

City of Oak Harbor
City Council Agenda Bill

Bill No. 9. a.
Date: August 21, 2018
Subject: Authorization to Submit Rate
Analysis Proposal to Navy for
Wastewater Treatment Plant,
connection and wastewater
treatment.

FROM: Cathy Rosen, Public Works Director

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

- Bob Severns, Mayor
- Patricia Soule, Finance Director
- Nikki Esparza, City Attorney, as to form

RECOMMENDED ACTION

Authorize the Mayor to submit the proposal regarding a wastewater treatment plant connection fee and treatment rate analysis as outlined in the Navy's Request for Quotations No. N4425518T002.

BACKGROUND / SUMMARY INFORMATION

The Navy has requested that that City give them a price proposal for the development of a wastewater treatment plant connection fee and a rate to treat the Navy's wastewater for four (4) different scenarios:

1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to the existing City collection system. The Navy pays a one-time charge, plus a rate for wastewater treatment.

1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to the existing City collection system. The Navy pays the connection charge, amortized over a 20-year period plus a rate for wastewater treatment.

2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to the existing City collection system. The Navy pays a one-time connections charge, plus a rate for wastewater treatment.

2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to the existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment.

The City will need assistance from an outside consultant to determine the costs of the necessary infrastructure and the impacts to the wastewater treatment plant as well as calculating the connection fee and rate for wastewater treatment. The City has received a proposal from HDR with Carollo Engineers as a subconsultant for this work. In addition, the City will need the assistance of a financial consultant regarding the cost to finance the necessary infrastructure to connect the Navy's Seaplane Base to the Clean Water Facility. The City has received a proposal from PFM for these services.

The proposal to the Navy includes the costs of HDR and PFM as well as a 10% City administration fee.

If the Navy approves the City's proposal, the City will enter into an agreement with the Navy. Once there is an agreement with the Navy, the contracts with HDR and PFM will be presented to City Council for approval.

LEGAL AUTHORITY

FISCAL IMPACT

PREVIOUS COUNCIL / BOARD / CITIZEN INPUT

ATTACHMENTS

1. [Letter to Rebecca S. Tangen re Navy Request for Quotation No. N4425518T7002](#)
2. [Navy Request for Quotation No. N4425518T7002](#)
3. [HDR Proposal for Projection of Sewer SDCs and Rates for Navy Connection to City Sewer System](#)
4. [PFM Proposal re Navy Connection to City Sewer System](#)



August 21, 2018

Rebecca S. Tangen
NAVFAC Northwest
PWD Whidbey Island
Facilities Engineering and Acquisition Division
1115 W Lexington Drive - Building 103
Oak Harbor, WA 98278-3500

RE: Request for Quotation No. N4425518T7002

Dear Ms. Tangen,

The City of Oak Harbor is pleased to submit this proposal for a wastewater treatment plant connection fee and treatment rate analysis as outlined in the Navy's Request for Quotations No. N4425518T002.

SCOPE OF WORK

Meetings

Kick-off Meeting

At the start of the project, a kick-off meeting will be held at City offices with representatives from the Navy, members of the City's consultant team and representatives of the City. The purpose of this meeting is to verify the contract scope and expectations, highlight coordination issues, review the scope and approach for the rate analysis and establish a final time schedule.

Review Meetings

Project Review Meeting #1: 35%-50% Rate Analysis Development Review

At the completion of the draft rate and connection charge analysis, a meeting will be held at City offices with representatives from the Navy, members of the City's consultant team and representatives of the City. The intent of this meeting is to discuss project status and identify problem areas, if any, prior to development of the draft final analysis. Up to four (4) hours have been allocated for this meeting.

Project Review Meeting #2: 100% Pre-Final Rate Analysis Presentation and Review Meeting

At the completion of the draft final analysis, a meeting will be held at City offices with representatives from the Navy, members of the City's consultant team and representatives of the City. The intent of this meeting will be for the City to present to Navy staff their findings, calculations, assumptions and recommendations and to identify outstanding problem areas, if any, prior to the Final Rate Analysis submittal.

Meeting Minutes

An electronic copy of records of all meetings, conferences and conference calls will be provided in Adobe PDF format to each of the Government Points of Contact indicated in Section A3 of the Navy's Request for Quotations.

Development of Estimated Sewer Rate

The City team will develop an estimate of rates to provide sewer service to the Navy's Seaplane Base. The rate analysis will include four (4) alternatives based on the request by the Navy and will include operation and maintenance costs for the conveyance system and a rate for wastewater treatment. For two (2) of the alternatives, the rate will also include amortizing the connection charge over a 20-year period.

All analysis will be predicated on local, state and federal requirements.

Development of Sewer Connection Charge

This task will include a review of the processes, capacity, and capabilities of the current CWF design to meet the estimated sewer volumes from the Navy Seaplane Base utilizing the estimated Navy flows and loads. It also includes review and development of conveyance system costs as proposed by the Navy.

Once the capital improvement needs at the CWF have been determined, an analysis will be performed to determine the equitable share of CWF costs that benefit the Navy. In addition to CWF costs, a review of the existing City collection system infrastructure benefitting the Navy will be completed to determine allocable components of the existing collection and pumping infrastructure that will provide service to the Navy.

The Navy has requested a rate analysis for four (4) different alternatives:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to the existing City collection system. The Navy pays a one-time charge, plus a rate for wastewater treatment.
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to the existing City collection system. The Navy pays the connection charge, amortized over a 20-year period plus a rate for wastewater treatment.
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to the existing City collection system. The Navy pays a one-time connections charge, plus a rate for wastewater treatment.
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to the existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment.

All analysis will be predicated on local, state and federal requirements.

CITY PROJECT TEAM

The proposed project team is composed primarily of individuals that have been working on the City’s Clean Water Facility (CWF) Project including City staff, the design engineers, and financial consultants that have assisted the City in obtaining funding for the CWF project and performing the rate analysis for the City’s wastewater utility. The proposed project team is as follows:

Blaine Oborn, City Administrator

Mr. Oborn will guide the overall project for the City.

Patricia Soule, City Finance Director

Ms. Soule will co-manage the project with the City Public Works Director. Ms. Soule will be the City’s point of contact and will provide oversight and verification of costs.

Cathy Rosen, City Public Works Director

Ms. Rosen will co-manage the project with the City Finance Director. Ms. Rosen will provide oversight regarding operational and other programmatic needs related to the City’s wastewater collection and treatment systems.

Brett Arvidson, City CWF Project Manager

Mr. Arvidson will provide assistance in determining operational costs of the CWF and impacts to operation of the CWF from Navy flow.

HDR with Carollo Engineers as a subconsultant

HDR will lead the preparation of the connection fee and rate analysis. HDR has assisted the City with the development of wastewater rates and fees since 2008.

As a subconsultant to HDR, Carollo Engineers will be responsible for developing the list of infrastructure needs required to connect Navy facilities on the Seaplane Base to the City’s Clean Water Facility and providing estimated costs for that infrastructure. Carollo Engineers has been assisting the City with the development of the facilities plan and design of the CWF and has provided engineering support services during the construction of the CWF.

