

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY
327 N WENATCHEE AVENUE
WENATCHEE WA 98801**

REGULAR COMMISSION MEETING

MARCH 4, 2019

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety Minute – Maria Kieninger
2. Approval of the Agenda
Any item on the Consent Agenda shall be subject to transfer to the Regular Agenda upon request of any Commission member
3. CPO Winner Recognition
4. Legislative Update
5. Rock Island Capital Projects Funding
6. Rock Island Accident Investigation Report

BUSINESS SESSION

1:00 PM

Consent Agenda

7. Minutes of the February 19, 2019 Regular Meeting
8. Vouchers: Accounts Payable Summary Report dated February 27, 2019:
 - a. Vouchers totaling \$12,465,226.37;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 13, 2019 through February 26, 2019 in the amount of \$17,126.16;
 - c. Approval of the net Payroll, Warrant Nos. 236396 through 236415 and Advice Nos. 668893 through 669637 for the pay period ending 02/17/2019 in the amount of \$1,912,089.65;

REGULAR COMMISSION MEETING AGENDA

March 4, 2019

Page 2

- d. Approval of Warrant Nos. 25362 through 25419 totaling \$44,140.83 for claim payments from the workers' compensation self-insurance fund for the period ending February 25, 2019.
9. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 18-60 WITH HYDRAFAB NORTHWEST, INC. OF SPOKANE VALLEY, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE
10. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2 AND 3, AND AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-44 WITH MANDROS PAINTING, INC. OF GREEN RIVER, WYOMING AND AUTHORIZING PAYMENT OF RETAINAGE

Regular Agenda

11. A RESOLUTION APPROVING A REQUEST FOR PROPOSAL (NO. 18-91) FOR GENERAL CONTRACTOR CONSTRUCTION MANAGER SERVICES AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
12. Manager Items
13. Commission Items
 - a. Proposed Motion: Move to set a special meeting on March 11, 2019 at 5:30 pm at Bob's Classic Restaurant, 474 Grant Road, East Wenatchee for the purpose of holding a Mid-C Managers and Commissioners Meeting
14. Commission Travel
15. Follow-up on Delegation of Action Items from Previous Board Meeting
16. Delegation of Action Items
17. Additional Public Comment

*Members of the public are encouraged to ask specific questions after each item presented.
This agenda item is for additional comments/questions related to matters not on the agenda.*
18. Matters of general business as may necessarily come before the Commission
19. Executive Session: To discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i)

This agenda and resolutions (if any) may be revised by the Commission as appropriate.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING FINAL
ACCEPTANCE OF PERFORMANCE UNDER BID
NO. 18-60 WITH HYDRAFAB NORTHWEST, INC.
OF SPOKANE VALLEY, WASHINGTON AND
AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 17-14215 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less.

On August 17, 2018, the District entered into a contract (Bid No. 18-60) with HydraFab Northwest, Inc. (Contractor) of Spokane Valley, Washington for Rock Island Powerhouse 2 Draft Tube Gate Seal Clamp Bars, in the amount of \$149,236.00. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

District staff has determined that the work required under the contract has been performed in accordance with the terms of the contract and recommends that the District accept the work.

District staff has determined that the completion of all contract work occurred on February 6, 2019. In accordance with the terms of the contract, retainage in an amount not exceeding 5% of the contract price has been withheld from the Contractor.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor and recommends the District authorize the payment of retainage due the Contractor, subject to the requirements of the contract and state law.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY
DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. All the contract work required under Bid No. 18-60 was completed on February 6, 2019, and the same is hereby accepted, subject to Section 2 hereof. Payment of retainage to the Contractor in the amount determined by the District's auditor to be due is authorized to be paid to the Contractor subject to Section 2 and Section 3 hereof, and subject to the provisions and limitations of Chapter 39.12 RCW (Prevailing Wages on Public Works) and 60.28 (Liens for Labor, Materials and Taxes on Public Works).

Section 2. This resolution shall not constitute an acceptance by the District of any work performed or goods supplied pursuant to the aforementioned contract, which are not in strict compliance with the contract terms and conditions.

Section 3. After the expiration of the forty-five (45) day period for giving the District notice of lien and after receipt of the Department of Revenue's certification of the Contractor's payment of taxes, the Employment Security Department's Certificate of Payment of Contributions, Penalties and Interest on Public Works Contracts, and the Department of Labor & Industries' Certificate of Release of the State's Lien on Public Works Contracts and the District being satisfied that taxes certified as due or to become due are discharged and the filed claims of materialmen and laborers, if any, together with a sum sufficient to pay costs of foreclosing the liens and attorney's fees, have been paid, the District's General Manager is authorized and directed to withhold from the remaining retained amounts for claims the District may have against the Contractor, and the balance shall be paid to the Contractor. In the event said taxes, claims, expenses and fees have not been paid, the General Manager is authorized and directed to withhold an amount equal to unpaid taxes and unpaid claims, together with a sum sufficient to defray the costs and attorney fees incurred in foreclosing the lien of such claims, and the balance shall be paid to the Contractor.

DATED this 4th day of March, 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK
ORDER NOS. 1, 2 AND 3, AUTHORIZING FINAL
ACCEPTANCE OF WORK PERFORMED UNDER
BID NO. 18-44 WITH MANDROS PAINTING, INC.
OF GREEN RIVER, WYOMING AND
AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 17-14215 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less. Authority was also granted to the General Manager and the staff to execute field work orders under certain circumstances.

