



RESOLUTION NO. U-11271

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

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

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

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

That the Public Utility Board of the City of Tacoma hereby concurs and approves the recommendations of the Board of Contracts and Awards 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.

Approved as to form:

_____	_____
<i>/s/</i>	Chair
Chief Deputy City Attorney	Secretary
_____	Adopted _____
Clerk	



TO: Board of Contracts and Awards and Elizabeth Pauli, City Manager
FROM: Andrew Cherullo, Director, Finance Department
Patsy Best, Procurement and Payables Division Manager, Finance Department
COPY: Public Utility Board, Director of Utilities, Board Clerk, City Council, City Manager,
City Clerk, EIC Coordinator, LEAP Coordinator, and Tad Carlson, Finance
Department.
SUBJECT: Citywide Off-Site Records Storage and Secure Records Destruction
Request for Proposals Specification No. CT21-0027F, Contract No.
CW2243385 – July 28, 2021
DATE: July 8, 2021

RECOMMENDATION SUMMARY:

The Finance Department recommends a contract for Citywide professional off-site storage and secure destruction of records be awarded to Access Information Management Corporation, Woburn, MA, in the amount of \$240,000, plus applicable taxes, budgeted from various departmental funds, for an initial contract term of two years with the option to renew for three additional one-year terms, for a projected total contract value of \$600,000.

STRATEGIC POLICY PRIORITY:

Secure storage and destruction of City's records supports the City Council's strategic policy priorities of ensuring access to public information resources and compliance with the public records laws.

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

ISSUE: The City of Tacoma must comply with RCW 40.14 (Preservation and Destruction of Public Records), RCW 42.56 (the Public Records Act), standards set by state and federal retention schedules, and other requirements as may be contractually agreed upon or mandated by grants. Secure storage and destruction services are necessary to manage records for their retention periods and to protect the City's information at the time of destruction.

The proposed contract is for professional off-site storage of records, online access to inventory control software, and secure destruction services. The vendor's storage facility, located in Fife, Washington, will be used to store records that are not actively used or referenced, or which have historic or long-term value, until they have met their legal retention requirements and become eligible for destruction or transfer to Washington State Archives. Other physical and electronic records are stored on-site in City-managed facilities or information systems and are not intended to be stored off-site under this contract. The existing Citywide on-site destruction (shred bin) contract with LeMay Mobile Shredding is also not impacted by this contract.

The City (General Government and Tacoma Public Utilities) currently stores approximately 23,000 cartons off-site. Based on regular review and disposition activity, and the increased use



of digital records and electronic business processes, records management staff anticipates the number of cartons stored off-site to remain stable or decrease over the contract term.

ALTERNATIVES: There are no practical alternatives to off-site storage for the City's inactive paper records. Off-site storage is the lowest cost option to comply with applicable laws, regulations, and other requirements.

COMPETITIVE SOLICITATION:

RFP Specification No. CT21-0027F was opened April 20, 2021. Three companies were invited to bid in addition to normal advertising of the project. Two submittals were received. Companies were able to submit for professional storage services, secure destruction services, or both. Both submittals were for both services. Scoring criteria were based on fees and charges, technical assistance and reporting, qualifications and experience, equity in contracting, sustainability efforts, and submittal quality.

Access Information Management Corporation submitted a bid that resulted in the lowest evaluated submittal after consideration of EIC participation goals. The table below reflects the amount of the total award.

<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Score</u>
Access Information Management Corporation	Woburn, MA	1
Iron Mountain Information Management, LLC	Boston, MA	2

Pre-bid Estimate: \$500,000 - \$600,000 (over five years)
The recommended award is 100 percent of the pre-bid estimate.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Per the Sustainable Procurement policy in section XXIV. A. of the Purchasing Policy Manual, the specification included requirements to demonstrate the firm's commitment to sustainable business practices and efforts to mitigate industry environmental impacts in the delivery of services; 5 percent of the scoring was awarded based upon review of respondents' statements on the firm's efforts toward sustainability.

EIC/LEAP COMPLIANCE: Not Applicable



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various departmental funds		5330100	Up to \$600,000
TOTAL			Up to \$600,000

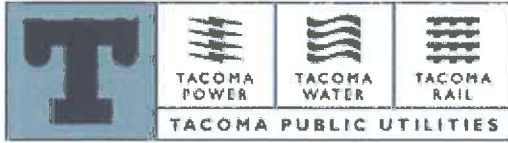
REVENUES: This contract does not generate any revenue.