PFM

PFM will assist the City in determining the cost of debt for those scenarios where the Navy is requesting that the City construct required infrastructure utilizing City funds and amortizing the cost over a 20-year period. PFM assisted the City in issuing bonds to fund a portion of the CWF.

SCHEDULE

Past studies of this nature have typically taken 8-12 weeks. The project team will work with the Navy to develop the final project schedule.

FEE ESTIMATE

The City will enter into Time and Materials Agreements with HDR and PFM to complete the scope of work outlined in this proposal. In addition to the direct charges from HDR and PFM, the City will charge a 10% administrative fee. The City administrative fee will include costs including, but not limited to, staff labor, direct and indirect expenses, overhead charges and other costs. City expenses will be billed on a 10% markup basis and will not be itemized. The estimated Fee for this work is:

HDR	\$119,114.00
PFM	\$ 7,500.00
City Administration 10%	<u>\$ 12,661.40</u>
Total Estimated Fee	\$139,275.40

Invoices will be submitted monthly and will be due within 30 days.

A copy of the proposals and fees schedules for HDR and PFM are attached.

We appreciate the opportunity to provide this proposal to the Navy. Should you have any questions regarding our approach to this project or any of the information contained herein, please contact Patricia Soule who is the City's point of contact regarding this proposal. Ms. Soule may be reached at (360)279-4538 or at psoule@oakharbor.org.

Sincerely,

Robert Severns
Mayor

REQUEST FOR QUOTATIONS (THIS IS NOT AN ORDER)		THIS RFQ [] IS [X] IS NOT A SMALL BUSINESS SET-ASIDE			PAGE OF PAGES 1 18	
1. REQUEST NO. N4425518T7002	2. DATE ISSUED 13-Jun-2018	3. REQUISITION/PURCHASE REQUEST NO.		4. CERT. FOR NAT. DEF. UNDER BDSA REG. 2 AND/OR DMS REG. 1		RATING
5a. ISSUED BY NAVFAC NORTHWEST PWO WHIDBEY ISLAND FACILITIES ENGINEERING AND ACQUISITION DMSI 1115 W LEXINGTON DR BLDG 103 OAK HARBOR WA 98278-3500				6. DELIVER BY (Date) SEE SCHEDULE		
5b. FOR INFORMATION CALL: (Name and Telephone no.) (No collect calls) REBECCA S. TANGEN 360-257-3849				7. DELIVERY [X] FOB [] OTHER DESTINATION (See Schedule)		
8. TO: NAME AND ADDRESS, INCLUDING ZIP CODE				9. DESTINATION (Consignee and address, including ZIP Code) SEE SCHEDULE		
10. PLEASE FURNISH QUOTATIONS TO THE ISSUING OFFICE IN BLOCK 5a ON OR BEFORE CLOSE OF BUSINESS: (Date) 29-Jun-2018						
IMPORTANT: This is a request for information, and quotations furnished are not offers. If you are unable to quote, please so indicate on this form and return it to the address in Block 5a. This request does not commit the Government to pay any costs incurred in the preparation of the submission of this quotation or to contract for supplies or services. Supplies are of domestic origin unless otherwise indicated by quoter. Any representations and/or certifications attached to this Request for Quotations must be completed by the quoter.						
11. SCHEDULE (Include applicable Federal, State, and local taxes)						
ITEM NO. (a)	SUPPLIES/ SERVICES (b)		QUANTITY (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)
SEE SCHEDULE						
12. DISCOUNT FOR PROMPT PAYMENT		a. 10 CALENDAR DAYS %	b. 20 CALENDAR DAYS %	c. 30 CALENDAR DAYS %	d. CALENDAR DAYS No. %	
NOTE: Additional provisions and representations [] are [] are not attached.						
13. NAME AND ADDRESS OF QUOTER (Street, City, County, State, and ZIP Code)			14. SIGNATURE OF PERSON AUTHORIZED TO SIGN QUOTATION		15. DATE OF QUOTATION	
			16. NAME AND TITLE OF SIGNER (Type or print)		TELEPHONE NO. (Include area code)	

Section B - Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	WWTP Connection & Treatment Rate Analysis FFP Rate analysis to provide costs for Navy to connect to the City of Oak Harbor's new wastewater treatment facility. Also include operation and maintenance costs. 4 scenarios requested. FOB: Destination				\$139,275.40

NET AMT

Section C - Descriptions and Specifications

STATEMENT OF WORK

City of Oak Harbor Wastewater Connection and Treatment Rate Analysis

Attachment List:

- (1) – Seaplane Base Projected Flows and Loadings
- (2) – Estimated Bare Costs for Conveyance Systems on Navy Property

A. General Information:

A1. Contract Identification:

Contract No.: N44255-18-P-7001

Project Title: City of Oak Harbor Wastewater Connection and Treatment Rate Analysis

Project Location: Naval Air Station Whidbey Island

A2. Contract Scope:

Provide a Rate Analysis in accordance with the following:

Background:

In March 2013 the City of Oak Harbor provided estimated wastewater treatment plant, conveyance, outfall and operation and maintenance costs for the Navy to join their Clean Water Facility (CWF). Due to fiscal limitations and acquisition regulations, the Navy could not commit to the cost share proposal within the City's project development and construction timeframe. The Navy opted to resume operation and maintenance of the Navy owned lagoon treatment plant after the completion of the CWF in order to continue wastewater services for Navy customers on Seaplane Base.

In August 2016, the Navy initiated the Seaplane Base General Sewer Plan (Plan). The Plan identified short-term treatment upgrades and developed long-term treatment alternatives. The long-term alternatives included treating wastewater in the same location as the existing lagoons, the construction of a new Navy owned wastewater treatment plant on Navy property and the connection to the City's CWF.

In order to consider connecting Seaplane Base to the CWF as a viable alternative, the Navy is requesting that the City of Oak Harbor provide revised wastewater conveyance, treatment and operation and maintenance cost projections. These revised costs projections will allow the Navy to select a long-term alternative to the existing lagoon plant.

Navy Wastewater to Clean Water Facility:

The alternative under consideration involves eliminating the lagoon wastewater treatment plant within Seaplane Base and conveying all wastewater flows to the City of Oak Harbor for treatment at the City's Clean Water Facility. This alternative requires construction of new conveyances (lift stations and forcemains) on Navy property, as well as modifications to the City's existing collection system. Refer to Attachment 1 for a concept drawing showing potential system modifications.

The City shall provide a rate analysis which includes estimated connection charges for collection system modifications and new conveyances, as well as an estimated sewer rate for treatment of Navy wastewater flows. The estimated connection charge and sewer rate shall be provided for the following scenarios:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. The Navy pays a one-time connection charge, plus a rate for wastewater treatment;
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment;

- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. The Navy pays a one-time connection charge, plus a rate for wastewater treatment;
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. The Navy pays the connection charge, amortized over a 20-year period, plus a rate for wastewater treatment;

The rate analysis shall also include a line item pricing breakdown for the following components of wastewater collection and treatment:

1. Lift stations and force mains, located on Navy property, required to convey wastewater to the City's collection system.
2. Wastewater collection system modifications, within City property, that would be necessary to accommodate the Navy's flows to the Clean Water Facility.
3. Annual operation and maintenance cost of conveying and treating Navy's wastewater.