On May 3, 2018, the District entered into a contract (Bid No. 18-44) with Mandros Painting, Inc. (Contractor) of Green River, Wyoming for the Lake Chelan Surge Tank Rehabilitation, in the amount of \$2,302,100. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

The work in Field Work Order Nos. 1, 2 and 3 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District's staff has executed Field Work Order Nos. 1, 2 and 3, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount	Liquidated Damages
1. Revise Liquidated Damages and Completion Schedule/Contract Time Milestones	\$0	
2. Additional Repair Work Required, Water Tank Rental and Reconciliation of Unit Price Items	-\$2,581.06	
3(a). Reduce Paint Touchup and Extend Exterior Warranty	-\$5,000.00	
3(b). Assessment of Liquidated Damages		-\$115,000.00
Total	-\$7,581.06	-\$115,000.00

Field Work Order Nos. 1, 2 and 3(a) result in a net decrease in the contract price by \$7,581.06 for a new revised total construction price of \$2,294,518.94 (excluding sales tax). Field Work Order No. 3 resulted in Liquidated Damages being assessed in accordance with the Contract in the amount of \$115,000 which was deducted from the final payment. Liquidated Damages are reimbursement for damages/costs and do not reduce the total construction price pursuant to the direction of the Department of Revenue. The total amount paid to the Contractor was \$2,179,518.94. Resolution No. 17-14215 provides that this type of field work order shall be presented to the Commission for approval as part of the final acceptance resolution.

District staff has determined that the completion of all contract work occurred on February 1, 2019. In accordance with the terms of the contract, retainage in an amount not exceeding 5% of the contract price has been withheld from the Contractor.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor, ratify Field Work Order Nos. 1, 2 and 3 and authorize the payment of retainage due the Contractor, subject to the requirements of the contract and state law.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. Field Work Order Nos. 1, 2 and 3 to Bid No. 18-44 with Mandros Painting, Inc. for the work specified above result in a net decrease in the purchase price of \$7,581.06, for a total revised construction contract price of \$2,294,518.94, plus Washington State sales tax. Field Work Order No. 3 also contained \$115,000 for Liquidated Damages and was deducted from the final payment. All Field Work Orders are hereby ratified.

Section 2. All the contract work required under Bid No. 18-44 was completed on February 1, 2019 and the same is hereby accepted, subject to Section 3 hereof. Payment of retainage to the Contractor in the amount determined by the District's auditor to be due is authorized to be paid to the Contractor subject to Section 3 and Section 4 hereof, and subject to the provisions and limitations of Chapter 39.12 RCW (Prevailing Wages on Public Works) and 60.28 (Liens for Labor, Materials and Taxes on Public Works).

Section 3. This resolution shall not constitute an acceptance by the District of any work performed or goods supplied pursuant to the aforementioned contract, which are not in strict compliance with the contract terms and conditions.

Section 4. After the expiration of the forty-five (45) day period for giving the District notice of lien and after receipt of the Department of Revenue's certification of the Contractor's payment of taxes, the Employment Security Department's Certificate of Payment of Contributions, Penalties and Interest on Public works Contracts and the Department of Labor & Industries' Certificate of Release of the State's Lien on Public Works contracts and the District being satisfied that taxes certified as due or to become due are discharged and the filed claims of materialmen and laborers, if any, together with a sum sufficient to pay costs of foreclosing the liens and attorney's fees, have been paid, the District's General Manager is authorized and directed to withhold from the remaining retained amounts for claims the District may have against the Contractor, and the balance shall be paid to the Contractor. In the event said taxes,

claims, expenses and fees have not been paid, the General Manager is authorized and directed to withhold an amount equal to unpaid taxes and unpaid claims, together with a sum sufficient to defray the costs and attorney fees incurred in foreclosing the lien of such claims, and the balance shall be paid to the Contractor.

DATED this 4th day of March 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING A REQUEST FOR PROPOSAL (NO. 18-91) FOR GENERAL CONTRACTOR CONSTRUCTION MANAGER SERVICES AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District is in the process of planning a new Service Center to relocate operations, customer service, and administrative functions from the Headquarters Campus, Hawley Street Campus, and Confluence Technology Center, pending public comment and project approval by the Board of Commissioners. If approved, the Service Center project would be a large and complex construction project, requiring early involvement and collaboration with the construction contractor during design to reduce risk and maximize value.

In order to engage the contractor early, the District intends to procure the work using the General Contractor/Construction Manager (GC/CM) alternative delivery procedure (RCW 39.10). Selection of a GC/CM firm is based on qualifications solicited with a request for proposals. The initial contract with the selected firm will be for preconstruction services and may lead to a negotiated contract for construction work.

The District has received Washington State Capital Projects Advisory Review Board (CPARB) approval for a Public Body Project to use GC/CM alternative contracting procedures for the Chelan County Public Utility District No. 1 Service Center Project.

Resolution No. 17-14215 requires Commission approval of Requests for Proposals (RFPs) and authorization to invite proposals estimated to cost more than \$3,000,000. The contract resulting from this RFP may ultimately exceed \$3,000,000. An RFP is being prepared by the District and is on file in the offices of the District.

District staff recommends that RFP No. 18-91 is in the best interests of the District and that said document be approved and that the invitation for proposals be published.

The General Manager of the District has reviewed District staff's recommendation and concurs in the same.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, as follows:

Section 1. The Request for Proposal (RFP No. 18-91) for the General Contractor Construction Manager Services is hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for furnishing said services.

DATED this 4th day of March 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal