

Proposed amended ordinance - strikethrough/underline version

The City of Portland ordains:

Section 1. The Council finds:

1. The Portland Water Bureau routinely purchases a wide variety of water works supplies such as valves, brass and copper fittings, bushings, sleeves, repair clamps, adapters, reducers, caps, and plugs, among hundreds of other components necessary to maintain the City's water works infrastructure. These supplies support all aspects of proactive and emergency repair, construction, and maintenance. In addition, a readily available source of supplies which is necessary to ensure timely completion of water system maintenance.
2. The most cost-effective way to procure the necessary source of supplies is on a long-term contractual basis, to continue an uninterrupted flow of necessary supplies. This source of supply, based on a competitive solicitation, ensures the best value for ratepayers of the City of Portland.
3. The Portland Water Bureau has increased its pace of system maintenance over the last five years and is projecting to continue its strong pace of system maintenance work in the next five years.
4. Based on the current levels of system maintenance and projected increases in the cost of materials, the estimated cost for the purchase of water works supplies over a period of five years is approximately \$20,000,000.
5. The Portland Water Bureau seeks City Council's authorization for Procurement Services to issue a competitive solicitation for water works supplies.
6. The competitive solicitation process will also ensure the safety of the public because the Portland Water Bureau is using industry-approved, tested equipment to deliver clean water to their homes and businesses.
7. Funding is available in the Fiscal Year (FY) 2021-22 Budget and will be requested in the FY 2022-23 through 2025-26 Budgets.

NOW, THEREFORE, the Council directs:

- a. The Chief Procurement Officer is authorized to ~~facilitate the use of~~ advertise a competitive solicitation ~~process~~ to obtain the most ~~responsible and responsive bid~~ advantageous offers for water works supplies ~~for a five-year period~~ in accordance with City Code.
- b. Upon Council acceptance of the Chief Procurement Officer's Report to Council ~~recommending the lowest responsible bidder~~, the Chief Procurement Officer is authorized to ~~negotiate~~ award and execute a contract with the selected offerors,

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provided the contract has been approved as to form by the City Attorney's Office.

- c. The Mayor and Auditor are hereby authorized to draw and deliver checks chargeable to the Water Fund when demand is presented and approved by the proper authorities.

IMPACT STATEMENT

Legislation title: *Authorize bid solicitation and contracting with the lowest responsive and responsible bidder for the procurement of water works supplies at an estimated cost of \$20 million (Ordinance)

Contact name: Ty Kovatch, Deputy Director III

Contact phone: (503) 680-5771

Presenter name: Ty Kovatch, Deputy Director III

Purpose of proposed legislation and background information:

The purpose of this legislation is to authorize a competitive solicitation for water works supplies for the Portland Water Bureau. PCC 5.3.3.200 requires a Formal Competitive Sealed Bid process be used when the estimated contract amount exceeds \$1,000,000. In addition, filing of a City Council Ordinance is required prior to Procurement Services conducting the solicitation for bid.

In 2019, the Portland Water Bureau spent \$3,236,980 on supplies such as valves, brass and copper fittings, bushings, sleeves, repair clamps, adapters, reducers, caps, and plugs, among hundreds of other components necessary to maintain the City's water works infrastructure against the current contract. These supplies must meet NSF Standard 61: Drinking Water System Components - Health Effects requirements in compliance with Oregon Administrative Rule 333.061.0050.1(e), which addresses materials designed for potable water service. The supplies are needed for new service installation, routine, and emergency maintenance, and are an on-going source of supply that is required in order to ensure continued maintenance of Portland's water distribution system infrastructure.

The Portland Water Bureau will be continuing its strong pace of routine and emergency maintenance and plans to aggressively continue to upgrade the system during the next 5 years in order to send clean water to City customers. The current contract to procure the construction water works supplies is shortly expiring therefore this legislation is required in order to begin the procurement process to obtain a new vendor.

Financial and budgetary impacts:

The estimated value of the contract will be \$20,000,000 and is intended to last five years. The Portland Water Bureau plans on completing and increasing the number of jobs, requiring the use of more supplies within the next five years.

The Portland Water Bureau anticipates spending up to \$3,447,383 the first year with an increase of work each year. This estimate is based on the previous contract demands projected forward and factors in expected materials costs increase due to inflation.

The Portland Water Bureau plans to continue maintaining the water distribution system in a steadily increasing manner requiring the use of more supplies over the next five years. Funding is available in the Water Bureau's Fiscal Year (FY) 2021-22 Budget and are in the forecast as part of the FY 2022-23 through FY 2025-26 Budgets.

The previous water works contract was also used by Portland Bureau of Transportation (PBOT); the estimated value of the contract includes PBOT's expected use. Each bureau will be able to issue their own purchase orders against the awarded contract to ensure expenditures are coded to the appropriate City bureau's budget account.

The proposed legislation will not create, eliminate, or re-classify any positions now or in the future.

No revenue will be impacted by this legislation.

Community impacts and community involvement:

Reliable water service now, and for generations to come.

The Portland Water Bureau's mission is to serve excellent water every minute of every day to nearly a quarter of all Oregonians. Our vision to ensure the water our community loves is safe and abundant for generations to come by centering equity, affordability, and environmental stewardship in our work. The Portland Water Bureau is committed to public health, community service, and planning for a resilient water future.

Our water system carries drinking water from the Bull Run Watershed and the Columbia South Shore Well Field to nearly one million people over 225 square miles. About 650,000 of our water users are in Portland while about 350,000 water users receive our water from one of 19 other water providers in the area including neighboring cities, water districts, and private water companies.

The previous contract, Contract No. 31000904, has allowed the Portland Water Bureau to provide water service to more than 193,600 accounts:

- Residential Single Family: 159,479
- Residential Multi-Family: 13,481
- Commercial: 20,624
- Wholesale: 19

While safe and effective, our infrastructure is aging, and water disruptions are more impactful to vulnerable communities and to small businesses. The Portland Water Bureau will maintain the strong pace of routine and emergency maintenance and plans to aggressively continue to upgrade the system during the next 5 years in order to send clean water to City customers. The supplies procured through the new water works supply contract will support all aspects of proactive and emergency repair, construction, and maintenance. In addition, provide for an on-going source of supply necessary to ensure timely completion of water system projects. By replacing and maintaining old infrastructure our water system will be more resilient, reducing risks of main breaks and other possible disruptions to our customer's service.

The contract currently in use has been instrumental in supplying parts to the Willamette River Crossing (WRX) Project. The WRX Project will build an earthquake-resilient water line deep under the Willamette River, and is part of the Portland Water Bureau's commitment to preparedness. This new pipe is critical in making sure we can get water to the west side of the Willamette after an earthquake.

This legislation is a continuation of the services necessary to support the Portland Water Bureau's water works supplies and does not change any City policies.

The Portland Water Bureau does not expect any groups to testify in favor or opposition to this legislation.

100% Renewable Goal:

This legislation does not increase or decrease the City's total energy use and does not increase or decrease the City's renewable energy use.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES:** Please complete the information below.
- NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount