

**Willamette Water Supply System Commission
Board Meeting Minutes
Thursday, December 5, 2019**

Commissioners present:

Tualatin Valley Water District (TVWD): Jim Duggan
Hillsboro: John Godsey
Beaverton: Denny Doyle

Committee Members present:

TVWD: Tom Hickmann, Management Committee
Paul Matthews, Finance Committee
Hillsboro: Niki Iverson, Management Committee
Lee Lindsey, Finance Committee
Beaverton: David Donaldson, Management Committee
David Winship, Operations Committee

Managing Agency Staff present:

Dave Kraska, Willamette Water Supply Program (WWSP) Director; WWSS Commission General Manager
Joelle Bennett, WWSP Assistant Director
Bill Van Derveer, WWSP Manager
Clark Balfour, TVWD General Counsel
Justin Carlton, TVWD Finance and Operations Manager
Faye Branton, WWSP Administrative Assistant; WWSS Commission Recorder

Other Attendees:

Mellisa Franklin, City of Hillsboro Finance
Joel Cary, TVWD Water Resources Division Manager
Mike Britch, WWSP Engineering and Construction Manager
Christina Walter, WWSP Permitting and Outreach Manager
Mark McConnell, TVWD Facilities

No members of the public were present.

CALL TO ORDER

Chairman Duggan called the regular Willamette Water Supply System (WWSS) Commission meeting to order at 12:01 p.m.

1. GENERAL MANAGER'S REPORT

Mr. Kraska opened with a safety moment covering Emergency Preparedness on the Road ([see presentation](#)), followed by the General Manager's report, which included an overview of the Approvals and Procurement Forecast; updates on projects planning, permitting, and communications; project design status updates; and construction status of projects.

Mr. Kraska also noted that he attended the City of Sherwood's City Council meeting on December 3. At that meeting the Council considered the WWSS Commission's application for annexation to the City for the parcel for the WWSS water treatment plant and the northern parcel for Trammel Crow's planned development. The City Council unanimously voted to allow annexation of both parcels into the City.

2. PUBLIC COMMENT

There were no public comments.

Commissioner Godsey, speaking as a member of the WWSS Board of Commissioners and as a member of the Utilities Commission for the City of Hillsboro, voiced concern regarding delay in the City of Hillsboro being invoiced for progress payments on the Willamette Water Supply System projects. The City has sold bonds and is ready to reimburse for work on these projects and is concerned that the invoicing delay is causing problems within the City's accounting mechanism, as well as creating potential for additional costs for carrying charges and interest. Commissioner Godsey extended an offer for the City of Hillsboro to provide assistance, such as accounting expertise or personnel to help work through the backlog to facilitate this invoicing.

In response, staff thanked Commissioner Godsey for registering this concern and replied that it has been brought to staff's attention. Staff outlined work that has transpired to date, issues that need to be resolved before partner cost shares can be finalized, and next steps. TVWD has prepared a draft report regarding the calculation of cost shares in response to the Finance Committee's request for additional information. This report includes a detailed description of how the allocations were developed, and how the actual percentages were derived from those allocations in a manner that is consistent with Exhibit 1 of the IGA. This report is scheduled for delivery to the Finance Committee on December 6.

Commissioner Godsey clarified that the City of Hillsboro would accept receiving an invoice based on estimated expenses and cost shares in the interim and reiterated the offer to provide additional staff or accounting assistance, if needed. Staff proposed to send out the estimated invoice and perform an audit and follow up with any corrections later this fiscal year. Staff is ready to pursue this direction now, if this is the approach the City of Hillsboro wishes to take. Ms. Iverson, City of Hillsboro Water Director, indicated she will follow up and confirm that their Finance Director wishes to proceed with that approach.

3. CONSENT AGENDA

- A.** Approve the November 7, 2019 meeting minutes.
- B.** Consider approving Resolution No. WWSS-13-19, a resolution accepting a water system facilities easement between Ed Bartholomy and the Willamette Water Supply System Commission for Willamette Water Supply System Project PLM_5.2 (Parcel 2S106B00500).

Motion was made by Godsey seconded by Doyle to approve the consent agenda as presented. The motion passed unanimously with Doyle, Duggan, and Godsey, voting in favor.

