

Cable TV Franchise Renewal

City of University Place

Click! Network

Public Utility Board
Study Session
August 9, 2017

Background

- Originally granted in 2003 for 10 years
- Extended to 2/28/2015
- Renewal requested November 2014
- UP had other priorities for its limited resources
- Resumed negotiations in early 2017
- Anticipate going to UP City Council in next few weeks

Terms and Conditions

Term	10 years
Rights Granted	Construct, operate, maintain, reconstruct and upgrade for the purpose of providing Cable Services
Obligations	To provide Cable Services
Geographic Scope	Within the Franchise area – jurisdictional boundaries of Grantor & annexed
Relocation	At Grantee’s expense if City required; upon 90 days’ notice
Franchise Fee	5% of gross video revenue, as defined therein
Utility Tax	6%
Access Fee	\$0.50 per subscriber residing in UP
Indemnity by City	None
Indemnity by Franchisee	Any casualty or accident to person or property arising by reason of any act done under Franchise; any damages or claims from failure to relocate; any claim arising out of grant of Franchise; any failure to secure consents for programs
Assignment	Prior written consent by way of ordinance or resolution
Extension	No provision for extension of term
Effective Date	Upon the date on which it is accepted in writing by Grantee
Acceptance	Within 6 months of effective date of ordinance granting Franchise

Summary of Changes

ITEM	SUMMARY OF CHANGES
Language Updates	Removed obsolete language and redundant definitions; made terms specific to video services; clarified meanings; made consistent with Federal law
Use of Rights-of-Way	Removed exclusion of wireless facilities; deleted rock saw provision; changed Grantee burden by inserting “endeavor to”
Franchise Fee	Preserved Grantor right to impose greater fees if allowable under Federal law
Duration	Added provision to be coterminous with other cable operator’s expiration if later than expiration date provided for in Franchise
Rates	Removed 12 consecutive month limitation on rate discounts
Self-Insurance	Added Grantee obligation to defend as well as indemnify
Confidentiality	Made Public Records Act mutually applicable
Capital Fee	Affirmed continuing obligation
Access Channels	Decreased obligation for 5 channels down to 2 channels
Return Lines for Access Channels	Made specific to facilities as they exist today; preserved obligation to build additional return line in future, at Grantor’s expense
Technical Quality of Access Channels	Changed Grantee burden to not require quality greater than that of signal received
Relocation of Facilities	Clarity and detail added; provides for obligations specific to City required requests; allows for 90 day notice to Grantee; provides Grantee ability to submit alternative proposals for consideration; provides for pro rata cost sharing if relocation required in less than 15 year life expectancy of facilities
Service Availability	Adds definition of Standard Installation to be distance limited to 125’ from existing facilities
Customer Service Standards	Changed to be consistent with Federal standards

FINANCE PROCUREMENT AND PAYABLES

OVERVIEW & CONTRACT ANALYSIS

8/9/17



AGENDA

Overview and Governance

Competitive Solicitation Waivers

Cooperative and Interlocal Agreements

By the Numbers

Q & A

FINANCE - PROCUREMENT AND PAYABLES

The division is responsible for acquiring goods and services in a manner that complies with federal, state and local laws, including the Tacoma City Charter and Tacoma Municipal Code, as well as applicable ordinance, rules and policies.

Services provided to both General Government and Tacoma Public Utilities

PROCUREMENT SERVICES

Sourcing

- Procurement Consultation
- Bid facilitation (RFB, RFP, RFI, RFQ):
 - 700 Competitive Solicitations annually
- Contract Award Coordination
 - 800+ contracts annually
 - 427 Waivers annually
 - \$40M Purchase Orders annually (95% ≤ \$5,000)
- Procurement Card Program Administration

Strategic Procurement

- Trend/Market Analysis
- Citywide Contract Administration
- Small Works, Architectural and Engineering Roster Administration

Governance

- Bid Protests Due Process
- C & A Board Coordination
- City Council and Public Utility Board Purchase Agenda Coordination
- Surplus Property Sale/Disposition
- Establish and Maintain Policies/Procedures

