



## RESOLUTION NO. U-11147

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

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

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

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

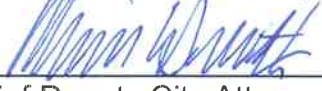


1 WHEREAS the Director requests authorization, pursuant to  
2 TMC 1.06.269 A, to amend contract amounts up to \$500,000 and to approve  
3 term extensions and renewals for all items contained in Exhibit "A;" Now,  
4 therefore,

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

6 That the Public Utility Board of the City of Tacoma hereby concurs and  
7 approves the recommendations of the Board of Contracts and Awards and/or  
8 the requesting division, and approves, as appropriate: (1) the purchase and/or  
9 furnishing of those materials, supplies, equipment or services recommended for  
10 acceptance; (2) the sale of surplus materials, supplies or equipment  
11 recommended for acceptance; (3) the Interlocal agreement that authorizes  
12 purchase off another governmental entity's contract; (4) the increase and/or  
13 extension of an existing agreement, and said matters may include waiver of the  
14 formal competitive bid process and/or waiver of minor deviations, all as set forth  
15 on Exhibit "A," and authorizes the execution, delivery and implementation of  
16 appropriate notices, contracts and documents by the proper officers of the City  
17 for said transactions, and (5) the administrative authority of the Director, per  
18 TMC 1.06.269 A., to amend contract amounts up to \$500,000 and to approve  
19 term extensions and contract renewals for all items in Exhibit "A."

22 Approved as to form and legality:

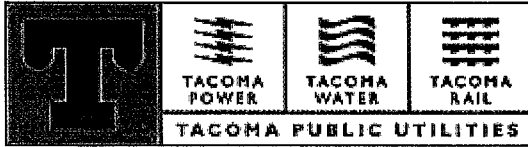
23   
24 Chief Deputy City Attorney

Chair

Secretary

25  
26 Clerk

Adopted



RESOLUTION NO.: U-11147  
ITEM NO.: 21  
MEETING DATE: MARCH 11, 2020

**TO:** Board of Contracts and Awards  
**FROM:** Chris Robinson, Power Superintendent, Tacoma Power,  
Chris Mattson, Generation Manager, Tacoma Power,  
Tim Nordstrom, PE SE, Power Engineer IV, Tacoma Power/Generation  
**COPY:** Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP  
Coordinator, and Samol Hefley, Finance/Purchasing  
**SUBJECT:** Engineering Services, Cowlitz Barrier Dam Spillway Concrete Repairs, Design  
and Construction Phase Engineering Services  
Architectural and Engineering (A&E) Roster, – March 11, 2020  
**DATE:** February 27, 2020

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#### **RECOMMENDATION SUMMARY:**

Tacoma Power recommends a contract be awarded to **Schnabel Engineering LLC, Seattle WA** for Engineering Services for the Cowlitz Barrier Dam structural apron repairs, new spillway weir profile, evaluation of fish collection, and permitting in the amount of \$1,679,500 plus applicable taxes.

#### **BACKGROUND:**

The Cowlitz Barrier Dam (Barrier Dam) is a component of the Cowlitz River Hydroelectric Project (FERC No. 2016). The Barrier Dam was built in 1968 and is located downstream of the Cowlitz Salmon Hatchery near 279 Barrier Dam Lane, Salkum, WA 98582.

The primary functions of the Barrier Dam are:

- Provide water elevation (head) to supply the intake pumps for the Cowlitz Salmon Hatchery.
- Create a barrier for upstream migratory fish, thus guiding them to the entrance of the fish ladder located immediately downstream of the dam.

**ISSUE:** Inspections of the dam have revealed that the concrete apron slab is severely eroded, with the first layer of rebar fully exposed. Fluid Dynamics Modeling of the dam concluded that the cause of the erosion is from scour that is the result of ball milling of rocks and cobbles in a recirculating current on top of the apron.

**ALTERNATIVES:** Generation evaluated repairing the concrete apron without the hydraulic improvements to the dam's spillway weir profile. This approach could extend the life of the dam, but does not solve the problem causing the scour. It is anticipated that the ball milling would continue and the repaired apron would also erode. Additionally, three alternative profiles were modeled to reduce the ball milling. The selected ogee profile appears to provide the best hydraulic solution.

#### **COMPETITIVE SOLICITATION:**

Schnabel Engineering, LLC was selected using the Citywide Architectural and Engineering (A&E) Roster. Six companies were invited to provide Statement of Qualifications, Four responded. Three firms were invited to interview. This evaluation process resulted in Schnabel Engineering, LLC being selected.



The following summarizes the ranking of the firms evaluated.

<u>Respondent</u> (RFQ)	<u>Location</u> (city and state)	<u>Rank</u>
<b>Schnabel Engineering, LLC</b>	<b>Seattle, WA</b>	<b>1</b>
GHD	Cameron Park, CA	2
Alden Research Laboratory	Everett, WA	3

CONTRACT HISTORY: New contract.

SBE/LEAP COMPLIANCE: Not applicable.

#### FISCAL IMPACT:

##### EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 – Power Fund 2019/2020	10000061814	5310100	\$1,679,500
<b>TOTAL</b>			<b>\$1,679,500</b>

\* General Fund: Include Department

##### REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
<b>TOTAL</b>			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,679,500

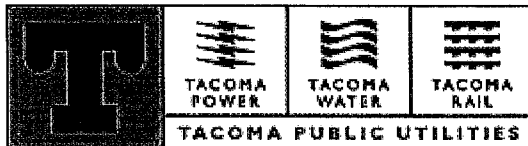
ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

Chris Robinson, Power Superintendent

APPROVED:

Jackie Flowers, Director of Utilities



RESOLUTION NO.: U-11147  
ITEM NO.: #2  
MEETING DATE: MARCH 11, 2020

**TO:** Board of Contracts and Awards  
**FROM:** Chris Robinson, Power Superintendent, Tacoma Power,  
Chris Mattson, Generation Manager, Tacoma Power  
Jay Madden, Power Supervisor I, Tacoma Power/Generation  
**COPY:** Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP  
Coordinator, and Samol Hefley, Finance/Purchasing  
**SUBJECT:** Tacoma Public Utilities - Elevator Upgrades Project (Construction Services)  
Specification No. PG19-0018F  
**DATE:** February 27, 2020

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#### **RECOMMENDATION SUMMARY:**

Tacoma Power recommends a contract be awarded to **Thyssen Krupp Elevator Corporation, Kirkland, WA** for the upgrade of nine elevators. This contract also includes a maintenance agreement for all fourteen elevators throughout the duration of the 4-year contract period. The total of the proposed contract is \$4,214,510, plus applicable taxes.

#### **BACKGROUND:**

In 2019, Tacoma Power performed a study of the condition of fourteen elevators across TPU including those at the main facility and those at the hydroelectric facilities. This report provided condition assessments and recommendations for each elevator. The elevators include: All five elevators in the TPU Administration Building North (ABN), and each elevator in the Energy Control Center (ECC) building, Mossyrock Powerhouse, Alder Powerhouse, Cushman Powerhouse, and Wynoochee Dam.

**ISSUE:** Many of the elevator control systems, motors, and other components are antiquated and have failed multiple times, and some remain out of service until a new part or device can be manufactured because the spare parts are no longer available. All of the elevators listed are not reliable in their current state. In addition, many elevators do not meet seismic and ADA code requirements. This contract provides for a systematic upgrade of each elevator listed over a four year period.

**ALTERNATIVES:** Alternatives to equipment and inclusion of interior upgrades were considered. Only "open architecture" alternatives were considered. In addition, adopting the NASPO or US Communities contracts was considered as an alternative to bidding this work directly, however, those contracts lacked competitive pricing for the work in the scope of this project.

#### **COMPETITIVE SOLICITATION:**

Request for Bids Specification No. PG19-0018F was opened on February 11, 2020. Ten companies were invited to bid in addition to normal advertising of the project. Two submittals were received. The low bidder is recommended for award.



Thyssen Krupp Elevator Corporation submitted a bid that resulted in the lowest evaluated submittal after consideration of SBE participation goals. The table below reflects the amount of the total award.

<u>Respondent</u>	<u>Location</u> (city and state)	<u>Submittal</u> <u>Amount</u>	<u>Evaluated</u> <u>Submittal</u>
<b>Thyssen Krupp Elevator Corp.</b>	<b>Kirkland, WA</b>	<b>\$4,214,510</b>	<b>\$4,214,510</b>
Zeigler Company	Carnation, WA	\$4,607,175	\$4,607,175

Pre-bid Estimate: \$4,200,000

The recommended award is 1-percent above the pre-bid estimate.

