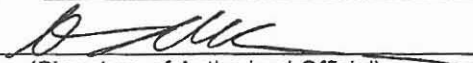
To Be Considered Responsive, the following must be signed and completed by your firm:

We hereby certify to do the work as specified and at the price as quoted in conformance to all the City, State and Federal Regulations that are applicable and will indemnify the 'City of Cottage Grove' against all claims arising out of any actions caused by our company during the performance of this contract.

We hereby certify that we will comply with the provisions of ORS279C.840 (BOLI Wage Requirements).

Company H & J CONSTRUCTION INC.

Address PO BOX 2432, EUGENE OREGON, 97402

By  Date 08/04/2024
(Signature of Authorized Official)

By WILLIAM N. WEBB Phone 541-689-5863
(Type or Print Name)

Federal I.D. # 93-1099-095 Fax 541-689-5887

Surety Company (Performance Bond) M & G INSURANCE

Contact at Surety RAY PAIEMENT Phone 541-293-8200

CCB# 88084 No. Years Registered w/CCB 43

Are there any outstanding claims against your firm: Yes No

Protest of Contractor Selection/Contract Award must be made by Written Notice within Five (5) Days of the Posted Award Date in accordance with OAR 137-049-0450

All the prospective bidders will have specific line items to bid on and the award will be made on the lowest qualified bid on the total bid items. The City will reserve the right to add or delete items as the project goes forward.

1. Liquidated Damages: See General Conditions 110.9.00.
2. Please invoice referencing the above exact line-item numbers and line items. All quantities must be approved by the Project Engineer before invoicing.

EXHIBIT B

PUBLIC CONTRACTING CODE

Requirements for Public Improvement Contracts Over \$50,000

1. Contractor shall pay promptly, as due, all persons supplying labor or materials for the prosecution of the work provided for in the contract, and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor.
 - (a) ORS 279C.580(3)(a) requires the prime contractor to include a clause in each subcontract requiring contractor to pay the first-tier subcontractor for satisfactory performance under its subcontract within 10 days out of such amounts as are paid to the prime contractor by the public contracting agency; and
 - (b) ORS 279C.580(3)(b) requires the prime contractor to include a clause in each subcontract requiring contractor to pay an interest penalty to the first-tier subcontractor if payment is not made within 30 days after receipt of payment from the public contracting agency.
 - (c) ORS 279C.580(4) requires the prime contractor to include in every subcontract a requirement that the payment and interest penalty clauses required by ORS 279C.580(3)(a) and (b) be included in every contract between a subcontractor and a lower-tier subcontractor or supplier.
2. Contractor shall promptly pay all contributions or amounts due the Industrial Accident Fund from such Contractor or Subcontractor incurred in the performance of the contract, and shall be responsible that all sums due the State Unemployment Compensation Fund from Contractor or any Subcontractor in connection with the performance of the contract shall promptly be paid.
3. Contractor shall not permit any lien or claim to be filed or prosecuted against the Contracting Agency on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted.
4. A notice of claim on contractor's payment bond shall be submitted only in accordance with ORS 279C.600 and 279C.605.
5. Contractor and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
6. Contractor shall demonstrate to the Contracting Agency that an employee drug-testing program is in place within 10 days of receiving a Notice of Award.
7. Pursuant to ORS 279C.515, if Contractor fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the Contractor or a Subcontractor by any person in connection with the contract as such claim becomes due, the Contracting Agency may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due Contractor by reason of the contract. The payment of a claim in the manner authorized

hereby shall not relieve the Contractor or his surety from his or its obligation with respect to any unpaid claim. If the Contracting Agency is unable to determine the validity of any claim for labor or material furnished, the Contracting Agency may withhold from any current payment due Contractor an amount equal to said claim until its validity is determined and the claim, if valid, is paid.

8. Pursuant to ORS 279C.515, if the Contractor or a first-tier Subcontractor fails, neglects, or refuses to make payment to a person furnishing labor or materials in connection with the public contract for a public improvement within 30 days after receipt of payment from the Contracting Agency or contractor, the contractor or first-tier subcontractor shall owe the person the amount due plus interest charges commencing at the end of the 10 day period that payment is due under ORS 279C.580(4) and ending upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest charged to Contractor or first-tier Subcontractor on the amount due shall equal three times the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve District that includes Oregon on the date that is 30 days after the date when payment was received from the public contracting agency or from the Contractor, but the rate of interest shall not exceed 30%. The amount of interest may not be waived.
9. As provided in ORS 279C.515, if the Contractor or a Subcontractor fails, neglects, or refuses to make payment to a person furnishing labor or materials in connection with the public contract, the person may file a complaint with the Construction Contractor's Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580.
10. ORS 279C.527 (Green Energy Technology): Contractor shall ensure Owner's compliance with all applicable provisions of ORS 279C.527 and OAR Chapter 330 Division 135 regarding green energy technology requirements for new or major renovations of public buildings costing over \$5,000,000.
11. Pursuant to ORS 279C.530, Contractor shall promptly, as due, make payment to any person, co-partnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all monies and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.
12. Contractor shall employ no person for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency, or where public policy absolutely requires it, and in such cases, except in cases of contracts for personal services designated under ORS 279A.055, Contractor shall pay the employee at least time and one-half pay for all overtime in excess of eight (8) hours a day or forty (40) hours in any one week when the work is five (5) consecutive days, Monday through Friday; or for all overtime in excess of 10 hours a day or 40 hours in any one week when the work week is 4 consecutive days, Monday through Friday; and for all work performed on Saturday and on any legal holidays as specified in ORS 279C.540.
13. Pursuant to ORS 279C.0(2), the Contractor must give notice to employees who work on this contract in writing, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and the days per week that the employees may be required to work.

14. The provisions of ORS 279C.800 to ORS 279C.870 relating to the prevailing wage rates will be complied with. The hourly rate of wage to be paid by Contractor or any Subcontractor to workers in each trade or occupation required for the public works employed in the performance of this Contract shall not be less than the specified minimum rate of wage in accordance with ORS 279C.838 and ORS 279C.840.
- (a) The latest prevailing wage rates for public works contracts in Oregon are contained in the following publications: The January 5, 2024 Prevailing Wage Rates for Public Works Projects in Oregon, including any amendments. Such publications can be reviewed electronically at:
- <https://www.oregon.gov/boli/employers/Pages/prevailing-wage-rates.aspx>
- and are hereby incorporated as part of the contract documents
- (b) Contractor and all Subcontractors shall keep the prevailing wage rates for this Project posted in a conspicuous and accessible place in or about the Project.
- (c) The Owner shall pay a fee to the Commissioner of the Oregon Bureau of Labor and Industries as provided in ORS 279C.825. The fee shall be paid to the Commissioner as required by the administrative rules adopted by the Commissioner.
- (d) If Contractor or any Subcontractor also provides for or contributes to a health and welfare plan or a pension plan, or both, for its employees on the Project, it shall post notice describing such plans in a conspicuous and accessible place in or about the Project. The notice shall contain information on how and where to make claims and where to obtain future information.
15. Unless exempt under ORS 279C.836(4), (7), (8) or (9), before starting work on this contract, or any subcontract hereunder, contractor and all subcontractors must have on file with the Construction Contractors Board a public works bond with a corporate surety authorized to do business in the state of Oregon in the amount of \$30,000. The bond must provide that the contractor or subcontractor will pay claims ordered by the Bureau of Labor and Industries to workers performing labor upon public works projects. The bond must be a continuing obligation, and the surety's liability for the aggregate of claims that may be payable from the bond may not exceed the penal sum of the bond. The bond must remain in effect continuously until depleted by claims paid under ORS 279C.836(2), unless the surety sooner cancels the bond. The surety may cancel the bond by giving 30 days' written notice to the contractor or subcontractor, to the board and to the Bureau of Labor and Industries. When the bond is canceled, the surety is relieved of further liability for work performed on contracts entered into after the cancellation. The cancellation does not limit the surety's liability for work performed on contracts entered into before the cancellation. Contractor further certifies that contractor will include in every subcontract or provision requiring a subcontractor to have a public works bond filed with the Construction Contractors Board before starting work on the project, unless exempt under ORS 279C.836(4), (7), (8), or (9).
- (a) Unless exempt under ORS 279C.836(4), (7), (8), or (9), before permitting a subcontractor to start work on this public works project, the contractor shall verify

that the subcontractor has filed a public works bond as required under this section or has elected not to file a public works bond under ORS 279C.836(7).

- (b) Unless public contracting agency has been notified of any applicable exemptions under ORS 279C.836(4), (7), (8), or (9), the public works bond requirement above is in addition to any other bond contractors or subcontractors may be required to obtain under this contract.
16. As may be required by ORS 279C.845, Contractor or contractor's surety and every subcontractor or subcontractor's surety shall file certified payroll statements with the Contracting Agency in writing.
- (a) If a contractor is required to file certified statements under ORS 279C.845, the Contracting Agency shall retain 25% of any amount earned by the contractor on the public works project until the contractor has filed with the Contracting Agency statement as required by ORS 279C.845. The Contracting Agency shall pay the contractor the amount retained within 14 days after the contractor files the required certified statements, regardless of whether a subcontractor has failed to file certified statements required by statute. The Contracting Agency is not required to verify the truth of the contents of certified statements filed by the contractor under this section and ORS 279C.845.
 - (b) The contractor shall retain 25% of any amount earned by a first-tier subcontractor on this public works contract until the subcontractor has filed with the Contracting Agency certified statements as required by ORS 279C.845. The contractor shall verify that the first-tier subcontractor has filed the certified statements before the contractor may pay the subcontractor any amount retained. The contractor shall pay the first-tier subcontractor the amount retained within 14 days after the subcontractor files the certified statements as required by ORS 279C.845. Neither the Contracting Agency nor the contractor is required to verify the truth of the contents of certified statements filed by a first-tier subcontractor.
17. All employers, including Contractor, that employ subject workers who work under this contract shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its subcontractors complies with these requirements.
18. All sums due the State Unemployment Compensation Fund from the Contractor or any Subcontractor in connection with the performance of the contract shall be promptly so paid.
19. The contract may be canceled at the election of Contracting Agency for any willful failure on the part of Contractor to faithfully perform the contract according to its terms.
20. Contractor certifies that it has not discriminated and will not discriminate against minorities, women, minority-owned or women-owned businesses, or emerging small businesses or a disadvantaged business enterprise in obtaining any required Subcontractors, or against a business enterprise that is owned or controlled by, or that employs a service-disabled veteran as defined in ORS 408.225. ORS 279A.110.

