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IMPACT STATEMENT

187175

Date: April 30, 2015

Council Date: June 3, 2015

Legislation Title: Authorize a competitive solicitation for the purchase of water system hydrants and valves at an estimated cost of \$5,220,000 (Ordinance)

Contact Name: Tenna White

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Presenter Name: David Shaff

Purpose of proposed legislation and background information:

The purpose of this legislation is to authorize a competitive solicitation for the purchase of water system hydrants and valves which support the work of the Water Bureau's Hydrant Installation and Replacement Program. PCC 5.33.200 requires a Formal Competitive Sealed Bid process be used when the estimated contract amount exceeds \$500,000. In addition, filing of a City Council Ordinance is required prior to Procurement Services conducting the solicitation for bid.

The City of Portland has approximately 14,200 fire hydrants within the city limits that provide for fire protection, water quality maintenance via flushing, and can serve as a potable water source in emergencies as well as temporary sources of water when needed during system maintenance. The City has many obsolete hydrants in the system, some of which were installed as early as 1895. A variety of hydrant styles can be found throughout the system; many of the older styles cannot be repaired due to the unavailability of new or replacement parts.

In addition, there are approximately 45,000 distribution valves within the City's water system. Valves allow sections of the system to be isolated for maintenance purposes and help limit water system disruptions to customers when maintenance is occurring. Many of the distribution valves are of varying ages and sizes. Some of the valves were installed in the early 1900's.

In 2011 the volume of installation and replacement of hydrants was approximately 100 per year and expenditures for the purchase of hydrants and valves were nearly \$300,000. As the Water Bureau has increased their work rate on hydrants and valves, the volume of purchase for hydrants and valves has increased exponentially. In FY 2013-14 the Water Bureau completed the installation and replacement of nearly 700 valves in the water system and the cost of replacing hydrants and valves resulted in expenditures of over \$900,000.

The Water Bureau's Hydrant Installation and Replacement Program's current contract for hydrants and valves is soon to expire. The Water Bureau requires approval by City Council in order for Procurement Services to begin the Competitive Sealed Bid process which will lead to an award of a new five year contract to purchase hydrants and valves for the Water Bureau.

Financial and budgetary impacts:

The estimated value of the contract is \$5,220,000 and is intended to last five years. The Water Bureau anticipates spending up to \$1,044,000 per year. This estimate is based on the previous contract usage and accounts for a potential increase in material costs of approximately 5% annually together with the expected pace of new hydrant and valve installations. The Water Bureau plans to continue its pace of system maintenance to include approximately 300 hydrant installations and replacements and 675 valve installations and replacements each year during the period of this requested procurement.

Water Bureau funds have been requested in the FY 2015-2016 Budget and will be requested as part of the FY 2016-2017 through FY 2019-2020 Budgets.

Community impacts and community involvement:

This legislation is a continuation of the services that are necessary to support the Water Bureau's Hydrant Installation and Replacement Program. As such, no public involvement was included in the development of this Council item. The procurement process that will be used for the services will be Formal Competitive Sealed Bidding where the contract award is based solely on the requirements set forth in the Invitation to Bid and advertised to the general public. The bids are publicly opened and read at the time and place stated in the solicitation documents, and evaluated for compliance with solicitation requirements.

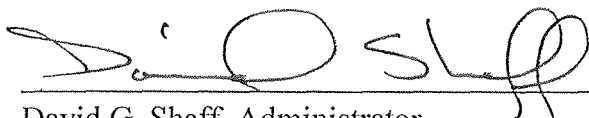
Budgetary Impact Worksheet

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



David G. Shaff, Administrator

05.06.2015

Date