ACCOUNTS PAYABLE SERVICES

Payments

- Invoice and Payment Processing
 - 57K invoices annually
 - \$300M annual spend

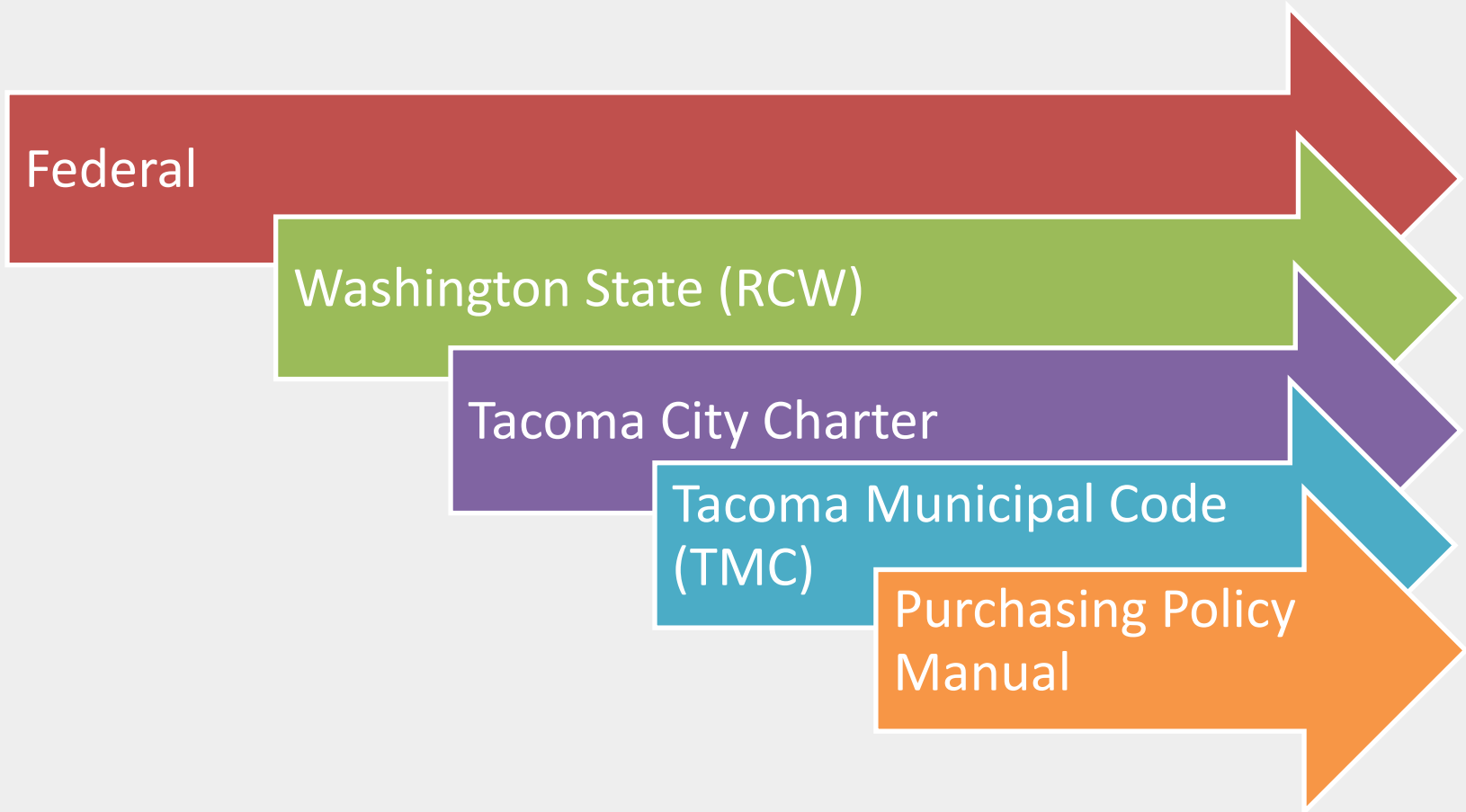
Special Payment Services

- Power Netting Payment Facilitation
- Click! Refunds
- Conservation Program Rebates

Governance

- Legal Compliance
- Tax Audit
- IRS Reporting
- Travel & Employee Reimbursements

GOVERNING STATUTES



STATE AND CITY CODES

TACOMA MUNICIPAL CODE (TMC) 1.06.254

“Except as otherwise provided in this chapter, all purchases shall be by competitive solicitation.”

– Ordinance 27777 Revised Purchasing Code, January 6, 2009

REVISED CODE OF WASHINGTON (RCW)

Competitive solicitation required for contracting Architectural and Engineering (A&E) Services

– Chapter 39.80 RCW

COMPETITIVE SOLICITATION PROCESS

\$5K

- Department Delegated Authority
- Non-Repetitive Purchases

\$25K

- 3 Written Quotes

\$200K

- Informal Solicitation
- Small Works Roster for Public Works

>\$200K

- Formal Sealed Solicitation: Request for Bid (RFB), Request for Proposals (RFP), Request for Qualifications (RFQ)

Contract terms are generally limited to 5 years

PUBLIC PROCUREMENT



City of Tacoma
WASHINGTON

RESIDENTS

SERVICES

GOVERNMENT

BUSINESS

VISITORS

Purchasing

Contracting Opportunities

Supplies Solicitations

Services Solicitations

Public Works and Improvements Solicitations

Small Works Solicitations

Surplus Solicitations



Contracting Opportunities

» Government » City Departments and Offices » Finance » Procurement and Payables Division » Purchasing » Contracting Opportunities

