



## RESOLUTION NO. U-10943

1 A RESOLUTION related to the purchase of materials, supplies, equipment  
2 and 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/proposals for the purchase of certain materials, supplies, equipment and/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 for the sales of surplus, or desires to increase and/or extend an existing  
11 agreement, all as explained by the attached Exhibit "A," which by this reference  
12 is incorporated herein, and

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

15 WHEREAS the Board of Contracts and Awards and/or the requesting  
16 division have heretofore made their recommendations, which may include  
17 waiver of the formal competitive bid process because it was not practicable to  
18 follow said process, or because the purchase is from a single source, or there is  
19 an emergency that requires such waiver, and/or waiver of minor deviations, and  
20 in the case of sale of surplus, a declaration of surplus has been made certifying  
21 that said items are no longer essential for continued effective utility service, as  
22 explained in Exhibit "A," and  
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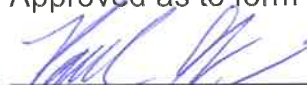
WHEREAS the Director requests authorization, pursuant to

TMC 1.06.269 A, to amend contract amounts up to \$200,000 and to approve term extensions and renewals for all items contained in Exhibit "A;" Now, therefore,

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 and/or the requesting division, and approves, as appropriate: (1) the purchase and/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 Interlocal agreement that authorizes purchase off another governmental entity's contract; (4) the increase and/or extension of an existing agreement, and said matters may include waiver of the formal competitive bid process and/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, and (5) the administrative authority of the Director, per TMC 1.06.269 A., to amend contract amounts up to \$200,000 and to approve term extensions and contract renewals for all items in Exhibit "A."

Approved as to form and legality:

  
\_\_\_\_\_  
Chief Deputy City Attorney

\_\_\_\_\_  
Chair  
\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Clerk

Adopted \_\_\_\_\_



3628 South 35th Street  
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

EXHIBIT "A"

RESOLUTION NO.: U-10943

ITEM NO.: #1

MEETING DATE: JULY 26, 2017

**DATE:** July 14, 2017

**TO:** Board of Contracts and Awards

**SUBJECT:** Automated Metering Infrastructure Architecture Technology Selection and Project Management Implementation Support Services  
Budgeted from Tacoma Power Capital Project PWR-00946 and Tacoma Water Capital Project WTR-00527  
Request for Proposals Specification No. PS17-0196F

**RECOMMENDATION:** Tacoma Power, Utility Technology Services (UTS) recommends a contract be awarded to **Z2 Solutions, LLC, Durango, CO**, for professional consulting services for program management support, business process architecture, technology selection and architecture, and on-going implementation oversight during Tacoma Public Utilities' Advanced Metering Infrastructure (AMI) implementation program. The contract amount reflects a total award of \$948,200.00, plus applicable sales tax.

**EXPLANATION:** Tacoma Public Utilities plans to deploy Advanced Metering Infrastructure (AMI) across its entire water and electric service territories. The AMI program will involve replacing all non-communicating power and water meters with advanced two-way communicating electric (with disconnect) and water meters, and installing new AMI two-way communication modules on water meters that are not replaced. AMI technology will capture interval data, enable two-way communications, include remote capabilities, and provide advanced outage/issue detection and verification. Advanced metering will modernize utility operations and improve services to customers.

The AMI program's objective is to plan, design, build, implement, and stabilize a comprehensive advanced metering solution for TPU that will be critical for delivering a range of benefits to the utilities and their customers. As a transformative initiative, the program will require a significant effort across Tacoma Public Utilities to implement the new processes, applications, technologies, and integrations needed to fully enable the functions and features of the AMI solution. In addition, customer and stakeholder engagement and organizational change management will be essential to project success.

**COMPETITIVE SOLICITATION:** Request for Proposals Specification No. PS17-0196F was opened May 30, 2017. Five companies were invited to bid in addition to normal advertising of the project. Six submittals were received. A selection advisory committee comprised of five members chosen from senior managers in Tacoma Power, Tacoma Water, Customer Services, and Market Development. The committee ranked the proposals using the following categories and weights: (1) Qualifications/Experience of Firm and Key Personnel: 30%, (2) Methodology and Approach: 30%, (3) Fees and Charges / Value: 30%, (4) Submittal Quality, Organization, and Completeness: 5%, (6) Small Business Enterprise (SBE) / Minority and Women's Business Enterprise (MWBE) Certification: 5%.

Z2 Solutions, LLC had the highest total aggregate score and prepared a response that best aligns with the needs for AMI consulting support at TPU. Z2 has demonstrated experience in performing similar activities at other utilities, strong references as a trusted advisor to utilities on AMI, and a presence in surrounding utilities that are also in various phases of their respective AMI projects.

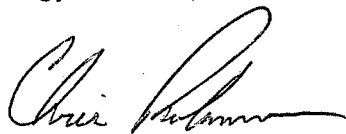
<u>Respondent</u>	<u>Location (city and state)</u>	<u>Score</u>	<u>Cost</u>
<b>Z2 Solutions, LLC</b>	<b>Durango, CO</b>	<b>77.85</b>	<b>\$ 948,200</b>
Util-Assist, Inc.	Newmarket, Ontario CAN	68.15	\$ 887,360
Utiliworks Consulting, LLC	Baton Rouge, LA	60.00	\$ 995,062
Modern Grid Partners	Portland, ME	49.25	\$1,563,103
Boreas Group, LLC	Denver, CO	37.45	\$1,185,750
KRE Consulting, LLC	Pasadena, CA	25.55	\$ 991,820

**CONTRACT HISTORY:** New contract.

**FUNDING:** Funds for this contract are available in the Tacoma Power 2017-2018 Budget, Project Number PWR-00946, and Tacoma Water 2017-2018 Budget, Project Number WTR-00527. Funding beyond the current biennium is subject to future availability of funds.

