RESOLUTION NO. U-11177

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

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

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

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

WHEREAS the Director requests authorization, pursuant to TMC 1.06.269 A, to amend contract amounts up to $500,000 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 $500,000 and to approve term extensions and contract renewals for all items in Exhibit "A."

Approved as to form:

/s/ Chair

Chief Deputy City Attorney

Secretary

Clerk

Adopted

2020\Resolutions\U-11177

2 U-11177
TO: Board of Contracts and Awards

FROM: Chris Robinson, Power Superintendent/COO
Chris Mattson, Generation Manager
David Wagner, Generation Project Manager

COPY: Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP Coordinator, and Samol Hefley, Finance/Purchasing

SUBJECT: Alder Powerhouse Unit 11 Rebuild Project

DATE: June 24, 2020

RECOMMENDATION SUMMARY:
Tacoma Power recommends a contract be awarded to Andritz Hydro Corp., Charlotte, NC, for the Alder Powerhouse Unit 11 Rebuild Project, in the amount of $8,367,811, plus applicable taxes.

BACKGROUND:
Alder Power Generating Station is located on the Nisqually River. The powerhouse was constructed in the mid 1940’s and houses two 25 MVA generators. Power production with Unit 11 began in 1947. Since that time Unit 11 turbine-generator has been disassembled and reassembled only once for a minor overhaul and generator rewind in 1973.

ISSUE: The expected service life of hydro generator stator windings is 25-40 years and the majority of generator failures occur as a result of electrical insulation deterioration in the stator windings. Unit 11 stator windings will be 49 years old when replaced in 2022. Additionally, turbine wear components are due for replacement and major turbine components are in need of refurbishment.

ALTERNATIVES: Three alternatives were considered – run-to-failure; generator rewind only; and biennium deferral. A “run-to-failure” alternative would defer the work until after a failure occurs. This alternative carries a premium cost associated with the unplanned and emergency nature of an extended generator outage, as well as increased quality risk to the City resulting from pressure to return the repaired unit to service. Further, the run-to-failure alternative assumes an in-kind replacement of the generator windings and no turbine refurbishment.

The “generator rewind” alternative would address the aged generator, replacing the stator windings and core, and refurbishing the rotor poles; however, this alternative would leave the turbine untouched and in need of rehabilitation well before the next major overhaul. This alternative, like the run-to-failure alternative, does not address the turbine and removes the benefits from a turbine refurbishment. One benefit of turbine refurbishment is the introduction of synchronous condenser mode of operation which will improve the marketability of the unit.

Revised: 05/08/2020
The "biennium deferral" alternative would defer the entire project to the 2023/2024 biennium. This alternative increases the City's risk exposure to an in-service failure, not only for Unit 11 at Alder but across the City's fleet of generators. Roughly a third of the City's generators are recommended for overhaul in the next 10-15 years and although deferring this project a biennium may help meet budget constraints in the near term, it will likely only exacerbate budget issues and compromise the reliability of our hydro fleet in the long term. Another drawback from this alternative is that the City would lose much of the investment to date if the project were deferred.

COMPETITIVE SOLICITATION:
As part of a two phase procurement process under RCW 39.10 Alternative Public Works Contracting Procedures, Request for Qualifications Specification No. PG19-0150F was opened on August 13, 2019. Nine submittals were received. The companies who submitted the three highest scoring submittals were selected as Finalists to move to the next phase of the selection process.

Request for Proposal Specification No. PG19-0215F was opened December 24, 2019. The specification allowed Finalists to propose the best solution to meet the City's published Project Goals for the given requirements. Proposals were submitted in two parts – Technical and Price. Technical proposals were evaluated based on Design, Management Plan, and Schedule. After evaluation and scoring of the Technical proposals, an in-person interview with each Finalist was conducted and scored. Price proposals were then opened and evaluated based on lump sum pricing for base scope combined with a common set of optional bid items.

Andritz Hydro Corp. submitted a proposal that resulted in the highest evaluated submittal. A summary evaluation scoring matrix is included in the attached.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Location</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andritz Hydro Corp.</td>
<td>Charlotte, NC</td>
<td>96</td>
</tr>
<tr>
<td>Alstom Renewable US LLC (GE)</td>
<td>Greenwood Village, CO</td>
<td>90</td>
</tr>
<tr>
<td>Volth Hydro, Inc.</td>
<td>York, PA</td>
<td>80</td>
</tr>
</tbody>
</table>

Pre-bid Estimate: $4,500,000 - $6,000,000
The recommended award is 39 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 fifteen percent of the total project labor hours worked on-site.

FISCAL IMPACT:
The recommended contract award to Andritz Hydro Corp. for $8,367,811 is seventy percent of the overall project estimate of $11,766,375. Of the total project estimate, $2,210,000 was

Revised: 05/08/2020
planned and budgeted in 2019/2020. The remaining $9,556,376 is included in the 2021/2022 budget, currently in the budget approval process.

