



APPROVED 1-8-20

MINUTES
City of Tacoma
Public Utility Board Study Session
December 4, 2019
3:00 p.m.

Board Chair Larkin called the Public Utility Board study session to order at 3:00 p.m. at the Public Utilities Administration Building.

Present: Bryan Flint, Chrissy Cooley, Carlos Watson, Karen Larkin, Mark Patterson

Tacoma Power: Energy Storage for Grid Modernization

Carl Imhoff, Electric Infrastructure Sector Manager for Pacific Northwest National Laboratory, made the presentation. Mr. Imhoff gave an overview of the Department of Energy (DOE) National Laboratories and Pacific Northwest National Laboratory (PNNL). The DOE mission is to conduct large, long-term multidisciplinary research. PNNL maintains capabilities and facilitates DOE's mission, the science, and technology community, and the nation. PNNL supports the breadth of DOE missions and has 4,414 staff, 1,124 peer-reviewed publications, 99 U.S. and foreign patents, and a \$960M budget. PNNL is addressing complex challenges and provides solutions to critical national needs. Mr. Imhoff then addressed battery storage. Battery storage can help with technologies like wind or solar by providing flexibility with integration. PNNL can be a resource because this information can inform Tacoma Power's Integrated Resource Plan (IRP) into the future. Mr. Imhoff summarized PNNL's Advanced Energy Storage Initiative (AESI). AESI is a coordinated, integrated, and measurable DOE-wide strategy to accelerate the development of energy storage and power system flexibility technologies. PNNL's electric infrastructure research and examples of power storage were provided. The Grid Storage Launchpad Facility was then detailed. This facility provides independent testing of next generation grid energy storage materials and systems under realistic operating conditions. The goal is to reduce risk while speeding development of new technologies by propagating rigorous grid performance requirements to all stages of development. Collaboration is robust and links DOE with storage R&D communities in a new collaborative facility that lowers barriers to solving key crosscutting industry challenges.

Safety Office Update

Director Flowers provided an update on Resolution U-11113 passed by the Board on October 23, 2019. The Resolution approved the creation of a Safety Department. Staff has since decided that this will be a Safety Office, rather than a Department. This different

form will not change any functionality and there is no need to reapprove the previous resolution.

Purchasing Code Amendments

Patsy Best, Procurement and Payables Manager, stated that staff are recommending changes to TMC 1.06 related to the procurement of goods and services. Threshold: The current threshold for Council and Board approval is \$200,000; this was last updated in 2009. Under the current threshold, the Council and Board reviews approximately 150-200 contracts per year (or less than one percent of all awarded contracts) and this represents 75-80 percent of all dollars awarded. Staff recommends the threshold increase to \$500,000. This would reduce the contract count approximately in half and would represent approximately 66-70 percent of all dollars awarded. Software: The city increasingly relies on subscription-based on onsite software. The issue is that the current code is unclear whether the city must also approve recurring license and maintenance costs. Staff recommends clarifying the TMC to reflect that recurring software and maintenance fees do not need further approval. The oversight would be through the biennial budget approval process. Administrative Authority: Contract and project managers do their best to estimate the total value of a contract; however, estimates can be off, especially with construction projects. Currently, TPU includes administrative authority language to the Director to amend contracts by up to \$200,000 wherein General Government resolutions do not include this administrative authority. Staff recommends amending the code to allow both the City Manager and Director of Utilities the authority to amend contract values up to \$200,000 after initial approval. Equity in Contracting: The purchasing policy manual establishes delegated authority and bid thresholds below the formal TMC threshold. Staff proposes new-delegated authority of \$25,000 for routine, non-repetitive purchases of goods and services. In support of equity in contracting, the proposed delegated authority for using M/WBE or SBE firms would be \$50,000. Citywide Contract, Inter-local, and Cooperative Contract Clarification: Citywide contracts save departments time and can save the city money in reduced administrative costs and increased buying power by combining contracting needs into one competitive solicitation. Use of other agency's purchasing association contracts can also save the city time and money, through heavy discounts offered to many public agencies. There is inconsistency in use of cooperative purchasing contracts. Staff recommends standardizing the use of cooperative purchasing agreements as authorized by TMC. Only those purchases exceeding formal threshold would be presented to the governing bodies. Council first reading on these recommendations is scheduled for December 10, 2019 and second reading on December 17, 2019. In response to Board Member concerns about the loss of influence to exert conversations about stewardship, the Director stated that staff could come up with a mechanism to advise the Board of approvals and move from tactical (approval of dollars) to strategic delivery.

Discussion of Board Policies

Board Members finished editing Strategic Directive (SD) 5 on Environmental Leadership, SD6 on Innovation, and the Board-Director Linkage (BL) policies, and the Government Processes (GP) policies. These items are scheduled for Board consideration in January 2020.

Executive Session

Board Member Patterson moved to convene an executive session at 5:25 p.m. for 15 minutes for the purpose of discussing pending litigation per RCW 42.30.110(1)(i); seconded by Board Member Flint and approved by the Board. At 5:40 p.m., the executive session was extended for five minutes. The executive session was adjourned at 5:45 p.m.

Adjournment

The study session was adjourned at 5:45 p.m. until the next regularly scheduled study session on Wednesday, January 8, 2020 at 3:00 p.m. followed by a regular meeting at 6:30 p.m.

Approved:

Approved:

Karen Larkin, Chair

Mark Patterson, Secretary