

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
August 7, 2018
5:30 P.M.**

Commissioners Present: John Brown, President; Sonya Carlson, Vice President; Steve Mital, John Simpson (via teleconference), Commissioners

Commissioners Absent: Dick Helgeson

Others Present: Frank Lawson, General Manager; Sue Fahey, Chief Financial Officer; Matt Barton, Chief Information Officer; Mel Damewood, Chief Water Engineering & Operations Officer; Rod Price, Chief Electric Engineering & Operations Officer; Susan Ackerman, Chief Energy Officer; Brenda Wilson, Executive Director – Lane Council of Governments; Lena Kostopulos, Chief Human Resources Officer; Rene Gonzalez, Customer Solutions Manager

President Brown called the Regular Session to order at 5:29 p.m.

Agenda Check

There were no changes or additions to the Agenda.

Items from Board Members and General Manager

- Vice President Carlson announced there was a youth-centered town hall meeting scheduled for September. She said they were already reaching out to various Neighborhood Associations throughout the autumn.
- Commissioner Mital reported that he had met with John DeWenter, a Springfield Utility Board (SUB) Board member, three weeks ago to discuss further the possibility of EWEB and SUB sharing the Hayden Bridge facility in some capacity. Commissioner Mital asked for, and received Board consensus for President Brown to have a dialog with Springfield Utility Board's President around the possibility of sharing Hayden Bridge with SUB.
- President Brown noticed in the Quarterly Report, that the utility had identified 22 camps above EWEB's intake, and he appreciated staff's work in identifying said camps. He asserted that he refused to forget about the recent oil spill up the McKenzie River, and he said he would like to have the report detailing how the International Paper spill entered the river.
- Mr. Lawson said that staff was working the oil spill issue on different levels, including the account itself, and through the Department of Environmental Quality (DEQ).

Public Input

Bob Cassidy of Eugene spoke about tiered pricing; he said that although EWEB purported the tiered rate system to be complicated and hard to understand, it was neither.

Commissioner Simpson posited the flat tier rate structure was easier for the ratepayers to understand, than the tiered system.

Approval of Consent Calendar

MINUTES

1. July 10, 2018 Regular Session

CONTRACTS

2. Delta Sand & Gravel Company - for Rock Material. \$750,000 (over a five-year contract).

3. Fastenal - for Warehouse Inventory Vending Solution and Materials. \$450,000 (over the next five years).

4. Halvorson Contracting - for the Roosevelt Operations Center (ROC) Consolidation Project - Interior Remodel. \$1,540,000.

5. Kronsberg Electric - for Construction Services for the installation of the Leaburg Fish Screen Standby Generator. \$260,000.

6. Michels Power - for Construction Services at Leaburg Substation. \$552,000.

7. Mythics Inc. - for Oracle Software and Services. \$750,000 (over two years).

8. Pacific Excavation of Eugene, OR - for Hayden Bridge On-Site Hypochlorite Disinfection Housing Improvements. \$2,411,000.

RESOLUTIONS

9. Resolution No. 1822 - Customer Generation Rates

10. Resolution No. 1823 - Update to Board Policy GP15, New Commissioner Orientation

Vice President Carlson moved to approve the Consent Calendar minus Item 7. The motion passed unanimously 4:0.

Items Removed From Consent Calendar

Commissioner Mital pulled Item 7. He felt he needed a bit more information on the \$750,000 contract with Mythics Inc.

Mr. Barton explained EWEB's Oracle contracts go back to the late 90s, and some of the software was due to be upgraded.

Vice President Carlson moved to approve Item 7 on the Consent Calendar. The motion passed unanimously 4:0.

Lane Council of Governments Overview

Ms. Wilson offered those present an overview and Power Point presentation on Lane Council of Governments (LCOG).

Vice President Carlson wondered about the timeline of bringing the Shake Alert earthquake warning system online.

Ms. Wilson replied that it was a nationwide system that Oregon was getting involved in. She said information on Shake Alert would begin being disseminated this autumn.

Vice President Carlson asked staff if they referred EWEB ratepayers who were unable to pay their bills to LCOG services.

Ms. Fahey said she did not recall if that was the case or not.

President Brown asked how much money EWEB spent with LCOG annually. He also wondered if that amount was fixed or variable.

Ms. Wilson said the amount varied depending on services; she added that EWEB's annual dues to LCOG were \$9,280.

Commissioner Simpson asked Ms. Wilson to pass on information to the Board concerning early text-alerting systems employed by LCOG, at her earliest convenience.

Tiered Pricing for Water

Mr. Damewood, and Ms. Ackerman offered the Board a report and Power Point presentation on tiered pricing for water.

Vice President Carlson wondered if the Division 86 requirements, mentioned in the backgrounder, require EWEB to give a price signal for conservation.

Mr. Damewood answered that while there was not a requirement to do that specific thing, there was a requirement to meter water, and they also encourage us to use pricing as a way to encourage conservation, but it is not a precise requirement. He added that, if in the future the utility decided to flatten water rates, they would have to make a case for that decision as per Division 86 requirements.

President Brown stressed that ratepayer relations are crucial for the utility, but even more so during times of changes to the rates.

Commissioner Simpson spoke in favor of decoupling discussions of water tiered pricing from electric tiered pricing.

Commissioner Mital also spoke in favor of decoupling discussions of water tiered pricing from electric tiered pricing. He asked if the Board had seen and weighed in on the current five-year-plan.

Mr. Damewood said there was not much change to the Water Management & Conservation Plan (WMCP) with the 2017-18 update, and staff had gone forward with a comment period. He asserted that if the Board had not seen the aforementioned updates, they definitely should be made aware of them.

Commissioner Mital asserted that, in the future, reports that EWEB submitted to the Water Resources Board should be summarized for the EWEB Board by staff, and that the Board should be the decision-makers of said reports.

Vice President Carlson said she was also in favor of decoupling discussions of water tiered pricing from electric tiered pricing.

City of Eugene Billing

Mr. Lawson offered the Board a report and Power Point presentation on City of Eugene billing which was done through EWEB.

President Brown said he would not mind including municipal charges on EWEB bills, but if that were the case, those charges would be uncoupled from the utility charges.

Vice President Carlson wondered if an EWEB ratepayer having trouble paying their bill would be adversely affected by the additional City of Eugene charges.

Mr. Lawson suggested the decoupling of EWEB charges from Eugene charges would be beneficial to the EWEB customer having trouble paying their utility bill. He said it was a legitimate concern, and he and staff would look into it.

Commissioner Mital asked how payment arrangements for an EWEB ratepayer were handled.

Mr. Lawson replied that it was prorated across the different fees of the bill.

Break

President Brown called for a break at 6:54 pm. Vice President Carlson reconvened the meeting at 7:05 pm.

Commissioner Simpson left the meeting at 7:36 p.m.