The recommended contract includes a progress payment milestone schedule with an estimated contract obligation through 2020 of $676,294. The 2019/2020 planned and budgeted amount is sufficient to cover the contract obligation through 2020.

**CURRENT BIENNIAL: EXPENDITURES:**

<table>
<thead>
<tr>
<th>FUND NUMBER &amp; FUND NAME</th>
<th>COST OBJECT (CC/WBS/ORDER)</th>
<th>COST ELEMENT</th>
<th>TOTAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power 2018 Line of Credit, Fund 4700-18LOC</td>
<td>WBS</td>
<td>PWR-00894</td>
<td>$2,210,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td></td>
<td><strong>$2,210,000</strong></td>
</tr>
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</table>

* General Fund: Include Department

**REVENUES:**

<table>
<thead>
<tr>
<th>FUNDING SOURCE</th>
<th>COST OBJECT (CC/WBS/ORDER)</th>
<th>COST ELEMENT</th>
<th>TOTAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
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</tbody>
</table>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET:** $2,210,000

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

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.** N/A
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Max Points</th>
<th>Andritz Hydro Corp.</th>
<th>Alstom Renewable US LLC</th>
<th>Voith Hydro, Inc.</th>
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<tbody>
<tr>
<td>Adjusted Base Price</td>
<td>N/A</td>
<td>$8,151,800</td>
<td>$12,133,409</td>
<td>$11,571,673</td>
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<tr>
<td>Technical Proposal</td>
<td>80</td>
<td>59</td>
<td>59</td>
<td>52</td>
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<tr>
<td>Price Proposal</td>
<td>15</td>
<td>15</td>
<td>10</td>
<td>10</td>
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<tr>
<td>Small Business Enterprise</td>
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<tr>
<td>Interview</td>
<td>25</td>
<td>22</td>
<td>21</td>
<td>18</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>96</strong></td>
<td><strong>90</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>
TO: Board of Contracts and Awards
FROM: Shannon Wall, P.E., Water Division Manager, Planning & Engineering
       Ali Polda, P.E., Assistant Water Division Manager, Planning & Engineering
COPY: Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP
       Coordinator, and Tina Eide, Finance/Purchasing
SUBJECT: Water Division Project No. WDP 2019-28
         Tehaleh Segment 2: 198th Avenue Main Extension
         Request for Bids Specification No. WD19-0313F
         Contract No. 4600014287 – July 8, 2020
DATE: June 24, 2020

RECOMMENDATION SUMMARY:
Tacoma Water recommends a contract be awarded to Tucci and Sons, Tacoma, WA, for the
installation of water mains along 198th Ave. E., between 120th Ave. E. and 128th Ave. E., within
Pierce County, in the amount of $555,550.90, plus a 15% contingency, for a cumulative total of
$638,883.54, plus any applicable taxes. The preferred Alternative, Alternative A, is selected.

BACKGROUND:
This contract provides for the installation approximately 2,100 feet of 24-inch, 12-inch, and 8-
inch ductile iron water mains along 198th Ave. E., between 120th Ave. E. and 128th Ave. E., in
Pierce County, adjacent to the Tehaleh community.

Tehaleh is a master planned community south of Bonney Lake, WA. Over the next 20 years the
Tehaleh community anticipates to grow up to 9,600 homes. To better serve the Tacoma Water
customers within Tehaleh and the surrounding community, this project will construct new
sections of large-diameter water mains to enhance operational flexibility and improve the
redundancy of the distribution system in the area.

In addition, portions of existing water main along 198th Ave. E. requires relocation as a result of
a Pierce County Road Project. Pierce County is proposing to reconstruct the existing roadway
by modifying the alignment and elevations. In accordance with Pierce County Franchise
Agreement, Tacoma Water is required to relocate approximately 650 feet of 24-inch water main
to accomdate the roadway changes.

ISSUE: There is no water main along 198th Ave. E., from 120th Ave E. to 124th Ave. E. There are
constructability issues for the existing water main from 124th Ave. E. to 128th Ave. E. due to
roadway elevation changes.

ALTERNATIVES: By not taking action, the terms of under the Pierce County Franchise
Agreement will not be met and the water system will not be expanded in the vicinity.