**SBE/LEAP COMPLIANCE:** Not applicable.

**PROJECT ENGINEER/COORDINATOR:** Joe Tellez, Chief Technology Officer, Utility Technology Services, 253-441-4988.



Chris Robinson  
Power Superintendent/COO



William A. Gaines  
Director of Utilities/CEO

cc: Richelle Krienke, Senior Buyer, Finance/Purchasing  
SBE Coordinator  
LEAP Coordinator

PS17-0196F - Automated Metering Infrastructure Architecture Technology Selection and Project Management Implementation		Utili-Assist, Inc.		Z2 Solutions LLC		Utiliworks Consulting LLC		Modern Grid Partners		KRE Consulting, LLC		Boreas Group, LLC	
Evaluation Categories	Weight	Total Points	Category Weighted Score	Total Points	Category Weighted Score	Total Points	Category Weighted Score	Total Points	Category Weighted Score	Total Points	Category Weighted Score	Total Points	Category Weighted Score
Qualifications / Experience of Firm and Key Personnel	30%	37.00	11.10	44.00	13.2	37.00	11.10	29.00	8.70	18.00	5.40	22.00	6.60
Methodology and Approach	30%	157.00	47.10	187.00	56.1	145.00	43.50	128.00	38.40	46.00	13.80	91.00	27.30
Fees and Charges / Value	30%	30.00	9.00	25.00	7.50	15.00	4.50	5.00	1.50	20.00	6.00	10.00	3.00
SBE / MWBE	5%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Submittal Quality, Organization, Completeness	5%	19.00	0.95	21.00	1.05	18.00	0.90	13.00	0.65	7.00	0.35	11.00	0.55
<b>Totals</b>	<b>100%</b>	<b>243.00</b>	<b>68.15</b>	<b>277.00</b>	<b>77.85</b>	<b>215.00</b>	<b>60.00</b>	<b>175.00</b>	<b>49.25</b>	<b>91.00</b>	<b>25.55</b>	<b>134.00</b>	<b>37.45</b>
<b>RANK</b>		<b>2</b>		<b>1</b>		<b>3</b>		<b>4</b>		<b>6</b>		<b>5</b>	



3628 South 35th Street  
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

EXHIBIT "A"

RESOLUTION NO.: U-10943

ITEM NO.: #2

MEETING DATE: JULY 26, 2017

**DATE:** 7/1/2017

**TO:** Board of Contracts and Awards

**SUBJECT:** Contract Increase and Term Extension with Black & Veatch Management Consulting LCC  
Budgeted from 2017-18 Tacoma Power / Rates, Planning & Analysis Budget  
Request for Proposals RP15-0657F  
Contract No. 4600011706

**RECOMMENDATION:** Tacoma Power / Rates, Planning and Analysis requests approval to increase 4600011706 to **Black & Veatch Management Consulting, LLC, Kansas City, MO**, by \$213,000 plus applicable sales tax, for assisting in Rate Design, Cost of Service Analysis and Modeling Support. This increase will bring the contract to a cumulative total of \$403,000 plus applicable sales tax.

**EXPLANATION:** The City's need for services under this Contract is ongoing and expanded, and this request would cover advisory services for the 2018/19 biennium. It has been a standard Tacoma Power practice to engage third-party rate advisory and validation services in connection with cost of service and rate approvals each biennium.

This contract would also provide additional support services associated with:

1. Public Utility Board request to conduct a series of rate policy workshops.
2. Public Utility Board request to prepare rates concurrently with budget. This will require combination of the rate and budget processes (which use some of the same TPU staff) and an acceleration of the rate process. Staff needs professional and expert assistance in connection with both changes to existing business processes.
3. Transition to a modern, third-party-validated cost-of-service model. This will enable more timely calculation of new/revised rates and provide additional detail about the cost elements recovered in rates.
4. Transition to an enhanced financial forecasting model that is integrated with the cost-of-service model.
5. Creation of new customer classes which better reflect common usage characteristics and costs.
6. Finalization of an updated Open-Access Transmission Tariff (OATT), which has not been adjusted since 2012.

**COMPETITIVE SOLICITATION:** This contract was originally awarded to Black & Veatch Management Consulting, LLC, as a result of Request for Proposals Specification No. RP15-0657F in May 2016. The contractor has agreed to expand the scope of work and extend the contract at the same terms and conditions of the original contract.

**CONTRACT HISTORY:** Effective May 1, 2016, a two-year contract was executed in the amount of \$190,000. Under the original contract Black & Veatch:

1. Reviewed and validated Tacoma Power's legacy cost-of-service model.
2. Provided assistance with rate design.

3. Reviewed current methodology of developing the allocation decisions for the Open Access Transmission Tariff (OATT).
4. Helped represent Tacoma Power in negotiations with the Department of Defense regarding the McChord contract.
5. Provided recommendations to the Transmission and Distribution group for updating the fee schedule for pole attachments.

This increase and extension will bring the contract to a cumulative total of \$403,000 plus applicable sale tax, and extend the term to June 30, 2019.

**FUNDING:** Funds for this are available in the 4700. Funding beyond the current biennium is subject to future availability of funds.

**PROJECT ENGINEER/COORDINATOR:** Ray Johnson, Rates, Planning & Analysis, 253-441-4935.



Chris Robinson  
Power Superintendent/COO



William A. Gaines  
Director of Utilities/CEO

Insert Initials (WLP:mr)

cc: Richelle Krienke, Senior Buyer, Finance/Purchasing  
SBE Coordinator