



## RESOLUTION NO. U-11463

1 A RESOLUTION related to the purchase of materials, supplies, equipment and  
2 the furnishing of services; authorizing the City officials to enter into  
3 contracts and, where specified, waive competitive bidding requirements,  
4 authorize sale of surplus property, or increase or extend existing  
5 agreements.

6 WHEREAS the City of Tacoma, Department of Public Utilities, requested  
7 bids or proposals for the purchase of certain materials, supplies, equipment or  
8 the furnishing of certain services, or proposes to purchase off an agreement  
9 previously competitively bid and entered into by another governmental entity or  
10 a purchasing cooperative, or for the sales of surplus, or desires to increase or  
11 extend an existing agreement, all as explained by the attached Exhibit "A,"  
12 which by this reference is incorporated herein, and

13 WHEREAS in response thereto, bids or proposals (or prices from  
14 another governmental or cooperative agreement) were received, all as  
15 evidenced by Exhibit "A," and

16 WHEREAS the Board of Contracts and Awards or the requesting division  
17 have heretofore made their recommendations, which may include waiver of the  
18 formal competitive bid process because it was not practicable to follow said  
19 process, or because the purchase is from a single source, or there is an  
20 emergency that requires such waiver, or because a directly negotiated contract  
21 was determined to be in the best interest of the City, or waiver of minor  
22 deviations, and in the case of sale of surplus, a declaration of surplus has been  
23 made certifying that said items are no longer essential for continued effective  
24 utility service, as explained in Exhibit "A," Now, therefore,  
25  
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Resolution No.: U-11463  
Item No.: /  
Meeting Date: JULY 24, 2024

**TO:** Board of Contracts and Awards  
**FROM:** Heather Pennington, Interim Superintendent, Tacoma Water  
Jessica Knickerbocker, Division Manager, Tacoma Water  
Carol Powers, Principal Engineer, Tacoma Water  
**COPY:** Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP  
Coordinator, and Brandon Snow, Senior Buyer, Finance/Purchasing  
**SUBJECT:** Tacoma Water Workspace Strategies  
Architectural and Engineering (A&E) Roster Contract No. CW2243139 – July 24,  
2024 Public Utility Board  
**DATE:** July 3, 2024

**RECOMMENDATION SUMMARY:** Tacoma Water requests approval to increase and extend Contract No. CW2243139, to Burgess Design Inc, Seattle, WA, by \$200,000, plus applicable taxes, to bring the contract to a cumulative total of \$590,000, plus applicable taxes, budgeted from the 4600 Water Fund, extended through June 30, 2025, for engineering services during construction.

**STRATEGIC POLICY PRIORITY**

- Assure outstanding stewardship of the natural and built environment.

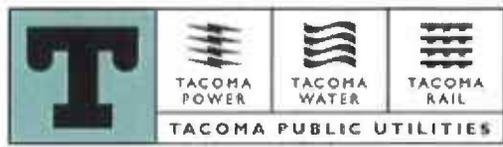
**BACKGROUND:** The Headworks Operations (Headworks) building at the Green River Filtration Facility was constructed in 2006. The number of staff at the facility has grown faster than anticipated. Burgess Design Inc has been evaluating workspace needs at the facility and has determined individual workspaces can be reworked to accommodate additional staff for the near-term; however, support spaces for employees are insufficient. The remodel project will provide additional restrooms, more lockers, a new conference room, larger break room, and a wellness/mother's room.

Additionally, the HVAC system has been underperforming at this facility for many years, resulting in portable heaters and fans being used to maintain a comfortable working environment inside the building. A 2023 third-party evaluation of the HVAC system stated it is near the end of its expected useful life and recommended replacement with a more efficient system. The project is scheduled to begin construction in Fall 2024.

**ISSUE:** The project is in the process of awarding a construction contract. The remodel of the building is needed to provide appropriately sized support spaces for employees and functional/efficient heating and cooling.

**ALTERNATIVES:** One alternative is to move some employees out of the building into other spaces at the Headworks campus. However, other existing buildings also lack updated support spaces, and/or are not seismically resilient due to their age.

A third-party HVAC consultant conducted an analysis of the existing HVAC system in 2023 and stated it could be refurbished as an alternative; however, the cost of refurbishment will be close to the cost of replacement, it will only extend the life of the system five years, and the refurbished system will not be as energy efficient as a new system.



For these reasons and because it is more cost efficient to install a new HVAC system during a building remodel than after, the consultant recommended replacement of the HVAC system at this time.

**COMPETITIVE SOLICITATION:** Seven firms from the City's A&E Roster were identified as qualified to perform the required services and were invited to submit an updated Statement of Qualifications (SOQ). Six SOQ's were reviewed and the Selection Advisory Committee interviewed the top two firms based on SOQ scoring. Burgess Design Inc was the highest scoring firm based on evaluation criteria.

**CONTRACT HISTORY:** This contract was originally awarded to Burgess Design Inc on May 17, 2021, in the amount of \$199,999 with a termination date of December 30, 2022.

Amendment No. 1, effective December 1, 2021, amended the scope to include Headworks.