COMPETITIVE SOLICITATION: Request for Bids Specification No. WD19-0313F was opened
June 16, 2020. Thirty-one (31) companies were invited to bid in addition to normal advertising
of the project. Five (5) submittals were received.
Tucci & Sons submitted a bid that resulted in the lowest evaluated submittal after consideration of EIC participation goals. The table below reflects the amount of the base award.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Location</th>
<th>Submittal Amount</th>
<th>Evaluated Submittal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tucci &amp; Sons</td>
<td>Tacoma, WA</td>
<td>$555,550.90</td>
<td>$555,550.90</td>
</tr>
<tr>
<td>Miles Resources, LLC</td>
<td>Puyallup, WA</td>
<td>$683,060.75</td>
<td>$683,060.75</td>
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<tr>
<td>Advanced Septic Services</td>
<td>Sumner, WA</td>
<td>$773,370.05</td>
<td>$773,370.05</td>
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<tr>
<td>Northwest Cascade, Inc.</td>
<td>Puyallup, WA</td>
<td>$907,366.00</td>
<td>$907,366.00</td>
</tr>
<tr>
<td>Pape &amp; Sons Construction, Inc.</td>
<td>Gig Harbor, WA</td>
<td>$948,333.75</td>
<td>$948,333.75</td>
</tr>
</tbody>
</table>

Pre-bid Estimate: $768,787.00 (Alternative A)
The recommended award is 38 percent under the pre-bid estimate.

**CONTRACT HISTORY:** New contract.

**EIC/LEAP COMPLIANCE:** The recommended contractor is in compliance with the Equity in Contracting (EIC) Regulation requirements per memorandum dated June 24, 2020. The EIC goal for this project is MBE 8 percent, WBE 8 percent, SBE 16 percent. The EIC participation level of the recommended contractor is MBE 16.7 percent, WBE 8.6 percent, SBE 16.7 percent. Tucci & Sons submitted the lowest evaluated bid per the EIC Regulation requirements. The Local Employment and Apprenticeship Training Program (LEAP) goal is 15 percent.

**FISCAL IMPACT:**

**EXPENDITURES:**

<table>
<thead>
<tr>
<th>Fund Number &amp; Fund Name</th>
<th>Cost Object (CC/WBS/ORDER)</th>
<th>Cost Element</th>
<th>Total Amount *</th>
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<tr>
<td>4600 13-WC 2013 Bond Fund</td>
<td>WTR-00606-01-01</td>
<td>5330100</td>
<td>$638,883.54</td>
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<tr>
<td>TOTAL</td>
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<td>Up to $638,883.54</td>
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**REVENUES:**

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<tr>
<th>Funding Source</th>
<th>Cost Object (CC/WBS/ORDER)</th>
<th>Cost Element</th>
<th>Total Amount *</th>
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<tr>
<td>4600 13-WC 2013 Bond Fund</td>
<td>586313</td>
<td>6311163</td>
<td>$638,883.54</td>
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<tr>
<td>TOTAL</td>
<td></td>
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<td>$638,883.54</td>
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</table>

* Excluding Applicable Sales Tax

Revised: 05/08/2020
FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: $638,883.54

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

N/A

Scott Dewhurst
Scott Dewhurst, Water Superintendent

APPROVED:

Jackie Flowers
Jackie Flowers, Director of Utilities

Attachment: Location Map, Bid Tab, & EIC Memo
LOCATION MAP
TEHALEH SEGMENT 2: 198TH AVENUE MAIN EXTENSION
WDP 2019-28

Project Extents 198th Ave. E., 120th Ave. E. and 128th Ave. E.
<table>
<thead>
<tr>
<th>Building</th>
<th>Room</th>
<th>Floor 1</th>
<th>Floor 2</th>
<th>Floor 3</th>
<th>Floor 4</th>
<th>Floor 5</th>
<th>Floor 6</th>
<th>Floor 7</th>
<th>Floor 8</th>
<th>Floor 9</th>
<th>Floor 10</th>
<th>Floor 11</th>
<th>Floor 12</th>
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<tr>
<td>BID TAP</td>
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**TRIALESH SEGMENT 2: 19TH AVENUE MAIN EXTENSION**
<table>
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<tr>
<th>Item</th>
<th>Description</th>
<th>Unit</th>
<th>Cost per Unit</th>
<th>Total Cost</th>
<th>Discount</th>
<th>Extended Total</th>
<th>Tax @ 9%</th>
<th>Total with Tax</th>
<th>Payment Terms</th>
<th>Total Payment</th>
<th>Cost Per Linear Foot</th>
<th>Total Cost Per Linear Foot</th>
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</table>

**Total Cost:** $XXXXX

**Tax:** $XXX

**Total with Tax:** $XXXXX

**Payment Terms:** XXXX

**Total Payment:** $XXXXX

**Cost Per Linear Foot:** $XXXXX

**Total Cost Per Linear Foot:** $XXXXX
To: Todd Honey

Date: 6/24/2020


Contractor: Tucci & Sons
4224 Waller Road
Tacoma, WA 98443

Subcontractors to be used on the project:

☑ APPROVED

Low Bidder met the EIC requirements.
Bidder is in compliance with required provisions of Tacoma Municipal Code Chapter 1.07.

☐ DISAPPROVED

Bidder is not considered responsive for the following reason(s):

☐ Bidder did not complete all necessary forms.
☐ See attached memorandum dated __________________________.

Fund Number: WTR-00606-01-01

Clifford Armstrong III
Workforce Development Program Manager