



BUSINESS OF THE CITY COUNCIL CITY OF SNOQUALMIE

AB23-003
January 23, 2023
Choose an item.

AGENDA BILL INFORMATION

TITLE:	AB23-003: Water Reclamation Facility Phase 3 Early Procurement of Electrical Gear	<input type="checkbox"/> Discussion Only
PROPOSED COUNCIL ACTION:	Adopt Resolution No. XXXX Approving Purchase Order of Electrical Gear	<input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution

REVIEW:	Department Director/Peer	Mike Chambless	1/9/2023
	Finance	Drew Bouta	1/6/2023
	Legal	Anna Astrakhan	1/12/2023
	City Administrator	Mike Sauerwein	1/9/2023

DEPARTMENT:	Parks & Public Works		
STAFF:	Andrew Vining		
COMMITTEE:	Parks & Public Works	COMMITTEE DATE: January 18, 2023	
MEMBERS:	Bryan Holloway	Ethan Benson	Jo Johnson
EXHIBITS:	1. Resolution No. XXXX 2. Purchase Order with CSNW for Electrical Gear 3. Water Reclamation Facility Phase 3 Project Schedules 4. CIP Excerpt		

AMOUNT OF EXPENDITURE	\$ 620,921
AMOUNT BUDGETED	\$ 13,357,000 (23-24 Biennium)
APPROPRIATION REQUESTED	\$ 0

SUMMARY

INTRODUCTION

This agenda bill seeks approval of a purchase order with Control Systems Northwest (CSNW) LLC for electrical gear associated with the Water Reclamation Facility (WRF) Phase 3 Improvements Project. Due to global supply chain issues, project lead times and delivery dates for electrical equipment far exceed normal conditions. Early sole-source procurement of electrical gear will allow for the WRF Phase 3 Improvements to maintain schedule and fulfill customer obligations.

LEGISLATIVE HISTORY

A contract with RH2 Engineering (RH2) was approved by Council on February 28, 2022 under [AB22-031](#) and amended on August 22, 2022 under AB22-108 to complete final design, permitting and bidding of the WRF Phase 3 Improvements. On May 31, 2022 under [AB22-073](#) Council Approved an amendment to the existing

agreement between the City of Snoqualmie and the Snoqualmie Tribe for the provision of added sewer utility service related to Casino expansion scheduled to soft start in fourth quarter 2024.

BACKGROUND

The City is contracted with RH2 to complete design of the WRF Phase 3 Improvements which will upgrade aging components with new equipment sized to handle future sewer flows and loads projected through the year 2040. In May 2022, during WRF Phase 3 preliminary design, the City entered into an agreement with the Snoqualmie Tribe for the provision of added sewer utility service related to Casino expansion scheduled to soft start in fourth quarter 2024. The agreement included General Facility Charges (GFCs) as well as project schedule milestones to ensure that commercially reasonable and best efforts are made such that added sewer utility services will be available for the soft opening.

The design work for WRF Phase 3 which began in February 2022 is 60 percent complete. As part of the 60 percent design effort RH2 reached out to equipment vendors to acquire product availability and estimated lead times. Across the board equipment lead time is longer than normal and motor control center (MCC) electrical gear has by far the longest lead time, estimated to arrive 70 weeks following execution of a purchase order. As a result, City staff are considering purchasing long lead time MCC electrical gear outside of the forthcoming WRF Phase 3 construction contract that will facilitate the installation of such electrical gear.

Sole Source Procurement

For compatibility with existing WRF MCC equipment electrical gear will be manufactured by Rockwell Automation. North Coast Electric Company (NCE) is the sole distributor for purchase of Rockwell Automation MCC electrical gear. Any procurement option selected will involve purchasing MCCs from NCE. CSNW, a subsidiary of RH2, can provide discounted pricing, warranty, insurance, quality control, startup, and commissioning of equipment that would not be available in the event the City purchased the motor control equipment directly from NCE or another contractor. CSNW's unique relationship with the design, distribution, and manufacturer teams will insure quicker delivery of the MCC electrical gear.

Schedule Evaluation

The WRF Phase 3 Improvements will include extensive electrical work including installation of aeration system motor controls, mixer motor controls, and pump motor controls. In addition, portions of the electrical work must be completed early in the construction effort to allow for seamless transition to the new treatment process and reduce the risk of a permit violation. It is likely that the Washington State Department of Ecology (Ecology) will require that the electrical equipment be installed and ready prior to retrofit work on the oxidation ditches. In response to this critical path and long lead times on electrical equipment RH2 has prepared a series of project schedules used to evaluate the most effective path forward (see Exhibit 3). The schedules compare MCC electrical gear early procurement options including procurement through A) a general contractor; B) a separate electrical bid advertisement; and C) CSNW direct purchase. Schedule option C early procurement of electrical gear through CSNW will provide the earliest startup date and is recommended by staff to maintain schedule obligations.

Staff will continue to work with RH2 to refine the project and identify potential risks and opportunities.

ANALYSIS

Pre-purchasing of electrical equipment is necessary to maintain project schedule and mitigate supply chain impacts. Early procurement of electrical gear through CSNW will mitigate long lead times on electrical gear by eliminating three to five months of time associated with bidding and processing of equipment submittals. This is the only schedule option estimated to provide for a soft start in fourth quarter 2024 and fulfill customer obligations. RH2 and City Staff recommend this early procurement approach to mitigate risk associated with supply chain impacts and equipment long-lead time.

BUDGET IMPACTS

Administration recommends approving a purchase order with Control Systems NW (CSNW) in the amount of \$620,951 to procure MCC electrical for the Water Reclamation Facility Improvements - Phase 3 project. The City incorporated the project into the 2023-2028 Capital Improvement Plan (CIP) (see Exhibit #4) for a total project budget of \$15,262,217 and into the 2023-2024 Biennial Budget for a budget of \$13,357,000 during the biennium. When accounting for the expenditures previously incurred, the outstanding value of contracts previously approved, the value of this contract, the City has a remaining project budget of \$12,052,944 and remaining budget of \$10,635,366 for the biennium (please see the table below or on the next page). Therefore, sufficient appropriation exists within the 2023-2024 Biennial Budget (Utilities Capital Fund #417) to fund the contract.

Water Reclamation Facility Improvements – Phase 3 Budget Table:

	Life-of-Project Budget <i>(Multiple Bienniums)</i>	2023-2024 Biennial Budget
Beginning Budget	\$ 15,262,217	\$ 13,357,000
Expenditures	\$ (487,639)	-
Outstanding Contract Value <i>(Previously Approved)</i>	\$ (2,100,683)	\$ (2,100,683)
Current Available Budget	\$ 12,673,895	\$11,256,317
Value of this Purchase Order <i>(AB23-003)</i>	\$ (620,951)	\$ (620,951)
Available Budget after AB23-003	\$12,052,944	\$10,635,366

NEXT STEPS

Following adoption of the resolution a purchase order will be executed by CSNW and the Mayor. The electrical design is sufficiently complete to procure MCC electrical gear including aeration system motor controls, mixer motor controls, and pump motor controls. Following execution of the purchase order CSNW will working directly with NCE and Rockwell Automation to review equipment submittals for consistency with plans and specifications. Following approval of submittals equipment will be ordered and schedule for delivery to the WRF in summer of 2024 following construction of the new blower building and prior to retrofitting of the oxidation ditches. Startup and testing of the new oxidation ditch process is expected to occur in fourth quarter 2024.

PROPOSED ACTION

Adopt Resolution No. XXXX approving a purchase order with CSNW for procurement of MCC electrical gear.