



# CITY COUNCIL MEETING

Monday, April 15, 2024 at 6:00 PM  
Sandy City Hall and via Zoom

## AGENDA

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### TO ATTEND THE MEETING IN-PERSON:

Come to Sandy City Hall (lower parking lot entrance)  
39250 Pioneer Blvd., Sandy, OR 97055

### TO ATTEND THE MEETING ONLINE VIA ZOOM:

Please use this link: <https://us02web.zoom.us/j/84113580133>  
Or by phone: (253) 215-8782; Meeting ID: 84113580133

### WORK SESSION – 6:00 PM

1. [Deer Pointe Park: Preferred Concept Review](#)

### REGULAR MEETING – 7:00 PM

#### PLEDGE OF ALLEGIANCE

#### ROLL CALL

#### CHANGES TO THE AGENDA

#### PUBLIC COMMENT (3-minute limit)

The public hearing for the proposed AFRD will occur later in the agenda. The Council welcomes your comments on other matters at this time. The Mayor will call on each person when it is their turn to speak for up to three minutes.

-- If you are attending the meeting in-person, please submit your comment signup form to the City Recorder before the regular meeting begins at 7:00 p.m. Forms are available on the table next to the Council Chambers door.

-- If you are attending the meeting via Zoom, please complete the online comment signup webform by 4:00 p.m. on the day of the meeting:  
<https://www.ci.sandy.or.us/citycouncil/webform/council-meeting-public-comment-signup-form-online-attendees>.

#### RESPONSE TO PREVIOUS COMMENTS

#### CONSENT AGENDA

2. [City Council Minutes: April 1, 2024](#)
3. [Contract Approval: Revised Wholesale Water Agreement with City of Portland](#)
4. [Contract Approval: Transit Technology Implementation Project](#)

## RESOLUTIONS

5. [PUBLIC HEARING \(CONTINUED\) – Resolution 2024-08: Adoption of Advance Financing Reimbursement District for 362<sup>nd</sup> and Bell Extension](#)

## REPORT FROM THE CITY MANAGER

## COMMITTEE / COUNCIL REPORTS

## STAFF UPDATES

Monthly Reports: <https://reports.cityofsandy.com/>

## ADJOURN

Americans with Disabilities Act Notice: Please contact Sandy City Hall, 39250 Pioneer Blvd. Sandy, OR 97055 (Phone: 503-668-5533) at least 48 hours prior to the scheduled meeting time if you need an accommodation to observe and/or participate in this meeting.



# STAFF REPORT

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**Meeting Type:** Sandy City Council  
**Meeting Date:** April 15, 2024  
**From:** Rochelle Anderholm-Parsch, Parks and Recreation Director  
**Subject:** Deer Pointe Park: Preferred Concept Review

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## DECISION TO BE MADE:

Receive the presentation from Lango Hansen Landscape Architects and provide any additional input on the preferred concept plan for Deer Pointe Neighborhood Park.

## PURPOSE / OBJECTIVE:

The purpose of this report is to present the preferred conceptual plans for the development of Deer Pointe Neighborhood Park to the City Council for final input and decision-making. The objective is to advance the planning process in accordance with the [Parks and Trails Master Plan](#) and City Council goals.

## BACKGROUND / CONTEXT:

The City Council has established a goal to develop Deer Pointe Park. Tonight's discussion aims to present a preferred concept of Deer Pointe Park based on feedback and input provided by the community, Parks Board, and the Council.

The Parks and Trails Advisory Board initiated the visioning process for Deer Pointe Park on [Jan. 10, 2024](#), and subsequently provided input on three concepts presented by Lango Hansen Landscape Architects on [Feb. 14, 2024](#). On [March 4, 2024](#), Lango Hansen Landscaper Architects and city staff presented to the Council and received input on three conceptual designs.

Following the Council meeting, a public open house was held on March 6, 2024. Staff sent out open house invitations to approximately 200 neighboring residents to encourage community engagement. There was a good turnout with 15-20 people in attendance, with several neighbors attending. To ensure robust neighborhood engagement, City Staff also sent out direct mailers to approximately 200 neighbors, with self-addressed envelopes and park surveys; we received about 54 responses via mail.

On [March 13, 2024](#) the Parks and Trails Advisory Board revisited the three concepts and provided input and discussed a preferred concept.

The conceptual plans presented this evening incorporate feedback received from the open house, Council, and Parks Board. Of note: the architect team is prepared tonight to discuss covered basketball, which was an idea that received significant support at the March 4<sup>th</sup> meeting.

Next steps involve conducting the second of the two public open houses scheduled for April 18, 2024.

**KEY CONSIDERATIONS / ANALYSIS:**

The proposed development of Deer Pointe Park is in line with the City Council's goals and the priorities outlined in the Parks and Trails Master Plan. These considerations include aligning park features with community needs, enhancing recreational opportunities, and ensuring accessibility for all residents. Additionally, the park's design should reflect the desired character and amenities outlined in the master plan to meet the long-term goals of the city for park development and the community's level of service needs.

**BUDGET IMPACT:**

Funding for the Deer Pointe Park project has been allocated in the 2023-25 Fiscal Year budget, utilizing Systems Development Charge fees.

**RECOMMENDATION:**

Staff recommends that the City Council review the preferred conceptual plan for Deer Pointe Park presented in this report and provide input to guide the further development of the park design.

**LIST OF ATTACHMENTS / EXHIBITS:**

1. Deer Pointe Park Concept Presentation: Lango Hansen Landscape Architects





# Deer Pointe Park

## City Council Meeting

April 15, 2024

- Public Open House #1 + Outreach Debrief
- Site Plan Refinements
- Play Area
- Project Schedule





Option 1



Option 2



Option 3

# DEER POINTE PARK

lango hansen LANDSCAPE ARCHITECTS







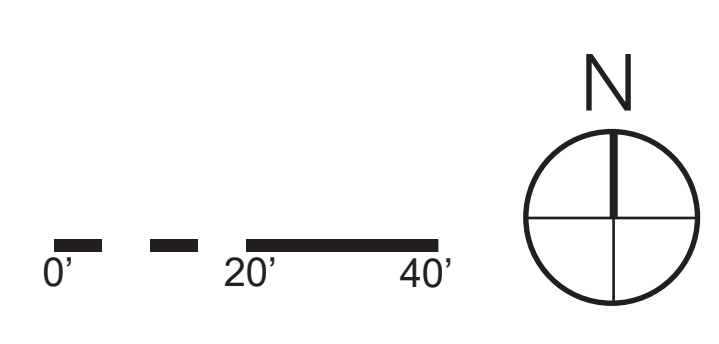
**PARK AMENITIES**

- 1** Playground
- 2** Shelter
- 3** Half Court Basketball
- 4** Open Lawn
- 5** Shrubs and Groundcover

# Refined Site Plan

# DEER POINTE PARK

lango hansen LANDSCAPE ARCHITECTS





# POTENTIAL PLAY ELEMENTS:



Nature Play



Modern Play Features



A combination of nature and modern



Inclusive Play



Free-standing Climbing Structure



Other???



# SITE FURNISHINGS:



Bike Rack



Park Bench



ADA and Standard Picnic Table

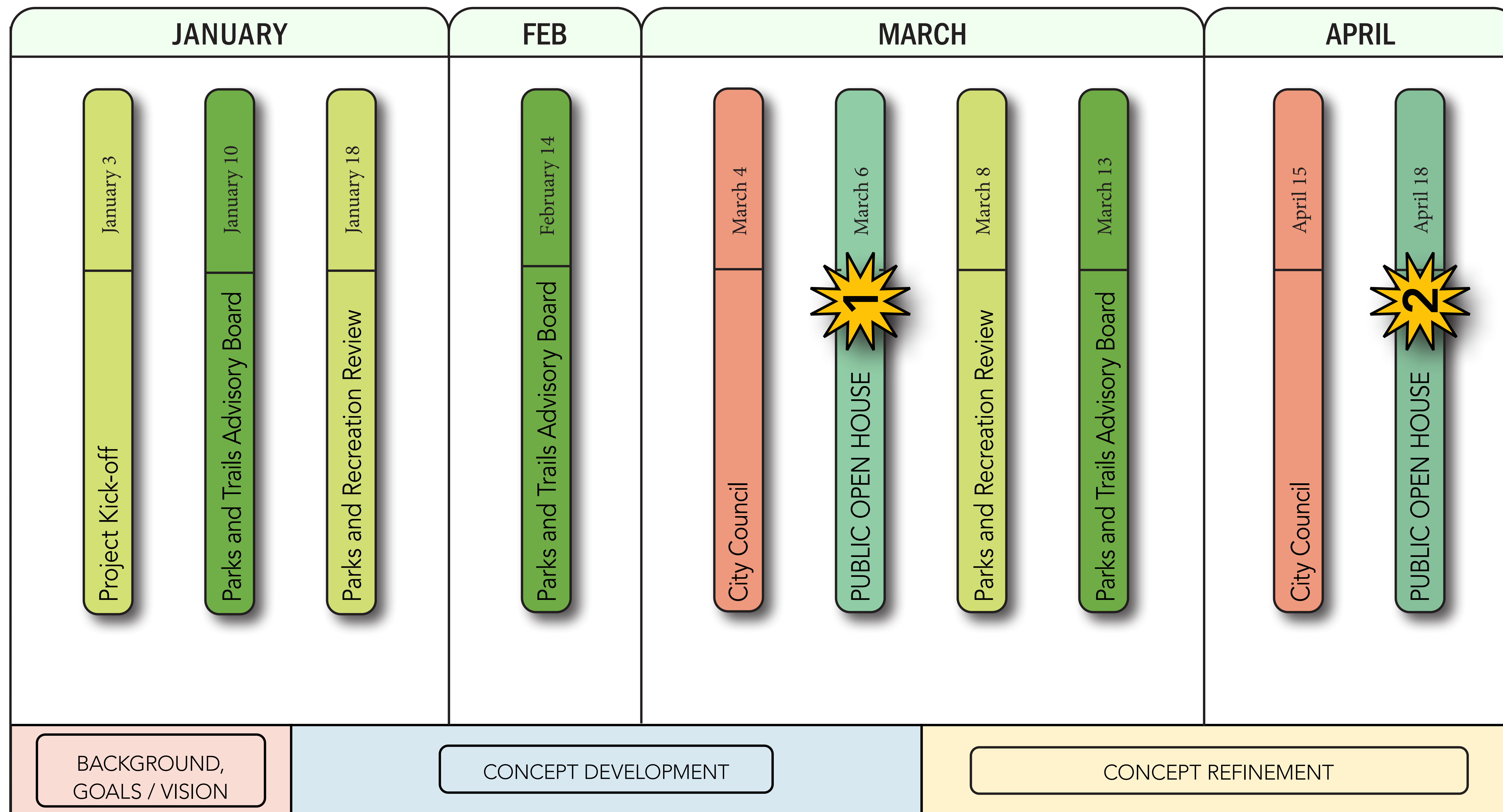
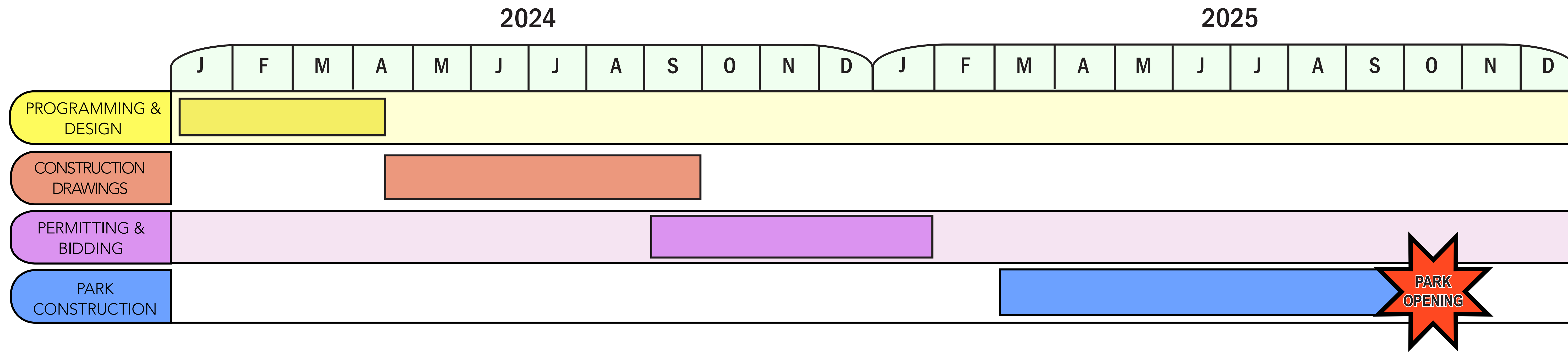


Trash Receptacle



# PARK SCHEDULE

## OVERALL SCHEDULE





# CITY COUNCIL MEETING

Monday, April 01, 2024 at 6:00 PM  
Sandy City Hall and via Zoom

## MINUTES

### WORK SESSION – 6:00 PM

#### 1. Comprehensive Plan – Block 3 Draft Goals and Policies

Note: Planning Commissioners Wegener, Crosby, Ramseyer, Weinberg, Poulin, and Myhrum were present for the work session.

The City Manager and Development Services Director summarized the staff report, which was included in the agenda packet along with presentation slides. Anais Mathez with 3J consulting was present to deliver the presentation.

The following discussion and feedback was given related to the proposed Comprehensive Plan goals and policies:

#### Urbanization

- Consideration of whether the Urban Reserve area should be addressed in this section
- Policy 1.6: suggestion that the threshold should be '20 acres and over'; note that implementation would need to occur through municipal code amendment so the precise wording in this document is less critical
- Policy 2.4: clarification on the intent behind the term 'projects'
- Suggestion that coordination with the Clackamas County Sheriff's Office has merit, but may not be necessary as a formal Comprehensive Plan policy

#### Economic Development

- Policy 1.1: suggestion to remove Metro from the list of agencies
- Policy 1.5: suggestion to soften the language
- Discussion of whether to explicitly include targeted business types such as brewpubs, hotels, restaurants, etc; suggestion to reference locally-owned businesses
- Policy 2.4: suggestion to add lodging to the list
- Infrastructure Subsection: suggestion to add specific language on keeping master plans and system development charges up to date; note that such issues are addressed elsewhere in the plan; suggestion to add language on keeping fees at appropriate levels

Housing

- Policy 1.6: suggestion to add language on ensuring developers pay their fair share; suggestion to specify the need to coordinate funding as well as planning for infrastructure; suggestion to add language about ensuring infrastructure maintenance in addition to construction
- Policy 1.7: suggestion to add language about costs of total life cycle maintenance, not just construction
- Policy 2.2: discussion on whether the two village areas listed are viable; discussion on the rule transit plays in determining where villages are located
- Policy 3.1: discussion on appropriate language regarding developers' share of costs; discussion of proportionality and fairness; emphasis on the need to ensure the language simply reflects what is required by the state

Land Use Planning

- Policy 1.2 & 1.7: suggestion to include language on regularly updating zoning allocations to reflect the City's needs and priorities
- Suggestion to rezone developed areas to reflect their actual usage to ensure the accuracy of citywide land use inventory statistics

**REGULAR MEETING – 7:00 PM**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PRESENT**

Mayor Stan Pulliam  
Council President Laurie Smallwood  
Councilor Chris Mayton  
Councilor Rich Sheldon  
Councilor Kathleen Walker  
Councilor Carl Exner  
Councilor Don Hokanson

**CHANGES TO THE AGENDA**

(none)

**PROCLAMATIONS**

2. Arbor Month 2024

**PUBLIC COMMENT (3-minute limit)**

(none)



## RESPONSE TO PREVIOUS COMMENTS

(none)

## CONSENT AGENDA

3. City Council Minutes: March 18, 2024
4. Resolution 2024-07: Tax-Exempt Bond Reimbursement Declaration for Sewer Projects
5. Resolution 2024-10: Tax-Exempt Bond Reimbursement Declaration for Water Projects

### **MOTION: Adopt the Consent Agenda**

Motion made by Councilor Hokanson, Seconded by Councilor Sheldon.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Exner, Councilor Hokanson

### **MOTION CARRIED: 7-0**

## NEW BUSINESS

6. Ordinance 2024-02: Adoption of the Economic Opportunity Analysis (EOA)

### Abstentions

(none)

### Conflicts of Interest

(none)

### Staff Report

The Development Services Director summarized the staff report, which was included in the agenda packet. Beth Goodman with ECONorthwest presented slides which were also included in the agenda packet. The Council engaged in discussion related to the following issues:

- The value threshold of property improvements over which lots are considered to be developed
- The listing of wages per job, rather than per family
- Clarification of the composition of the office and commercial services category
- Recent trends related to hybrid work and employment densities
- Forecasts for industrial growth in the EOA in contrast to the ambitions for industrial growth in the Economic Development Strategic Plan
- Discussion of particular industrial parcels in Sandy; possibilities for rezoning areas from commercial to industrial

### Public Testimony

(none)

**MOTION: Close the public hearing**

Motion made by Council President Smallwood, Seconded by Councilor Exner.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Exner, Councilor Hokanson

**MOTION CARRIED: 7-0**

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**MOTION: Approve the first reading of Ordinance 2024-02**

Motion made by Councilor Walker, Seconded by Councilor Exner.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Exner, Councilor Hokanson

**MOTION CARRIED: 7-0**

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**MOTION: Approve the second reading of Ordinance 2024-02**

Motion made by Councilor Sheldon, Seconded by Council President Smallwood.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Exner, Councilor Hokanson

**MOTION CARRIED: 7-0**

## 7. Ordinance 2024-03: Adoption of the Housing Capacity Analysis (HCA)

Abstentions

(none)

Conflicts of Interest

(none)

Staff Report

The Development Services Director summarized the staff report, which was included in the agenda packet. Beth Goodman with ECONorthwest presented slides which were also included in the agenda packet.

Initial comments were made on the following topics:

- Observations on unfunded mandates from the state government
- Loss of local control over land use planning

- Thoughts related to the role of ECONorthwest in the development of state policy on housing production
- ECONorthwest's background, motivations, and outlook regarding housing policy at the state level

The Council then engaged in discussion related to the following issues:

- Clarification on the process for calculating acreage of buildable land in different zones
- Concern that residential development in commercial zones may not be sufficiently accounted for
- Observations on housing market failure
- Differences between 'housing demand' and 'housing need'
- Discussion on village designations
- Clarification on buildable lands opened by the new 362<sup>nd</sup> / Bell road extension
- Census data gathering methods, particularly related to data on rentals versus home ownership
- Discussion on lot sizes with respect to rentals versus home ownership
- Details on how cost burden is calculated by the census
- Note that retirees may have low incomes while having significant home equity; recognition that cost burden figures do not account for accumulated wealth or accumulated debt, but that the data is the best available
- Clarification that housing forecast figures are for both rentals and purchases
- Discussion on Sandy's housing vacancy rate
- Prediction that future state regulations will require a lower percentage of single family detached housing in cities
- Discussion on density maximums in light of HB 2001 changes and duplex allowances

Public Testimony

(none)

**MOTION: Close the public hearing**

Motion made by Councilor Hokanson, Seconded by Councilor Exner.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Exner, Councilor Hokanson

**MOTION CARRIED: 7-0**

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**MOTION: Approve the first reading of Ordinance 2024-03**

Motion made by Councilor Exner, Seconded by Councilor Hokanson.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Exner, Councilor Hokanson

**MOTION CARRIED: 7-0**

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**MOTION: Approve the second reading of Ordinance 2024-03**

Motion made by Council President Smallwood, Seconded by Councilor Mayton.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Exner, Councilor Hokanson

**MOTION CARRIED: 7-0****REPORT FROM THE CITY MANAGER**

- Acknowledgement of Interim Chief Yamashita
- Recap of SandyNet master plan bids; working on contract development now
- New computers are being ordered for the Council Chambers
- Reminder on Cedar Creek ribbon cutting on April 6th

**COMMITTEE / COUNCIL REPORTS**Councilor Hokanson

(none)

Councilor Exner

- Concerns about the intersection of Proctor and Meinig
- Praise for Code Enforcement staff

Councilor Walker

(none)

Councilor Sheldon

(none)

Council President Smallwood

(none)

Councilor Mayton

- Inquiry as to why economic development staff did not participate in the EOA presentation

Mayor Pulliam

- Acknowledgement of the sunrise service at Jonsrud Viewpoint

**STAFF UPDATES**

Monthly Reports: <https://reports.cityofsandy.com/>

**ADJOURN**

**CITY COUNCIL EXECUTIVE SESSION:** The Council met in executive session pursuant to ORS 192.660 (2)(f) & (2)(h)

DRAFT



# STAFF REPORT

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**Meeting Type:** City Council Meeting  
**Meeting Date:** April 15, 2024  
**From:** Jennifer Coker, Public Works Director  
**Subject:** Contract Approval: Revised Wholesale Water Agreement with City of Portland

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## DECISION TO BE MADE:

Whether to authorize the City Manager to execute a new 30-year wholesale water agreement with the Portland Water Bureau (PWB), to begin July 2026.

## BACKGROUND / CONTEXT:

On October 6, 2008 the City Council voted to purchase drinking water from the City of Portland and subsequently signed the existing water wholesale agreement. By that time Sandy had outgrown its two existing water supplies at Alder Creek and Brownell Springs, and the City of Portland Bull Run source provided a critical third supply. Sandy cannot meet our water demands throughout the year with only Alder Creek and Brownell Springs.

The existing agreement expires in June of 2026 for all Portland wholesale customers except Sandy (which signed later). Sandy's agreement expires in May of 2028; however, because of the requirements for treatment of cryptosporidium in the bilateral compliance agreements both Portland and Sandy have signed with Oregon Health Authority, the agreement for Sandy receiving potable water from Portland will end on September 30, 2027.

Several of the larger wholesale customers (Tualatin Valley Water District, Rockwood, and City of Gresham) notified Portland of their intent not to renew their agreements and completely rely on newly developed water sources. Recognizing that the existing agreement in its current format may not work for the remaining wholesale customers, PWB and the wholesale customers began revising the agreement.

City of Sandy and our consultant, Jeff Fuchs of Consor Engineering, have been participating in monthly wholesale water agreement work sessions for the past 24 months, working with FCS Group, a financial consulting firm specializing in utility rate models, the Portland Water Bureau, and the wholesale water utility managers. Staff presented the agreement to the Council in at the [July 17, 2023 work session](#).

In November 2023 Sandy and the City of Tualatin collaborated in final negotiations with the PWB, as both cities were represented by Beery, Elsner, Hammond. Final negotiations are now completed along with legal review, and the final agreement is ready for the City to sign.

## KEY CONSIDERATIONS / ANALYSIS:

### **Improved Resilience**

Currently water provided by PWB to the wholesalers is unfiltered and disinfected with chlorine. When conditions such as drought, cryptosporidium positive sample results, wildfire, or high turbidity in Bull Run make the water unsafe for human consumption, PWB switches over the Columbia wellfield and provides groundwater for water supply until conditions resolve. Due to Sandy's location high up in the distribution system, we are currently unable to reap the benefits of switching to groundwater and thus frequently experience service interruptions.

However, with Sandy's connection point moving to the new Portland filtration plant, PWB water will become a fully reliable source for Sandy, especially with our new ability to connect to the Columbia Wellfield groundwater source. This is a key aspect to ensuring resilient water supply in the event of another wildfire or extended drought.

### **Minimum Purchase**

One of the major changes with the new agreement is the removal of the requirement for a minimum purchase of water each month. Many wholesalers (Sandy included) technically did not need water all year long, and felt the agreement required them to purchase water that was not needed. The new agreement has no minimum purchase amount. Sandy's current minimum purchase is 500,000 gallons per day; our long-term strategy is to reduce our purchases to a minimum in wet season months and rely fully on our own water sources, which are more economical for the City.

### **Cost Pool Consolidation and Cost Sharing**

The agreement currently has cost pools for west side customers, east side customers, and a cost pool for raw water (untreated water which includes the Bull Run reservoir assets). In exchange for the simplicity of managing one agreement for all customers, Portland agreed to assume 94% of the cost of the surplus system capacity from the departure of Gresham, Rockwood and TVWD, instead of placing the burden on the smaller pool of wholesale customers. The inclusion of the east side cost pool is favorable to Sandy, as it removes any requirement for us to pay for improvements that do not benefit the City and reduces our overall rate.

### **Favorable Language Clarifications**

Throughout the contract, language has been refined to clarify intent, soften or modify sole discretion/determination language which favored PWB, and clarify arbitration and dispute resolution processes, which will provide a more equitable contract for the City.

### **Early Sign-on of the New Agreement**

Sandy has the option to continue with the old agreement for an additional 15 months if it is economically attractive to the City. Reviewing the projections for fiscal year 26-27, it is cheaper for the City to switch over to the new agreement a year early in July of 2026, as the cost of water that year will be \$1.121 per CCF under the new agreement (unfiltered, potable water) compared to \$1.38 per CCF (unfiltered, potable water) under the current agreement, which is a 23% savings.

**BUDGET IMPACT:**

The cost of water for Sandy and all cities in the region is increasing due to historic reinvestments and necessary compliance with the Bilateral Compliance Agreement for cryptosporidium. Throughout 2022 the City considered options and adopted the most resilient and cost-effective alternative for the City in the Water System Master Plan, which included maximizing production at Alder Creek and building a pipeline and pump station to connect to the new Portland Filtration Plant, and purchasing filtered water.

Portland continues to provide five-year and ten-year rate projections, and water rates are projected to increase as the major expansion project of the filtration plant and pipelines start construction. The City of Sandy's current wholesale rate for FY24-25 is \$0.942 per CCF for unfiltered water. This increases to \$2.546 per CCF in FY 28-29 for filtered water with connection to the Columbia wellfield and to \$4.706 per CCF in FY33-34.

Sandy's rates from Portland continue to be the lowest of the wholesalers due to our proximity to the filtration plant and the terms of the agreement where we pay for infrastructure that serves us, as well as our ability to continue to provide water from our own sources.

The purchased water cost is not directly related to Sandy water utility fees. This purchased water is a line item in the water utility budget, and gets averaged into the cost of producing water from our own sources, operations, maintenance and debt service. The cost of the wholesale water agreement is anticipated in our future rate models.

**RECOMMENDATION:**

Staff recommends Council authorize the City Manager to execute new 30-Year Wholesale Water Agreement with Portland Water Bureau.

**SUGGESTED MOTION LANGUAGE:**

"I move to authorize the City Manager to execute the new Water Sales Agreement with the City of Portland, as included in the agenda packet."

**LIST OF ATTACHMENTS / EXHIBITS:**

- Final 30-year Water Sales Agreement
- Presentation Portland Wholesale Water Agreement
- Portland Water Bureau FY 2024-25 Rate and Budget Information
- Wholesale Water Purchase Agreement Timing Recommendation



## WATER SALES AGREEMENT

City of Portland Contract No. [\_\_\_\_\_]

This water sales agreement (“Agreement”) is entered into by and between City of Sandy (“Purchaser”) and the City of Portland (“Portland”), a municipal corporation of the State of Oregon. This Agreement may refer to Portland and Purchaser individually as a “Party” or jointly as the “Parties.”

Recitals:

- A. Purchaser is a municipal corporation of the State of Oregon and is authorized by its charter or by state law or both to operate a municipal water system.
- B. Portland is a municipal corporation of the State of Oregon and is authorized by Chapters 2 and 11 of the Charter of the City of Portland to maintain water works for the furnishing of water to the city, its property, its inhabitants, and to non-inhabitants. Portland is further authorized to enter contracts for the supply of water by the city and to sell water to persons, public and private, outside the city, on terms and conditions Portland finds appropriate.
- C. Portland is further authorized by Section 2-105(a)4 of its Charter to enter agreements, without limitation as to term, as Portland finds appropriate for cooperation, consolidation and maintenance of services with any other public corporation or unit of government. The Mayor and the Commissioner in Charge may authorize wholesale water sales contracts under Portland City Code (“PCC”) section 21.28.020.
- D. ORS Chapter 190 authorizes units of local government to enter into intergovernmental agreements for the performance of their duties or for the exercise of powers conferred upon them.
- E. The service and commodity provided by Portland pursuant to this Agreement are a special contract service and are not provided by Portland as a common utility service.

THE PARTIES AGREE AS FOLLOWS:

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## SECTION 1 – NATURE OF SERVICE

- A. Subject to the terms and conditions contained in this Agreement, Portland will furnish and sell, and Purchaser will purchase, potable water on an annual basis for the duration of this Agreement. Unless stated otherwise, all water purchased by Purchaser from Portland will be on a firm, uninterruptible, basis up to Purchaser's Peak 3-Day Demand in any Agreement Year, and subject only to the quantity limitations in Section 5(D) of this Agreement. This Agreement is a nonexclusive agreement and Portland, at its sole discretion, may enter into other wholesale water sale agreements with other Wholesale Customers, provided that all revenue collected under such agreements will be an offset to the estimated annual revenue requirements for wholesale and retail customers of the system.
- B. Water is to be delivered to Purchaser at the place or places, at such pressure or pressures and up to the Peak 3-Day Demand as set forth on Exhibit 1, except that Portland is not obligated to meet Purchaser's demands for water during any period that Purchaser operates its system out of compliance with the final operational rules established pursuant to Section 4.D.1, provided that Portland first provides Purchaser with written notice of such noncompliance and a reasonable opportunity to correct it.
- C. With the exception of water delivered to Purchaser to be subsequently delivered to Portland's Retail Customers, and to other Wholesale Customers pursuant to Section 9, or for resale under subsection (H) below, all water delivered to Purchaser under this Agreement is to be used to meet the demands of Purchaser's Retail Customers.
- D. Portland will deliver water to Purchaser from the same source or sources of water that Portland delivers to Portland's Retail Customers. Portland will be responsible for meeting all applicable drinking water regulatory requirements up to Purchaser's Point of Delivery as shown in Exhibit 1.
- E. Purchaser's supply of water will be reduced or terminated only in accordance with the terms of this Agreement.
- F. Purchaser recognizes and agrees that no liability for damages will attach to Portland on account of any failure of supply or changes in pressure, flow rate, or water quality due to circumstances beyond the reasonable control of Portland acting in accordance with standards of care common and usual in the municipal water supply industry. Examples of such circumstances include, but are not limited to, natural events such as earthquakes, landslides and floods, wildfires, and human-caused events such as terrorism, malevolent acts, contamination of the water supply, and acts of war.
- G. The Parties agree and acknowledge that Portland is the owner and operator of the water supply, storage, transmission, and treatment system, and all facilities and infrastructure associated with the storage, treatment, transmission, and distribution systems used in its utility operations up to Purchaser's Point of Delivery. The purchase of water or any other commodity or service under this Agreement does not constitute the purchase of ownership rights to water, water rights or any portion of the water system owned and operated by Portland, except as may be specified herein or may be established by a separate agreement. Nothing in this Agreement precludes the Parties from entering separate agreements involving joint ownership or joint operation of system elements.

