PORTLAND WATER BUREAU
FROM FOREST TO FAUCET

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REPORT TO COUNCIL

Date: June 29, 2018

To: Mayor Ted Wheeler
Commissioner Chloe Eudaly
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Dan Saltzman
Allan Warman, Co-Chair, Portland Utility Board
Colleen Johnson, Co-Chair, Portland Utility Board
Janice Thompson, Oregon Citizen's Utility Board

From: Michael Stuhr, P.E., Portland Water Bureau Administrator

Subject: Bull Run Filtration Project Annual Report

6/29/18

In fulfillment of the requirements of Resolution 37309 (Bull Run Watershed filtration plant to treat drinking water), the Portland Water Bureau hereby submits the attached annual report. The report details the progress of this project including public engagement, budget and schedule updates.

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PORTLAND WATER BUREAU

BULL RUN FILTRATION PROJECT ANNUAL REPORT

JUNE 30, 2018

PROJECT BACKGROUND

In August 2017, the Portland City Council voted to build a water filtration treatment facility to meet the treatment requirements for Cryptosporidium. On December 18, 2017 the Oregon Health Authority-Drinking Water Services (OHA) and the Portland Water Bureau (PWB) signed a bilateral compliance agreement that laid out a schedule for construction of a new filtration treatment system on the Bull Run Supply by September 30, 2027.

The approved filtration schedule includes three primary phases – Planning, Design, and Construction. It will take approximately 10 years until the treatment facility is operational. The total project budget is anticipated to be between $350-500 million.

CURRENT PHASE - PLANNING

The Planning phase is anticipated to take three years (2017-2020) and consists of the following tasks:

- Pre-Planning: Identify project variables, risks, and challenges. Conduct studies and analysis to inform decisions.
- Planning: Work with the consultant program manager to confirm primary project components and evaluate ways to mitigate project risk.
- Pre-Design: Conduct work to narrow project scope and parameters.

The project is currently in the Pre-Planning task. During this task, work on the evaluation of four key elements for the treatment system will be conducted. These elements are:

- Filtration technology/methodology
- Location of the facility
- Capacity of the treatment plant
- Contracting delivery method

PROGRESS DURING THE PAST YEAR

OCTOBER - DECEMBER 2017

- Following the August 2017 City Council approval, the Bull Run Filtration project was initiated in fall 2017. In December, PWB staff and consultants began the Pre-Planning task with the identification of four key foundational elements: facility location, capacity, filtration technology, and contracting delivery method. PWB developed a project team and signed task orders with

Jacobs and HDR for technical services. PWB made a Direct Appointment to the woman-owned business Barney & Worth to assist with developing a public outreach program. The first consultant kick-off meeting was held on December 12, 2017 with Jacobs, HDR, and Barney & Worth to develop workplan schedule and deliverables.

- The project team completed a draft qualifications based selection – request for proposals (QBS-RFP) for Program Management and Support Services and held a consultant pre-bid meeting for the QBS-RFP on December 18, 2017.
- The Program Management and Support Services contract was developed to support PWB's management of the technical development of the program. The contract will run five years, with an option to extend five years. Tasks include, but are not limited to, geotechnical evaluations, pilot testing of treatment systems, project definition, planning, assistance during design, and assistance during construction.

JANUARY - MARCH 2018

- PWB continued work on the program management RFP which was advertised in February with three proposals received in March. After evaluation of the proposals, PWB interviewed three project teams; Jacobs, West/Yost and Brown & Caldwell.
- Jacobs, HDR, and Barney and Worth worked with PWB to develop a decision-making framework for evaluating the four key elements. The framework uses PWB and community identified values and criteria to assist in evaluating alternatives and making recommendations related to the four key elements.
- Barney & Worth conducted stakeholder interviews and integrated the results into the decision-making framework. A public on-line survey was launched in late March and over 1,700 responses were received during this quarter. PWB published a Bull Run Treatment website.
- PWB evaluated alternative procurement methods for the project and in consultation with stakeholders and City of Portland Procurement Services selected the Construction Manager General Contractor (CM/GC) procurement method. This is the first key element as part of the Pre-Planning task. The goal is to have the CM/GC on board in the first quarter of 2020.
- PWB began development of a design services RFP with a goal of having the design team on board in the second quarter of 2019.
- The Project Team began analyzing potential treatment facility sites.

APRIL - JUNE 2018

- Public Engagement work continued during this quarter with analysis of the ongoing survey, updates of the website, responses to questions from the public and stakeholders, and several interviews and presentations.
- The Program Management and Support Services contract was awarded to Brown and Caldwell. PWB entered contract negotiations with Brown and Caldwell.

- HDR and Jacobs worked with PWB to evaluate treatment facility capacity, possible locations for the treatment facility and the type of filtration technology to be used. These elements were evaluated through a series of workshops using the decision-making framework.
- PWB continued work on the design services RFP.
- PWB began development of documents for an alternative construction procurement solicitation for Council consideration, including the findings documents and RFP for CM/GC.

PROGRESS ANTICIPATED IN THE COMING YEAR

JULY - SEPTEMBER 2018

- PWB is planning for a City Council work session August 14, 2018 to present the recommendations that have been developed for the four key elements: delivery method, capacity, site selection and technology choice.
- PWB anticipates bringing two actions to City Council in late August; 1) Ordinance authorizing a PTE contract for Program Management and Support Services; 2) Ordinance authorizing exemption from the competitive bid requirements to use an alternative contracting method (the delivery method key decision).
- PWB will finalize and advertise the design services RFP. A consultant pre-bid meeting will be held. The team will review and evaluate the proposals, perform interviews if needed, and select a design services consultant.
- The Project Team will onboard the program management team (Brown and Caldwell).
- PWB and consultants will produce a summary memorandum covering the overall process of the decision framework and its application in the four key elements.

OCTOBER - DECEMBER 2018

- PWB will begin negotiations of the design services contract, and prepare ordinance documents for City Council consideration of the associated contract.
- PWB and consultants will purchase pilot equipment and develop the pilot study plan. This work will expand on the treatment technology selected in the filtration technology workshop. Once initiated, the pilot study will evaluate (at a small scale) specific treatment processes and technologies, including pre-treatment and post-treatment, using Bull Run water. The study will be used to determine an optimized treatment process for the Bull Run.
- Project Definition will begin. This includes preliminary project characterization such as, but not limited to, initial site plan, treatment processes, and performing a geotechnical baseline study.
- PWB will set up project controls and initiate standards to be used throughout the life of the project. This includes identifying CAD, communications, specifications, and QA/QC standards.

JANUARY - MARCH 2019

- PWB and consultants will continue to work on Project Definition.
- PWB and consultants will begin pilot study operations.
- PWB anticipates bringing the treatment facility designer contract for City Council consideration.

APRIL - JUNE 2019

- PWB and consultants enter the Pre-Design task. This includes, but is not limited to, further developing a site conceptual layout, treatment process schematic, off-site improvement schematic, and working towards 30% design.
- PWB anticipates that the treatment facility designer will be under contract and will participate in the development of the Project Definition.

BUDGET

The total budget for the project is $350-500 million. The End of Fiscal Year (EOFY) spending is estimated to be within $10,000 of the annual total budget. The project is on budget.

	Total Budget	***YTD Spending***	***Estimated EOFY Budget***
FY 2017-18	$910,000	$616,519	$914,000
FY 2018-19	$5,590,000	$0	$5,590,000

SCHEDULE

The Project is 70% through the first year and has completed 75% of the work assigned to this one-year time frame. The project is on schedule.

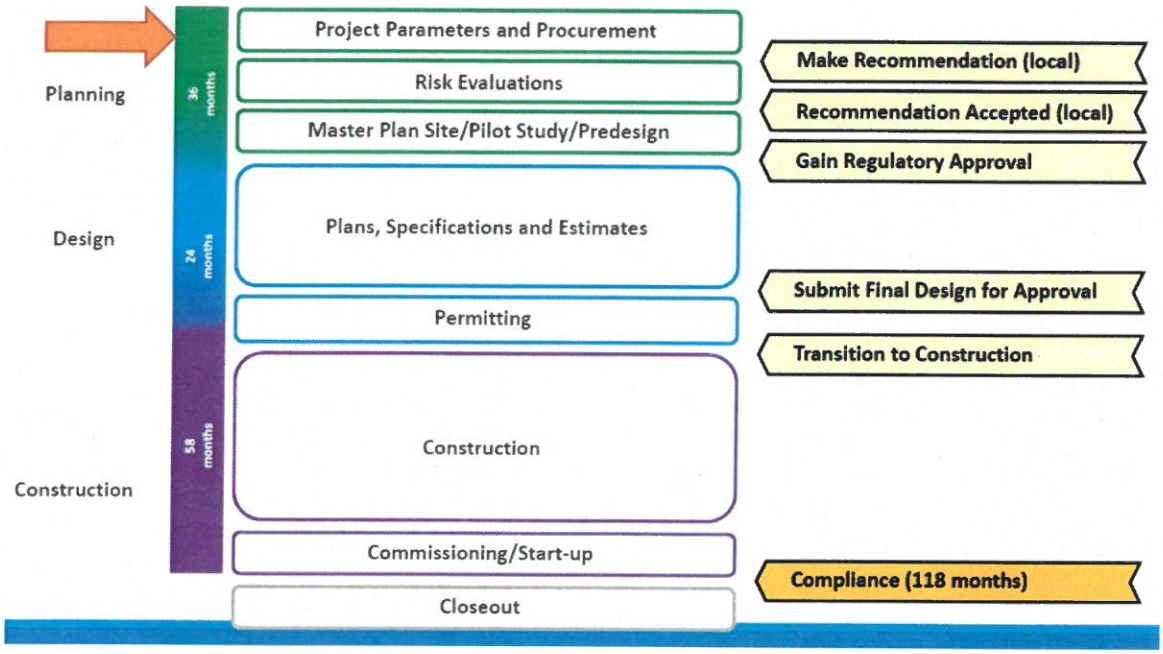

Figure 1: Estimated 10-Year filtration timeline. The orange arrow marks the project's progress at the EOFY.