CONTRACT HISTORY: New contract.

SBE/LEAP COMPLIANCE: The Office for Small Business Enterprise did not set a goal for this project. The Local Employment and Apprenticeship Training Program (LEAP) goal is 15 percent of labor hours worked.

#### FISCAL IMPACT:

##### EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 – Power Fund 2019/2020	PWR-0872-03	5330100	4,214,510
<b>TOTAL</b>			

##### REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
<b>TOTAL</b>			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$ 4,214,510

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

APPROVED

Chris Robinson, Power Superintendent

Jackie Flowers, Director of Utilities

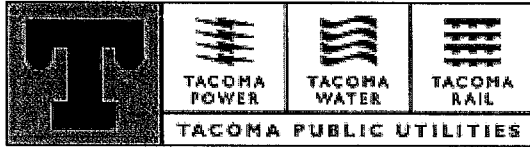


EXHIBIT "A"

RESOLUTION NO.: U-11147

ITEM NO.: #3

MEETING DATE: MARCH 11, 2020

**TO:** Board of Contracts and Awards

**FROM:** Shannon Wall, Division Manager, Planning & Engineering *SW*  
Troy Saghafi, P.E., Professional Engineer, Planning & Engineering *TS*

**COPY:** Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP Coordinator, and Tina Eide, Finance/Purchasing

**SUBJECT:** Water Main Replacement Project No. MRP 2018-45  
50<sup>th</sup> Avenue E and 131<sup>st</sup> St Ct E  
Request for Bids Specification No. WD19-0277F– January 28, 2020

**DATE:** February 20, 2020

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**RECOMMENDATION SUMMARY:**

Tacoma Water Planning and Engineering recommends that a contract be awarded to Reed Trucking, Puyallup, WA, for the replacement of acquired asbestos cement water mains along 50<sup>th</sup> Avenue East, from 131<sup>st</sup> Street East to 152<sup>nd</sup> Street East in Pierce County, in the amount of \$1,353,231.75, plus any applicable taxes.

**BACKGROUND:**

This contract provides for the replacement of asbestos cement water main acquired from the Curran Road Mutual Water Association (Curran Road) in the vicinity of 50<sup>th</sup> Avenue East, from 131<sup>st</sup> Street East to 152<sup>nd</sup> Street East in Pierce County. The project will construct approximately 8,500 linear feet of 12-inch, 8-inch, 6-inch, and 4-inch ductile iron water main and will include the installation of a Pressure Reducing Valve (PRV).

In 2017, the Public Utility Board and City Council authorized the acquisition of the Curran Road water system. The proposed water main work was identified for replacement as part of the acquisition process. Water system improvements within the former Curran Road service area will ultimately be paid for through a surcharge on those customers receiving service within the former Curran Road service area. The customer surcharge is anticipated to have an approximate duration of 30-years.

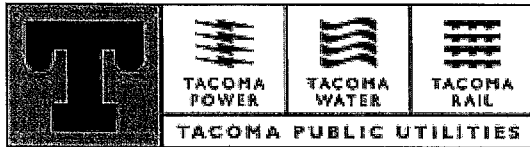
Tacoma Water will also be installing a Pressure Reducing Valve (PRV) along 131<sup>st</sup> Street to optimize water service and eliminate the need for an obsolete pump station currently serving the pressure zone.

**ISSUE:**

The proposed water main replacement work was identified for replacement as part of the Curran Road acquisition process.

**ALTERNATIVES:**

Tacoma Water considered rehabilitating the water main however this option was cost prohibitive and does not provide a long-term solution.



### COMPETITIVE SOLICITATION:

Request for Bids Specification No. WD19-0277F was opened February 11, 2020. Thirty-one (31) companies were invited to bid in addition to normal advertising of the project. Ten (10) submittals were received.

Reed Trucking submitted a bid that resulted in the lowest submittal after consideration of SBE participation goals. The table below reflects the amount of the base award.

Respondent	Location	Submittal Amount	Evaluated Submittal
<b>Reed Trucking</b>	<b>Puyallup, WA</b>	<b>\$1,353,231.75</b>	<b>\$1,219,070.16</b>
Northwest Cascade, Inc.	Puyallup, WA	\$1,401,169.75	\$1,331,169.75
Miles Resources, LLC	Puyallup, WA	\$1,403,999.00	\$1,333,999.00
Strickland & Sons, Inc.	Buckley, WA	\$1,461,172.76	\$1,391,172.76
Tapani, Inc.	Battle Ground, WA	\$1,500,707.75	\$1,430,707.75
Sound Earthworks, Inc.	Puyallup, WA	\$1,542,939.00	\$1,472,939.00
Pape & Sons, Inc.	Gig Harbor, WA	\$1,557,020.75	\$1,487,020.75
Kar-Vel Construction	Renton, WA	\$1,558,821.40	\$1,488,821.40
Sound Pacific Construction, LLC	Gig Harbor, WA	\$1,630,366.70	\$1,560,366.70
Iyabak Construction, LLC	Anchorage, AK	\$3,682,362.91	\$3,299,042.00

Pre-bid Estimate: \$1,502,247.70

The recommended award is 10.3 percent under the pre-bid estimate.

CONTRACT HISTORY: New contract.

SBE/LEAP COMPLIANCE: The recommended contractor is in compliance with the Small Business Enterprise (SBE) Regulation requirements per memorandum dated February 13, 2020. The SBE goal for this project is 15 percent. The SBE participation level of the recommended contractor is 16.01 percent. Reed Trucking submitted the lowest bid per the SBE Regulation requirements. The recommended contractor must meet the Local Employment and Apprenticeship Training Program (LEAP) goal of 15 percent Local Employment Utilization.

### FISCAL IMPACT:

#### EXPENDITURES:

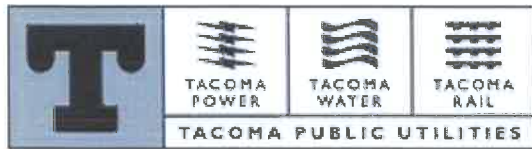
FUND NUMBER & FUND NAME	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT *
4600 13-WC 2013 Bond Fund	WTR-00560-07-02	5330100	\$1,353,231.75
<b>TOTAL</b>			<b>\$1,353,231.75</b>

#### REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT*
4600 13-WC 2013 Bond Fund	586313	6311163	\$1,353,231.75
<b>TOTAL</b>			<b>\$1,353,231.75</b>

\* Excluding Applicable Sales Tax





**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,353,231.75**

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

\_\_\_\_\_  
Scott Dewhirst, Water Superintendent

APPROVED:

\_\_\_\_\_  
Jackie Flowers, Director of Utilities

TS/DK

Attachment: Signed SBE Eval WD19-0277F



## RESOLUTION NO. U-11148

1 A RESOLUTION authorizing approval to hire three additional positions  
2 for the Advanced Metering Infrastructure Project, a special project  
3 of limited duration for Tacoma Power.

4 WHEREAS the City of Tacoma, Department of Public Utilities, Light  
5 Division, Utility Technology Services Section (d.b.a. "Tacoma Power")  
6 established the Advanced Metering Infrastructure Project ("Project"), as a  
7 special project of limited duration from January 2019 through December 31,  
8 2022, and

9 WHEREAS the Project of limited duration was approved through  
10 Resolution No. U-11055, on January 2, 2019, by the Public Utility Board, and  
11

12 WHEREAS since that time, and after an extensive review of resource  
13 planning and mitigation efforts, in order to meet the fast paced schedule  
14 demanded during the Advanced Metering Infrastructure ("AMI") Project, an  
15 additional three new special project of limited duration employees are  
16 recommended, and

17 WHEREAS the three additional positions are classified as:

- 18 • Management Analyst II for Utility Technology Services;
- 19 • Management Analyst I for Utility Technology Services; and
- 20 • Water Utility Worker for Tacoma Water, and

21  
22 WHEREAS this resolution will enable Tacoma Power's Utility Technology  
23 Services Section ("UTS") to staff the planning and design phases of the Project  
24 with technology and business process subject matter experts, and

25 WHEREAS, pursuant to the provisions of Sections 1.12.155 and  
26 1.24.187 of the Tacoma Municipal Code and Section 6.1(h) of the Tacoma City



1 Charter, employees who are not regular employees and are hired as special  
2 project employees are paid as provided for by ordinance or resolution of the  
3 City Council, and  
4

5 WHEREAS it is in the best interests of the Department of Public Utilities  
6 to establish three additional temporary positions to support the required  
7 activities for the duration of the special project; Now, Therefore:

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

9 Section 1. In accordance with the applicable provisions of TMC 1.12.140  
10 and 1.12.155, the salaries and classes set forth in the Compensation Plan for  
11 regular City employees shall be applied, contingent upon funding, to similar  
12 project positions of the Project.  
13

14 Section 3. That, in accordance with TMC 1.24.187 and 1.30.300,  
15 employees who have been hired or may be hired for positions expected to be of  
16 limited duration shall be designated unclassified special project employees as  
17 of the date of hire.