- H. Resale. Purchaser may resell water it purchases from Portland to third parties with the written approval of the Administrator, and by establishing an agreement with the third party for the use of Purchaser's infrastructure to deliver the water. Approval of the Administrator will not be unreasonably withheld. The Administrator's decision shall be rendered within sixty (60) days of the request. All water purchased for resale will be included in Purchaser's Purchase Quantity and the determination of Purchaser's Seasonal Peaking Factor and 3-Day Peaking Factor.

## **SECTION 2 – WATER REGULATIONS**

Portland's obligations under this agreement are subject to and governed by the provisions of Chapter 21.28 – Outside City Services and Wholesale Distributors of the Code of City of Portland, Oregon, as it presently exists or as may be amended to comply with federal and state law, during the life of this Agreement, to the extent to which such terms and provisions do not conflict with any material provisions of this Agreement.

### SECTION 3 – DURATION OF AGREEMENT AND RENEWAL

- A. Agreement Term. This Agreement is effective on July 1, 2026 and will terminate on June 30, 2056, unless terminated or renewed as provided in this Agreement.
- B. Early Terminations for Convenience. At any time during the Agreement Term, upon written notice to Portland, Purchaser may terminate this Agreement in Purchaser's sole discretion. If such notice is issued, this Agreement will terminate the next June 30 at least five years but not more than six years from the date of the notice, or such later date as may be specified in such notice. Terminations for convenience under this subsection prior to the end of the Agreement Term will require Purchaser to pay Portland a Stranded Cost Fee as described in this Section.
- C. Stranded Cost Fees. If Purchaser terminates the Agreement early for convenience, Purchaser will be subject to a Stranded Cost Fee designed to mitigate the effects of stranded costs on Portland and the remaining Wholesale Customers. The Stranded Cost Fee will be determined based on the formula set forth in Exhibit 2 and based on the number of years left in the Agreement Term at time of termination. The Stranded Cost Fees will be used to offset stranded capital costs for rate setting.
- D. Renewals. This Agreement will renew automatically for subsequent 10-year terms unless either Party elects not to renew the Agreement by written notification no less than five years prior to the expiration of the Agreement Term.

## SECTION 4 – WHOLESALE WATER MANAGERS GROUP

- A. General. A Wholesale Water Managers Group (WWMG) will be established no later than thirty (30) days after the commencement of this Agreement and will continue during the Agreement Term. Purchaser is eligible for participation in the WWMG. The WWMG will consist of two representatives from Portland, to be named by the Administrator, and one voting representative of each Wholesale Customer. Portland will provide staff support to the WWMG and will be responsible for keeping the official records. Purchaser may bring additional non-voting representatives to meetings as it determines necessary.
- B. Meetings and Bylaws. The WWMG will meet regularly to communicate with and make recommendations to the Administrator regarding matters relating to Portland’s sale of water to Wholesale Customers. The WWMG will adopt bylaws concerning its organization and governance by a majority vote of the membership. WWMG’s role is advisory in nature and, except as specified herein, no rule, bylaw, or action of the WWMG may alter any term of this Agreement.
- C. Committees. The WWMG will be responsible for establishing committees as needed to make recommendations to the Administrator about ongoing needs, which may include:
1. Water Resource Conservation
  2. Operations Coordination. Possible responsibilities for such a committee may include coordinating supply system routine and emergency operations among Portland and Wholesale Customers with the goal of providing efficient and cost-effective system operations, and water quality issues experienced by Portland or Wholesale Customers; and
  3. Other committees, as identified by the WWMG
- D. Creation of Operating and Information Standards.
1. The WWMG will recommend to the Administrator standard water system operating practices necessary or advisable to enhance the efficiency, reliability, and cost-effectiveness of the supply, transmission, and storage of water provided under this Agreement. These recommended standard operating practices will address issues such as, but not necessarily limited to, forecasting seasonal demands, forecasting peak demands, managing the system to minimize the impact of peak demand periods, security and emergency management, use of storage, and timing of deliveries of water. After consideration of the recommendations, the Administrator will adopt interim operating practices that are reasonable and consistent with the terms in this subsection, which may or may not include the WWMG’s recommendations, and will provide them to the WWMG for review and further recommendations. The Administrator will consider any further recommendations from the WWMG, but is not bound by them, and will adopt final standard water system operating practices that are reasonable and consistent with the terms in this subsection. Purchaser shall operate its system in compliance with the final operating practices adopted by the Administrator.

2. The WWMG will recommend to the Administrator what information and data the Administrator will require each Wholesale Customer to provide, in order to allow efficient, reliable, and cost-effective provision of water under this Agreement. The Administrator will consider these recommended information requirements and will adopt or may propose other requirements instead that are reasonable and consistent with the terms of this subsection. Such information may include, but is not necessarily limited to:
    - (a) System maps with mains, pump stations, tanks, and supply connections.
    - (b) Connections and usage from other supply sources.
    - (c) Total number of existing and new service connections by category.
    - (d) Key benchmarks to be identified and recommended by the Operations Group such as but not limited to standards for operational norms, notification deadlines, and protocols for communication.
    - (e) Water quality data.
    - (f) Wholesale Customer facilities' standards for operation to minimize peak and emergency events; and
    - (g) Emergency contact information for each Wholesale Customer and any agreements that have been signed by individual providers to address emergency response.
  3. The WWMG may periodically evaluate Purchaser's compliance with the information requirements and standard operating practices and provide the Administrator with findings and recommendations to assure ongoing compliance.
- E. Rate Review. In order to provide timely notification of proposed changes in rates, charges, and rate design and an opportunity for Purchaser to evaluate such proposals and be heard before Portland City Council, Portland will share the following information with WWMG on an annual basis, and Portland will endeavor to share information at such times as will allow WWMG and Purchaser a reasonable opportunity to review, provide comments, and incorporate into Purchaser's own budget and planning:
1. Capital Improvement Program. Portland will share the 10-year CIP that is included in the next rate year.
  2. Operation & Maintenance Budget. Portland will share the O&M budget that is included in the next rate year.
  3. Report of prior year actual O&M Costs, Capital Costs, and revenues earned that impact Purchaser's rates.
  4. The commencement and anticipated schedule of annual financial plan and budget preparation, as well as the proposed budget when submitted by the Portland Water Bureau. Additionally, Portland will advise WWMG in writing of significant changes in the proposed budget after its submission.



5. Any proposed methodology changes to the Portland Model. Portland may make non-substantive, administrative changes to the Portland Model that are consistent with the terms of this Agreement without amending this Agreement.
  6. Rate Forecast. Portland will provide Purchaser a 10-year rate forecast.
  7. When Portland files its annual rate ordinance with the Portland City Council Clerk, a copy of said ordinance will be forwarded to WWMG, along with the dates on which the Portland City Council is scheduled to consider rates.
- F. Recommendations by WWMG. The WWMG may make written recommendations to the Administrator regarding matters relating to Portland’s sale of water to Wholesale Customers and this Agreement. The Administrator will give all such recommendations due consideration, but is not bound by them, except as otherwise set forth in this Agreement. The Administrator will respond to all such recommendations in writing within sixty (60) calendar days and, in the event the Administrator determines not to follow the WWMG’s recommendation, will include in their response a statement of the reasoning therefor. If the Administrator determines not to follow a recommendation of the WWMG, the WWMG may, by a two-thirds (2/3) majority vote, forward the recommendation to a person selected by Portland to receive such recommendations, who must be a supervisor or other person to whom the Administrator reports, directly or indirectly, such as a Public Works Director, City Manager, or similar. That person shall respond to the recommendation in writing within sixty (60) calendar days and, in the event the person determines not to follow the WWMG’s recommendation, will include in their response a statement of the reasoning therefor.
- G. Confidential Information and Public Records Requests.
1. “Confidential Information” means any information that is disclosed in written, graphic or machine-recognizable form and is marked or labeled at the time of disclosure as being confidential, or, if the information is in verbal or visual form, it is identified as confidential or proprietary at the time of disclosure, or a reasonable time thereafter. Information shall be considered Confidential Information, may include but is not limited to the following categories: (1) non-public financial, statistical, personnel, human resources data or Personally Identifiable Information as described in the Oregon Consumer Information Protection Act; (2) business plans, negotiations, or strategies; (3) unannounced pending or future products, services, designs, projects or internal public relations information; (4) trade secrets, as such term is defined by Oregon Public Records Laws and the Uniform Trade Secrets Act; (5) information which is exempt from disclosure per Oregon Public Records Law; (6) attorney-client privileged communications; (7) information which is exempt per federal laws (including but not limited to copyright, HIPPA); and (8) information relating to or embodied by designs, plans, configurations, specifications, programs, or systems including without limitation, data and information systems, any software code and related materials and processes, customizations, configurations, updates, upgrades; and any documentation. Confidential Information does not include any information that: is or becomes publicly known through no wrongful or negligent act of the receiving Party; is already lawfully known to the receiving Party without

restriction when it is disclosed; is, or subsequently becomes, rightfully and without breach of this Agreement or any other agreement between the Parties or of any applicable protective or similar order, in the receiving Party's possession without any obligation restricting disclosure; is independently developed by the receiving Party, as shown by reasonable written documentation, without breach of this Agreement; or is explicitly approved for release by written authorization of the disclosing Party.

2. During the term of this Agreement each Party, may disclose to the other Party, certain Confidential Information pertaining to the disclosing party's activities under this Agreement. The disclosing party shall be required to mark Confidential Information CONFIDENTIAL with a restrictive legend or similar marking. If CONFIDENTIAL is not clearly marked, or the Confidential Information cannot be marked with a restrictive legend or similar marking or is disclosed either orally or by visual presentation, the disclosing Party shall identify the Confidential Information as confidential at the time of disclosure or within a reasonable time thereafter. This Agreement itself shall not be considered Confidential Information. Subject to subsection G.8 below, the receiving Party shall: (1) limit disclosure of Confidential Information to those directors, employees, contractors and agents of the receiving Party who need to know the Confidential Information in connection with this Agreement and who have been informed of confidentiality obligations at least as strict as those contained in this Agreement, and (2) exercise reasonable care to protect the confidentiality of the Confidential Information, at least to the same degree of care as the receiving Party employs with respect to protecting its own proprietary and Confidential Information. The receiving Party shall use Confidential Information exclusively in the performance of this Agreement.
3. Scope. This Agreement shall apply to all Confidential Information previously received, learned, observed, known by or made available to a Party related to this Agreement. The confidentiality obligations under this Agreement shall survive termination or expiration of this Agreement.
4. Equitable Relief. The Parties acknowledges that unauthorized disclosure of Confidential Information will result in irreparable harm to the disclosing Party. In the event of a breach or threatened breach of this Agreement, the disclosing Party may obtain injunctive relief prohibiting the breach, in addition to any other appropriate legal or equitable relief. The Parties agree that, notwithstanding any other section of this Agreement, in the event of a breach or a threatened breach of Agreement terms related to Confidential Information or Intellectual Property Rights, the non-breaching Party shall be entitled to seek equitable relief to protect its interests, including but not limited to injunctive relief. Nothing stated herein shall be construed to limit any other remedies available to the Parties.
5. Discovery of Documents. In the event a third party seeks the release of Confidential Information submitted by one Party, the Party receiving such request will notify the Party whose Confidential Information is being requested to be disclosed of the request. The Party receiving the request shall allow the other

Party to participate in the response at its own expense. Each Party will comply with any effective court order.

6. Public Records Request. The City of Portland is subject to the Oregon Public Records Act and Federal law. Purchaser may also be subject to such laws. Third persons may claim that the Confidential Information submitted to a Party subject to such laws may be, by virtue of its possession by such Party, a public record and subject to disclosure pursuant to the Oregon Public Records Act. Commitments to maintain certain information as confidential under this Agreement are all subject to the constraints of Oregon and federal laws. Within the limits and discretion allowed by those laws, the Parties subject to those laws will maintain the confidentiality of Confidential information.
7. Confidential Information submitted to or produced by the WWMG or otherwise exchanged by the Parties to this Agreement and similar wholesale water agreements may include documents related to the vulnerability or security of water supply systems. The Parties agree that if either receives a public document request for such information, the Party receiving that request shall, prior to release of any documents, expeditiously notify the entity about whose system information is sought and shall assert all applicable exemptions to release of the documents available under the Oregon Public Records Law.

## SECTION 5 – WATER PURCHASE QUANTITIES

- A. General Purchase Quantities. Unless excused by some other provision of this Agreement, Purchaser shall annually pay Portland a sum of money equal to the annual water rate applicable to Purchaser for that year multiplied by the actual quantity of water delivered to Purchaser. Purchaser's annual water rate will be determined pursuant to Section 6. Purchaser shall make payments to Portland as provided in Section 12.
- B. Purchase Quantities And Peaking Factors.
1. Purchase Quantity. For purposes of calculating annual rates, the "Purchase Quantity" means the average of the water delivered and metered at Purchaser's Point of Delivery from Portland from the previous five (5) years. The Purchase Quantity divided by the number of days in the year (365 in a non-leap year or 366 days in a leap year) is Purchaser's Average Daily Demand for purposes of calculating rates.
    - (a) Exclusions. Purchaser's metered water deliveries will be adjusted so as not to reflect: (i) emergency water delivered, and (ii) water delivered to Purchaser for the purposes of Wheeling to Portland Retail Customers or other Wholesale Customers pursuant to Section 9. Such exclusions will apply to all water demands for the purposes of determining Purchase Quantities as defined in this Section, including all measures of peak demand.
    - (b) For purposes of this section, Purchaser's "Actual Average Daily Demand" means Purchaser's actual water demand for a single Agreement Year, divided by number of days in the year (365 in a non-leap year or 366 days in a leap year).
  2. Seasonal Peaking Factor.
    - (a) Except as otherwise provided in this Agreement, for purposes of calculating annual rates, Purchaser's "Seasonal Peaking Factor" will be the average "Actual Seasonal Peaking Factor" from the previous five (5) years.
    - (b) For purposes of this section, Purchaser's "Actual Seasonal Peaking Factor" means the ratio of Purchaser's actual average daily demand placed on Portland system during the peak season to Purchaser's actual annual average daily demand.
    - (c) Seasonal Peaking Factor is the ratio of Purchaser's actual average daily demand placed on Portland system during the Peak Season to Purchaser's actual annual average daily demand. "Peak Season" means the period from July 1 through September 30.
    - (d) If Portland requests that Purchaser take additional water deliveries in connection with a curtailment under Section 11, such additional deliveries will be excluded from the calculation of the Seasonal Peaking Factor.
  3. 3-Day Peaking Factor.

- (a) Except as otherwise provided in this Agreement, for purposes of calculating annual rates, Purchaser's "3-Day Peaking Factor" means the average "Actual 3-Day Peaking Factor" from the previous five (5) years. "3-Day Peaking Factor" is the ratio of the average of Purchaser's actual highest three consecutive days of purchases in a year to its actual average daily demand for the same year.
  - (b) For purposes of Section 5 of this Agreement, Purchaser's "Actual 3-Day Peaking Factor" is the ratio of the average of Purchaser's actual highest three consecutive days of purchases to its actual average daily demand for the year.
  - (c) If Portland requests that Purchaser take additional water deliveries in connection with a curtailment under Section 11, such additional deliveries will be excluded from the calculation of the 3-Day Peaking Factor.
4. Interruptible Water Purchases Under Previous Water Sales Agreement. The calculation of Purchase Quantities and Peaking Factors in this Section excludes all purchases of Interruptible Water made under the previous Regional Water Sales Agreement.
  5. New Wholesale Customers and Wholesale Customers without a Five-Year Demand History. This section describes the methods Portland will use to estimate purchase quantities and peaking factors for new Wholesale Customers and those lacking a five-year demand history until such demand history can be established. First-year and second-year purchase quantities and peaking factors for each time frame will be an amount proposed by the customer and agreed to be a reasonable estimate by the Administrator based on the customer's current water usage data. The third-year purchase quantities and peaking factors assumed for ratemaking will be the actual year 1 purchase quantity and peaking factors as calculated as described in this Subsection B. The fourth-year purchase quantities and peaking factors assumed for ratemaking will be the average of the actual purchase quantities and peaking factors in year 1 and year 2 as calculated as described in this Subsection B for each time frame. The fifth-year purchase quantities and peaking factors assumed for ratemaking will be the average of actual purchase quantities and peaking factors in years 1-3 as calculated as described in this Subsection B for each time frame. The sixth-year purchase quantities and peaking factors assumed for ratemaking will be the average of actual purchase quantities and peaking factors in years 1-4 as calculated as described in this Subsection B for each time frame. The purchase quantities and peaking factors assumed for ratemaking from the seventh year forward will be the rolling five-year average for purchase quantities and peaking factors as calculated as described in this Subsection B for each time frame.

C. Purchase Reductions.

1. Reductions Resulting from the Use of Independent Supplies. If Purchaser's General Purchase Quantity (in a single Agreement Year) reflects a reduction of 90% or more as compared to Purchaser's Purchase Quantity (average of previous

five years) as a result of Purchaser's increased use of Independent Supplies, Purchaser will be subject to payment of Stranded Cost Fees calculated as set forth in Exhibit 2.

- (a) Purchaser shall endeavor to notify Portland at least five (5) years in advance, or as far in advance as is reasonably practicable, of the start of an Agreement Year where Purchaser plans to implement any new or increased use of Independent Supplies ("Independent Supplies Notice") to the extent such use of Independent Supplies is anticipated to reduce the Purchaser's General Purchase Quantity.
- (b) Purchaser shall include in its notice: (1) The expected date the usage will take effect; (2) the expected annual deliveries from the Independent Supplies, and (3) if Purchaser is Wheeling water to Portland's Retail Customers or to any other entity, results of a blending study prepared by a registered professional engineer in the State of Oregon in addition to any regulatory approvals required by law. Purchaser is solely responsible for complying with any applicable regulatory requirements relating to blending of water supplies in its system.

D. Increases to General Purchase Quantity. Purchaser may increase its General Purchase Quantity to meet increasing demands due to normal growth within its service area. If Purchaser anticipates an increase in any one year of 20% or more in the General Purchase Quantity over the prior year, then Purchaser shall provide written notice to Portland of the expected increase. When Portland receives Purchaser's written notice of an increase to Purchaser's General Purchase Quantity, Portland will conduct an evaluation to determine whether the increased demand can be accommodated within Portland's existing system capacity. Portland will notify Purchaser of its decision within 90 days of Portland's receipt of Purchaser's notice of an increase to Purchaser's General Purchase Quantity

## SECTION 6 – RATES AND CHARGES

### A. Rate Making in General.

1. The rate structure for Purchaser's purchase of water will consist of:
  - (a) A reasonable fixed monthly charge as published in Portland's current rate ordinance.
  - (b) A volume charge calculated using volumetric rates established as provided herein multiplied by Purchaser's actual water drawn from Portland.
2. The volume charges will be determined as set forth in this Section.
3. The revenue requirement for wholesale volume rates will be determined using the utility basis and cost of service allocation principles as described in *Manual of Water Supply Practices – M1. Principles of Water Rates, Fees and Charges* as published by the American Water Works Association (hereafter "AWWA Manual M1") or in such updates as may occur from time to time, except for such deviations from AWWA Manual M1 as are described or permitted by this Agreement. A cost-of-service computer model referred to as the Portland Model will be used to calculate the revenue requirements, cost allocations, and resulting rates.

### B. O&M Cost Component of the Annual Revenue Requirement.

1. O&M Costs. The operations, maintenance, planning studies and associated overhead expenses of Portland's water supply system as adopted in Portland's annual budget process for the fiscal year for which the rate will be in effect, multiplied by the O&M Budget Execution Factor, and excluding that portion identified as Retail-only Costs and costs recovered through the fixed monthly charges.
2. O&M Budget Execution Factor. A percentage determined as the actual O&M expenditures for a fiscal year divided by the total adopted O&M budget for the same fiscal year. The average of said factors for the previous five years for which data is available will be the O&M Budget Execution Factor applied for the purposes of determining rates.

### C. Capital Cost Component of the Annual Revenue Requirement. The sum of the Return on Rate Base and Depreciation Expense as defined below.

1. Return on Rate Base. The amount determined by multiplying the Rate of Return by the Rate Base.
  - (a) The Rate Base is the sum of the following items.
    - i. Net Book Value. The Net Book Value means the original cost less accumulated depreciation of Portland's capital assets identified as Wholesale-Only Costs or Joint Costs for the previous 12-month financial reporting period. Capital assets that are not used and useful in providing water service with the exception of Construction Work in Progress as defined in section iii below will be excluded from the Rate Base. Capital assets will exclude

capitalized overhead costs. Capital assets may include Regulatory Assets.

- ii. Allowance for Working Capital. Allowance for Working Capital means an amount equal to 12.5% (approximately 45 days) of the O&M Costs.
  - iii. Construction Work in Progress (CWIP). CWIP means the amount reported in the previous 12-month financial reporting period. Construction Work in Progress will be included in the Rate Base and its inclusion is a modification to the standard definition of the term “rate base” as described in the AWWA Manual M1 and elsewhere.
  - iv. Less Contributed Capital. Less Contributed Capital means the unamortized book value of cash or assets contributed to Portland by Wholesale Customers or other parties is to be deducted from the Rate Base. Portland will award credits for Contributed Capital to the specific Wholesale Customers who made the contributions. Contributions made by non-parties to this Agreement, including state and federal grants, will be deducted from the total Rate Base for the benefit of all customers.
- (b) Rate of Return. Rate of Return means Portland’s cost of debt, defined as its True Interest Cost on all outstanding Portland Water Bureau debt as reasonably determined by Portland’s Municipal Advisor, multiplied by an equity premium of 1.35. Portland may adjust the multiplier based on the five-year cost audit as described in Subsection 6(I).
2. Depreciation Expense. Depreciation Expense means all annual depreciation expenses reported for the previous 12-month financial reporting period matched only to the capital assets included in the Rate Base.
  3. Accounting Standards. For the purposes of this Section, financial values will be those reported for the 12-month financial reporting period immediately preceding the calculation of the water rates using generally accepted accounting practices required by the Government Accounting Standards Board (GASB) or its successor.

D. Cost Allocations – General.

1. Portland will allocate costs to Wholesale Customers and Portland Retail Customers in accordance with generally accepted ratemaking practices and procedures. In general, unless specified otherwise in this Agreement, costs will be allocated proportionately as provided by the then-current AWWA Manual M1.
2. Portland’s cost allocations to Wholesale Customers will be based on the “base-extra capacity” methodology, as defined in AWWA Manual M1.
3. Portland will allocate three types of costs referred to in Section 6:



- (a) Retail-Only Costs – Retail-Only Costs mean the cost of services and assets that benefit only Portland Retail Customers, which will not be allocated to Wholesale Customers.
- (b) Wholesale-Only Costs – Wholesale-Only Costs mean the cost of services and assets that benefit only Wholesale Customers, which will only be allocated to Wholesale Customers.
- (c) Joint Costs – Joint Costs mean the cost of services and assets that benefit both Portland Retail Customers and Wholesale Customers.

- E. Steps Involved in Cost Allocation. Portland will use the following sequence to allocate costs and to develop the wholesale volume rate.
1. Assign all system costs to categories reflective of the functions of Portland water system. Assign the functional categories to the appropriate Cost Pools as described in Section 6F.
  2. Allocate the costs for each functional category in each Cost Pool to relevant Cost Components as described in Section 6G in accordance with the Base Extra-Capacity method.
  3. Determine the unit costs for each Cost Component in each Cost Pool expressed as a dollar per applicable unit of service.
  4. Distribute the costs to individual Wholesale Customers by multiplying the relevant unit costs by each customers' units of service.
  5. Determine the volumetric rate for each Wholesale Customer by summing the total distributed costs for the customer and dividing by its Purchase Quantity.
- F. Portland Cost Pools. Cost Pools are groups of asset and O&M costs, related by system functions, that may be shared jointly with all Wholesale Customers, or more specifically among a subset of Wholesale Customers. Purchaser and other Wholesale Customers may be assigned to one or more Cost Pools depending on how they use Portland's system. Cost Pools include the following with general list of assets listed in Exhibit 3:
1. Joint Assets – Joint Assets means asset and O&M costs that benefit all customers regardless of location. This includes Powell Butte and Groundwater related costs and assets.
  2. West Assets – West Assets means asset and O&M costs located west of the Powell Butte reservoir. These assets and costs directly benefit customers located on the west side of Portland's service territory.
  3. East Assets – East Asset means asset and O&M costs located east of the Powell Butte reservoir. These assets and costs directly benefit customers located on the east side of Portland's service territory.
  4. Raw Water Assets – assets that store, manage and convey unfiltered and unchlorinated water upstream of treatment at the filtration facility, and do not include associated costs for conveyance to the filtration facility or treatment.

5. New Cost Pools. Upon agreement of WWMG and the Administrator, the Administrator may create additional Cost Pools in the future only for new assets as needed to ensure a fair and equitable allocation of system costs.
- G. Cost Components. Portland's water system is designed and operated to meet different rates of demand, defined by the following Cost Components:
1. Base Costs – Base Costs means the costs Portland incurs to meet its customers' average daily demand (ADD).
  2. Peak Season Extra Capacity – Peak Season Extra Capacity means the additional costs above Base costs that Portland incurs to meet its customers' peak season demands.
  3. Peak 3-Day Extra Capacity – Peak 3-Day Extra Capacity means the additional costs Portland incurs, above and beyond Peak Season, to meet its customers' Peak 3-Day Demands.
  4. Cost Components may be amended from time to time to reflect changes in AWWA Manual M1 methodologies. Portland may make other changes to the Cost Components.
- H. Surplus Capacity. On or about June 30, 2026, Portland anticipates that three major users of Portland water will terminate their water supply contracts with Portland, which will result in additional Surplus Capacity. To reduce the cost impacts to Wholesale Customers resulting from the reduction in purchases and demands attributable to the Terminating Parties, Portland will temporarily bear the additional system-operation costs related to the Surplus Capacity. Over time, the system-operation costs related to Surplus Capacity will be allocated to Portland Retail Customers and Wholesale Customers subject to the following provisions:
1. Cost Allocations. Portland will determine the Surplus Capacity costs by allocating a proportionate share of all costs except Wholesale Only Costs using the same methods and procedures described in this Section 6.
  2. Demand Characteristics. To determine Surplus Capacity cost, Portland will use the same Seasonal Peaking Factor and 3-Day Peaking Factor characteristics attributed to Portland Retail Customers within the Portland Model.
  3. Reductions. The Surplus Capacity and associated costs borne by Portland will be decreased each year following June 30, 2026 by the greater of (1) the growth in aggregate demand of Portland Retail Customers, Wholesale Customers, and the sum of Annualized Backup Capacity from all active Reserved Backup Service agreements, or (2) 5% of the initial Surplus Capacity, until such time as the Surplus Capacity is zero. The amount of reductions will be reviewed every five years as part of the cost audit as described in subsection I. below.
  4. No Increases. Surplus Capacity will not be increased.
  5. Portland will use all payments for Backup Services to reduce Portland's costs related to the Surplus Capacity. Once Surplus Capacity is at zero, the payments for Backup Services will be used to reduce the costs factored into Purchaser's rates.

- I. 5-Year Cost Audit. In Contract Year 5 and every five years thereafter during the term of this Agreement and any extensions, Portland will retain an independent third party to conduct an audit of all steps of the then-currently employed process to allocate assets and O&M to customer classes as well as the reductions in surplus capacity under Section 6(H)(3) of this Agreement. Based on the result of its audit, the auditor will recommend any changes necessary to ensure compliance with the terms of this Agreement and the AWWA Manual M1. Portland and the WWMG will select the auditor and the audit expense shall be included in O&M expenses and allocated accordingly. The auditor's report shall be completed by December 1 of the contract year in which the auditor is hired and will be provided to WWMG and Portland. Portland will prepare and provide to WWMG no later than March 1 of the following year a corrective action plan to correct any areas of noncompliance with the Agreement in the audit report. For any auditor recommendations that do not constitute noncompliance with the Agreement, the corrective action plan will either describe how they will be implemented or explain why Portland has determined not to implement them.

## SECTION 7 – WATER SYSTEM PLANNING AND COOPERATION

To facilitate regional water planning and resource development, Purchaser and Portland agree as follows:

A. Purchaser’s Projected Water Usage.

1. Every five years, at a minimum, starting on July 1 of the fifth year this Agreement is in effect, Purchaser shall provide Portland with estimates of Purchaser’s annual water demand to be purchased from Portland by year for ten years, including peaking factor estimates.
2. In addition, in any other Agreement Year in which unforeseen developments have altered Purchaser’s ten-year estimates by more than 10 percent, Purchaser shall provide Portland with Purchaser’s revised estimates of Purchaser’s preferred use of Portland water for a ten-year period.
3. Portland will provide WWMG with a summary of Portland’s projected demands for all wholesale and retail demands by year for the next ten years by no later than May 1 of each year.
4. The estimates provided in this provision are for planning purposes only and do not commit Portland or Purchaser to either buy or supply any particular quantities of water.

B. Portland Evaluation of Capacity of Portland Water System.

1. Whenever it receives revised demand and Peaking Factor estimates from Purchaser, Portland will provide Purchaser with estimates of the capacity of Portland water system to meet all projected system loads over the ten-year planning horizon.
2. If Portland determines that the water system cannot meet the demand Purchaser and others have proposed to place on it over the ten-year planning horizon, Portland and Purchaser (together with other Wholesale Customers who may wish to join the discussions) may initiate negotiations to determine if and how Portland’s water system could meet the projected demands, either through a reduction in demand or development of additional water system capacity.

## SECTION 8 – CONNECTIONS AND METERING

### A. Meter Ownership and Responsibility.

1. Portland owns and maintains all existing water meters and associated facilities such as vaults up to Purchaser's Point of Delivery and will install, own, and maintain any new such meters and facilities.
2. The primary source of measurement of Purchaser's monthly water purchases will be the registers physically located on the meters (i.e., register meter readings and not Supervisory Control and Data Acquisition (SCADA) nor electronically transmitted data). Portland will use demand data from the register readings for calculating the total annual water delivered to Purchaser unless the meter readings are reasonably determined by Portland to be inaccurate.
3. In addition, Portland will attempt to read the meters either physically or electronically on at the start and end of the peak season as defined in this Agreement (i.e., June 30 and Sept 30). If accurate or reliable (as reasonably determined by Portland) meter readings are not reasonably available for key dates needed for calculating annual demand, monthly demand, or Peaking Factors, then Portland's SCADA data or other electronically transmitted data will be used to establish Purchaser's water demand to the intended key dates. If SCADA or other electronically transmitted data are not available or are reasonably determined by Portland to be not reliable in a particular case, Portland will use the best means that are reasonably available to estimate usage, including data provided by Purchaser's SCADA system.
4. Portland will notify Purchaser within a reasonable time after Portland verifies that a meter is reading incorrectly. Portland and Purchaser will collaboratively resolve any data discrepancies. A meter is considered to be reading incorrectly if the variance is greater than 3% over or under registering.

B. Meter Costs. The cost of replacing the meter or meters and their operations and maintenance will be included by Portland in calculating Purchaser's rates.

C. Meter Access. Purchaser will have reasonable access to Portland meters and facilities for purposes of installing and maintaining telemetry equipment or other equipment related to the metering function. Purchaser shall give notice to Portland before entering any vault or facility.

## **SECTION 9 – PURCHASER-SUPPLIED WATER TO PORTLAND RESIDENTS AND OTHER WHOLESALE CUSTOMERS**

- A. Water Supplies To Portland Residents. To the extent permitted by law, Purchaser shall, when requested by Portland, provide water supply to Portland Retail Customers in areas adjacent to Purchaser's water mains subject to limitations of the available capacity of Purchaser's water distribution system. Water delivered to Portland Retail Customers by Purchaser at Portland's request will be metered by Portland or Portland's Retail Customers' individual services.
- B. Master Metering.
1. Portland and Purchaser will review each situation where such arrangements exist and attempt to reach an agreement on the need and feasibility of installing a master meter or master meters to register the volume of water delivered to Portland Retail Customers.
  2. Purchaser shall ensure that the water delivered to Portland Retail Customers will be from the same source or sources as water that Purchaser delivers to Purchaser's Retail Customers and the water meets all applicable drinking water regulatory requirements.
  3. Purchaser may require that Portland install a master meter if the local distribution system is shown to have demonstrated leakage or unaccounted water losses in excess of 10% of the average daily demand of Portland Retail Customers served by the system or by mutual agreement of the Parties. Improvements to the local distribution system will be made by mutual agreement of the Parties.
- C. Charges For Water.
1. When Purchaser provides water to supply Portland Retail Customers at Portland's request, Purchaser may charge Portland up to one hundred twenty-five percent (125%) of the wholesale water rate Portland charges Purchaser. Portland will credit this amount to Purchaser's monthly bills. Purchaser's water supplied to Portland Retail Customers at Portland's request will not be included in the calculation of Purchaser's Purchase Quantity.
  2. Purchaser may conduct a cost-of-service study to determine the cost of serving Portland Retail Customers. If the cost-of-service exceeds 125% of the wholesale water rate, Purchaser may adjust the charge to Portland accordingly, but not above the actual cost of service.
- D. Water supplies to other Wholesale Customers. If requested by Portland, Purchaser may supply water to another Wholesale Customer upon such terms and conditions as may be agreed upon by Portland and Purchaser.

## SECTION 10 – WATER RESOURCE CONSERVATION

### A. General.

1. The Parties to this Agreement intend that water delivered under this Agreement will be used beneficially, efficiently, and without waste.
2. The Parties encourage the development of joint conservation programs where such partnerships are of mutual benefit and produce increased efficiencies in program costs or water savings. Provided, however, that funding for joint conservation programs will be established by a separate agreement between the interested parties.

### B. Submission of a Water Conservation Plan. Purchaser shall determine how to use water purchased under this Agreement beneficially, efficiently and without waste. Unless Purchaser serves a population of 1,000 or less, Purchaser shall submit a copy of its Water Management and Conservation (“WMCP”) plan as outlined in OAR 690-086-0150. Purchaser shall submit a copy of its Water Conservation and Management Plan within six months of signing this Agreement to the WWMG. Every time a Purchaser prepares its 5-year benchmark report or its 10-year WMCP for submission to the State, Purchaser shall provide a copy to the WWMG.

## **SECTION 11 – WATER CURTAILMENT AND PROTECTION OF THE WATER SYSTEM**

### **A. General.**

1. During times when water supplies are not adequate to meet the aggregate of all demands placed upon Portland's water system, Portland will collaborate with Wholesale Customers to minimize impacts to all. By signing this Agreement, Purchaser and Portland acknowledge that unforeseen or unavoidable circumstances may limit the amount of water available to Portland for sale and distribution, whether temporarily or permanently.
2. Should the available supply fall below the aggregate of all demands placed on Portland's system, or should the Administrator determine that supply will fall below demands before other supplies are available, the Administrator may declare that a water shortage is in effect and may require a curtailment. Portland's Curtailment Plan, developed for the water system in accordance with OAR 690-086-0160(2) and OAR 690-086-0160(3) and filed as part of Portland's Water Management and Conservation Plan, would be in effect for all water users – retail and wholesale. If the Administrator requires curtailment, Purchaser shall implement measures sufficient to meet the demand reduction target requirements in accordance with Portland's WMCP. Purchaser shall develop appropriate policies, plans and procedures to respond effectively to required curtailment reduction targets, to protect the system's capacity to supply water for fire, life, safety, and other high priority needs.
3. It is to the benefit of all the users of Portland water system that plans for curtailment be agreed upon in advance and that plans for curtailments be coordinated among water providers. Purchaser shall develop and regularly update a Water Shortage Mitigation & Curtailment Plan to guide the implementation of the curtailment provision of this Agreement consistent with Portland's Water Management and Conservation Plan.
4. Prior to changing Portland's WMCP, Portland will provide WWMG with an opportunity to review and make recommendations regarding any proposed changes. Portland will make a good faith effort to provide for parity between Purchaser and Portland's Retail Customers in any such changes.



## SECTION 12 – BILLING AND PAYMENT

### A. Charges for Water Deliveries.

1. **Monthly Charges.** Portland will bill Purchaser monthly for the actual volume of water delivered together with the fixed charges. The monthly volumetric charge will be the product of Purchaser's monthly deliveries, as determined in Sections 12.A.2 below, multiplied by Purchaser's rate for that year's water deliveries as determined in Section 6.
2. **Monthly Water Deliveries.** Portland will read Purchaser's water meters on a recurring cycle of approximately 30 days to determine Purchaser's total deliveries for each month. The water deliveries used to determine the charges for the current month will be the difference in units between the most recent meter reading and the one immediately before it.

### B. Payment Schedule. Purchaser shall pay charges billed by Portland upon receipt. Purchaser shall pay a late fee to Portland if Purchaser does not pay on or before the thirtieth day following the billing date. Portland will establish reasonable late fees each year in the annual City ordinance establishing rates.

### C. Charges In Case of Meter Failure.

1. Should any meter fail to measure accurately the water passing through the meter, the charge for water used during the time the meter is out of service will be based on Portland's reasonable estimates of the volume of water supplied based on usage patterns and statistics for prior periods. Portland will use the best available data, including but not limited to water meter, SCADA, or other monitoring data provided by Purchaser to inform Portland's estimates of water usage in the event of a meter malfunction.
2. Portland will make reasonable attempts to test wholesale meters approximately every six months. If, because of periodic meter testing or any other reason, Portland identifies that Purchaser's meter is out of calibration, Portland will provide Purchaser with an initial notice of a meter error and an interim correction factor reasonably calculated to estimate usage, which will be used for calculating usage for all purposes while a final correction factor is determined. Portland and Purchaser will then work together to verify the meter error and confirm and, if necessary, refine any calibration test results. Based on additional calibration test results, Portland and Purchaser will work together to identify a final correction factor to be applied. Portland will apply the final correction factor retroactively to Purchaser's meter readings only after the date of Portland's initial notice of a meter error or such other date as the data demonstrates the error began.
3. Portland will recalculate Purchaser's Seasonal Peaking Factor and 3-Day Peaking Factor to reflect Purchaser's corrected water demands only for dates after the date of Portland's initial notice of a meter error or such other date as the data demonstrates the error began.
4. To allow "closing the books" for the previous fiscal year, if the Parties have not established Purchaser's final correction factor by September 1, Portland will

apply an interim correction factor identified in Portland's initial notice of a meter error retroactively beginning on the date of Portland's initial notice of a meter error, or such other date as the data demonstrates the error began, and continuing through June 30, for purposes of calculating payments. Portland will apply a final correction factor established after September 1 retroactively only to the Purchaser's demands from July 1 for the purposes of calculating payments. Portland will apply the final correction factor retroactive to the date of Portland's initial notice of meter error, or such other date as the data demonstrates the error began, for purposes of calculating rates and all other purposes.

- D. Disputes. In the case of disputes over billings for water, Purchaser shall pay the undisputed amount when due. The disputed amount will be resolved through dispute resolution procedures contained in Section 14 of this Agreement. Purchaser shall pay interest at a rate equivalent to the rate earned on Portland's internal investment pool managed by the City Treasurer on any disputed amounts found through dispute resolution to be due to Portland.

## SECTION 13 – SPECIAL FUNDING OF CAPITAL IMPROVEMENTS

- A. Project Funding in General. Portland plans, designs, constructs, owns, operates, and maintains all fixed assets used to deliver water under this Agreement up to Purchaser's Point of Delivery. Portland's assets are eligible additions to the rate base as described in Section 6. Unless specified by a separate agreement, direct capital contributions by Purchaser for all or any portion of the cost of any given project do not convey an ownership interest in the project nor any interest in Portland's water system. The special project funding options described in subsection (B) below are alternative funding options that may be used only if agreed upon by Purchaser and Portland, each in their sole discretion.
- B. Special Project Funding.
1. Portland Financing of Purchaser-Specific Project. Portland, at Portland's sole discretion, may agree to pay for a capital project that has exclusive benefit to Purchaser. If Portland agrees to pay for a capital project that exclusively benefits Purchaser, Portland will exclude fixed assets related to the project from the rate base and Purchaser will be subject to a repayment agreement, which will be negotiated separately and agreed to by Portland and Purchaser. Portland will include on Purchaser's monthly bill for water deliveries the sum of any payments due from Purchaser's outstanding repayment agreements. Charges related to repayment agreements are additional to the rates and charges determined pursuant to Section 6.
  2. Joint Funding of Portland Projects by Purchaser or Wholesale Customers. Portland, at Portland's sole discretion, may accept contributions in aid of construction from one or more Wholesale Customers to fund capital projects eligible for inclusion in the rate base. If Purchaser participates in jointly funding a capital project with Portland, Portland will include the total cost of the assets in the rate base and Portland will credit Purchaser's contributions on Purchaser's monthly water services bill a credit equal to the sum of:
    - (a) One month's amortization of Purchaser's contribution where the schedule of amortization is equal to the useful life of the asset expressed in months (e.g., a 10-year life is equal to a 120-month amortization and each month's amortization is 1/120<sup>th</sup> of the total).
    - (b) The unamortized portion of the contribution times 1/12<sup>th</sup> of the then-current Rate of Return.

## SECTION 14 – DISPUTE RESOLUTION

Disputes arising out of this Agreement, including disputes regarding the interpretation of any provision of this Agreement, shall be resolved according to the terms of this Section.

- A. Notice of Dispute. To initiate dispute resolution, either Party shall provide the other Party with a written notice describing the dispute and follow the process outlined in this Section 14. Neither Party shall commence litigation until the dispute resolution process described in this Section 14 is complete unless litigation in the form of a temporary restraining order or preliminary injunction is necessary to prevent imminent and irreparable harm to the Party commencing litigation.
- B. Negotiation. Each Party (1) shall designate a person or persons to negotiate the dispute on its behalf, (2) shall make a good faith effort to exchange information and data related to the dispute, and (3) shall meet to negotiate a dispute resolution. The person designated by Purchaser to negotiate the dispute shall be its City Manager, Chief Executive Officer, or equivalent. The person designated by Portland to negotiate the dispute shall be Portland's City Manager or the Portland City Manager's designee. If the dispute is resolved at this step, the Parties will memorialize the agreement in writing, which shall be signed by the authorized representatives of the Parties.
- C. Mediation.
1. If the dispute has not been resolved within 45 days of the date of the notice of dispute, or such longer time as is mutually agreed by the Parties, the Parties will submit the matter to mediation. The Parties will attempt in good faith to agree on a mediator and will endeavor to select a mediator with subject matter expertise. If the Parties cannot agree, the Parties will request a list of five mediators from an entity or firm providing mediation services. The Parties will attempt in good faith mutually to agree on a mediator from the list provided, but if they cannot agree, each Party will select one name. The two selected mediators will select a third mediator who will mediate the dispute.
  2. Any common costs of mediation, including the cost of mediation, will be borne equally by the Parties. Each Party shall bear its own individual costs. Mediation will not continue more than 105 days past the initial notice of dispute unless mutually agreed by the Parties. If the dispute is resolved at this step, a written determination of such resolution will be signed by the designated representatives of the Parties.
- D. Arbitration. If the dispute has not been resolved through negotiation or mediation within the time set by this Agreement, the dispute may be resolved only through binding arbitration. Within 15 days of the end of mediation, unless the Parties agree to a longer period of time, either Party may submit the dispute to binding arbitration by written notice thereof to the other Party. Arbitration shall be conducted in Portland, Oregon before a single arbitrator selected by mutual agreement of the Parties. If the Parties, within fifteen (15) days of said notice, cannot agree upon an arbitrator, either Party may apply to the presiding judge of the Multnomah County Circuit Court for appointment of an arbitrator. Arbitration shall be conducted under ORS Chapter 36. The Parties agree that any award rendered by the arbitrator will be final, and judgment may be entered upon

the award in any court having jurisdiction, and will not be subject to modification or appeal except to the extent permitted by Oregon law. Costs of the arbitration will be shared equally by the Parties, but each Party will pay its own attorney fees incurred in connection with the arbitration.

Without limiting the authority of the arbitrator, the Parties agree that:

1. Remedies available to the arbitrator include, but are not limited to, specific performance and termination of this Agreement, including termination without payment of a Stranded Cost Fee in the case of a material breach by Portland.
  2. The reasonableness of each Party's actions under this Agreement and each Party's good faith and fair dealing will be judged according to factors including, but not limited to, standards common and usual in the municipal water supply industry.
- E. Litigation. Any litigation between the Parties arising under or regarding this Agreement must be conducted in the Multnomah County Circuit Court of Oregon. In any litigation, each Party will bear its own costs and attorney's fees.

## **SECTION 15 – WASHINGTON COUNTY SUPPLY LINE**

This Agreement includes the Washington County Supply Line that will be treated as a Portland asset to include in cost allocation as described in Section 6 – Rates and Charges of this Agreement.

## SECTION 16 – MISCELLANEOUS PROVISIONS

- A. Warranties and Representations. Each Party hereto warrants and represents that it has the legal authority to enter into this Agreement, and that entry into this Agreement will not constitute a default under any other agreement to which that Party is a party.
- B. Exhibits. This Agreement includes the following Exhibits, and in the event of a contradiction in terms, the terms in this Agreement shall control, followed by the terms of the Exhibits in the following order:
  - 1. Exhibit 1 – POINT OF DELIVERY LOCATIONS
  - 2. Exhibit 2 – STRANDED COST FEES
  - 3. Exhibit 3 – GENERAL LIST OF ASSETS IN COST POOLS
- C. Severability. Should any provision of this Agreement be rendered invalid by a court of competent jurisdiction or arbitrator with authority to render a provision invalid, it is agreed that every other part of the Agreement shall remain in full force and effect.
- D. Entire Agreement. This Agreement constitutes the complete understanding among the Parties and supersedes any and all prior agreements or representations on these subjects. No promises or agreements made subsequent to the execution of this Agreement by the Parties shall be binding unless reduced to writing and signed by the Parties.
- E. No Joint and Several Liability. Each Party to this Agreement assumes its own rights and obligations and does not assume the rights and obligations of any other Party.
- F. Counterparts. This Agreement may be signed in one or more counterparts, and each counterpart shall be deemed to be an original instrument.
- G. Amendments and Modifications. Any modification or amendment to this Agreement must be in writing and signed by both Parties.
- H. Oregon law. This Agreement and its construction shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law.
- I. Third Parties. Except as expressly provided otherwise in this Agreement, the provisions of this Agreement are for the exclusive benefit of the Parties hereto and not for the benefit of any other persons, as third-party beneficiaries or otherwise, and this Agreement shall not be deemed to have conferred any rights, express or implied, upon any person not a Party to this Agreement.
- J. Non-Waiver. Failure of any Party at any time to require performance of any provision of this Agreement shall not limit the Party's right to enforce the provision, nor shall any waiver of any breach of any provision be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provisions.
- K. Time of the Essence. Time is of the essence of each and every term, covenant, and condition set forth in this Agreement.

- L. Further Assurances. Each Party agrees that it will, without further consideration, execute and deliver such other documents and take such other action as may be reasonably requested by the other Party to more effectively consummate or achieve the purposes or subject matter of this Agreement.
- M. Interpretation. Unless a clear contrary intention appears: (a) reference to any person includes such person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity; (b) reference to any gender includes each other gender; (c) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (d) reference to any Article, Section, Schedule or Exhibit means such Article, Section, Schedule or Exhibit to this Agreement, and references in any Article, Section, Schedule, Exhibit or definition to any clause means such clause of such Article, Section, Schedule, Exhibit or definition; (e) "hereunder", "hereof", "hereto", "herein" and words of similar import are references to this Agreement as a whole and not to any particular Section or other provision hereof; (f) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including"; (g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (h) reference to any law (including statutes and ordinances) means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder.
- N. Access to Records.
- (a) Records Retention. Each Party shall maintain current financial records in accordance with Generally Accepted Accounting Principles (GAAP). Each Party agrees to maintain and retain all financial records, supporting documents, statistical records and all other records pertinent to this Agreement during the term of this Agreement and for a minimum of six (6) years after the expiration or termination date of this Agreement or until the resolution of all audit questions or claims, whichever is longer.
  - (b) Audits. Each Party, either directly or through a designated representative, may conduct financial and performance audits of the water supply deliveries at any time during the Agreement duration and during the records retention period listed above. Audits will be conducted in accordance with generally accepted auditing standards as promulgated in Government Auditing Standards by the Comptroller General of the United States Government Accountability Office.
  - (c) Access to Records. Each Party may examine, audit and copy the other Party's books, documents, papers, and records relating to this Agreement at any time during the records retention period listed above upon reasonable notice. Each Party shall make copies of applicable records available upon the other Party's request.



- (d) Under- and overpayment. If an audit discloses that water supply services to Purchaser differed from the amount for which Purchaser paid, then Purchaser shall pay the amount of the difference to Portland or Portland shall refund the amount of the difference to Purchaser, as applicable.
- O. Assignment. Neither Party may assign this Agreement without the written consent of the other Party.
- P. Successors in Interest. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and approved assigns.
- Q. Compliance with Law. Each Party shall comply with all applicable federal, state, and local laws and regulations in carrying out this Agreement.
- R. Contribution.

If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 (a “Third Party Claim”) against a Party (the “Notified Party”) with respect to which the other Party (the “Other Party”) may have liability, the Notified Party shall promptly notify the Other Party in writing of the Third Party Claim and deliver to the Other Party, along with the written notice, a copy of the claim, process and all legal pleadings with respect to the Third Party Claim that have been received by the Notified Party. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this Section and a meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to the Other Party’s contribution obligation under this Section with respect to the Third Party Claim.

With respect to a Third Party Claim for which Portland is jointly liable with Purchaser (or would be if joined in the Third Party Claim ), Portland shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Purchaser in such proportion as is appropriate to reflect the relative fault of Portland on the one hand and of Purchaser on the other hand in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Portland on the one hand and of Purchaser on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Portland’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if Portland had sole liability in the proceeding.

With respect to a Third Party Claim for which Purchaser is jointly liable with Portland (or would be if joined in the Third Party Claim), Purchaser shall

contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Portland in such proportion as is appropriate to reflect the relative fault of Purchaser on the one hand and of Portland on the other hand in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Purchaser on the one hand and of Portland on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Purchaser's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

- S. Notice. Any notice required to be provided under this Agreement shall be provided to the persons and at the addresses indicated below. Notices shall be made by personal service, in which case they are effective on the date of service, or by certified mail, in which case they are effective on the date of delivery, or if delivery is refused, upon the date of delivery refusal. Either Party may alter the person designated for receipt of notices under this Agreement by written notice to the other Party.

For Portland:

Name: Gabriel Solmer

Title: Water Bureau Administrator

Address: 1120 SW 5<sup>th</sup>, 5<sup>th</sup> floor, Portland, OR 97204

For Purchaser:

Name:

Title:

Address:

**[Signatures on Next Page]**

### SIGNATURE PAGE

Purchaser represents that Purchaser has had the opportunity to consult with Purchaser's own independently selected attorney in the review of this Agreement. Neither Party has relied upon any representations or statements made by the other Party that are not specifically set forth in this Agreement.

The Parties agree that the Parties may execute this Agreement and any amendments to this Agreement, by electronic means, including the use of electronic signatures.

#### PURCHASER SIGNATURE

\_\_\_\_\_ Date\_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Agreement Number: \_\_\_\_\_

**[Portland signatures on next page]**

CITY OF PORTLAND SIGNATURES

By: \_\_\_\_\_  
Mayor Ted Wheeler

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Commissioner Mingus Mapps

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Office of City Auditor

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
Office of City Attorney

Date: \_\_\_\_\_

## GLOSSARY

<u>Term</u>	<u>Definition</u>
3-Day Peaking Factor	Purchaser's average Actual 3-Day Peaking Factor from the previous five years.
Actual 3-Day Peaking Factor	The ratio of the average of Purchaser's actual highest three consecutive days of purchases (based on Portland data) to its Actual Average Daily Demand for the year.
Actual Average Daily Demand	Purchaser's actual total water deliveries for a single Agreement Year divided by number of days in the year (365 in a non-leap year or 366 days in a leap year).
Actual Seasonal Peaking Factor	The ratio of the Purchaser's actual daily demand during the peak season to its Actual Average Daily Demand.
Administrator	The Portland official appointed to administer and direct the Portland Water Bureau.
Agreement	This wholesale water purchase agreement between Portland and Purchaser.
Agreement Term	The term of this Agreement, which begins July 1, 2026 (or a later date if signed after July 1, 2026) and ends June 30, 2056, plus any extensions under this Agreement
Agreement Year	A one-year period during the Agreement Term beginning on July 1 of a given year and ending on June 30 of the following year.
Annual Revenue Requirement	The total annual operation and maintenance expense and capital related costs incurred in meeting various aspects of providing water utility service.
Annualized Reserved Backup Capacity	The contractually obligated capacity for Backup Services times the number of days Portland is obligated to provide the Backup Services in a year, divided by 365 days.
Average Daily Demand	Purchaser's average Actual Average Daily Demand for the previous five years

<b><u>Term</u></b>	<b><u>Definition</u></b>
Backup Services	An optional service for Portland to provide backup capacity and water supplies under a separate agreement.
Base Extra-Capacity (method)	A cost allocation methodology as described by the American Water Works Association's M1 Manual.
Capital Costs	The sum of the Return on Rate Base and Depreciation Expenses for an Agreement Year.
Cost Pools	Grouping of assets. General listing of the asset groups are in Exhibit 3.
Depreciation Expense	The annual depreciation expense reported for the previous 12 months for the assets included in the Rate Base.
General Purchase Quantity	The actual amount of water delivered by Portland to Purchaser in a single Agreement Year after adjusting for exclusions as defined in Section 5.B of the Agreement.
Independent Supplies	Sources through which Purchaser acquires water other than Portland. Does not include aquifer storage and recovery systems or similar storage systems.
Interruptible Water	A service offered in the previous Regional Water Sales Agreement that had allowed wholesale customers to buy water from Portland on the condition that such service could be shut off at any time at Portland's sole determination. Interruptible Water is not an offered service within this Agreement.
Joint Costs	O&M and Capital Costs incurred by Portland that benefit both its retail system and Wholesale Customers.
Meter Costs	The costs incurred by Portland related to acquiring, replacing, operating, and maintaining water meters at Purchaser's Point of Delivery.
O&M Budget Execution Factor	A percentage determined as the actual O&M expenditures for a fiscal year divided by the total adopted O&M budget for the same fiscal year. The average of said factors for the previous five years for which data is available will be the O&M Budget

<u>Term</u>	<u>Definition</u>
	Execution Factor applied for the purposes of determining rates.
O&M Costs	The operations, maintenance, planning studies and associated overhead expenses of Portland's water supply system as adopted in Portland's annual budget process for the fiscal year for which the rate will be in effect, multiplied by the O&M Budget Execution Factor, and excluding that portion identified as Retail-only Costs and costs recovered through the fixed monthly charges.
Operations Group	A Division of the Portland Water Bureau responsible for the operation and maintenance of water storage and supply, treatment and transmission from the Watershed and the CSS Well Field and Powell Valley Well Field.
Parties	Portland and Purchaser (individually each a Party)
Peak 3-Day Demand	Purchaser's highest level of water purchases over three consecutive days during a single Agreement Year.
Peak Season	Water deliveries between July 1 and September 30 for a single Agreement Year.
Point of Delivery	The connection or connections between Portland and Purchaser whereby Portland delivers water under this Agreement, as specified in Exhibit 1.
Portland	The City of Portland acting by and through its Portland Water Bureau.
Portland Model	A Microsoft Excel workbook used by Portland to calculate rates and charges for the purposes of administering this Agreement.
Portland Retail Customers	Customers who receive their water service from Portland subject to the ordinances of the City of Portland and are not Wholesale Customers.
Purchase Quantity	Purchaser's average of the water delivered and metered at Purchaser's Point of Delivery from Portland from the previous five (5) years.

<u>Term</u>	<u>Definition</u>
Purchaser	The entity purchasing wholesale water supply from Portland and defined in the introduction to this Agreement as a Party to this Agreement.
Purchaser's Retail Customers	Individual customers served by Purchaser for end-use consumption and not for resale.
Rate Base	The sum of Portland's net book value of the assets used to provide wholesale services including any regulatory assets, an allowance for working capital, the construction work in progress, less any contributed capital.
Rate of Return	A percentage reflecting Portland's weighted average cost of capital, equal to Portland's True Interest Cost of all outstanding debt multiplied by the equity premium of 1.35.
Retail-Only Costs	O&M and Capital Costs incurred by Portland related only to water sales to Portland Retail Customers and excluded from the determination of rates and charges under this Agreement.
Regional Water Sales Agreement	Predecessor agreement to this Agreement through which wholesale customers purchased water from Portland.
Seasonal Peaking Factor	Purchaser's average Actual Seasonal Peaking Factor from the previous five years.
Stranded Cost Fees	Required payments to Portland in the event of Purchaser's early termination of the Agreement under certain circumstances, or certain reductions in Purchase Quantity.
Surplus Capacity	Portion of the system capacity left unused after June 30, 2026 when City of Gresham, Rockwood PUD, and Tualatin Valley Water District are expected to terminate their firm supply purchase from Portland. Surplus Capacity is the sum of water purchased by Gresham, Rockwood PUD, and Tualatin Valley Water District during the one-year period prior to June 30, 2026. This Agreement includes a one-time adjustment assigning Portland the Surplus Capacity. This is for the purpose of rate making where



<u>Term</u>	<u>Definition</u>
	Portland is assigned the costs that are allocated to Surplus Capacity.
Terminating Parties	The City of Gresham, Rockwood PUD, and the Tualatin Valley Water District. Each has given notification that they will terminate their water purchases from Portland as of June 30, 2026.
True Interest Cost	All-In True Interest Cost (TIC) is the percentage discount rate that, when applied to scheduled debt service, results in the borrowing's bond proceeds (net of underwriters' discount and other issuance costs).
Washington County Supply Line (WCSL)	Pipeline sized 48" to 66" from Powell Butte Reservoir to 67 <sup>th</sup> Avenue / Holgate intersection, and 60" pipeline from 67 <sup>th</sup> Avenue to Washington County Line near intersection of Beaverton Hillsdale Highway / Oleson Road.
Water Management and Conservation Plan	Purchaser's plan as required and outlined in OAR 690-086-0150.
Wheeling	The transportation of water through Purchaser's water system to Portland's Retail Customers or any other entity other than Purchaser's Retail Customers.
Wholesale Customers	Purchaser and all others who are parties to agreements for purposes substantially similar to this Agreement.
Wholesale-Only Costs	O&M and Capital Costs incurred by Portland for the benefit of only Wholesale Customers. These costs are included in the determination of rates and charges under this Agreement.

## KEY DATES

<b>Requirement</b>	<b>Section / Reference</b>	<b>Date</b>
Notification of renewal	3.D	No less than five years prior to expiration of the Agreement
Independent Supplies Notice	5.C.1.a	Five years or as soon as practicable before implementing any Independent Supplies.
Peak Season	5.B2	Peak Season is from July 1 to September 30
Purchase Increase	5.D	Immediately, when Purchaser expects to increase its Purchase Quantity by 20% or more in any year.
Portland Confirmation of Increased Purchase Quantity	5.D	Within 90 days of receipt of Purchaser's notification of Purchase Increase.
Projected Water Usage	7.A.1	Every July 1 commencing on the fifth year after the execution of this Agreement and every fifth July 1 thereafter until termination.
Portland Demand Forecast	7.A.3	Every May 1. Portland provides the WWMG with a summary of projected water demand for the region.
Notice of Dispute	14.A	Immediately upon identification of a contractual dispute.
Commencement of Mediation	14.C.1	Within 45 days after receipt of the Notice of Dispute.
Commencement of Arbitration	14.D	Within 15 days after the end of Mediation.

**EXAMPLE PURCHASE QUANTITIES AND PEAK DEMAND**  
(To be update annually for rate setting)

AVERAGE DAILY DEMAND (MGD)

Customer Class	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5 yr avg
Service Area 1 Water Cos.	0.03	0.03	0.03	0.03	0.04	0.03
City of Gresham	5.86	5.93	5.56	5.91	5.53	5.76
Lusted Water District	0.15	0.15	0.13	0.15	0.16	0.15
Pleasant Home Water District	0.16	0.16	0.13	0.16	0.15	0.15
Rockwood Water PUD	6.18	5.99	6.05	6.42	6.49	6.22
Palatine Hill Water District	0.37	0.39	0.34	0.39	0.33	0.37
Burlington Water District	0.04	0.03	0.03	0.03	0.03	0.03
Lake Grove Water District	0.34	0.30	0.29	0.31	0.32	0.31
Valley View	0.14	0.17	0.17	0.17	0.13	0.16
West Slope Water District	1.20	1.23	1.11	1.27	1.16	1.19
TVWD	16.58	16.18	16.14	16.28	15.75	16.19
Raleigh Water District	0.55	0.53	0.47	0.55	0.49	0.52
City of Tualatin	4.38	4.63	4.18	4.61	4.25	4.41
City of Sandy	0.46	0.47	0.50	0.51	0.51	0.49
<b>Total</b>	<b>36.43</b>	<b>36.20</b>	<b>35.14</b>	<b>36.80</b>	<b>35.34</b>	<b>35.98</b>

PEAK SEASON DEMAND (MGD)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5 yr avg
Service Area 1 Water Cos. (1)	0.05	0.05	0.03	0.04	0.06	0.05
City of Gresham	6.75	6.76	6.40	6.72	6.67	6.66
Lusted Water District	0.24	0.24	0.18	0.24	0.25	0.23
Pleasant Home Water District	0.29	0.25	0.19	0.26	0.28	0.25
Rockwood Water PUD	6.83	6.75	6.50	6.77	6.84	6.74
Palatine Hill Water District	0.79	0.80	0.65	0.75	0.79	0.76
Burlington Water District	0.04	0.04	0.04	0.04	0.03	0.04
Lake Grove Water District	0.32	0.32	0.32	0.32	0.32	0.32
Valley View	0.28	0.28	0.26	0.30	0.30	0.28
West Slope Water District	1.77	1.87	1.68	1.82	1.94	1.82
TVWD	19.16	19.16	19.12	19.15	19.32	19.18
Raleigh Water District	0.92	0.84	0.74	0.82	0.87	0.84
City of Tualatin	5.81	6.07	5.55	5.82	6.48	5.95
City of Sandy	0.48	0.50	0.51	0.53	0.55	0.52
<b>Total</b>	<b>43.74</b>	<b>43.93</b>	<b>42.18</b>	<b>43.58</b>	<b>44.70</b>	<b>43.63</b>

## PEAK 3-DAY DEMAND (MGD)

Customer Class	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5 yr avg
Service Area 1 Water Cos. (1)	0.08	0.09	0.08	0.08	0.08	0.08
City of Gresham	8.09	6.99	6.97	8.14	6.98	7.43
Lusted Water District	0.39	0.39	0.36	0.37	0.35	0.37
Pleasant Home Water District	0.41	0.37	0.32	0.41	0.39	0.38
Rockwood Water PUD	7.49	7.17	7.01	7.24	6.96	7.17
Palatine Hill Water District	1.12	1.03	0.94	1.07	1.00	1.03
Burlington Water District	0.11	0.07	0.07	0.08	0.08	0.08
Lake Grove Water District	0.45	0.35	0.39	0.61	0.50	0.46
Valley View	0.41	0.36	0.40	0.41	0.40	0.40
West Slope Water District	2.29	2.41	2.21	2.35	2.35	2.32
TVWD	24.64	24.20	21.68	24.01	26.73	24.25
Raleigh Water District	1.46	1.13	0.95	1.17	1.10	1.16
City of Tualatin	7.04	7.54	7.53	8.21	7.94	7.65
City of Sandy	0.51	0.52	0.77	0.89	0.60	0.66
<b>Total</b>	<b>54.49</b>	<b>52.61</b>	<b>49.67</b>	<b>55.03</b>	<b>55.46</b>	<b>53.45</b>

(2) weighted average from Lusted & Pleasant Home

**EXHIBIT 1**  
**POINT OF DELIVERY LOCATIONS**

<b>Description Meter Location</b>	<b>Office Address</b>	<b>meter #</b>	<b>size</b>
Hudson Intertie	39250 Pioneer Blvd, Sandy OR 97055	F50DC316000	16

Note: Locations may be updated as point of delivery changes.

## EXHIBIT 2

### STRANDED COST FEES

Stranded Cost Fees consist of the capital portion of the wholesale rate multiplied by Purchaser's eliminated demand at the time this Agreement is terminated by Purchaser or reduction in demand in the Agreement Year in which the reduction takes place.

The formula for determining the Stranded Cost Fee is as follows:

$$\text{Fee} = C \times D \times P \times N / (1 + \text{RoR})^N$$

Where:

C = Capital portion of the wholesale rate applicable in the year preceding the notification expressed in \$/gallon.

D = The Purchaser's Purchase Quantity expressed in gallons.

P = The percentage of Purchaser's demand (D) to be reduced either from termination of the Agreement or by reduction due to changing supply sources. For terminations, P=100%. For reductions, P < 100% determined as the percentage reduction in annual water deliveries due to increased usage of Independent Supplies as specified in the Purchaser's Independent Supplies Notice (per Section 5C).

N = The number of remaining years in the term of the Agreement.

RoR = The Rate of Return pursuant to Section 6 of the Agreement.

Example:

Proposal  
No. 7

$$C \times D \times P \times N / (1 + \text{RoR})^N$$

Customer seeks to reduce demand on Portland by 50% with 15 years remaining on the wholesale agreement. Current demand on Portland's system is 250,000 CCF/Year. The capital portion of the wholesale rate is \$0.52 for demonstration purposes. The rate of return is 3.84% for demonstration purposes.

#### Exhibit 7B: Example Application

$$\frac{\$0.52 \times 250,000 \times 50\% \times 15}{(1 + .0384)^{15}}$$

**\$975,000**

**1.76**

$$= \underline{\underline{\$553,977}}$$

**EXHIBIT 3**  
**GENERAL LIST OF ASSETS IN COST POOLS**

Cost Pool	Facilities
Raw assets	Bull Run facilities Headworks Conduits
Joint assets	Filtration Treatment
	Well Field Groundwater Collection System Groundwater Pump Station 162nd Ave GW Transmission Piping & Vaults to/from Powell Butte
	Powell Butte Reservoir 1 Powell Butte Reservoir 2
West assets	Arlington Heights System
	Taylor's Ferry & Capitol Highway Pump Stations Arnold & Alto Park Systems
	Sellwood River Crossing Hannah Mason & Carolina Pump Stations / Burlingame 643 System
	Hoyt Park & Burnside Pump Stations / Calvary System
	Portland Heights Pump Stations / Council Crest System
	SE Supply Line from Conduit 3 to Fulton/Hannah Mason & Carolina Pump Stations Kelly Butte 427 Reservoir 162nd Avenue to Kelly Butte & Mt. Tabor Transmission System Conduits 2, 3, and 4 VAG Valves Division Street Piping (except 42nd & Division) 67th & Holgate connection to Kelly 427
	Portland Heights System
	Sam Jackson Pump Station
	Vermont Hills 585 & 511 System
	Washington Park 229 Distribution System North of St Johns Crossing to Burlington S of Sellwood Crossing to Palatine
	Transmission System from Kelly 427 to Washington Park & other west-side destinations Ross Island, Marquam, Clay, & St. Johns River Crossings Washington Park Reservoir 3 Sam Jackson Tank West Side Header to Carolina Pump Station 42nd & Division Sleeve Valve
	Washington Park Pump Stations 1, 2, & 3
	Washington County Supply Line: Pipeline sized 48" to 66" from Powell Butte Reservoir to 67th Avenue / Holgate intersection, and 60" pipeline from 67th Avenue to Washington County Line near intersection of Beaverton Hillsdale Highway / Oleson Road
	East assets

List may be updated as assets are added/changed.

**City of Sandy**

# Portland Wholesale Water Agreement

Jenny Coker and Jeff Fuchs

April 15, 2024





# Purpose

1

Overview of future water agreement with Portland

2

Features of new agreement

3

Recommendation

# Overview of Current Agreement

- Currently 19 wholesale customers (three with new water sources are leaving)
- Expires for Sandy in Sept 30, 2027\*
- Expires for most others in June 2026
- 2020 - larger wholesale customers began working with Portland to revise the agreement (Tualatin, TVWD, Gresham, Rockwood, West Slope)
  - \*Bilateral compliance date for treatment of cryptosporidium supersedes contract end date of May 2028





# Overview of Current Agreement

Current Agreement had terms and conditions that most wholesale customers and Portland wanted to change

- Guaranteed minimum purchase
- Complicated terms and conditions
- Interruptible water
- Penalties for exceeding peak season and peak 3-day demands

# New Wholesale Water Agreement Process

1. Establish “Guiding Principles”
2. Evaluate current agreement re: Guiding Principles
3. Develop rate model to address concerns
4. Develop terms and conditions for new Agreement
5. Final Negotiations and Legal Review
6. Adoption ← **we are here**



# Guiding Principles

- Simple
- Predictable
- Sustainable
- Avoids Gaming
- Fair
- Promotes Mutual Trust
- Not Predetermined
- Flexible
- Aligns Risks
- Cost-of-Service Based
- Promotes Reliability
- Promotes Sustainable Natural Resources



# Current Agreement vs New Agreement

Current Agreement	New Agreement
Guaranteed Minimum Purchase	Pay for what you use
19 cost pools to cover O&M cost	Four cost pools – East and West – smoother rate changes
Rate per CCF = \$1.38 (2027)	Rate per CCF = \$1.12 (2027)
Agreement seemed to favor Portland	Treats Portland as an equal in the agreement
Complicated to administer on all sides	Simpler terms
Challenging to predict seasonal water demands	Easier approach for determining rates
Groundwater was not available to Sandy	Able to access groundwater during emergencies
Shorter duration felt less stable	Longer duration and more predictable





# Staff Recommends new Agreement

## Benefits to Sandy

- Savings of 23% to sign on early FY27
- No minimum purchase
- Cost Pool Consolidation –pay for what we use
- Fair
- Access to groundwater
- Better terms and conditions for dispute resolution





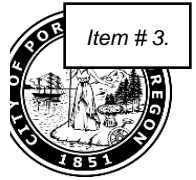






Mingus Mapps, Commissioner  
Gabriel Solmer, Administrator

1120 SW 5<sup>th</sup> Avenue, Room 405  
Portland, Oregon 97204-1926  
Information: 503-823-7404  
www.portlandoregon.gov/water



Date: March 13, 2024  
To: Water Managers Advisory Board  
From: Mary Leung  
Subject: FY 2024-25 Rate and Budget Information

City has changed it’s timing of the annual utility rate hearing this year. Wholesale rates for FY 2024-25 have been approved by Portland City Council.

The average wholesale rates for FY 2024-25 are increasing 5.0% overall compared to FY 2023-24 rates. Refer to Table A for individual customer rate changes that range from 0.7% to 8.1%. FY 2024-25 wholesale rate revenue from guarantee purchases is forecast at \$26.2 million, or an increase of \$1.26 million. Refer to Table B for the preliminary five-year wholesale rate by customer.

Seven table handouts are attached to provide detailed preliminary information.

Table	Description	Level of Detail
A	Preliminary Rate and Total Guarantee Purchases	FY 2024-25 wholesale rates and guarantee water purchases by customer compared to ordinance rates and dollars charged during FY 2023-24 and overall average unit cost for wholesalers
B	Five-year Preliminary Rates	Preliminary five-year wholesale rates by customer. FY 2026-27 forecast rates are calculated using the new terms of the Regional Water Sales Agreement.
C	O&M allocated costs	O&M costs allocated to customers in FY 2024-25 compared to FY 2023-24
D	Preliminary Rate Components	Preliminary FY 2024-25 rate components compared to FY 2023-24
E	Demand usage (Table 14)	Percentage of customers’ demand through cost pools based on 2023 flow data compared to 2022
F	Demand and Peaking Factors	Purchasers Demand in MGD, Peak Seasonal, and Daily factors

The Portland Water Bureau submitted the Requested Budget to City Budget Office on February 16, 2024 and the Five-Year Preliminary Plan was submitted to City budget Office on March 1, 2024. The FY 2024-25 Portland Water Bureau Requested Budget and Five-Year Preliminary Financial Plan is available on-line at [Requested Budget - Portland Water Bureau](#).

To help ensure equal access to City programs, services, and activities, the City of Portland will provide translation, reasonably modify policies/procedures and provide auxiliary aids/services/alternative formats to persons with disabilities. For accommodations, translations and interpretations, complaints, and additional information, contact 503-823-1058, use City TTY 503-823-6868, use Oregon Relay Service: 711, or visit the City’s Civil Rights Title VI & ADA Title II web site.

Subject: FY 2024-25 Rate and Budget Information, March 13, 2024

Page: 2

### **Operating & Maintenance (O&M) costs:**

- Refer to Table C for a summary of the O&M costs in the rates for FY 2024-25 compared to FY 2023-24. Total O&M costs is about 3.9% of the increase to the average wholesale rates.
- Annual O&M costs is limited to inflation plus 2.00%. The inflation rate was 4.29%. FY 2024-25 O&M budget exceeded the O&M cost cap by \$0.8 million.
- Electricity allocation was based on calendar year 2023 costs.
- The requested budget includes a 3.3% COLA increase and step increases for all employees for FY 2024-25.

### **Capital Costs:**

- Refer to Table D for capital costs in the rate for FY 2024-25 compared to FY 2023-24. Total Capital costs increased the average wholesale rates by 0.2%. Included is the update of rate of return from 2.42% to 3.93% to the asset base.
- In FY 2022-23 there were \$48.9 million worth of assets added to rate base of which \$19.8 million is related in serving the wholesale customer. Assets added included \$6.1 million for the completion of the Powell Butte Roof Membrane & Drainage System, \$5.0 million for roads improvements in the Bull Run watershed area and \$3.4 million on groundwater main connections.

### **Demand and peaking factors:**

- Portland retail demand changed from 23.55 to 23.50 million ccf or decreased 0.25% for FY 2024-25.
- The updated percentages of wholesale customers demand through cost pools using data from calendar year 2023 is shown in Table E, increased the average wholesale rates change by 0.6%. The percentage of wholesale customers' demand through cost pools are updated annually as recommended by the 2015 cost allocation audit.
- Wholesale customers' peaking factors are shown in Table F.
- Peaking factor updates resulted in average wholesale rates decrease of -0.10%. The impact to individual wholesale customers varied depending on the peaking factors elections.
- All wholesale customers were within 20% of their FY 2022-23 daily peaking factor election. All wholesale customers were within 10% of their FY 2023-24 peak season factor election. No surcharges were included in the FY 2024-25 rates.

Subject: FY 2024-25 Rate and Budget Information, March 13, 2024  
Page: 3

**Adjustments to wholesale revenue:**

FY 2024-25 rates includes adjustments for studies and wholesale meters

- As requested by wholesale customers, starting in FY 2020-21 studies costs was added in the 5-year forecast for planning purposes. The bureau completed \$1.4 million of the forecasted \$3.4 million budget in studies. Of that, \$0.9 million was shared with wholesale customers decreasing the average wholesale rates by 0.4%. Studies for FY 2022-23 included planning for the Vernon Tank Condition Assessment, Conduit Seismic Hazard Analysis, River Crossing Seismic Valves Study and Headwords Fiber Optics.
- The Portland Water Bureau owns all wholesale meters and the replacement costs are allocated to wholesale customers.

If you have any question regarding the information, please feel free to call or email at 503-823-7551, [mary.leung@portlandoregon.gov](mailto:mary.leung@portlandoregon.gov).

**Portland Water Bureau  
Water Managers Advisory Board  
March 13, 2024**

**TABLE A**

Customer Name	FY 2023-24	FY 2024-25	Rate Change (per ccf)	Rate Change
	effective 07/01/23 Ordinance Rate (per ccf)	effective 07/01/24 <b>Ordinance Rate</b> (per ccf)		
Service Area 1 Water Cos.	\$1.465	\$1.539	\$0.074	5.1%
City of Gresham	\$0.981	\$1.060	\$0.079	8.1%
Lusted Water District	\$1.457	\$1.523	\$0.066	4.5%
Pleasant Home Water District	\$1.534	\$1.621	\$0.087	5.7%
Rockwood Water PUD	\$0.986	\$1.030	\$0.044	4.5%
Palatine Hill Water District	\$2.263	\$2.286	\$0.023	1.0%
Burlington Water District	\$1.287	\$1.296	\$0.009	0.7%
Lake Grove Water District	\$2.806	\$2.940	\$0.134	4.8%
Valley View	\$2.367	\$2.390	\$0.023	1.0%
West Slope Water District	\$1.892	\$1.964	\$0.072	3.8%
Tualatin Valley Water District	\$1.691	\$1.760	\$0.069	4.1%
Raleigh Water District	\$1.390	\$1.431	\$0.041	2.9%
City of Tualatin	\$1.544	\$1.659	\$0.115	7.4%
City of Sandy	\$0.907	\$0.942	\$0.035	3.9%
Wholesale average unit cost	\$1.387	\$1.456		5.0%

Customer Name	FY 2023-24	FY 2024-25	Difference
	effective 07/01/23 Ordinance Volume Costs by customer	effective 07/01/24 <b>Ordinance Volume</b> Costs by customer	
Service Area 1 Water Cos.	\$50,186	\$52,554	\$2,368
City of Gresham	\$3,600,004	\$3,877,500	\$277,496
Lusted Water District	\$128,306	\$133,660	\$5,354
Pleasant Home Water District	\$150,160	\$158,082	\$7,922
Rockwood Water PUD	\$3,763,099	\$3,917,510	\$154,411
Palatine Hill Water District	\$476,160	\$479,394	\$3,234
Burlington Water District	\$34,642	\$34,759	\$117
Lake Grove Water District	\$411,832	\$430,235	\$18,403
Valley View	\$187,623	\$188,859	\$1,236
West Slope Water District	\$1,295,822	\$1,340,986	\$45,164
Tualatin Valley Water District	\$10,889,354	\$11,294,235	\$404,881
Raleigh Water District	\$475,932	\$488,678	\$12,746
City of Tualatin	\$3,323,415	\$3,559,328	\$235,913
City of Sandy	\$221,948	\$229,763	\$7,815
<b>Wholesale only</b>	<b>\$25,008,483</b>	<b>\$26,185,543</b>	<b>\$1,177,060</b>

**Portland Water Bureau  
Water Managers Advisory Board  
March 13, 2024**

**TABLE B**

**Five Year Rate Forecast (per ccf)**

<b>Customer Name</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27*</b>	<b>FY 2027-28 *</b>	<b>FY 2028-29 *</b>
Service Area 1 Water Cos.	\$1.539	\$1.574	\$2.356	\$2.997	\$3.550
City of Gresham	\$1.060	\$1.091	n/a	n/a	n/a
Lusted Water District	\$1.523	\$1.556	\$2.457	\$3.110	\$3.672
Pleasant Home Water District	\$1.621	\$1.650	\$2.735	\$3.534	\$4.225
Rockwood Water PUD	\$1.030	\$1.060	n/a	n/a	n/a
Palatine Hill Water District	\$2.286	\$2.337	\$3.433	\$4.204	\$4.845
Burlington Water District	\$1.296	\$1.318	\$2.875	\$3.535	\$4.086
Lake Grove Water District	\$2.940	\$3.028	\$2.384	\$2.911	\$3.356
Valley View	\$2.390	\$2.442	\$3.136	\$3.833	\$4.411
West Slope Water District	\$1.964	\$1.995	\$2.668	\$3.230	\$3.696
Tualatin Valley Water District	\$1.760	\$1.788	n/a	n/a	n/a
Raleigh Water District	\$1.431	\$1.460	\$2.817	\$3.423	\$3.926
City of Tualatin	\$1.659	\$1.686	\$2.772	\$3.401	\$3.932
City of Sandy	\$0.942	\$0.965	\$1.121	\$2.199	\$2.546

\* Rates are calculated based on the new water sales agreement

Portland Water Bureau  
 Water Managers Advisory Board  
 March 13, 2024

TABLE B

Five Year Rate Forecast (per ccf)

Customer Name	FY 2024-25	FY 2025-26	FY 2026-27*	FY 2027-28 *	FY 2028-29 *	FY 2029-30 *	FY 2030-31 *	FY 2031-32 *	FY 2032-33 *	FY 2033-34 *
Service Area 1 Water Cos.	\$1.539	\$1.574	\$2.356	\$2.997	\$3.550	\$6.379	\$6.571	\$6.674	\$6.775	\$6.897
City of Gresham	\$1.060	\$1.091	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lusted Water District	\$1.523	\$1.556	\$2.457	\$3.110	\$3.672	\$6.549	\$6.745	\$6.853	\$6.958	\$7.086
Pleasant Home Water District	\$1.621	\$1.650	\$2.735	\$3.534	\$4.225	\$7.133	\$7.336	\$7.433	\$7.528	\$7.644
Rockwood Water PUD	\$1.030	\$1.060	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Palatine Hill Water District	\$2.286	\$2.337	\$3.433	\$4.204	\$4.845	\$8.075	\$8.354	\$8.576	\$8.715	\$8.881
Burlington Water District	\$1.296	\$1.318	\$2.875	\$3.535	\$4.086	\$6.840	\$7.079	\$7.270	\$7.388	\$7.530
Lake Grove Water District	\$2.940	\$3.028	\$2.384	\$2.911	\$3.356	\$5.198	\$5.379	\$5.519	\$5.609	\$5.722
Valley View	\$2.390	\$2.442	\$3.136	\$3.833	\$4.411	\$7.322	\$7.577	\$7.782	\$7.910	\$8.065
West Slope Water District	\$1.964	\$1.995	\$2.668	\$3.230	\$3.696	\$6.032	\$6.243	\$6.419	\$6.533	\$6.672
Tualatin Valley Water District	\$1.760	\$1.788	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Raleigh Water District	\$1.431	\$1.460	\$2.817	\$3.423	\$3.926	\$6.447	\$6.672	\$6.858	\$6.976	\$7.120
City of Tualatin	\$1.659	\$1.686	\$2.772	\$3.401	\$3.932	\$6.142	\$6.354	\$6.512	\$6.613	\$6.738
City of Sandy	\$0.942	\$0.965	\$1.121	\$2.199	\$2.546	\$4.291	\$4.425	\$4.516	\$4.599	\$4.706

\* Rates are calculated based on the new water sales agreement

**Portland Water Bureau  
Water Managers Advisory Board  
March 13, 2024**

**Table C**

	<b>O&amp;M Costs Allocated to Customers</b>	
	<b>Ordinance FY 2023-24</b>	<b>Ordinance FY 2024-25</b>
Total O&M budget	\$ 143,539,307	\$ 147,262,016
<b>Total O&amp;M costs in Wholesale Rates</b>	<b>\$ 15,785,067</b>	<b>\$ 16,767,086</b>

	<b>Ordinance FY 2023-24</b>	<b>Ordinance FY 2024-25</b>
Water Bureau O&M Budget	\$143,539,307	\$147,262,016
Total Portland Retail Only O&M costs	\$65,974,135	\$64,808,612
Additional costs assigned to retail to avoid exceeding the cap	0	834,037
O&M costs shared by all customers	\$77,565,172	\$82,453,404
Shared O&M costs excluded from Cap limitation	(12,961,115)	(13,785,752)
<b>NET shared O&amp;M costs</b>	<b>\$64,604,057</b>	<b>\$68,667,652</b>

**Calculation to set the O&M cost cap based on the Water Sales Agreement**

FY 2023-24 shared O&M costs with cap limitation	\$64,604,057
Allowable increase CPI-U plus 2%	6.29%
FY 2024-25 wholesale shared O&M costs with cap limitation	\$68,667,652
Wholesale allocable costs exceeding the cap	834,037

Portland Water Bureau  
Water Managers Advisory Board  
March 13, 2024

TABLE D

## FY 2024-25 - Ordinance

## Rate Components

Customer Class	Return on Rate Base	Rate Base Depreciation Expense	OM Allocation	Return On Working Capital	System Rev Offset	Studies / Wholesale Meter	surcharge Misc	Total
Service Area 1 Water Cos.	\$7,948	\$8,832	\$34,861	\$69	(\$42)	\$887	\$0	\$52,555
City of Gresham	\$528,985	\$578,924	\$2,709,939	\$4,560	(\$4,549)	\$59,642	\$0	\$3,877,501
Lusted Water District	\$20,187	\$22,443	\$88,666	\$174	(\$108)	\$2,298	\$0	\$133,660
Pleasant Home Water District	\$29,134	\$25,531	\$100,687	\$318	(\$120)	\$2,532	\$0	\$158,082
Rockwood Water PUD	\$558,057	\$590,867	\$2,708,213	\$4,811	(\$4,981)	\$60,542	\$0	\$3,917,509
Palatine Hill Water District	\$104,998	\$88,827	\$278,602	\$905	(\$387)	\$6,449	\$0	\$479,394
Burlington Water District	\$7,736	\$6,561	\$19,867	\$67	(\$48)	\$577	\$0	\$34,760
Lake Grove Water District	\$122,265	\$77,331	\$225,757	\$1,336	(\$540)	\$4,086	\$0	\$430,235
Valley View	\$39,573	\$34,035	\$112,520	\$341	(\$157)	\$2,547	\$0	\$188,859
West Slope Water District	\$281,761	\$237,387	\$803,263	\$2,429	(\$1,375)	\$17,520	\$0	\$1,340,985
Tualatin Valley Water District	\$2,318,172	\$1,811,620	\$6,983,797	\$25,329	(\$8,951)	\$164,268	\$0	\$11,294,235
Raleigh Water District	\$80,941	\$80,562	\$318,825	\$698	(\$475)	\$8,127	\$0	\$488,678
City of Tualatin	\$718,675	\$562,379	\$2,220,083	\$7,852	(\$2,984)	\$53,322	\$0	\$3,559,327
City of Sandy	\$32,437	\$30,758	\$162,006	\$280	(\$177)	\$4,459	\$0	\$229,763
<b>Total</b>	<b>\$4,850,869</b>	<b>\$4,156,057</b>	<b>\$16,767,086</b>	<b>\$49,169</b>	<b>(\$24,894)</b>	<b>\$387,256</b>	<b>\$0</b>	<b>\$26,185,543</b>

## FY 2023-24 - Ordinance

## Rate Components

Customer Class	Return on Rate Base	Rate Base Depreciation Expense	OM Allocation	Return On Working Capital	System Rev Offset	Studies / Wholesale Meter	surcharge Misc	Total
Service Area 1 Water Cos.	\$7,977	\$8,622	\$32,857	\$66	(\$39)	\$703	\$0	\$50,186
City of Gresham	\$518,524	\$560,984	\$2,468,183	\$4,318	(\$4,282)	\$52,277	\$0	\$3,600,004
Lusted Water District	\$20,449	\$22,119	\$83,860	\$170	(\$101)	\$1,810	\$0	\$128,307
Pleasant Home Water District	\$28,681	\$24,691	\$94,577	\$300	(\$112)	\$2,025	\$0	\$150,162
Rockwood Water PUD	\$565,433	\$587,938	\$2,556,054	\$4,709	(\$4,696)	\$53,661	\$0	\$3,763,099
Palatine Hill Water District	\$112,385	\$90,467	\$267,513	\$936	(\$373)	\$5,232	\$0	\$476,160
Burlington Water District	\$8,412	\$6,734	\$18,956	\$70	(\$47)	\$517	\$0	\$34,642
Lake Grove Water District	\$121,605	\$75,530	\$211,169	\$1,270	(\$509)	\$2,766	\$0	\$411,831
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Valley View	\$41,925	\$34,261	\$109,066	\$349	(\$152)	\$2,174	\$0	\$187,623
West Slope Water District	\$281,793	\$228,412	\$769,163	\$2,347	(\$1,287)	\$15,395	\$0	\$1,295,823
Tualatin Valley Water District	\$2,339,410	\$1,787,476	\$6,612,673	\$24,438	(\$8,486)	\$133,840	\$0	\$10,889,351
Raleigh Water District	\$76,869	\$81,415	\$310,905	\$640	(\$410)	\$6,513	\$0	\$475,932
City of Tualatin	\$641,391	\$539,409	\$2,096,243	\$6,700	(\$2,578)	\$42,250	\$0	\$3,323,415
City of Sandy	\$33,089	\$31,293	\$153,847	\$276	(\$171)	\$3,614	\$0	\$221,948
<b>Total</b>	<b>\$4,797,944</b>	<b>\$4,079,351</b>	<b>\$15,785,067</b>	<b>\$46,588</b>	<b>(\$184,587)</b>	<b>\$322,777</b>	<b>\$0</b>	<b>\$25,008,483</b>



Portland Water Bureau  
Water Managers Advisory Board  
March 13, 2024

Table E

City of Portland - Wholesale Rate Model

**Portland Water Bureau** **Portland Wholesale Rate Model**  
Percentage of Customers' Demand Through Cost Pools (Table 14) FY 2024-25 based on 2023 flow data

Line No.	Customer	Arlington Heights	Arnold	Burlingame 643	Vermont	Calvary	Council Crest	GW	Joint	Kelly Butte	Parkrose 261	Portland Heights	Portland Retail	Powell Butte	Sam Jackson PS	Sandy	Washington Park 229	Washington Park 299	Washington Park PS	WCSL	
1	Service Area 1 Water Cos.							100.00%	100.00%					100.00%							
2	City of Gresham							100.00%	100.00%		3.69%			100.00%							
3	Lusted Water District							100.00%	100.00%					100.00%							
4	Pleasant Home Water District							100.00%	100.00%					100.00%							
5	Rockwood Water PUD							100.00%	100.00%	18.09%				100.00%							
6	Palatine Hill Water District			1.92%				100.00%	100.00%	100.00%				100.00%			3.00%	1.92%		1.92%	
7	Burlington Water District							100.00%	100.00%	100.00%				100.00%			4.00%	1.92%			
8	Lake Grove Water District		100.00%	100.00%				100.00%	100.00%	54.55%				100.00%				1.92%			48.42%
10	Valley View	13.90%				13.90%	86.10%	100.00%	100.00%	100.00%		86.10%		100.00%	81.53%			1.92%		18.47%	
11	West Slope Water District	100.00%						100.00%	100.00%	100.00%				100.00%				1.92%		100.00%	
12	Tualatin Valley Water District	1.92%		1.92%		0.01%		100.00%	100.00%	1.92%				100.00%				1.92%	1.92%		93.92%
13	Raleigh Water District			1.92%	1.92%			100.00%	100.00%	1.92%				100.00%				1.92%			100.00%
14	City of Tualatin			1.92%				100.00%	100.00%	1.92%				100.00%				1.92%			100.00%
15	City of Portland	29.00%	29.00%	5.50%	29.00%	29.00%	29.00%	100.00%	100.00%	92.76%	2.93%	29.00%	47.12%	99.91%	29.00%		29.00%	16.92%	29.00%	5.77%	
16	Outside/Sylvan	29.00%	29.00%	5.50%	29.00%	29.00%	29.00%	100.00%	100.00%	92.76%	2.93%	29.00%	47.12%	99.91%	29.00%		29.00%	16.92%	29.00%	5.77%	
17	Pipeline/conduit							100.00%	100.00%					100.00%							
18	City of Sandy								100.00%							100.00%					

**Portland Water Bureau** **Portland Wholesale Rate Model**  
Percentage of Customers' Demand Through Cost Pools (Table 14) FY 2023-24 based on 2022 flow data

Line No.	Customer	Arlington Heights	Arnold	Burlingame 643	Vermont	Calvary	Council Crest	GW	Joint	Kelly Butte	Parkrose 261	Portland Heights	Portland Retail	Powell Butte	Sam Jackson PS	Sandy	Washington Park 229	Washington Park 299	Washington Park PS	WCSL	
1	Service Area 1 Water Cos.							100.00%	100.00%					100.00%							
2	City of Gresham							100.00%	100.00%		3.74%			100.00%							
3	Lusted Water District							100.00%	100.00%					100.00%							
4	Pleasant Home Water District							100.00%	100.00%					100.00%							
5	Rockwood Water PUD							100.00%	100.00%	17.63%				100.00%							
6	Palatine Hill Water District			1.92%				100.00%	100.00%	100.00%				100.00%			3.00%	1.92%		1.92%	
7	Burlington Water District							100.00%	100.00%	100.00%				100.00%			4.00%	1.92%			
8	Lake Grove Water District		100.00%	100.00%				100.00%	100.00%	20.50%				100.00%				1.92%			79.50%
10	Valley View	12.54%				12.54%	87.46%	100.00%	100.00%	100.00%		87.46%		100.00%	82.71%			1.92%		17.29%	
11	West Slope Water District	100.00%						100.00%	100.00%	100.00%				100.00%				1.92%		100.00%	
12	Tualatin Valley Water District	1.92%		1.92%		0.00%		100.00%	100.00%	1.92%				100.00%				1.92%	1.92%		99.53%
13	Raleigh Water District			1.92%	1.92%			100.00%	100.00%	1.92%				100.00%				1.92%			100.00%
14	City of Tualatin			1.92%				100.00%	100.00%	1.92%				100.00%				1.92%			100.00%
15	City of Portland	29.00%	29.00%	5.50%	29.00%	29.00%	29.00%	100.00%	100.00%	92.76%	2.93%	29.00%	47.12%	99.91%	29.00%		29.00%	16.92%	29.00%	5.77%	
16	Outside/Sylvan	29.00%	29.00%	5.50%	29.00%	29.00%	29.00%	100.00%	100.00%	92.76%	2.93%	29.00%	47.12%	99.91%	29.00%		29.00%	16.92%	29.00%	5.77%	
17	Pipeline/conduit							100.00%	100.00%					100.00%							
18	City of Sandy								100.00%							100.00%					

**Difference between FY 2024-25 and FY 2023-24**

Line No.	Customer	Arlington Heights	Arnold	Burlingame 643	Vermont	Calvary	Council Crest	GW	Joint	Kelly Butte	Parkrose 261	Portland Heights	Portland Retail	Powell Butte	Sam Jackson PS	Sandy	Washington Park 229	Washington Park 299	Washington Park PS	WCSL	
1	Service Area 1 Water Cos.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	City of Gresham	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Lusted Water District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Pleasant Home Water District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Rockwood Water PUD	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Palatine Hill Water District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	Burlington Water District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	Lake Grove Water District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	34.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-31.07%
10	Valley View	1.36%	0.00%	0.00%	0.00%	1.36%	-1.36%	0.00%	0.00%	0.00%	0.00%	-1.36%	0.00%	0.00%	-1.17%	0.00%	0.00%	0.00%	1.17%	0.00%	0.00%
11	West Slope Water District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12	Tualatin Valley Water District	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-5.60%
13	Raleigh Water District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	City of Tualatin	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	City of Portland	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	Outside/Sylvan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Pipeline/conduit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	City of Sandy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%


**Portland Water Bureau  
Water Managers Advisory Board  
March 13, 2024**

**Table F**

**City of Portland - Wholesale Rate Model  
Customer Demand and Peaking Factors**

<b>Customer Name</b>	<b>Average-Day Demand (MGD)</b>		<b>Peak Season Factor</b>		<b>Daily Peak Factor</b>	
	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>
Service Area 1 Water Cos. *	0.070	0.070	1.34	1.34	1.84	1.87
City of Gresham	7.500	7.500	0.89	0.94	0.96	0.96
Lusted Water District	0.180	0.180	1.32	1.32	1.85	1.85
Pleasant Home Water District	0.200	0.200	1.36	1.36	1.83	1.89
Rockwood Water PUD	7.800	7.800	0.89	0.88	0.93	0.93
Palatine Hill Water District	0.430	0.430	1.76	1.76	2.40	2.30
Burlington Water District	0.055	0.055	0.71	0.71	1.58	1.51
Lake Grove Water District	0.300	0.300	1.08	1.09	1.38	1.38
Valley View	0.162	0.162	1.75	1.72	2.20	2.15
West Slope Water District	1.400	1.400	1.35	1.35	1.70	1.70
Tualatin Valley Water District	13.160	13.160	1.45	1.45	1.85	1.85
Raleigh Water District	0.700	0.700	1.23	1.19	1.66	1.55
City of Tualatin	4.400	4.400	1.38	1.38	1.69	1.69
City of Sandy	0.500	0.500	1.03	1.03	1.32	1.33
City of Portland						
	<b>36.857</b>	<b>36.857</b>				
TOTAL Wholesale Demand (CCF)	18,034,306	17,985,033				
Retail Demand (including Groundwater) (CCF)	23,555,106	23,496,219				

## Memorandum

**Date:** April 4, 2024  
**Project:** City of Sandy Wholesale Water Purchase Agreement Support  
**To:** Jenny Coker, PE  
City of Sandy  
**From:** Jeffrey D Fuchs   
Digitally signed by Jeffrey D Fuchs  
DN: cn=Jeffrey D Fuchs,  
o=City of Sandy, ou=City of Sandy, email=jdfuchs@cityofsandy.com,  
c=US, email=jdfuchs@cityofsandy.com, serial=10141020001888784820008359,  
dnQualifier=jdfuchs@cityofsandy.com, date=2024.04.04 08:36:25-0700  
**Re:** Wholesale Purchase Agreement Timing Evaluation

---

The City of Sandy asked Consor to review water rates under the existing and new Wholesale Water Purchase Agreement between the City of Portland and the City of Sandy to assist Sandy in deciding whether to enter into the new agreement beginning in FY 2026 (July 1, 2026 through June 30, 2027).

While most other wholesale customers will be required to sign the agreement by June 30, 2026, Sandy has the option to wait until September 30, 2027 to sign the agreement. Sandy's current agreement with Portland expires in May 2028 but Oregon Health Authority will require Sandy and Portland to treat surface water for cryptosporidium by September 30, 2027.

Sandy has the option of entering into the new agreement in FY 2026-27 or waiting a year and signing on for FY 2027-28.

After reviewing the most recent Water Rate Comparison provided by the City of Portland, we recommend that Sandy enter into the new agreement with Portland beginning in FY 2026-27.

Based on the most recent information provided by Portland (and confirmed on 4/4/2024), the water rate for FY 2026-27 with the new agreement will be \$1.12. The rate for the existing agreement will be \$1.38. This represents a 23% savings if Sandy elects to sign the new agreement beginning in FY 2026-27. As Sandy continues to upgrade the Alder Creek Treatment Plant, Sandy may need to purchase more water than normal from Portland while the upgrades are constructed. Additional water purchased during construction would fall under whichever agreement exists between Sandy and Portland at that time. If Sandy elects to move to the new contract in FY 2026-27, the additional water would be 23% less expensive under the new contract.

Entering the new agreement also provides benefits included in the new agreement, such as the elimination of the Guaranteed Minimum Purchase. In the new agreement, Sandy will pay for only the water they use.

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**Meeting Type:** City Council Meeting  
**Meeting Date:** April 15, 2024  
**From:** Andi Howell, Transit Director  
**Subject:** Contract Approval: Transit Technology Implementation Project

---

## DECISION TO BE MADE:

Whether to authorize the City Manager to execute a contract with Access Tech for technological services for the Transit Department.

## BACKGROUND / CONTEXT:

### Background on Technology Implemented by Transit

Capital improvement needs pertaining to on-vehicle equipment and technology were identified in the [Transit Master Plan](#) (pg. 38) adopted by City Council in April 2020. In pursuit of fulfilling the City's goals and in the interest of providing the best customer experience to Sandy residents, Transit has applied many new technology features to our vehicles. SAM vehicles are all equipped with Mobile Data Terminals (MDTs) which allow customers to use an app to find a vehicle's location and be provided "next bus" arrival times based on their location. The app is Passio Go (upgraded from our original Double Map app). These MDTs also provide SAM with data such as arrival and departure time history, passenger loads, vehicle speed history and more. For passengers, these MDTs and their corresponding GPS also provide automated announcements and interior LED signs such as "next stop Langensand" for those who are hearing or sight impaired. The Passio system provides bus schedule information, known as General Transit Feed Specification (GTFS) software, which supports the open release of the data. By providing open release of data, SAM's trip details and real time bus locations can be captured by Google Transit and other trip planning apps for the public. County service vehicles, both MHX and Villages Shuttle, also have the same equipment for streamlined customer service.

The Passio contract also integrated new dispatch software, CTS. This new software has automated mapping features and the ability to track unmet needs, which are rides that could not be accommodated. Additionally, this software has the ability to schedule rides online, make automated phone calls to passengers to remind them of their ride (rather than dispatch personnel doing this every evening), and allow passengers to sign up for notification texts to let them know when the driver is five minutes away and when the driver has arrived. Dispatch software such as this that can "improve dispatching, monitoring and reporting" and "embrace customer-facing technology innovations that improve customer access and confidence and reduce Sandy Transit's per-customer costs" (implementation of dispatch software was suggested in the [Transit Master Plan](#) on page 31).

Additionally, SAM vehicles are equipped with customer available WiFi from Single Point, Hanover Destination Signs, Safety Vision, Apollo and Safety Fleet surveillance cameras, Drive CAM (dashboard cameras that record driver activity monitored by a third party), First Net communications, and MP Web Vehicle Maintenance software.

### Grant Application

In 2019/2020, ODOT partnered with several agencies across the State, including SAM, to conduct a technology assessment. The assessment was prepared by Full Path Transit Technology and Trillium Solutions in October 2020, and concluded "as a small provider and early adopter of technology, Sandy Transit is positioned to lead the way in developing the best methods to maintain systems at the smaller scale. Budgeting, maintenance, and training are areas where many if not most small transit agencies struggle and where no readily replicable solutions have been established in the industry. If Sandy Transit is able to arrive at a solution that may also serve other small agencies in Oregon or elsewhere, we encourage the agency to document the approaches and share it with ODOT and present them at conferences or other knowledge-sharing venues."

Thus, the idea for this project was born and a grant application was submitted to the STIF Discretionary Fund in 2023. Sandy staff applied to the STIF Discretionary Grant Program for a project total of \$450,000 of which \$360,000 is grant funded. The project was very well received by the State and was awarded full funding.

### **KEY CONSIDERATIONS / ANALYSIS:**

#### Project Scope: Transit Technology Implementation Project

This project is designed to assess the technology being used at Sandy Area Metro (SAM); identify areas of redundancies/efficiencies; maximize the value of the technology in use; develop a technology maintenance plan; evaluate, update, and maintain current technology; and procure/implement a mobile payment option. As agencies across the state utilize new grant funding for on board technology and emerging vehicle technology such as electric buses, these maintenance plans can be shared to enhance the technological understanding of other smaller agencies, saving valuable and often unavailable staff time.

The project has four identified tasks:

- **Task 1:** Technology assistance in updating, maintenance and integration of technology used by Recipient and collaborating partners, specifically beginning with working with staff and vendor on current Mobile Data Terminals (MDT) system problems.

Deliverable: Identifying problems and assisting with corrections to current technological equipment, such as the MDTs. Written procedures for ongoing maintenance, updates and shared data as part of the technology plan.

- **Task 2:** Technology needs assessment for Recipient and collaborating partners

Deliverable: Written assessment and plan that outlines description of technology used, recommended training of staff, staff members responsible, future training needs, future technology implementation, written documentation of procedures/best practices.

- **Task 3:** Mobile ticketing/fare payment system procurement and implementation

Deliverables: Work with the City and/or a consultant hired by the City on a Request for Proposal, Selection of Vendor, mobile application technology plan.

- **Task 4:** Analysis of emerging charging management software.

Deliverable: Written list of available charging software and attributes. Tasks 1 – 3 are the most important deliverables. Task 4 will be conducted time permitting in the overall project.

### Vendor Solicitation and Evaluation

In January Sandy Transit staff released a Request for Proposals (attached). Due to the pioneering spirit of this transit technology project, staff did not expect more than one bid. The bid was properly posted in a newspaper, on the Sandy RFP webpage, and three technology companies were contacted regarding the RFP. Two bids were received. The submitted bids were reviewed by a three-person evaluation committee and a clear winner was identified (Access Tech). On March 21, 2024 an Intent to Award was published. On March 25, 2024 staff met with the company that was not selected to explain the highlights from the evaluation committee's notes. No protest to the RFP was submitted.

Members of the RFP evaluation committee included: Andi Howell, City of Sandy (SAM); Kristina Babcock, Clackamas County H3 (MHX, Villages Shuttle); and Dwight Bashear, Wilsonville Transit (SMART).

### **BUDGET IMPACT:**

This project was included in the BN 2023-25 adopted budget.

- Total Project Estimate: \$450,000
- Grant Amount Awarded: \$360,000

### **RECOMMENDATION:**

Staff recommends authorizing the City Manager to execute the proposed contract with Access Tech.

### **SUGGESTED MOTION LANGUAGE:**

"I move to authorize the City Manager to execute the proposed contract with Access Tech for the Transit Technology Implementation Project, as included in the agenda packet."

### **LIST OF ATTACHMENTS / EXHIBITS:**

- Contract with Access Tech
  - Access Tech Bid
- Sandy RFP: Technology Implementation Project
- STIF Grant Application

**CITY OF SANDY, OREGON  
PERSONAL SERVICES AGREEMENT**

THIS PERSONAL SERVICES AGREEMENT (“Agreement”), made and entered into this April 19, 2024, by and between the City of Sandy, an Oregon municipal corporation ("City") and Access Tech (“Contractor”).

**RECITALS**

**WHEREAS**, the City’s fiscal year 2024 - 2025 budget provides for Transit Technology Implementation Project; and

A Request for Proposal (RFP) was posted in January 2024 with notifications in the newspaper and online. Additionally, three technology vendors contacted. March 8<sup>th</sup>, 2024 the RFP was closed and two vendors had submitted responses. An evaluation committee selected a winner vendor who was issued an Intent to Award on March 25, 2024. No protest were submitted.

**WHEREAS**, City desires to retain Contractor to perform certain professional consulting services, as further identified in this Agreement. Contractor is willing to perform these services for and in connection with the Transit Technology Implementation Project (the “Project”), subject to and in accordance with the terms and conditions contained in this Agreement.

This project is funded by the Statewide Transportation Improvement Fund Discretionary Grant program at \$360,000 in grant funding and \$90,000 in match from the City of Sandy Transit Department.

**NOW THEREFORE**, in consideration of the promises and covenants contained herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**AGREEMENT**

**1. Term.**

This Agreement shall run from April 19th, 2024 through and including June 30, 2024 unless sooner terminated under the provisions of this Agreement and may be extended for additional like periods. All Services under this Agreement shall be completed prior to the expiration of this Agreement.

**2. Contractor's Service.**

The scope of Contractor's services under this Agreement are set forth in Exhibit A (the “Services”). The Services will be completed expeditiously, in a timely manner, and in accordance with the schedule identified in Exhibit B. All provisions and covenants contained in said exhibit are hereby incorporated by reference and shall become a part of this Agreement as if fully set

forth. Any conflict between this Agreement and Contractor's proposal (if any) shall be resolved first in favor of this Agreement. Any conflict between this Agreement and Exhibits A or B shall be resolved first in favor of this written Agreement. Contractor will, in the rendering of its services to City, use its best efforts and due diligence and provide such personnel as are necessary to successfully provide the services covered under this Agreement. All Contractor personnel shall be properly trained and fully licensed to undertake any activities pursuant to this Agreement, and Contractor shall have all requisite permits, licenses and other authorizations necessary to provide the Services. Contractor acknowledges and agrees that City may cause or direct other persons or contractors to provide services for and on behalf of City that are the same or similar to the Services provided by Contractor under this Agreement. No information, news, or press releases related to the Project shall be made to representatives of newspapers, magazines, television and radio stations, or any other news medium without the prior written authorization of City's Project Manager.

### 3. Compensation.

- A. Agreement Sum. As compensation for Contractor's timely performance of the Services in accordance with this Agreement, City shall pay Contractor a total sum not to exceed \$450,000 (the "Agreement Sum"), in accordance with the "Schedule of Rates" attached hereto as Exhibit C. Contractor will submit monthly invoices to City concerning the Services performed by Contractor during the immediately preceding month (each an "Invoice"). Each Invoice will contain the following information: (a) a summary of the Services performed by Contractor (and by whom); (b) the number of hours (or fraction thereof) each person spent to perform the Services; (c) the applicable fee(s) for performing the Services; and (d) all other information reasonably requested by City. City will pay the undisputed amount due under each Invoice within Twenty-one (21) days after City has reviewed and approved the Invoice. Licensing/Monthly Management Fees will be invoiced one month prior and not in arrears. No compensation will be paid by City for any portion of the Services not performed. Payment shall not be considered acceptance or approval of any Services or waiver of any defects therein. The Agreement Sum shall constitute full and complete payment for said Services and all expenditures which may be made and expenses incurred, except as otherwise expressly provided in this Agreement or agreed to by mutual written and duly signed agreement of City and Contractor. Notwithstanding the foregoing, the parties may not increase the Agreement Sum without prior written authorization of the City Manager. Failure of Contractor to secure authorization for extra work shall constitute a waiver of all right to adjustment in the Agreement Sum or Agreement time due to such unauthorized extra work and Contractor thereafter shall be entitled to no compensation whatsoever for the performance of such work.
- B. Certified Cost Records. The Contractor shall furnish certified cost records for all billings to substantiate all charges. For such purposes, the books of account of the Contractor shall be subject to audit by the City in accordance with the terms of this Agreement. The Contractor shall complete Services and cost records for all billings on such forms and in



such manner as will be satisfactory to the City.

- C. Contractor Identification. Contractor shall furnish to City Contractor's employer identification number, as designated by the Internal Revenue Service or, if the Internal Revenue Service has designated no employer identification number, Contractor's Social Security number.

**4. Project Managers.**

City's Project Manager is Andi Howell. Contractor's Operations Manager is Heather Adams. Each party shall give the other written notification of any change in their respective Project Manager.

**5. Duty to Inform.**

Contractor shall give prompt written notice to City's Project Manager if, at any time during the performance of this Agreement, Contractor becomes aware of actual or potential problems, faults or defects in the project, any nonconformity with the Agreement, or with any federal, state, or local law, rule or regulation, or has any objection to any decision or order made by City. Any delay or failure on the part of City to provide a written response to Contractor shall constitute neither agreement with nor acquiescence in Contractor's statement or claim and shall not constitute a waiver of any of City's rights.

**6. Contractor is Independent Contractor.**

Contractor is an independent contractor for all purposes and shall be entitled to no compensation other than the compensation expressly provided by this Agreement. Contractor hereby expressly acknowledges and agrees that as an independent contractor, Contractor is not entitled to indemnification by the City or the provision of a defense by the City under the terms of ORS 30.285. This acknowledgment by Contractor shall not affect his/her independent ability (or the ability of his/her insurer) to assert the monetary limitations found at ORS 30.270, the immunities listed at ORS 30.265, or other limitations affecting the assertion of any claim under the terms of the Oregon Tort Claims Act (ORS 30.260 to ORS30.300).

**7. Work; Intellectual Property; Records.**

A. Work is Property of City. All work, including but not limited to documents, drawings, papers, computer programs, and photographs, performed or produced by Contractor under this Agreement shall be the property of City. Contractor will defend all suits or claims for infringement of patent, trademark, and/or copyright for which Contractor is responsible

B. Intellectual Property. The interest in any intellectual property, including but not limited to copyrights and patents of any type, arising from the performance of this Agreement and any generated work product shall vest in City. Contractor shall execute any assignment or other documents necessary to affect this section. Contractor may retain a nonexclusive right to use any intellectual property that is subject to this section. Contractor shall transfer to City any data or other tangible property generated by Contractor under this Agreement

and necessary for the beneficial use of intellectual property covered by this section.

- C. Records. Contractor shall retain all books, documents, papers, and records that are directly pertinent to this Agreement for at least one (1) year after City makes final payment on this Agreement and all other pending matters are closed. Contractor shall allow City (or any of its authorized representatives) to audit, examine, copy, take excerpts from or transcribe any books, documents, papers, or records that are subject to the foregoing retention requirement.

## 8. Errors.

Contractor shall perform such additional work as may be necessary to correct errors in the work required under this without undue delays and without additional cost, if the error or omission was due to negligence from the Contractor.

Only the City Manager or Project Manager may authorize extra (and/or change) work. Failure of Contractor to secure authorization for extra work shall constitute a waiver of all right to adjustment in the Agreement Sum or project schedule due to such unauthorized extra work and Contractor thereafter shall be entitled to no compensation whatsoever for the performance of such work.

## 9. Indemnity.

Contractor acknowledges responsibility for any and all liability arising out of the performance of this Agreement and shall hold City, its officers, employees, elected and appointed officials, volunteers, and agents harmless from, indemnify, and defend City, its officers, employees and agents for any and all liability, settlements, loss, costs and expenses in connection with any action, suit, or claim resulting or allegedly resulting from (i) Contractor's acts, omissions, activities or services in the course of performing this Agreement; (ii) Contractor's failure to pay any tax arising out of or resulting from performance of the Services; (iii) a claim made against the City in which the City's alleged liability results directly or indirectly, in whole or in part, from the quality of the professional services provided by Contractor, regardless of the type of claim made against the City in performance of this Agreement. Contractor's indemnification obligations provided in this Section will survive the termination of this Agreement. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this indemnification. Any work by Contractor that directly results in a design of a facility that is not readily accessible to and usable by individuals with disabilities, as defined by state and federal law, shall be considered a professionally negligent act, error or omission.

## 10. Insurance.

- A. Liability Insurance. Contractor shall maintain occurrence form commercial general liability and automobile liability insurance for the protection of Contractor, City, its Councilors, officers, agents and employees. Coverage shall include personal injury, bodily injury (including death) and broad form property damage, including loss of use of property,

occurring in the course of or in any way related to Contractor's operations, in an amount not less than Two Million dollars (\$2,000,000.00) combined single limit per occurrence. Such insurance shall name City as an additional insured.

- B. Professional Liability. Contractor shall maintain a policy of Professional Liability Insurance in an amount not less than One Million dollars (\$1,000,000) per claim and Two Million dollars (\$2,000,000) aggregate.
- C. Workers' Compensation Coverage. Contractor certifies that Contractor has qualified for State of Oregon Workers' Compensation coverage for all Contractor's employees who are subject to Oregon's Workers' Compensation statute, either as a carrier-insured employer as provided by ORS 656.407, or as a self-insured employer. Contractor shall provide to City within ten (10) days after Agreement award a certificate of insurance evidencing coverage of all subject workers under Oregon's Workers' Compensation statutes insured by an insurance company satisfactory to City, if any. Contractor will notify City of any change in policy holder or coverage. A copy of the certificate of self-insurance issued by the State shall be provided to City if the Contractor is self-insured.
- D. Certificates. Prior to commencing the Services, Contractor shall furnish to City certificates evidencing the date, amount, and type of insurance required by this Agreement. All policies will provide for not less than thirty (30) days' written notice to City before they may be canceled.
- E. Primary Coverage. The coverage provided by insurance required under this Agreement shall be primary, and any other insurance carried by City shall be excess.

## **11. Breach of Agreement.**

- A. Contractor shall remedy any breach of this Agreement within the shortest reasonable time after Contractor first has actual notice of the breach or City notifies Contractor of the breach, whichever is earlier. If Contractor fails to either remedy the breach or actively begin and maintain efforts satisfactory to the City to remedy the breach within ten (10) business days of actual notice or the City's mailing, City may terminate that part of the Agreement affected thereby upon written notice to Contractor, may obtain substitute services in a reasonable manner, and recover from Contractor the amount by which the price for those substitute services exceeds the price for the same services under this Agreement.
- B. If the breach is material and Contractor fails to either remedy the breach or actively begin and maintain efforts satisfactory to the City to remedy the breach within five (5) business days of the City's notice City may then treat Contractor as being in default and pursue any remedy available for such default at law or in equity.
- C. Pending a decision to terminate all or part of this Agreement, City unilaterally may order

Contractor to suspend all or part of the Services under this Agreement. If City suspends or terminates all or part of the Agreement pursuant to this Section, Contractor shall be entitled to compensation only for Services rendered prior to the date of termination or suspension, but not for any Services rendered after City ordered termination or suspension of those Services. If City suspends certain Services under this Agreement and later orders Contractor to resume those Services, Contractor shall be entitled to reasonable damages actually incurred, if any, as a result of the suspension.

- D. To recover amounts due under this Section, City may withhold from any amounts owed by City to Contractor, including but not limited to, amounts owed under this or any other Agreement between Contractor and City.

## **12. Mediation; Trial Without A Jury.**

If either party has a claim or dispute in connection with this Agreement, it shall first attempt to resolve the dispute through mediation. The parties shall mutually select an acceptable mediator, shall equally share the applicable mediation fees, and shall mutually select an applicable mediation venue. If either party fails to proceed in good faith with the mediation, or the parties otherwise fail to resolve the claim via the mediation process, the claiming party may proceed with litigation. Any litigation arising under or as a result of this Agreement shall be tried to the court without a jury. Each party agrees to be responsible for payment of its own professional fees, including attorneys' fees, in both mediation and litigation.

## **13. Termination for Convenience.**

The City may terminate all or part of this Agreement at any time for its own convenience by written notice to Contractor. Upon termination under this Section, Contractor shall be entitled to compensation for all Services rendered prior to actual notice of the termination or the receipt of the City's written notice of termination, whichever is earlier.

## **14. Payment of Claims by the City.**

If Contractor fails, neglects, or refuses to make prompt payment of any claim for labor or services furnished to Contractor or a subcontractor by any person in connection with this Agreement as the claim becomes due, the City may pay the claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due to Contractor pursuant to this Agreement. The City's payment of a claim under this Section shall not relieve Contractor or Contractor's surety, if any, from responsibility for those claims.

## **15. Public Contracting Requirements.**

- A. Overtime. Any person employed on work under this Agreement, other than a person subject to being excluded from the payment of overtime pursuant to either ORS 653.010 to 653.261 or 29 USC §201 to 209, shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week.
- B. Payment for Labor or Material. Contractor shall make payment promptly, as due, to all persons supplying to Contract labor or material for the performance of the work provided

for in this Agreement. (ORS 279B.220)

- C. Contributions to the Industrial Accident Fund. Contractor shall pay all contributions or amounts due the Industrial Accident Fund from Contractor incurred in the performance of this Agreement, and shall ensure that all subcontractors pay those amounts due from the subcontractors. (ORS 279B.220)
- D. Liens and Claims. Contractor shall not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished. (ORS 279B.220)
- E. Income Tax Withholding. Contractor shall pay to the Oregon Department of Revenue all sums withheld from employees pursuant to ORS 316.167. (ORS 279B.220)
- F. Hours of Labor. Contractor shall pay employees for overtime work performed under the terms of this Agreement in accordance with ORS 653.010 to ORS 653.261 and the Fair labor standards Act of 1938. (29 USC §§ 201 *et. seq.*)
- G. Workers' Compensation. Contractor is a subject employer that will comply with ORS 656.017. Contractor warrants that all persons engaged in contract work and subject to the Oregon Workers' Compensation law are covered by a workers' compensation plan or insurance policy that fully complies with Oregon law. Contractor shall indemnify City for any liability incurred by City as a result of Contractor's breach of the warranty under this Paragraph. (ORS 279B.230)
- H. Medical Care for Employees. Contractor shall promptly, as due, make payment of all sums to any person, co-partnership, association or corporation, furnishing medical, surgical and/or hospital care incident to the sickness or injury of Contractor's employee(s), all sums which Contractor agrees to pay for such services and all monies and sums which Contractor collected or deducted from the wages of employees pursuant to any law, contract or contract for the purpose of providing or paying for such service. (ORS 279B.230)
- I. Non-Discrimination. Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statues, rules, and regulations. Contractor also shall comply with the Americans with Disabilities Act of 1990, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws.
- J. Lawn or Landscaping. If the Services or Project under this Agreement contemplate lawn or landscape maintenance, Contractor shall salvage, recycle, compost or mulch yard waste material at an approved site, if feasible and cost-effective. (ORS 278B.225)
- K. Foreign Contractor. If Contractor is not domiciled in or registered to do business in the state of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue

and the Secretary of State Corporation Division all information required by those agencies relative to this Agreement. Contractor shall demonstrate its legal capacity to perform these services in the state of Oregon prior to entering into this Agreement.

- L. Federal Environmental Laws. Contractor shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).
- M. Tax Law Compliance. Contractor (to the best of Contractor knowledge, after due inquiry), for a period of no fewer than six calendar years (or since the firm's inception if less than that) preceding the effective date of this Agreement, faithfully has complied with:
- 1) All tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318;
  - 2) Any tax provisions imposed by a political subdivision of this state that applied to Contractor, to Contractor's property, operations, receipts, or income, or to Contractor's performance of or compensation for any work performed by Contractor;
  - 3) Any tax provisions imposed by a political subdivision of this state that applied to Contractor, or to goods, services, or property, whether tangible or intangible, provided by Contractor; and
  - 4) Any rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions.
- N. The City certifies that sufficient funds are available and authorized for expenditure to finance costs of this Agreement.

#### **16. Law of Oregon.**

The Agreement shall be governed by the laws of the State of Oregon. Venue shall be in Clackamas County, Oregon.

#### **17. Successors and Assignments.**

Both City and Contractor bind themselves and any partner, successor, executor, administrator, or assign to this Agreement. Neither City nor Contractor shall assign or transfer their interest or obligation hereunder in this Agreement without the written consent of the other party. Contractor must seek and obtain City's written consent before subcontracting any part of the work required of Contractor under this Agreement. Any assignment, transfer, or subcontract attempted in violation of this Section shall be void.

#### **18. Modification.**

Any modification of the provisions of this Agreement shall be reduced to writing and signed

by authorized agents of City and Contractor.

**19. No Waiver of Legal Rights.**

A waiver by a party of any breach by the other shall not be deemed to be a waiver of any subsequent breach.

**20. Method and Place of Giving Notice, Submitting Bills and Making Payments.**

All notices, bills and payments shall be made in writing and may be given by personal delivery, mail, or by fax. Notice, bills, payments, and other information shall also be made via email to the parties listed in the address block below. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices, bills, payments, and other information:

**CITY OF SANDY**

**Andi Howell**

Transit Director

Email: ahowell@ci.sandy.or.us

CC:

Phone: [503] 489-0925

**Contractor**

**Trey Lackey**

President

Email: Trey@accesstech.net

Phone: 503-997-9027

Address: 16610 Champion Way Sandy,  
OR 97055

Address: PO Box 68897 Portland OR  
97268

When notices are so mailed, they shall be deemed given upon deposit in the United States mail, postage prepaid, or when so faxed, shall be deemed given upon successful fax. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving written notice pursuant to this Section.

**21. Conflict Between Terms.**

It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument in the proposal of the Agreement, this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

**22. Severability.**

If any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the parties when they entered into the Agreement.

**23. Integration; Counterparts; Electronic Signatures.**

Page 9

Personal Services Agreement between

Sandy, Oregon and \_\_\_\_\_

This Agreement contains the entire agreement between the parties and supersedes all prior written or oral discussions or agreements regarding the same subject. The Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original and such counterparts shall together constitute but one and the same Agreement. Any party shall be entitled to sign and transmit electronic signatures to this Agreement (whether by facsimile, .pdf, or electronic mail transmission), and any such signature shall be binding on the party whose name is contained therein. Any party providing an electronic signature to this Agreement agrees to promptly execute and deliver to the other parties, upon request, an original signed Agreement.

*[Signatures are on the following page.]*



**IN WITNESS WHEREOF**, City has caused this Agreement to be executed by its duly authorized undersigned officer and Contractor has executed this Agreement on the date hereinabove first written.

<hr/> <p>City of Sandy [Tyler Deems], [City Manager]</p>	<hr/> <p>[Access Tech] [Trey Lackey], [President]</p>
--	---

March 1, 2024

Andi Howell  
Project Manager  
The City of Sandy  
16110 Champion Way  
Sandy, OR 97055  
ahowell@ci.sandy.or.us

Re: Sandy Area Metro: Request for Proposals – Mobily Technology Support Services/Technology Implementation Project (TIP)

Andi,

The Access Team is excited about this opportunity!

Heather Adams and Trey Lackey founded Access Tech in 2010 to help small businesses grow with better technology.


The goal of the Technology Implementation Project is to maximize the value of current and future on-vehicle mobility technology for The City of Sandy and its partner agencies: Canby Area Transit, Clackamas County, South Clackamas Transit District, Wilsonville’s SMART and Hood River Transit District.

The City has asked for flexibility from a qualified vendor that can provide resources for maintaining existing on-vehicle technology and for specialized assistance with the procurement and implementation of a new eFare system.

In addition to our response to the core scope of providing support to the eFare procurement and delivery (RFP task 3), we are pleased to offer the City the option (as requested in Addendum 1) to engage Access Tech as the project manager and provider of subject matter expertise for the eFare project for the procurement and delivery phase of the planned eFares project. In consultation with eFare specialists, Access Tech’s view is that this work does not require a full-time project manager and by its nature has periods of higher and lower activity. By extending Access Tech’s scope to provide the eFares project management, The City can leverage Access Tech’s existing project management expertise on a part-time basis for this project. Access Tech will engage a specialist fare collection consultant to provide where needed

additional eFares specific domain expertise in support of the procurement, and, to a lesser extent, the delivery project management.

We are eager to get started.

  
Trey Lackey (Mar 1, 2024 09:19 PST)

Trey Lackey  
President  
[trey@accesstech.net](mailto:trey@accesstech.net)  
503-479-7024

*Heather Adams*

Heather Adams  
Operations Mgr/Lead Project Mgr  
[heather@accesstech.net](mailto:heather@accesstech.net)  
503-479-7023

Access Tech LLC is a Partnership LLC registered in the state of Oregon.  
Physical address: 6400 Skyline Dr, West Linn, OR 97068  
Mailing address: PO Box 68897, Portland, OR 97068  
EIN: 45-2522441  
Billing inquiries: [billing@accesstech.net](mailto:billing@accesstech.net)





SANDY AREA METRO

REQUEST FOR PROPOSALS-  
MOBILE TECHNOLOGY SUPPORT SERVICES



Submitted: March 1, 2024

BY:   
Trey Lackey (Mar 1, 2024 09:19 PST)

BY: 

TREY LACKEY  
President  
503-479-7024  
treyl@accesstech.net

HEATHER ADAMS  
Operations Manager  
503-479-7023  
heather@accesstech.net

Mailing Address:  
PO BOX 68897  
PORTLAND, OR 97268

Physical Address:  
6400 SKYLINE DR  
WEST LINN, OR 97068

## REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT

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REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT

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## INTRODUCTION

Sandy Area Metro (“The City”) issued a bid form on January 7, 2024, requesting proposals from qualified individuals or firms for mobile technology support services, the Technology Implementation Project (“TIP”). Deliverables are to include the following:

1. RFP Task 1: Provide on-site and remote support services: tracking issues with vendor services and equipment through to their resolution, serving as the liaison between mobile tech vendors and The City, and providing on-site technical assistance when needed.
2. RFP Task 1: Create and maintain runbooks for all providers in their mobile technology stack.
3. RFP Task 1: Create and maintain an inventory of all assets in their mobile technology stack.
4. RFP Task 1: Develop a training process for all on-vehicle devices.
5. RFP Task 2: Perform business reviews: assist with reviewing technology reports and documents, advise on service agreements for each vendor, and review tickets and support services.
6. RFP Task 2: Provide a final report that includes results compared to benchmarking established during the first six months of engagement.
7. RFP Task 3: Work with The City and/or an authorized representative of The City for procurement and implementation of a Mobile ticketing/fare payment system.
8. RFP Task 4: Analysis of emerging charging management software: written list of available charging software and attributes.

In addition to the scope identified in the RFP, The City has indicated that in Addendum 1 that vendors with suitable capability to be the project manager for the eFares project include such costs and time estimates in their proposal for evaluation by The City at contract negotiation. Access Tech is pleased to offer such capability and has outlined in its response two additional optional work-packages for The City’s consideration:

- Option 1: eFares procurement project management
- Option 2: eFares delivery project management

Both options as further detailed in this proposal are proposed as a combination of Access Tech staff complemented by subcontracted specialist electronic fare collection consultants.

The TIP covers 6 agencies, (“Agencies”): Sandy/SAM, Canby/CAT, Clackamas County/MHX and Shuttles, Hood River/CAT, South Clackamas/SCTD, Wilsonville/SMART. Currently there are 138 buses spread over the Agencies.

REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT

OUT OF SCOPE

Access Tech considers item 8/RFP Task 4 to be out of scope of the TIP due to time and budget constraints.

SCHEDULE

The TIP has a scope of 15 months – on or about March 25, 2024, through June 30, 2025.

Exhibit A describes the assumptions and schedule we have assumed for the eFares project in developing our estimates for Task 3, Option 1 and Option 2.

MONTHLY BREAKDOWN

Project Name	2024									2025					
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Onboarding/Kick Off Meetings															
Inventory - Physical Data Gathering															
Inventory - Data Colation															
Runbook Creations															
Training Program															
Troubleshooting															
Quarterly Reports															
Final Reports															

eFare Payment System

eFare Project Timing Assumptions	Note	Start	End	Duration (calendar weeks)	3/1/2024	4/1/2024	5/1/2024	6/1/2024	7/1/2024	8/1/2024	9/1/2024	10/1/2024	11/1/2024	12/1/2024	1/1/2025	2/1/2025	3/1/2025	4/1/2025	5/1/2025	6/1/2025	7/1/2025	8/1/2025
Mobile Technology Support Services Contract Start		Mar 25 (Mon), 2024	Mar 25 (Mon), 2024	-																		
eFare Project Consultant Procurement	Vendor appointed end mid May	Mar 25 (Mon), 2024	May 15 (Wed), 2024	7.3																		
eFare Project Consultant Contracted		May 15 (Wed), 2024	May 15 (Wed), 2024	-																		
eFare RFP Preparation		May 15 (Wed), 2024	Jul 1 (Mon), 2024	6.7																		
eFare RFP Response		Jul 1 (Mon), 2024	Sep 1 (Sun), 2024	8.9																		
eFare RFP Evaluation		Sep 1 (Sun), 2024	Oct 1 (Tue), 2024	4.3																		
eFare RFP Contract Negotiation / Approval		Oct 1 (Tue), 2024	Oct 22 (Tue), 2024	3.0																		
eFare Vendor Contracted		Oct 22 (Tue), 2024	Oct 22 (Tue), 2024	-																		
eFare Project Delivery		Oct 22 (Tue), 2024	Nov 19 (Tue), 2024	4.0																		
eFare Project Mobilization / Jointed Planning		Nov 12 (Tue), 2024	Dec 10 (Tue), 2024	4.0																		
eFare Project Configuration Data Gathering		Dec 10 (Tue), 2024	Feb 26 (Wed), 2025	11.1																		
eFare Project System Configuration	Ahead of installation. Finish before readiness testing	Jan 15 (Wed), 2025	Apr 9 (Wed), 2025	12.0																		
eFare Project Equipment Installation	Assumes progressive install across agencies	Feb 26 (Wed), 2025	May 21 (Wed), 2025	12.0																		
eFare Project Operational Readiness Testing	Assumes progressive testing across agencies	Apr 9 (Wed), 2025	Jul 2 (Wed), 2025	12.0																		
eFare Project Pilot	Assumes progressive pilots and launch across agencies	Jul 30 (Wed), 2025	Jul 30 (Wed), 2025	-																		
eFare Project Full Launch	4 week pilot for each agency	Jun 4 (Wed), 2025	Aug 27 (Wed), 2025	12.0																		
eFare Project Post Launch Hypercare	2 months hypercare	Aug 27 (Wed), 2025	Aug 27 (Wed), 2025	-																		
eFare Project Sustaining Phase Start				-																		

SCOPE OF WORK – MOBILE TECHNOLOGY STACK

These are the deliverables that Access Tech agrees to provide for the TIP for the Mobile Technology Stack:

DISCOVERY PLANNING MEETING

Access Tech will do three-hour in-person meetings with each of the Agencies to meet the teams, tour facilities, discuss methodology, determine accessibility and availability, and begin a



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## REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT

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requirements assessment. Our goal is to align with The City and their needs from the project's onset.

**Deliverables:** List of all Agencies' contacts, scheduled times and locations to access the vehicles, and an updated project plan.

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### GENERAL PROJECT MANAGEMENT

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Weekly internal project meetings with Access Tech team and external project meetings with Agencies' stakeholders.

**Deliverables:** Meeting notes/minutes and memorandums.

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### TROUBLESHOOTING AND SUPPORT

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Access Tech will act as the central support help desk for creating trouble tickets for troubleshooting assets. A dedicated support phone number and email will be provided for reporting, recording and tracking trouble tickets. The goal is single call resolution. More complex issues that require a higher skilled technician will be coordinated through Access Tech. We will liaise with vendors (as defined by the runbooks) and coordinate testing and dispatch.

We will dispatch technicians as necessary to provide covered support to the transit center of the respective agency.

An onboarding process will be performed wherein vehicle and device information will be recorded into our Professional Services Automation, "PSA", management system. The City will have portal access to open and track current and past tickets. The City will be able to see the status of projects and billing.

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### INVENTORY

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Access Tech will create and maintain an inventory of assets in the technology stack. A technician will visit each site to document all on-vehicle assets and spares. Photos will be taken of all devices and their respective vehicles.

This documentation will include, to the best of our ability: product descriptions, serial numbers, lists of applications on MDTs, and any other identifying information. If the inventory cannot be completed within eight visits due to bus, device, or The City personnel unavailability, additional visits will be considered out of scope and charged separately.

**Deliverables:** An updated inventory maintained throughout the TIP's life, accessible through the PSA portal and transferable in Excel or PDF form.

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REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT

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SPECIALIZED RUNBOOKS

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For the purposes of this proposal, we define a “runbook” as a collection of knowledge articles, instructions, and checklists documenting best practices, common troubleshooting scenarios, vendor trouble ticket creation and processing procedures, and maintenance standards for the system(s) covered by the runbook.

Access Tech will build out runbooks for the 15 technology stack vendors and systems specified in the RFQ and update them on an ongoing basis as necessary.

**Deliverables:** Runbooks which will be accessible through the PSA and transferable in PDF form.

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TRAINING PROGRAM

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Access Tech will work with The City and all vendors to understand their current training materials and processes. Access Tech will help develop a program that addresses new hires, untrained or undertrained staff, and continuing education needs. It will include training checklists, a repository for training materials and links to vendor’s online training materials. If training is required for compliance, these requirements will be included in the training checklists for each manufacturer. The scope of the training program includes scheduling and tracking training standards but does not include creating or delivering training content or sessions.

Access Tech may make recommendations for the use of third-party training software or services. Any such software or services will be at the expense of The City.

**Deliverables:** Documented processes and procedures for training staff which will be accessible through the PSA portal and transferable in PDF form.

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BUSINESS REVIEWS

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Access Tech will perform four one-hour remote business reviews, at the end of the 3-, 6-, 9-, and 12-month periods, to review: completion of runbooks, inventory, and system build out; status reports, logs, and checklists for known events and metrics; systems health and performance and effectiveness of support processes; and the status and metrics of the training program.

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FINAL REPORT AND RECOMMENDATIONS

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Access Tech will deliver a final report evaluating the efficacy of the TIP according to pre and post measures of success, offering opinions regarding the decisions and methods used during

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 REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT
 

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the Implementation, and providing recommendations for future implementation and support of the vehicle technology stack and supporting systems and processes.

## SCOPE OF WORK – EFARE PAYMENT SYSTEM

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Access Tech is proposing 3 work packages as it relates to the eFare procurement and delivery for The City's consideration:

Work Package 1: RFP Task 3: eFare procurement and delivery technical support

Work Package 2: Option 1: eFare procurement project management

Work Package 3: Option 2: eFare delivery project management

Work Package 1 responds to task 3 as articulated in the RFP. Work Packages 2 and 3 are options responding to The City's answer in Addendum 1 expressing interest in the respondent's capability to act as project manager for the eFare RFP in addition to the support scope articulated in RFP Task 3.

Exhibit A describes in more detail the assumptions and eFare schedule we have assumed in developing this scope and estimates.

### BASE SCOPE: RFP TASK 3: EFARE PAYMENT SYSTEM PROCUREMENT AND IMPLEMENTATION SUPPORT

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Access Tech will support The City and its chosen eFares project manager by providing, as requested by The City, support in the form of technical knowledge, technical staff, and input through the procurement and delivery of the eFares (which may be Access Tech if The City exercises Options 1 and/or 2).

**Deliverables:** Attendance at eFares procurement and delivery project meetings as requested by The City. Comments and input on as requested on eFares RFP. Input as requested into the evaluation process. Advice and input on implementation or technical matters as relevant and requested to Access Tech's expertise to the City's project team, eFares project manager, and eFares vendor.

### OPTION 1: EFARE PROCUREMENT PROJECT MANAGEMENT

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Under this option, Access Tech will take on the project management of the eFare procurement. In our estimation, we have assumed the following scope for this work-package:

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 REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT
 

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### *PROJECT MANAGEMENT*

- Project managing the RFP preparation, issuance, and evaluation in collaboration with The City’s procurement lead.
- Identify and procure the services of a suitable fare collection subject matter expert to support Access Tech on eFares specific topics.

### *RFP PREPARATION AND ISSUANCE*

- Lead the eFares project outcome and requirements discovery activities with The City and participating agencies using the existing draft RFP as a starting point for this work.
- Finalize the technical / outcome / requirements content for the RFP.
- Prepare a pricing response form for vendors to complete that takes into account the various pricing models utilized by fare collection vendors offering SaaS solutions.

### *RFP RESPONSE MANAGEMENT*

- Maintain the clarification questions register.
- Coordinate with the City of Sandy and participating agencies the collection of data and preparation of answers to vendor questions.

### *RFP EVALUATION*

- Review and score vendor responses in the capacity of fare subject matter expert as one of the members of the evaluation committee (the other members being appointed stakeholders from The City and participating agencies).
- Participate in vendor demonstrations.
- Prepare price and cost-of-ownership comparisons between solutions with input and support from City’s staff.

### *EFARE CONTRACT NEGOTIATION SUPPORT*

- Provide input and support in the capacity of subject matter expert to the City to the contract negotiations.

**Deliverables:** RFP procurement project status reports, meeting minutes and other applicable project management documentation. RFP technical content and price sheets. Clarification questions register. RFP scoring input. Vendor price comparison analysis. Contract negotiation input.

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## **OPTION 2: EFARE DELIVERY PROJECT MANAGEMENT**

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Under this option, Access Tech will take on the project management of the eFare delivery project on behalf of The City including management of the contracted eFares vendor. This work package will commence on The City entering into an agreement with an eFares vendor and

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 REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT
 

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concludes once the eFares project is handed over into sustaining operations. In our estimation, we have assumed the following scope for this work-package. Please refer to our cost breakdown for additional assumptions on scope and project duration.

#### *PROJECT MANAGEMENT*

- Preparation and maintenance of project management plans including the risk management plan.
- Preparation and maintenance of an issue register.
- Preparation and maintenance of a master schedule.
- Project issue management.
- Project cost monitoring and control.
- Project change management.
- Conducting the project governance activities and meetings.
- Procuring and managing a specialist electronic fare collection subject matter expert to provide electronic fare collection expertise in support of the project management and The City.

#### *ACCEPTANCE MANAGEMENT*

- Managing the review and acceptance process for eFare vendor deliverables including documentation deliverables such as project plans, schedules, and configuration specifications.
- Manage, and, if required, perform the acceptance activities for eFare equipment and eFare equipment installations.
- Manage to resolution eFare delivery compliance and acceptance issues with the eFare vendor.

**Deliverables:** Project status reports (including cost monitoring), meeting minutes and other applicable project management documentation. Development and maintenance of the project management plan, project schedule, risk register, and issue register. Acting as The City’s representative on project delivery issues with the eFares Vendor. Acceptance process status reports and issues registers.

**Assumptions:** We have estimated the anticipated effort on the following two critical assumptions:

1. eFare system will be procured under a software-as-a-service model where the agencies will be configured as tenants on an existing proven system with no custom feature development. The acceptance process is hence predominantly on validating that the eFares vendor has delivered the required equipment, performed installations in

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 REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT
 

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accordance with the agreed installation plan, and configured the eFare system in compliance with the agreed configuration.

2. The chosen eFare vendor has primary responsibility for project managing all vendor deliverables. Access Tech's role is as The City's representative and coordinator of City / participating agency tasks. The City will appoint a lead for internal change management and rider marketing activities (not in scope for the eFares project manager).

## COSTS

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These are estimated costs and will be invoiced on an actual time and materials basis per the rates below.

Base RFP		
Item	# of Hours	Total Cost
Monthly Vehicle Fee		
\$50 per Vehicle per Month		\$103,500
Mobile Technology Stack		
Discovery Planning Meeting	88.5	\$12,338
General Project Management	462	\$64,350
Troubleshooting and Support	636	\$79,500
Inventory	159	\$19,875
Runbooks	208	\$27,900
Training Program	156	\$21,400
Business Reviews	48	\$6,600
Final Report and Recommendations	40	\$5,500
eFare Payment System		
Procurement And Implementation Support	311	\$62,780
<b>TOTAL:</b>		<b>\$403,743</b>

Option 1		
Item	# of Hours	Total Cost
eFare Procurement Project Management		
Project Management	57	\$11,957
RFP Preparation And Issuance	148	\$27,900
RFP Response Management	30	\$4,950
RFP Evaluation	108	\$22,050
Contract Negotiation Support	10	\$2,250
<b>TOTAL:</b>		<b>\$69,107</b>

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 REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT
 

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Option 2		
Item	# of Hours	Total Cost
eFare Implementation Project Management		
Project Management	778	\$131,336
Acceptance Management	312	\$62,280
<b>TOTAL:</b>		<b>\$193,616</b>

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 RATES AND SCHEDULE
 

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All time will be invoiced in 15-minute increments.

Standard Rates:

- Project management \$125/hr
- Help Desk \$125/hr
- Consulting/Design \$175/hr
- On-site technicians \$200/hr
- eFare Project management \$150/hr
- eFare Field Technician \$225/hr
- Fare Collection Principal Consultant \$225/hr
- Engineering \$225/hr
- Vehicle Monthly Management Fee \$50/vehicle

On-site technicians will have a minimum 2-hour time block (including one-way travel).

The above rates apply for work performed during normal business hours of Mon-Fri, 8am to 5pm, Pacific (the “normal rate”). Work outside these hours will be invoiced at 1.5 times the normal rate. Work on holidays and weekends will invoice at 2 times the base rate.

Invoices will be issued on the first business day of each month, to include:

- Monthly management fees will be invoiced for the following month
- Trouble tickets will be invoiced for the prior month
- Progress billing will be invoiced for the prior month
- Reconciliation for each Agency

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## ABOUT ACCESS TECH

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### HISTORY

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Access Tech was founded in 2010 with the mission of providing businesses with access to the best technology providers in the world with personalized resources to implement and maintain them successfully.

Our goal is to solve business strategy problems with front-line technology solutions carefully matched with our customers' needs. Effective implementation requires understanding dependencies and risks. We have in-house customer service, project management, and engineering with over 70 years of combined industry expertise.

Access Tech has a dedicated support team and process for Tier 1, 2 and 3 troubleshooting, bringing in third-party vendors where needed. We offer monthly managed services contracts as well as ad-hoc project, incidence response and help desk support. We believe that clients empowered with the knowledge of their own processes and workflows and the technology that supports them are substantially more successful and able to have predictable costs and business outcomes.

We are a locally owned and operated emerging small business that promotes diversity and inclusion. As a proud member of Benefit Corporations for Good we believe in putting people and planet before profit.

Please find our company bios at <https://www.accesstech.net/who-we-are/about-us/>.

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### EXPERIENCE

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Access Tech has worked with non-profit organizations and private companies in a range of industries, including Transit, Legal, Retail, Real Estate, Non-Profit, Architecture, Technology, Finance, Healthcare, and Education.

- Managing over 80 sites for a local non-profit media company.
- Work with the leading real estate information provider in Oregon to support their in-house IT team – providing engineering and consulting services.
- Consulting on the redesign of the wide area network for a large, local community college.
- Assisted in creating a needs assessment questionnaire for the National Center for Applied Transit Technology.



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 REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT
 

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- Working with local transit agency to inventory the mobile technology stack on all of their vehicles, create runbooks and best practices for all of the vendors, document training processes and procedures, and managing all troubleshooting.

Some of the organizations that we have been honored to serve:

- Oregon Public Broadcasting
- Portland Community College
- Regional Multiple Listing Service
- Saga City Media
- Farleigh Wada Witt, LLP
- Fred Meyer/ Kroger
- Central City Concern
- Yamhill County Transit
- Advanced Legal Systems
- City of West Linn
- Linux Foundation
- VisionGift

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 REFERENCES
 

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**Corrina Patzer, Chief Strategy Officer**  
 (503) 808-7004, corrina@visiongift.org

**VisionGift**

Access Tech has worked with VisionGift (formerly Lions VisionGift) since 2016, originally ensuring internet failover for their 24-hour call center, which handles organ donations in the Pacific Northwest. We currently offer managed services support for their wide area network, hosted phone system and hosted contact center solution.

**Jimmy Fecteau, IT Network Architect**  
 (360) 843-5598, jfecteau@opb.org

**Oregon Public Broadcasting**

Access Tech has worked with Oregon Public Broadcasting (OPB) for the last 10 years supporting their facilities, engineering and IT departments. We manage their wide area network, source alternative connection points for the radio towers, and provide engineering services for major infrastructure projects.

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REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT

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**Cynthia Thompson, Transit Manager**  
(503) 474-4910, thompsonc@yamhillcounty.gov

**Yamhill County Transit**

Access Tech is currently engaged in a project similar to the TIP for Yamhill County where we are inventorying their mobile technology stack, creating runbooks and documenting training while providing ongoing troubleshooting and support.

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## CONCLUSION

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This project for Sandy Area Metro aligns perfectly with the services that Access Tech offers – inventory creation, network design, project management, and on-going support. We have the resources and desire to fulfill the needs for The City’s Technology Implementation Project and look forward to working with you.

## EXHIBIT A- EFARES SCHEDULE AND BASIS OF ESTIMATE

This Exhibit A describes the assumptions on project approach and schedule Access Tech has utilized in the development of its estimates for Task 3 (eFare Support), Option 1 (eFare Procurement Project Management) and Option 2 (eFare Delivery Project Management). The schedule has been developed in consultation with a fare collection expert supporting us in this RFP response using the key dates provided by The City in the RFP and Amendment 1.

Access Tech's notes that the estimates are highly dependent on the duration of the procurement and implementation, specific roles the City and other agencies will take in the delivery, and, the level of coordination needed between all of the stakeholders involved in the project.

### ASSUMPTIONS AND PROJECT APPROACH

#### GENERAL ASSUMPTION

1. eFare system will be procured under a software-as-a-service model where the agencies will be configured as tenants on an existing proven system with no custom feature development. The acceptance process is hence predominantly on validating that the eFares vendor has delivered the required equipment, performed installations in accordance with the agreed installation plan, and configured the eFare system in compliance with the agreed configuration.
2. The eFares system will be utilizing electronic validation on buses to minimize impact on operators, make the system accessible to a broader group of riders, and supports the automation of ridership data through quality boarding data.
3. The chosen eFare vendor has primary responsibility for project managing all vendor deliverables. Access Tech's role is as The City's representative and coordinator of City / participating agency tasks. The City will appoint a lead for internal change management and rider marketing activities (not in scope for the eFares project manager).

#### PROCUREMENT APPROACH

1. Given the intent to procure a SaaS based solutions, vendors are not asked to respond to a detailed technical specification as these may differ between solutions. Vendors will be asked to describe how their solution addresses The City's operational and customer experience objectives and describe their service offering with respect to service levels, approach to customer experience, and approach to project management and delivery.
2. The eFares system will be evaluated on a best-value basis considering the solutions fit with the City's objectives, price, total cost of ownership, delivery, and performance risk (including the vendor's track record and financial stability).

## REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT

3. The City of Sandy will assign a procurement officer responsible for the conduct of the RFP process consistent with the City of Sandy’s procurement practices and policies. The procurement officer will have responsibility for any procurement governance related topics or issues.
4. The City of Sandy has led on any contract preparation, negotiation, and contract management topics.

*DELIVERY APPROACH*

1. The City of Sandy will assign a project sponsor for the eFare system as the representative of the City of Sandy, spokesperson on behalf of participating agencies project sponsors, and escalation points for all eFare procurement and implementation related issues.
2. The eFare acceptance and validation process for the solution will hence focus on:
  - a. Confirming that the vendor has delivered a solution consistent with the features described in the vendor’s proposal.
  - b. Confirming the vendor has configured the solution correctly for agencies business rules (including fare rules), branding, and other configurable rider experience items offered by the solution.
  - c. Reviewing and validating that equipment is installed in accordance with the agreed installation plan and is delivering the expected user experience in an installed state.
3. The chosen eFare vendor has primary responsibility for project managing all vendor deliverables. Access Tech’s role is as City representative and coordinator of City / participating agency tasks.
4. Each agency will assign a fleet manager responsible for making vehicles and workspaces available to the vendor for equipment installation. The fleet manager for each agency will have primary responsibility for coordinating installation activities with the eFare vendor.

*ITEMS ASSUMED TO BE OUT OF SCOPE*

1. Procurement and installation of new mobile data routers and services for vehicles (if required).
2. Conducting and managing rider marketing and education activities – this is assumed to be performed by agency staff.
3. Conducting and managing agency internal process change and change management activities (example updating financial reconciliation and rider support processes) – this is assumed to be performed by agency staff with input and support from the chosen eFare vendor.
4. The City of Sandy is responsible for commercial and legal aspects of the eFare project.

REQUEST FOR PROPOSALS – TECHNOLOGY IMPLEMENTATION PROJECT

ASSUMED SCHEDULE

Access Tech has based its estimates on the following assumed schedule for the eFares project:

eFare Project Timing Assumptions	Note	Start	End	Duration (elabst weeks)	3/1/2024	4/1/2024	5/1/2024	6/1/2024	7/1/2024	8/1/2024	9/1/2024	10/1/2024	11/1/2024	12/1/2024	1/1/2025	2/1/2025	3/1/2025	4/1/2025	5/1/2025	6/1/2025	7/1/2025	8/1/2025
Mobile Technology Support Services Contract Start		Mar 25 (Mon), 2024	Mar 25 (Mon), 2024	-	M																	
eFare Project Consultant Procurement	Vendor appointed end mid May	Mar 25 (Mon), 2024	May 15 (Wed), 2024	7.3																		
eFare Project Consultant Contracted		May 15 (Wed), 2024	May 15 (Wed), 2024	-		M																
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eFare Project Post Launch Hypercare	2 months hypercare	Jun 4 (Wed), 2025	Aug 27 (Wed), 2025	12.0																		
eFare Project Sustaining Phase Start		Aug 27 (Wed), 2025	Aug 27 (Wed), 2025	-																		M

**CERTIFICATION**

By the act of submitting a Proposal in response to this RFP and signing below, the Proposer certifies that Proposer has carefully examined all RFP documents, all addenda, and all other attachments, fully understands the RFP intent, is able to perform all tasks as described in the Scope of Services (Exhibit A), and its Proposal is made in accordance therewith. Except as otherwise noted as part of the Proposal, Proposer certifies as follows:

- Proposer, if an individual, is of lawful age, is the only one interested in this Proposal, and no person, firm, or corporation other than that named has any interest in the Proposal, or in the proposed contract.
- Proposer is familiar with federal laws, agency regulations, administrative rules, and federal standards under which the work will be performed.
- The owner(s) and company are not suspended or debarred from doing business with the federal government.
- Proposer shall also certify whether Proposer is an Oregon Proposer or a non-resident Proposer. Proposer acknowledges that the City may choose to apply a resident bidder preference or nonresident bidder reciprocal percentage increase to each proposal, if applicable
- The submitted bid is complete and that the company can conduct the work as detailed in Exhibit A.
- The Proposer agrees with all stipulations and requirements, as presented in this RFP.
- The Proposer acknowledges that, if selected as the successful proposer, the provision of the services described herein is contingent upon successful negotiation of a contract with the City of Sandy.

Access Tech LLC

*Heather Adams*

13.5 Years in Business

Heather Adams, Operations Manager

03/01/2024

**Company Name &  
Years in Business**

**Signature of Owner or Authorized  
Representative**

**Date**

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## RESPONSIBILITY DETERMINATION

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I certify that proposer (please mark any that are applicable):

Has available the appropriate financial, material, equipment, facility and personnel resources and expertise, or has the ability to obtain the resources and expertise, necessary to meet all Project responsibilities.

Has completed previous contracts of a similar nature with a satisfactory record of performance.

Has a satisfactory record of integrity.

Is legally qualified to contract with the City.

Complied with the tax laws of the state or a political subdivision of the state, including ORS 305.620 and ORS chapters 316, 317 and 318.

Supplied all necessary information in connection with the inquiry concerning responsibility.

Was not debarred by the City under ORS 279B.130.

Does not owe a liquidated and delinquent debt to the state.

Has not discriminated and will not discriminate, in violation of ORS 279A.110(1), against any disadvantaged business enterprise, a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns or an emerging small business in awarding a subcontract.