Print Friendly

TACOMA Daily Index

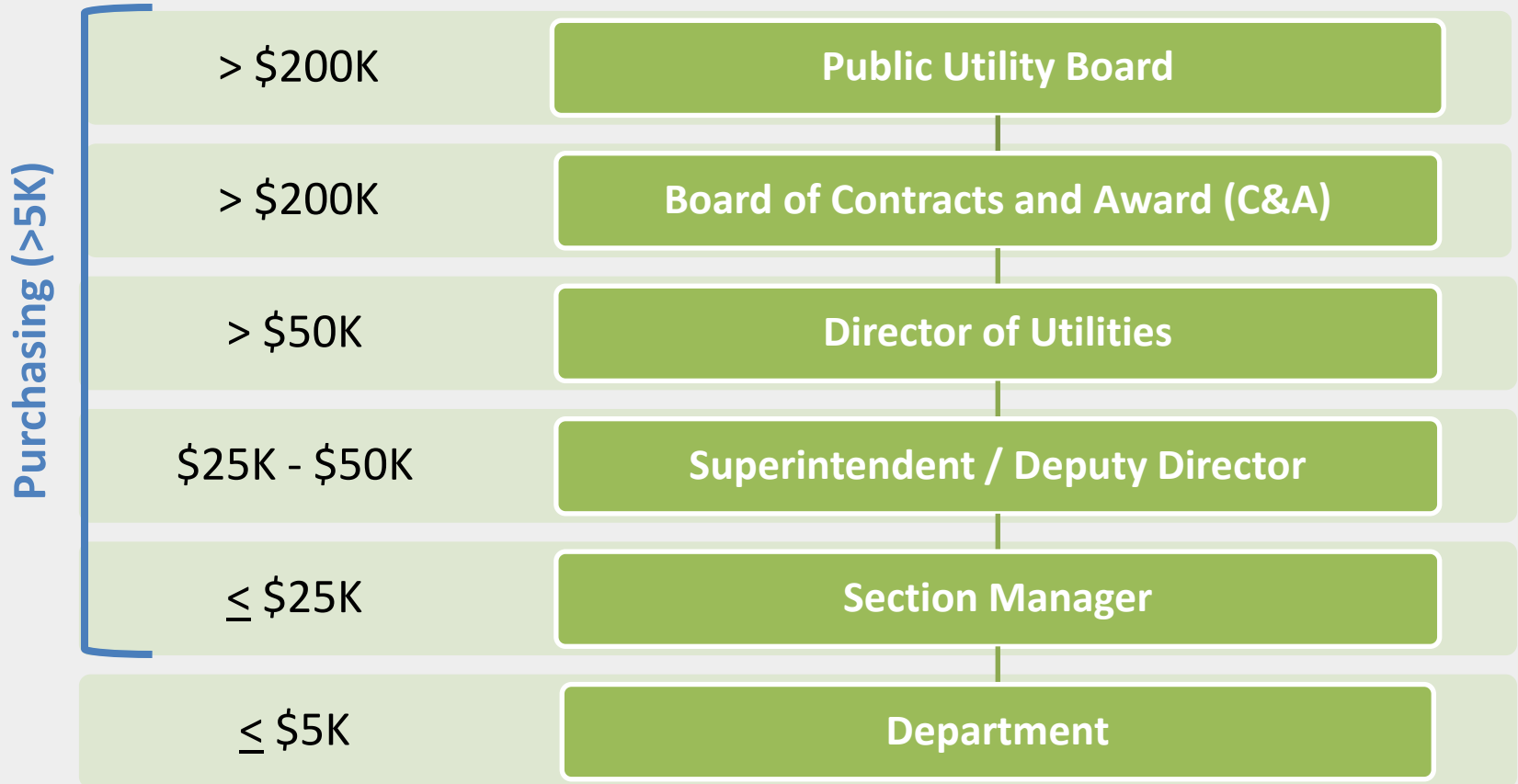


Washington's Electronic Business Solution
WEBS for Vendors

SAP Ariba



APPROVAL HIERARCHY: TPU



BOARD OF CONTRACT AND AWARDS



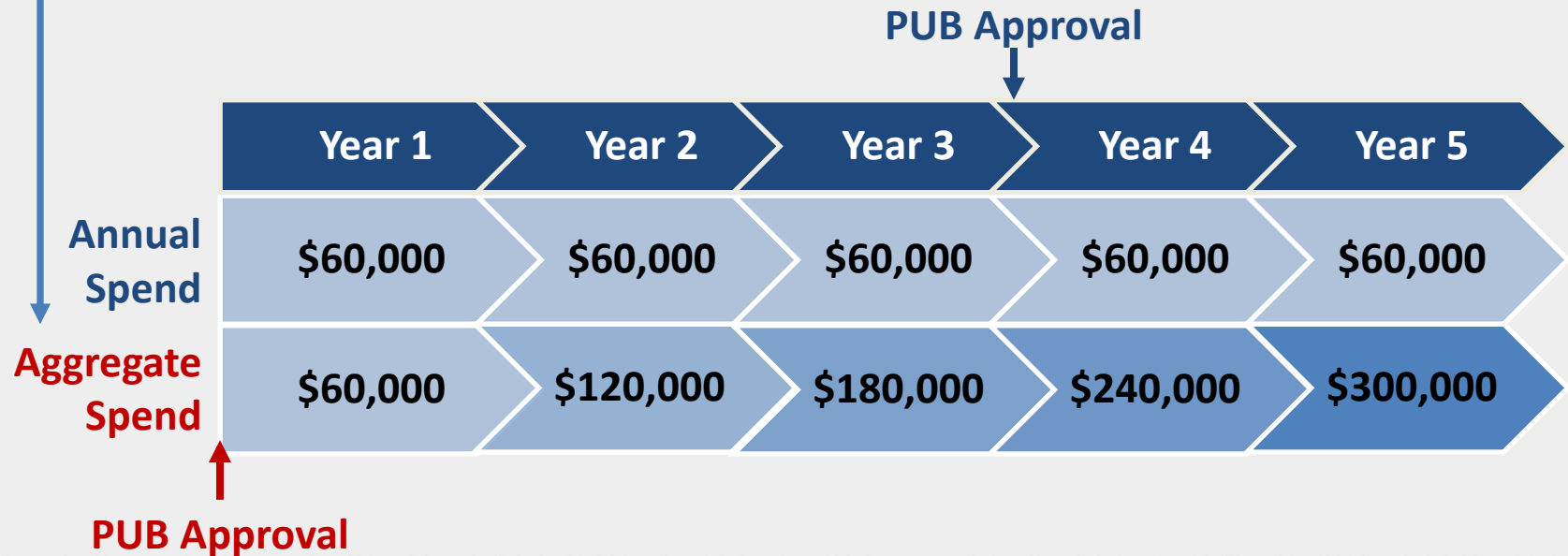
AWARD OR REJECTION OF PURCHASES AND CONTRACTS OVER \$200,000 PRIOR TO CITY COUNCIL AND UTILITY BOARD ACTION

- ✓ Contract awards and increases
- ✓ Sole Source and Not Practicable to Bid Waivers
- ✓ Sale of surplus property
- ✓ Due Process for Protests over \$200,000
- ✓ Excludes direct negotiation, emergency waivers and real estate transactions

CONTRACT APPROVAL >\$200K

GOVERNING BODY APPROVAL

TMC 1.06.268-269 total gross (potential **aggregate**) value of contracts be presented before governing body for approval wherever possible, including optional renewals, extensions, contingency costs on construction contracts, etc.