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

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$600,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes.

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



RESOLUTION NO.: U-11271

ITEM NO.: _____

MEETING DATE: JULY 28, 2021

TO: Board of Contracts and Awards
FROM: Joseph Wilson, Power Section Manager, Power, Transmission and Distribution
John Nierenberg, Power Section Assistant Manager, Power, Transmission and Distribution
COPY: Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP Coordinator, and Seth Hartz, Finance/Purchasing
SUBJECT: GIS Migration and System Integration Services
Request for Proposals Specification No. PT20-0373F, Contract No. CW2244473
– July 28, 2021
DATE: July 7, 2021

RECOMMENDATION SUMMARY:

Tacoma Power, Transmission and Distribution recommends a contract be awarded to Critigen LLC, Seattle, WA, for GIS Migration and System Integration Services, in the amount of \$3,000,000.00, plus applicable taxes, for an initial contract term of two years.

STRATEGIC POLICY PRIORITY:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

Tacoma Power intends to establish a modern, accurate, timely and comprehensive geographic information system (GIS) to serve as a foundation for managing its network infrastructure and to enable the utility to improve its internal operations and ability to provide customer services. A modern GIS comprised of electric network infrastructure and landbase is needed to support current needs and to position the Utility for integrating with other IT/OT technologies to meet future needs. Implementation will also re-establish parity in geospatial utilization and efficiency across Tacoma Power, Transmission and Distribution as part of the migration from existing solutions to Esri.

ISSUE: GE Smallworld (GESW), the current data architecture and GIS system for Tacoma, is characterized by limited integrations, manual hand-offs using database extracts, and static reports outputs that propagate copies of data without clear procedures to later reintegrate these copies back into the centralized GIS. This leads to a number of challenges, including islands of data that become orphaned from the source leading to uncertainly later as to the best and most accurate source. It can also create a backlog for edits to the geospatial data needing to be reintegrated back into GESW that can become further complicated by other copies or edits made to the same data in the interim. Esri is the current standard for geospatial systems in the utility industry, and they have created a utility-based network model that Tacoma Power will utilize in this upgrade.



Currently, core Tacoma Power business systems, including EMS, OMS and Synergi, must be manually synched (rather than automatically integrated) with GIS data – a competitive disadvantage and the integration with SAP needs additional support. Another competitive disadvantage is the fact that, if Tacoma Power continues to use the Smallworld GIS platform, the version that is being used will not be supported in the next year and will require a major update to bring our platform to the current GESW version.

With this migration, Tacoma Power will now have access to the large ecosystem of third-party applications currently being developed based on the Esri system.

Finally, the existence of inaccurate GIS data is potentially high in the current system because of the many accuracy/versioning issues present in Tacoma Power’s current Smallworld database.

The future state data architecture and GIS platform provides opportunities to solve many outstanding challenges along with providing new features and capabilities, including adds additional integrations. Where possible, the integration flows of data are bi-directional to indicate collaboration for sharing and consuming information from other sources. This will be further enabled by the migration to an Esri-based platform that will make integration and sharing easier.

ALTERNATIVES: Tacoma Power could have chosen to upgrade its existing application to the most recent software release which includes improvements to asset lifecycle management capabilities, interoperability with other enterprise systems, compliance reporting and network asset inventory functionality. The benefits of this approach include the fact that it would not require Tacoma Power to migrate its current GIS database to a new format, nor would it require a broad-scale training or change management program. However, internal staffing lack the expertise and Tacoma Power would have to hire several positions with the necessary programming experience to support the newer version of GESW, pay additional-one-time expenses to convert from a highly customized solution to a standard data model as well as maintain several disparate solutions.

Tacoma Power has already entered into an agreement with Esri to implement a standard data model, and this approval of this contract will provide for the migration of data and integration of the system to other core systems, e.g.: SAP, EMS, OMS and Synergi.

COMPETITIVE SOLICITATION: Request for Proposals Specification No. PT20-0373F was opened March 9, 2021. 17 companies were invited to bid in addition to normal advertising of the project. Seven responsive submittals were received. Three companies were shortlisted on March 29, 2021 and provided demonstrations to Tacoma Power.