Quarterly Strategic & Operational Report for Q2 2018

Mr. Lawson and the Executive Team offered those present a Strategic and Operational Report for Q2 2018, accompanied by a Power Point presentation.

President Brown said the report was one of the best he had seen in decades; he thanked staff for their hard work. He then inquired about the variance between the target and the balance of Cash & Designated Funds. Ms. Fahey explained that much of the difference is attributed to the Pension & Post-Retirement fund which does not have a target. When the Board discusses the Highest and Best use of Cash later this year, we anticipate those funds will be used to pay PERS transition liability. Another driver is the Rate Stabilization Fund; its target is \$5M and there is currently \$31M in the fund. The Board designated \$16M for capital and we intend to use a portion to reduce bonds issued in the future for Carmen-Smith work and Management will come to the Board for approval.

Commissioner Mital wondered if a tour of the new water distribution system in Bethel could be arranged.

Mr. Damewood said they were planning a functional exercise at the aforementioned facility, and the date of that exercise would be advertised publicly.

Commissioner Mital asked if there was any way to recover lost revenue from the recent IP outage.

Mr. Lawson said there are both generation and retail revenue impacts and the present contract does not allow recourse for recovering lost revenue. He further explained that the utility was in the process of renegotiating the current contract.

Vice President Carlson wondered if cyanotoxin testing was a service EWEB was able to offer to other utilities.

Mr. Damewood said there was legislation in place that makes it hard for the utility to offer said services to other agencies.

Correspondence & Board Agendas

Mr. Lawson offered the Board a report on Correspondence & Board Agendas.

Commissioner Mital asked for clarification of Blackstart generation capabilities.

Mr. Lawson offered Commissioner Mital an overview of Blackstart capabilities as per being able to start a power generator basically from nothing without the power grid.

Commissioner Mital inquired about the term Rate of Return. Ms. Fahey replied that it measures what we collect from our current customers for infrastructure and assets versus future customers. The Water metric is slightly out of range because we purposely collected reserves for the Alternative Water Supply in the past; it will start coming down now that we have decreased water rates in 2018. The higher the rate of return, the more you are collecting from current customers for long lived assets; the lower it is, the more you are deferring to future customers.

Board Wrap Up

Commissioner Mital wondered when he could expect a follow-up on budget projection assumptions.

Ms. Fahey said the follow-up would be in October.

Commissioner Mital asked for clarification on the Cayenta decision.

Mr. Lawson said the aforementioned costs were already incurred.

Ms. Fahey offered that when the Cayenta contract was cancelled, a 90-Day termination clause was used, instead of an At-Fault termination clause. She said it was harder to recover costs having used the 90-Day termination clause.

Adjourn

Vice President Carlson adjourned the meeting at 8:03 p.m.

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve Price Agreements with **ALS Environmental; Eurofins Eaton Analytical, Inc.;** and **TestAmerica, Inc.** for **Water Quality Analytical Testing Services.**

Board Meeting Date: September 4, 2018

Project Name/Contract#: RFP 002-2018 / Water Quality Analytical Testing Services

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Collin Logan Ext. 7426

Contract Amount:

Original Contract Amount: \$582,000 (over five years)

Break-Out of Awards: \$256,000 (over 5 years) to ALS Environmental for Lot 1

\$316,000 (over 5 years) to Eurofins Eaton Analytical for Lots 2, 3, and 4

\$10,000 (over 5 years) to TestAmerica, Inc. for Lot 5

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0 %

Amount this Request: \$582,000

Resulting Cumulative Total: \$582,000

Contracting Method:

Method of Solicitation: Formal Request for Proposals (RFP)

If applicable, basis for exemption: N/A

Term of Agreement: Five Years

Option to Renew? Yes

Approval for purchases "as needed" for the life of the contract Yes

Bids Received (Range): 4 Proposals Received / (Price Varies by Lot)

Selection Basis: Highest ranked offer based on the Evaluation Criteria defined in the RFP by lot

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB routinely requires water quality analytical services to support compliance and non-compliance monitoring associated with drinking water source protection efforts, filtration plant operations, the distribution system, and environmental compliance work.

Contracted Goods or Services

The scope of this work includes: 1) source protection monitoring per the 10-Year Strategic Plan for general water quality parameters including testing for contaminants in the water source; 2) public water system compliance and noncompliance sampling of pre-treated, treated, finished, and the distribution system; and 3) environmental compliance sampling associated with hazardous waste determination and permit compliance work. This suite of analytical services allows EWEB to be in compliance with various regulations required of a public water provider and environmental requirements, as well as to provide water quality and biological information to allow assessment of the McKenzie watershed's health over time and identify potential threats to drinking water.

Prior Contract Activities

Prior contract activities have been based on immediate need or for specific monitoring and testing services over a set period of time. When required, purchasing has completed informal quotes or proposals to award the contracts or issue purchase orders. Below are recent examples of work completed for similar services for each Contractor.

Contractor	Description	Date of Agreement	Agreement Value
Eurofins	Summer Source Protection Toxin Monitoring	4-10-18	\$14,630
Eurofins	Water Quality Compliance Monitoring (for 2018)	12-13-17	\$8,200
Eurofins	Analytical Services for Source Protection McKenzie Water Quality Monitoring (for 2017)	4-14-17	\$22,150
ALS Analytical	Analytical Services for Source Protection Water Quality Monitoring (for 2018)	4-10-18	\$7,756
ALS Analytical	Analytical Services for Baseline Water Quality Monitoring Event	12-22-17	\$2,100
ALS Analytical	Analytical Services for Source Protection Water Quality Monitoring (for 2017)	4-14-17	\$19,500
TestAmerica	Analytical Services for Source Protection McKenzie Water Quality Monitoring (for 2017)	4-14-17	\$9,600
TestAmerica	Analytical Services for Baseline Monitoring Event	1-3-17	\$2,791
TestAmerica	Analytical Services for Source Protection Water Quality Monitoring (for 2016)	12-23-15	\$15,493

Purchasing Process

In May 2018, Staff issued a formal request for proposals seeking responses from firms interested in providing water quality analytical testing services. Four proposals were received from ALS Environmental, TestAmerica, Inc., Eurofins Eaton Analytical, Inc., and BSK Associates. Staff anticipated multiple awards based on the service models of analytical labs. Pricing and services for the solicitation were broken into five distinct lots – each organized into specific service needs and evaluated independently. After scoring based on evaluation criteria that included reporting and detection limits, turnaround time, and price, the committee reached consensus that ALS Environmental is the awardee for Lot 1; Eurofins is the awardee for Lots 2, 3, and 4; and TestAmerica is the awardee for Lot 5. This is a five-year contract with purchases made as-needed.