21. Contractor certifies its compliance with the Oregon tax laws, in accordance with ORS 305.385.
23. As may be applicable, Contractor certifies that all subcontractors performing construction work under this contract will be registered with the Construction Contractors Board or licensed by the state Landscaping Contractors Board in accordance with ORS 701.035 to ORS 701.055 before the subcontractors commence work under this contract.
24. Pursuant to ORS 279C.510, if feasible and cost-effective and contract is for demolition, Contractor shall salvage or recycle construction and demolition debris.
25. Pursuant to ORS 279C.510, if feasible and cost-effective and contract is for lawn and landscape maintenance, Contractor shall compost or mulch yard waste material at an approved site.
26. Pursuant to OAR 137-049-0880, the Contracting Agency may, at reasonable times and places, have access to and an opportunity to inspect, examine, copy, and audit the records relating to the Contract.
27. In compliance with the provisions of ORS 279C.525, the following is a list of federal, state and local agencies, of which the Contracting Agency has knowledge, that have enacted ordinances or regulations dealing with the prevention of environmental pollution and the preservation of natural resources that may affect the performance of the contract:

FEDERAL AGENCIES:

- Agriculture, Department of
 - Forest Service
 - Soil Conservation Service
- Defense, Department of
 - Army Corps of Engineers
- Environmental Protection Agency
- Interior, Department of
 - Bureau of Sport Fisheries and Wildlife
 - Bureau of Outdoor Recreation
 - Bureau of Land Management
 - Bureau of Indian Affairs
 - Bureau of Reclamation
- Labor, Department of
 - Occupational Safety and Health Administration
- Transportation, Department of
 - Federal Highway Administration
- Homeland Security, Department of
 - Coast Guard

STATE AGENCIES:

- Agriculture, Department of
- Environmental Quality, Department of
- Fish and Wildlife, Department of
- Forestry, Department of
- Geology and Mineral Industries, Department of
- Human Resources, Department of
- Land Conservation and Development Commission
- Soil and Water Conservation Commission
- State Engineer
- State Land Board
- Water Resources Board

LOCAL AGENCIES:

- City Council
- County Court
- County Commissioners, Board of
- Port Districts
- Metropolitan Service Districts
- County Service Districts
- Sanitary Districts
- Water Districts
- Fire Protection Districts

28. The following notice is applicable to Work involving excavation. "ATTENTION: Oregon law requires you to follow rules adopted by the Oregon Utility Notification Center. Those rules are set forth in OAR 952-001-0010 through OAR 952-001-0090. You may obtain copies of the rules by calling the center at (503) 232-1987."

August 8, 2024

City of Cottage Grove
400 E. Main Street
Cottage Grove, OR 97424
Attn: Faye Stewart, Public Works & Development Director



RE: Cottage Grove Sanitary Sewer Improvements Notice of Apparent Low Bidder and Engineer's Recommendation for Award of Contract

The City received the following bids for the Cottage Grove Sanitary Sewer Improvements Project on July 10, 2024.

<u>Bidder</u>	<u>Bid Total</u>
1. <u>H&J Construction, Inc.</u>	\$ <u>1,348,350.00</u>

I have reviewed the bid packet submitted and found it to be complete and responsive.

Branch Engineering, Inc. and a City of Cottage Grove Representative met with the apparent low bidder, as is allowed in the ORS 279C.340 & OAR 137-049-0430, to value engineer the bid price to within the City's budget. The negotiated price is as follows:

<u>Bidder</u>	<u>Bid Total</u>
1. <u>H&J Construction, Inc.</u>	\$ <u>876,736.25</u>

I recommend that the contract be awarded to H&J Construction, Inc. in the amount of \$876,736.25.

Sincerely,

A handwritten signature in blue ink that reads "Damien Gilbert".

Branch Engineering Inc.
Damien Gilbert, P.E.
City Engineer