



RESOLUTION NO. U-11467

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,
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BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That the Public Utility Board of the City of Tacoma hereby concurs and approves the recommendations of the Board of Contracts and Awards or the requesting division, and approves, as appropriate: (1) the purchase or furnishing of those materials, supplies, equipment or services recommended for acceptance; (2) the sale of surplus materials, supplies or equipment recommended for acceptance; (3) the purchase from a cooperative or another governmental entity contract; and (4) the increase or extension of an existing agreement, and said matters may include waiver of the formal competitive bid process or waiver of minor deviations, all as set forth on Exhibit "A," and authorizes the execution, delivery and implementation of appropriate notices, contracts and documents by the proper officers of the City for said transactions.

Approved as to form:

/s/
Chief Deputy City Attorney

Chair

Secretary

Clerk

Adopted



Resolution No.: U-11467

Item No.: /

Meeting Date: AUGUST 14, 2024

TO: Board of Contracts and Awards
FROM: Chris Robinson, Utilities Deputy Director/Power Superintendent, Tacoma Power
Joseph A. Wilson, PE, Transmission and Distribution Manager, Tacoma Power
Sharon Brophy, Supplies and Business Services Manager, Transmission and Distribution
COPY: Erica Pierce, Contract Program Manager, Transmission and Distribution
Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP
Coordinator, and Aaron Bratton, Finance/Purchasing
SUBJECT: Transmission and Distribution Augmented Crew Services
Request for Bids Specification No. PT20-0324F, Contract No. 4600014593 –
August 14, 2024 Public Utility Board
DATE: July 29, 2024

RECOMMENDATION SUMMARY: Tacoma Power Transmission and Distribution requests approval to increase Contract No. 4600014593, to Potelco, Inc., Sumner, WA, by \$1,500,000.00, plus applicable taxes, budgeted from the Power Fund, for transmission and distribution augmented crew services. This increase will bring the contract to a cumulative total of \$11,612,471.23, plus applicable taxes.

BACKGROUND: These contracts are utilized to augment Tacoma Power’s work force by furnishing skilled line and wire electrician crews and equipment. Multiple contracts were awarded to help meet requirements for specialized equipment and/or work forces on short notice. Additionally, during prolong outage scenarios it is favorable to have an established working agreement with multiple companies. Work is assigned as-needed based upon the contractor’s availability, performance, unit pricing and the type of task to be completed.

ISSUE: The requested funds will be used during the remainder of the contract term, through February 17, 2025, when it is anticipated. The City will continue to see heavier than usual usage due to customer driven new service work and based on a number of upcoming projects, which include support for some of the following types of work:

- Overhead conductor upgrades and restrings
- Underground cable replacement
- Pole replacements
- Emergency restoration
- Preparation of poles for telecommunications attachments (make-ready)

ALTERNATIVES: Tacoma Power could issue a new Request for Bids (RFB) for augmented crew services. However, this would not be advisable as it would create a lapse in service during the critical storm season, potentially impacting system reliability and service to Tacoma Power’s customers. Issuing a new RFB would likely result in higher costs.

COMPETITIVE SOLICITATION: Request for Bids Specification No. PT20-0324F was opened January 12, 2021. Eight companies were invited to bid in addition to normal advertising of the project. Eight submittals were received. Contracts were awarded to the two responsive low bidders, Potelco, Inc. and Northwest Utility Services, LLC.



CONTRACT HISTORY: Contracts were originally awarded to Potelco, Inc. and Northwest Utility Services, LLC as a result of Request for Bids Specification No. PT20-0324F in February 2021. Utility Board Resolution No. U-11237, dated February 10, 2021, approved a cumulative total of \$9,862,471.23, with initial contract values of \$2,682,060.00 to Potelco, Inc. and \$375,000.00 to Northwest Utility Services, LLC.

The Potelco, Inc. contract was increased by \$2,817,940.00 to a cumulative total of \$5,500,000.00 in January 2022 as a result of Amendment No. 1 and \$1,862,471.23 to a cumulative total of \$7,362,471.23, which includes an administrative increase amount of \$200,000.00, as a result of Amendment No. 2 in September 2022. Amendment No. 3 increased the cumulative total to \$9,912,471.23 as approved by Resolution U-11362.