A3. Government Points of Contact:

Naval Facilities Engineering Command Northwest Contract Specialist:
Mrs. Rebecca Tangen, Contract Specialist
 (360-257-3849 rebecca.tangen@navy.mil)

Mrs. Annette Goodchild, Contracting Officer
 (360) 257-6500 annie.goodchild@navy.mil
 NAVFAC NW, Whidbey Island 1115 W. Lexington B-103 Oak Harbor, WA 98278

Naval Facilities Engineering Command Northwest Design Manager:
Mr. Trevor Lunceford, Senior Utilities Engineer
 (360) 315-3003 trevor.lunceford@navy.mil
 NAVFAC NW, 1101 Tautog Circle Building 1101 Silverdale, WA 98315

Note:

Only the Contracting Officer has authority to modify the terms and conditions of this Task Order.

B. Deliverables:

B1. Provide a Rate Analysis document, including the following:

- a. Estimated connection charge and estimated sewer rate, in accordance with Section A2.
- b. Methods used for the construction cost estimate and rate development.
 - State the method of cost estimates utilized in rate analysis (i.e. quantity take-off, other method(s), or combination thereof).
 - State whether the cost estimates are based on results of studies, and if not, state what assumptions have been made.
 - Provide data supporting conclusions and observations made for each of the components above.
 - Identify preferred rate structure.
- c. Assumptions and exclusions to the rate analysis –
 - List and explain the use of other markups such as design contingencies (including contingencies to address any assumptions made pertaining to any studies/reports), bonds, gross receipts tax, other taxes, etc.

C. Rate Analysis Submittal Schedule:

Note: Durations and Government review periods are shown in calendar days.

Milestones	Duration	Government Review
Kick-off Meeting	10 days after Task Order Award	N/A
35% - 50% Rate Analysis Submittal	30 days after Kick-off Meeting	7 days
35% - 50% Rate Analysis Review Meeting	10 days after 35% - 50% Rate Analysis Submittal	N/A
100% Pre-Final Rate Analysis Submittal	20 days after 35% - 50% Rate Analysis Review Meeting	7 days
100% Pre-Final Rate Analysis Presentation and Review Meeting	10 days after 100% Pre-Final Rate Analysis Submittal	N/A
Final Submittal	10 days after 100% Pre-Final Rate Analysis Review Meeting	N/a

C1. Submittal Requirements

For each submittal stage (35%-50%, 100% Pre-Final, and Final), provide 1 hard copy and 1 electronic copy (on DVD) to each of the Government Points of Contact indicated in Section A3.

D. Meetings, Conferences, and Conference Calls:

D1. Locations:

The following meetings are required. Organize, attend and participate in the required meetings at the designated locations specified below.

Meetings, Conferences, and Conference Calls	Location
Kick-off Meeting	Conference Call
35% - 50% Rate Analysis Development Review Meeting	City of Oak Harbor PWD
100% Pre-Final Rate Analysis Presentation & Review Meeting	City of Oak Harbor PWD

D2. Kick-off Meeting:

This meeting is required to verify the contract scope and expectations, discuss the rate analysis, highlight coordination issues, etc. with the government representatives.

D3. Review Meetings:

Review meetings will be held following each submittal as indicated below:

- a. **35% - 50% Rate Analysis Development Review Meeting:** This meeting is a progress review meeting to verify/confirm the requirements of the rate analysis. The intent of this meeting is to ascertain the status, and identify problems areas, if any, prior to the 100% Pre-Final submittal.
- b. **100% Pre-Final Rate Analysis Presentation and Review Meeting:** This meeting is a progress review meeting to discuss the requirements and technical features of the rate analysis. The intent of this meeting will be for the City to present to Navy staff their findings, calculations, assumptions and recommendations, and identify outstanding problems areas, if any, prior to the Final rate analysis submittal.

D4. Meeting Minutes:

Record all meetings, conferences and conference calls minutes and provide an electronic copy of these minutes in Adobe PDF format to each of the Government Points of Contact indicated in Section A3.

Attachment (1) – Seaplane Base Projected Flows and Loadings

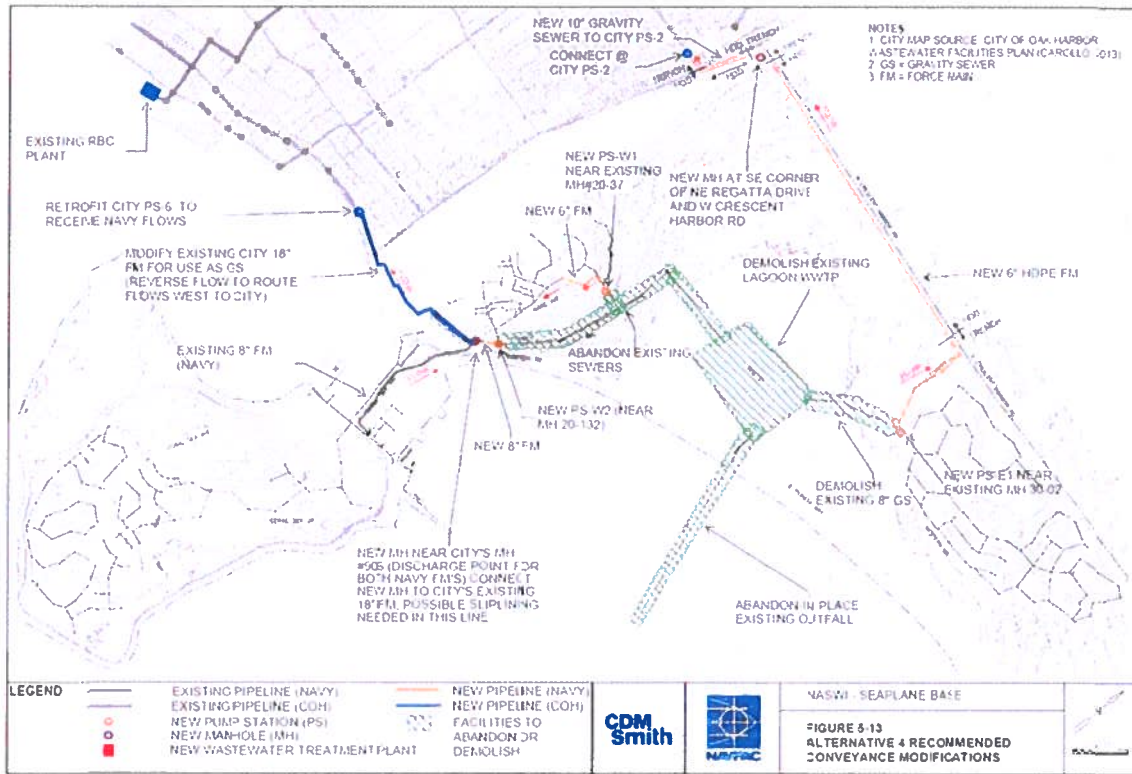


Table 1 Projected Flows from the West Seaplane Service Area	
Projected Flows	Estimated Flow (gpd)
ADWF	256,326
AAF	370,591
MMF	384,489
PDF	1,307,263
PHF	1,486,691

Table 2 Projected Loading from the West Seaplane Service Area	
Design Parameter	Loading, ppd
BOD₅	
Average Annual	513
Maximum Month	577
TSS	
Average Annual	577
Maximum Month	641
Ammonia-Nitrogen	
Average Annual	80
Maximum Month	80

Table 3 Projected Flows from the East Seaplane Service Area	
Projected Flows	Estimated Flow (gpd)
ADWF	114,604
AAF	137,525
MMF	171,906
PDF	584,480
PHF	664,703

Table 4 Projected Loading from the East Seaplane Service Area	
Design Parameter	Loading, ppd
BOD₅	
Average Annual	229
Maximum Month	258
TSS	
Average Annual	258
Maximum Month	287
Ammonia-Nitrogen	
Average Annual	36
Maximum Month	36

Attachment 2 - Estimated Bare Costs for Conveyance Systems on Navy Property

Alternative 4 – Sewer SPB to City of Oak Harbor (COH)

- This estimate is consistent with the description of Alternative 4 provided in subsection 5.2.4 of the *Sewer Plan* (CDM Smith, October 2017) unless otherwise noted herein.

Eastside Conveyance:

New PS-E1

- All line items under this component category are the same as for Alt-2, with the addition of an influent flow meter and composite sampler. [See Page 3 below for description](#)

6" Forcemain and 10" Gravity Sewer (GS)

- From the pump station, there is 2,200 lft of 6" HDPE FM open cut pipe line that connects to 6" HDPE HDD pipe line at the top of the hill and a small section at the new manhole.
- One-half (10') of the asphalt road was removed and replaced for the open cut.
- 5,000 lft of 6" HDPE horizontally directionally drilled (HDD) pipeline parallels the 36-ft wide W. Crescent Harbor Rd.
- HDD pipeline frequently use sending and receiving pits at each end of a drill section. An allowance of \$14.59/lft is included for necessary sending and receiving pits spaced every 1,000 lft of HDD. Details for spacing pits and their required size will be determined in future designs and contracts. This allowance includes excavation, imported backfill and hauling spoils to the NAS. Seven pits are included in the estimate.
- Traffic control and demo and replacement of asphalt paving has been included for pit areas.
- Disturbed areas will be hydro seeded.
- A new 6' dia with a 12' invert manhole is installed near the intersection of W. Crescent Harbor Rd. and Torpedo Rd.
- From the manhole, there is a short section of open cut 10" gravity sewer which flows into a new 752 lft 10" HDPE gravity sewer HDD pipeline. This in turn flows into 300 lft 10" GS open cut pipe line that connects to the City of Oak Harbor (COH) PS-2. 6' diameter manholes are spaced every 300 LF along the gravity sewer alignment.

Westside Conveyance

PS-W1:

- This station was estimated as similar to PS-W1 (e.g., two 7-hp submersible pumps in a small packaged pump station).
- Site conditions are very similar including electrical service and emergency generator (10 KW).
- Metering is provided at this pump station (mag meter)

New 3" HDPE FM:

- 947 lft of 3" open cut FM is installed at the pump discharge and connects to an existing sewer line.

Abandoned sewer:

Alternative 4

- An existing sewer line is being abandoned in place.
- Eleven manholes are removed from this sewer line.

New 12" PVC GS:

- 500 lft of 12" PVC GS, open cut, is installed near area of tie-in of two Navy forcemains to a soon to be abandoned COH 16" GS.

New manholes

- Two new, 6' dia with a 12' invert, manholes will be installed to facilitate the connections to the COH pipeline.

New Effluent Composite Sampler and Meter

- The sampler and meter will be installed prior to flowing into the COH 16" pipeline. The sampler is housed in an FRP Building and the meter is in a concrete vault.
- The site work for this installation is similar to the pump stations however no generator has been included.

Conversion of City FM to Gravity Sewer

- The cost for adding manholes to the existing pipeline, yard-piping changes needed at the COH WWTP, or other related modifications to accomplish this conversion were not included in the estimate. It is assumed that this cost will be included in the city's connection fee since this is City-owned infrastructure, mainly located outside of SPB, and any modifications that COH requires to this pipeline is assumed would be performed by the COH directly.

Alternative 2 - New Plant for SPB

Eastside Conveyance:

New PS-E1

- PS-E1 is a small packaged pump station with two 7-hp non-clog submersible pumps. This station pumps flows from Crescent Capehart to the new WWTP.
- A new 6" mag-flow meter is included in an exterior vault.
- A composite sampler is included at this station.
- Site work includes clear and grub area of trees, fine grade, addition of some limited asphalt paving either at the approach apron and/or at the new pump station. A new security fence was added and the site hydro-seeded. No card key reader was provided for at the gate.
- Erosion control is included.
- All excavation spoils are hauled to NAS stockpile.
- All demolished materials are hauled to disposal sites explained above.
- Site improvements include new electrical service assumed at 14.4 KV, 1,000 lft of direct buried PGRC raceway, new step-down transformer and meter. The raceway runs from the pump station to a connection point is not currently specified.
- To facilitate communicate with the pump station a new 1,000 lft telecom direct burial raceway was added. This data connection will allow communication with the SCADA system. Telecom raceway runs from the pump station to telephone line connection that is not currently specified.
- Funds were included to provide for data up-link.

Section E - Inspection and Acceptance

INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0001	N/A	N/A	N/A	Government

Section F - Deliveries or Performance

DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	DODAAC / CAGE
0001	N/A	N/A	N/A	N/A

CLAUSES INCORPORATED BY REFERENCE

52.242-15	Stop-Work Order	AUG 1989
52.242-17	Government Delay Of Work	APR 1984

Section G - Contract Administration Data

CLAUSES INCORPORATED BY FULL TEXT

5252.201-9300 CONTRACTING OFFICER AUTHORITY (JUN 1994)

In no event shall any understanding or agreement between the Contractor and any Government employee other than the Contracting Officer on any contract, modification, change order, letter or verbal direction to the Contractor be effective or binding upon the Government. All such actions must be formalized by a proper contractual document executed by an appointed Contracting Officer. The Contractor is hereby put on notice that in the event a Government employee other than the Contracting Officer directs a change in the work to be performed or increases the scope of the work to be performed, it is the Contractor's responsibility to make inquiry of the Contracting Officer before making the deviation. Payments will not be made without being authorized by an appointed Contracting Officer with the legal authority to bind the Government. (End of clause)

Section I - Contract Clauses

CLAUSES INCORPORATED BY REFERENCE

52.204-7	System for Award Management	OCT 2016
52.215-8	Order of Precedence--Uniform Contract Format	OCT 1997
52.222-1	Notice To The Government Of Labor Disputes	FEB 1997
52.232-17	Interest	MAY 2014
52.232-23	Assignment Of Claims	MAY 2014
52.237-2	Protection Of Government Buildings, Equipment, And Vegetation	APR 1984
52.243-1 Alt I	Changes--Fixed Price (Aug 1987) - Alternate I	APR 1984
52.249-4	Termination For Convenience Of The Government (Services) (Short Form)	APR 1984
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.204-7004 Alt A	System for Award Management Alternate A	FEB 2014
252.232-7003	Electronic Submission of Payment Requests and Receiving Reports	JUN 2012
252.243-7001	Pricing Of Contract Modifications	DEC 1991

CLAUSES INCORPORATED BY FULL TEXT

52.213-4 TERMS AND CONDITIONS--SIMPLIFIED ACQUISITIONS (OTHER THAN COMMERCIAL ITEMS) (JAN 2018).

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses that are incorporated by reference:

(1) The clauses listed below implement provisions of law or Executive order:

(i) 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (JAN 2017) (section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions)).

(ii) 52.222-3, Convict Labor (JUN 2003) (E.O. 11755).

(iii) 52.222-21, Prohibition of Segregated Facilities (APR 2015).

(iv) 52.222-26, Equal Opportunity (SEPT 2016) (E.O. 11246).

(v) 52.225-13, Restrictions on Certain Foreign Purchases (JUN 2008) (E.O.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

(vi) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(vii) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78 (19 U.S.C. 3805 note).

(2) Listed below are additional clauses that

apply: (i) 52.232-1, Payments (APR 1984).

- (ii) 52.232-8, Discounts for Prompt Payment (FEB 2002).
 - (iii) 52.232-11, Extras (APR 1984).
 - (iv) 52.232-25, Prompt Payment (JAN 2017).
 - (v) 52.232-39, Unenforceability of Unauthorized Obligations (JUN 2013).
 - (vi) 52.232-40, Providing Accelerated Payments to Small Business Subcontractors (DEC 2013).
 - (vii) 52.233-1, Disputes (MAY 2014).
 - (viii) 52.244-6, Subcontracts for Commercial Items (NOV 2017).
 - (ix) 52.222-55, Minimum Wages Under Executive Order 13658 (MAR 2016) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia)).
- (b) The Contractor shall comply with the following FAR clauses, incorporated by reference, unless the circumstances do not apply:
- (1) The clauses listed below implement provisions of law or Executive order:
- (i) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (Oct 2016) (Pub. L. 109-282) (31 U.S.C. 6101 note) (Applies to contracts valued at \$30,000 or more).
 - (ii) 52.222-19, Child Labor--Cooperation with Authorities and Remedies (Jan 2018) (E.O. 13126). (Applies to contracts for supplies exceeding the micro-purchase threshold).
 - (iii) 52.222-20, Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000 (MAY 2014) (41 U.S.C. chapter 65) (Applies to supply contracts over \$15,000 in the United States, Puerto Rico, or the U.S. Virgin Islands).
 - (iv) 52.222-35, Equal Opportunity for Veterans (Oct 2015) (38 U.S.C. 4212) (applies to contracts of \$150,000 or more).
 - (v) 52.222-36, Equal Employment for Workers with Disabilities (JUL 2014) (29 U.S.C. 793) (Applies to contracts over \$15,000, unless the work is to be performed outside the United States by employees recruited outside the United States). (For purposes of this clause, "United States" includes the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.)
 - (vi) 52.222-37, Employment Reports on Veterans (Feb 2016) (38 U.S.C. 4212) (Applies to contracts of \$150,000 or more).
 - (vii) 52.222-41, Service Contract Labor Standards (MAY 2014) (41 U.S.C. chapter 67) (Applies to service contracts over \$2,500 that are subject to the Service Contract Labor Standards statute and will be performed in the United States, District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, Johnston Island, Wake Island, or the outer Continental Shelf).
 - (viii)(A) 52.222-50, Combating Trafficking in Persons (MAR 2015) (22 U.S.C. chapter 78 and E.O 13627) (Applies to all solicitations and contracts).
- (B) Alternate I (MAR 2015) (Applies if the Contracting Officer has filled in the following information with regard to applicable directives or notices: Document title(s), source for obtaining document(s), and contract performance location outside the United States to which the document applies).

(ix) 52.222-55, Minimum Wages Under Executive Order 13658 (DEC 2015) (Executive Order 13658) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia)).

(x) 52.222-62, Paid Sick Leave Under Executive Order 13706 (JAN 2017) (E.O. 13706) (Applies when 52.222-6 or 52.222-41 are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia.))

(xi) 52.223-5, Pollution Prevention and Right-to-Know Information (MAY 2011) (E.O. 13423) (Applies to services performed on Federal facilities).

(xii) 52.223-11, Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (June, 2016) (E.O. 13693)(applies to contracts for products as prescribed at FAR 23.804(a)(1)).

(xiii) 52.223-12, Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners (June, 2016) (E.O. 13693) (Applies to maintenance, service, repair, or disposal of refrigeration equipment and air conditioners).

(xiv) 52.223-15, Energy Efficiency in Energy-Consuming Products (DEC 2007) (42 U.S.C. 8259b) (Unless exempt pursuant to 23.204, applies to contracts when energy-consuming products listed in the ENERGY STAR[supreg] Program or Federal Energy Management Program (FEMP) will be--

(A) Delivered;

(B) Acquired by the Contractor for use in performing services at a Federally-controlled facility;

(C) Furnished by the Contractor for use by the Government; or

(D) Specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance).

(xv) 52.223-20, Aerosols (June, 2016) (E.O. 13693) (Applies to contracts for products that may contain high global warming potential hydrofluorocarbons as a propellant or as a solvent; or contracts for maintenance or repair of electronic or mechanical devices).

(xvi) 52.223-21, Foams (June, 2016) (E.O. 13693) (Applies to contracts for products that may contain high global warming potential hydrofluorocarbons or refrigerant blends containing hydrofluorocarbons as a foam blowing agent; or contracts for construction of buildings or facilities.

(xvii) 2.225-1, Buy American--Supplies (MAY 2014) (41 U.S.C. chapter 67) (Applies to contracts for supplies, and to contracts for services involving the furnishing of supplies, for use in the United States or its outlying areas, if the value of the supply contract or supply portion of a service contract exceeds the micro-purchase threshold and the acquisition--

(A) Is set aside for small business concerns; or

(B) Cannot be set aside for small business concerns (see 19.502-2), and does not exceed \$25,000).

(xviii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (MAY 2014) (42 U.S.C. 1792) (Applies to contracts greater than \$25,000 that provide for the provision, the service, or the sale of food in the United States).

(xix) 52.232-33, Payment by Electronic Funds Transfer--System for Award Management (JUL 2013) (Applies when the payment will be made by electronic funds transfer (EFT) and the payment office uses the System for Award Management (SAM) database as its source of EFT information.)

(xx) 52.232-34, Payment by Electronic Funds Transfer--Other than System for Award Management (JUL 2013) (Applies when the payment will be made by EFT and the payment office does not use the SAM database as its source of EFT information.)

(xxi) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. App. 1241) (Applies to supplies transported by ocean vessels (except for the types of subcontracts listed at 47.504(d).)

(2)) Listed below are additional clauses that may apply:

(i) 52.204-21, Basic Safeguarding of Covered Contractor Information Systems (June, 2016) (Applies to contracts when the contractor or a subcontractor at any tier may have Federal contract information residing in or transiting through its information system.

