



[Home](#) / [Council Documents](#)

1058-2022

Report

Accept the Chief Procurement Officer's recommendation for contract to Ferguson Waterworks for water works supplies not to exceed \$20 million

Accepted

TO THE COUNCIL:

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.

As Authorized by Ordinance # 190536, the City of Portland, Procurement Services issued RFP #00001767 seeking proposals from qualified firms and contractors with demonstrated experience in providing Waterworks Supplies.

On April 28, 2022, two (2) proposal responses were received. Proposals were evaluated in accordance with the RFP requirements, and on June 15, 2022 a notice of intent to award was issued to Ferguson Waterworks. No protests were received.

Ferguson Waterworks' Business Tax Registration Account, is in full compliance, and is compliant with the Equal Benefits Program and the EEO certification requirement. Ferguson Waterworks is not a State of Oregon Certified D/M/W/ESB contractor. The level of confidence in the cost estimates for this project is high, based on the pricing received and negotiated with Ferguson Waterworks and for the final contract.

The Chief Procurement Officer requests that the City Council accept this Report and authorize the Chief Procurement Officer to execute of a contract with Ferguson Waterworks for an initial term of five (5) years; and a not-to-

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance;](#)
[Revenue and Financial Services](#)

Contact

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

December 14, 2022

Time Requested

5 minutes

exceed amount of \$20,000,000.00. The Council's conditional acceptance of this report is subject to the final contract's approval as to form by the City Attorney's Office.

Recommended by:

Biko Taylor

Chief Procurement Officer

Impact Statement

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.

Agenda Items

1058 Regular Agenda in December 14-15, 2022 Council Agenda

Accepted - Prepare Contract

Motion to accept the report: Moved by Hardesty and seconded by Wheeler.

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Mayor Ted Wheeler Yea