ACTION REQUESTED:

Management requests the Board approve Price Agreements with **ALS Environmental; Eurofins Eaton Analytical, Inc.;** and **TestAmerica, Inc.** for **Water Quality Analytical Testing Services.** The Water Utilities' Operations and Maintenance Budget for 2018 is \$14.6 Million. Funds will be budgeted for this work in future years.

SIGNATURES:

Contract Administrator (Karl Morgenstern): _____

Purchasing Supervisor (Sarah Gorsegner): _____

Executive Officer (Mel Damewood): _____

Board Approval Date: _____

Contract Execution Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the use of a cooperative contract for the purchase of a Knuckle Boom Crane from **Altec Inc.**

Board Meeting Date: September 4, 2018

Project Name/Contract#: Knuckle Boom Crane – Sourcewell Contract 012418-ALT

Primary Contact: Susan Ackerman Ext. 7185

Purchasing Contact: Ramie Alkire Ext. 7413

Expected Spend: \$360,000

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Carmen-Smith and Leaburg hydro facilities require a mobile crane to move and lift heavy materials associated with the Carmen-Smith relicense work and routine operations. Both hydro facilities have equipment, generators, and materials that require work on hard to reach locations with low clearance. Staff have determined that a knuckle boom crane is the best equipment to meet the variety of use requirements at these locations.

Knuckle boom cranes are designed to have flexibility in lifting functionality, they lift and move materials in very restricted spaces. Knuckle boom cranes have horizontal extensions that provide longer reach at a lower overall height. Even in low clearance and tight spaces, knuckle boom cranes can be used without causing damage to the site and where overhead powerlines create a clearance issue, contributing to safer operations. This type of application makes a knuckle boom crane essential for use in our Carmen-Smith and Leaburg substations, hydro-generation plants, and electric transmission and distribution systems.

Contracted Goods or Services

The cooperative contract includes a variety of utility vehicles including a current model year, knuckle boom crane. Staff have inspected and evaluated the vehicle and determined that it will meet our requirements.

Prior Contract Activities

This crane is replacing a telescopic designed crane which was purchased by EWEB in 2005. Because of its telescopic design, EWEB crews often limit its overhead working heights to provide the necessary clearances around the overhead powerlines that are typically found at our hydro and substation facilities. These restrictions have significantly limited EWEB's ability to pick heavier loads, along with the inability to move those loads away from the crane or the work.

With the on-going need of picking and moving heavier loads, EWEB has been contracting out this type of work or by bringing the knuckle boom crane from Electric Operations located at the ROC. When emergent conditions arise, EWEB's ability to react is limited to the time it takes to get a crane on-site. By purchasing a knuckle boom crane, EWEB will be able to react to emergency situations while maintaining safe overhead power line clearances.

Purchasing Process

In November 2017, a memo to the Board described the types of cooperative contracts and the advantages of using cooperative contracts. Advantages include purchasing at discount prices based on volume purchases, time and cost savings to both EWEB and Contractor to complete the competitive process, and the ability to source specific goods or services that meet EWEB's operational requirements. Below is additional information on the competitive process used to develop this cooperative contract.

In Dec 2017, the National Joint Powers Alliance (NJPA-Currently rebranded as Sourcewell) issued a Request for Proposals for Public Utility Equipment with Related Accessories and Supplies. The solicitation had 14 responses, and an evaluation committee of 4 Procurement Analysts evaluated and scored the responses. The evaluation committee awarded 7 contracts and indicated that Altec Industries offered a diverse product line, they offer 24 HR parts/sales/service, and have a large sales force with 37 service centers and more than 100 mobile service techs. Altec offers competitive pricing with volume discounts on multiple identical units. In the evaluation process Altec tied for the second highest points awarded for competitive pricing.

Staff requested a quote from Altec Inc. based on the cooperative contract, the quote for the vehicle meets our operational requirements and is competitively priced based on an informal market survey completed in 2017 for budgetary purposes. The market survey indicated that a single build unit would be approximately \$420,000. Although not considered a used unit, the contractor is offering aggressive pricing since the vehicle was used as a demo unit, Fleet staff have inspected the vehicle to assure it has been maintained.

ACTION REQUESTED:

Management requests the Board authorize the use of the cooperative contract, Sourcewell Contract 012418, for the purchase of a knuckle boom crane from **Altec Inc.** The Electric Capital budget is \$37.6 million for 2018.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Beecher Carlson** for Commercial Insurance Broker Services.

Board Meeting Date: September 4, 2018

Project Name/Contract#: Commercial Insurance Services / RFP 027-2018

Primary Contact: Sue Fahey Ext. 7688

Purchasing Contact: Ramie Alkire Ext. 7413

Contract Amount:

Original Contract Amount: \$ 225,000 (Over 5 years)

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 225,000

Resulting Cumulative Total: \$ 225,000

Contracting Method:

Method of Solicitation: Formal RFP

If applicable, basis for exemption: N/A

Term of Agreement: September 5, 2018 – September 4, 2023

Option to Renew? Annually up to 5 years

Approval for purchases "as needed" for the life of the contract Yes

Proposals/Bids Received (Range): 8 (\$37,500/annually + commissions, \$75,000/annually)

Selection Basis: Highest Ranked Proposer

Operational Requirement and Alignment with Strategic Plan

EWEB requires the services of qualified brokers to market and administer EWEB's commercial insurance portfolio and provide other services related to insurance and risk management.

Contracted Goods or Services

The contract requires contractor to work with EWEB to design and develop the commercial insurance program, including but not limited to:

- Research insurance markets to determine appropriateness of current coverage and recommend other additional or different coverage as needed
- Obtain competitive quotes for coverage exposures
- Develop a mutually agreeable renewal action plan and timeline that highlights accountability and meets EWEB's objectives
- Assist in the evaluation of self-insurance fund administration and financing strategies, retention and deductible levels
- Identify and negotiate, with insurers, on EWEB's behalf for most competitive costs and comprehensive coverage

Prior Contract Activities

The last contracting approach used to purchase commercial insurance broker services was a Formal Request for Proposal process in 2013. The contract was awarded to Marsh USA for a five year period. The contract will expire at the end of September with no additional renewals.

Purchasing Process

In June 2018, EWEB issued a Formal Request for Proposals (RFP) for commercial insurance broker services. Thirty-

one (31) entities reviewed the RFP on the State of Oregon's Procurement site (ORPIN). ORPIN sends out automatic notifications to registered firms interested in the specific type of services in our RFP. Staff also proactively reached out to nine firms in advance of the closing date.

EWEB received eight (8) responses: (1) Alliant of San Francisco, CA; (2) WHA Insurance of Eugene, OR; and (3) Willis of Oregon of Portland, OR; (4) Arthur J. Gallagher Risk Management Services of Tacoma, WA; (5) Arthur J. Gallagher Risk Management Services of Boston, MA; (6) Beecher Carlson of Eugene, OR; (7) Marsh USA of Portland, OR; and (8) USI Insurance Services of Portland, OR. The responses were evaluated based on the weighted criteria stated in the RFP which consisted of Ability/Capability to perform the work; Key Staff experience; Transition Management Services; Available/optional additional services; and Fees.