Amendment No. 2, effective August 25, 2022, increased funding by \$100,001 for a new not to exceed total of \$300,000 and extended the contract termination date to December 31, 2023. The amendment expanded the scope of work to include additional Headworks space configuration alternatives and a rolling stock/storage assessment.

Amendment No. 3, effective October 6, 2023, increased funding by \$90,000 for a new not to exceed total of \$390,000 and extended the contract termination date to December 31, 2024. The amendment expanded the scope of work to include HVAC options and additional design engineering.

Amendment No. 4 seeks to increase funding in the amount of \$200,000 for a new not to exceed total of \$590,000 and extend the contract termination date to June 30, 2025. The amendment expands the scope of work to include engineering services during construction and commissioning services.

**SUSTAINABILITY:** In accordance with Resolution No. 40776, a commitment to reducing the City's carbon footprint, the new HVAC system will heat with electricity instead of propane. Additionally, most project meetings will be conducted virtually and hybrid or electric vehicles will be used to attend in-person meetings and field visits by City staff.

**EQUITY IN CONTRACTING (EIC) COMPLIANCE:** Not applicable - Service contract - EIC Regulations are not yet established

**LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE:** Not applicable to this contract.



**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600 Water Fund	20000114103	Various	\$200,000
<b>TOTAL</b>			<b>Up to \$200,000</b>

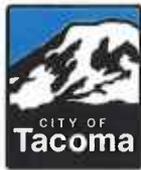
**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600 Water Fund	581100	Various	(\$200,000)
<b>TOTAL</b>			<b>Up to (\$200,000)</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET:** \$200,000, plus applicable taxes

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** Yes

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.** N/A



City of Tacoma

PUB Resolution No.: U-11463  
City Council Resolution No.: 2

**Contract and Award Letter  
Purchase Resolution —Exhibit "A"**

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**TO:** Board of Contracts and Awards  
**FROM:** Andy Cherullo, Director, Finance  
Luis Fragoso, Risk Manager, Risk Management  
**COPY:** Public Utility Board, Director of Utilities, Board Clerk, City Council, City Manager,  
City Clerk, EIC Coordinator, LEAP Coordinator, and Carly Fowler, Senior Buyer,  
Finance/Purchasing  
**SUBJECT:** Insurance Brokerage Services  
Request for Proposals Specification No. F124-0065F, Contract No. CW2266585 –  
July 24, 2024 Public Utility Board and July 30, 2024 City Council  
**DATE:** July 16, 2024

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**RECOMMENDATION SUMMARY:** The Finance Department recommends a contract be awarded to Alliant Insurance Services, Inc., Seattle, WA, in the amount of \$717,500, plus applicable taxes, budgeted from the 4800 Self Insurance Claim fund and 5550 GG Self Insurance fund, for an initial contract term of five years, for a projected contract amount of \$717,500, plus applicable taxes, for insurance brokerage services.

**STRATEGIC POLICY PRIORITY:**

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

**BACKGROUND:** The City's existing insurance broker service contract is expiring on July 31, 2024 and it has over 20 insurance policies that renew at different times throughout the year. The existing insurance broker has been assisting the City to procure these policies for over 20 years. To ensure that the City is receiving the best service at a reasonable price it was decided that it made economic sense to go out to bid and find a broker to assist in procuring insurance and bonds, advising on self-insurance and risk management matters, and soliciting and obtaining quotations for insurance, bonds, as well as other insurance related matters.

**ISSUE:** The City's existing contract with its current insurance broker is expiring July 31, 2024. To enable the City to continue working with an insurance broker to obtain the insurance coverages the City needs, a contract with the newly selected broker needs to be in place prior to August 1, 2024.

**ALTERNATIVES:** An alternative would be to extend the contract with the current broker for another year. However, this is not fiscally prudent.

**COMPETITIVE SOLICITATION:** Request for Proposals Specification No. F124-0065F was opened March 18, 2024. One hundred eighty-five (185) companies were invited to bid in addition to normal advertising of the project. Three responsive submittals were received, and all three firms were interviewed, including the City's current broker.



<u>Respondent</u>	<u>Location</u>	<u>Score</u>
<b>Alliant Insurance Services, Inc.</b>	<b>Seattle, WA</b>	<b>84.0</b>
Gallagher	Tacoma, WA	71.9
Brown & Brown	Portland, OR	44.0

Pre-bid Estimate: \$900,000

The recommended award is 20.3 percent below the pre-bid estimate.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Purchasing adequate levels of insurance coverage to protect the City's assets and human resources will help the City maintain its goals to achieve exceptional quality of life for every generation and lasting and equitable prosperity as outlined in Resolution No. 37631.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: **Not applicable - Service contract - EIC Regulations are not yet established**

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: Not applicable to this contract.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5550 GG Self Insurance Fund	80009061	5310010	\$394,625
4800 TPU Self Ins Claim	599000	5310100	\$322,875
<b>TOTAL</b>			<b>Up to \$717,500</b>

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5550 GG Self Insurance Fund	822000	4342980	(\$394,625)
4800 TPU Self Ins Claim	599000	4360005	(\$322,875)
<b>TOTAL</b>			<b>Up to (\$717,500)</b>

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$717,500

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A