



Mike Clifford discussed Mortenson's process for advertising for, selecting, and hiring sub-contractors for the project. The process includes advertising for local contractors, and confirming that the contractors chosen for further consideration are competent and reliable. Needed for the project are mechanical, electrical, site work, and controls contractors. He noted that they thoroughly reviewed the capabilities of multiple contractors for each task as well as reviewing their cost estimates.

Mike assured the Board that all costs in the GMP have been publicly bid or, in the case of self perform tasks, scrutinized by a third party hired by the District for that purpose.

Director Foeller asked if Mortenson advertised for local contractors, and Director Wild asked if any of the companies have minority, disadvantaged or women owners. Mike Clifford replied in the affirmative. Advertisements were placed in the Portland Daily Journal of Commerce, the local trade journal for construction project bid requests.

Rob Schwartz, Mortenson Construction, then reviewed the GMP Estimate Summary book as provided to the Oak Lodge Sanitary District Board of Directors and staff. He discussed savings realized by competition between suppliers and avoiding sole-source dealers or equipment. In response to a question from the Board, Rob emphasized that no compromises in quality or reliability of equipment were made in the interest of saving money. Dave Green stated that the mechanical contractor was selected on their ability to perform the work required, and equipment was selected based on bids from separate suppliers. Rob stated that Mortenson's estimate detail is as close as possible to market prices. It is not Mortenson's policy to over-estimate costs in order to show a savings.

Director Martin asked about the profit percentages as shown in the estimate for self-performed work and for sub-contracted work. Rob explained that the 7% for self-perform tasks is the 2% to Mortenson plus the 5% profit to the sub-contractor. The same 2% is found on sub-contracted tasks in the summary. Michael Read further elaborated on this. He explained that the District had all of the costs for self-perform tasks reviewed by a third party.

Director Foeller asked the length of time for which the bids as received are valid. Mike Clifford replied that the bids are valid for 90 days. They were received approximately 1 month ago. Michael stated that the GMP Estimate will be presented at the regular Board meeting next Tuesday, and if the contract is approved at that time there will be sufficient time to arrange the sub-contractors at the bid estimates.

Directors Martin and Foeller asked about the third party review and other general questions regarding various items. Manager of Planning and Engineering Arvidson and Mortenson staff answered those questions to the

satisfaction of the Board.

Director Wild asked for assurance that no construction workers would be parking in Rivervilla Park and that the Leedy family would always have access to their home. Mortenson and District staff confirmed that those items are addressed in the plans. On-site parking is provided for workers and a roadway to will be constructed for the project to access the construction office that will assure access to the Leedy home. Brett stated that District and Mortenson staff will work with Greg and Erin Leedy. Michael stated that access to their home will be maintained, and that an access route for District workers will also be maintained.

President Wild asked about the trees currently located on the treatment plant property. Michael and Brett assured him that as many as possible will be saved. The first trees to be removed are the arborvitae located where an access road will be constructed. Those will be replanted behind Greg and Erin Leedy's house in order to provide a better screen for them from the construction activity. Brett reported that he has a \$10,000 tree-saving program built into the project cost. While some of the Leyland Cypress trees will need to be removed, as many as possible will be saved. In addition to sparing as many existing trees as possible, the project includes plans for removing invasives and replacing them with native plants in the Rivervilla Park property to create a boundary area between the treatment plant and the park. Construction of the final pathway along Courtney will be put off until near the end of the project in order to preserve as many trees as possible and maintain the screen provided by the existing trees.

Michael discussed the costs of Phase 1A and Phase 1B – it is important to start estimating the costs for Phase 1B in order to minimize any time between the end of one phase and beginning of the next. Phase 1A is scheduled for completion in October 2011, with a few months of startup at the end of the process. Scheduled completion for Phase 1B is March 2013.

Michael announced that an open house for the neighbors of the treatment plant is scheduled for the evening of May 18. The purpose of the meeting is to allow the neighbors to ask questions, voice opinions, and to provide advice to District and Mortenson staff.

**PUBLIC COMMENT  
PERIOD**

President Wild opened the meeting up to questions and/or comments on the project from the public.

Rick Dyer, 2375 SE Concord Rd, member of the District's Budget Committee, asked if subcontractors found conflicts between the specs and plans other than the epoxy floor. Mike Clifford stated that the subcontractors had a number of questions, which were answered during the process. He stated that there are likely still some discrepancies, but they are not major. Brett stated that there are some contingency funds built into the project. In Phase 1A there is approximately \$1.38 million and in Phase 1B

there is 12% of that amount. He expressed confidence the project cost will not exceed the current estimates. Michael Read also expressed confidence in the costs as projected. The District is holding down costs as much as possible without sacrificing the quality of the project and the promises made to the community and the neighbors. The projected service rates are down \$6 from the previous year, and are \$1 less than the promised maximum of \$39/month made in the information distributed to the community during our request for approval of the General Obligation bonds.

Jerry Foy, 15242 SE Fair Oaks Ave, asked about a savings of \$250,000 on an alternative pump that is shown in the costs. Brett explained that the savings was being realized by putting a pump already owned by the District to a temporary use, not by removing a part of the project. Jerry also asked about single-source equipment. Mortenson staff stated that they have avoided single-source equipment wherever possible. They ask for bids based on the requirements, not the model or manufacturer. Jerry asked if Mortenson received only one bid for paving. Aric Osterlund, Oak Lodge Sanitary District Plant Operations Manager, replied that only one bid was received for paving the sidewalks, but that it was sufficient. Jerry asked about the dispositions of savings in the project. Brett stated that the savings split was 70% to Mortenson and 30% to Oak Lodge Sanitary District. Jerry asked about General Conditions. Brett explained that it is a separate line item for each sub-contractor. Jerry also asked if the General Conditions are based on the project time frame. It is. Jerry commented that the contract looks good to him.

Leonard Waldemar asked about the planned walking trail along SE Courtney. He expressed concern that an early commitment to the community be kept. Brett explained that in order to keep as many trees as possible and to maintain a vegetative screen, a 6' wide bark mulch path will be constructed at the start of the project, but the final winding landscaped pathway will not be constructed until near the end of the project. This change in schedule will meet our commitment to maintain trees and vegetation, and also provide a safe pedestrian path during construction.

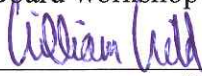
Director Foeller asked Aric Osterlund if the District has instituted additional safety measures during construction. Aric replied that there is a joint safety plan and that additional personal protective wear is required of all District employees whenever they are outside of the Service Building. Michael Read stated that all contractors must meet the District's safety requirements. Brett stated that the first item on the agenda of the weekly construction meeting is safety. Greg Knutson of Mortenson Construction stated that they will have a project Safety Committee and the District staff is welcome to participate in that Committee.

FINAL COMMENTS: Brett Arvidson

Brett Arvidson stated that he would prepare a draft amendment for the Contract that is on the Board agenda under Item 7 for consideration at the May 11, 2010, Regular meeting of the Board of Directors.

There was no further business

The Board workshop session was adjourned at 8:08 p.m.



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William Wild, President of the Board

Attest:



J. Michael Read, Secretary