Beecher Carlson was found to be responsive and received the highest score in the evaluation of proposals. They are a locally based firm with strong key staff with a large pool of talent, including an attorney and an actuary; broad experience providing insurance broker services to utility and public entity clients; and an extensive list of services included in their base fee. Staff has successfully negotiated a contract, and has issued a Notice of Intent to Award, pending Board approval.

The total contract amount will be approximately \$225,000 over the total five-year period.

ACTION REQUESTED:

Management requests the Board approve a new contract with **Beecher Carlson** of Eugene, OR for Commercial Insurance Broker Services. The total Finance division budget is \$8.6 million for 2018. This item will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a price agreement with **HD Fowler Company** for **Polymer Concrete Water Meter Boxes**.

Board Meeting Date: September 4, 2018

Project Name/Contract #: Polymer Concrete Water Meter Boxes and Covers / ITB 040-2018

Primary Contact: Mel Damewood Ext.7145

Purchasing Contact: Collin Logan Ext.7485

Contract Amount:

Original Contract Amount: \$2,200,000 (over 5 years)

Additional \$ Previously Approved: \$0.00

Invoices over last approval: \$0.00

Percentage over last approval: 0.0 %

Amount this Request: \$2,200,000 (over 5 years)

Resulting Cumulative Total: \$2,200,000 (over 5 years)

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: n/a

Term of Agreement: Option to renew annually up to 5 years through September 2023

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes

Proposals/Bids Received (Range): 2 (\$711,325.20 - \$734,294.00)

Selection Basis: Lowest responsive and responsible bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB requires polymer concrete water meter boxes to support the implementation of the smart meters project and for the routine replacement and installation of meters by Water Operations. Staff estimate 15-20% of the water meter boxes will require replacement during the deployment of the smart meter project, and the majority of the lids will require replacement.

Contracted Goods or Services

The contract requires delivery of water meter lids and boxes that meet specified size, strength, weight, and access configurations. The initial bids were based on preliminary volume estimates, the final contract amount is based on refined calculations and is expected to be \$2,200,000. The actual total dollar amount is unknown and the total may be more or less than the estimated volume. The contract will be for one year, with the option to renew annually for up to 4 additional years.

Prior Contract Activities

The last contracting approach used to purchase water meter boxes was a cooperative contract that was solicited by the City of Salem. The contract was awarded to HD Fowler Company, EWEB signed an amendment to the contract in January 2014 that defined EWEB specific information such as EWEB's warehouse address, stock numbers, descriptions, and expected usage. The City of Salem's prior contract has expired and a new contract has been awarded by the City of Salem. Staff anticipated that with the increased volume for the smart meter project, that pricing would be lower if we completed our own competitive process, rather than using the cooperative contract again. HD Fowler offered a 15-30% discount on the meter box lids under our solicitation for purchasing in larger

volumes and these discounts are included in our negotiated contract pricing, the meter boxes are the same price regardless of the volume.

Purchasing Process

In July, EWEB issued an Invitation to Bid for the Purchase of Water Meter Boxes and Covers. EWEB posted the solicitation online and contacted known suppliers to invite them to participate in the competitive process. Two bids were received one from HD Fowler Company of Eugene, Oregon and one from Ferguson Waterworks of Eugene, OR. EWEB is required to award bids based on the lowest responsive and responsible offer, HD Fowler Company was selected based on this criteria.

If approved, staff will purchase required Polymer Concrete Water Meter Boxes at the established prices over the life of the Contract. The Contract is for one year, with the option to renew for four additional one-year periods.

ACTION REQUESTED:

Management requests the Board approve a price agreement with HD Fowler Company for purchase of Polymer Concrete Water Meter Boxes. Funds for these materials were budgeted for 2018 and are included in the Smart Meter project. Total Water Utility Operating Budget for 2018 is \$19.1 Million, the Smart Meter project budget is \$31.5 Million.

SIGNATURES:

Contract Administrator: _____

Executive Officer: _____

Purchasing Supervisor: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Construction Contract with **H&J Construction for Drain & Pond Improvements at Hayden Bridge Water Filtration Plant.**

Board Meeting Date: September 4, 2018

Project Name/Contract#: Drain & Pond Improvements at Hayden Bridge Water Filtration Plant / ITB 046-2018

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Collin Logan Ext. 7426

Contract Amount:

Original Contract Amount: \$426,500

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0 %

Amount this Request: \$426,500

Resulting Cumulative Total: \$426,500

Contracting Method:

Method of Solicitation: Formal Invitation to Bid (ITB)

If applicable, basis for exemption: N/A

Term of Agreement: Final Completion Date is January 1, 2019

Option to Renew? n/a

Approval for purchases "as needed" for the life of the contract n/a

Bids Received (Range): 1 / (\$426,500)

Selection Basis: Lowest responsive and responsible bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

The solids-handling ponds at Hayden Bridge Water Filtration Plant are required to treat backwash water prior to discharge to the McKenzie River. The current process is low tech but effective and EWEB consistently meets the requirements of the Department of Environmental Quality (DEQ) discharge permit. The improvements will extend the life of these assets as well as improve general operational efficiency of these facilities.

While many upgrades have occurred at the Hayden Bridge Water Filtration Plant in recent years, the solids-handling pond system has not had significant improvements since the 1980's. The solids-handling upper-pond was constructed around forty-years ago, and much of the piping and structures are now damaged, leaking, and have exceeded their useful lives. This project will reduce leaks, replace outdated control mechanisms, and improve system efficiency of the solids handling process by allowing solids to be treated with less operator time and effort. The new system is designed to improve operator safety and also provide additional operational flexibility.

Contracted Goods or Services

The contractor will be providing the following construction services.

- Demolish old and antiquated structures
- Replace and reroute existing damaged backwash and pond drain lines.
- Construct new upper-pond overflow and drain structure
- Excavate excess material from upper-pond
- Construct new wash-down piping and sludge collection pipelines in upper-pond

Prior Contract Activities

The Contractor, H&J Construction of Eugene, Oregon, has completed three other projects for EWEB including the initial phase of this project. All projects were completed in a timely manner and only one had change orders which increased the project cost.