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COMPETITIVE SOLICITATION WAIVERS

WAIVER:

If deemed to be in the public interest, competitive bidding may be waived. Types of waivers include:

1. DIRECT SOLICITATION AND NEGOTIATION
2. SOLE SOURCE
3. NOT PRACTICABLE TO BID
4. EMERGENCY

DIRECT SOLICITATION AND NEGOTIATION

POLICY TMC 1.06.256

- In specific circumstances, such as highly specialized services, it is in the City's best interest, to select a vendor outside the normal competitive process.
- City Manager, Director of Public Utilities or their respective designee must approve direct solicitation and negotiation waivers.
- For Professional and Personal Services, excluding A&E Services

OTHER WAIVERS

Waiver	Conditions	Approval Thresholds
Sole Source	<ul style="list-style-type: none"> When it is only feasible to obtain a good or service from <u>one</u> supplier or service provider <p>NOTE: Waiver approval limited to a three-year term</p>	<p>≤ \$200,000 Purchasing Manager</p>
Not Practicable to Bid	<ul style="list-style-type: none"> An immediate and important need for goods 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. 	<p>> \$200,000 Purchasing Manager Director of Utilities (TPU) C & A Board Utility Board (TPU)</p>
Emergency	<ul style="list-style-type: none"> A situation that is a threat to public safety, health or welfare Requires immediate acquisition or repair to preserve or prevent damage or loss to public property, City operations and business, machinery or equipment. 	<p>\$5,001 - \$200,000 Purchasing Manager</p> <p>> \$200,000 Purchasing Manager Director of Utilities (TPU)</p>

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COOPERATIVE/INTERLOCAL PURCHASING AGREEMENTS

- A purchasing cooperative is an agreement by two or more entities to combine demand to get lower prices or better terms from a supplier(s).
- Growing trend by governmental entities
- Commonly referred to as “Piggyback” purchases

Considerations	Advantages
<ul style="list-style-type: none">• Must meet State and City requirements for solicitations• Price• Availability of required items or services• Frequency of purchase or one-time buy• Level of service	<ul style="list-style-type: none">• Aggregating the spend of several public bodies with competitively sourced suppliers to maximize buying power• Volume pricing and superior contract terms• Allows entities to focus on procurement and negotiation for their area of “specialty”

INTERLOCAL EXAMPLES

CURRENTLY THE CITY OF TACOMA HAS 159 SIGNED INTERLOCAL AGREEMENT ON FILE. A FEW OF THE MOST WIDELY USED ARE:

- ✓ Washington Department of Enterprise Services
- ✓ City of Seattle
- ✓ King County
- ✓ University of Washington
- ✓ Sound Transit
- ✓ Snohomish County PUD No. 1



COOPERATIVE EXAMPLES

Cooperative	# of Suppliers	# of Contracts
Association of Educational Purchasing Agencies	29	31
National Association of State Procurement Officials	346	61
National Cooperative Purchasing Alliance	156	77
National Intergovernmental Purchasing Alliance	39	28
National Purchasing Partner – Government	52	29
The Cooperative Purchasing Network	193	78
The National Joint Powers Alliance	215	183
U.S. Communities	44	36

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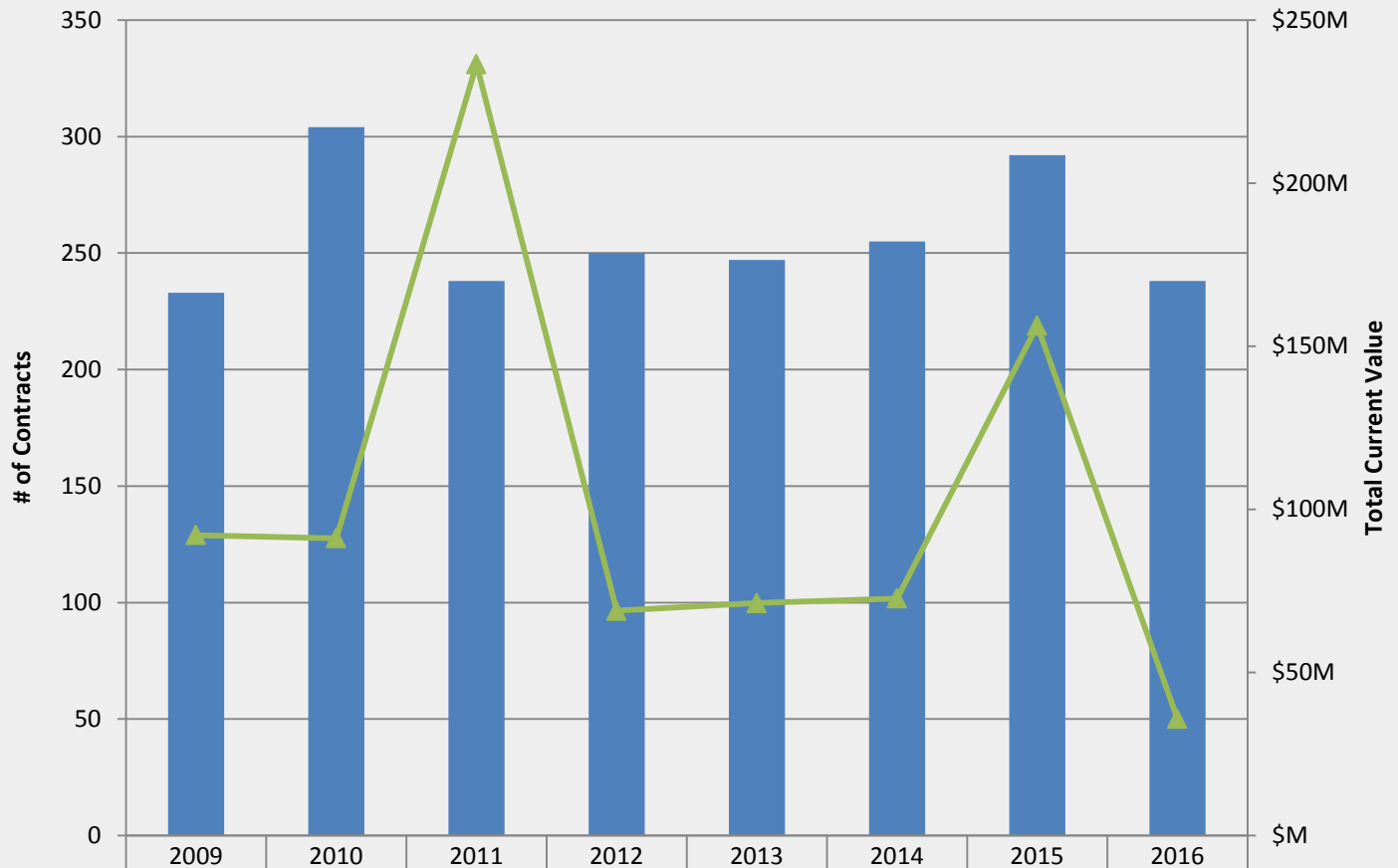
E-PROCUREMENT