Amendment No. 4 increased pricing and labor rates for the remainder of the contract term, which is February 17, 2025. The \$200,000.00 administrative increase granted under U-11362 was applied to the contract in July 2024 to bring the cumulative total to \$10,112,471.23.

Amendment No. 5 for an increase of \$1,500,000.00 is currently routing in Ariba, which would bring the cumulative total for this contract to \$11,612,471.23.

SUSTAINABILITY: Not applicable.

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
4700 Tacoma Power	Various	Various	\$1,500,000.00
TOTAL			Up to \$1,500,000.00

REVENUES:

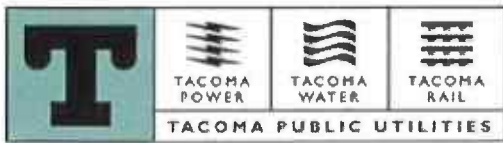
FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Power Sales	Various	Various	(\$1,500,000.00)
TOTAL			Up to (\$ 1,500,000.00)



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,000,000.00 estimated

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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



Resolution No.: U-11467
Item No.: 2
Meeting Date: AUGUST 14, 2024

TO: Board of Contracts and Awards
FROM: Chris Robinson, Utilities Deputy Director – Power Superintendent, Tacoma Power
Joseph A. Wilson, Transmission & Distribution Section Manager, Tacoma Power
Sharon Brophy, Business Services Senior Manager, Tacoma Power
Erica Pierce, Senior Business Services Analyst, Tacoma Power
COPY: Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP Coordinator, and Aaron Bratton, Finance/Purchasing
SUBJECT: 15kV Padmount Switchgear
Request for Bids Specification No. PT24-0117F – August 14, 2024 Public Utility Board
DATE: July 29, 2024

RECOMMENDATION SUMMARY: Tacoma Power Transmission and Distribution recommends a contract be awarded to General Pacific Inc. (General Pacific), Fairview, OR, in the amount of \$942,358.00, plus applicable taxes, budgeted from the Power Fund, for an initial contract term of three (3) years with the option to renew for two (2) one-year (1) renewal periods, for a projected contract amount of \$1,777,793.00, plus applicable taxes, for 15kV padmount switchgears.

BACKGROUND: This contract will provide supply of 15kV padmounted switchgears to be managed by the Tacoma Power Warehouse as an inventory material.

ISSUE: This equipment is intended to meet the switching and isolation requirements within Tacoma Power’s underground three-phase distribution system. The forecasted usage includes requirements for new construction and aging asset replacement.

ALTERNATIVES: If a contract is not awarded, Tacoma Power staff will need to conduct one-time purchase bids each time a purchase is needed. This additional work would put a strain on staffing time and resources in multiple departments.

COMPETITIVE SOLICITATION: Request for Bids (RFB) Specification No. PT24-0117F was opened July 2, 2024. Eleven (11) companies were invited to bid in addition to normal advertising of the project. Four (4) submittals were received. The low bidder, WESCO Distribution, submitted an alternative item which differed from the specification in the Technical Provisions section. After review by the Engineer in charge of these items, it was determined the item did not meet the technical specifications set out in 2.04.4 of the solicitation documents.

General Pacific submitted a bid that resulted in the lowest evaluated submittal. The table below reflects the amount of the base award.



<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Submittal Amount</u>
*Wesco Distribution	<u>Portland, OR</u>	\$ 925,325.30
General Pacific	<u>Fairview, OR</u>	\$ 942,358.00
Irby Utilities	<u>Portland, OR</u>	\$ 943,960.00
Scott Manufacturing Solutions	<u>Chino, CA</u>	\$ 1,717,293.00

* Did not meet technical specifications

Pre-bid Estimate: \$900,000.00

The recommended award is 4.7 percent percent above the pre-bid estimate.

CONTRACT HISTORY: New contract

SUSTAINABILITY: Sustainability factors were not considered in the RFB solicitation.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: **Not applicable - Supply purchase - EIC Regulations are not yet established.** There are zero (0) qualified firms for these items in Washington State on the Office of Minority & Women's Business Enterprises (OMWBE) website.

