

March 23, 2023

BCC Agenda Date/Item: _____

Board of County Commissioners
Clackamas County

**Approval of a Public Improvement Agreement with Galk Construction, LLC,
for the Jannsen Road Apartments Rehabilitation Project.
Total contract value is \$296,500 effective upon signature through July 6, 2023.
Funding through Federal grant Community Development Block Grant (CDBG).
No County General Funds are involved.**

Previous Board Action/Review	<ul style="list-style-type: none"> • May 6, 2021 Board approval of FY2021 CDBG Action Plan and Proposed Projects. • June 28, 2022 Board approval of the Intergovernmental Agreement with Housing Authority of Clackamas County. • March 21, 2023 Issues Meeting. 		
Performance Clackamas	Increase self-sufficiency for our clients. Ensure safe, healthy and secure communities.		
Counsel Review	Yes	Procurement Review	Yes
Contact Person	Mark Sirois	Contact Phone	503-351-7240

EXECUTIVE SUMMARY: The Housing & Community Development Division (HCDD) of the Health, Housing and Human Services Department requests the approval of the Public Improvement Agreement with Galk Construction, LLC (Galk), for building improvements to two existing multi-family buildings for low-moderate income families and individual residents of the Clackamas area. These residential buildings are owned by the Housing Authority of Clackamas County (HACC).

This project was bid publicly, and Galk was the lowest responsive bidder awarded the construction contract. This Agreement addresses the construction budget and materials, and responsibilities to ensure that the project is completed as determined by HCDD and HACC staff estimating a timeline of 90 days. These two multi-family buildings will receive new exterior components including; siding, doors, windows, and paint to protect the residential assets for continued use for low-moderate income families and individuals of Clackamas County.

Project Funding:
 \$245,000: Community Development Block Grant (CDBG) funds
\$ 51,500: Housing Authority of Clackamas County funds

\$296,500 Total Construction Costs

RECOMMENDATION: Staff recommends BCC approval of the Public Improvement Agreement.

Respectfully submitted,
Rodney A. Cook
 Rodney A. Cook
 Director

For Filing Use Only



**CLACKAMAS COUNTY
PUBLIC IMPROVEMENT CONTRACT
H3S Contract # 11056**

This Public Improvement Contract (the "Contract"), is made by and between the Clackamas County, a political subdivision of the State of Oregon ("Owner"), and Galk Construction, LLC (the "Contractor"), both collectively the "Parties." This Contract shall become effective on the date this Contract has been signed by all the Parties and shall expire upon completion the completion of all obligations under the terms of this Contract unless terminated earlier by the Parties.

All capitalized terms in this Contract shall have the meanings identified in the Clackamas County General Conditions for Public Improvement Contracts (10/13/2021) ("General Conditions") referenced within the Instructions to Bidders.

Project Name: Jannsen Road Apartments Rehabilitation Project

1. Contract Price, Contract Documents and Work.

The Contractor hereby agrees to perform all Work described in, and reasonably inferred from, the Contract Documents. In consideration of the Contractor performing the Work in accordance with the terms of the Contract, the Owner agrees to pay the Contractor the sum of Two Hundred Ninety Six Thousand Five Hundred Dollars (\$296,500) (the "Contract Price"). Payment will be made in accordance with the terms and conditions provided in the Contract Documents. The Contract Price is the amount contemplated by the Base Bid, as indicated in the accepted Bid.

The following documents are incorporated by reference in this Contract and made a part hereof:

- Notice of Contract Opportunity
- Supplemental Instructions to Bidders
- Bid Form
- Clackamas County General Conditions
- Prevailing Wage Rates
- Plans, Specifications and Drawings
- Instructions to Bidders
- Bid Bond
- Performance Bond and Payment Bond
- Supplemental General Conditions
- Payroll and Certified Statement Form
- Addenda-N/A

2. Representatives.

Contractor has named Dmitri Galkovski as its Authorized Representative to act on its behalf. Owner designates, or shall designate, its Authorized Representative as indicted below (check one):

Unless otherwise specified in the Contract Documents, the Owner designates Steve Kelly, Project Coordinator and Josh Teigen, Capital Improvements Coordinator as its Authorized Representatives in the administration of this Contract. The above-named individual shall be the initial point of contact for matters related to Contract performance, payment, authorization, and to carry out the responsibilities of the Owner.

Name of Owner's Authorized Representative shall be submitted by Owner in a separate writing.

3. Key Persons.

The Contractor's personnel identified below shall be considered Key Persons and shall not be replaced during the project without the written permission of Owner, which shall not be unreasonably withheld. If the Contractor intends to substitute personnel, a request must be given to Owner at least 30 days prior to the intended time of substitution. When replacements have been approved by Owner, the Contractor shall provide a transition period of at least 10 working days during which the original and replacement personnel shall be

working on the project concurrently. Once a replacement for any of these staff members is authorized, further replacement shall not occur without the written permission of Owner. The Contractor's project staff shall consist of the following personnel:

Project Executive: Dmitri Galkovski shall be the Contractor's project executive, and will provide oversight and guidance throughout the project term.

Project Manager: Valeriy Galkovski shall be the Contractor's project manager and will participate in all meetings throughout the project term.

Job Superintendent: N/A shall be the Contractor's on-site job superintendent throughout the project term..

Project Engineer: N/A shall be the Contractor's project engineer, providing assistance to the project manager, and subcontractor and supplier coordination throughout the project term.