Recent Contracts with H&J Construction

Contract No.	Description	Contract Dates	Original Contract Amount	Final or Current Contract Amount
057-2017	Hayden Bridge Backwash and Drain Improvements	10/19/17 – 01/17/18	\$ 89,950.00	\$ 85,287.00
1011-2016	Harris Street Water Service Sleeve Installation	03/22/16 – 12/14/16	\$ 56,521.40	\$ 56,521.40
028-2015	East 24th Ave Main Extension	08/03/15 – 03/14/16	\$ 285,439.88	\$ 294,370.88

Purchasing Process

In July 2018, Staff issued a formal Invitation to Bid (ITB) seeking a general contractor to perform drain and pond improvements at Hayden Bridge. Five firms were notified about the ITB, a single response was received from H&J Construction, Inc. of Eugene, OR. Staff queried two parties that attended the pre-bid meeting, feedback for contractors that did not offer a response indicated that they were too busy and didn't have available resources or didn't meet the minimum requirements for the work. Staff have reviewed the bid and has concluded that the costs presented are competitive, the engineer's estimate for this project was \$500,000. H&J Construction, Inc. was determined to be a responsive and responsible bidder.

ACTION REQUESTED:

Management requests the Board approve a construction contract with **H&J Construction, Inc.** to complete **Drain and Pond Improvements at Hayden Bridge**. Funds for this work were budgeted for 2018, and are included in the Capital Improvement Plan. The Type 1 Water Utility Capital Expenditures Budget for 2018 is \$7.7 Million which was approximately 50% spent at the end of July.

SIGNATURES:

Project Manager (Chris Irvin): _____

Department Manager (Wally McCullough): _____

Purchasing Supervisor (Sarah Gorsegner): _____

Executive Officer (Mel Damewood): _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the use of a cooperative contract for the purchase of a Truck Mounted, Hydro Excavator from **Owen Equipment Company, an authorized dealer of the Federal Signal Corp.**

Board Meeting Date: September 4, 2018

Project Name/Contract#: Truck mounted, hydro-excavator – Sourcewell Contract #122017-FSC

Primary Contact: Rod Price Ext. 7122

Purchasing Contact: Ramie Alkire Ext. 7413

Expected Spend: \$400,000

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB requires hydro-excavators (otherwise known as a vac-truck) to safely and efficiently remove soil debris next to our underground utilities. By tracking utilization in hours and overall maintenance cost, EWEB's Fleet services has determined that the useful expectancy of a hydro-excavator is around 10,000 hours of operation in severe-duty conditions (10 to 12 years) and the maintenance repair cost (less fuel) has exceeded the original purchase cost of the unit. EWEB intends to replace a hydro-excavator, purchased in 2006, which is highly utilized by our Electric Operations Department and has exceeded its useful life expectancy. This unit now has over 11,100 hours of severe-duty use and the maintenance cost to maintain (less fuel cost) has exceeded the original purchase price by over 154%.

Contracted Goods or Services

The cooperative contract includes sewer vacuum, hydro-excavation, and street sweeper equipment vehicles including the current model year, hydro-excavator.

Prior Contract Activities

In 2017, EWEB staff requested specifications and preliminary budget quotations for a similar product which would be a single build unit. At that time the preliminary budget quotations for a truck mounted, hydro-excavator were over \$475,000.

Purchasing Process

In November 2017, a memo to the Board described the types of cooperative contracts and the advantages of using cooperative contracts. Advantages include purchasing at discount prices based on volume purchases, time and cost savings to both EWEB and Contractor to complete the competitive process, and the ability to source specific goods or services that meet EWEB's operational requirements. Below is additional information on the competitive process used to develop this cooperative contract.

In Nov. 2017, the National Joint Powers Alliance (NJPA-Currently rebranded as Sourcewell) issued a Request for Proposals for Sewer Vacuum, Hydro-Excavation, and Street Sweeper Equipment, with Related Accessories and Supplies. The solicitation had 27 responses, and an evaluation committee of 5 Procurement Professionals evaluated and scored the responses. The evaluation committee awarded 13 contracts and indicated that Federal Signal Corporation (representing Elgin Street Sweeper and Vactor Manufacturing and distributed through Owen Equipment Company) offered a diverse product line, and competitive pricing.

Staff requested a quote from Owen Equipment Company based on the cooperative contract, the quote for the vehicle meets our operational requirements and is competitively priced based on an informal market survey completed in 2017 for budgetary reasons. The market survey indicated that a single build unit would be approximately \$475,000.

ACTION REQUESTED:

Management requests the Board authorize the use of the cooperative contract, Sourcewell Contract #122017-FSC, for the purchase of a Truck Mounted, Hydro Excavator from **Owen Equipment Company, an authorized dealer of the Federal Signal Corp.** The Electric Capital budget is \$37.6 million for 2018.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Construction Contract with **Pacific Excavation** to perform the **North Bertelsen Road Water Main Replacement**.

Board Meeting Date: September 4, 2018

Project Name/Contract#: North Bertelsen Road Water Main Replacement / ITB 047-2018

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Collin Logan Ext. 7486

Contract Amount:

Original Contract Amount: \$545,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0 %

Amount this Request: \$545,000

Resulting Cumulative Total: \$545,000

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: n/a

Term of Agreement: One Time Purchase (Construction)

Option to Renew? No

Approval for purchases "as needed" for the life of the contract No

Bids Received (Range): 4 (\$542,618 - \$774,895)

Selection Basis: Lowest Responsible and Responsive Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB addresses the aging water distribution system by annually replacing water pipelines. In accordance with recommendations in the Water Master Plan, a risk model is used to prioritize and identify pipelines for replacement. The pipeline being replaced is a 6" asbestos-cement pipeline that has leaked 6 times in the last 10 years. The existing pipeline is difficult to repair and the street repairs are expensive on this road due to the thickness of existing asphalt. The new pipeline, services, and hydrants will improve both the distribution system reliability and the fire-fighting capabilities in the area.

Contracted Goods or Services

This project will replace approximately 2,100 feet of existing pipe with new 8-inch diameter, restrained joint, zinc-coated ductile iron pipe. The project will also include installing (33) 1-inch service lines, three fire hydrant assemblies, gate valves, and curb/gutter and asphalt restoration.

Prior Contract Activities with the Contractor

The contractor proposed for the work has completed three similar pipeline replacement projects for EWEB, two in 2018 and one in 2015. All projects were completed in a timely manner and only one had change orders which increased the project cost. This change order was due to a material change requested by EWEB.

Recent Contracts with Pacific Excavation for Similar Work

Contract No.	Description	Dates (from Notice to Proceed to Close of Work Order)	Original Contract Amount	Final or Current Contract Amount
013-2018	Larkspur Loop Water Main Replacement	04/12/18 - present	\$ 226,800.00	\$ 244,156.80
067-2017	Golden Gardens Water Main Replacement	02/16/18 - present	\$ 265,880.00	\$ 265,880.00
002-2015	Avalon Street Water Main Replacement	04/28/15 – 01/15/16	\$ 394,235.00	\$ 394,234.75

Purchasing Process

Staff issued a formal Invitation to Bid in July 2018. Staff received four bids, the lowest responsive and responsible bid was received from Pacific Excavation of Eugene, Oregon. Additional bids were received from H&J Construction of Eugene, Oregon; Wildish Construction of Eugene, Oregon; and Turney Excavating of Keizer, Oregon. If approved, Pacific Excavation will provide construction services as specified in the solicitation documents.

ACTION REQUESTED:

Management requests the Board approve a Construction Contract with **Pacific Excavation** for **replacement of the North Bertelsen Road water main**. Funds for this work were budgeted for 2018, and are included in the Capital Improvement Plan under the main replacement umbrella sub-project. This sub-project has a Type 1 Capital Expenditures Budget for 2018 of \$3.1 Million which was approximately 50% spent at the end of July.

SIGNATURES:

Project Manager (Chris Irvin): _____

Department Manager (Wally McCullough): _____

Purchasing Supervisor (Sarah Gorsegner): _____

Executive Officer (Mel Damewood): _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new price agreement with **Sanipac** for **Solid Waste and Recycling Services**.

Board Meeting Date: September 4, 2018

Project Name/Contract #: Solid Waste & Recycling Services / SC 18-2697

Primary Contact: Rod Price Ext.7122

Purchasing Contact: Tracy Davis Ext.7468

Contract Amount:

Original Contract Amount: \$165,000 over 5 years (estimate)

Additional \$ Previously Approved: \$0.00

Invoices over last approval: \$0.00

Percentage over last approval: 0.0 %

Amount this Request: \$165,000

Resulting Cumulative Total: **\$165,000 over 5 years (estimate)**

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: EWEB Rule 6-0160; Contracts for Price Regulated Items

Term of Agreement: 5 years

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes

Proposals/Bids Received (Range): N/A

Selection Basis: N/A

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB is committed to a waste minimization/materials management approach to manage our waste generation, which leads to good financial responsibility. Sanipac is capable of meeting EWEB's efficiency needs by providing services to both Eugene and Springfield (Hayden Bridge) under one contract.

Contracted Goods or Services

This contract requires solid waste collection and recycling services, with an emphasis on garbage reduction. Sanipac hauls separated waste, co-mingled recycling, glass, and food waste from Headquarters, ROC, and Hayden Bridge on a weekly basis, and on-call as needed. The cost of these services has averaged \$33,000 per year over the last five years. The actual total dollar amount for the next five years is unknown and the total may be more or less than the estimated \$165,000. The new contract will be for five years.

Prior Contract Activities

From 2000 to 2013, EWEB has directly awarded contracts to Sanipac for solid waste collection and recycling services under EWEB's Exemption from Bidding Contracts for Price Regulated Items. The Board has approved these contracts with Sanipac in 2003, 2008, and 2013. In 2013, EWEB issued an RFP to seek proposals from hauling contractors to help EWEB implement a new waste minimization approach. Sanipac was selected as the highest ranked proposer. Sanipac has proven to be a collaborative partner since 2000, providing good service, while maintaining reasonable costs that are regulated by the City of Eugene.

Purchasing Process

Staff negotiated a contract with Sanipac based on the exemption for price regulated items. Sanipac offered the lowest regulated rate (waste haulers can charge up to 10% more than the regulated rate). Sanipac does not charge EWEB for recycling services and other waste reduction services.

ACTION REQUESTED:

Management requests the Board approve a price agreement with Sanipac for Solid Waste and Recycling Services. Funds for these services were budgeted for 2018 and will be budgeted annually. Total Building Operations, Physical Security and Fleet Services Operations and Maintenance Budget for 2018 is \$6.6 Million.

SIGNATURES:

Contract Administrator: _____

Executive Officer: _____

Purchasing Supervisor: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve increasing an existing contract with **Wildish Building Company** for the Carmen-Smith Turbine Shutoff Valve Installation.

Board Meeting Date: September 4, 2018

Project Name/Contract#: Carmen Turbine Shutoff Valve Installation /002-2011 Task Order #6

Primary Contact: Susan Ackerman Ext.7185

Purchasing Contact: Sandra Hahn Ext.7163

Contract Amount:

Original Contract Amount: \$1,756,857

Additional \$ Previously Approved: \$ 0

Invoices over last approval: \$ 0

Percentage over last approval: 20.4 %

Amount this Request: \$ 357,877

Resulting Cumulative Total: \$2,115,366

Contracting Method:

Method of Solicitation: CM/GC - Guaranteed Maximum Price (GMP)

If applicable, basis for exemption: 5-0680 (5) Construction Manager/General Contractor (CM/GC)

Alternative Procurement

Term of Agreement: Through November 30, 2018

Option to Renew? No

Approval for purchases "as needed" for the life of the contract No

Proposals/Bids Received (Range): n/a

Selection Basis: Guaranteed Maximum Price

Narrative:

Operational Requirement and Alignment with Strategic Plan

The turbine shutoff valves (TSV) at Carmen Power Plant require replacement, they have been leaking and are at the end of their useful life, this project is to install the replacement valves.

Contracted Goods or Services

Construction activities to replace the Turbine Shutoff Valves at the Carmen Power Plant.

Prior Contract Activities

When EWEB initially contracted with Wildish for Task Order #6 in March 2017, there were portions of the necessary project scope that Wildish could not price for lack of information. The outstanding scope items included the electrical/instrumentation/control elements of the TSV project (due to incomplete product data submittals from the TSV supplier which delayed completion of the electrical design) as well as power tunnel repairs (which could not be fully defined until the dewatering/inspection of the tunnel was completed prior to the start of construction). In addition to these major change orders to the original contract scope of work, there have also been other minor change orders. This other change order work has included divers to seal the draft tube gates, concrete pedestals for ancillary equipment, installation of transformers for the hydraulic power units, and installation of pressure relief valves in the power tunnel. In total, change orders to date have totaled \$358,000 or 20% above the contract amount authorized by

the Board in March 2017.

While the change order value to date remains below the 25% threshold that would trigger the need for formal Board review and re-authorization of the contract, there are additional change orders currently under development that will bring the contract value closer to the threshold. While the TSV installation is progressing well and the contractor anticipates completing construction activities on schedule in November, there is still potential that additional change orders would push the contract more than 25% beyond the Board authorized value. In order to minimize the risk of a construction progress delay awaiting Board approval or the need to seek emergency authorization if a change order arises exceeding the max 25% threshold, staff requests that the Board approve the current contract value of \$2,115,000.

Purchasing Process

The contract was initially awarded as a Construction Manager/General Contractor contract for construction services at the Carmen-Smith Hydroelectric Project. After the work is designed, a Guaranteed Maximum Price is negotiated. Staff have negotiated task orders for elements of the work that are ready for construction, when the work exceeds \$150,000 the Board is requested to review and approve the task orders. When change orders on a task exceed 25% of the Board approved amount, Board Policy requires review and approval prior to executing the change orders.