*Heather Adams*

Heather Adams  
Operations Manager  
March 1, 2024

# SAM RFP Technology Implementation Project 3-1-24

Final Audit Report

2024-03-01

Created:	2024-03-01
By:	Heather Adams (heather@accesstech.net)
Status:	Signed
Transaction ID:	CBJCHBCAABAAqoTTDquKkKiLfXM51hTsW27j5tezbnaK

## "SAM RFP Technology Implementation Project 3-1-24" History









-  Document created by Heather Adams (heather@accesstech.net)  
2024-03-01 - 5:12:56 PM GMT
-  Document emailed to Trey Lackey (trey@accesstech.net) for signature  
2024-03-01 - 5:13:04 PM GMT
-  Document emailed to Heather Adams (heather@accesstech.net) for signature  
2024-03-01 - 5:13:04 PM GMT
-  Email viewed by Heather Adams (heather@accesstech.net)  
2024-03-01 - 5:13:59 PM GMT
-  Document e-signed by Heather Adams (heather@accesstech.net)  
Signature Date: 2024-03-01 - 5:14:52 PM GMT - Time Source: server
-  Email viewed by Trey Lackey (trey@accesstech.net)  
2024-03-01 - 5:15:35 PM GMT
-  Document e-signed by Trey Lackey (trey@accesstech.net)  
Signature Date: 2024-03-01 - 5:19:51 PM GMT - Time Source: server
-  Agreement completed.  
2024-03-01 - 5:19:51 PM GMT



Exhibit B

SCHEDULE

The TIP has a scope of 15 months – on or about March 25, 2024, through June 30, 2025.

Exhibit A describes the assumptions and schedule we have assumed for the eFares project in developing our estimates for Task 3, Option 1 and Option 2.

MONTHLY BREAKDOWN

Project Name	Mobile Technology Stack														
	2024						2025								
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Onboarding/Kick Off Meetings															
Inventory - Physical Data Gathering															
Inventory - Data Colation															
Runbook Creations															
Training Program															
Troubleshooting															
Quarterly Reports															
Final Reports															

eFare Payment System

eFare Project Timing Assumptions	Note	Start	End	Duration (calendar weeks)	3/1/2024	4/1/2024	5/1/2024	6/1/2024	7/1/2024	8/1/2024	9/1/2024	10/1/2024	11/1/2024	12/1/2024	1/1/2025	2/1/2025	3/1/2025	4/1/2025	5/1/2025	6/1/2025
Mobile Technology Support Services Contract Start		Mar 25 (Mon), 2024	Mar 25 (Mon), 2024	-	M															
eFare Project Consultant Procurement	Vendor appointed end mid May	Mar 15 (Mon), 2024	May 15 (Wed), 2024	7.5																
eFare Project Consultant Contracted		Mar 15 (Wed), 2024	May 20 (Wed), 2024	-																
eFare BTF Preparation		May 15 (Wed), 2024	Jul 1 (Mon), 2024	6.7		M														
eFare BTF Response		Jul 1 (Mon), 2024	Sep 1 (Sun), 2024	8.5																
eFare BTF Evaluation		Sep 1 (Sun), 2024	Oct 1 (Tue), 2024	4.5																
eFare BTF Contract Negotiation / Approval		Oct 1 (Tue), 2024	Oct 22 (Tue), 2024	3.0																
eFare Vendor Contracted		Oct 22 (Tue), 2024	Oct 22 (Tue), 2024	-							M									
eFare Project Delivery		Oct 22 (Tue), 2024	Nov 19 (Tue), 2024	4.0																
eFare Project Mobilization / Shared Planning		Oct 22 (Tue), 2024	Nov 12 (Tue), 2024	4.0																
eFare Project Configuration Data Gathering		Nov 12 (Tue), 2024	Dec 10 (Tue), 2024	4.0																
eFare Project System Configuration	Ahead of installation, finish before readiness testing	Dec 10 (Tue), 2024	Feb 30 (Wed), 2025	11.1																
eFare Project Equipment Installation	Assumes progressive install across agencies	Jan 15 (Wed), 2025	Apr 9 (Wed), 2025	12.0																
eFare Project Operational Readiness Testing	Assumes progressive testing across agencies	Feb 30 (Wed), 2025	May 21 (Wed), 2025	12.0																
eFare Project Pilot	Assumes progressive pilots and launch across agencies	Apr 9 (Wed), 2025	Jul 2 (Wed), 2025	12.0																
eFare Project Full Launch	4 week pilot for each agency	Jul 30 (Wed), 2025	Jul 30 (Wed), 2025	-																M
eFare Project Post Launch Support	3 months support	Jul 4 (Wed), 2025	Aug 27 (Wed), 2025	12.0																
eFare Project Sustaining Phase Start		Aug 27 (Wed), 2025	Aug 27 (Wed), 2025	-																

## Exhibit C

Base RFP and Option 1		
Item	# of Hours	Total Cost
Monthly Vehicle Fee		
\$50 per Vehicle per Month		\$103,500
Mobile Technology Stack		
Discovery Planning Meeting	88.5	\$12,338
General Project Management	462	\$64,350
Troubleshooting and Support	636	\$79,500
Inventory	159	\$19,875
Runbooks	208	\$27,900
Training Program	156	\$21,400
Business Reviews	48	\$6,600
Final Report and Recommendations	40	\$5,500
eFare Payment System		
Procurement And Implementation Support	311	\$62,780
RFP Preparation And Issuance	100	\$18,900
RFP Response Management	30	\$4,950
RFP Evaluation	80	\$16,320
Contract Negotiation Support	10	\$2,250
<b>TOTAL:</b>		<b>\$446,163</b>



## REQUEST FOR PROPOSALS

### Mobile Technology Support Services

Date issued: January 27, 2024

Proposals Due: March 1, 2024, by 2:00 p.m.

Submit Proposals to: City of Sandy  
Attn: Andi Howell  
ahowell@ci.sandy.or.us

Submit Questions To: Andi Howell  
Email: ahowell@ci.sandy.or.us  
Submit Questions by: February 15, 2024, by 2:00 pm

# CITY OF SANDY TRANSIT DEPARTMENT

## NOTICE:

January 27, 2024

### RFP for Mobile Technology Support Services

#### SAM CONTACT INFORMATION

<b>SAM Contact</b>	Andi Howell	<b>Phone</b>	(503) 489-0925
<b>Email</b>	ahowell@ci.sandy.or.us	<b>Proposal Due Date</b>	March 1, 2024, by 2:00 p.m.

**(Proposals will not be received or considered after this time)**

The City of Sandy, Or. (the “City”) is implementing the Technology Implementation Project (“TIP”), a project designed to achieve technological improvements on the Sandy Transit System as well as Transit systems throughout Clackamas County.

The purpose of this Request for Proposals (“RFP”) is to solicit proposals for an individual or firm to serve as the TIP Technical Consultant (the “Technical Consultant”). The Technical Consultant will be primarily responsible for providing technical assistance to the TIP, as directed by Sandy Transit.

The Technical Consultants will be engaged on a consulting basis, whereby the Technical Consultants shall agree to provide a flexible number of hours of Technical Service per month (as determined pursuant to a mutually executed contract), - and when called upon to do so by Sandy Transit, at an agreed upon hourly rate (as determined pursuant to a mutually executed contract). The technical services shall commence as of March 25, 2024, or such other date as is mutually agreed upon by the parties.

Proposals shall be emailed in a single .pdf document to ahowell@ci.sandy.or.us. Intent to award announcements will be released on March 15th.

Requests for proposal documents, requirements, questions, or requests for clarification must be submitted in writing no later than March 1, 2024 by 2:00 pm to Andi Howell by email at:

Email: ahowell@ci.sandy.or.us (preferred method)

Prequalification applications are not a requirement for this RFP. A pre-proposal conference will not be held in connection with this procurement.

The City reserves the right to reject any or all submissions, to waive any irregularities in the request for proposals, to accept or reject any item or combination of items in a submission, to request additional information or clarifications from respondents, and to negotiate or hold interviews with any one or more of the proposers.

Selection of a Proposer under this process is not a guarantee of a contract award, nor is the award of a contract for any portion of the work a guarantee of award of a contract for any subsequent work. All work is subject to budgetary and funding constraints of the City of Sandy. All legal rights and obligations between the successful candidate, if any, and the City will come into existence only when an agreement is fully executed by the parties, and the legal rights and obligations of each party shall at that time be only those rights and obligations which are set forth in the agreement and any other documents specifically referred to in that agreement and executed by the parties. Applicants are cautioned not to make any assumptions as the implied meaning or intent of any part

of the RFP.

By requesting proposals, the City is in no way obligated to award a contract or to pay expenses of the responding proposers in connections with the preparation or submission of proposals. Furthermore, the City reserves the right to reject any and all proposals prior to execution of a contract, with no penalty to the City.

City may award this solicitation to and negotiate a contract with the most qualified, responsive, responsible Proposer, as determined in its sole discretion. The City reserves the right to waive formalities or to accept any submittal that appears to serve the best interest of the City. The selected organization shall comply with all federal, state, and local laws, regulations, executive orders, and ordinances applicable to the work under this contract.

## **RFP DOCUMENTS**

The complete RFP is on file with and may be obtained from: Nancy Payne, npayne@ci.sandy.or.us, between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday. Andi Howell shall be the Project Manager for this RFP. The Project Manager shall be the sole point of contact for all questions, concerns, and protests.

Proposals must address all submission requirements set forth in this RFP and must describe the firm's experience providing mobile technology support services.

Unless otherwise specified, no particular form is required. In an effort to promote greater use of recycled and environmentally preferred products and to minimize waste, the City encourages all proposals submitted in hard copy to be prepared simply and economically. The use of special bindings, unnecessary colored displays and irrelevant promotional materials is neither required nor desired. Double-sided printing on recycled paper and/or the use of reusable products is encouraged.

## **PROPOSAL FORMAT AND REQUIREMENTS**

All proposals shall contain the heading, "Request for Proposals – Technology Implementation Project ", and be typewritten with a standard body text font (e.g., Arial, Calibri, Times New Roman, Garamond) of at least 12-point. Proposals shall include an introductory letter, a table of contents that provides a clear identification of the written material by section and by page number, and a cover page.

### ***Cover Page***

The cover page must be signed by an authorized signer and include the following information:

- a. The RFP Title;
- b. The name, title, address, telephone number, and e-mail address of the Proposer's primary contact person; and
- c. The date of submission.

Proposers may include other information on the cover page in addition to the required information provided above but must not omit any of the above information.

### ***Introductory Letter***

The introductory letter shall address the Proposer's understanding of the work to be accomplished, its willingness and commitment, if selected, to provide the services offered, a brief outline of Proposer's strengths in providing the required services, and a description of why Proposer believes its organization should be selected. The letter must also acknowledge agreement with stipulations and requirements of this RFP.

- a. The letter shall be addressed to the City's Project Manager and shall include the Proposer's name, as well as the printed name, title, telephone number, and email address of the officer

authorized to represent Proposer in any correspondence, negotiations, and signing of any contract that may result.

- b. The letter shall include the address of the office that will be providing the service and the project manager's name, title, telephone number, and email address.
- c. Proposer's federal tax ID numbers and the state of incorporation, if applicable, shall also be included.
- d. The letter must be signed by the Proposer, if an individual, or by a legal representative of the Proposer authorized to bind the entity in contractual matters and shall include a description of Proposer's current legal status (i.e., corporation, partnership, sole proprietor, joint venture, etc.).

The proposals should be sure to include the following:

- A detailed description of the Proposer's experience in providing support services and if applicable support services for similar mobile technology systems.
- A proposed plan for providing on-site and remote technical assistance for SAM's technology systems.
- A proposed schedule to address the items identified in this draft scope of work.

**Evaluation Criteria:** Proposal evaluation includes the following criteria:

- Completed Proposal submitted on time – Pass/Fail
- Introductory Letter – Pass/Fail
- Experience providing technology support services – [10 points]
- Quality and feasibility of the proposed plan for providing support services – [20 points]
- Cost-effectiveness of the proposal [20 points]

Total Evaluation Points: [50 points]

- SAM will compose an evaluation committee to score proposals
- SAM will schedule an interview with the two highest ranking proposals

Your company's proposal should assume a minimum contract to the grant deadline of June 30, 2025. The quote should include all tools and materials needed to complete the job. The City may require submission of supplemental materials. The City reserves the right to modify or incorporate additional steps in the evaluation process in the interest of having a thorough and comprehensive body of information in order to make a recommendation. The highest ranked proposal shall determine the successful Proposer. Upon determination of the successful Proposer, the City will issue a Notice of Intent to Award letter notifying all Proposers of the RFP process having concluded, the selection of the successful Proposer, and protest procedures.

**Please attach a more detailed budget incorporating the base budget referenced above. Please include hourly rates for the staff resources planned for this project.**

**Please include the grand total cost in the box below.**

Technology Implementation Project	Monthly Cost	Total Cost

In addition to the bid, we are asking each company to provide three business references.

Name of Reference	Phone	Type of Work You Provided

The City reserves the right to obtain clarification of any portion of a Proposal or to obtain additional information necessary to properly evaluate a particular Proposal. Failure of a Proposer to timely respond to such a request for additional information or clarification may result in a finding that the Proposer is non-responsive and consequent rejection of the Proposal.

The City may obtain information from any legal source for clarification of any Proposal. The City need not inform the Proposer of any intent to perform additional research in this respect or of any information thereby received.

The City may perform, at its sole option, investigations of any Proposer. Information obtained may include, but shall not be limited to, current litigation and contracting references. All such information, if requested by the City, will become part of the public record and may be disclosed accordingly.

The City reserves the right to request revisions of any Proposal after the date and time due and before award for the purpose of obtaining best and final offers.

**Signature Page and Responsibility Determination Form**

The Proposer must sign and submit a signature page and the Responsibility Determination Form (see Exhibit C). The submission and signing of the signature page indicate the intention of the Proposer to adhere to the provisions described in this RFP.

**Proposal Submission**

Submissions in response to the RFP must be sent either by email with the subject line : “Request for Proposals – Mobile Technology Support Services.” The name and address of the Proposer must be in the email. Proposals received after the designated time and date will not be opened.

**Submission Deadline**

Sealed proposals are due no later than March 1, 2024, at 2:00 pm. **Late proposals will not be accepted.** Delays due to mail and/or delivery handling, including, but not limited to, delays within the City’s internal distribution systems, do not excuse the Proposer’s responsibility for submitting the Proposal to the correct location by the Proposal due date. Facsimile proposals are NOT acceptable. It will be the responsibility of proposers to check the website for clarifications, addenda, or amendments. No submissions will be considered that is not responsive to any issued amendments.

**Modification or Withdrawal of Proposal by Proposer**

Any Proposer may modify its Proposal at any time, in writing, prior to the scheduled closing time for receipt of proposals, provided communication of such is received by the City prior to the closing time. Any modification of a Proposal must include a statement that the modification amends and supersedes the prior offer. All such communication shall be so worded as not to reveal the contents of the original Proposal. Withdrawn Proposals may be resubmitted prior to the time and date the Proposals are due, provided that they are then fully in conformance with the RFP.



## Duration of Proposal

Proposal prices, terms, and conditions shall be firm for a period of at least one-hundred eighty (180) days from the submission deadline. Proposals shall not be subject to future price escalation or changes of terms during that period.

## Questions, Interpretations, and Addenda

### Questions

All questions regarding this project and solicitation must be directed to Andi Howell, Transit Director, at ahowell@ci.sandy.or.us and received by the February 15, 2024, by 2:00 pm. If necessary, the City will issue an addendum within a reasonable time prior to proposal closing, but in no case less than 72 hours before the proposal closing. If an addendum is necessary after that time, the City will extend the closing date.

All questions shall include " Mobile Technology Support Services – RFP Questions" in the subject line and must be received by February 15, 2024. Questions and answers will be provided by email to all prospective Proposers on the RFP holders list. Questions submitted after the deadline will not be addressed.

For the sake of fairness, Proposers are not to contact any City staff or official, other than the Project Manager, concerning this RFP. Contact with any other City staff or officials concerning this RFP will be grounds for disqualification.

Proposers are hereby notified that verbal communication may not be relied upon as official communication concerning the RFP. Only answers to those questions responded to by the City's Project Manager in writing may be relied upon.

In case of any doubt or differences of opinion as to the items or services to be furnished hereunder, or the interpretation of the provisions of the RFP, the decision of the City shall be final and binding upon all parties.

### Addenda

The City reserves the right to make changes to the RFP by written addendum. The City will not mail notice of addenda, but will publish notice of any addenda on City's website as stated above. Addenda may be downloaded off of City's website. Proposers should frequently check the City's website until closing, i.e., at least once weekly until the week of closing and at least once daily the week of closing. Proposers may only protest the contents or issuance of an addenda until the end of the next business day following such issuance.

All addenda shall have the same binding effect as though contained in the main body of the RFP documents.

No addenda will be issued later than February 22, 2024, except by an addendum, if necessary, postponing the date for receipt of Proposals or canceling the RFP altogether.

Each Proposer is responsible for obtaining all addenda prior to submitting a Proposal and shall acknowledge in the Proposal receipt of each addendum as part of the Proposal. Failure to acknowledge receipt of all addenda as part of the Proposal may result in rejection of the Proposal.

## Rejection of Proposals

The City reserves the right to waive any or all irregularities in Proposals submitted in response to this RFP. Furthermore, the City reserves the right to reject any or all Proposals, or portions thereof, submitted in response to this RFP. Proposals may be rejected for reasons including, but not limited to:

- a. Failure of the Proposer to adhere to one or more of the provisions established in the RFP;
- b. Failure of the Proposer to submit a Proposal in the format specified herein;



- c. Failure of the Proposer to submit a Proposal within the time requirements established herein;
- d. Failure of the Proposer to adhere to ethical and professional standards before, during, or following the Proposal process;
- e. Failure to provide information that is specifically requested in this RFP; and
- f. Failure to be deemed responsible
- g. The City may reject any Proposal not in compliance with all prescribed public procurement procedures and requirements and may reject any or all Proposals upon a finding by the City that it is in the public interest to do so.

### **Contract Negotiation and Term**

Response to this RFP indicates agreement by the proposer with all stipulations and requirements of this RFP and is subject to subsequent contract negotiation. It is the intention of the City of Sandy to offer the successful Proposer to start work as soon as a contract is signed. The continuation of the contract will be contingent upon an annual management and project review by the City and City budget approval. The contract shall take the form set forth in Exhibit B.

### **Change Requests and RFP Protests**

A prospective Proposer may protest anything contained in the RFP documents and request a corresponding change to any provision, specification, or contract term contained in the RFP documents by submitting a written request to:

City of Sandy  
 Attn: Andi Howel, Transit Director  
 16610 Champion Way  
 Sandy, OR 97055  
 []

All such protests shall include " Mobile Technology Support Services – RFP Protest" in the subject line or written on the front of the envelope and be submitted, in writing, by February 23, 2024. Any such protest must be in accordance with applicable state statutes and administrative rules, and must include a statement of the desired change(s) to the procurement process or solicitation document(s) that the prospective proposer believes will remedy the conditions upon which the protest is based. The City will not consider any solicitation protest submitted after the deadline or any protest that does not include the required information.

The City will review the protest and respond in writing in accordance with state law. If the City determines it is necessary in order to consider and respond to a protest, the City may extend closing. If the City upholds a protest, in whole or in part, the City may, in its sole discretion, either issue an addendum reflecting its disposition or cancel the solicitation. Before seeking judicial review, a Proposer must file a written protest with the City and exhaust all administrative remedies. An affected person may protest a contract award in accordance with applicable state statutes and administrative rules, within seven (7) days of such notice of intent to award.

### **Confidentiality and Public Records**

All information submitted by a Proposer shall become and remain the property of the City and is considered public information and subject to disclosure pursuant to the Oregon Public Records Law, except such portions of the Proposal, as identified by the Proposer, which are exempt from disclosure consistent with Oregon law. If a Proposal contains any information that the Proposer believes is exempt from disclosure under the various grounds specified in the Oregon Public Records Law, the Proposer must clearly designate each such portion of its proposal as exempt at the time of proposal submission, along with a justification and citation to the legal authority relied upon. Identifying the proposal, in whole, as exempt from disclosure is not acceptable. Failure to identify specific portions of the proposal as exempt shall be deemed a waiver of any future claim of that information as exempt.

The City will make available to any person requesting information, through the City processes for

disclosure of public records, any and all information submitted as a result of this RFP not exempt from disclosure without obtaining permission from any Proposer to do so. City may also, in its sole discretion, elect to publish all such information at any time, regardless of whether or not a public records request has been received. However, if a public records request is made for material marked by the Proposer as exempt, the City will attempt to notify the impacted Proposer prior to any release of the material. Application of the Oregon Public Records Law by the City will determine whether any information is actually exempt from disclosure. The City accepts no liability for the release of any information submitted.

**Procurement Timeline**

The City reserves the right to modify this schedule at the City’s discretion. Proper notification of changes will be made to all interested parties.

The following is the anticipated timeline for receiving and evaluating Proposals and awarding a contract to the most qualified organization.

Advertise Request for Proposals	January 27, 2024
RFP Questions Deadline	February 15, 2024
Addenda Issuance Deadline	February 22, 2024
RFP Protests/Change Requests Deadline	February 23, 2024
Proposals Due	March 1, 2024, at 2:00pm
Opening of Proposals (Based on the Operations Center wall clock or the Transit Director's computer clock)	2:30 pm March 1, 2024;
Location of Proposal Opening Sandy Operations Center	16610 Champion Way Sandy, OR 97055
Interviews Scheduled (if applicable)	TBD
Notice of Intent to Award	March 15, 2024
End of Contract Award Protest Period	[7 days after notice of intent to award]

By the act of submitting a Proposal in response to this RFP and signing below, the Proposer certifies that Proposer has carefully examined all RFP documents, all addenda, and all other attachments, fully understands the RFP intent, is able to perform all tasks as described in the Scope of Services (Exhibit A), and its Proposal is made in accordance therewith. Except as otherwise noted as part of the Proposal, Proposer certifies as follows:

- Proposer, if an individual, is of lawful age, is the only one interested in this Proposal, and no person, firm, or corporation other than that named has any interest in the Proposal, or in the proposed contract.
- Proposer is familiar with federal laws, agency regulations, administrative rules, and federal standards under which the work will be performed.
- The owner(s) and company are not suspended or debarred from doing business with the federal government.
- Proposer shall also certify whether Proposer is an Oregon Proposer or a non-resident Proposer. Proposer acknowledges that the City may choose to apply a resident bidder preference or nonresident bidder reciprocal percentage increase to each proposal, if applicable
- The submitted bid is complete and that the company can conduct the work as detailed in Exhibit A.
- The Proposer agrees with all stipulations and requirements, as presented in this RFP.
- The Proposer acknowledges that, if selected as the successful proposer, the provision of the services described herein is contingent upon successful negotiation of a contract with the City of Sandy.

**Company Name &  
Years in Business**

**Signature of Owner or Authorized  
Representative**

**Date**

## Exhibit A SCOPE OF SERVICES

The intent is to have the Technical Consultant provide third-party objective advice and technical assistance to the Transit Department in relation to 4 identified tasks.

*Task 1: Technology assistance in updating, maintenance and integration of technology used by Recipient and collaborating partners, specifically beginning with working with staff and vendor on current Mobile Data Terminals (MDT) system problems.  
Deliverable: Identifying problems and assisting with corrections to current technological equipment, such as the MDTs. Written procedures for ongoing maintenance, updates and shared data as part of the technology plan.*

*Task 2: Technology needs assessment for Recipient and collaborating partners  
Deliverable: Written assessment and plan that outlines description of technology used, recommended training of staff, staff members responsible, future training needs, future technology implementation, written documentation of procedures/best practices.*

*Task3: Mobile ticketing/fare payment system procurement and implementation  
Deliverables: Work with the City and/or a consultant hired by the City on a Request for Proposal, Selection of Vendor, mobile application technology plan.*

*Task 4: Analysis of emerging charging management software.  
Deliverable: Written list of available charging software and attributes. Task 1 – 3 are the most important deliverables. Task 4 will be conducted time permitting in the overall project.*

***This project is funded through a Statewide Transportation Improvement Fund (STIF) Discretionary grant that expires June 30, 2025. The total project budget is \$450,000. Sandy would expect the base budget of this portion of the project to be approximately \$380,000 which, based on independent cost estimates, equates to approximately 34 hours per week. The project may require more or less than this base budget.***

This (RFP) is seeking a vendor to provide on-site and virtual maintenance support services, track issues with vendor services and equipment through to their resolution and serve as the liaison between the SAM tech vendors and SAM and MV staff.

Although SAM is the leader of this project, the vendor may conduct the same activities on behalf of Canby Area Transit (CAT), Clackamas County (2 shuttle services and MHX), South Metro Area Transit (SMART), South Clackamas Transit District (SCTD), and Hood River County Transit District (CAT) per request by Sandy Transit. Vendor will have the ability to track time spent with each agency for billing purposes. SAM will need documentation of time spent with other agencies for reimbursement purposes. At completion of this process the vendor will prepare a final report that includes pre and post measures of success and recommendations for the future.

The existing technology stack consists of the following systems and support vendors:

- 1.) **Passio:** Provides real-time bus information system. This includes hardware, full ITS including cloud-based software, MDTs, automatic vehicle locators, automated stop announcements, LED signs and display panels.
- 2.) **MDT's:** Mobile data terminals were purchased from Passio and Passio provides support and replacement options for the MDT's. The MDTs are in all SAM, Clackamas, Canby, SCTD vehicles. Wilsonville (SMART) vehicles are equipped with Synchronatics. Dial-A-Ride vehicles have Parascope/CTS software on Passio Go MDTs because they are used for both demand response and fixed route

services. The remainder of the fleet have Passio only.

- 3.) **CTS-Parascope** scheduling software for demand response services- Dial-A-Ride and ADA paratransit.
- 4.) **LED** signs and display panels on fifteen buses as part of the Passio agreement.
- 5.) **Hanover Destination Signs** and other brands of destination signs, these signs are electronic and coordinate with the Passio system.
- 6.) **Safety Vision:** Surveillance cameras on all SAM vehicles with 6 to 8 cameras on each vehicle. The camera system records and saves data for two weeks and then records over. The data is downloaded for viewing as needed.
- 7.) **Drive CAM** A secondary camera system owned and managed by MV Transportation (MV). This technology tracks the speed of the vehicle and other metrics to assist FT supervisors with managing and improving transit drivers' safety etc. It automatically records if there is an accident or if the driver pushes a dedicated alert button.
- 9.) **Q-Strait** An automated wheelchair securement device on six SAM buses.
- 10.) **FirstNet Communications** Mobile radios for two-way voice communication on all SAM vehicles and base station at Transit Operations Center.
- 11.) **Camera Systems:** There are various types of camera systems used on vehicles, Apollo and Safety Fleet are the primary vendors.
- 12.) **MP Web:** This is software used by our maintenance coordinator to track preventative maintenance.

In addition to providing on-site and virtual maintenance support and collaborating with existing vendors, SAM needs the vendor to assist with the creation of a written assessment and plan that outlines description of technology used, recommended training of staff, staff members responsible, future training needs, future technology implementation, written documentation of procedures/best practices.

The vendor will advise SAM Transit Manager/Director on service agreements for each vendor and assist with technology upgrades or developing scopes of work for mobile technology-related procurement projects. The successful vendor will work with SAM staff to ensure the inventory system is efficient and effective.

### Task 1:

The first task that will be assigned to the vendor will be to review the Passio MDT systems to identify and correct system errors. Passio/CTS is utilized by SAM, CAT, Clackamas County and SCTD. The vendor will be able to work with the relevant agency and Passio to identify and correct existing issues to the degree possible.

At the conclusion of this task, the vendor will provide a list of identified and solved problems and recommendations for ongoing maintenance and solutions regarding the Passio/CTS service. This will be included in the broader objective of task 1 (copied below) but is recognized as a priority need for several agencies.

*“Technology assistance in updating, maintenance and integration of technology used by Recipient and collaborating partners, specifically beginning with working with staff and vendor on current Mobile Data Terminals (MDT) system problems.*

*Deliverable: Identifying problems and assisting with corrections to current technological equipment, such as the MDTs. Provide written procedures for ongoing maintenance, updates*

and shared data as part of the technology plan”

## Task 2:

Technology needs assessment for Recipient and collaborating partners

Deliverable: Written assessment and plan that outlines description of technology used, recommended training of staff, staff members responsible, future training needs, future technology implementation, written documentation of procedures/best practices.

## Task 3:

Vendor will work with SAM staff or consultant representing SAM to implement mobile fares (efares) for SAM and all Clackamas County transit providers. Through an earlier project, Clackamas County providers worked to identify the type of efare system needed and a draft RFP has already been created. With advice and guidance of vendor, SAM staff or consultant will issue the Request for Quote (RFQ) and conduct a search for vendors. Upon selection of winning bidder, vendor will work with SAM to implement mobile fares system. Vendor will be expected to assist with oversight of set up and implementation of the system.

## Task 4:

Analysis of emerging charging management software.

Deliverable: Written list of available charging software and attributes.

Task 1 and 2 can be accomplished using the following model that has recently been employed by Yamhill County Transit:

### **GAPS IN SUPPORT COVERAGE**

The following gaps in currently deployed support coverage for SAM’s mobile technology environment have been identified:

#### **1. On-site support coverage**

- Local technicians are not currently available to respond rapidly to maintenance or repair issues with the tech stack. Vendor-supplied technicians, especially those from Passio, can be unavailable for an unpredictable lead time which regularly extends into weeks. Even after they are on site, vendor-supplied technicians are only trained and authorized to work on the systems provided by that vendor.
- The successful vendor will directly provide on-site support or assist SAM in establishing timely and cost-effective access to technicians with the needed expertise.

#### **2. Issue Tracking**

- Vendors may be individually responsive to direct queries, but:
  - No central issue tracking system manages issues to prompt resolution.
  - No single party oversees issues to assign responsibility among vendors and track/ensure responsiveness.
  - No periodic review of issues identifying trends and areas needing improvement is performed.
- The successful vendor will create and support a central issue-tracking system for all technology systems and will train SAM and MV staff as needed on how to use the

system.

## **GAPS IN PROCESS**

SAM identified the following gaps in processes for obtaining support of the mobile tech systems.

### **1. Runbooks**

- The most crucial resource currently lacking is a set of *runbooks* for the environment.
- Runbooks are sets of simple and concise instructions for performing the most common troubleshooting, maintenance, and repair procedures. They allow a competent technician who may be otherwise untrained on a set of systems to follow instructions to perform the required work efficiently.
- While time-consuming to prepare, runbooks quickly save time long term by ensuring reasonable efficiency and effectiveness when performing common tasks and reducing training costs.
- The successful vendor will create a comprehensive list of runbooks that would advance SAM's objective of having ready-to-go responses to a range to possible technological and operational failures. Each list item will include cost and benefit estimates so that SAM may determine which ones to have the successful vendor develop and maintain.