18 Section 4. That those special project employees who have been hired or  
19 may be hired to work on the Project as identified in this resolution, shall receive  
20 benefits, all in accordance with and pursuant to the provisions of the  
21 compensation plan of the City of Tacoma. They shall be given a one-time  
22 binding and irrevocable election to participate in the City's Retirement System,  
23 pursuant to the retirement provisions of TMC 1.30.300.  
24

25 Section 5. That because the positions to be filled pursuant to this  
26 resolution are of a temporary nature and are unique in that they pertain only to



1  
2 the aforementioned special project, they are deemed temporary positions, and  
3 persons so employed in such positions shall have no claim to further or  
4 continued employment with the City after cessation of such special project or  
5 after cessation of activities funded by said programs, except pursuant to their  
6 obtaining status as regular City employees under the provisions of the Tacoma  
7 Municipal Code or pursuant to further action of the City Council relating to this  
8 special project.  
9

10 Section 6. That all acts by agents or employees of the City consistent with  
11 the intent of this resolution taken prior to the effective date of this resolution are  
12 hereby ratified.

13 Section 7. That the term of this Project shall not exceed the expiration of  
14 December 31, 2022, unless extended by appropriate action.

15 Section 8. That the Director of Utilities is hereby authorized to direct the  
16 appropriate City officers to proceed with the necessary actions for Project  
17 completion, including adding three additional temporary positions to support the  
18 required activities for the duration of the Project.  
19

20 Approved as to form and legality:

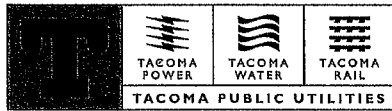
Chair

21  
22   
23 Chief Deputy City Attorney

Secretary

24 Clerk

Adopted



## Board Action Memorandum

**TO:** Jackie Flowers, Director of Utilities  
**COPY:** Charleen Jacobs, Director and Board Offices  
**FROM:** Chris Robinson, Power Superintendent/COO  
Scott Dewhirst, Water Superintendent/COO  
**MEETING DATE:** March 11, 2020  
**DATE:** March 2, 2020

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**SUMMARY:** Tacoma Public Utilities requests a resolution for approval to hire an additional three positions in support of the Advanced Metering Infrastructure Project. This project was established as a "Special Project of Limited Duration" by Resolution No. U-11055, which approved a total of 26 positions. This request for three additional positions will bring the total number of authorized project positions to 29. These additional positions are essential to support the system integration, training, and deployment phases of the program, from January 2019 through December 31, 2022.

**BACKGROUND:** On January 9<sup>th</sup>, 2019 the Public Utility Board adopted Resolution No. U-11055 establishing the Advanced Metering Infrastructure Project as a special project of limited duration.

Tacoma Public Utilities (TPU) plans to deploy Advanced Metering Infrastructure (AMI) across its entire water and electric service territories. The AMI project will replace 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 be a cornerstone to deliver customers improved services and benefits.

As a transformative initiative, the AMI Program has and continues to require a significant effort across TPU 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 are essential to project success.

To meet the anticipated needs of the AMI project, 26 special project of limited duration positions were previously approved as part of Resolution No. U-11055. This was comprised of the transfer of 10 temporary positions to the special project of limited duration and the hiring of 16 new special project of limited duration employees.

After an extensive review of resource planning and mitigation efforts, and in order to best meet fast paced schedule demands during AMI mass meter deployment, Tacoma Public Utilities recommends the hiring of an additional three new special project of limited duration employees as part of the already approved special project of limited duration. In addition to the 26 positions identified in adopted Resolution No. U-11055, this will bring the total number of AMI related project positions to 29 within the Utility Technology Services, Tacoma Water, Tacoma Power, and Customer Services departments. Briefly, the three additional roles and services provided are described below:

- Management Analyst II for Utility Technology Services (Program Analyst); This position is responsible for meter deployment program coordination and administration, ensuring the meter



## Board Action Memorandum

installation vendor (MIV) is notified of timely utility data and meter read route updates. This position will also coordinate daily and weekly status reports with the meter deployment workstream lead and internal utility stakeholders.

- Management Analyst I for Utility Technology Services (Customer Liaison); This position will serve as the meter deployment customer liaison and is responsible for direct communications, planning and facilitating residential customer phone calls, and coordinating with utility account executives to ensure customers receive responsive, accurate information.
- Water Utility Worker for Tacoma Water; This position is a field staff member responsible for performing planned and emergency support at individual water services and meters before and during the field deployment of water meters. A majority of this position's work will occur in preparation for and throughout the meter deployment project phase.

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** Yes, expenses for additional project positions are budgeted within the planned and approved 2019-2020 biennium Advanced Meter Program contingency. Funds for the 2021-2022 biennium are planned and subject to budget approval.

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

**IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR?**  
N/A.

**ATTACHMENTS:** Resolution No. U-11055, Advanced Metering Infrastructure Project of Limited Duration

**CONTACT:** Andre' Pedefferri, Utility Technology Services, Advanced Meter Program Manager, (253) 502-8997



## RESOLUTION NO. U-11055

1 A RESOLUTION authorizing the establishment of the Advanced  
2 Metering Infrastructure Project, as a special project of limited  
3 duration for Tacoma Power, and designating general salary  
4 classifications and benefits for persons employed on the project,  
pursuant to Tacoma Municipal Code Sections 1.12.155, 1.24.187,  
1.30.300, and Section 6.1 (h) of the Tacoma City Charter.

5 WHEREAS the City of Tacoma, Department of Public Utilities; Light  
6 Division, Utility Technology Services Section (d.b.a. "Tacoma Power") requests  
7 Public Utility Board approval to establish the Advanced Metering Infrastructure  
8 Project ("Project"), as a special project of limited duration from January 2019  
9 through December 31, 2022, and  
10

11 WHEREAS Tacoma Public Utilities ("TPU") plans to deploy Advanced  
12 Metering Infrastructure ("AMI") across its entire water and electric service  
13 territories that will modernize utility operations and improve services to  
14 customers, and

15 WHEREAS the AMI program will involve replacing all non-  
16 communicating power and water meters with advanced two-way communicating  
17 electric (with disconnect) and water meters, and installing new AMI two-way  
18 communication modules on water meters that are not replaced, and  
19

20 WHEREAS AMI will capture interval data, enable two-way  
21 communications, include remote capabilities, and provide advanced  
22 outage/issue detection and verification, and

23 WHEREAS the Project will provide for the transfer of 10 temporary  
24 positions for the Project, and the hiring of 16 employees within UTS, Tacoma  
25 Water, Tacoma Power, and the Customer Services departments, to work on the  
26



1 Integration and implementation phases of the Project, to upgrade power and  
2 water meters across Tacoma Public Utilities' Service Territory at all homes and  
3 businesses. This is required to address an aging meter population, meet  
4 customer needs with time access to consumption data, and align TPU with the  
5 metering technology common to other utilities in the region, and  
6

7 WHEREAS this resolution will enable Tacoma Power's Utility Technology  
8 Services Section ("UTS") to staff the planning and design phases of the Project  
9 with technology and business process subject matter experts, and

10 WHEREAS, pursuant to the provisions of Sections 1.12.155 and  
11 1.24.187 of the Tacoma Municipal Code and Section 6.1(h) of the Tacoma City  
12 Charter, employees who are not regular employees and are hired as special  
13 project employees are paid as provided for by ordinance or resolution of the  
14 City Council, and  
15

16 WHEREAS it is in the best interests of the Department of Public Utilities  
17 to establish a Special Project of Limited Duration and establish temporary  
18 positions to support the required activities for the duration of the special project;

19 Now, Therefore:

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

21 Section 1. That the Advanced Metering Infrastructure Project,  
22 designation as a special project of limited duration, is hereby approved and  
23 established as a special project of limited duration.  
24

25 Section 2. That, in accordance with the applicable provisions of  
26 TMC 1.12.140 and 1.12.155, the salaries and classes set forth in the





1 Compensation Plan for regular City employees shall be applied, contingent  
2 upon funding, to similar project positions of the Project.

3 Section 3. That, in accordance with TMC 1.24.187 and 1.30.300,  
4 employees who have been hired or may be hired for positions expected to be of  
5 limited duration shall be designated unclassified special project employees as  
6 of the date of hire.

7  
8 Section 4. That those special project employees who have been hired or  
9 may be hired to work on the Project as identified in this resolution, shall receive  
10 benefits, all in accordance with and pursuant to the provisions of the  
11 compensation plan of the City of Tacoma. They shall be given a one-time  
12 binding and irrevocable election to participate in the City's Retirement System,  
13 pursuant to the retirement provisions of TMC 1.30.300.

14  
15 Section 5. That because the positions to be filled pursuant to this  
16 resolution are of a temporary nature and are unique in that they pertain only to  
17 the aforementioned special project, they are deemed temporary positions, and  
18 persons so employed in such positions shall have no claim to further or  
19 continued employment with the City after cessation of such special project or  
20 after cessation of activities funded by said programs, except pursuant to their  
21 obtaining status as regular City employees under the provisions of the Tacoma  
22 Municipal Code or pursuant to further action of the City Council relating to this  
23 special project.  
24  
25  
26



1 Section 6. That all acts by agents or employees of the City consistent with  
2 the intent of this resolution taken prior to the effective date of this resolution are  
3 hereby ratified.

4 Section 7. That the term of this Project shall not exceed the expiration of  
5 December 31, 2022, unless extended by appropriate action.

6  
7 Section 8. That the Director of Utilities is hereby authorized to direct the  
8 appropriate City officers to proceed with the necessary actions for Project  
9 completion, including the transfer of 10 temporary positions for the Project, and  
10 the hiring of 16 employees within UTS, Tacoma Water, Tacoma Power, and the  
11 Customer Services departments to support the required activities for the duration  
12 of the Project.

13 Approved as to form and legality:

Woodrow Jones  
Chair

15 Eric Harris  
16 Chief Deputy City Attorney

[Signature]  
Secretary

17 Madison Jones  
18 Clerk

Adopted 1-9-19

Request for Board meeting

CITY OF TACOMA  
DEPARTMENT OF PUBLIC UTILITIES

of January 9, 2019

Date: January 3, 2019

**REQUEST FOR RESOLUTION**

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)  
Requesting to expand the Advanced Metering Infrastructure (AMI) "Special Project" in the Utility Technology Services Section of Tacoma Power for additional resources. The project of limited duration for the Implementation and Deployment phase of the AMI Program is anticipated to begin January 2019 and will be completed by the end of 2021.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, et)
- Utility Technology Services recommends that the Public Utility Board approve the request to expand the special project under TMC Section 1.24.187 of the Administrative Code which will provide for the transfer of 10 Temporary Positions to Project of Limited Duration, hiring of two Project of Limited Duration positions for Customer Service, hiring of two Project of Limited Duration position for Utility Technology Services, hiring of two Project of Limited Duration positions and five Field Service Workers for Tacoma Water, and hiring of two Project of Limited Duration position for Tacoma Power to work on the integration and implementation phases of the AMI Program.
- Two Management Analyst I for Customer Service; These positions would report to the CS project team and are necessary to document and process map internal CS processes and hand offs within Customer Services and all TPU divisions. This work is an important and essential step to capture necessary changes for the successful implementation of AMI. Failure to approve these temporary positions adds significant risk to CS' ability to properly serve the customer base with solid, reliable processes and systems.
  - Engineering Sr. Principal for Utility Technology Services; This position is responsible for leading the planning and supervision of the meter and network deployment.
  - RF/Communications Engineer for Utility Technology Services; This position is responsible for the analysis, design review, implementation, optimization, monitoring and enhancement of the wireless AMI network.
  - MDMS/IT Lead for Utility Technology Services; This position is responsible for implementing the new AMI Meter Data Ops. Organization and associated processes to ensure the integrity, reliability, accuracy and availability of the meter data.
  - Management Analyst I for Utility Technology Services; This position is responsible for the resource coordination and capacity planning, planning and facilitation of project meetings, developing stakeholder communication materials.
  - Management Analyst I for Utility Technology Services; This position is responsible for AMI Program budget and analytics, development and coordination of reporting for AMI Operations – including managing the benefits realization and performance scorecards for the AMI program and organization, and developing reporting materials for the Executive Steering Committee and Business Advisory Council.
  - Management Analyst III for Tacoma Water; This position is responsible for supporting the AMI program, the Tacoma Water AMI team, coordinating program activities, resources, and communication. Acting as a SME for the AMI Program and technical implementation, providing analysis, information, and technical assistance in the development of program work-streams.
  - Management Analyst III for Tacoma Water; This position is responsible for field and office work related to the Water AMI meter implementation. Acting as a SME for the AMI Program, providing analysis, information, and technical assistance in the development and implementation of program work-streams.
  - Two Water Service Workers for Tacoma Water; These positions are field staff members responsible for performing planned and emergency response at individual water services before and during the field deployment of water meters. A majority of this position's work will occur in preparation for and throughout the meter deployment project phase.
  - Two Utility Service Workers for Tacoma Water; These positions are field staff members responsible for performing planned and emergency support at individual water services and meters before and during the field deployment of water meters. A majority of this position's work will occur in preparation for and throughout the meter deployment project phase.
  - Water Meter Repair Worker for Tacoma Water; This position is a field staff member responsible for performing planned and emergency response at individual water meters before and during the field deployment of water meters. A majority of this position's work will occur in preparation for and throughout the meter deployment project phase.
  - Lead Meter Technician for Tacoma Power; This position is responsible for acting as lead for Tacoma Power Meter Team, coordinating program activities, resources, and communication. Acting as a SME for the AMI Program, providing analysis, information, and technical assistance in the development of AMI programs.
  - Management Analyst I for Tacoma Power; This position is responsible for office work related to Power. Acting as a SME for the AMI Program, providing analysis, information, and technical assistance in the development of programs and operational support. This role will provide support by managing and tracking problems from the field.

3. Summarized reason for resolution:

The Advanced Metering Infrastructure (AMI) Project will upgrade power and water meters across Tacoma Public Utilities' Service Territory at all homes and business. This is required to address an aging meter population, meet customer needs with time access to consumption data, and align TPU with the metering technology common to other utilities in the region. This request to expand the resolution will support Customer Service to convert 10 permanent positions into Projects of Limited Duration as positions are vacated by incumbents. It will also support the AMI Program Management Team to hire a Management Analyst I to assist the coordinating and managing of meetings, resources, and administrative tasks, a Management Analyst I to manage Budget and Analytics, and the Deployment Manager, RF/Communications Engineer, and the MDMS/IT Lead for the integration and implementation phases of the project. It will enable Tacoma Water to hire two Management Analyst III's to support both AMI and Water as a SME and an Engineer for field and office work to support both Water and the AMI Program, along with Two Water Service Workers, Two Utility Service Workers, and a Water Meter Repair Worker. It will also enable Tacoma Power to hire an AMI Electric Lead to act as a lead and SME for the Meter Team and a Management Analyst I to responsible for the field support of managing and tracking problems. Funding has been included in Tacoma Power's and Tacoma Water's 2019/2020 O&M and Capital budgets for these new positions except for the two UTS MA I and Power Lead Meter Technician. The AMI Project budgeted four positions for 19/20 that included an Engineering Sr. Principal, Power Engineer III, IT Analyst SR, and Power Eng IV, these new positions will supplement areas of need that have been identified after the original request was made.

4. Attachments:

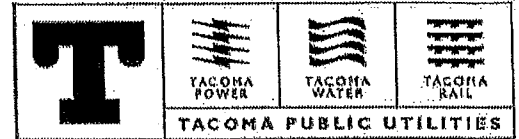
a. Memo to Jackie Flowers, Director of Utilities/CEO from Chris Robinson, Power Superintendent/COO, Scott Dewhirst, Water Superintendent, Steve Hatcher, Manager or Customer Service dated November 30<sup>th</sup>, 2018

5. ☒ Funds available ☐ Proposed action has no budgetary impact

Funds for the integration and implementation phases of the Special Project are included in the approved 2019-20 Capital Budgets for Tacoma Power and Tacoma Water. Additional funds will need to be made available for the new positions

6. Deviations requiring special waivers:

<p>Originated by:</p> <p><i>John Lawrence</i></p> <p>Section Head</p>	<p>Requested by:</p> <p><i>Scott Dewhirst</i></p> <p>Division Head</p>	<p>Requested by:</p> <p><i>Chris Robinson</i></p> <p>Division Head</p>
<p>Requested by:</p> <p><i>Steve Hatcher</i></p> <p>Division Head</p>		<p>Approved:</p> <p><i>Jackie Flowers</i></p> <p>Director of Utilities</p>



**TO:** Jackie Flowers, Director of Utilities

**FROM:** Chris Robinson, Power Superintendent  
Scott Dewhirst, Water Superintendent  
Steve Hatcher, Customer Services Manager

**DATE:** January 3, 2019

**RE:** Request for Resolution to establish a new "Special Project of Limited Duration" in support for TPU's Advanced Metering Infrastructure Program.

**RECOMMENDATION:** Tacoma Public Utility is requesting to establish a new "Special Project of Limited Duration" to hire 26 positions in support of the Advanced Metering Program. These positions will support the systems integration and deployment phases of the program beginning January 2019 through 2022.

**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.

This is required to address an aging meter population, meet customer needs with time access to consumption data, and align TPU with the metering technology common to other utilities in the region.

The Advanced Metering Infrastructure 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 AMI 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.

After extensive resource planning and mitigation efforts, Tacoma Public Utilities recommends approval of the designation, which includes the transfer of 10 temporary positions to Project of Limited Duration and providing the hiring of 16 employees within UTS, Tacoma Water, Tacoma Power and the Customer Service department. Briefly, the 26 roles and services provided are described;

- Convert 10 permanent Customer Service Meter Reader Positions to Project Status of Limited Duration as positions are vacated by incumbent. These positions would continue to report to Customer Service and are necessary for supporting the daily meter read collection services.
- Two Management Analyst I for Customer Service (CS); These positions would report to the CS project team and are necessary to document and process map internal CS processes and hand offs within Customer Services and all TPU divisions. This work is an important and essential step to capture necessary changes for the successful implementation of AMI. Failure to approve these temporary positions adds significant risk to CS' ability to properly serve the customer base with solid, reliable processes and systems.
- Engineering Sr. Principal for Utility Technology Services; This position is responsible for leading the planning and supervision of the meter and network deployment.
- RF/Communications Engineer for Utility Technology Services; This position is responsible for the analysis, design review, implementation, optimization, monitoring and enhancement of the wireless AMI network.
- MDMS/IT Lead for Utility Technology Services; This position is responsible for implementing the new AMI Meter Data Ops. Organization and associated processes to ensure the integrity, reliability, accuracy and availability of the meter data.
- Lead Meter Technician for Tacoma Power; This position is responsible for acting as lead for Tacoma Power Meter Team, coordinating program activities, resources, and communication. Acting as a SME for the AMI Program, providing analysis, information, and technical assistance in the development of AMI programs.
- Management Analyst I for Tacoma Power; This position is responsible for office work related to Power. Acting as a SME for the AMI Program, providing analysis, information, and technical assistance in the development of programs and operational support. This role will provide support by managing and tracking problems from the field.
- Management Analyst I for Utility Technology Services; This position is responsible for the resource coordination and capacity planning, planning and facilitation of project meetings, developing stakeholder communication materials.
- Management Analyst I for Utility Technology Services; This position is responsible for AMI Program budget and analytics, development and coordination of reporting for AMI Operations – including managing the benefits realization and performance scorecards for the AMI program and organization, and developing reporting materials for the Executive Steering Committee and Business Advisory Council.
- Management Analyst III for Tacoma Water; This position is responsible for supporting the AMI program, the Tacoma Water AMI team, coordinating program activities, resources, and communication. Acting as a SME for the AMI Program and technical implementation, providing analysis, information, and technical assistance in the development of program work-streams.
- Management Analyst III for Tacoma Water; This position is responsible for field and office work related to the Water AMI meter implementation. Acting as a SME for the AMI Program, providing analysis, information, and technical assistance in the development and implementation of program work-streams.
- Two Water Service Workers for Tacoma Water; These positions are field staff members responsible for performing planned and emergency response at individual water services before and during the field deployment of water meters. A majority of this position's work will occur in preparation for and throughout the meter deployment project phase.
- Two Utility Service Workers for Tacoma Water; These positions are field staff members responsible for performing planned and emergency support at individual water services and meters before and during the field deployment of water meters. A majority

of this position's work will occur in preparation for and throughout the meter deployment project phase.

- Water Meter Repair Worker for Tacoma Water; This position is a field staff member responsible for performing planned and emergency response at individual water meters before and during the field deployment of water meters. A majority of this position's work will occur in preparation for and throughout the meter deployment project phase.

**HISTORY:** In 2014, UTS conducted an assessment and prepared a strategy towards implementing Advanced Metering Infrastructure across Tacoma Power and Tacoma Water. In 2015, an initial business case was developed and refined further in 2016. The business case was supported with customer research on level of interest of products and services enabled by AMI and aligns with new technology initiatives in Tacoma Power's and Tacoma Water's Strategic Plans.

**PROJECT MANAGER:** Andre' Pedefferri, Utility Technology Services, Power UTS AMI Program, (253) 502-2308

**AUTHORIZED:**



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Jackie Flowers  
Director of Utilities



## SBE Evaluation

Contract: WD19-0277F

DESCRIPTION Water Main Replacement Project

		SBE Goal: 15.00%					Lowest Evaluated Bid
	<u>Contractor Name</u>	<u>Base Bid</u>	<u>SBE Bid</u>	<u>SBE %</u>	<u>SBE Credit</u>	<u>Evaluated Bid</u>	
Low Bid	REED Trucking	\$ *1,283,231.75	\$ 205,430.00	16.01%	\$ 64,161.59	\$ 1,219,070.16	
2nd Low	NW Cascade Construction	\$ *1,331,169.75	\$ -		\$ -	\$ 1,331,169.75	
3rd Low	Miles Resources, LLC	\$ *1,333,999.00	\$ -		\$ -	\$ 1,333,999.00	
4th Low	Strickland & Sons Construction	\$ *1,391,172.76	\$ -		\$ -	\$ 1,391,172.76	
5th Low	Tapani, Inc	\$ *1,430,707.75	\$ -		\$ -	\$ 1,430,707.75	
6th Low	Sound Earth Works	\$ *1,472,939.00	\$ -		\$ -	\$ 1,472,939.00	
7th Low	Pape & Sons	\$ *1,487,020.75	\$ -		\$ -	\$ 1,487,020.75	
8th Low	Karvell Construction	\$ *1,488,821.40	\$ -		\$ -	\$ 1,488,821.40	
9th Low	Sound Pacific Construction	\$ *1,560,366.70	\$ -		\$ -	\$ 1,560,366.70	
10th Low	IYABAK Construction	\$ *3,299,042.00	\$ -		\$ -	\$ 3,299,042.00	

\* AMOUNT EXCLUDES FORCE ACCOUNT AND SALES TAX



## RESOLUTION NO. U-11144

A RESOLUTION related to the adoption of a Surplus Real Property Disposition Policy.

WHEREAS the City of Tacoma, Department of Public Works, Real Property Services Division, in collaboration with the Department of Public Utilities, has drafted a Tacoma Public Utilities – Surplus Real Property Disposition Policy to: a) provide direction for the disposition of Tacoma Public Utilities real property; b) better align with Council approved Policy for the Sale/Disposition of City-owned General Government Real Property; and c) enact affordable housing transfer rules consistent with RCW 39.33.015, and

WHEREAS on September 12, 1990, the City of Tacoma's Public Utility Board ("TPU Board") adopted Resolution U-8459, to approve various policies, including Policy 2.2, which directed the department to continue to manage surplus property in a manner that is determined to be in the department's best interest, and

WHEREAS on November 6, 1991, the TPU Board adopted Resolution U-8640 revising Policy No. 2.2 to create additional guidelines regarding disposal of property, including compliance with City Code, Charter and State law, assuring equal opportunity and establishing limited disposition procedures, and

WHEREAS on June 7, 2018, Washington House Bill 2382, went into effect authorizing public agencies to transfer real property for reduced cost for affordable housing, the Bill was codified as RCW 39.33.015, and was contingent upon the governing body or legislative authority of a municipality or political subdivision enacting rules to regulate the disposition, and



1  
2 WHEREAS on September 17, 2019, the City Council adopted a revised  
3 Disposition Policy for General Government Real Property, which places a high  
4 priority on dispositions which increase affordable housing, and adopts a policy  
5 concerning how General Government will coordinate with the Puyallup Tribe of  
6 Indians concerning general government surplus property, and

7  
8 WHEREAS on October 9, 2019, Real Property Services presented a  
9 draft of the proposed policy for TPU surplus property to the Public Utility Board,  
10 and

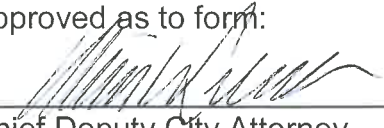
11 WHEREAS Real Property Services now recommends the adoption of  
12 the herein enclosed Tacoma Public Utilities - Surplus Real Property Disposition  
13 Policy, and

14  
15 WHEREAS it is in the best interests of Tacoma Public Utilities and the  
16 ratepayers to adopt the proposed policy; Now, therefore,

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

18 That the Tacoma Public Utilities – Surplus Real Property Disposition  
19 Policy, in the form as on file with the Clerk, is adopted and approved.