Critigen, LLC is being recommended for award after all three shortlisted companies provided demonstrations.



<u>Respondent (RFP)</u>	<u>Location</u> <i>(city and state)</i>	<u>Score</u>
Critigen, LLC	Seattle, WA	63.13
Deloitte Consulting, LLP	Seattle, WA	60.77
UDC	Englewood, CO	60.08
Cyient	East Hartford, CT	58.82
Avineon	McLean, VA	58.19
Geonexus	Ann Arbor, MI	47.03
RMSI	Hyderabad, India	32.53

Pre-bid Estimate: \$1,900,000.00 - \$2,300,000.00

The recommended award is 23 percent above the upper range pre-bid estimate. The recommended award includes negotiated estimates for additional augmented staffing resources to fulfil gaps within Power for the implementation. A contingency is being included due to the size and complexity of the implementation of this critical business system with the understanding that it is likely there will be additional scope discovery during the project that has not been included in the Performance Work Statement.

CONTRACT HISTORY: New contract.

EIC/LEAP COMPLIANCE: Not applicable.

FISCAL IMPACT:

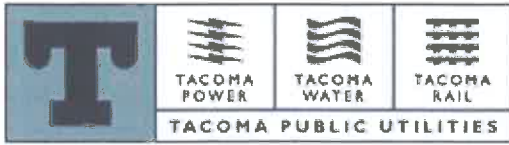
EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Fund 4700	PWR-01038	5310100	\$2,532,300.00
Fund 4700	PWR-01038	5412170	\$46,500.00
Fund 4700	560800	5310100	\$421,200.00
TOTAL			\$3,000,000.00

* General Fund: Include Department

REVENUES: N/A

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



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,840,390.00, plus applicable taxes

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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



RESOLUTION NO.: U-11271
ITEM NO.: _____
MEETING DATE: JULY 28, 2021

TO: Board of Contracts and Awards

FROM: Chris Robinson, Power Superintendent/COO, Clay Norris, Power Management, Chris Juchau, Power Analyst, Power Management Resource Operations

COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP Coordinator, and Seth Hartz, Finance/Purchasing

SUBJECT: Energy Imbalance Market (EIM) Integration Services
Direct Negotiation Waiver in Ariba Sourcing Request SR1842756952, Contract No. CW2232177

DATE: June 29, 2021

RECOMMENDATION SUMMARY:

Tacoma Power, Power Management requests approval to increase Contract No. CW2232177, to Utilicast Corporation of Kirkland, WA, by \$1,000,000, plus any applicable taxes, for Energy Imbalance Market (EIM) Integration Services. This increase will bring the contract to a cumulative total of \$4,500,000, plus any applicable taxes.

BACKGROUND:

The Public Utility Board authorized Tacoma Power to enter into a contract with Utilicast Corporation for Energy Imbalance Market (EIM) integration services on October 23, 2019 (Resolution U-11110). The award was made via Direct Negotiation Waiver following the determination that Utilicast was the only consulting firm in the market with significant EIM integration experience.

The California Independent System Operator (CAISO) Energy Imbalance Market (EIM) is an extension of the CAISO real-time bulk power centralized trading market to balancing areas outside of CAISO's footprint. Citing a cost/benefit analysis that identified likely net benefits from Tacoma Power's participation in the EIM as well as the mitigation of likely risks to the utility, the Tacoma Public Utilities Board authorized the Director of Utilities to enter into an EIM implementation agreement with CAISO on June 26th, 2019. The implementation agreement was subsequently signed in August of 2019.

By the time Tacoma joins the EIM in March of 2022, utilities representing 82 percent of the load in the Western interconnection will be participating in the EIM. Current EIM participants are finding both financial and operational benefits from being part of a centralized market that dispatches least cost resources to serve load. Perhaps the most promising aspect of joining the EIM is its ability to help reliably and economically integrate new variable renewable energy resources into the electrical grid. For Tacoma Power to successfully implement and properly maintain its ongoing participation in the EIM, it is investing in new data systems, hiring new



personnel, and reorienting its real-time activities to be compatible with the highly-automated and rapidly-moving process of the EIM.

