

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Ann Richter		2. Telephone No. 503-823-6135	3. Bureau/Office/Dept. Water / Operations / Water Quality Compliance
4a. To be filed (date): August 21, 2014	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: August 13, 2014
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

*Authorize an Emergency Contract with Analytical Services, Inc. in the amount of \$250,000 for Laboratory Services for Cryptosporidium and Giardia Water Analysis (Ordinance)

2) Purpose of the Proposed Legislation: The purpose is to authorize a contract with Analytical Services, Inc. to provide laboratory services to analyze water samples for Cryptosporidium and Giardia.

On March 14, 2012, the Oregon Health Authority (OHA) issued its Final Order granting Portland Water Bureau's request for a variance to the treatment requirements of the Long Term 2 Enhanced Surface Water Treatment (LT2) Rule under 42 USC § 300g-4(a)(1)(B). The Bull Run Treatment Variance is subject to source water monitoring conditions specified by OHA in the Final Order, IV(1)(a)(D) and IV(1)(b). In order to comply with these conditions, the City must retain the services of an Environmental Protection Agency (EPA) approved or State accredited laboratory to test intake and tributary water samples for the presence of Cryptosporidium oocysts.

An emergency exists because the laboratory contracted to provide analysis of Cryptosporidium in water abruptly notified the Water Bureau that they were going out of business and would no longer be able to accept samples. Although the fate of the laboratory remains uncertain, this level of uncertainty and potential for the abrupt loss of laboratory services is unacceptable. It is imperative for the Water Bureau to retain the services of a qualified laboratory that can reliably provide analytical services to meet the water monitoring conditions of the Bull Run Treatment Variance. Failure to analyze Bull Run intake samples at the required frequency of twice per week due to a loss of laboratory services would place the City at an unacceptable risk of having the Bull Run Treatment Variance revoked by OHA, which would require that the City build a costly treatment plant for Cryptosporidium. Therefore, the Water Bureau must secure an emergency contract with a laboratory that is known to possess the necessary capacity and qualifications to ensure the requirement for testing continues. Analytical Services, Inc., an EPA and State approved laboratory that is known to possess the necessary laboratory capacity and

qualifications, has been selected to provide the required laboratory services until a new contract can be awarded to a Successful Proposer through the City's formal procurement process.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

No.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence.)**

The not-to-exceed value of this contract is \$250,000. The emergency was declared and approved in June 2014. Partial funding was available and accrued in the FY 2013-14 Budget. Additional funding is available in the FY 2014-15 Budget.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)**
No.
- **Will positions be created or eliminated in future years as a result of this legislation?**
No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)

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

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- ☐ **YES:** Please proceed to Question #9.
☒ **NO:** Please, explain why below; and proceed to Question #10.

This Council item is intended to meet the State regulatory requirements for maintaining a Bull Run Treatment Variance as specified by the OHA in the Final Order (March 14, 2012) to the PWB's request for a variance to the treatment requirements of the Long-Term 2 Enhanced Surface Water Treatment (LT2) Rule.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No. For the duration of the Bull Run Treatment Variance, PWB will be subject to the conditions specified by OHA in the Final Order.

David G. Shaff, Administrator

 07.30.2014

BUREAU DIRECTOR (Typed name and signature)