



RESOLUTION NO. U-11514

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-11514
Item No.: /
Meeting Date: MARCH 12, 2025

TO: Board of Contracts and Awards
FROM: Chris Robinson, Power Superintendent/COO
Chris Mattson, Section Manager, Generation, Power
Bradley Ennis, Senior Manager, Generation, Power
Adam Davis, Engineering Project Manager, Generation, Power
COPY: Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP
Coordinator, and Ryan Foster, Finance/Purchasing
SUBJECT: Cushman #2 Powerhouse Units 31 and 32 Pressure Regulating Valve
Refurbishment
Request for Proposals Specification No. PG24-0161F, Contract No. CW2272476
March 12, 2025, Public Utility Board
DATE: February 12, 2025

RECOMMENDATION SUMMARY: Tacoma Power recommends awarding a contract to Unico Mechanical, Benicia, California, in the amount of \$2,197,830, plus applicable taxes, budgeted from the Power Fund 4700, for the refurbishment of Cushman #2 Powerhouse Units 31 & 32 pressure regulating valves.

BACKGROUND: Pressure Regulating Valves (PRVs) are essential to the operation of the Cushman #2 hydroelectric turbine generators. These valves protect the penstock pipe by relieving pressure during rapid unit shutdowns. Each PRV weighs approximately 41,000 pounds. The units 31 & 32 PRVs were installed during the original construction in 1928. While they have undergone routine maintenance, they need a refurbishment to ensure reliable long-term operation. Cushman #2 units 31 and 32 are slated for rebuilding in 2025 and 2026. This is an opportune time to complete the refurbishment of these valves to avoid additional unit outages.

ISSUE: Gradual degradation of the nearly 100-year-old PRVs has resulted in increased leakage and reduced performance. While routine maintenance has ensured the valve's functionality, an inspection in 2024 identified multiple components that were outside of tolerable limits. If unaddressed, these findings increase the risk of a valve failure.

ALTERNATIVES: One alternative considered was to self-perform the refurbishment at the site. Given that the exact condition of the PRVs will not be known until a full disassembly, this alternative substantially increases the risk of delays due to limited in-house capabilities. Given the associated risk, this alternative is not recommended.

The second alternative considered was to do nothing and monitor the leakage and degradation. Given the specialized nature of the repair, an in-service failure of the valve would result in a prolonged multi-month outage of the turbine generator and negatively impact power generation at Cushman #2. Additionally, a valve failure poses a hazard to plant staff and other critical components within the powerhouse. Given the consequences of a potential valve failure, this alternative is not recommended.

Hiring an experienced contractor to refurbish the valves in a controlled facility with the necessary capabilities presents the lowest risk to the City.



COMPETITIVE SOLICITATION: Request for Proposal Specification No. PG24-0161F was opened Tuesday January 14, 2025. Four companies were invited to bid in addition to normal advertising of the project. One submittal was received.

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

| <u>Respondent (RFP)</u> | <u>Location</u> | <u>Score</u> |
|-------------------------|-----------------|--------------|
| Unico Mechanical | Benicia, CA | 75/100 |

Pre-proposal Estimate: \$1,100,000.

The recommended award is 99.8 percent above the pre-bid estimate. The increased cost is due to inflation in materials and labor, a tight project schedule, and the uncertain condition of the nearly 100-year-old valve.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Tacoma Power's fleet of hydroelectric turbine generators provides clean, renewable power supporting the City's commitment to decarbonization. Capital improvements and fleet maintenance are critical for producing safe, reliable, clean power.

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.