(ii) 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Oct 2015) (Applies to contracts over \$35,000).

(iii) 52.211-17, Delivery of Excess Quantities (SEP 1989) (Applies to fixed-price supplies).

(iv) 52.247-29, F.o.b. Origin (FEB 2006) (Applies to supplies if delivery is f.o.b. origin).

(v) 52.247-34, F.o.b. Destination (NOV 1991) (Applies to supplies if delivery is f.o.b. destination).

(c) FAR 52.252-2, Clauses Incorporated by Reference (FEB 1998). This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

(Insert one or more Internet addresses)

(d) Inspection/Acceptance. The Contractor shall tender for acceptance only those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. The Government must exercise its postacceptance rights--

(1) Within a reasonable period of time after the defect was discovered or should have been discovered; and

(2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(e) Excusable delays. The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence, such as acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(f)) Termination for the Government's convenience. The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all

work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that the Contractor can demonstrate to the satisfaction of the Government, using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred that reasonably could have been avoided.

(g) Termination for cause. The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(h) Warranty. The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(End of clause)

52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 2014)

In compliance with the Service Contract Labor Standards statute and the regulations of the Secretary of Labor (29 CFR part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

THIS STATEMENT IS FOR INFORMATION ONLY: IT IS NOT A WAGE DETERMINATION
Employee Class Monetary Wage-Fringe Benefits

(End of clause)

52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING (AUG 2011)

(a) Definitions. As used in this clause--

Driving—

(1) Means operating a motor vehicle on an active roadway with the motor running, including while temporarily stationary because of traffic, a traffic light, stop sign, or otherwise.

(2) Does not include operating a motor vehicle with or without the motor running when one has pulled over to the side of, or off, an active roadway and has halted in a location where one can safely remain stationary.

Text messaging means reading from or entering data into any handheld or other electronic device, including for the purpose of short message service texting, e-mailing, instant messaging, obtaining navigational information, or

engaging in any other form of electronic data retrieval or electronic data communication. The term does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device either before driving or while stopped in a location off the roadway where it is safe and legal to park.

(b) This clause implements Executive Order 13513, Federal Leadership on Reducing Text Messaging while Driving, dated October 1, 2009.

(c) The Contractor is encouraged to--

(1) Adopt and enforce policies that ban text messaging while driving--

(i) Company-owned or -rented vehicles or Government-owned vehicles; or

(ii) Privately-owned vehicles when on official Government business or when performing any work for or on behalf of the Government.

(2) Conduct initiatives in a manner commensurate with the size of the business, such as--

(i) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

(ii) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

(d) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts that exceed the micro-purchase threshold.

(End of clause)

52.225-25 PROHIBITION ON CONTRACTING WITH ENTITIES ENGAGING IN CERTAIN ACTIVITIES OR TRANSACTIONS RELATING TO IRAN--REPRESENTATION AND CERTIFICATIONS. (OCT 2015)

(a) Definitions. As used in this provision--

Person--

(1) Means--

(i) A natural person;

(ii) A corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and

(iii) Any successor to any entity described in paragraph (1)(ii) of this definition; and

(2) Does not include a government or governmental entity that is not operating as a business enterprise.

Sensitive technology--

(1)) Means hardware, software, telecommunications equipment, or any other technology that is to be used specifically--

(i) To restrict the free flow of unbiased information in Iran; or

(ii) To disrupt, monitor, or otherwise restrict speech of the people of Iran; and

(2) Does not include information or informational materials the export of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

(b) The offeror shall email questions concerning sensitive technology to the Department of State at CISADA106@state.gov.

(c) Except as provided in paragraph (d) of this provision or if a waiver has been granted in accordance with 25.703-4, by submission of its offer, the offeror—

(1) Represents, to the best of its knowledge and belief, that the offeror does not export any sensitive technology to the government of Iran or any entities or individuals owned or controlled by, or acting on behalf or at the direction of, the government of Iran;

(2) Certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act. These sanctioned activities are in the areas of development of the petroleum resources of Iran, production of refined petroleum products in Iran, sale and provision of refined petroleum products to Iran, and contributing to Iran's ability to acquire or develop certain weapons or technologies; and

(3) Certifies that the offeror, and any person owned or controlled by the offeror, does not knowingly engage in any transaction that exceeds \$3,500 with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (see OFAC's Specially Designated Nationals and Blocked Persons List at <http://www.treasury.gov/ofac/downloads/t11sdn.pdf>).

(d) Exception for trade agreements. The representation requirement of paragraph (c)(1) and the certification requirements of paragraphs (c)(2) and (c)(3) of this provision do not apply if—

(1) This solicitation includes a trade agreements notice or certification (e.g., 52.225-4, 52.225-6, 52.225-12, 52.225-24, or comparable agency provision); and

(2) The offeror has certified that all the offered products to be supplied are designated country end products or designated country construction material.

(End of provision)

52.232-39 UNENFORCEABILITY OF UNAUTHORIZED OBLIGATIONS (JUN 2013)

(a) Except as stated in paragraph (b) of this clause, when any supply or service acquired under this contract is subject to any End User License Agreement (EULA), Terms of Service (TOS), or similar legal instrument or agreement, that includes any clause requiring the Government to indemnify the Contractor or any person or entity for damages, costs, fees, or any other loss or liability that would create an Anti-Deficiency Act violation (31 U.S.C. 1341), the following shall govern:

(1) Any such clause is unenforceable against the Government.

(2) Neither the Government nor any Government authorized end user shall be deemed to have agreed to such clause by virtue of it appearing in the EULA, TOS, or similar legal instrument or agreement. If the EULA, TOS, or similar legal instrument or agreement is invoked through an "I agree" click box or other comparable mechanism (e.g., "click-wrap" or "browse-wrap" agreements), execution does not bind the Government or any Government authorized end user to such clause.

(3) Any such clause is deemed to be stricken from the EULA, TOS, or similar legal instrument or agreement.

(b) Paragraph (a) of this clause does not apply to indemnification by the Government that is expressly authorized by statute and specifically authorized under applicable agency regulations and procedures.

(End of clause)

252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)

The Contractor's procedures for protecting against unauthorized disclosure of information shall not require Department of Defense employees or members of the Armed Forces to relinquish control of their work products, whether classified or not, to the contractor.

(End of clause)



June 28, 2018

Mr. Joe Stowell, P.E.
City Engineer
City of Oak Harbor
865 SE Barrington Drive
Oak Harbor, WA 98277

RE: Projection of Sewer SDCs and Rates for the Navy Connection to the City Sewer System

Dear Mr. Stowell:

The City of Oak Harbor (City) has requested technical and professional services from HDR Engineering, Inc. (HDR) and Carollo Engineers (Carollo) to develop an estimated sewer rate and sewer connection charge for various alternatives as requested by the U.S. Navy (Navy). HDR and Carollo (The Project Team) have been working extensively with the City to develop projected Clean Water Facility (CWF) costs and subsequent rates and connection charges. Provided below is a summary of the scope of services, project team, and fee estimate.