ISSUE:

The original contract value of \$3,500,000 was based on assumptions regarding the availability of Tacoma staff to assist with EIM implementation activities, as well as on the timing of onboarding new EIM-related staff. Both assumptions have proven to be optimistic. The majority of the Tacoma staff involved in implementation activities also have daily operations jobs. While those staff members have been consistently working extra hours, their spare bandwidth is limited. Additionally, Tacoma has struggled to fill new EIM-related positions. The result of the staff bandwidth limitations and delayed hiring is that Utilicast staff have been performing more work than initially estimated in order to keep the EIM program on schedule. The Utilicast contract is a time and materials contract and although Tacoma is now in the process of onboarding new staff, the extra work that Utilicast has performed to date has depleted the contract budget more rapidly than initially expected.

Additionally, discussions with other utilities participating in the EIM identified a need to expand the scope of Utilicast's work to include several months of post go-live support. The purpose of this post go-live support is to assist with the stabilization of operations and the resolution of issues as Tacoma begins operations in a new and complex market.

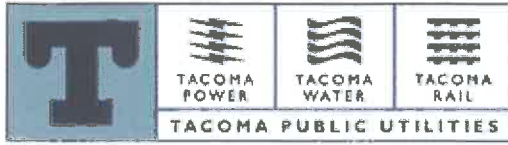
Staff have concluded that an additional \$1,000,000 will prove sufficient to fund the assistance required of Utilicast to complete EIM implementation activities and provide additional post go-live support. The EIM program will fund the additional contract budget via contingency funds already included in the program budget. The EIM program itself is not requesting a budget increase.

ALTERNATIVES: Tacoma Power could attempt to join the EIM without further consultant support. However, Tacoma Power staff do not have any previous experience with integrating a utility into a centrally cleared and dispatched market such as the EIM. In addition, staff resources are already stretched with many key staff members across the organization performing both daily operations and EIM implementation activities. The lack of specific experience and availability of staff resources will lead to a delay in implementation and/or an implementation that is problematic and inefficient.

COMPETITIVE ANALYSIS:

At the time that the Public Utility Board approved the initial contract with Utilicast in October of 2019, it was the only experienced consulting firm providing full-scale EIM market integration services. That remains true today.

The only other consulting firm to provide full-scale integration services has been Deloitte and Touche, which helped Puget Sound Energy join the EIM in 2016. Puget and Deloitte have a longstanding relationship that pre-dates the EIM. It is likely that Puget leveraged Deloitte's



existing knowledge of the utility during integration. Importantly, Deloitte has not served as an integrator for another utility since.

Seattle City Light conducted a competitive solicitation (RFP process) for EIM integration consulting services in 2017. Only two entities met the minimum qualifications for submitting a response to Seattle's RFP. One entity was Utilicast and the other was a joint bid from Accenture and Omnetric. Although both entities met the minimum qualifications, only Utilicast submitted a proposal. Omnetric became a wholly owned subsidiary of Siemens in July of 2018.

Utilicast has provided EIM integration services for every utility that has joined the market in recent years. This includes every utility that joined in 2020 and 2021 and all utilities planning to join in 2022. The result is that there continues to remain no viable alternative. Even if an alternative could be found, switching consultants now would add risk and cost to the program. We have been working with the same group of Utilicast consultants since the program began and they have developed a deep knowledge of TPU systems and close working relationships with Tacoma staff. It would take a significant amount of time to bring any new contractor up to the same level of program, system and staff familiarity now possessed by Utilicast.

CONTRACT HISTORY: This contract was originally awarded to Utilicast Corporation as a result of a Direct Negotiation Waiver Specification No. SR1842756952 in October 2019, in the amount of \$3,500,000.

SBE/LEAP COMPLIANCE: Not applicable

FISCAL IMPACT:

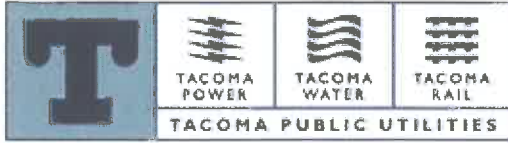
EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Tacoma Power Fund 4700	80000465	5310100	\$1,000,000
TOTAL			

* General Fund: Include Department

REVENUES:

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



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$ 1,000,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

The increased funds being requested for this contract will be taken from the EIM Program's contingency funds. A budget increase for the EIM Program is not being requested.

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



City of Tacoma

Date: September 6, 2019
To: Jackie Flowers, Director of Utilities/CEO
From: Chris Robinson
Power Superintendent/COO
Subject: Authorization of Direct Negotiation for Professional Services and Personal Services over \$25,000

For your review and recommendation.

In accordance with TMC 1.06.256 (B), Power Management requests a waiver of the competitive solicitation process and authorization to directly negotiate with **Utilicast, Kirkland, WA**, for consulting services, for an amount of \$3,500,000.00, plus applicable sales tax.

Direct negotiation approval constitutes a waiver of further competitive solicitation for amendments to the subject contract provided that any such amendment(s) shall be signed by personnel as authorized in the Delegation of Procurement Signature and Approval Authority memorandum. Contract totals shall not exceed \$200,000 without City Council or Public Utility Board approval as appropriate.

EXPLANATION: This is a one-time project that will consist of two primary phases.

Phase 1 is for assistance during the screening and selection of the software solutions required to integrate Tacoma Power into the California Independent System Operator's (CAISO) Western Energy Imbalance Market (EIM). Such assistance will include help preparing for, and organizing Tacoma's scoring of, vendor proposals. Utilicast will also assist in scheduling and facilitating vendor demonstrations and will provide non-voting, advisory services to Tacoma's Selection Advisory Committee throughout the software/vendor selection process.

Phase 2 will be for the provision of EIM Integration Services. During Phase 2 of the contract, Utilicast will assist Tacoma with the completion of all tasks required to begin participation in the EIM including post go-live support as needed. During this phase of the contract Utilicast will support activities including, but not limited to: software integration and testing, project management, coordination and communication, joint Tacoma/CAISO/vendor meetings, network system modeling, EMS upgrades, business and technical process mapping, documentation, EIM market simulation and readiness demonstration, operational readiness planning, training, and market operations normalization/stabilization.

JUSTIFICATION FOR DIRECT NEGOTIATION:

1. Explain why it's in the best interest of the city to waive the competitive solicitation process.

Utilicast is the only consulting firm that is currently providing EIM Integration Services. This fact greatly reduces the benefits of a competitive solicitation and may even result in added cost due to the estimated extra two months that such a solicitation would take compared to a direct negotiation.



The only other consulting firm to provide full-scale integration services has been Deloitte and Touche, which helped Puget Sound Energy join the EIM in 2016. Puget and Deloitte have a longstanding relationship that pre-dates the EIM. It is likely that Puget leveraged Deloitte's existing knowledge of the utility during integration. Importantly, Deloitte has not served as an integrator for another utility since.

Seattle City Light issued an RFP for EIM integration consulting services in 2017. Only two entities met the minimum qualifications for submitting a response to Seattle's RFP. One entity was Utilicast and the other was a partnership between Accenture and Omnetric. Although both entities met the minimum qualifications, only Utilicast submitted a proposal and the partnership between Accenture and Omnetric ended in 2018.

In addition to being the only consultant currently providing EIM integration services, Utilicast has developed substantial knowledge of Tacoma's applicable EIM systems, processes, and staff. That knowledge has been built up via Utilicast's work as Tacoma's Energy Management System (EMS) integrator, the author of Tacoma Power's EIM roadmap, and their role in assisting Tacoma Power with the development of requirements for the software needed to participate in the EIM.

Due to their dominance of the EIM integration market Utilicast would be the winning respondent were Tacoma to go through an RFP process for EIM integration services. Should Tacoma include a minimum requirement such as "must have experience integrating two or more utilities into the EIM", Utilicast would be the only firm that would qualify to respond. Tacoma could go with a less restrictive minimum qualification, but will need to ask if it is prudent to hire a consultant with one or no EIM integrations under their belt. In addition, Tacoma would need to carefully consider the risk and efficiency loss of employing a different integrator given the level of both EIM integration and Tacoma specific experience that has been accumulated by Utilicast.

2. Is this purchase based on a previous competitive solicitation conducted by the City or other agency? If yes, provide the contract information, specification number, etc., and explain the relationship of this request to the previous contract.

This purchase is not based on a previous competitive solicitation.