20  
21 Approved as to form:

22   
23 \_\_\_\_\_  
24 Chief Deputy City Attorney

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Clerk

Adopted \_\_\_\_\_



## Board Action Memorandum

**TO:** Jackie Flowers, Director of Utilities  
**COPY:** Charleen Jacobs, Director and Board Offices  
**FROM:** Dylan Harrison, Senior Real Estate Officer, Public Works  
Jennifer Hines, Assistant Division Manager, Public Works  
**MEETING DATE:** March 11, 2020  
**DATE:** February 28, 2020

---

### SUMMARY:

A resolution adopting the Tacoma Public Utilities - Surplus Real Property Disposition Policy to a) provide direction for the disposition of TPU real property; b) better align with Council approved Policy for the Sale/Disposition of City-owned General Government Real Property and; c) enact affordable housing transfer rules consistent with RCW 39.33.015.

### BACKGROUND:

On September 12, 1990, TPU Board adopted U-8459 approving various policies, including Policy 2.2, which directed the department to continue to manage surplus property in a manner that is determined to be in the department's best interest.

On November 6, 1991, TPU Board adopted U-8640 revising Policy No. 2.2 to create additional guidelines regarding disposal of property, including compliance with City Code, Charter and State law, assuring equal opportunity and establishing limited disposition procedures.

On June 7, 2018, Washington House Bill 2382, went into effect authorizing public agencies to transfer real property for no cost for affordable housing. The Bill was codified as RCW 39.33.015, and was contingent upon the governing body or legislative authority of a municipality or political subdivision enacting rules to regulate the disposition.

Subsequent to said Bill's adoption, the City of Tacoma, including Tacoma Public Utilities, received various inquiries regarding plans for implementing rules for disposition of property for affordable housing. Further, Real Property Services and other City stakeholders began reviewing options to update the almost 30-year old surplus disposition policy and to implement said affordable housing rules in accordance with the RCW.

On September 17, 2019, City Council adopted a revised Disposition Policy for General Government Real Property, with the primary purpose of placing the highest priority on dispositions which increase affordable housing. Further, the policy gave the Puyallup Tribe of Indians first right of refusal to any general government property within their historical boundaries existing prior to the Medicine Creek Treaty.

On October 9, 2019, Real Property Services presented a draft Tacoma Public Utilities - Surplus Real Property Disposition Policy to the Public Utility Board, and support was provided as follows:

- Assigning priority to affordable housing on all In-City properties zoned for housing.
- Affordable housing options for other jurisdictions if in compliance with RCW.
- Providing advanced notice to Tribal partners and other Land Use Authorities.
- Continued public use when offers are comparable.



## Board Action Memorandum

The draft policy was revised to incorporate said support, and Real Property Services now recommends the adoption of the herein enclosed Tacoma Public Utilities - Surplus Real Property Disposition Policy to a) provide direction for the disposition of TPU real property; b) better align with Council approved Policy for the Sale/Disposition of City-owned General Government Real Property and; c) enact affordable housing transfer rules consistent with RCW 39.33.015.

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** No.

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

N/A

**IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR?** No.

**ATTACHMENTS:** Public Utility Board Resolution No. U-8640  
Draft Tacoma Public Utilities - Surplus Real Property Disposition Policy

**CONTACT:** Dylan Harrison, Senior Real Estate Officer, (253) 502-8836, [dharrison@cityoftacoma.org](mailto:dharrison@cityoftacoma.org)  
Jennifer Hines, Assistant Division Manager, (253) 591-5320, [jhines@cityoftacoma.org](mailto:jhines@cityoftacoma.org)

**Policy: Tacoma Public Utilities – Surplus Real Property Disposition Policy**

---

**1. Purpose**

Provide direction to the City of Tacoma, Department of Public Utilities (“TPU”) and the TPU Real Property Services section (“Real Property Services”) for the disposition of TPU surplus real property.

**2. Background**

TPU owns a variety of properties to meet its utility-related needs. TPU should retain such properties and dispose of properties that do not meet these needs. Unless otherwise authorized in accordance with applicable laws, TPU must receive at least fair market value for the property.

TPU considerations for surplus real property dispositions include:

- Fair Market Value Requirement (except for Affordable Housing)
- City of Tacoma Affordable Housing and Equity Goals
- Tribal and Other Jurisdictional Interests
- TPU Board Strategic Directives

TPU properties are located both within the City of Tacoma (City) incorporated limits and within other towns, cities and counties in which TPU conducts business. TPU recognizes each jurisdiction has unique policies and values relating to the use of property within its boundaries.

TPU encourages continued public use of TPU surplus property, and will provide preference to a public agency when multiple buyers propose offers comparable in value and terms.

**3. Pre-Disposition**

TPU adopts the following guidelines for surplus real property dispositions. Each Division of TPU is responsible for developing procedures to ensure TPU retains properties that meet its utility-related needs.

Upon Declaration of Surplus by the Director of Utilities, the following steps shall be followed:

A. Prior to disposing of surplus real property, TPU shall provide notice to all City departments of TPU’s intent to dispose, and shall afford the departments the opportunity to acquire, for at least fair market value, the property via a TPU Board and City Council-approved transfer in accordance with all applicable laws. If no interest is expressed by any City Department, the process shall proceed as outlined in Step B below and then Section 4 below.

B. Following Step A above, TPU shall provide notice to the following parties:



- a) The governing land use authority (except City) in which the property is located (“Governing Authority”); and
- b) Federally-recognized tribes (“Tribes”) located within areas TPU provides utility services and/or owns real property.

Further, TPU shall afford the Governing Authority and Tribes (each hereinafter referred to as “Offeree”) the opportunity to submit a bona fide written offer (the “Offer”) to acquire the property in accordance with all applicable laws.

Any Offeree will be required to pay fair market value, unless the property is acquired for public benefit as defined by RCW 39.33.015 (hereinafter referred to as “Affordable Housing”), and the Offeree has previously enacted rules pursuant to RCW 39.33.015.

If any Offeree declines the opportunity, or fails to submit an Offer within eight (8) calendar weeks after the date of the notice, said opportunity will automatically be deemed waived by such Offeree.

If multiple Offers are submitted, Offerees may be asked to submit final-and-best offers.

TPU, in its sole discretion, reserves the right to select the Offer and Offeree with whom to negotiate a purchase and sale agreement. If TPU and the selected Offeree are unable to consummate a mutually agreeable purchase and sale agreement, the process shall proceed as outlined in Section 4 below.

#### **4. Disposition**

If a transfer or sale is not agreed to pursuant to Section 3.A. or 3.B., subsequent to completion of the steps outlined in Section 3 above, surplus real property will be classified into three categories, as follows:

**Category 1** properties are within City limits and within a land use zone that permits use suitable for Affordable Housing pursuant to RCW 39.33.015.

**Category 1 Disposition:** TPU staff will work with the City’s Community and Economic Development Department to develop a fair and equitable approach to conveying surplus real property for Affordable Housing. The Request for Proposals approach, as outlined in the City of Tacoma Purchasing Manual, will be the required method of disposition, and the execution of a Development Agreement will be a requirement prior to conveyance. The baseline requirement of any conveyance is a minimum of twenty-five percent (25%) of proposed units at or below fifty percent (50%) Area Median Income (AMI). Scoring will be weighted in favor of proposals that include at least fifty percent (50%) Affordable Housing units at or below thirty percent (30%) AMI. If no responsive proposals are received, the process shall proceed as outlined in Category 2 Disposition below.

**Category 2** properties are developable parcels that have economic value or functional utility and are likely to appeal to a wide market, but do not meet the Category 1 criteria. The anticipation is that most surplus TPU properties will fall within this category.

**Category 2 Disposition:** Category 2 properties should have site-specific marketing strategies to prioritize maximizing ratepayer return and consistency with TPU Board strategic directives. Said

marketing strategies will be determined on a case-by-case basis, with recommendation by Real Property Services and approval by the Director of Utilities or designee.

**Category 3** properties are remnant parcels that have little or no economic value, functional utility or marketability.

