

RESOLUTION NO. 2063

A RESOLUTION APPROVING THE USE OF A SPECIAL PROCUREMENT PER ORS 279B.085 & WC2.314(2) TO SOLICIT THE SERVICES OF PORTLAND GENERAL ELECTRIC FOR THE ANNUAL STREETLIGHT REPLACEMENT PROGRAM.

WHEREAS, the FY 2007/08 Capital Projects list for streetscape/bicycle projects includes Project Number 4697 for the Streetlight Replacement Program in the amount of \$260,000; the projected revenue available for streetlight replacement in FY 2008/09 is \$125,000.00; the projected revenue available for streetlight replacement in FY 2009/10 is \$130,000.00; and

WHEREAS, Public Works has surveyed the City streetlights and has selected approximately 145 streetlights and poles along French Prairie Dr. in Charbonneau; and

WHEREAS, Public Works will survey the City streetlights for the following two years and select streetlights in need of replacement; and

WHEREAS, Staff has attempted to obtain three quotes for this work; and

WHEREAS, Staff has identified inherent problems with competition and public safety utilizing ORS 279B.070 (Intermediate Procurement) due to the special nature of the street lighting involved as set forth in the staff memo of June 17, 2007 accompanying this Resolution and on file with the City Recorder; and

WHEREAS, Staff has identified that ORS 279B.085 (Special Procurement) and WC 2.314(2) will not diminish competition due to lack of interest from potential bidders, and will result in a substantial cost savings; and

WHEREAS, Staff intends to solicit a quote from Portland General Electric for this year, with an option to solicit and award quotes for the following two years. The aggregate of the three quotes shall not exceed \$505,000.00

NOW THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The City Council acting in its capacity as the Local Contract Review Board approves staff recommendation to solicit a sole source proposal from Portland

General Electric using a Special Procurement as defined in ORS 279B.085 & WC 2.314(2) for the Annual Streetlight Replacement Program with payment from streetlight funds Project Number 4697 for \$260,000.00 and subject to budget adoption and annual appropriation, FY 2008/09 for \$125,000.00 and FY 2009/10 for \$130,000.00 from the Streetlight Funds, the total over the three fiscal years not to exceed \$505,000.00

2. This resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof on the 2nd day of July, 2007, and filed with the Wilsonville City Recorder this date.


CHARLOTTE LEHAN, Mayor

ATTEST:


Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Council President Kirk	Yes
Councilor Núñez	Yes
Councilor Knapp	Yes
Councilor Ripple	Excused

ENGINEERING DEPARTMENT
STAFF REPORT & RECOMMENDATION

DATE: July 2, 2007

TO: Honorable Mayor and City Councilors

FROM: Jadene Stensland, P.E.
Deputy City Engineer, Capital Projects

SUBJECT: Approval of 'Special Procurement' for the Annual Streetlight Replacement Program (Project No. 4014)

SUMMARY

The attached Resolution No. 2063 approves the use of a Special Procurement (ORS 279B.085) & WC 2.314(2) to procure the services of Portland General Electric (PGE) for the Annual Streetlight Replacement Program.

RECOMMENDATION

Staff respectfully recommends that the City Council approves the use of a Special Procurement (ORS 279B.085) & WC 2.314(2) to procure the services of Portland General Electric (PGE) for a multi-year streetlight replacement contract, not to exceed \$505,000.

DISCUSSION

The project consists of maintaining the existing street light system on French Prairie Dr. by updating the twenty two year old street lights with new street lights. The existing streetlights are a 'shoebox' style light, compliant with PGE Dark-Sky Friendly luminaries. The proposed streetlights are also a 'shoebox' style, listing as a PGE Dark-Sky Friendly luminary. It is estimated that approximately 145 street lights will be replaced, with a project cost range of \$230,000 to \$250,000.

Additionally, Staff requests the option to solicit and award quotes from PGE for the following two years to replace streetlights identified by Public Works. It is anticipated that these lights will be replaced in 2008 & 2009, with a project cost of approximately \$125,000 and \$130,000 respectively. The total anticipated cost of this three year procurement shall not exceed \$505,000.

Previous year's street light replacement programs have utilized a three quote procurement method per ORS 279B.070. After speaking with the owners of Boones Ferry Electric and Wilsonville Electric to obtain quotes for the 2007 Street Light Replacement Program, it became obvious that there are inherent problems with this method of procurement when Portland General Electric (PGE) is one of the firms asked to provide quotes for this work.

Due to an existing streetlight maintenance agreement between PGE and the City, streetlights cannot be disconnected or reconnected for maintenance purposes except by PGE crews. Given

the region-wide demand on PGE's resources, experience shows that PGE is not always able to meet the schedule of the contractor.

To account for this, competitor's quotes always include downtime contingency to cover costs associated with labor and equipment waiting for PGE to disconnect and reconnect lights. Competitor's production rates are also negatively affected by the uncertain schedule of PGE. Since PGE's crew's can perform the disconnect, replacement, and reconnect of streetlights, their quote does not have the same contingency, and is therefore lower than other bidders.

Both Boones Ferry Electric and Wilsonville Electric have indicated that they would not be interested in bidding this work due to the unique advantage PGE has in performing this type of streetlight replacement.