3. Describe the screening efforts made to identify potential service providers.

Tacoma staff reached out to industry contacts in order to identify the resources used to assist with EIM integration at entities that have joined, and are working to join, the EIM. Of the 18 entities that have joined, or are planning to join, the EIM:

- 10 - have contracted with Utilicast
- 5 - have used in-house staff to perform the integration
- 2 - have not yet contracted for integration services
- 1 - Puget Sound Energy contracted with Deloitte & Touche in 2016

Of the five utilities that relied solely on their own staff to perform integration activities, two of the utilities were the first two entities to join the EIM and there were no consulting firms with



City of Tacoma

EIM integration experience at the time. (Utilicast then hired EIM experienced staff away from those, and subsequent, utilities.) The third self-integrating entity was PowerEx, which has an abundance of staffing resources and participates in the EIM in a simplified manner do to being a Canadian entity. The fourth self-integrating utility was BANC/SMUD for which Utilicast provided project management and described SMUD as being in the best position to join the EIM as any utility that they had encountered. The fifth self-integrating utility will be the remainder of BANC which will rely on SMUD's expertise and will also be using Utilicast for project management services. In summary, the entities that have relied primarily on their own staff to perform integration activities either A) had no other choice because experienced consultants were not yet available or B) were in a good position to do so based on resource availability and technological readiness. Tacoma Power does not fall under either category A or category B.

Of the 2 entities that are planning to join the EIM, but have not yet contracted for integration services, both have contracted with Utilicast for pre-EIM planning and evaluation.

Puget Sound Energy is the only utility which has used a consulting firm other than Utilicast for EIM integration services. That consulting firm was Deloitte & Touche. Deloitte and Puget had a long-standing previous relationship and Deloitte has not performed another EIM integration since.

4. Describe the efforts made to assure that the City is receiving the lowest or best price possible.

Utilicast is currently performing nearly identical services for Seattle City Light. Seattle City Light's contract with Utilicast is for approximately \$3,500,000. Tacoma is basing the price of this contract on the dollar value of the contract between Seattle City Light and Utilicast for those similar services.

FUNDING: Funds for this purchase are available in the fund name = Power and fund number = 4700.

SBE COMPLIANCE: The Department/Division has checked the [City of Tacoma Small Business Enterprise \(SBE\) website](#) for opportunities to contract with SBE firms on September 6, 2019. There are no qualified SBE vendors at this time.

PROJECT COORDINATOR: Chris Juchau, Power Management, 253-441-4106.



RESOLUTION NO.: U-11271
ITEM NO.: _____
MEETING DATE: JULY 28, 2021

TO: Board of Contracts and Awards
FROM: Tenzin Gyaltzen, Power Section Manager, Joe Tellez, Chief Technology Officer;
Utility Technology Services
Andre' Pedefferri, Advanced Metering Program Manager, Utility Technology
Services
COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP
Coordinator, and Seth Hartz, Finance/Purchasing
SUBJECT: AMI Operations Services SOW, Direct Negotiation Waiver SR2718518679 –
Contract C1544 – July 28, 2021
DATE: July 14, 2021

RECOMMENDATION SUMMARY:

Tacoma Power / Utility Technology Services / Advanced Metering Infrastructure (AMI) Program requests approval to increase Contract C1544 to E Source Companies LLC (formerly Excerpt Corporation) of Denver, CO, by \$446,046.00 plus applicable taxes and extend the contract end date to July 1, 2023. This contract provides support for the transition to AMI Operations, AMI project management, SAP and system testing, mass meter deployment, and AMI organizational change management (OCM). This increase will bring the contract to a cumulative total of \$933,282.00, plus applicable taxes.

STRATEGIC POLICY PRIORITY:

Advanced metering, and this contract, support multiple Public Utility Board Strategic Directives (SD):

- **SD6 Innovation and SD13 Customer Service:** AMI replaces ageing/obsolete infrastructure and adds new, innovative technology that provides significant direct customer service benefits, such as PrePay and detailed power and water usage data.
- **SD14 Resource Planning and SD9 Economic Development/Undergrounding:** Improved forecasting and modeling are enabled by AMI data. AMI provides near real-time data to monitor loads, allows for better revenue forecasts, and is the foundation for better planning to keep customer costs low and support local economic development.
- **SD2 Financial Stability and SD7 Reliability and Resiliency:** More detailed usage data helps TPU maximize existing infrastructure and define long term asset and financial planning. Improved asset management and resiliency allows TPU to more easily track asset health and identify the best areas for infrastructure investment.
- **SD3 Rates and SD5 Environmental Leadership:** Automated systems improve operational efficiencies and safety, leading to increased savings that helps minimize the growth of rates. AMI reduces in-person meter reads and rereads, adds detailed leak and outage detection, and means fewer vehicles on the road resulting in reduced emissions and associated costs.

BACKGROUND:

Tacoma Public Utilities is in year four of a five year plan to deploy AMI across its entire water and electric service territories, replacing or upgrading all non-communicating power and water meters with advanced two-way communicating technology. AMI is a foundational element of Tacoma Public Utilities' Utility Modernization Strategy and will deliver customers new key benefits over time related to their power and water usage. Advanced metering technology will



capture interval data, enable two-way communications, include remote meter capabilities, and provide advanced outage/issue detection and verification. AMI will modernize utility operations and be a cornerstone to deliver customers improved services and benefits.

In 2020, E Source was awarded the original AMI Operations Services contract through a waiver for direct negotiation wherein the consultant worked to ensure AMI operational success. During the roll-out of AMI meters, continued operational support is essential to ensure ongoing success. Doing the project implementation right, to meet or exceed industry standards, is one of TPU's highest priorities. Engaging with an experienced consultant is essential to ensuring that it is successfully implemented at the lowest possible cost, and remains on schedule to meet the mass meter deployment timeline. E Source is already providing related consulting services for the AMI Program and is deeply knowledgeable of the City's goals and desires for implementation.

The increased contract amount and hours are to be used on an as needed, time and material basis up to the cumulative contract amount. This increase provides the City flexibility to utilize E Source to meet project and operational needs throughout the planned remainder of the project and meter deployment period.

ISSUE: AMI project staff are working to keep the mass meter deployment on schedule, which includes operational functionality that brings capabilities and services to our customers.

ALTERNATIVES: UTS is not considering alternatives because E Source is already deeply engaged in successful operations. Time is of the essence, and further leveraging E Source for this essential phase of the project is an appropriate course of action given the circumstance.

COMPETITIVE ANALYSIS:

AMI Operations and meter deployment are in progress. Going out for competitive solicitation and bringing a new supplier up-to-speed on project goals would increase the cost and delay the planning more than six months. We believe the onboarding of a new contractor and subsequent planning delays would put the project success at risk and increase the overall project costs. Utilizing experienced and knowledgeable resources already hired for the project is the most cost effective approach resulting in the highest probability of success.

CONTRACT HISTORY: This contract was originally awarded to E Source as a result of Direct Negotiation Waiver on SR2718518679 on January 1, 2021 to set up the AMI operational structure. This will be the first amendment to the contract.

SBE/LEAP COMPLIANCE: Not applicable



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 Power		5310100	\$325,613.58
4600 Water		5310100	\$120,432.42
TOTAL			\$446,046.00

REVENUES:

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

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$933,282.00 (INITIAL CONTRACT AMOUNT \$487,236.00 PLUS THE INCREASE OF \$446,046.00)

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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



City of Tacoma

Date: November 18, 2020

To: Jackie Flowers
Director of Utilities

From: Tenzin Gyaltzen
Power / UTS / AMI

Subject: Authorization of Direct Negotiation for Professional Services and Personal Services over \$25,000

For your review and recommendation.

In accordance with TMC 1.06.256 (B), Power / Utility Technology Services / AMI requests a waiver of the competitive solicitation process and authorization to directly negotiate with eSource (previously Excergy) of Denver, CO, for AMI Operations Consulting, for an amount of \$487,236.00, plus any applicable sales tax.

Direct negotiation approval constitutes a waiver of further competitive solicitation for amendments to the subject contract provided that any such amendment(s) shall be signed by personnel as authorized in the Delegation of Procurement Signature and Approval Authority memorandum. Contract totals shall not exceed \$500,000 without City Council or Public Utility Board approval as appropriate.

EXPLANATION: The AMI Operations consulting has been historically done by Z2 Solutions with Excergy as the primary consultant through an internal subcontract arrangement. The scope of work under the Z2 contract is now complete and the next phase of the work beginning. The AMI team is looking to remove Z2 from the AMI operations to save UTS additional and unnecessary additional consulting fees.

JUSTIFICATION FOR DIRECT NEGOTIATION:

1. Explain why it's in the best interest of the city to waive the competitive solicitation process.

eSource resources have been involved and engaged in the AMI operations since the beginning of the project and have deep and growing knowledge of the AMI goals and objectives. The AMI team desires to retain these resources to ensure ongoing forward motion of the project with existing knowledge base for maximum success.

2. Is this purchase based on a previous competitive solicitation conducted by the City or other agency? If yes, provide the contract information, specification number, etc., and explain the relationship of this request to the previous contract.

No

3. Describe the screening efforts made to identify potential service providers.

The AMI Operations were previously done by Z2 Solutions and with AMI team realizing deficiencies, brought in Excergy under the Z2 umbrella to maintain project momentum.



City of Tacoma

Excergy resources have been stellar and effective and have gained deep knowledge of the AMI work. ESource utilizes the same resources to provide the continued knowledge and expertise already gained.

4. Describe the efforts made to assure that the City is receiving the lowest or best price possible.

Removing the consulting fees assessed by Z2 Solutions for the next phase of the AMI Operations saves the City considerable money and utilizes existing resources which further saves the City funds in ramp-up and training costs.

FUNDING: Funds for this purchase are available in the AMI PWR00976/WTR-00627

EIC COMPLIANCE: The Department/Division has checked the [City of Tacoma Small Business Enterprise \(SBE\) and Equity in Contracting \(EIC\) website](#) for opportunities to contract with SBE/EIC firms on November 18, 2029.

The recommended vendor is not a registered SBE.

PROJECT COORDINATOR: Andre Pedferri 253.502.8997



Advanced Metering (AMI): Contract Amendment & Budget Overview

Public Utility Board
July 28, 2021



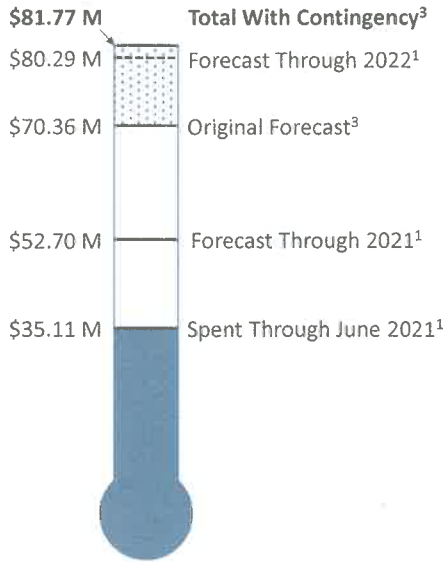
AMI Operations Contract Amendment #1



1. In 2020, E Source was awarded the original AMI Operations Services contract through a waiver for direct negotiation
2. Contract is for AMI operational leadership & consulting services to support TPU's transition to AMI
3. \$439,081 spent through June 2021 (\$48,155 remaining, monitored monthly by hours planned/spent)
4. Recommendation: Increase contract amount by **\$446,046** and extend term until **July 1, 2023**
 - a. Continue to use consultant on an as needed, time and material (T&M) basis, not to exceed cumulative contract amount
 - b. Provides flexibility to meet project/operational needs throughout remainder of project and mass meter deployment
5. Not an AMI project budget increase, only a contract increase within existing project budget
 - a. Part of planned contracting approach to annually review and allocate consultant project funds
 - b. Contract is an allocation of funds within the project's approved budget/contingency

Contract Detail	Original Contract	Recommended Amendment #1 (cumulative totals shown)
Term	1 year January 1, 2021 – December 31, 2021	2.5 years: original 1 year + increase of 1.5 years January 1, 2021 – July 1, 2023
Amount	\$487,236	\$933,282: original \$487,236 + increase of \$446,046
Hours	2,128 hours	4,172 hours: original 2,128 + increase of 2,044

AMI Deployment Budget: July 2021



Forecasted Contingency ²	Amount ¹
Original Contingency ³	\$11.41 M
Allocated Contingency in Forecast	\$9.93 M
Remaining Contingency in Forecast	\$1.48 M

AMI Program Workstream	Percent Complete ¹
Vendor Procurement	100%
System Integration	90%
Communication Network Deployment	85%
Electric Meter Deployment	7%
Water Meter Deployment	5%
Communications	50%
Overall	50%

¹Updated July 2021, includes actuals through June 2021.
²Contingency is only allocated within the budget forecast, but not yet spent.
³February 2019 AMI business case values for the period 2018-2022. In addition to business case costs shown, TPU Internal Support Costs are tracked separately and do not incrementally impact rates.

Questions?

MyTPU.org/AdvancedMeters