The City is transitioning to SAP Ariba, an online e-commerce platform that will enable the adoption of modern procurement practices:

- ✓ Electronic POs
- ✓ Contracts
- ✓ Supplier Registration
- ✓ Electronic Bidding
- ✓ E-Catalog shopping
- ✓ **Better data and reporting**
- ✓ **Strategic procurement**
- ✓ Elimination of manual processes

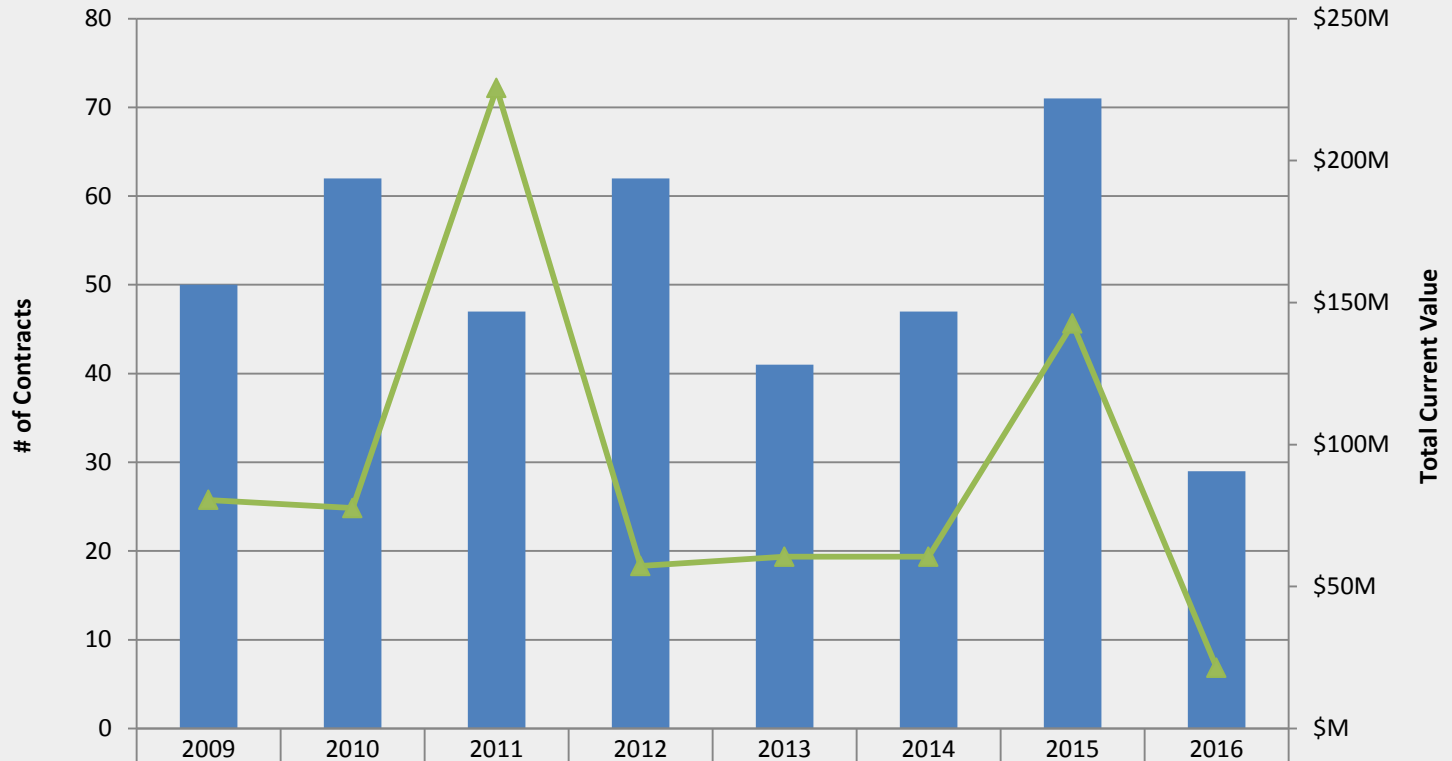


TPU CONTRACTS



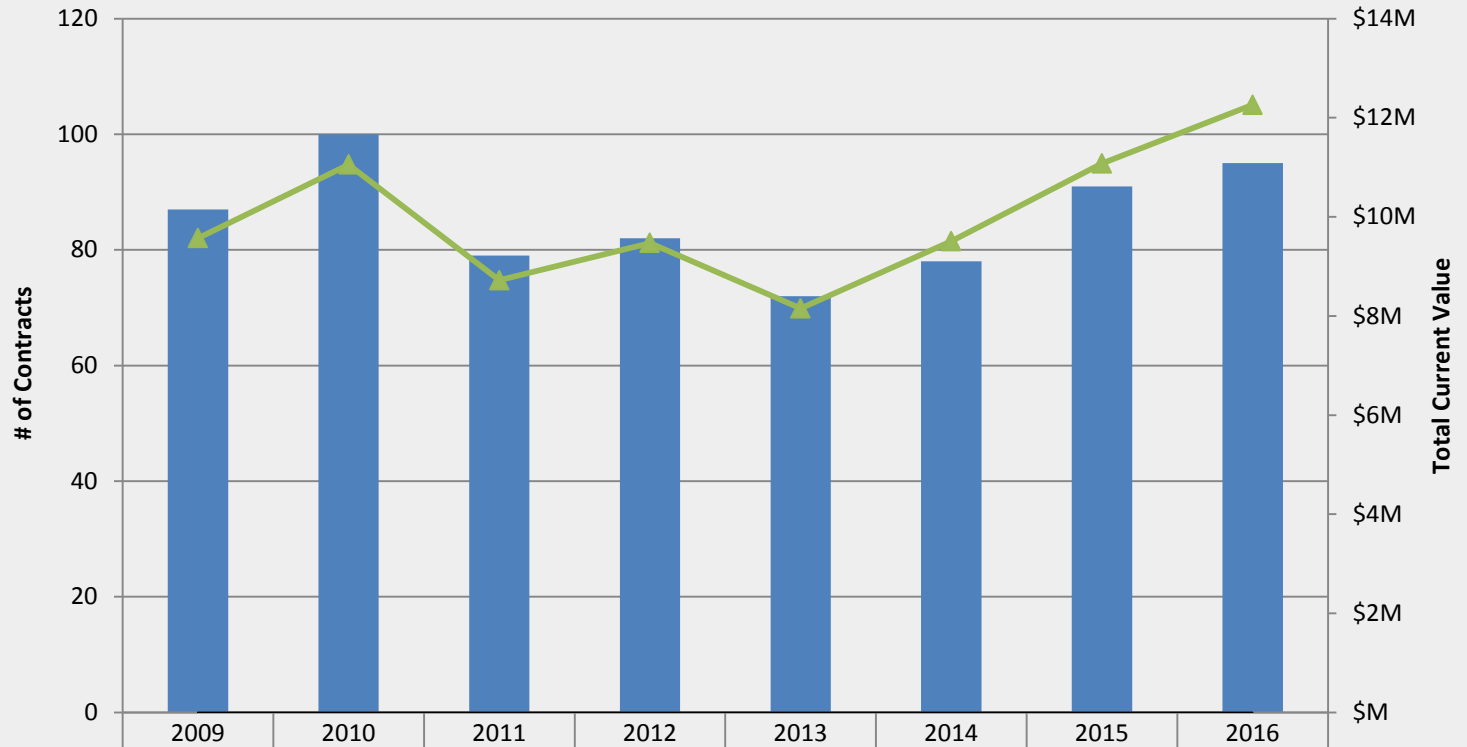
 # of Contracts	233	304	238	250	247	255	292	238
 Total Current Value	\$92M	\$91M	\$236M	\$69M	\$71M	\$73M	\$156M	\$36M

CONTRACTS APPROVED BY PUB



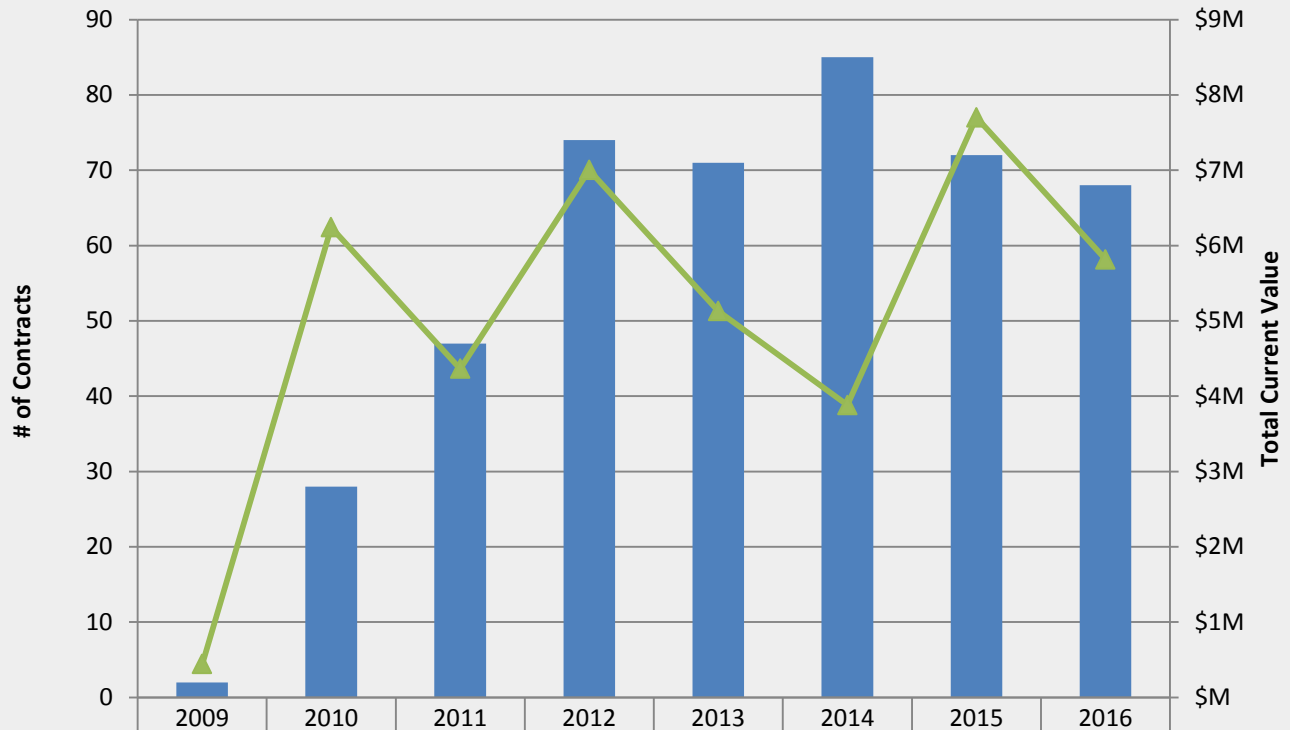
# of Contracts	50	62	47	62	41	47	71	29
Total Current Value	\$80M	\$78M	\$225M	\$57M	\$60M	\$60M	\$143M	\$21M
% of TPU Count	21%	20%	20%	25%	17%	18%	24%	12%
% of TPU Value	87%	85%	95%	83%	85%	83%	91%	60%