4. BUSINESS AGENDA

A.1 Consider adopting Resolution No. WWSS-14-19, a resolution amending an intergovernmental agreement with Washington County for the joint design of PLM_4.1 Highway 99 Crossing Pipeline and Tualatin-Sherwood Road – Langer Farms Parkway to Borchers Drive.
– *Staff Report – Joelle Bennett*

A.2 Consider adopting Resolution No. WWSS-15-19, a resolution amending an intergovernmental agreement with Washington County for the joint design of PLM_4.2 SW Tualatin-Sherwood Road – Teton to Langer Farms Parkway. – *Staff Report – Joelle Bennett*

A.3 Consider adopting Resolution No. WWSS-16-19, a resolution amending an intergovernmental agreement with Washington County for the joint design of Cornelius Pass Road and PLW_1.2 South Hillsboro Pipeline Projects. – *Staff Report – Joelle Bennett*

Ms. Bennett presented the staff report requesting the Board’s adoption of Resolution Nos. WWSS-14-19, WWSS-15-19, and WWSS-16-19.

The Board agreed to adopt all three resolutions with one motion.

Motion was made by Godsey seconded by Doyle to adopt Resolution Nos. WWSS-14-19, WWSS-15-19, WWSS-16-19, and WWSS-17-19 The motion passed unanimously with Doyle, Duggan, and Godsey, voting in favor.

Following the vote, Commissioner Godsey alerted the Board that they had inadvertently included Resolution No. WWSS-17-19 in the vote for Resolutions WWSS-14-19, WWSS-15-19, and WWSS-16-19. Motion was made by Godsey, seconded by Doyle, to amend the previous motion and to adopt Resolution Nos. WWSS-14-19, WWSS-15-19, and WWSS-16-19. The motion passed unanimously with Doyle, Duggan, and Godsey, voting in favor.

B.1 Consider adopting Resolution No. WWSS-17-19, a resolution of the Willamette Water Supply System Commission, in its capacity as the Local Contract Review Board, appointing the General Manager as the Public Contracting Officer and clarifying other procurement provisions.
– *Staff Report – Dave Kraska*

Mr. Kraska presented the staff report requesting the Local Contract Review Board’s adoption of Resolution No. WWSS-17-19.

Motion was made by Godsey seconded by Doyle to adopt Resolution No. WWSS-17-19, a resolution of the Willamette Water Supply System Commission, in its capacity as the Local Contract Review Board, appointing the General Manager as the Public Contracting Officer and clarifying other procurement provisions. The motion passed unanimously with Doyle, Duggan, and Godsey, voting in favor.

B.2 Acting in capacity as the Local Contract Review Board, consider approving Public Notice of Intent to Approve Alternative Contracting Methods for Construction of Selected Pipeline Projects. – *Staff Report – Dave Kraska*

Mr. Kraska briefed the Board on the staff report requesting the Local Contract Review Board's approval to move forward with public notice of intent to approve alternative contracting methods for construction of selected WWSS pipeline projects. Mr. Van Derveer presented the recommendation, including background, evaluation process, and implementation steps. (*see presentation*)

In answer to Commissioners' questions, staff replied that each project would be independently procured. We have the option to negotiate, as well as to cancel procurement, if we are not satisfied with the outcome.

Acting in capacity as the Local Contract Review Board, motion was made by Doyle seconded by Godsey to approve Public Notice of Intent to Approve Alternative Contracting Methods for Construction of Selected Pipeline Projects. The motion passed unanimously with Doyle, Duggan, and Godsey, voting in favor.

5. INFORMATION ITEMS

A. Planned January Business Agenda items – *Joelle Bennett*

Ms. Bennett presented information on anticipated business agenda items for the January 9, 2019 WWSS Commission Board meeting, including approving a permitting support contract amendment, and a Local Contract Review Board resolution approving alternative contracting methods for construction of selected WWSS pipeline projects.

B. The next Board meeting is scheduled on January 9, 2020, at Tualatin Valley Water District – Board Room.

6. COMMUNICATIONS AND NON-AGENDA ITEMS

A. None scheduled.

ADJOURNMENT

There being no further business, Chairman Duggan adjourned the meeting at 12:52 p.m.

James Duggan, Chair

Denny Doyle, Vice Chair



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Safety on the Road:

- Plan trips carefully. Check the latest weather forecasts and road conditions. If bad weather is forecast, drive only if absolutely necessary.
- Keep an [emergency supply kit](#) in your car. You never know when you will encounter a traffic emergency or road closure.

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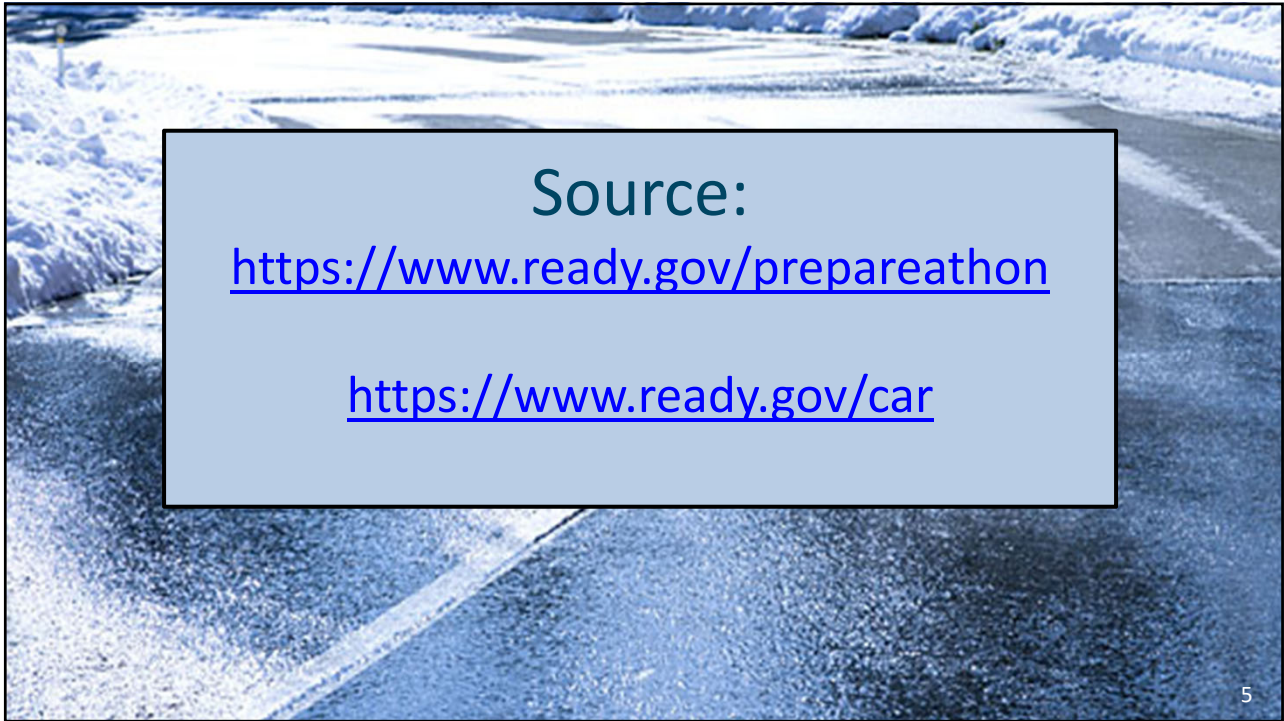
BUILDING AN EMERGENCY SUPPLY KIT FOR YOUR CAR

WHY?
BECAUSE YOU NEVER KNOW WHEN YOU WILL ENCOUNTER WINTER WEATHER OR AN EMERGENCY ROAD CLOSURE.

AMERICA'S **PrepareAthon!**
BE SMART. TAKE PREP. PREPARE.

- CELL PHONE, CHARGER
- FIRST AID KIT
- JUMPER CABLES
- TIRE CHAINS OR SNOW TIRES
- FLARES
- WATER, SNACKS
- FULL TANK OF GAS
- FLASHLIGHT
- BAG OF SAND OR CAT LITTER
- BOOTS, MITTENS, WARM CLOTHES
- BLANKET
- TOW ROPE
- SHOVEL, ICE SCRAPER, SNOW BRUSH

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Willamette Water Supply System Commission

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Willamette Water Supply
Our Reliable Water

Recommendation for Use of Best Value Selection for Select Construction Contracts

December 5, 2019

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Outline

- Recommendation preview
- Background
- Evaluation process
- Recommendation
- Implementation steps

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Our Reliable Water

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Recommendation Preview

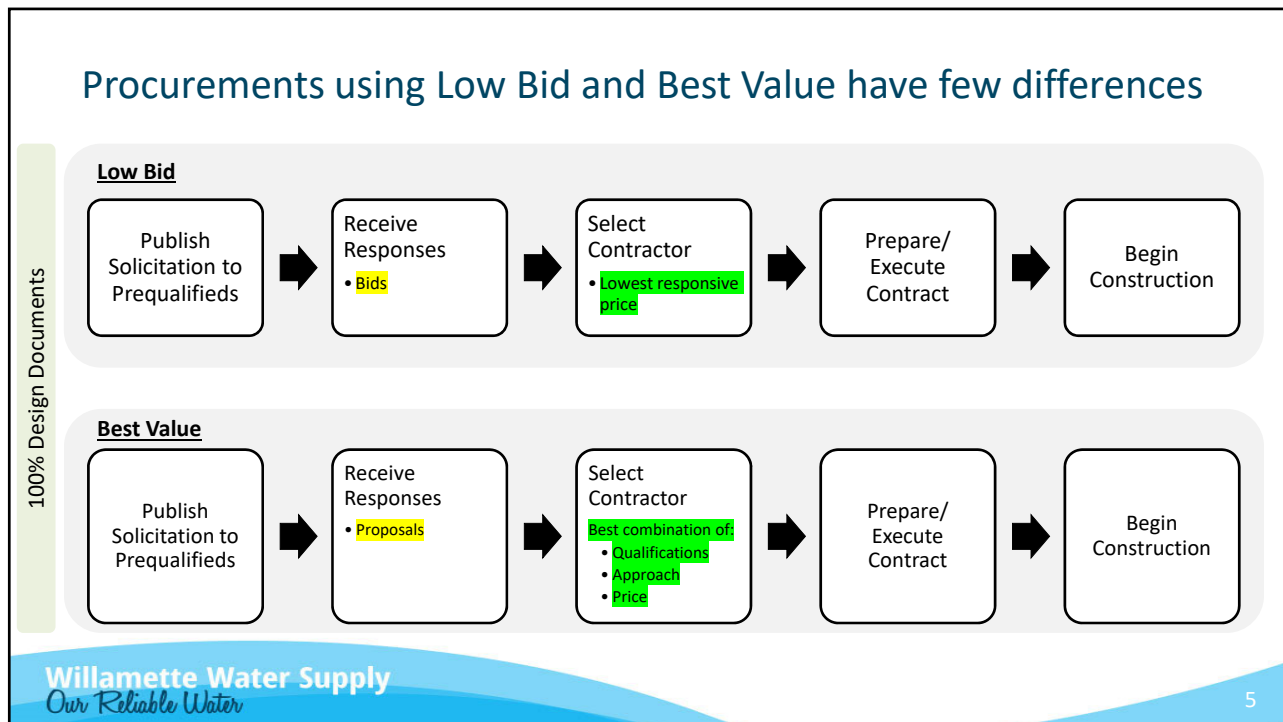
Consider approving a motion to read by title only a draft resolution declaring an exemption from competitive bidding for a class of pipeline projects and approving the use of best value selection method for construction contractors, receive oral testimony or written comments and direct that the resolution be brought back for a second reading and adoption at the January 9, 2020 Board meeting.