Scope of Services

Provided below is the scope of services to provide an estimated sewer rate and connection fee to provide service to the Navy under the requested alternatives. Specifically, provide service to the Seaplane Base and Crescent Capehart Housing. The basis for the analyses will be the most recent sewer rate study completed by HDR as well as the WWTP cost projections by the City's GC/CM contractor, and designs completed by Carollo. This information will be utilized to develop the estimated sewer rate and connection charge alternatives.

Task 1—Kick-Off Meeting

At the start of the project a kick-off meeting will be held at the City's offices with the HDR project team, City project team, and Navy project team. This project meeting will review the study goals and objectives, review the study scope and approach, establish a final time schedule, and coordination of efforts. Up to four (4) HDR project team members will participate in kick-off meeting conference call.

DELIVERABLES AS A RESULT OF TASK 1:

- A kick-off meeting at the City's offices

hdrinc.com

2365 Iron Point Road, Suite 300, Folsom, CA 95630
T 916.817.4700 F 916.817.4747

Task 2—Data Collection, Review, and Assessment

An initial written data request will be provided to the City which details the data and information required to develop the analysis. HDR recently completed the development of the sewer rate study and sewer connection charge analysis. As a result, a majority of the data necessary to complete the rate and connection charge analysis has been provided. In addition to the financial analysis, the following information will be required to determine the impacts of the additional Navy flow to the CWF. This will include items such as:

- Confirmation of the current and projected sewer flow rates and volumes from the Navy for each alternative
- Confirmation of current and projected strength (concentrations of conventional pollutants including BOD, TSS, and ammonia) of the Navy sewer flow for each alternative
- Detailed cost estimates for construction of the Clean Water Facility by the City's GC/CM contractor

As the analysis progresses the project team will work with the City and Navy to determine additional data needs.

DELIVERABLES AS A RESULT OF TASK 2:

- An initial written data request
- Identification of data constraints
- Identification of additional data needs

Task 3—Development of the Draft Estimated Sewer Rate

The starting point of the analysis will be for HDR to develop an estimate of the sewer rate to provide sewer service to the Navy. Up to four (4) alternatives will be developed based on the request by the Navy. The rate alternatives are as follows:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system.
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system.
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system.
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system.

As noted, the starting point will be the current update of the sewer rate analysis for the City being developed by HDR. A key aspect of the analysis will be determining the impact,

under each alternative, the Navy's sewer volumes have on the CWF and City sewer collection system.

The analysis will be based on the additional O&M and capital costs the City will incur at the CWF based on the current and projected sewer volumes from the Navy. A comprehensive analysis will be performed to determine the impact, under each alternative, of the Navy's sewer flows have on the CWF and sewer collection system. The analysis will be based on the O&M the City will incur including electricity, chemicals, and labor. In addition, a review of allocable collection, administrative, and other O&M costs will be reviewed and allocated to the Navy based on generally accepted rate setting methodologies.

As the project progresses, a conference call meeting will be held with the City to review the status of the analyses. Up to four team members from the project team will participate in this meeting with the City. At the completion of meeting, the project team will refine the analyses and develop a draft final analysis which will be provided to the City for discussion with the Navy.

At the completion of the analysis HDR will provide a brief discussion of each alternative to describe the assumptions, inputs, and results of each alternative.

DELIVERABLES AS A RESULT OF TASK 3:

- Development of up to four (4) draft sewer rate analyses based on the alternatives requested by the Navy
- O&M costs estimate for the CWF and conveyance system
- An electronic copy (PDF) of the technical analysis for each alternative
- A conference call with City staff during the development of analyses
- A summary of each alternative assumptions, inputs and results

Task 4—Development of the Draft Sewer Connection Charge

A key aspect of the analyses will be the development of a sewer connection charge for each of the alternatives requested by the Navy. This task will include a review of the processes, capacity, and capabilities of the current CWF design to meet the estimated sewer volumes from the Navy. The analysis will evaluate the navy flows and loads and review the processes, capacity, and capabilities of the current CWF design to treat the estimated sewer flows from the Navy. It also includes review and development of the draft conveyance system costs developed by the Navy.

Once the capital improvement needs at the CWF have been determined, the connection fee analysis can begin. This will determine the equitable share of CWF costs that benefit the Navy. In addition to CWF costs, a review of existing collection system infrastructure benefitting the Navy will be completed to determine allocable components of the existing collection and pumping infrastructure that provide service to the Navy. The alternatives are the same as the rate analyses and are as follows:

- 1a. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. This alternative will calculate a one-time connection charge for the Navy
- 1b. The City constructs, owns and maintains all necessary new conveyances on Navy property and also constructs all necessary modifications to existing City collection system. This alternative will calculate a connection charge which will be amortized over a 20-year period
- 2a. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. This alternative will calculate a one-time connection charge for the Navy
- 2b. The Navy constructs, owns and maintains all necessary new conveyances on Navy property. The City constructs all necessary modifications to existing City collection system. This alternative will calculate a connection charge which will be amortized over a 20-year period

As the project progresses, a conference call meeting will be held with the City to review the status of the analyses. Up to four team members from the project team will participate in this meeting with the City. At the completion of meeting, the project team will refine the analyses and develop a draft final analysis which will be provided to the City for discussion with the Navy.

At the completion of the analyses, a brief summary of the assumptions, inputs, and results of each alternative will be provided.

DELIVERABLES AS A RESULT OF TASK 4:

- Development of the additional capital improvement needs at the CWF and conveyance system
- Cost estimates for the identified capital improvement needs
- A draft sewer connection charge for each alternative provided in electronic form (PDF)
- A conference call with City staff during the development of analyses
- A brief summary of the assumptions, inputs, and results.

Task 5—Project Review Meeting #1

At the completion of the draft rate and connection charge analyses a four (4) hour project meeting will be held at the City's offices with City and Navy representatives. Up to four (4) HDR project team members will participate in the project meeting. At the completion of this meeting the HDR project team will have received input to develop the draft final analyses.

DELIVERABLES AS A RESULT OF TASK 5:

- A four (4) hour meeting at the City's offices with City and Navy staff
- Input on the development of final alternatives
- Summary meeting minutes

Task 6—Development of the Draft Final Rate and Connection Charge

Based on the input from the project review meeting, the HDR project will update the draft alternatives developed in Tasks 3 and 4. HDR will work with City and Navy staff to coordinate any additional data needs or assumptions. HDR will provide an electronic copy of the technical analyses for each alternative for the rate and connection charges. The summary documentation provided as part of Tasks 3 and 4 will also be updated to reflect changes in the inputs and assumptions.

DELIVERABLES AS A RESULT OF TASK 6:

- Updated rate and connection charge analyses provided in electronic format (PDF)
- Updated summary documentation provided in electronic format (PDF)

Task 7— Project Review Meeting #2

At the completion of the draft final analyses, a four (4) hour project meeting will be held at the City's offices with City and Navy representatives. Up to four (4) HDR project team members will participate in the project meeting. At the completion of this meeting the HDR project team will have received input to develop the final analyses.