4. Contract Dates.

The Contractor agrees to complete the Work in accordance with the following key dates:

COMMENCEMENT DATE: (tentative) **March 20, 2023**, Upon Issuance of Notice to Proceed

SUBSTANTIAL COMPLETION DATE: (tentative) **June 21, 2023**

FINAL COMPLETION DATE: (tentative) **July 6, 2023**

Time is of the essence for this Contract. It is imperative that the Work in this Contract reach Substantial Completion and Final Completion by the above specified dates.

5. Insurance Certificates.

In accordance with Section G.3.5 of the General Conditions [and item x of Supplemental General Conditions as applicable], Contractor shall furnish proof of the required insurance naming Clackamas County – Health, Housing & Human Services Department as an additional insured. Insurance certificates may be returned with the signed Contract or may be emailed to stevekel@clackamas.us.

6. Liquidated Damages

The Owner and the Contractor acknowledge and agree that if the Contractor fails to reach Substantial Completion of the entire Work by the Substantial Completion Date identified in Section 4 above, the Owner will suffer damages, which are both extremely difficult and impracticable to ascertain, and on that basis agree to the assessment by Owner of liquidated damages as provided in this Section. These damages may include, but are not limited to, use of the Project, costs associated with Contract administration, and use of temporary facilities. The liquidated damages amount is not a penalty, but a reasonable estimate of the amount of losses the Owner will suffer. The Owner may deduct such liquidated damages as are payable under this Section from money due or to become due to the Contractor or, at its election, pursue any other legal remedy to collect such liquidated damages from the Contractor and/or its Surety.

If the Contractor fails to achieve Substantial Completion of the entire Work by the Substantial Completion Date identified in Section 4, the Contractor shall pay the Owner as liquidated damages:

6.1. \$750.00 per Calendar day past the Substantial Completion date.

Payment of liquidated damages shall not release Contractor from its obligation with respect to the complete performance of the Work, nor shall the payment of liquidated damages constitute a waiver of Owner's right to collect any additional damages that it may sustain by failure of Contractor to fully perform the Work, as it is the intent of the parties that the liquidated damages are a full and complete payment only for failure of

Contractor to complete the Work on time. Owner expressly reserves the right to make claims for any and all other damages that Owner may incur due to contractor's failure to perform in strict accordance with this Contract.

7. Tax Compliance.

The Contractor shall comply with all federal, state and local laws, regulation, executive orders and ordinances applicable to this Contract. Contractor represents and warrants that it has complied, and will continue to comply throughout the duration of this Contract and any extensions, with all tax laws of this state or any political subdivision of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318. Any violation of this section shall constitute a material breach of this Contract and shall entitle County to terminate this Contract, to pursue and recover any and all damages that arise from the breach and the termination of this Contract, and to pursue any or all of the remedies available under this Contract or applicable law.

8. Confidential Information.

Contractor acknowledges that it and its employees or agents may, in the course of performing their responsibilities under this Contract, be exposed to or acquire information that is confidential to Owner. Any and all information of any form obtained by Contractor or its employees or agents in the performance of this Contract shall be deemed confidential information of Owner ("Confidential Information"). Contractor agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Contractor uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purpose unless specifically authorized in writing under this Contract.

9. Counterparts.

This Contract may be executed in several counterparts, all of which when taken together shall constitute an agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of the Contract so executed shall constitute an original.

10. Integration.

All provisions of state law required to be part of this Contract, whether listed in the General or Special Conditions or otherwise, are hereby integrated and adopted herein. Contractor acknowledges the obligations thereunder and that failure to comply with such terms is a material breach of this Contract.

The Contract Documents constitute the entire agreement between the parties. There are no other understandings, agreements or representations, oral or written, not specified herein regarding this Contract. Contractor, by the signature below of its authorized representative, hereby acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.

11. Compliance with Applicable Law. Contractor shall comply with all federal, state, county, and local laws, ordinances, and regulations applicable to the Work to be done under this Contract including, but not limited to, compliance with the prohibitions set forth in ORS 652.220, compliance of which is a material element of this Contract and failure to comply is a material breach that entitles County to exercise any rights and remedies available under this Contract including, but not limited to, termination for default.

12. Responsibility for Taxes. Contractor is solely responsible for payment of any federal, state, or local taxes required as a result of the Contract or the Work including, but not limited, to payment of the corporate activity tax imposed under enrolled HB 3427 (2019 Oregon regular legislative session). Contractor may not include its federal, state, or local tax obligations as part of the cost to perform the Work.

13. Compliance with Applicable Funding Source Requirements. Contractor shall further comply with any and all terms, conditions, and other obligations as may be required by the applicable State or Federal agencies providing funding for performance under this Contract, whether or not specifically referenced herein. Contractor agrees to take all necessary steps, and execute and deliver any and all necessary written instruments, to perform under this Contract including, but not limited to, executing all additional documentation necessary for County to comply with applicable State or Federal funding requirements.

In witness whereof, Owner executes this Contract and the Contractor does execute the same as of the day and year first above written.


Contractor DATA:
Galk Construction, LLC
1822 SE 157th Drive
Portland, OR 97233

Contractor CCB # 212872 Expiration Date: February 18, 2023 2025
Oregon Business Registry # 1264005-97 Entity Type: DLLC State of Formation: Oregon

Payment information will be reported to the IRS under the name and taxpayer ID# provided by the Contractor. Information must be provided prior to contract approval. Information not matching IRS records could subject Contractor to 28 percent backup withholding.

Galk Construction, LLC

Clackamas County


Authorized Signature _____ Date 2/27/2023

_____ Date


Dmitri Galkovski/ Owner _____ Date 2/27/2023

APPROVED AS TO FORM

Andrew Naylor _____ Date 2/21/2023
County Counsel _____ Date

Tax ID#: 81-4321507