TPU DIRECTOR APPROVAL: \$50K - \$200K



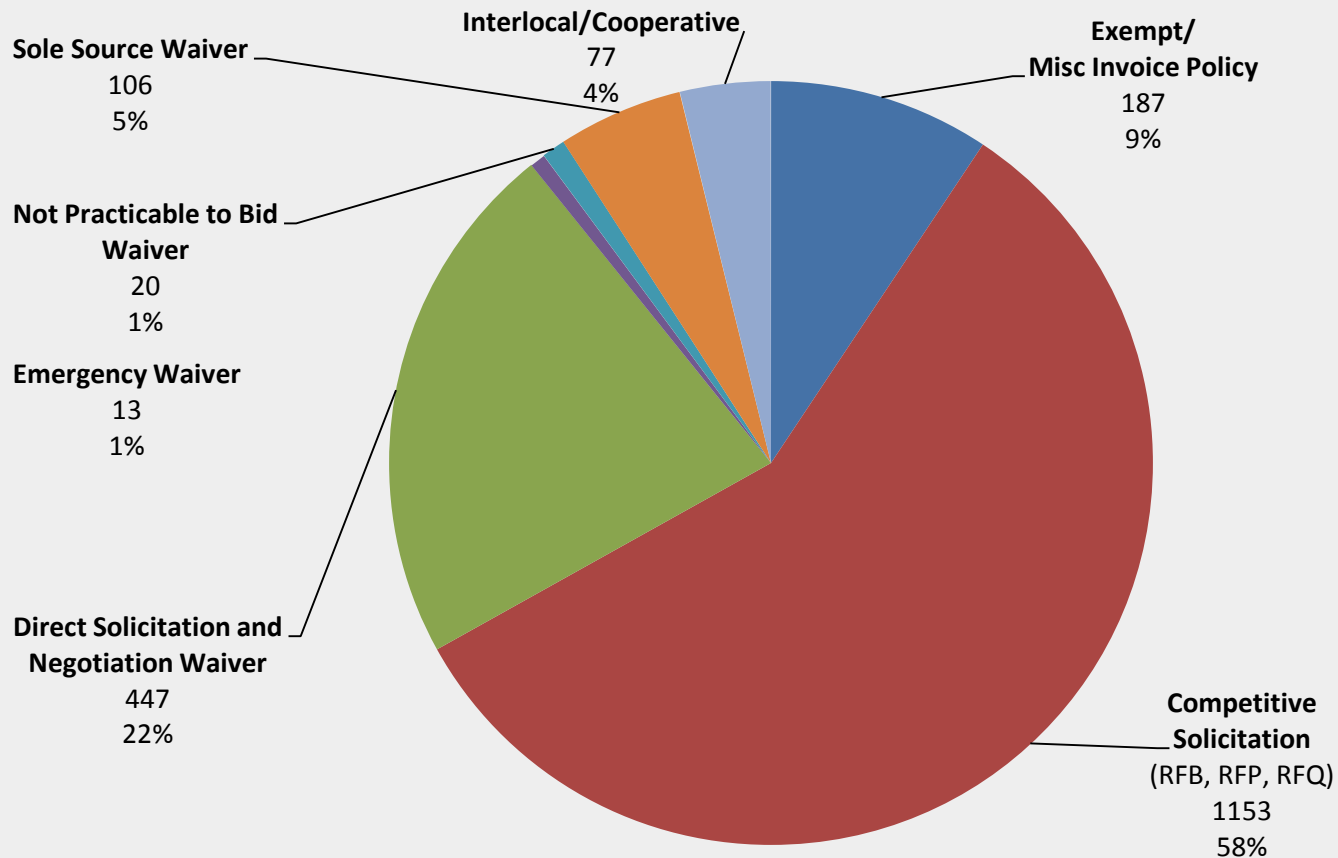
# of Contracts	87	100	79	82	72	78	91	95
Total Current Value	\$10M	\$11M	\$9M	\$9M	\$8M	\$10M	\$11M	\$12M
% of TPU Count	37%	33%	33%	33%	29%	31%	31%	40%
% of TPU Value	10%	12%	4%	14%	11%	13%	7%	34%