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
4700 Power Fund	Various	Various	\$1,777,793.00
TOTAL			Up to \$1,777,793.00

REVENUES:

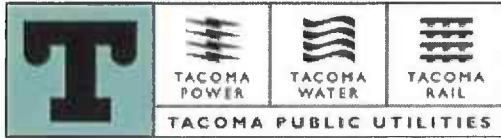
FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Power Sales	Various	Various	(\$1,777,793.00)
TOTAL			Up to (\$1,777,793.00)



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$0 – with lead times, all purchases should only affect the 2025/26 budget

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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



Resolution No.: U-11467

Item No.: 3

Meeting Date: AUGUST 14, 2024

TO: Board of Contracts and Awards
FROM: Chris Robinson, Utilities Deputy Director - Power Superintendent, Tacoma Power
Joseph A. Wilson, Transmission & Distribution Section Manager, Tacoma Power
Sharon Brophy, Business Services Senior Manager, Tacoma Power
Erica Pierce, Senior Business Services Analyst, Tacoma Power
COPY: Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP
Coordinator, and Aaron Bratton, Finance/Purchasing
SUBJECT: 2025 Allocations of Distribution Transformers
Not Practicable to Bid Waiver SR4636378732 – August 14, 2024 Public Utility
Board
DATE: July 23, 2024

RECOMMENDATION SUMMARY: Tacoma Power Transmission and Distribution (T&D) requests a waiver of competitive procurement procedures and recommends that four (4) one-time purchase orders, one issued for each quarter of 2025, be awarded to General Pacific, Inc. (GP), Fairview, OR, for a total amount of \$2,000,000, plus applicable taxes, budgeted from the Power Fund, for 2025 allocations of distribution transformers.

BACKGROUND: Distribution transformer manufacturers were deeply impacted during COVID due to supply chain constraints. This resulted in previously negotiated contracts being cancelled, lead times extending to a year or more, introductions of an allocation system, or requesting terms that are outside of the normal acceptable terms for purchase by the City of Tacoma. T&D personnel have been conducting research with various manufacturers and distributors as well as larger utilities to gauge current market practices.

ISSUE: In May 2024, GP advised Tacoma Power of allocations for 2025, showing an increase in numbers over previous year allocations. The allocations are for 115 single-phase pad mounted units, 240 single-phase overhead units, and 10 three-phase pad mounted units. The lead times for these units are 24 – 52 weeks or more based on the production month of the allocations. This number of units allocated will be sufficient to ensure continuity of operations for Tacoma Public Utilities while a new contract is established from an upcoming Request for Proposals (RFP) and orders can be placed from that contract with the contract holder. At this time, there is no clear gauge in the market for lead times and many utilities still report their contracts have lead times of six (6) months or longer.

One-time Request For Bids (RFBs) were recently conducted for one-time purchases of all types of distribution transformers for stock to be received in late 2024 to early 2025. The response to these RFBs was more than originally anticipated, however, it highlighted key areas in the solicitation documents that need further review and discussion prior to the RFP slated for later this year. While these RFBs are in the process of award, the lead time of the winning submittals will put receipt of items in the 2nd quarter and later of 2025. This lead time would leave Tacoma Power with critically low inventory levels during 1st quarter of 2025, and potentially later if there are any delays with the orders awarded from the RFBs. The solicited purchase amounts on the RFBs were not calculated for all of 2025 stock, only a small amount intending to provide stock until the RFP could be released to establish a contract.



With the issues discovered during the review of the RFB responses, it could take Tacoma Power longer to fix the solicitation documentation to ensure responses that could lead to the most advantageous contract for Tacoma Power. This additional time needed on the RFP solicitation documents is not clear and could potentially take until early 2025.

ALTERNATIVES: An RFP will be published in late 2024 or early 2025 for these items, which will hopefully result in these items being on contract for purchases in late 2025. If this purchase is not approved, a one-time purchase RFB for each transformer type will need to be conducted, which is a strain on staff resources in multiple departments.

COMPETITIVE ANALYSIS: GP represents ERMCO which has been a trusted manufacturing partner of Tacoma Power for many years. GP/ERMCO is one of the two domestic manufacturers who maintains a pricing structure similar to the Producer Price Index utilized for transformer pricing prior to the pandemic. GP/ERMCO are consistently lower in pricing than many manufacturers as established by the recent one-time RFBs. They also have consistent on-time shipments and are quick to respond to issues.

The “Not Practicable to Bid” waiver is currently routing in Ariba under Sourcing Request No. SR4636378732.

CONTRACT HISTORY: One-time purchase orders – no contract.