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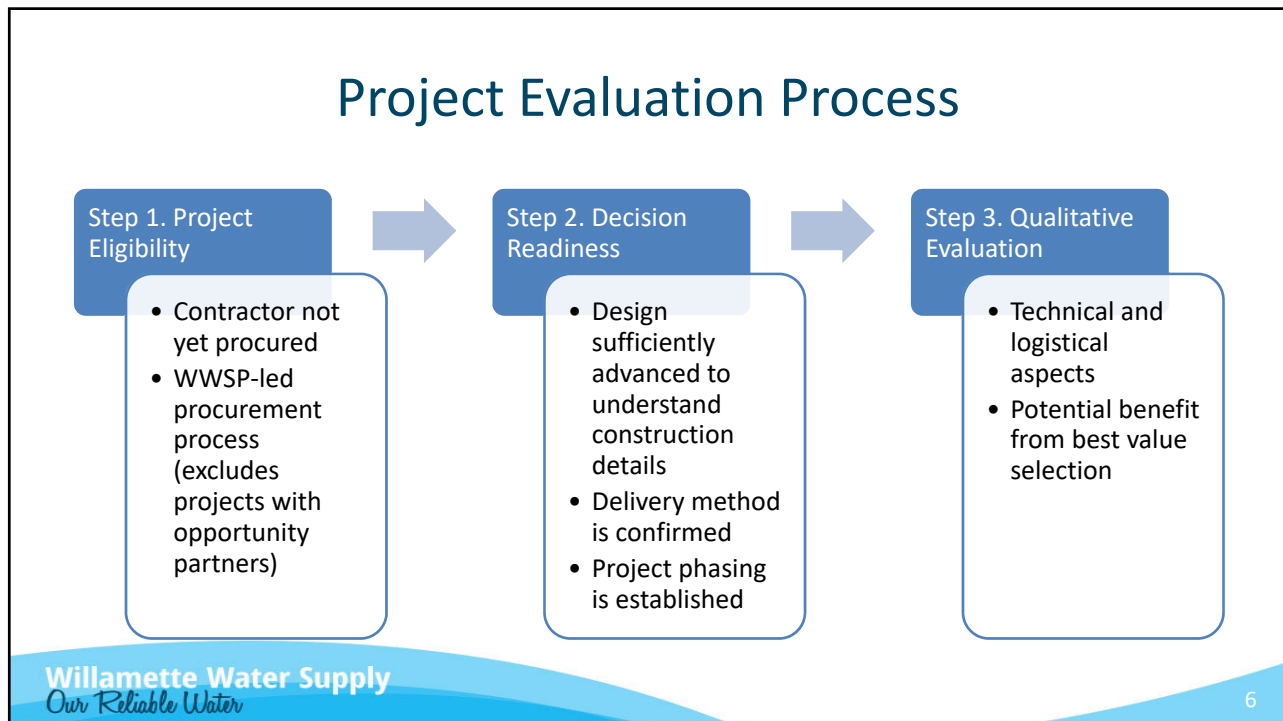
Background

- Under ORS, Construction Contractors are selected through bidding
 - Low bid, open-competitive
 - Low bid, with prequalification
- WWSP uses low bid with prequalification
 - Prequalified pipeline contractors list
 - Prequalification basis: firm and key staff qualifications, safety record, bonding and financial capacity
- Use of best value selection for certain construction projects would enable consideration of
 - Total construction cost
 - Non-cost factors: technical approach and specialized expertise
 - From prequalified contractors
- Deciding now enables
 - Inclusion in the WWSP annual rebaseline plan (Dec. 2019 initial draft)
 - Application for the next anticipated contractor procurement (Feb. 2020)

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Step 1 Results – Eligible Projects

(Contractor not yet procured, WWSP-led procurement process)

Project	Description	Estimated Construction Value (\$ million)	Current Bid Date
PLM_1.3	2.2 miles 66-inch pipeline	\$32.4	Aug. 2020
PLM_4.3	2.5 miles 66-inch pipeline	\$60.3	Jun. 2021
RES_1.0/PLM_5.3	Two 15 MG tanks 3.8 miles 66-inch pipeline	\$142.3	Jun. 2021
PLW_1.3	1.2 miles 66-inch pipeline; 0.75 miles 30-inch pipeline	\$42.3	Feb. 2020
PLW_2.0	3.3 miles 48-inch pipeline	\$49.5	Feb. 2021
MPE_1.0	7.3 miles 48-inch pipeline	\$90.9	Jan. 2021

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Step 2 Results – Project Readiness

Project	Design Sufficiently Advanced to Understand Construction Details	Delivery Method is Confirmed	Project Phasing is Established
✓ PLM_1.3	Yes 30% design	Yes Design-Bid-Build	Yes Single phase
✓ PLM_4.3	Yes 90% design	Yes Design-Bid-Build	Yes Single phase
✗ RES_1.0/PLM_5.3	No RES_1.0 design in procurement PLM_5.3 30% design	No Evaluation in early 2020	No Evaluation in early 2020
✓ PLW_1.3	Yes 90% design	Yes Design-Bid-Build	Yes Single phase
✗ PLW_2.0	No 30% design	Yes Design-Bid-Build	No Evaluation in progress
✗ MPE_1.0	No 30% design	Yes Design-Bid-Build	No Evaluation in progress

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Step 3. Project Evaluation

Each project advancing from Step 2 was evaluated for technical and logistical aspects that may benefit from consideration of bidding contractor's technical proposal and additional qualifications

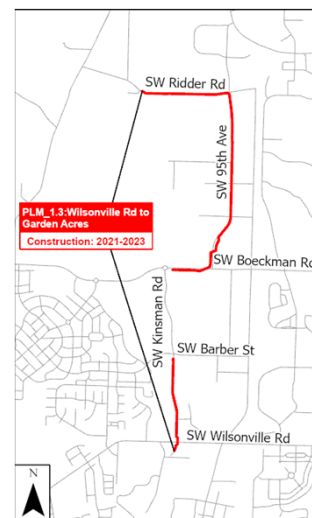
- **Public Disruption/Safety**
 - There are opportunities to propose a work approach that minimizes disruption and/or increases safety for businesses, residents, emergency services, and traveling public
- **Schedule**
 - There are opportunities to propose advantageous alternative schedules
- **Value Engineering**
 - There are opportunities to offer significant value engineering proposals
- **Specialized Expertise**
 - The project requires specialized expertise beyond WWSP's minimum requirements for prequalification (e.g., substantial trenchless work)
- **Technical/Planning Complexity**
 - The project's complexity warrants evaluation and comparison of each contractor's technical approach to executing the work (e.g., substantial trenchless work or traffic management)

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PLM_1.3

Best value selection would enable evaluation of:

- Contractor's approach to crossing Wilsonville Road
 - Traffic control
 - Open cut or trenchless methods
- Trenchless subcontractor's qualifications (firm and personnel)
 - Up to two trenchless crossings
- Contractor's approach to managing groundwater contamination
- Contractor's overall approach to traffic control

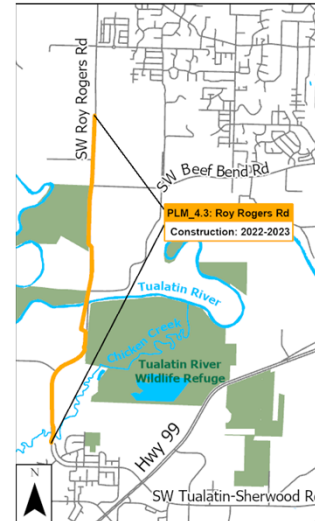


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PLM_4.3

Best value selection would enable evaluation of:

- Contractor's approach to trenchless crossings
 - Tualatin River
 - Chicken Creek
- Trenchless subcontractor's qualifications (firm and personnel)
- Contractor's approach to managing Federal stakeholder coordination

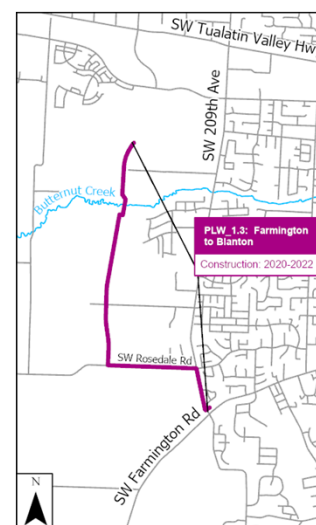


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PLW_1.3

Best value selection would enable evaluation of:

- Contractor's approach to complex crossings
 - Butternut Creek (trenchless)
 - SW 209th Ave (open cut)
- Trenchless subcontractor's qualifications (firm and personnel)



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Best Value Evaluation Criteria

- The following types of criteria would be used for best value evaluations:
 - Qualitative
 - Project Team Experience and Performance
 - Project Personnel
 - Project Approach
 - Price Proposal
- Relative weighting of criteria would be tailored to the specific requirements of each project and published in the RFP

Notable Risks of Using Best Value Selection

- Additional level of effort for bidders
 - Mitigation: Limit length and complexity of proposals
- Increased potential for protest
 - Mitigation: Public notice of proposed LCRB exemption
 - Mitigation: Pre-bid outreach to contractors to promote awareness
- Potential for higher initial construction contract pricing
 - Mitigation: Apply a high relative weight to price
 - Opportunity: May result in fewer change orders/claims

Exemption Summary

The use of best value selection for construction contractors for PLM_1.3, PLM_4.3, and PLW_1.3:

- Is unlikely to encourage favoritism or reduce competition
- Will likely result in cost savings and other substantial benefits

Recommendation

Consider approving a motion to read by title only a draft resolution declaring an exemption from competitive bidding for a class of pipeline projects and approving the use of best value selection method for construction contractors, receive oral testimony or written comments and direct that the resolution be brought back for a second reading and adoption at the January 9, 2020 Board meeting.

Implementation Steps

Dec. 2019

- WWSS Board (as LCRB) public notice approval

Dec. 2019 to Jan. 2020

- Public comment period

Jan. 2020

- WWSS Board (as LCRB) consider public comment; approve exemption (if appropriate)

Early 2020

- WWSP begin best value procurement of PLW_1.3

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QUESTIONS

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