DELIVERABLES AS A RESULT OF TASK 7:

- A four (4) hour meeting at the City's offices with City and Navy staff
- Input on the development of final alternatives
- Summary meeting minutes

Task 8— Development of the Final Rate and Connection Charge

Based on the input from the project review meeting #2, the HDR project team will update the draft alternatives developed in Tasks 3 and 4. HDR will work with City and Navy staff to coordinate any additional data needs or assumptions. HDR will provide an electronic copy of the technical analyses for each alternative for the rate and connection charges. The summary documentation will also be updated to reflect changes in the inputs and assumptions. A conference call will be held with City and Navy staff to review the final analyses.

DELIVERABLES AS A RESULT OF TASK 8:

- Updated rate and connection charge analyses provided in electronic format (PDF)
- Updated summary documentation provided in electronic format (PDF)
- Conference call to review the final analyses

Task 9— Public Presentation

At the completion of the study the HDR and Carollo project managers will present the results of the study to the City Council at a regularly scheduled Council meeting or workshop.

DELIVERABLES AS A RESULT OF TASK 9:

- Development of presentation materials
- One (1) presentation at a City Council meeting or workshop

This concludes the scope of services to provide the City with an estimate of the sewer rate, and connection charge, for the alternatives requested by the Navy. If additional services are requested, they can be provided on an hourly basis at current hourly billing rates. Any additional services will be agreed to in writing between HDR and the City.

Proposed Project Team

The proposed project team is composed primarily of individuals that have been providing similar services to the City. The proposed project team is as follows:

Shawn Koorn, Project Manager (HDR)

Shawn will guide the overall analysis and provide overall quality control for the study. Shawn has been assisting the Department in the development of water and wastewater rates and fees since 2008.

Judy Dean, Senior Financial Analyst (HDR)

Judy will lead the update of the sewer connection fee analysis. Judy developed the prior connection fee analyses for the City during the 2009 rate study.

Josiah Close, Financial Analyst (HDR)

Josiah will develop the technical analysis for the sewer rate analysis. Josiah developed the most recent sewer rate update for the City.

Brian Matson, Project Manager (Carollo)

Brian will guide the work performed by Carollo and provide quality control for Carollo's deliverables. Brian has been assisting the City with development of the Facilities Plan and CWF design since 2010.

Karl Hadler, CWF Design Manager (Carollo)

Karl will assist with development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and capital improvement costs. Karl has been assisting the City with development of the CWF design and construction.

Mike Borerro, CWF Design Engineer (Carollo)

Mike will assist with development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and conveyance capital improvement costs. Mike has been assisting the City with development of the CWF design and construction.

Anne Conklin, Process Modeling (Carollo)

Anne will assist with process modeling updates to the CWF for development of O&M costs, capital improvements required at the CWF, estimated useful life impacts, and capital improvement costs. Anne provided similar services for the 2013 Facilities Plan.

Schedule

Past studies of this nature for the City have typically taken 8-12 weeks to complete. The

project team will work with the City and Navy to develop a final schedule.

Hourly Rates and Fee Estimate

Rate Schedule

Our proposed hourly rate schedule by job classification is provided below. The hourly rate schedule will be in effect during the course of the study, through December 2018. These rates shall apply for the requested scope of work.

HDR RATE SCHEDULE July 2018 through December 2018

HDR Project Manager	\$265
Senior Financial Analyst	\$190
Financial Analyst	\$125
Carollo Project Manager	\$298
CWF Design Manager	\$272
Design Engineer/Process Modeler	\$214
Admin/Clerical	\$110

*The billing rates shown cover payroll cost, employee benefits,
and HDR overhead and profit.*

EXPENSES:

In-House Expenses

Vehicle Mileage (per mile)	Current Federal Travel Regulation (FTR)
Black/White Photocopies (per copy)	\$0.05 to \$0.09
Color Copy (per copy)	\$0.15 to \$0.30

No markup on expenses. Other direct expenses are billed at cost.

Fee Estimate

The project fees are a function of the hourly billing rates for the employees to be utilized on the pro forma update and the amount of time required to complete each task. Provided below is a summary of estimated project fee.

Fee Estimate	
Projection of Navy Sewer Rates and Connection Charges	
Task Description	Total
Labor:	
Task 1: Kick-Off Meeting	\$6,757
Task 2: Data Collection, Review, and Assessment	6,104
Task 3: Development of the Draft Estimated Sewer Rate	25,256
Task 4: Development of the Draft Sewer Connection Charge	44,813
Task 5: Project Review Meeting #1	6,627
Task 6: Development of the Draft Final Rate and Connection Charge	5,590
Task 7: Project Review Meeting #2	6,627
Task 8: Development of the Final Rate and Connection Charge	2,929
Task 9: Public Presentation	<u>8,910</u>
Grand Total Labor	\$113,603
Total Expenses	<u>5,511</u>
Grand Total	<u>\$119,114</u>

HDR is willing to enter into a time and materials contract with City. Should the City request any additional services, the services will be provided through an amendment at current hourly billing rates. This proposal can be expanded or reduced as mutually agreed upon in writing by the City and HDR.

We appreciate the opportunity to provide this proposal to assist the City. Should you have any questions about our approach to this project or any information contained herein, please contact Shawn directly at (425) 450-6366 or at shawn.koorn@hdrinc.com.

Mr. Joe Stowell
June 28, 2018
Page 9

Sincerely,
HDR ENGINEERING, INC.

Shawn W. Koorn
Associate Vice President

Cathy Rosen

From: Patricia Soule
Sent: Monday, August 13, 2018 9:26 AM
To: Cathy Rosen
Subject: FW: CWF Navy request for qualifications.pptx
Attachments: Contract_PFMFA_Oak_Harbor_2016-07.pdf

See below.

From: Duncan Brown <brownd@pfm.com>
Sent: Monday, August 13, 2018 9:11 AM
To: Patricia Soule <psoule@oakharbor.org>
Subject: RE: CWF Navy request for qualifications.pptx

Hi, Patricia. Thanks for reaching out. I had a chance to connect briefly with Shawn last week.

Per our conversation a few weeks ago, I expect PFM's role here to focus primarily on: 1.) reviewing the assumptions and results of the HDR/Carollo analysis, and 2.) recommending an approach/structure for potential debt financing, if applicable. Both of those would be covered under the hourly rates in our existing contract (attached for reference).

Based on the hourly rate for a Senior Managing Consultant (my title) of \$295, and conservatively assuming 25 hours of work, that translates to about \$7,500.

Should the City pursue debt financing from a bank or the public bond market (i.e., not a PWTF or SRF loan), PFM's transactional fee would also be in accordance with our contract.

Please let me know if you'd like to discuss further. Thanks.

Duncan Brown
Senior Managing Consultant

PFM Financial Advisors LLC
brownd@pfm.com | **mobile** 206.406.9920 | **web** pfm.com
650 NE Holladay Street, Suite 1600 | Portland, Oregon 97232
1200 Fifth Avenue, Suite 1220 | Seattle, Washington 98101

From: Patricia Soule [<mailto:psoule@oakharbor.org>]
Sent: Friday, August 10, 2018 10:51 AM
To: Duncan Brown <brownd@pfm.com>
Subject: FW: CWF Navy request for qualifications.pptx

Duncan,

Could you provide a rate schedule for your part in this analysis and an estimated fee.

We are presenting potential costs to council and need this to round it out.

Thanks!
Patricia