Another issue is that private electricians can not realistically ensure that the street lights will be in service by the end of each day—a provision of the City's contract intended to maintain a safe level of street lighting. Due to a finite capacity to meet the demands of its customers, PGE has indicated that their anticipated ability to disconnect and reconnect lights would be no more frequent than on a weekly basis. Given that the poles can be replaced at a rate of 5-7 poles per day, approximately 30 lights could be out of service at any one time. This represents a significant stretch of French Prairie Dr. being dark at night. PGE's crews on the other hand, can ensure that the street lights are always in service by the end of the day because the same crews that replace the poles can reconnect the power.

Given that the Engineering Department has attempted to solicit three quotes and has found PGE to be the only interested bidder, the Engineering Department would like to receive approval to procure the services of Portland General Electric (PGE) by way of a Special Procurement (ORS 279B.085 & WC 2.314(2)). The public contracting rules state that in order for a Special Procurement to be considered for approval, two items must be shown. One is that it would be unlikely to encourage favoritism or substantially diminish competition, and the other is that it will result in a substantial cost savings. Favoritism has been addressed by attempting to solicit the three quotes required. The cost savings will be realized by eliminating the need to re-bid the project next year, thus reducing administration cost and inflation of materials and manpower. The need to re-bid under the 3 quote procurement method is a result of the total contract size exceeding the \$150,000.00 maximum allowed under ORS 279B.070.

The intent is to obtain this approval at the July 2nd, 2007 council session. Assuming approval is obtained, Staff intends to present a resolution at the July 16th council session to accept PGE's proposal for the replacement of approximately 145 streetlights in the Charbonneau neighborhood.

MEMORANDUM

Date: June 17, 2007

To: Arlene Loble; Michael Bowers

Cc: Mike Stone; Jadene Stensland

From: Rob Palena

Re: Use of 'Special Procurement' for the Annual Street Light Replacement Program

Recommendation:

The Engineering Department is seeking the council's approval to procure the services of Portland General Electric (PGE) by way of a Special Procurement (ORS 279B.085) & WC 2.314(2).

Background:

The project consists of maintaining the existing street light system on French Prairie Dr. by updating the twenty two year old street lights with new street lights. The existing streetlights are a 'shoebox' style light, compliant with PGE Dark-Sky Friendly luminaries. The proposed streetlights are also a 'shoebox' style, listing as a PGE Dark-Sky Friendly luminaire. It is estimated that approximately 145 street lights will be replaced, with a project cost range of \$230,000 to \$250,000.

Additionally, Staff requests the option to solicit and award quotes from PGE for the following two years to replace streetlights identified by Public Works. It is anticipated that these lights will

be replaced in 2008 & 2009, with a project cost of approximately \$125,000 and \$130,000 respectively. The total anticipated cost of this three year procurement shall not exceed \$505,000.

Previous year's street light replacement programs have utilized a three quote procurement method per ORS 279B.070. After speaking with the owners of Boones Ferry Electric and Wilsonville Electric to obtain quotes for the 2007 Street Light Replacement Program, it became obvious that there are inherent problems with this method of procurement when Portland General Electric (PGE) is one of the firms asked to provide quotes for this work.

Due to an existing streetlight maintenance agreement between PGE and the City, streetlights cannot be disconnected or reconnected for maintenance purposes except by PGE crews. Given the region-wide demand on PGE's resources, experience shows that PGE is not always able to meet the schedule of the contractor.

To account for this, competitor's quotes always include downtime contingency to cover costs associated with labor and equipment waiting for PGE to disconnect and reconnect lights. Competitor's production rates are also negatively affected by the uncertain schedule of PGE. Since PGE's crew's can perform the disconnect, replacement, and reconnect of streetlights, their quote does not have the same contingency, and is therefore lower than other bidders.

Both Boones Ferry Electric and Wilsonville Electric have indicated that they would not be interested in bidding this work due to the unique advantage PGE has in performing this type of streetlight replacement.

Another issue is that private electricians can not realistically ensure that the street lights will be in service by the end of each day—a provision of the City's contract intended to maintain a safe level of street lighting. Due to a finite capacity to meet the demands of its customers, PGE has indicated that their anticipated ability to disconnect and reconnect lights would be no more frequent than on a weekly basis. Given that the poles can be replaced at a rate of 5-7 poles per day, approximately 30 lights could be out of service at any one time. This represents a significant stretch of French Prairie Dr. being dark at night. PGE's crews on the other hand, can ensure that the street lights are always in service by the end of the day because the same crews that replace the poles can reconnect the power.

Given that the Engineering Department has attempted to solicit three quotes and has found PGE to be the only interested bidder, the Engineering Department would like to receive approval to procure the services of Portland General Electric (PGE) by way of a Special Procurement (ORS 279B.085 & WC 2.314(2)). The public contracting rules state that in order for a Special Procurement to be considered for approval, two items must be shown. One is that it would be unlikely to encourage favoritism or substantially diminish competition, and the other is that it will result in a substantial cost savings. Favoritism has been addressed by attempting to solicit the three quotes required. The cost savings will be realized by eliminating the need to re-bid the project next year, thus reducing administration cost and inflation of materials and manpower. The need to re-bid under the 3 quote procurement method is a result of the total contract size exceeding the \$150,000.00 maximum allowed under ORS 279B.070.

The intent is to obtain this approval at the July 2nd, 2007 council session. Assuming approval is obtained, Staff intends to present a resolution at the July 16th council session to accept PGE's proposal for the replacement of approximately 145 streetlights in the Charbonneau neighborhood.

Thank you.