**Category 3 Disposition:** Category 3 properties should be disposed by direct negotiation or via bid-sale process. If no responsive bids are received, the process shall proceed as outlined in Category 2 Disposition above.

## 5. Minimum Affordable Housing Requirements

Consistent with RCW 39.33.015, TPU requires, at a minimum, the following terms in the conveyance documents for any properties conveyed for Affordable Housing:

- A. The conveyance documents must contain a covenant or other requirement that the property shall be used for Affordable Housing for a pre-determined period of time; and
- B. The conveyance documents must contain remedies that apply if the recipient of the property fails to use it for Affordable Housing or ceases to use it for such purpose.

Notwithstanding the forgoing, nothing herein shall preclude TPU from including additional terms in the conveyance documents for any properties conveyed for Affordable Housing.

## 6. Alternative Disposition Process

Situations may arise where it is in the best interest of TPU to market or otherwise dispose of a surplus real property through processes not outlined above. In these situations, the process must be approved by the Director of Utilities and TPU Board prior to implementation and it must comply with all applicable laws.

<b>Reference:</b>	PUB Res. U-8640, TMC 1.06.280, Charter Sec 9.1, RCW 35.94.040 & RCW 39.33.015
<b>Contact Info:</b>	Tacoma Public Utilities – Real Property Services – (253) 396-3060
<b>Supersede and Replace:</b>	This policy cancels and supersedes all Tacoma Public Utilities and Division policies and operating procedures established prior to the Effective Date related to the Disposition of Surplus Real Property.
<b>Approval:</b>	Jackie Flowers, Director of Utilities
<b>Effective Date:</b>	March 15, 2020 – This policy is not required to be applicable to any dispositions arising from negotiations initiated prior to the Effective Date. For such dispositions, policy applicability shall be at the discretion of the Director of Utilities or designee.





## RESOLUTION NO. U-8640

WHEREAS pursuant to Public Utility Board Resolution U-8459, 15 Public Utility Board Policies were approved and adopted, which policies replaced all previous adopted policies by the Public Utility Board, and

WHEREAS it is now desired to revise Policy No. 2.2 (Management of Real Property) and delete Policy No. 1.1 (Consolidation of Belt Line and Port of Tacoma Rail Services), and

WHEREAS it is also desired to revise the Public Utility Board Mission Statement which Statement has undergone extensive review and revision by the Public Utility Board at meetings and workshops, and

WHEREAS it is in the best public interest to revise and adopt Public Utility Board Policy 2.2 and the Public Utility Board Mission Statement, and delete Public Utility Board Policy 1.1, copies of which are on file with the Clerk of the Public Utility Board; Now, therefore,

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

That the aforesaid Public Utility Board Policy 2.2 and the Public Utility Board Mission Statement are hereby revised, approved and adopted, and Public Utility Board Policy 1.1 is



hereby deleted.

Approved as to form & legality:

Jack E. Carlson  
Chairman

Mark L. Bubenik  
Chief Assistant City Attorney

Bil Moss  
Secretary

Lydia Stevenson  
Clerk

Adopted November 6, 1991

RS policies

Request for Board meeting

CITY OF TACOMA  
DEPARTMENT OF PUBLIC UTILITIES

4-8640

of November 6, 1991

**REQUEST FOR RESOLUTION**

Date October 25, 1991

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

Approval of a revised policy and mission statement, and deletion of a policy of the Public Utility Board.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

To revise Public Utility Board Policy 2.2 on Management of Real Property and to delete Public Utility Board Policy 1.1 on Consolidation of Belt Line and Port of Tacoma Rail Services. To adopt mission statement of the Public Utility Board. These policies and the mission statement have been reviewed by the Public Utility Board.

3. Summarized reason for resolution:

These Public Utility Board policies and the mission statement have undergone extensive review and revision by the Public Utility Board at meetings and workshops. One revised policy, one deleted policy and the mission statement are ready for approval at this time.

4. Attachments:

- a. Public Utility Board Policy 2.2 and Mission Statement
- b.
- c.
- d.
- e.
- f.

5. ☐ Funds available ☒ Proposed action has no budgetary impact

6. Deviations requiring special waivers: ☒ None

Originated by:

Section Head

Requested by:

Division Head

Approved:

Director of Utilities

# **PUBLIC UTILITY BOARD**

# **POLICY**

<b>SUBJECT:</b> Management of Real Property	<b>NUMBER:</b> 2.2
<b>PURPOSE:</b> Provide direction to the acquisition, disposition, and use of real property by the Divisions of the Department of Public Utilities.	<b>MOTION NO.:</b>
	<b>ADOPTED:</b> Sept. 1990
	<b>REVISION DATE:</b> Nov. 1991

## Overview

In the course of its operation, the Department of Public Utilities must acquire, use, and dispose of real estate over a wide geographical area. The Department must deal with requests from numerous individuals and outside agencies regarding the use of property owned by the Department. In addition, leases and permits must be developed for the Department's use of property which is owned by others.

## Policy Statement

The Department will follow these guidelines regarding real estate transactions:

Acquisition of property or interest in property shall comply with all applicable sections of the City Charter and Code and State law and must be approved by the Public Utility Board and the City Council. The acquisition price shall not be above the fair market value.

Disposal of property or interests in property shall comply with applicable City Code and Charter and State law. Sale of surplus property shall be accomplished in a manner which assures to the greatest practical extent equal opportunity to all potential purchasers. Department property shall be sold through a sealed bid process unless the use of an oral auction or negotiated sale for disposal of surplus property is authorized by the Public Utility Board.

The decision to sell or lease shall be based on a return-on-investment analysis and possible future needs of the Department. Leasing must produce at least the same return as a sale.

The Department's property may be used by the public provided the use of the property does not hinder or interfere with the operational requirements of the Department and Department security and public safety are not jeopardized. Permits governing such use shall be issued by the Department.

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NUMBER: 2.2	ADOPTED: Nov. 1991

All permits or leases for use of property shall contain a unilateral termination provision. The permittee will be required to supply liability insurance as determined necessary by the Legal Office and Department Staff Insurance Committee. In the absence of significant liability, the Legal Office and Department Staff Insurance Committee may waive this requirement.

## PUBLIC UTILITY BOARD MISSION STATEMENT

The Public Utility Board is sworn to uphold the City Charter and State law. It is empowered to establish policy and provide guidance to the City's electric, water, and rail switching utilities. In fulfillment of its responsibilities, the Board is committed to ensure that:

Electricity, water, and rail switching services are provided in a reliable and environmentally responsible manner;

Competitive rates are charged by the three utility systems;

Utility assets are managed in an efficient, responsible manner;

The financial integrity of the Public Utility is maintained;