TPU DIRECT SOLICITATION AND NEGOTIATION WAIVER CONTRACTS

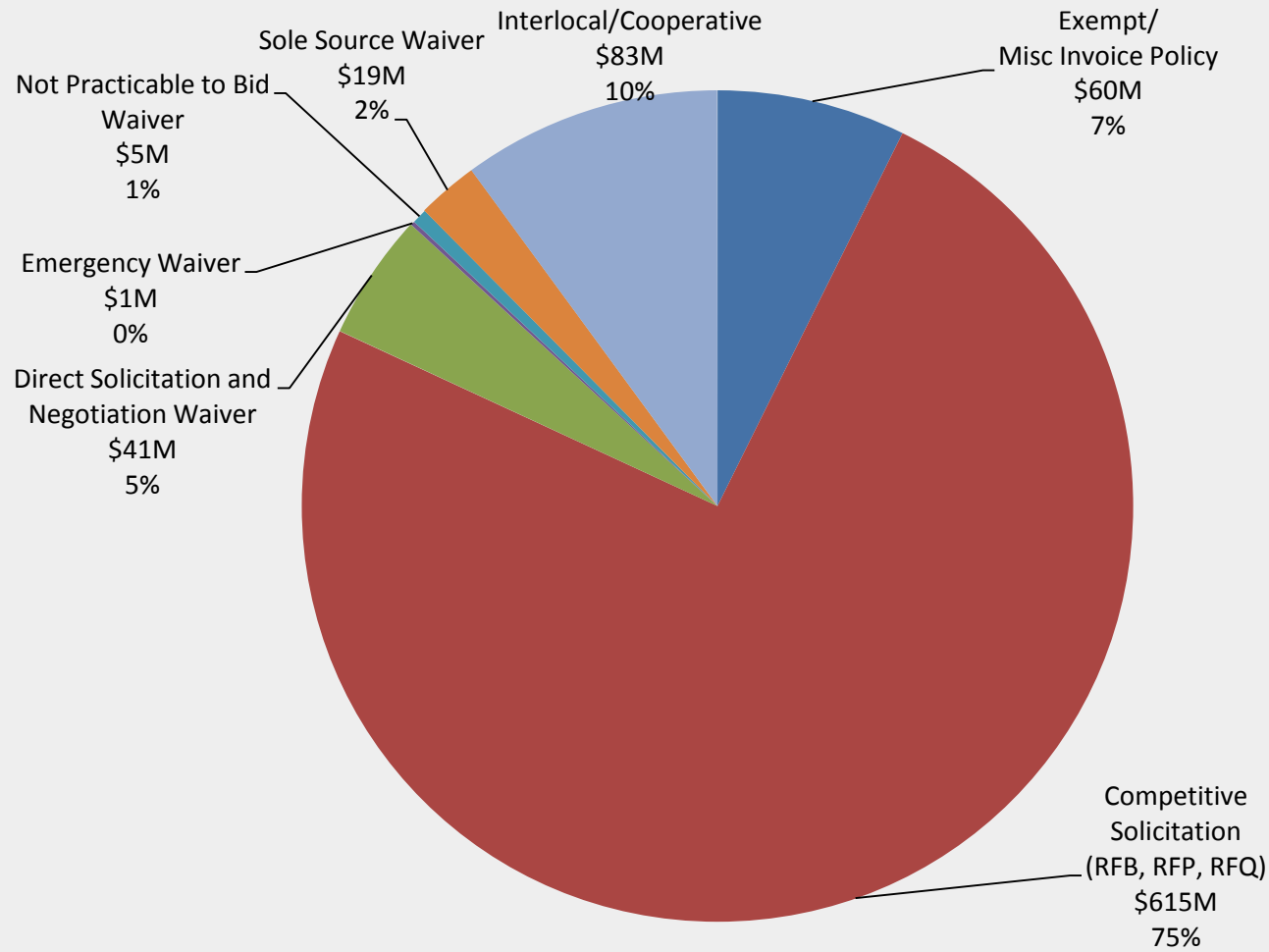


# of Contracts	2	28	47	74	71	85	72	68
Total Current Value	\$M	\$6M	\$4M	\$7M	\$5M	\$4M	\$8M	\$6M
% of TPU Count	1%	9%	20%	30%	29%	33%	25%	29%
% of TPU Value	0%	7%	2%	10%	7%	5%	5%	16%

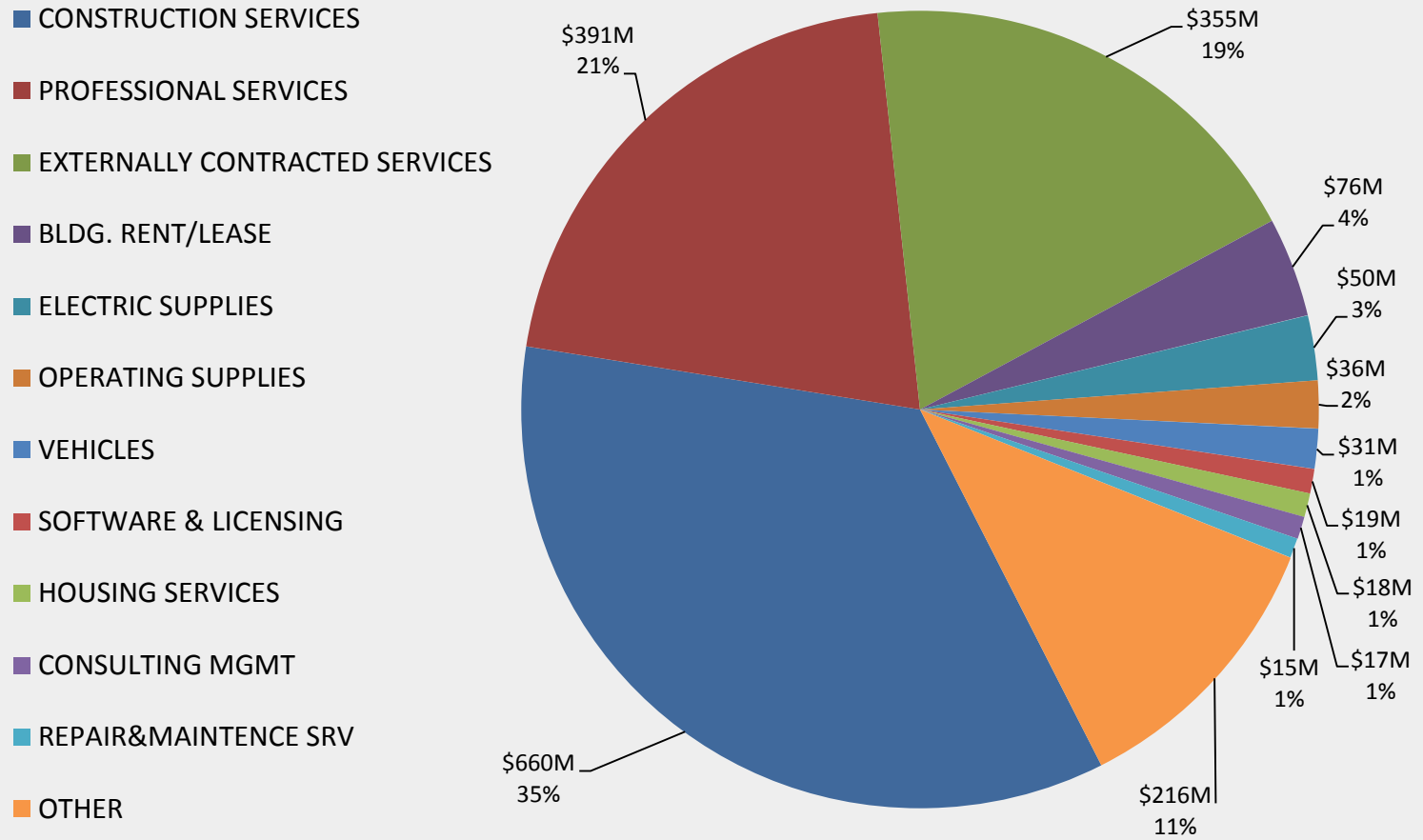
TPU CONTRACTS BY PROCUREMENT TYPE: 2009-2016



TPU CONTRACT VALUE BY PROCUREMENT TYPE: 2009-2016



GG & TPU TOP CONTRACT CATEGORIES



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Thank You!!

