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Memorandum Date: July 31, 2006  
Order Date: Aug 15, 2006

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**TO:** Board of County Commissioners

**DEPARTMENT:** CAO/Economic Development Standing Committee

**PRESENTED BY:** Michael McKenzie-Bahr C&ED Coordinator

**AGENDA ITEM TITLE:** IN THE MATTER OF AWARDING A CONTRACT TO HGE INC. FOR PROFESSIONAL ENGINEERING SERVICES RELATED TO THE UPGRADE OF THE WATER TREATMENT SYSTEM FOR THE BLUE RIVER WATER DISTRICT USING CDBG FUNDS IN THE AMOUNT NOT TO EXCEED \$163,000.

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I. **MOTION** MOVE TO ADOPT AWARDING A CONTRACT TO HGE INC NOT TO EXCEED \$163,000 AND AUTHORIZE THE COUNTY ADMINISTRATOR TO SIGN THE CONTRACT.

II. **AGENDA ITEM SUMMARY**

The County was awarded a Community Development Block Grant to make water filtration improvements for the Blue River Water District. The next step in that process is to retain the services of an engineering firm. After following the prescribed process for competitive selection of an engineering firm, a proposed contract has been negotiated with HGE Inc. The contract is for \$163,000, which includes \$3,000 for environmental engineering services as required by the State of Oregon.

III. **BACKGROUND/IMPLICATIONS OF ACTION**

A. **Board Action and Other History**

**Background.**

The Blue River Water District serves the community of Blue River along the McKenzie River. For several years it has operated with an aging filter system to treat the residents' drinking water. The District was able to make use of the services of Lane County to put together a grant request that was awarded \$1,000,000 from the Oregon Department of Economic and Community Development Department, using federal Community Development Block Grant (CDBG) funds.

The first step process of rehabilitating the systems well, construction of a 138,000 gallon storage reservoir and installation of new lines, is the

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selection of an engineering firm to do the necessary engineering work.

A competitive solicitation was prepared and invitations to bid were placed in the Register Guard; the Portland Daily Journal of Commerce and a publication called Career Network. Career Network is a statewide publication, aimed primarily at minority-based businesses. The solicitation was also sent to 12 engineering firms in the state who do this kind of work. Three firms responded: HBH Consulting Engineers; HGE Inc.; and Weber Elliot Engineers, P.C.

All three responses were reviewed and graded by staff from the Blue River Water District, LCOG and the County. The same agency representatives then interviewed all three firms.

HGE Inc. was selected as having the best response, and negotiations were started. A contract for Professional Services has been developed which has been reviewed and approved by staff from the Blue River Water District and by the State CDBG liaison.

**B. Policy Issues**

This project is an example of the Board of Commissioner's policy to assist the rural communities of Lane County in solving infrastructure issues. In moving to the next phase of this project – engineering and design, County staff has followed state and county policy issues regarding the solicitation for services and the selection process of contractors have been followed by staff.

**C. Board Goals**

This project meets the Board goal to "Maintain a healthy environment with regard to air quality, water quality, waste management, land use and parks."

**D. Financial and/or Resource Considerations**

The engineering services contract fits into the project budget that we have allocated for these services. All of the \$163,000 contract is being paid from the grant funds for this project.

**E. Analysis**

The proposed agreement is satisfactory to the Blue River Water District and the state CDBG program. It fits within the budgeted amounts for the work that has been identified as necessary, and contains restrictions to prevent exceeding the budgeted funds. The engineering firm selected is qualified and familiar with the project.

#### **F. Alternatives/Options**

The options before the Board are as follows:

1. The Board may take no action. This would result in at least a delay in the project until the matters of concern to the Board could be resolved.
2. The Board may choose to approve the proposed contract. This would allow the engineering firm to start work, and allow for possible completion of the project during the coming winter, when conditions are optimal for such efforts.
3. The Board may choose to reject the proposed contract and place the project back out for request for proposals.

#### **IV. TIMING/IMPLEMENTATION**

We are moving forward with an aggressive timeline in the hopes the majority of the work done at the Blue River water plant is completed by Memorial Day 2007. In order to meet that timeline, we need to have an engineering firm on board and working on the solution. Upon Board approval of the hiring of an engineering firm, we expect the firm to begin work almost immediately.

#### **V. RECOMMENDATION**

Staff recommends that the Board adopt the proposed Order.

#### **VI. FOLLOW-UP**

Upon approval of the Board, C&ED staff will work with County Counsel, CAO, LCOG and contractor to get the contract signed and project moving forward.

#### **VII. ATTACHMENTS**

Attachment 1: Board Order in the matter of awarding a contract to HGE Inc. for professional services.

**IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY OREGON**

) **IN THE MATTER OF AWARDING**  
) **A CONTRACT TO HGE**  
) **INC. FOR PROFESSIONAL**  
) **ENGINEERING SERVICES**  
) **RELATED TO THE**  
) **UPGRADE OF THE WATER**  
) **TREATMENT SYSTEM FOR THE**  
) **BLUE RIVER WATER DISTRICT**  
) **USING CDBG FUNDS IN THE**  
) **AMOUNT NOT TO EXCEED**  
) **\$163,000.**

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WHEREAS, Lane County has applied for and been awarded CDBG funds on behalf of the Blue River Water District in the amount of \$1,000,000, including \$160,000 for engineering services and \$3,000 for environmental services; and

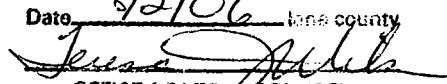
WHEREAS, Lane County has solicited proposals for professional services for the engineering services to be performed as a part of the grant award, has received three responsive proposals and, working with the Blue River Water District has reviewed the proposals for professional services; and

WHEREAS, after reviewing these proposals, Lane County has selected HGE Inc. as the respondent most capable of performing the desired services within the scope of the CDBG award.

NOW THEREFORE IT IS HEREBY RESOLVED AND ORDERED that the Lane County Board of Commissioners does hereby approve contracting with HGE Inc. for an amount not to exceed \$163,000; and further delegates authority to the County Administrator to execute such a contract.

DATED this 15th day of August, 2006

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Chair, Lane County Board of Commissioners

APPROVED AS TO FORM  
Date 8/2/06 Lane County  
  
OFFICE OF LEGAL COUNSEL