ACTION REQUESTED:

Management requests the Board approve an increase to the existing contract with **Wildish Building Company** for the **Carmen Smith Turbine Shutoff Valve Replacement Project** as necessary to permit timely performance of the work and minimize lost generation revenue. Funds for this work were budgeted for 2018 within the overall Carmen-Smith Relicensing Type 3 Capital Budget of \$13.85 million.

SIGNATURES:

Project Coordinator: _____
Manager: _____
Purchasing Supervisor: _____
Executive Officer: _____
Board Approval Date: _____



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Simpson and Helgeson
FROM: Mel Damewood, Chief Water Engineering & Operations Officer
DATE: August 28, 2018
SUBJECT: Water Pipeline Crossings over Amazon Creek
OBJECTIVE: Board Approval

Issue

A recent City of Eugene bid opening will result in higher than originally approved costs for EWEB.

Background

In 2017, EWEB discovered that at least three of its water distribution pipelines crossing the upper reaches of Amazon Creek were exposed and visible in the creek bottom due to erosion of the creek bed. Two of these lines feed from our transmission system to our Spring and Dillard upper level pump stations and are thus critical infrastructure. These pipelines were constructed between 1958 and 1967 and were not restrained sufficiently to resist the potential forces caused by the continued erosion of Amazon Creek.

To mitigate this risk, EWEB began investigating alternatives to replace these crossings. Alternatives considered included boring new lines deeper under Amazon Creek or constructing pipe bridges. Both of these options required significant permitting efforts and have high construction costs.

Staff also approached the City of Eugene (City) with the idea of partnering with them to hang new pipelines on two pedestrian bridges the City was planning to construct across Amazon Creek. With relatively minor modifications to the city's planned bridges, the City's contractor would be able to attach two 16" ductile iron pipelines to the bridges, allowing EWEB to eventually abandon all three existing exposed, at risk, pipe crossings. By partnering with the City on this project, EWEB would be able to reduce the costs to replace our at risk pipelines across Amazon Creek as well as reduce construction impacts to the community.

Staff developed an Inter-Governmental Agreement (IGA) collaboratively with the City for this partnership which was approved and signed by the City on May 16th, 2018. This IGA included a not to exceed cost for EWEB of \$190,000. This cost was based on preliminary cost estimates prepared by the City and supplemented by estimates from EWEB staff. The IGA was approved by the EWEB Board on June 5th, 2018.

Construction bids were opened recently on this project and the costs were significantly higher than was originally estimated. While the original estimate for the EWEB costs for the two crossings was less than \$190,000, the recent bid will result in an EWEB cost of approximately \$186,000 for one

crossing. The second crossing will not be bid until 2019 but using the unit costs provided with the recent bid, EWEB's cost for the second crossing would be an additional \$175,000, resulting in a total cost for both crossings of approximately \$360,000. EWEB is paying 10 percent of the incremental cost to help cover overhead, inspection, and project management incurred by the City of Eugene. This 10 percent is included in the overall price being asked to be approved.



Exposed 12" water main near 35th Street, Constructed 1958.

Discussion

Constructing two new pipe crossing over Amazon Creek was considered a great bargain at \$190,000 for both. Now with the recent bid opening, and the costs significantly higher, EWEB had to determine whether to proceed with the project.

Staff have discussed this project with multiple boring contractors and have estimated the cost to hire a contractor to bore two new crossing beneath Amazon Creek at approximately \$530,000. This is approximately \$170,000 more than partnering with the City on their bridges. These bores would need to be deep and there are numerous conflicting utilities buried in this area which add uncertainty to this alternative.

EWEB could construct its own pipe bridges however staff anticipate that the costs would be higher than paying for a portion of the costs for the City's bridges. Under the current IGA EWEB is only paying for the incremental cost to increase the strength of the bridges to support the waterline and not contributing to the many other costs required for constructing a bridge such as bridge footings and environmental costs. In addition, EWEB would be required to secure all environmental permits and approvals, which the City has already completed for their bridges at no cost to EWEB.

Given the above, staff anticipate that the least cost alternative is to continue with the partnership with the City. If this is approved, both bridge crossings would be constructed in 2019.

Requested Board Action

Management requests the Board approve increasing the amount of the IGA with the City of Eugene for the installation of two pipeline crossing over Amazon Creek from \$190,000 to \$360,000.

If you have any questions please contact Mel Damewood, Chief Water Engineering and Operations Officer at 541-685-7145

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an Intergovernmental Agreement with **City of Eugene** for **Water Pipeline Crossings on Pedestrian Bridges over Amazon Creek**.

Board Meeting Date: September 4, 2018

Project Name/Contract#: Water Pipeline Crossings on Pedestrian Bridges over Amazon Creek/ IGA 18-0003

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Collin Logan Ext. 7486

Contract Amount:

Original Contract Amount: \$190,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0 %

Amount this Request: \$170,000

Resulting Cumulative Total: \$360,000

Contracting Method:

Method of Solicitation: Intergovernmental Agreement

If applicable, basis for exemption: n/a

Term of Agreement: **One-Time Purchase**

Option to Renew? No

Approval for purchases "as needed" for the life of the contract No

Proposals/Bids Received (Range): _____

Selection Basis: _____

Narrative:

This project will replace three existing pipeline crossings currently installed under Amazon Creek with two new pipelines to be attached underneath the City's new pedestrian bridges at Dillard Road and 37th Street. Since the original pipes were installed, the creek bed has eroded significantly. EWEB's pipelines are now exposed, posing a risk to infrastructure integrity. EWEB investigated possible solutions, including boring new pipelines under Amazon Creek or constructing pipe bridges. Both of these options are subject to substantial construction costs (design engineering, materials, labor, and permits).

EWEB contacted the City of Eugene to explore the possibility of partnering on their planned pedestrian bridge crossings. By partnering with the City of Eugene on this project, EWEB is able to significantly reduce the costs to replace our at-risk pipelines across Amazon Creek as well as reduce construction impacts to the community. The new pipelines and bridges are designed and will be built to resist seismic forces. EWEB will reimburse the City for the installation of two new pipelines attached to the bridges spanning Amazon Creek. Eventually, EWEB will abandon all three of the old, exposed pipelines.

Staff developed an Inter-Governmental Agreement collaboratively with the City and was approved and signed by the City Manager on May 16, 2018. EWEB's drawings and specifications was included with the City's solicitation in August 2018 and bids for the first bridge crossing were received. If this IGA is approved and the bids are within the Not to Exceed amount of \$360,000, EWEB will amend the existing signed IGA and approve awarding the work to the City's contractor.

