

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

**REGULAR COMMISSION MEETING**

**March 19, 2018**

**AGENDA**

**STUDY SESSION**

**10:00 A.M.**

1. Pledge of Allegiance and Safety Minute – Ana Aguirre
2. Approval of the Agenda - Any item on the Regular Agenda shall be subject to transfer to the Consent Agenda upon request of any Commission member
3. CPO Winner Recognition
4. Hydro Research Institute
5. Update for Load Requests of <5 MW
6. Facilities Plan Update

**BUSINESS SESSION**

**1:00 P.M.**

**Consent Agenda**

7. Minutes:

February 20, 2018 and March 5, 2018 Regular Meetings and March 12, 2018 Special Meeting

8. Vouchers:

Accounts Payable Summary Report dated March 14, 2018:

- a. Vouchers totaling \$9,559,836.32;
- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 28, 2018 through March 13, 2018 in the amount of \$27,373.71;

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- c. Approval of the net Payrolls, Warrant Nos. 235834 through 235859 and Advice Nos. 649513 through 650264 for the pay period ending 03/04/2018 in the amount of \$1,887,302.09; and
- d. Approval of Warrant Nos. 24204 through 24275 totaling \$40,002.26 for claim payments from the workers' compensation self-insurance fund for the period ending March 12, 2018.

**Regular Agenda**

9. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AGREEMENTS WITH ORACLE AMERICA INC. TO ACQUIRE SOFTWARE LICENSES AND SUPPORT, AND BLUE HERON CONSULTING CORPORATION TO PROVIDE IMPLEMENTATION SERVICES FOR THE NEW CUSTOMER INFORMATION SYSTEM AND METER DATA MANAGEMENT SYSTEM (CIS/MDMS) PROJECT, AND AUTHORIZING REVISION OF THE CAPITAL PROJECT BUDGET FOR THE CIS/MDMS PURCHASE AND IMPLEMENTATION
10. A RESOLUTION DECLARING CORRIDOR COMPANY, INC. OF WAKEFIELD, MASSACHUSETTS AS THE SOLE SOURCE SUPPLIER OF CM.APP SOFTWARE, AUTHORIZING THE WAIVER OF BIDDING REQUIREMENTS, AND AUTHORIZING THE DISTRICT'S GENERAL MANAGER TO ENTER INTO A CONTRACT WITH CORRIDOR COMPANY, INC.
11. A RESOLUTION APPROVING A REQUEST FOR PROPOSAL (NO. 18-33) FOR GENERAL CONTRACTOR CONSTRUCTION MANAGER SERVICES AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
12. Renewable Growth
13. Manager Items
14. Commission Items
15. Follow-up on Delegation of Action Items from Previous Board Meeting
16. Delegation of Action Items
17. Additional Public Comment\*
18. Matters of general business as may necessarily come before the Commission

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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), to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b), and to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c).

\* 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.

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

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AGREEMENTS WITH ORACLE AMERICA INC. TO ACQUIRE SOFTWARE LICENSES AND SUPPORT, AND BLUE HERON CONSULTING CORPORATION TO PROVIDE IMPLEMENTATION SERVICES FOR THE NEW CUSTOMER INFORMATION SYSTEM AND METER DATA MANAGEMENT SYSTEM (CIS/MDMS) PROJECT, AND AUTHORIZING REVISION OF THE CAPITAL PROJECT BUDGET FOR THE CIS/MDMS PURCHASE AND IMPLEMENTATION

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

On September 6, 2016, District used the competitive negotiation procedures set forth in RCW 39.04.270 and issued a Request for Proposals (RFP 16-42) to provide a Customer Information System (CIS) and related systems, Meter Data Management System (MDMS), implementation and support services. On December 7, 2016, the District received eleven (11) responses from prospective proposers.

After conducting the RFP evaluation process, District staff concluded that Oracle America Inc., of Redwood City, California is the best-qualified company to provide *Oracle Utilities Customer to the Meter Solution Model (C2M)* Software and ongoing support and Blue Heron Consulting Corporation of Rochester, New York is the best-qualified company to provide implementation services for the CIS/MDMS project.

District staff has negotiated two inter-related agreements for the CIS/MDMS project and recommends the District enter into agreements with (1) Oracle America Inc. to acquire the C2M Software licenses in the amount of \$525,110 and first year support in the amount of \$115,525 for a total negotiated price of \$640,635; and (2) Blue Heron Consulting Corporation for implementation services for an estimated cost not to exceed \$3,612,000.

The Oracle agreement also authorizes the District to renew support services for two years with a 2% annual cap over previous terms at an estimated cost of \$240,000.00 with a cap of 2% over the previous term or renewal term.

District staff is in the process of contracting for third-party quality assurance (QA) support services for an estimated cost not to exceed \$200,000. In addition, internal resources to support the CIS/MDMS project implementation is estimated at \$2,766,000. District staff also recommends a 10% internal/external project contingency to cover unanticipated CIS/MDMS project costs for an estimated contingency amount of \$722,000.

District staff recommends and requests a CIS/MDMS project budget increase over the 2015 estimate of \$3,520,000, to include all external and internal CIS/MDMS project costs along with the project contingency, for a new revised total CIS/MDMS project budget not to exceed \$7,940,635.

The General Manager of the District has reviewed 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 General Manager of the District is hereby authorized to enter into an Agreement with Oracle Corporation to provide the District with new Customer Information System, Oracle *Utilities Customer to Meter Solution Model (C2M)* Software licenses and one year of support, for a price not to exceed \$640,635 and two years of additional support services in an estimated amount not to exceed \$240,000, without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

Section 2. The General Manager of the District is hereby authorized to enter into an Agreement with Blue Heron Consulting Corporation for implementation of the Oracle C2M Software system in an amount not to exceed \$3,612,000 without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

Section 3. Commission hereby approves a ten-percent (10%) contingency for the overall CIS/MDMS internal and external project costs not to exceed \$722,000.

Section 4. Commission hereby authorizes and approves revision of the District capital project budget for the CIS/MDMS project from \$3,520,000 to a total combined internal and external CIS/MDMS project budget of \$ 7,940,635. A copy of the capital project budget detail is on file in the offices of the District.

DATED this 19th day of March 2018.

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President

ATTEST:

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Vice President

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Secretary

\_\_\_\_\_  
Commissioner

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Commissioner

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## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION DECLARING CORRIDOR COMPANY, INC. OF WAKEFIELD, MASSACHUSETTS AS THE SOLE SOURCE SUPPLIER OF CM.APP SOFTWARE, AUTHORIZING THE WAIVER OF BIDDING REQUIREMENTS, AND AUTHORIZING THE DISTRICT'S GENERAL MANAGER TO ENTER INTO A CONTRACT WITH CORRIDOR COMPANY, INC.

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Corridor Company, Inc. has developed the cm.app software for contract management. Use of this software will allow the District to leverage existing IT infrastructure, as well as providing greater visibility, searching, document management, and process improvement to the contracting process.

Corridor Company, Inc. is the sole software provider in the District's region and has provided the District with a letter certifying that they are the sole distributor of the cm.app software and that the District is receiving the lowest price they offer to similar situated customers.

Pursuant to RCW 54.04.070 and 39.04.280, the District may, when there is clearly and legitimately a sole source of supply, waive the statutory competitive bidding requirements otherwise applicable to the purchase of equipment. Resolution No. 17-14215 requires that a declaration for sole source purchases over the statutory limits (\$60,000 per month) must come before the Commission for action.

District staff has determined that it would be in the best interest of the District to designate Corridor Company, Inc. as the sole source supplier for cm.app software and implementation services in an amount not to exceed \$702,317, which amount includes 5 years and 5 months of licensing and maintenance, implementation services, and contingencies. Staff also recommends that the competitive bidding requirements of RCW 54.04.070 be waived.

The General Manager has reviewed staff's recommendations and concurs in the same.

**ACTION**

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

Section 1. The Commission declares Corridor Company, Inc. to be the sole source supplier for cm.app software.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of Corridor Company, Inc. as the sole source supplier for cm.app software.

Section 3. The General Manager or his designee is authorized to enter into a system agreement with Corridor Company, Inc. for the purchase of cm.app software licensing and maintenance and implementation services at a cost not to exceed \$702,317 for the initial 5 year and 5 month term, without prior Commission approval. A copy of the contract will be on file in the offices of the District.

Dated this 19th day of March 2018.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A REQUEST FOR PROPOSAL (NO. 18-33) 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 intends to build facilities to support Rock Island Dam's operation and maintenance processes. Design services and construction work includes buildings for fabrication, machining, sandblast, paint, warehouse, office, crew facilities, storage and more. The District intends to perform the work prior to the start of significant Powerhouse 2 rehabilitation in 2020.

The District also intends to build Rocky Reach Dam operation and maintenance facilities and offices. The District intends to build and rehabilitate facilities similar to the Rock Island facilities after large generation projects are completed in 2021. Planned work includes seven new buildings and rehabilitation of up to nineteen existing facilities. The District intends to initiate design in late 2018.

To complete the work at the least cost and within the schedules, the District intends to procure the work using a General Contracting-Construction Management (GC/CM) work process. The initial procurement is to request proposals from qualified general contractors for project design and cost analysis services. Services performed by the selected GC/CM may lead to a negotiated contract for construction work.

The District has applied to the Washington State Capital Projects Advisory Review Board (CPARB) for a Public Body Project Approval Determination. The District seeks CPARB approval to use GC/CM alternative contracting procedures for Rock Island and Rocky Reach facilities.

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. Staff anticipate several contracts resulting from this RFP estimated to cost more than \$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. 18-33 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. 18-33) 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 material.

DATED this 19th day of March, 2018.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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