



RESOLUTION NO. U-11517

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

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

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



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

2 That the Public Utility Board of the City of Tacoma hereby concurs and
3 approves the recommendations of the Board of Contracts and Awards or
4 the requesting division, and approves, as appropriate: (1) the purchase or
5 furnishing of those materials, supplies, equipment or services recommended for
6 acceptance; (2) the sale of surplus materials, supplies or equipment
7 recommended for acceptance; (3) the purchase from a cooperative or another
8 governmental entity contract; and (4) the increase or extension of an existing
9 agreement, and said matters may include waiver of the formal competitive bid
10 process or waiver of minor deviations, all as set forth on Exhibit "A," and
11 authorizes the execution, delivery and implementation of appropriate notices,
12 contracts and documents by the proper officers of the City for said transactions.
13

14 Approved as to form:

15
16 _____
17 /s/
18 Chief Deputy City Attorney

19 Clerk

Chair

Secretary

Adopted



Resolution No.: U-11517

Item No.: /

Meeting Date: MARCH 26, 2025

TO: Board of Contracts and Awards
FROM: Chris Robinson, Superintendent, Power
Joseph A. Wilson, PE, Transmission and Distribution Manager, Power
Don Ashmore, Utilities Fleet Manager, Transmission and Distribution, Power
COPY: Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP
Coordinator, and Ryan Foster, Finance/Purchasing
SUBJECT: Heavy-Duty Transformer Oil Purifier and Transformer Dryout Trailer
Request for Bids Specification No. UF24-0236F, WS4811901540 –
March 26, 2025, Public Utility Board
DATE: February 11, 2025

RECOMMENDATION SUMMARY: Tacoma Public Utilities (TPU) Fleet Services recommends awarding a contract to Baron USA, LLC, Cookeville, TN, in the amount of \$716,942, plus applicable taxes, budgeted from the Power Fund, for the purchase of a new heavy-duty transformer oil purifier and transformer dryout trailer unit.

BACKGROUND: The new transformer oil purifier and transformer dryout trailer unit, also known as an oil processor, will replace an outdated unit currently assigned to Tacoma Power's Transmission & Distribution Substations work group. The oil processor removes water and impurities such as gases, particulates and acidity from the transformer and restores/improves the electrical, chemical and physical properties of the transformer and its insulating oil. The replaced unit will be sold at public auction using City surplus procedures.

ISSUE: The existing unit has become obsolete, and replacement parts are difficult — if not impossible — to acquire. Continuing to use it poses risk of equipment failure or breakdown.

ALTERNATIVES: This equipment is essential for maintaining transformer reliability and operation at our substations. Without an operational processor, the lifespan of substation transformers would be shortened, potentially costing the City millions of dollars in replacement costs. Renting a unit may be possible, but the cost would be financially exorbitant as Tacoma Power would need to rent it for multiple months per year to complete transformer capital and maintenance work.

COMPETITIVE SOLICITATION: Request for Bids Specification No. UF24-0236F was opened on October 15, 2024. Five companies were invited to bid in addition to the standard project advertisement. Two submittals were received. Baron USA, LLC submitted the lowest bid and meets the technical provisions of the specification.

The table below reflects the award amount.

<u>Respondent</u>	<u>Location</u>	<u>Submittal Amount</u>
Baron USA, LLC	Cookeville, TN	\$ 716,942
GlobeCore USA	Houston, TX	\$1,527,138

Pre-bid Estimate: \$650,000

The recommended award is 10 percent above the pre-bid estimate.



CONTRACT HISTORY: New contract.

SUSTAINABILITY: In support of the City's Environmental Action Plan goals, TPU Fleet Services works with the equipment work groups to make efforts to lower fossil fuel consumption through renewable fuel use and considers environmentally friendly alternatives when making equipment related procurement decisions. The components on this unit are all powered electrically.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable - Supply purchase - EIC Regulations are not yet established

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: Not applicable.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 – Power	Fleet Capital Project	5641500	\$716,942
TOTAL			Up to \$716,942

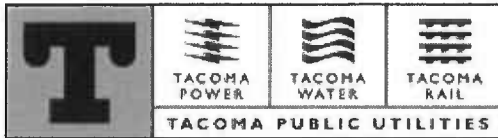
REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 – Power	Fleet Capital Project	5641500	(\$716,942)
TOTAL			Up to (\$716,942)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$716,942

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-11517

Item No.:

2

Meeting Date: MARCH 26TH, 2025

TO: Board of Contracts and Awards
FROM: Heather Pennington, Interim Superintendent, Tacoma Water
Stuart Vaughan, Interim Division Manager, Tacoma Water
Alicia Flatt, Principal Engineer, Tacoma Water
COPY: Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP
Coordinator, and Brandon Snow, Senior Buyer, Finance/Purchasing
SUBJECT: Tacoma Water Canyonfalls Creek Pump Station Project
Request for Proposals Specification No. TW24-0221F, Contract No. CW2271597
– March 26th, 2025, Public Utility Board
DATE: March 10th, 2025

RECOMMENDATION SUMMARY: Tacoma Water recommends awarding a contract to Tapani Inc., Battle Ground, WA, in the amount of \$1,185,839, plus a five percent contingency, budgeted from the Water Capital Reserve Fund 4600, for a total projected contract amount of \$1,245,131, plus applicable taxes. This contract includes planning, validation, a basis of design report, and schematic design of a pump station, large diameter in-line valves, standpipe modifications, and associated improvements. Two additional amendments to this contract are anticipated to complete the work, including the remainder of the design, early work procurements if needed, and construction of the facility.

STRATEGIC POLICY PRIORITY:

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Assure outstanding stewardship of the natural and built environment.

BACKGROUND: In 2018, the Washington State Department of Health (DOH) performed a Sanitary Survey of Tacoma Water's system and provided a report that noted Tacoma Water has a significant deficiency with Pipeline No. 1 (P1) due to the pipeline not being fully pressurized over its entire length. DOH requested that Tacoma Water develop an approach to pressurizing the pipeline and to prioritize P1 in our Capital Improvements Program.

In 2021, Tacoma Water entered into a bi-lateral agreement with DOH to pressurize Pipeline No. 1 by 2051. An owner's advisor consultant was selected to identify individual capital projects that must be completed towards the goal of pressurization. Through that effort, the Canyonfalls Creek Pump Station (CCPS) was identified as the first priority project in the capital program.

Although the project is not a regulatory requirement, the Canyonfalls Creek Pump Station provides risk-reduction during temporary operation of P1 during upcoming pipe replacement projects. This can be achieved through an alternative operation of P1 by backfeeding supply from McMillin Reservoir to the Prairie Ridge service area. Two large diameter inline valves and modifications of several existing standpipes along P1 were identified as critical to the backfeed operation and are included in the CCPS project scope.

In 2024, consistent with RCW 39.10, Washington State's Capital Projects Advisory Review Board (CPARB) approved Tacoma Water to utilize a Progressive Design-Build (PDB) delivery method for the design and construction of the pump station and associated improvements. Following the CPARB approval, Tacoma Water solicited PDB proposals for planning, design,



and construction of the pump station, large diameter inline valves, modification of standpipes and associated site improvements at all infrastructure locations.

The cumulative PDB contract will cover the three phases of the project. Phase One of the project will cover the Planning and Validation period and Conceptual Design. When the Validation Report (basis of design) is complete, a contract amendment will be brought to the Public Utility Board (PUB) for consideration. If executed, the amendment will authorize Phase Two, allowing the design-build (DB) team to proceed to approximately a 60-percent design level and establish a Guaranteed Maximum Price (GMP) to complete design and construction.

Following Phase Two, Phase Three will bring to the PUB a contract amendment including the GMP to complete the design and construct the project. The Phase Three amendment is currently estimated in the range of \$9,000,000 to \$11,000,000. The timing of the Phase Three amendment is estimated to be early 2026.

ISSUE: Pipeline No. 1 must be pressurized over its entire length by 2051 to comply with the bilateral agreement between DOH and Tacoma Water. this pump station must be constructed so that future critical pipe replacement work can proceed without interruption of service to customers.

ALTERNATIVES: Expansion of the existing Fennel Creek Pump station was reviewed as a possible alternative; however, expansion of the underground facility was not physically feasible due to space constraints.

After reviewing a variety of project delivery methods, Tacoma Water determined a PDB contracting method is best suited for this project as it offers significant advantages over design-bid-build, construction manager at risk, and traditional DB delivery methods. PDB projects provide a single point of responsibility for the design and construction of the facility (Design-Builder) and the ability for Tacoma Water to work closely with the Design-Builder during progression of the design will result in increased opportunity for design and construction innovation and better management of design and construction risks throughout the project. Risk of impacts to existing operations are also reduced by having the contractor and designer consider construction means and methods through the design process. Delays to the project due to long-lead purchase of equipment and materials can be mitigated in PDB through a targeted acceleration of design and procurement of those long-lead equipment and materials.

COMPETITIVE SOLICITATION: In accordance with RCW 39.10.330, a two-step solicitation approach was used to identify the most qualified PDB team. Tacoma Water was assisted by an owner advisor team from Brown and Caldwell, who are experienced in managing alternative delivery projects. Brown and Caldwell provided insight and facilitation of the process as non-voting members of the Selection Advisory Committee (SAC).

Request for Qualifications (RFQ) Specification No. TW24-0108F was opened on September 3, 2024. Five Statements of Qualifications (SOQs) were received and evaluated by the SAC based on the DB teams' qualifications, performance references, team experience and qualifications, project controls, and development of the GMP, and disadvantaged business



utilization performance. All five submittals met the general requirements. The three highest-scoring teams were then invited to enter the proposal phase of the solicitation process.

Request for Proposals Specification No. TW24-0221F received three proposals from finalists on November 19, 2024. Proposals were submitted in two parts, written proposal, and price factor forms. Price factor forms were held by Purchasing staff until after the proposal scores were submitted. Proposals were evaluated based on overall management approach, GMP development plan, design development and management plan, construction management, project sequencing, and scheduling, and disadvantaged business outreach and inclusion plan. In-person interviews with each finalist were also conducted and considered as part of the scored criteria.

Scoring after proposal submission and interviews was cumulative and included SOQ's and Proposals.

Following the cumulative scoring, price factor forms were opened and scored with the lowest price factor receiving the most points. Price factor points were added to the cumulative score to obtain final evaluated scores. The table below reflects the total final scores of the Finalists.

<u>Respondent</u>	<u>Location (city and state)</u>	<u>Score</u>
Tapani, Inc.	Battleground, WA	133.5
Emery & Sons Construction Group, LLC	Salem, OR	127
Sundt Construction, Inc.	Vancouver, WA	107.5

CONTRACT HISTORY: New Contract.

SUSTAINABILITY: Per Resolutions No. 41385 and 38907, sustainable deconstruction and salvage efforts and sustainable materials management practices will apply during the construction phases of the project.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable – Pursuant to RCW 39.10.330, the City's inclusion goals are 10-percent certified minority-owned businesses, six-percent certified women-owned businesses, five-percent certified small business enterprises, five-percent veteran-owned businesses, and 30-percent local businesses.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP)

COMPLIANCE: The LEAP requirements for this project are 15 percent of the project labor hours must be worked by Local Employees and an additional 15 percent of the labor hours must be worked by Apprentices, per TMC 1.90.040.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600 Water Fund	WTR-00637	Various	\$1,245,131
TOTAL			Up to \$1,245,131

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600 Tacoma Water Anticipated Bond Funds	Various	Various	(\$1,245,131)
TOTAL			Up to (\$1,245,131)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,245,131

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-11517

Item No.:

3

Meeting Date: MARCH 26, 2025

TO: Board of Contracts and Awards
FROM: Heather Pennington, Superintendent, Water
Stuart Vaughan, Division Manager, Tacoma Water
Carol Powers, Principal Engineer, Tacoma Water
COPY: Public Utility Board, Director of Utilities, Board Clerk, EIC Coordinator, LEAP
Coordinator, and Brandon Snow, Senior Buyer, Finance/Purchasing
SUBJECT: Tacoma Water New Warehouse/Shops Building and Yard Improvements Project
Request for Proposals Specification No. TW23-0308F, Contract No. CW2268109
– March 26, 2025, Public Utility Board
DATE: March 7, 2025

RECOMMENDATION SUMMARY: Tacoma Water requests approval to increase Contract No. CW2268109 with Absher Construction Co., Puyallup, WA, by \$797,963, plus a ten percent contingency. This increase, budgeted from the 4600 Water Capital Reserve Fund, authorizes and funds Phase 2 work under Amendment No. 1. This increase will bring the contract to a cumulative total of \$1,708,119, plus applicable taxes. Additional amendments to this contract are anticipated to complete the work, including the completion of design, early-work procurements if needed, and construction of the facility.

STRATEGIC POLICY PRIORITY:

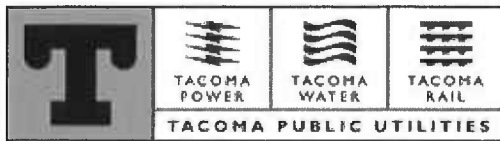
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Assure outstanding stewardship of the natural and built environment.

BACKGROUND: In 2016, Tacoma Water completed an All-Hazards Vulnerability Assessment which included analysis of the Water Operations Building located at 3506 South 35th Street. Three different probabilistic earthquake scenarios were analyzed (Tacoma Fault, Cascadia Subduction and the South Whidbey Island) to understand the impacts to the building. The analysis noted that the building would likely completely collapse in the Tacoma Fault earthquake scenario. If the Cascadia Subduction zone earthquake scenario were to occur, it is likely there would be substantial damage to the building rendering the building unsuitable for occupation.

In 2018, Tacoma Water conducted an alternatives analysis and continued with design to seismically retrofit the existing building to meet an immediate occupancy standard. At 30-percent design, it was clear the cost to retrofit the building far exceeded the cost of constructing a new one, so the project was paused for further evaluation.

In 2021, Tacoma Public Utilities (TPU) Master Plan identified the existing building was significantly undersized to meet current and future needs. Additionally, the COVID-19 pandemic provided an opportunity to think differently about how work is completed. These elements compelled Tacoma Water to reevaluate the project alternatives.

In 2022, Tacoma Water completed another alternatives evaluation and determined a new warehouse and shops building would need to precede the retrofit/replacement of the existing operations building. The new warehouse and shops are needed to provide seismic resiliency, improve operational efficiency, and accommodate future growth.



In 2023, Tacoma Water completed a 20-year masterplan of the property located east of the TPU main campus where the Water Operations Building, parking lots, and Water operations yard are located.

Also in 2023, in accordance with RCW 39.10, Washington State's Capital Projects Advisory Review Board (CPARB) approved Tacoma Water to utilize a Progressive Design-Build (PDB) delivery method for the construction of a new warehouse and shops.

Following the master planning effort and the CPARB approval, Tacoma Water solicited PDB proposals for planning, design, and construction of new warehouse and shop buildings, plus site development for efficient operation and material delivery traffic.

The cumulative PDB contract covers three phases of the project. Phase One is the Planning and Validation period and Conceptual Design. When the Validation Report (basis of design) is complete, contract amendment one will be brought to the Public Utility Board (PUB) for consideration. If executed, the amendment will authorize Phase Two, allowing the design-build (DB) team to proceed to approximately a 60-percent design level and establish a Guaranteed Maximum Price (GMP) to complete design and construction.

Following Phase Two, Phase Three will bring to the PUB a contract amendment including the GMP to complete the design and construct the project. The Phase Three amendment is currently estimated in the range of \$32,000,000 to \$34,000,000. The timing of the Phase Three amendment is estimated to be mid-2026.

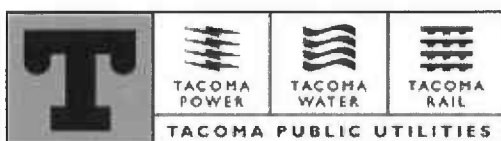
ISSUE: The Phase One Basis of Design is complete, and Tacoma Water requests approval of Amendment No. 1 to proceed with Phase Two, which will advance the project to approximately a 60 percent design state.

ALTERNATIVES: One alternative was to discontinue further work and continue to operate from the existing building. However, this alternative does not meet the project goals of providing seismic resiliency, improving operational efficiency, and accommodating future growth.

Another alternative is to not pursue further work on the project and look for a commercial property for sale in Tacoma. A suitable property has not been found.

COMPETITIVE SOLICITATION: In accordance with RCW 39.10.330, a two-step solicitation approach was used to identify the most qualified PDB team. Tacoma Water was assisted by an owner advisor team from Parametrix Inc., a firm highly experienced in managing alternative delivery projects. Parametrix Inc. provided insight and facilitation of the process as non-voting members of the Selection Advisory Committee (SAC).

Request for Qualifications Specification No. TW23-0213F was opened on April 23, 2024. Eleven companies were invited to bid in addition to normal advertising of the project. Six statements of qualifications (SOQ) were received and evaluated by the SAC based on the DB teams' qualifications and performance references, team experience and qualifications,



evidence of ability to perform the work, excellence in design, and disadvantaged business utilization performance. All six submittals met the general requirements. The four highest scoring teams were then invited to enter the proposal phase of the solicitation process.

Request for Proposals Specification No. TW23-0308F received four proposals from finalists on June 11, 2024. Proposals were submitted in two parts, written proposal and price factor forms. Price factor forms were held by Purchasing staff until after the proposal scores were submitted. Proposals were evaluated based on PDB delivery approach, design approach, management approach, time and budget management, capacity to complete the work, accident prevention plan, disadvantaged business outreach and inclusion plan. In-person interviews with each finalist were conducted and scored as part of the final evaluation process.

The final scoring was cumulative and included evaluations from Statements of Qualifications (SOQs), interviews, and proposals.

Following the cumulative scoring, price factor forms were opened and scored with the lowest price factor receiving the most points. Price factor points were added to the cumulative score to obtain final evaluated scores. The table below reflects the total final scores of the Finalists.

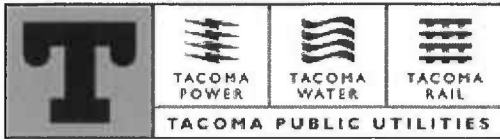
<u>Respondent</u>	<u>Location (city and state)</u>	<u>Score</u>
Absher Construction Co	Puyallup, WA	232.96
Skanska USA Building Inc.	Seattle, WA	231.83
Lydig Construction, Inc.	Spokane Valley, WA	219.90
Schuchart Corporation	Seattle, WA	196.00

CONTRACT HISTORY: This contract was originally awarded to Absher Construction Co., Puyallup, WA, as a result of Request for Proposals Specification No. TW23-0308F in September 2024.

SUSTAINABILITY: Pursuant to Resolution No. 38249, the project criteria for the warehouse and shops facility includes Leadership in Energy and Environmental Design Gold certification. Sustainable deconstruction and salvage efforts and sustainable materials management practices will also apply during the construction phase of the project.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable – Pursuant to RCW 39.10.330, the City's inclusion goals are 10-percent certified minority-owned businesses, six-percent certified women-owned businesses, five-percent certified small business enterprises, five-percent veteran-owned businesses, and 30-percent local businesses.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: The LEAP requirements for this project are 15 percent of the project labor hours must be worked by Local Employees and an additional 15 percent of the labor hours must be worked by Apprentices, per TMC 1.90.040.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600 Tacoma Water Fund	WTR-00674 (various)	5330100	\$877,759
TOTAL			Up to \$877,759

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4600 Tacoma Water Anticipated Bond Funds	TBD	6398520	(\$877,759)
TOTAL			Up to (\$877,759)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$877,759

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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