SUSTAINABILITY: No sustainability factors were considered. Transformer efficiency standards are maintained by federal law.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable - Supply purchase - 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
Power Fund	4700		\$2,000,000
TOTAL			Up to \$2,000,000

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Power Sales	4700		(\$2,000,000)
TOTAL			Up to (\$2,000,000)



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$0 – all expenditures will impact the 2025/26 biennial budget.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

Waiver of Competitive Solicitation

Sole Source/Not Practicable to Bid

Sole Source Purchase – TMC 1.06.257.A Not Practicable to Bid – TMC 1.06.257.B

SR4636378732

Tacoma Power Transmission and Distribution requests a waiver of the competitive solicitation process for purchase of 400 distribution transformers. These transformers are made available via awarded production slots from ERMCO. They are repped by General Pacific. The supplier is General Pacific, Inc., Fairview, OR.

Approval of this request constitutes a waiver of further competitive solicitation for amendments to the subject contract provided that any such amendment(s) shall be signed by personnel as authorized in the Delegation of Procurement Signature and Approval Authority memorandum. Contract totals shall not exceed \$500,000 without City Council or Public Utility Board approval as appropriate.

“Follow-on” Contracts:

Provide any historical contract information, specification number, etc., and explain the relationship of this request to any previous contracts:

N/A

Waiver Criteria:

1. Per Purchasing Policy Manual Section XXI., this purchase is justified as a Sole Source or Not Practicable to Bid for the following reason(s):

Sole Source:

- Supplies or services that only one supplier is capable of providing or authorized to provide.
- Items required in order to function with existing equipment, systems, programs, or services.
- Products, systems, information, or services that are subject to patent or other proprietary use rights.
- Security requirements or information mandates that limit procurement from only a single supplier.

Not Practicable to Bid:

- An immediate and important need for proposed construction, installation, repair, materials, supplies, equipment, or services where the delay that would result from following the requirements of the competitive solicitation process would cause financial loss to the City or an interruption of vital services to the public.
- Special facilities or market conditions (see RCW 39.26.125).
- Specially tailored or performance criteria-based products such as computer systems or equipment.
- Supplier selection is not controlled by the City.

Waiver of Competitive Solicitation

Sole Source/Not Practicable to Bid

2. Support your contention that it would be futile to advertise and competitively solicit the product/service. Include any technical or unique product/service attributes that prevent drafting specifications for a competitive solicitation to which more than one supplier could successfully respond.

General Pacific has offered Tacoma Power four hundred (400) production slots for distribution transformers with ship dates throughout 2025. Three hundred and ninety (390) of the production slots are for single phase and ten (10) production slots are for three phase distribution transformers. This is an increase in awarded slots from previous years.

3. Describe the screening efforts made to identify potential suppliers.

Tacoma Power Transmission and Distribution has recently conducted RFBs for one-time purchases while working on a RFP for late 2024 to hopefully get distribution transformers back under contract. GP/ERMCO was the lowest priced domestic manufacturer and will secure production slots based on month which ensures on-time consistent deliveries crucial to planning work that involves outside vendors as many construction projects do. It is not uncommon in this current market to have delays and GP/ERMCO rarely has delays or is proactively communicative about issues well in advance of the date.

The purpose of the RFB was for additional purchases outside of any allocations or manufacturer restrictions, and another overseas vendor was lower than GP/ERMCO and the RFB purchases were awarded to that vendor.

4. Describe the efforts made to assure that the City is receiving the lowest or best price possible.

General Pacific has confirmed that they will provide the best pricing available from the transformer manufacturer, ERMCO. ERMCO has a proprietary price index that is made available upon request for review. This pricing model most closely mimics the CPI originally utilized for pricing of these items pre-pandemic compared to other domestic manufacturers. Due to significant material cost fluctuations and extreme market volatility, pricing will be provided approximately two weeks prior to shipment and the one-time purchase order updated accordingly. Estimated cost is based on recent procurements for similar materials. For 2024 Purchase Orders, GP/ERMCO was able to hold prices steady or with minimal increase for POs in the later half of 2024.

5. Is this a one-time or on-going purchase?

One-time. Estimated one-time cost, including shipping: \$2,000,000, plus applicable sales tax.

Waiver of Competitive Solicitation

Sole Source/Not Practicable to Bid

- Ongoing. Estimated total cost, including shipping, for projected contract term of years: \$, plus applicable sales tax.