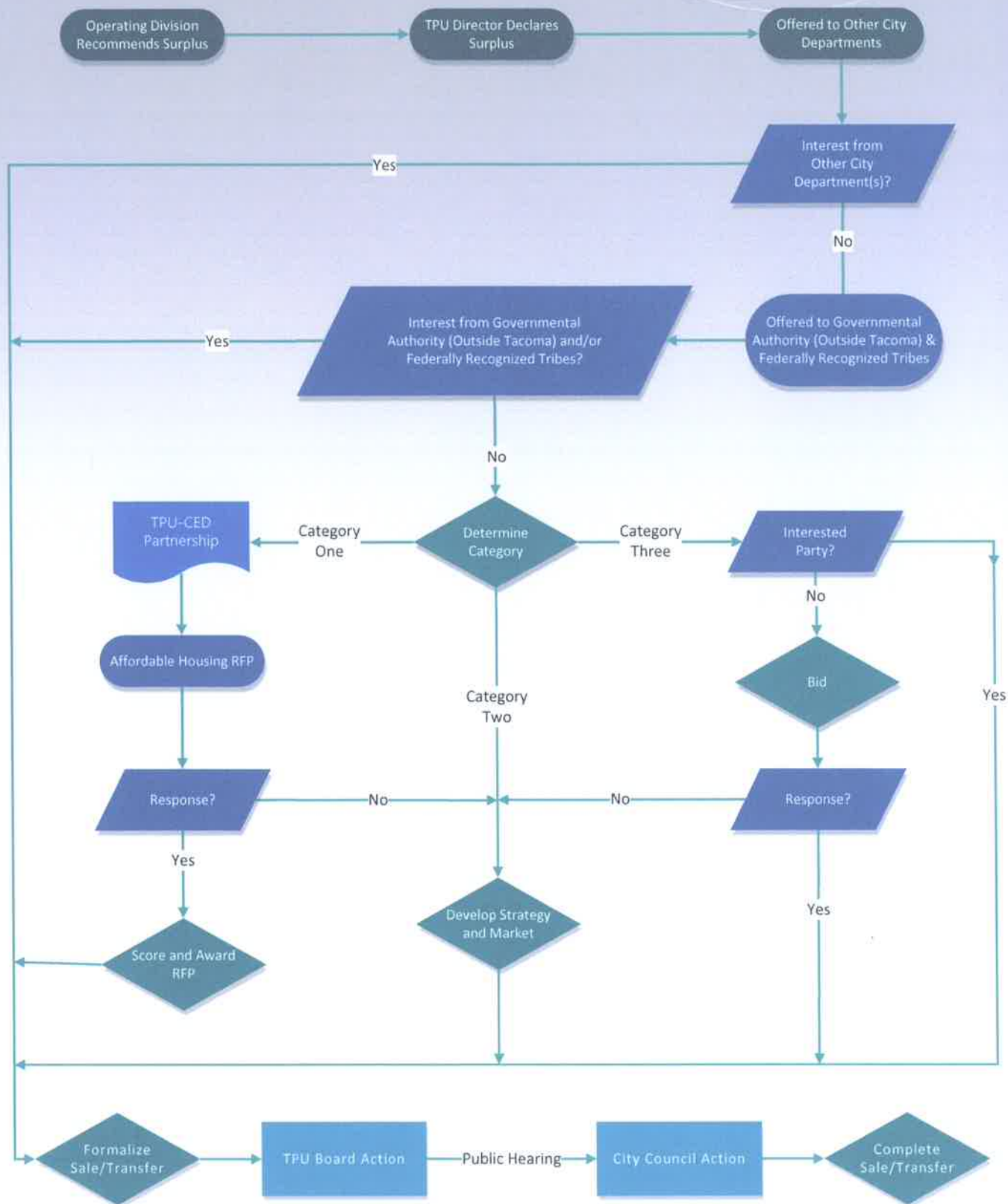
A high level of customer and employee satisfaction is maintained;

Compliance with applicable federal, state, and other regulations is achieved.

November 1991



# TPU Surplus Real Property Disposition Flowchart





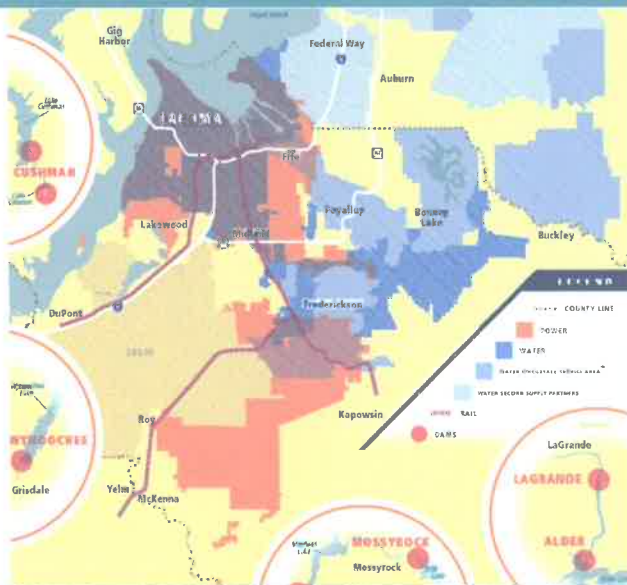
## Surplus Real Property Disposition Policy

Real Property Services  
Public Utility Board – March 11, 2020

### Introduction

- 1,000+ parcels in 6 counties
- <10 are currently surplus
- Current TPU policy from 1991
- HB 2382 – RCW 39.33.015
- GG Policy Update – 9/17/19
  - Affordable Housing
  - PTOI Offering
- Policy Team Efforts

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## \*\*\* Policy Drivers

- Fair Market Value (FMV)
- City of Tacoma Affordable Housing and Equity Goals
- Tribal & Other Jurisdictional Interests
- TPU Board Direction

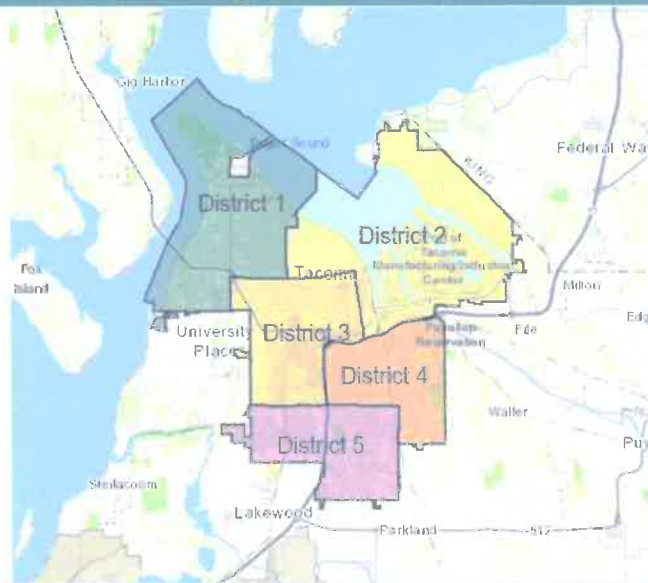
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## \*\*\* TPU Policy – Within City

1. Notice to Other City Departments
2. Notice to Tribes (for FMV or Affordable Housing per RCW)
3. Category 1:  
Zoned for Affordable Housing
4. Category 2:  
High Market Demand
5. Category 3:  
Little to No Market Demand

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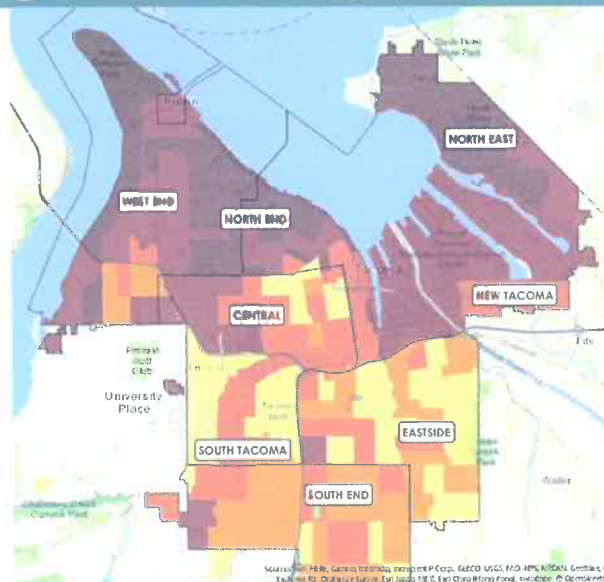


## \*\*\* Affordable Housing – Within City

### Category 1 Details:

- Enact rules per RCW 39.33.015.
- Applies to all property zoned for housing.
- Requires a formal RFP process.
- Baseline requirements in-line with GG Policy.

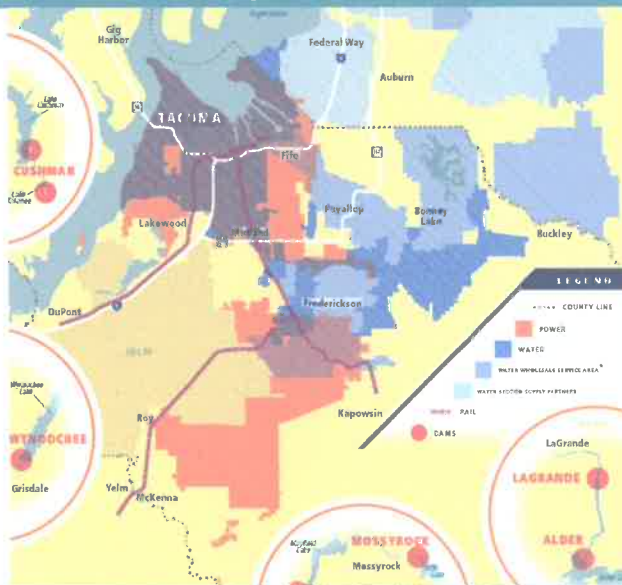
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## \*\*\* TPU Policy – Outside City

1. Notice to Other City Departments
2. Notice to Tribes & Other Land Use Authorities (for FMV or Affordable Housing per RCW)
3. Category 1: N/A
4. Category 2: High Market Demand
5. Category 3: Little to No Market Demand

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## Policy Highlights



- Affordable housing on all In-City properties zoned for housing.
- Affordable housing options for other jurisdictions.
- Advance notice to Tribes and other Land Use Authorities.
- Continued public use when offers are comparable.



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## Policy Contact



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