ACTION REQUESTED:

Management requests the Board approve an Intergovernmental Agreement with **the City of Eugene** for **Water Pipeline Crossings on Pedestrian Bridges over Amazon Creek**. This work will be completed under the type 1 capital water budget in 2019, which totals approximately \$5 Million.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve the continuation of an Intergovernmental Agreement (IGA) with **Lane Council of Governments (LCOG)** for **Geographic Information System (GIS) services**, under the GIS Cooperative Project Agreement.

Board Meeting Date: September 4, 2018

Project Name/Contract #: Geographic Information System (GIS) Services / IGA 13-0009

Primary Contact: Matt Barton Ext. 7109

Purchasing Contact: Tracy Davis Ext. 7468

Contract Amount:

Original Contract Amount: \$400,000 (over 5 years)

Additional \$ Previously Approved: \$0.00

Invoices over last approval: \$0.00

Percentage over last approval: 0.0 %

Amount this Request: \$400,000 (over 5 years)

Resulting Cumulative Total: \$800,000 (over 10 years)

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: EWEB Rule 6-0190, ORS 190.010, Intergovernmental Agreements

Term of Agreement: Annual renewal with partner agencies, initiated by LCOG

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes

Proposals/Bids Received (Range): N/A

Selection Basis: N/A

Narrative:

Operational Requirement and Alignment with Strategic Plan

The data and services procured through this agreement is directly tied to Electric and Water operations use of GIS systems, including outage management. Maintaining this information ensures that operations will have access to up-to-date information while providing services to our customers.

Contracted Goods or Services

Under this agreement, LCOG provides GIS Services, which allows EWEB access to the Regional Land Information Database (RLID) and allows EWEB to receive regular updates of property information, county and city infrastructure updates, and regional aerial photography throughout the year. The contract will be for 5 additional years, with contributions made yearly through the life of the agreement.

Prior Contract Activities

EWEB is an active member of the Regional GIS Community and the current GIS Cooperative agreement which began July 1, 2000.

Purchasing Process

LCOG has initiated a contract renewal process and EWEB has reviewed and approved the contract. The agreement outlines the services and fees. The annual fees are paid to LCOG by the regional partner agencies including EWEB, LCOG, Cities of Eugene and Springfield, and Lane County. EWEB's share of this annual fee is \$78,573 for 2018 and the fee is calculated on an annual basis.

ACTION REQUESTED:

Management requests the Board approve the continuation of an Intergovernmental Agreement (IGA) with **Lane Council of Governments (LCOG)** for **Geographic Information System (GIS) services**, under the GIS Cooperative Project Agreement. Funds for these services are budgeted for 2018 and will be budgeted annually. The total Information Services Operating Budget for 2018 is \$10.5 Million.

SIGNATURES:

Contract Administrator: _____

Executive Officer: _____

Purchasing Supervisor: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an existing IGA with **Lane Council of Governments** for **technical assistance activities related to EWEB's property management systems.**

Board Meeting Date: September 4, 2018

Project Name/Contract #: Property Management Tech Assistance, IGA 16-0003

Primary Contact: Susan Ackerman Ext.7185

Purchasing Contact: Sandra Hahn Ext.7163

Contract Amount:

Original Contract Amount: \$90,000

Additional \$ Previously Approved: \$398,000

Invoices over last approval: \$17,680

Percentage over last approval: 4.4%

Amount this Request: \$60,000

Resulting Cumulative Total: \$556,500

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: EWEB Purchasing Rule 6-0110 (1)(a)(A)

Term of Agreement: **January 1, 2016 - October 31, 2019**

Option to Renew? Yes

Approval for purchases "as needed" for the life of the contract: No

Proposals/Bids Received (Range): Direct Negotiation; Confirmed pricing at market rate

Selection Basis: IGA

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB has acquired approximately 8,000 easements since its inception over one hundred years ago. Prior to 2015, these legacy easements were documented in paper format, usually hand drawn on velum overlay. This antiquated system made it difficult to easily ascertain which rights EWEB had already attained and which were needed to install and maintain service. Right-of-Way Agents were required to research multiple sources and archives, which led to delays in getting this critical information to EWEB Engineering and Operations groups.

Contracted Goods or Services

Contracted services include digitization and attribution of EWEB utility easement data into a geospatial database, scanning and attaching related documents, and verification that data in GIS matches actual conditions. Because many of the easements are dated and not clearly described, where necessary LCOG will conduct property rights research, such as deed searches and verification of legal descriptions, so that the easements may be accurately mapped. In addition, where they can be identified, issues such as encroachment are documented. Work provided under this contract is primarily for legacy records, however emerging records have been included over the past 2 years.

To close out this contract for converting legacy records, digitizing new easements and emerging work will no longer be provided under this contract. A new contract has been negotiated for the emerging work, and will be presented to the Board for approval.

Prior Contract Activities

In 2015, EWEB Management decided to pilot converting hard copy maps and documents into GIS with LCOG conducting the work. The pilot was successful, and in 2016 EWEB negotiated this contract for completing the remaining legacy records. Initially the work was expected to take several years. However, due to complications of working with old incomplete records the level of effort was significantly greater than anticipated.

LCOG has completed approximately 90% of the legacy work. The remaining work is for complex easements that require additional research such as when legal descriptions don't match or documents contradict each other. Staff expect that completion of the legacy records will cost approximately \$60,000 and that the work will be complete by mid-2019.

In 2015, the pilot activities were initially contracted for \$50,000. This was increased to \$90,000 through an amendment. In 2016, the initial contract was \$90,000. There have been 3 Amendments issued, and a 4th Amendment negotiated:

- Initial Contract-\$90,000
- Amendment 1-\$22,500, Total \$112,500
- Amendment 2-\$285,000, Total \$397,500-Last Board Approval
- Amendment 3-\$99,000, Total \$496,500-Under 25% increase over last Board Approved amount
- Amendment 4-\$60,000, Total \$556,500

Purchasing Process

EWEB Staff directly negotiated a contract, allowed under an exemption for awarding Intergovernmental Agreements. Staff determined that the pricing was competitive based on requested pricing estimates from private firms that do similar work. LCOG is a good partner for this project because they have prior experience working with these records, facilitate the regional GIS consortium and have extensive knowledge with the system, have direct access to County records, and are cost competitive.

ACTION REQUESTED:

Management requests the Board approve an increase to an existing IGA with Lane Council of Governments for technical assistance activities related to EWEB's property management systems. Funds for these services were budgeted for 2018, the total 2018 budget for the Energy Division, less purchased power, is \$32.9 Million.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Executive Officer: _____

Purchasing Supervisor: _____

Board Approval Date: _____

Purchasing Process

A new IGA contract has been negotiated with LCOG to maintain the database developed under the prior IGA over the next 5 years.

ACTION REQUESTED:

Management requests the Board approve a new IGA with Lane Council of Governments for technical maintenance activities related to EWEB's property management systems. Funds for these services were budgeted for 2018, the total 2018 budget for the Energy Division, less purchased power, is \$32.9 Million.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____