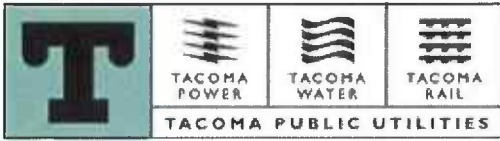
Note: Sole Source requests are limited to three years unless an exception is approved.

Funding: Funds for this purchase are available in the Distribution Transformer A&R budget.

EIC Consideration: Describe below the efforts to ensure, where appropriate, that you have checked the OMWBE website of EIC firms for contracting opportunities.

There are currently no EIC firms providing these materials.

Project Coordinator: Erica Pierce, Transmission and Distribution, 253-779-7385



Resolution No.: U-11467
Item No.: 4
Meeting Date: AUGUST 14, 2024

TO: Board of Contracts and Awards
FROM: Heather Pennington, Utilities Deputy Director, Tacoma Water
Sean Senescall, Business Services Manager, Tacoma Water
Aldo Aviña, Technology Manager, Tacoma Water
Nicholas A. Bateman, M.B.A., GIS Project Manager, 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 Geographic Information System Utility Network Migration
Direct Negotiation Waiver, Contract No. CW2265785 – August 14, 2024, Public
Utility Board
DATE: July 25, 2024

RECOMMENDATION SUMMARY: Tacoma Water requests a waiver of competitive procurement procedures and recommends that a contract be awarded to Critigen LLC dba Locana (Locana), Denver, Colorado, in the amount of \$3,675,000, plus applicable taxes, budgeted from the Tacoma Water 4600 fund, for the migration of Tacoma Water Geographic Information Systems (GIS) assets to the Utility Network.

STRATEGIC POLICY PRIORITY:

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

BACKGROUND: Tacoma Water's current GIS infrastructure faces critical challenges as its existing Esri Geometric Network (GN) and ArcMap software approach end-of-life. With the final release of ArcMap on March 1, 2024, and the deprecation of the GN data model on March 1, 2026, the utility is confronted with imminent security risks, instability, reduced reliability, and compatibility issues with integrated systems.

ISSUE: Without migration to the industry-standard Utility Network (UN) software, the utility risks disruptions in modern organizational capabilities like asset management, network operations, and location intelligence. Technical debt strains current staff resources, hampering efficiency and prolonging project lead times. The migration to UN offers modernized capabilities, automating manual processes, enhancing data management, and ensuring compatibility with evolving technologies. The utility's business continuity lies by leveraging the UN's scalability, collaboration opportunities, and the industry-standard support provided by Esri to optimize costs, mitigate risks, and sustain operational excellence in the face of advancing technologies.

Tacoma Water is transitioning from the legacy ArcMap software to the new ArcGIS Pro software which will modernize its GIS platform by moving from the GN to the UN. This upgrade enables advanced modeling and network-enabled applications for both field and office staff, enhancing capabilities like notifications and asset maintenance. The transition supports Tacoma Water's alignment with Smart Water strategies, improving efficiency, reliability, and the longevity of assets through better data analysis and action on network events.



The migration plan includes:

- Integration Phase (next biennium): Migrating and replacing GN web maps and interfaces with UN services, updating tools and applications, and providing training and change management.
- Migration Phase (next biennium): Updating mapping and data workflows, migrating ArcMap projects to ArcGIS Pro, creating new projects and workflows, internal training, and finalizing the UN transition.

ALTERNATIVES: Within the Business Case for this, the salient alternative that was developed was the option to forgo a contractor-supported migration, and instead hire a project-of-limited duration team consisting of technical experts to migrate the work model exclusively in-house. Financial analysis of this alternative yielded similar long-run costs, without the benefits of quicker startup time from a contractor who is knowledgeable of the Tacoma Public Utilities (TPU) network and system architecture.

COMPETITIVE ANALYSIS: Tacoma Water recommends approval for the use of a direct negotiation waiver of competitive solicitation to secure services from Locana for the migration of Tacoma Water GIS assets from the GN to UN networks.

Tacoma Water's GIS platform is at its end-of-life and needs to be migrated to the industry-standard version of the Esri Utility Network. The GIS consulting services field is highly specialized, and Utilities Technology Services (UTS) has done a thorough vetting process of the open marketplace in order to identify potential candidates in this arena. Via competitive solicitation, UTS and City of Tacoma General Government (GG) departments have contracted with Locana in a joint Master Service Agreement (MSA) because of their expertise, their local-business status, and reputation in the marketplace.

Tacoma Power (Power) is currently performing a similar migration of GIS assets with Locana, awarded on contract No. CW2243576, which was the result of Request for Proposal No. PT20-0373F. Tacoma Water would leverage the current MSA and their expertise, to conduct Tacoma Water's own migration.

Market analysis and quotes requested from other vendors confirms that Locana's pricing remains the most competitive and advantageous to TPU rate payers. Water also anticipates substantial savings through the utilization of a vendor already familiar with our GIS systems, and Information Technology (IT) infrastructure.

CONTRACT HISTORY: New Contract.

SUSTAINABILITY: Not applicable.

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
Tacoma Water 4600	585720	5330100	\$3,675,000
TOTAL			Up to \$3,675,000

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Tacoma Water 4600	585720	Rate Revenues	(\$3,675,000)
TOTAL			Up to (\$3,675,000)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$495,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes, the funds needed for this project, are planned and budgeted for the 2025-2026 biennium.

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



Resolution No.: U-11467
Item No.: 5
Meeting Date: AUGUST 14, 2024

TO: Board of Contracts and Awards
FROM: Heather Pennington, Interim Superintendent, Tacoma Water
Kim DeFolo, Interim 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: Headworks Operations Remodel and Heating, Ventilation, and Air Conditioning
Replacement
Request for Bids Specification No. TW24-0097F, Contract No. CW2267609 –
August 14, 2024, Public Utility Board
DATE: July 24, 2024

RECOMMENDATION SUMMARY: Tacoma Water recommends a contract be awarded to Kassel & Associates, Inc., Redmond, WA, in the amount of \$1,396,700, plus a five percent contingency, budgeted from the 4600 Water Fund, for a projected contract total of \$1,466,535, plus applicable taxes, for the remodel of support areas (i.e. restrooms, break room) and replacement of the Heating, Ventilation, and Air Conditioning (HVAC) system at the Headworks Operations (Headworks) building.

STRATEGIC POLICY PRIORITY:

- Assure outstanding stewardship of the natural and built environment.

The remodel of the building will allow Tacoma Water to house more employees in this space for a longer period of time, postponing the need for a building addition or new building. Additionally, the replacement of the HVAC system will change the heating source for the building from propane fuel to electricity.

BACKGROUND: The Headworks building at the Green River Filtration Facility (GRFF) was completed in 2008 and houses employees who support the operation and maintenance of the GRFF and the upstream intake and watershed. The number of staff at the facility has grown faster than anticipated. A consultant led workspace needs evaluation of the facility determined individual workspaces can be reconfigured to accommodate additional staff; however, existing 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 more than 10 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 modern and efficient system.

ISSUE: The remodel of the building is needed to provide adequate 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 are also in need of updating, 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, the consultant recommended replacement of the HVAC system at this time.

COMPETITIVE SOLICITATION: Request for Bids Specification No. TW24-0097F was opened June 11, 2024. Six hundred seventy-four companies were invited to bid in addition to regular advertising the project. Two submittals were received.

Kassel & Associates, Inc. submitted a bid that resulted in the lowest evaluated submittal. The table below reflects the amount of the base bid.

<u>Respondent</u>	<u>Location</u>	<u>Submittal Amount</u>
BFC Construction, Inc.*	University Place, WA	\$ 878,797
Kassel & Associates, Inc.	Redmond, WA	\$1,396,700

*BFC Construction, Inc. was deemed non-responsive for failure to submit two required forms and failure to meet the minimum experience requirements.

Pre-bid Estimate: \$1,129,250

The recommended award is 23 percent above the pre-bid estimate.

CONTRACT HISTORY: New Contract.

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.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable - See waiver W0224-TW approved July 17, 2024.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP)

COMPLIANCE: The LEAP Requirement for this project is 15 percent of the project labor hours must be completed by Apprentices, per TMC 1.90.040.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600 Water Fund	20000130694	Various	\$1,466,535
TOTAL			Up to \$1,466,535

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600 Water Fund	581100	Various	(\$1,466,535)
TOTAL			Up to (\$1,466,535)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$ 1,466,535, 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