FISCAL IMPACT:

EXPENDITURES:

| FUND NUMBER & FUND NAME * | COST OBJECT (CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT |
|---------------------------|----------------------------|--------------|-------------------|
| 4700 – Power | PWR-01289 | 6311221 | \$2,197,830 |
| | | | |
| | | | |
| TOTAL | | | Up to \$2,197,830 |

REVENUES:

| FUNDING SOURCE | COST OBJECT (CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT |
|----------------|----------------------------|--------------|---------------------|
| 4700 - Power | PWR-01289 | 6311221 | (\$2,197,830) |
| | | | |
| | | | |
| TOTAL | | | Up to (\$2,197,830) |



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$2,197,830

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-11514
Item No.: 2
Meeting Date: MARCH 12, 2025

TO: Board of Contracts and Awards
FROM: Chris Robinson, Power Superintendent/COO
Chris Mattson, Generation Manager
David Wagner, Generation Power Utility Manager
COPY: Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP
Coordinator, and Ryan Foster, Finance/Purchasing
SUBJECT: Alder Powerhouse Unit 11 Rebuild Project
Request for Proposal (RFP) Specification No. PG19-0215F, Contract No.
4600014405 – March 12, 2025, Public Utility Board
DATE: January 27, 2025

RECOMMENDATION SUMMARY: Tacoma Power requests approval to increase contract 4600014405, to Andritz Hydro Corp., Charlotte, NC, by \$963,297 plus applicable taxes, budgeted from the Power Fund 4700. This increase accounts for additional costs resulting from turbine-generator component conditions identified after unit disassembly. The revised cumulative total will be \$9,331,108 plus applicable taxes.

BACKGROUND: The original contract scope included a turbine-generator overhaul of Alder Unit 11 based on known or assumed component conditions. However, a full condition assessment of many components was only possible after the unit was fully disassembled post-award. This contract increase is necessary to address component conditions discovered during disassembly including severely damaged turbine runner blades, worn and leaking servomotor cylinders, asbestos-containing materials in the stator requiring abatement and disposal, and the need for epoxy grout injection under and around critical structural components.

ISSUE: Alder Unit 11's turbine-generator required an overhaul due to the age and condition of multiple components. The full refurbishment scope could only be determined after disassembly.

ALTERNATIVES: During project planning, replacing as many components as possible rather than refurbishing existing ones was considered as a way to mitigate the cost risk associated with unknown component conditions. However, this approach would have resulted in a higher overall cost. A decision was made to accept the risk of unknown component conditions and to mitigate the cost impact by using a time-and-materials approach for changes. The contract outlined a reporting and approval process which the City and Contractor used to mutually agree on necessary additional work after detailed inspection of the disassembled unit.

COMPETITIVE SOLICITATION: Tacoma Power published RFP Specification No. PG19-0215F on September 26, 2019, using the Design-Build alternate delivery method. Three companies were invited to bid based on their statements of qualifications. All three submitted proposals, and the contract was awarded to Andritz Hydro Corp.

CONTRACT HISTORY: This contract was originally awarded to Andritz Hydro Corp. as a result of RFP Specification No. PG19-0215F in September 2020 with a contract end date of March 31, 2023. In February 2022, the City and Contractor mutually agreed to delay the project and extend the contract by one year. In February 2024 the City extended the contract end date six months through September 2024 due to Contractor delay. In September 2024 the City once



again extended the contract end date six months through March 2025 to provide more time to the Contractor to closeout the contract.

SUSTAINABILITY: Tacoma Power’s fleet of hydroelectric turbine-generators provide clean, renewable power supporting the City’s commitment to decarbonization. Capital improvements and maintenance of the fleet is critical for the production of safe, reliable power for our customers.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable - EIC Exception: Lack of certified contractors

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: The LEAP requirements for this project are 15 percent of the project labor hours must be worked by Local Employees and an additional 15 percent of the labor hours must be worked by Apprentices, per TMC 1.90.040.

FISCAL IMPACT:

EXPENDITURES:

| FUND NUMBER & FUND NAME | COST OBJECT (CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT |
|-------------------------|----------------------------|--------------|------------------------|
| 4700 - Power | PWR-00894 | 6311221 | \$963,297 |
| | | | |
| TOTAL | | | Up to \$963,297 |

REVENUES:

| FUNDING SOURCE | COST OBJECT (CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT |
|----------------|----------------------------|--------------|--------------------------|
| 4700 - Power | PWR-00894 | 6311221 | (\$963,297) |
| | | | |
| TOTAL | | | Up to (\$963,297) |

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$ 963,297

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. Funds are available in Power Generation’s capital budget.