### **2. Lifecycle management of equipment and services**

- There is currently no single agency-wide method for tracking when equipment will reach the end of support or planning for replacements.
- In the current environment, replacement equipment can be unavailable or incur long lead times. While spares currently exist, there is no management or planning of the inventory of spare equipment.
- The successful vendor will create and support a central asset management system for all equipment related to technology systems and will train SAM and MV staff as needed on how to use the system.

### **3. Proactive support**

- No process currently exists to identify trends (when issues become chronic problems), nor is there any periodic review of support effectiveness.
- The successful vendor will work closely with SAM and MV to determine what data collection methods and key performance indicators may be used to identify trends in both the efficacy of the technology systems themselves and the systems in place to support the use of those systems.

## **GAPS IN TRAINING**

SAM recognizes that turnover is a natural part of any organization and may impact the continuity of support services for technology systems. The existing mobile technology vendors offer training virtually and in person. The Passio/CTS system is comprehensive and includes



tools and features that could be extremely helpful for grant reporting and federal and state requirements. However, current staff utilization of the tools in this program is minimal.

The successful vendor will collaborate with the existing vendors and MV and SAM staff to determine the necessary training and frequency, including a plan for how they will mitigate the impact of turnover on the support services provided. It may include the following:

1. A proposed process for knowledge transfer between departing and incoming support staff.
2. A proposed process for documenting and updating runbooks, support procedures, and system configurations to ensure continuity of service.
3. A proposed process for ensuring that new support staff are trained on the mobile technology systems before assuming their roles.
4. A proposed schedule for regular training and retraining sessions.
5. A proposed process for identifying staff training needs.
6. A proposed process for delivering training and retraining sessions, including the use of online and in-person training methods.
7. A proposed process for documenting staff training and retraining activities.



**Exhibit B**  
**[Personal Services Agreement Template]**

**CITY OF SANDY**  
**PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT is made and entered into as of the date first indicated on the signature page, by and between the City of Sandy, Oregon (hereinafter referred to as the "City"), and (NAME OF COMPANY). (hereinafter referred to as "Consultant") for the project commonly known as the (NAME OF PROJECT) ("Project").

WHEREAS, City requires services which Consultant is capable of providing, under terms and conditions hereinafter described; and

WHEREAS, Consultant represents that it is qualified on the basis of specialized experience and technical competence and prepared to provide such services as City does hereinafter require;

NOW, THEREFORE, in consideration of those mutual promises and the terms and conditions set forth hereafter, the parties agreed as follows:

**A. Term**

The term of this Agreement shall be from the date of execution by both parties until tasks required hereunder are complete and accepted, unless earlier terminated in accordance herewith.

**B. Consultant's Services**

- B.1 The scope of Consultant's services and time of performance under this Agreement are set forth in Exhibit A. All provisions and covenants contained in Exhibit A are hereby incorporated by reference and shall become a part of this Agreement as if fully set forth herein.
- B.2 All written documents, drawings, and plans submitted by Consultant and intended to be relied on for the project shall bear the signature, stamp or initials of Consultant or Consultant's authorized Project Manager. Any documents submitted by Consultant which do not bear Consultant's signature, stamp or initials or those of the Consultant's authorized Project Manager shall not be relied upon by City, and shall be returned to Consultant to affix such signature, stamp or initials, as appropriate. Interpretation of plans and answers to questions covering Plans given by Consultant or Consultant's Project Manager need not be put in writing unless requested by the City and may be relied upon by City.
- B.3 All agreements on the Consultant's part are contingent upon, and the Consultant shall not be responsible for damages or be in default or be deemed to be in default by reason of delays in performance due to third party: strikes, lockouts, accidents; acts of God; other delays unavoidable or beyond the Consultant's reasonable control, or due to shortages or unavailability of labor at established area wage rates or delays caused by failure of the City or City's agents to furnish information or to approve or disapprove the Consultant's work promptly, or due to late or slow, or faulty performance by the City, other contractors, other consultants not under Consultant's control or governmental agencies, the performance of whose work is precedent to or concurrent with the performance of the

Consultant's work. In the case of the happening of any such cause of delay, the time of completion shall be extended accordingly.

- B.4 The existence of this Agreement between City and Consultant shall not be construed as City's promise or assurance that Consultant will be retained for future services unrelated to the services as contemplated by this Agreement.
- B.5 Consultant shall maintain confidentiality of any private confidential information and any public information which is exempt from disclosure under state or federal law to which the Consultant may have access by reason of this Agreement. Consultant warrants that its employees assigned to work on services provided in this Agreement shall maintain confidentiality. All agreements with respect to confidentiality shall survive the termination or expiration of this Agreement.
- B.6 Consultant agrees to complete in satisfactory, proper and timely manner the services described in attached Exhibit A.

### C. Compensation

- C.1 City agrees to pay Consultant not more than (**DOLLAR AMOUNT IN WORDS**) (**\$dollar amount in numbers**) for performance of those services provided hereunder. However, compensation may be less than such maximum amount and shall be actually determined on the fee proposal as provided in Exhibit A. Compensation shall be only for actual tasks as listed in the fee proposal and time worked on this project and related direct expenses. Consultant shall furnish with each bill for services an itemized statement showing the deliverables devoted to the project by Consultant as well as any agents or employees of Consultant and any direct expenses.
- C.2 During the course of Consultant's performance, if City or its Project Manager specifically requests Consultant to provide additional services which are beyond the scope of the services described on Exhibit A, Consultant shall provide such additional services and bill the City at the hourly rates outlined on the attached Fee Schedule, provided the parties comply with the requirements of Section Q. No compensation for additional services shall be paid or owing without the prior written consent of both parties to such additional compensation and services.
- C.3 Unless expressly set forth on Exhibit A as a reimbursable expense item, Consultant shall only be entitled to the compensation amount specified in subsections C.1 and C.2. Only those reimbursable expenses which are set forth in Exhibit A and itemized on Consultant's bills for services shall be the basis for which payment of those expenses by City shall be owing.

- C.4 Except for amounts withheld by City pursuant to this Agreement, Consultant will be paid for services for which an itemized bill is received by City within 30 days.
- C.5 City shall be responsible for payment of required fees, payable to governmental agencies (including, but not limited to fees related to plan checking, land use, zoning, building permits, and all other similar fees resulting from this project) and not specifically covered by Exhibit A.
- C.6 Consultant's compensation rate includes but is not limited to salaries or wages plus fringe benefits and contributions including payroll taxes, workers' compensation insurance, liability insurance, pension benefits and similar contributions and benefits.
- C.7 In the event Consultant's responsibilities as described in Exhibit A have been separated into two or more phases, then Consultant shall not be entitled to any compensation for work performed directly on a later category of responsibilities unless and until City specifically directs that Consultant proceed with such work.

#### **D. City's Project Manager**

The City's Project Manager is (name of City's project manager, and title). City shall give Consultant prompt written notice of any resignation of its Project Manager.

#### **E. Consultant's Project Manager**

Consultant's Project Manager is (name of consultant's project manager, and title). In the event that Consultant's designated Project Manager is changed, Consultant shall give City prompt written notification of such resignation. In the event that City receives any communication from Consultant of whatsoever nature which is not executed by Consultant's designated Project Manager, City may request clarification by Consultant's Project Manager, which shall be promptly furnished.

#### **F. Project Information**

City shall provide full information regarding its requirements for the Project. Consultant agrees to share all project information, to fully cooperate with all corporations, firms, contractors, public utilities, governmental entities, and persons involved in or associated with the Project. No information, news or press releases related to the Project, whether made to representatives of newspaper, magazines or television and radio stations, shall be made without the authorization of City's Project Manager.

#### **G. Duty to Inform**

If at any time during the performance of this Agreement, or any future phase of this Agreement for which Consultant has been retained, Consultant becomes aware of actual or potential problems, faults or defects in the project or any portion thereof, any nonconformance with the federal, state or local laws, rules, or regulations, or has any objection to any decision or order made by City with respect to such laws, rules or regulations, Consultant shall give prompt written notice thereof to City's Project Manager. Any delay or failure on the part of City to provide a written response to Consultant shall neither constitute agreement with nor acquiescence to Consultant's statement or claim, nor constitute a waiver of any of City's rights.

## H. Consultant is Independent Contractor

- H.1 Consultant shall be and herein declares that it is an independent contractor for all purposes and shall be entitled to no compensation other than compensation provided for under Section C of this Agreement. Consultant binds itself, its partners, officers, successors, assigns and legal representatives to the City.
- Consultant shall be completely independent and solely determine the manner and means of accomplishing the end result of this Agreement, and City does not have the right to control or interfere with the manner or method of accomplishing said results. City, however, has the right to specify and control the results of the Consultant's responsibilities.
- H.2 Subcontracting: City understands and agrees that only those special consulting services identified on Exhibit A may be performed by those persons identified on Exhibit A and not by Consultant. Consultant acknowledges such services are provided to City pursuant to a subcontract(s) between Consultant and those who provide such services. Consultant may not utilize any subcontractors or in any way assign its responsibility under the Agreement without first obtaining the express written consent of the City.
- H.3 Consultant shall be responsible for and indemnify and defend City against any liability, cost or damage arising out of Consultant's use of such subcontractor(s) and subcontractor's negligent acts, omissions, or errors. Subcontractors will be required to meet the same insurance requirements of Consultant under this Agreement. Unless otherwise specifically agreed to by City in writing, Consultant shall require that subcontractors also comply with and be subject to the provisions of this Section H.
- H.4 Consultant shall make prompt payment of any claim for labor, materials or services furnished to the Consultant by any person in connection with this Agreement as such claim becomes due. Consultant shall not permit any lien or claim to be filed or prosecuted against the City on account of any labor or material furnished to or on behalf of the Consultant. If the Consultant fails, neglects or refuses to make prompt payment of any such claim, the City may pay such claim to the person furnishing the labor, materials or services and charge the amount of the payment against funds due or to become due the Consultant under this Agreement.
- H.5 No person shall be employed under the terms of this Agreement as described herein in violation of any wage and hour laws.
- H.6 Should Consultant elect to utilize employees on any aspect of this Agreement, Consultant shall be fully responsible for payment of all withholding required by law, including but not limited to taxes, including payroll, income, Social Security (FICA) and Medicaid. Consultant shall also be fully responsible for payment of salaries, benefits, taxes, Industrial Accident Fund contributions and all other charges on account of any employees. Consultant shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167. All costs incidental to the hiring of assistants or employees shall be Consultant's responsibility. Consultant shall indemnify, defend and

hold City harmless from claims for payment of all such expenses. Unless otherwise expressly set forth on Exhibit A as a reimbursable expense item, specific costs associated with items set forth in this paragraph shall be deemed as fully and conclusively included in the rate upon which consultant's compensation is based.

H.7 No person shall be denied or subjected to discrimination in receipt of the benefits of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, marital status, age, disability or national origin. Any violation of this provision shall be grounds for cancellation, termination or suspension of the Agreement in whole or in part by the City.

## **I. Indemnity and Insurance**

I.1 Consultant acknowledges responsibility for liability arising out of the performance of this Agreement and the attachments thereto, and all liability resulting from the negligent acts, performance or errors or omissions of the Consultant or anyone acting on behalf of Consultant in connection with or incidental to the work performed under the contract. Consultant shall hold City harmless from and indemnify City against any and all claims of loss or damages including reasonable costs, expenses, and attorney's fees to the extent resulting from Consultant's negligent acts, omissions, errors or willful misconduct provided pursuant to this Agreement, or from Consultant's failure to perform its responsibilities as set forth in this Agreement. The review, approval or acceptance by City, its Project Manager or City employees of documents or other work prepared or submitted by Consultant shall not relieve Consultant of its responsibility to provide such materials in full conformity with City's requirements as set forth in this Agreement and to indemnify City from claims, losses and damages resulting from Consultant's failure to adhere to the standard of performance described in Section I.2.3. The provisions of this section shall survive termination of this Agreement.

I.2 Insurance Requirements and Consultant's Standard of Care.

I.2.1 Consultant shall provide City with evidence of the following insurance coverages prior to the commencement of the work. A copy of each insurance policy, issued by a company currently licensed in the State of Oregon, and certified as a true copy by an authorized representative of the issuing company or at the discretion of the City, in lieu thereof, a certificate in a form satisfactory to City certifying to the issuance of such insurance shall be furnished to City. Expenses relating to the cost of insurance shall not be the basis for additional reimbursement to Consultant.

I.2.2 Reserved.

I.2.3 In the performance of its professional services, Consultant shall use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of its profession practicing in the Portland Metropolitan Area. The Consultant will re-perform any services not meeting this standard without additional compensation. Consultant's

re-performance of any services, even if done at City's request, shall not be

Item # 4.

considered as a limitation or waiver by City of any other remedies or claims it may have arising out of consultant's failure to perform in accordance with the applicable standard of care or this Agreement.

- I.2.4 Consultant shall furnish the City a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Agreement. All policies shall be written on an "occurrence basis," except for Consultant's Professional Liability Insurance which may be written on a "claims made" basis, provided it shall endeavor to be maintained in full force for not less than four (4) years following Consultant's performance under this Agreement. All policies shall provide for not less than 30 days' written notice to the City before they may be canceled or reduced or materially changed by endorsement. The Consultant shall provide not less than 30 days' written notice to the City before the policy coverage may be reduced. Excepting professional liability and worker's compensation coverage, all policies shall provide an endorsement naming the City, its officers, employees and agents as additional insureds. In the event the policy lapses during performance, the City may: treat said lapse as a breach; terminate this Agreement and seek damages; withhold progress payments without impairing obligations of Consultant to proceed with work; pay an insurance carrier (either Consultants' or a substitute) the premium amount and withhold that amount from payments; and, use any other remedy provided by this Agreement or by law.
- I.2.5 Insurance Requirements. The Consultant, its subcontractors, if any, and all employers working under this Agreement are subject employers under the Oregon Workers Compensation Law and shall comply with ORS 656.017 which requires them to provide workers' compensation coverage for all their subject workers. The Consultant will maintain throughout this Agreement the following insurance:
- I.2.5.1 Workers' compensation and employers liability insurance as required by the State where the work is performed.
- I.2.5.2 Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from the use of motor vehicles, including on-site and off-site operations, and owned, non-owned, or hired vehicles, with \$2,000,000 combined single limits.
- I.2.5.3 Commercial general liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any covered negligent act or omission of the Consultant or of any of its employees, agents or subcontractors, with \$2,000,000 per occurrence and in the aggregate.
- I.2.5.4 Professional liability insurance of \$2,000,000 per occurrence and in the aggregate, including contractual



liability coverage. If Consultant proposes using subcontractors, in addition to any

other requirements of this Agreement, such subcontractors shall provide Professional Liability Insurance in an amount and form of coverage that complies with the requirements of paragraphs I.2.1, I.2.3, I.2.4 and I.2.5.4.

I.2.5.5 City will be named as an additional insured with respect to Consultant's liabilities hereunder in all insurance coverages identified in items I.2.5.2 and I.2.5.3.

I.2.6 The coverage provided by these policies shall be primary and any other insurance carried by City shall be excess. Consultant shall be responsible for any deductible amounts payable under all policies of insurance. In the event a dispute arises between City and Consultant for which Consultant has obtained insurance, the maximum amount which may be withheld by City for all such claims shall be no more than the amount of the applicable insurance deductible.

## **J. Early Termination**

- J.1 This Agreement may be terminated prior to the expiration of the agreed upon terms:
- J.1.1 By mutual written consent of the parties;
  - J.1.2 By City for any reason within its sole discretion, effective upon delivery of written notice to Consultant by mail or in person, or at such later date as may be established by the City; and
  - J.1.3 By Consultant, effective upon 14 days prior written notice in the event of substantial failure by the City to perform in accordance with the terms through no fault of the Consultant.
- J.2 If City terminates the Agreement in whole or in part due to default or failure of Consultant to perform services in accordance with this Agreement, City may procure, upon reasonable terms and in a reasonable manner, services similar to those so terminated. In addition to any other remedies the City may have, Consultant shall be liable for all costs and damages incurred by City in procuring such similar service, and the Contract shall be in full force to the extent not terminated.
- J.3 If City terminates the Agreement for its own convenience, payment of Consultant shall be prorated to and include the day of termination and shall be in full satisfaction of all claims by Consultant against City under this Agreement.
- J.4 Termination under any provision of this paragraph shall not affect any right, obligation or liability of Consultant or City which accrued prior to such termination. Consultant shall surrender to City items of work or portions thereof, referred to in Section N for which Consultant has received payment, or City has made payment. City retains the right to elect whether or not to proceed with actual construction of the project.

**K. Suspension of Work**

City may suspend, delay or interrupt all or any part of the work for such time as the City deems appropriate for its own convenience by giving written notice thereof to Consultant. An adjustment in the time of performance or method of compensation shall be allowed as a result of such delay or suspension unless the reason for the delay is within the Consultant's control. City shall not be responsible for work performed by any subcontractors after notice of suspension is given by City to Consultant.

**L. Subconsultants and Assignments**

- L.1 Consultant shall not enter into any subcontracts for any of the work scheduled under this contract without obtaining prior written approval from the City Project Manager. In all subcontracts entered into by the Consultant pursuant to this Agreement, the City shall be named as an express third-party beneficiary of such subcontracts with full rights as such. Consultant acknowledges such services are provided to City pursuant to a subcontract(s) between Consultant and subcontractor(s). City incurs no liability to third persons for payment of any compensation provided herein to Consultant. Any attempted assignment of this Agreement without the written consent of City shall be void. Except as otherwise specifically agreed, all costs for services performed by others on behalf of Consultant shall not be subject to additional reimbursement by City beyond the scope of payment for services as contemplated by this Agreement.
- L.2 City shall have the right to let other contracts be coordinated with this Agreement. Consultant shall cooperate with other firms, engineers, consultants and other City contractors on this and related City projects, and the City itself, so that all portions of this and other projects may be completed in the least possible time within normal working hours. Consultant shall furnish other engineers and consultants and affected public utilities, whose designs are fitted into Consultant's designs and detail drawings, giving full information so that conflicts can be avoided.

## **M. Access to Records**

The City, Oregon Secretary of State's Office, the Federal Government and the duly authorized representatives of any of the above, shall have access to the books, documents, papers, records and receipts of the Consultant which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts. The City, Oregon Secretary of State's Office, the Federal Government and authorized representatives shall have the authority to inspect, audit and copy from time to time, any records of the Consultant regarding billings or work under this Agreement for a period of four years after the completion or termination of this contract.

## **N. Work is Property of City**

N.1 Originals or Certified copies of the original work forms, including but not limited to documents, reports, data, spreadsheets, digital files, presentations, drawings, tracings, surveying records, mylars, papers, diaries, inspection reports and photographs, performed or produced by Consultant under this Agreement shall be the exclusive property of City and shall be delivered to City prior to completion or termination of this contract and prior to final payment. Any statutory or common law rights to such property held by Consultant as creator of such work shall be conveyed to City upon request without additional compensation. Upon City's approval and provided City is identified in connection therewith Consultant may include Consultant's work in its promotional materials. Consultant shall be entitled to keep copies of all work products produced.

N.2 Reserved.

## **O. Law of Oregon**

The Agreement shall be governed by the laws of the State of Oregon. The Agreement provisions required by ORS Chapter 279C to be included in public agreements are hereby incorporated by reference and shall become a part of this Agreement as if fully set forth herein. Consultant shall adhere to all applicable federal and state laws, including but not limited to laws, rules, regulations, and policies concerning employer and employee relationships, workers' compensation, and minimum and prevailing wage requirements. Any certificates, licenses or permits which Consultant is required by law to obtain or maintain in order to perform work described on Exhibit A, shall be obtained and maintained throughout the term of this Agreement.

## **P. Adherence to Law**

Consultant shall comply with all federal, state and local laws and ordinances, rules and regulations applicable to the work under this contract. Consultant agrees that the public contract law provisions contained in ORS Chapter 279C shall apply to and govern the performance of this contract. Consultant shall certify compliance with ORS 670.600. Further, Consultant agrees to comply with applicable provisions of and amendments to the Civil Rights Act of 1964, Section V of the Rehabilitation Act of 1973 and with all applicable requirements of federal and state and rehabilitation statutes, rules and regulations. Contractor shall also comply with the Americans with Disabilities Act of 1990, ORS 659.425A, and all regulations and administrative rules established pursuant to those laws. Further, all certificates, licenses (including a City business license) or permits, which the consultant is required by law to obtain or maintain in order to perform work described in Exhibit A, shall be obtained and maintained throughout the term of this Agreement.

## **Q. Modification**

Any modification of the provisions of this Agreement shall not be enforceable unless reduced to writing and signed by both parties. A modification is a written document, contemporaneously executed by City and Consultant, which increases or decreases the cost to City over the agreed sum or changes or modifies the scope of service or time of performance. No modification shall be binding unless executed in writing by Consultant and City. In the event that Consultant receives any communication of whatsoever nature from City, which communication Consultant contends to give rise to any modification of this Agreement, Consultant shall, within thirty (30) days after receipt, make a written request for modification to City's Project Manager. Consultant's failure to submit such written request for modification in the manner outlined herein may be the basis for refusal by the City to treat said communication as a basis for modification. In connection with any modification to the contract affecting any change in price, Consultant shall submit a complete breakdown of labor, material, equipment and other costs. If Consultant incurs additional costs or devotes additional time on project tasks beyond which were reasonably expected as part of the original agreement or any mutually approved modifications, then City shall be responsible for payment of only those costs for which it has previously agreed to pay.

## **R. Other Conditions**

R.1 Except as otherwise provided in paragraphs R.1.1, R.1.2, and R.1.3 Consultant represents and agrees that the contract specifications and plans, if any, prepared by the Consultant will be adequate and sufficient to accomplish the purposes of the Project; and further, that any review or approval by the City of the plans and specifications shall not be deemed to diminish the adequacy of Consultant's work.

R.1.1 Reserved.

R.1.2 Opinions of Cost, Financial Considerations, and Schedules. In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the Project, Consultant agrees and understands that as part of the service it is providing are professional assessments of cost and price of labor and materials; potential for unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; evaluation of the likelihood of issues arising regarding time or quality of performance by third parties; quality, type, management, and direction of operating personnel; and other economic and operational factors that may materially affect the ultimate Project cost or schedule. While the parties acknowledge that the work contemplated under this Agreement cannot provide exact costs, Contractor agrees, acknowledges and understands that the City intends to rely on Contractor's expertise in accurately evaluating Project costs, financial aspects, economic feasibility, and schedule estimates.

R.1.3 Record Drawings. Records, drawings, and reports will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the Project was finally constructed. Consultant is

responsible for any errors or omissions about which the Consultant knew or should have known in the information from the City or those employees or firms employed by the Consultant under the terms of this Agreement as stated therein that is incorporated into the records, drawings and reports.

- R.2 Notwithstanding any acceptance or payments, City shall not be precluded or stopped from recovering from Consultant, or its insurer or surety, such damages as may be sustained by reason of Consultant's failure to comply with the terms of this Agreement. A waiver by City of any breach by Consultant shall not be deemed to be a waiver of any other previous or subsequent breach by Consultant.

**S. Assignments of Products Rights**

- S.1 The Consultant hereby assigns to the City all rights, title and interest, including but not limited to copyright rights, all notes, designs, drawings, specifications, technical data reports, computer programs and documentation, and other materials resulting from the Consultant's work under this Agreement.
- S.2 The City agrees to include the Consultant's name and give credit to the consultant or the design in presentation and publication of the design and completed work resulting from this Agreement.

**T. Dispute Resolution**

- T.1 Should any dispute arise between the parties to this Agreement concerning their respective obligations of either or the terms hereof, it is agreed that such dispute will be submitted to a mediator prior to any litigation and the parties hereby expressly agree that no claim or dispute arising under the terms of this Agreement shall be resolved other than first through mediation and only in the event said mediation efforts fail, through litigation. Any litigation arising under or as a result of this Agreement shall be tried to the court without a jury.
- T.2 Each party agrees to be responsible for payment of its own professional fees, including attorneys' fees in both mediation and litigation.
- T.3 The parties shall exercise good faith efforts to select a mediator, who shall be compensated equally by both parties. Mediation will be conducted in Portland, Oregon, unless both parties agree in writing otherwise. Both parties agree to exercise good faith efforts to resolve disputes covered by this section through this mediation process. If either party requests mediation, and the other party fails to respond within ten (10) days, or if the parties fail to agree on a mediator within ten (10) days, a mediator shall be appointed by the presiding judge of the Washington County Circuit Court upon the request of either party. The parties shall have any rights at law or in equity with respect to any dispute not covered by this Section.

**U. Integration**

This Agreement constitutes the entire agreement between the parties. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific

purpose given.

Item # 4.

There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. Consultant, by the signature below of its authorized representative, hereby acknowledges that he/she has read this Agreement, understands it and agrees to be bound by its terms and conditions.

**V. Miscellaneous / General**

Consultant binds itself, its partners, officers, successors, assigns and legal representatives to the City under the terms and conditions of this Agreement as described herein. Any conflict between a term or condition of this Agreement and a term or condition contained in an exhibit to this Agreement will be resolved in favor of the language in this Agreement.

The CONSULTANT and the CITY hereby agree to all provisions of this AGREEMENT.

IN WITNESS WHEREOF, the parties by their signatures below enter into this Agreement this XX day of February \_\_\_\_\_, 2024.

[Signatures on Following Page]



CITY OF SANDY

CONSULTANT:

By \_\_\_\_\_

By \_\_\_\_\_

Andi Howell,  
Transit Director  
Project Manager

(signer)

City of Sandy

(company name)

Mailing Address:

Mailing Address:

16610 Champion Way  
Sandy, OR  
97055

xxxxxxx

xxxxxxx

Phone:

Phone:

503-489-0925

xxxxxxxxx

Email:

Email:

ahowell@ci.sandy.or.us

xxxxxxxxx

Employer ID No.

xxxxxxxxx

EXHIBIT A SCOPE  
OF WORK

(insert after this page)

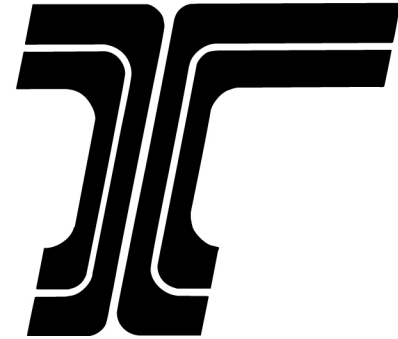
**Exhibit C**  
**RESPONSIBILITY DETERMINATION**

Please complete the following and return with your proposal submission.

I certify that proposer (please mark any that are applicable):

- Has available the appropriate financial, material, equipment, facility and personnel resources and expertise, or has the ability to obtain the resources and expertise, necessary to meet all Project responsibilities.
- Has completed previous contracts of a similar nature with a satisfactory record of performance.
- Has a satisfactory record of integrity.
- Is legally qualified to contract with the City.
- Complied with the tax laws of the state or a political subdivision of the state, including ORS 305.620 and ORS chapters 316, 317 and 318.
- Supplied all necessary information in connection with the inquiry concerning responsibility.
- Was not debarred by the City under ORS 279B.130.
- Does not owe a liquidated and delinquent debt to the state.
- Has not discriminated and will not discriminate, in violation of ORS 279A.110(1), against any disadvantaged business enterprise, a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns or an emerging small business in awarding a subcontract.

# Oregon Department of Transportation



## STIF Discretionary and Statewide Transit Network Application: FY 2023-25

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### Applicant Information

**Agency Legal Name**

City of Sandy

**Project Title**

Technology Program Implementation

**Agency Legal Address**

16610 Champion Way, Sandy, Oregon 97055

**Application Contact Name**

Andi Howell

**Application Contact Title**

Transit Director

**Application Contact Email Address**

ahowell@ci.sandy.or.us

**Application Contact Phone Number**

(503) 235-6780

**Name of Person Signing Agreement**

Jordan Wheeler

**Title of Person Signing Agreement**

City Manager

**Email Address of Person Signing Agreement**

jwheeler@ci.sandy.or.us

**Phone Number of Person Signing Agreement**

503-668-5767

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### Agency Information

**1. Transit Agency Type**

City

**1.A Does the agency have any existing grant agreements with ODOT?**

Yes

**2. What is the main type of service that will be supported by this award?**

Fixed Route

**3. Would this award support ongoing operations of an existing service?**

No

## Risk Assessment Information

**4. Did your agency have any turnover of management or financial staff in the last two years?**

No

**5. Does your agency have an accounting system that allows you to completely and accurately track the receipt and disbursement of funds related to the award?**

Yes

**6. What type of accounting system does your agency use?**

Combined

**7. Does your agency have a system in place that will account for 100 percent of each employee's time?**

Yes

**8. Did your staff members attend required training and meetings during the previous biennium?**

Yes

**9. Was your agency audited by the federal government in the past two years?**

No

**10. Did your agency stay on budget in the past two years?**

Yes

## Agency Qualifications

**11. Describe how your agency has the legal, managerial and operational capacity to perform and report on project progress within the scope, schedule and budget of the anticipated grant agreement. (Description of operational capacity should apply specifically for the workload of projects in this application.)**

Sandy Area Metro (SAM) is owned and operated by the City of Sandy. As a department of the City of Sandy, the City provides legal, managerial and administrative support of the transit program. Sandy contracts with MV Transportation for the operational capacity of the department, including a general manager, road supervisor, dispatch, maintenance coordinator, utility worker and vehicle operators. The Transit Department maintains 2.8 FTE City employees as managerial staff, responsible for the management and compliance of many State and Federal grants. Sandy has applied for and successfully completed many grant funded projects for over twenty years. This project, if funded, will aide City staff in oversight of several other grant funded projects that require specialized knowledge, saving City staff time.

## 12. Certification of Compliance

**By checking this box, the applicant certifies that if they are awarded funding, they will meet and**



**ensure compliance for the term of the agreement with applicable federal, state and local laws and regulations including, and not limited to, those pertaining to passenger transportation, civil rights, labor, insurance, safety and health.**

Yes

**13. Do you plan to use a Sub-Recipient or contractor to implement the grant supported activity?**

No

**14. If you seek the 10 percent match reduction, does the project meet one or more of the four factors identified in OAR 732-044-0005(4)(a)? Select each factor that you believe is exemplified by the proposed project.**

Predominantly serves or provides access to and from rural communities

Serves an area outside of the applicant's geographic jurisdiction

Provides statewide benefits to multiple Public Transportation Service Providers outside of the area where the proposed project will be located

**15. Will federal funds be used to complete this project?**

No

## Project Information

### 16.A Project Title

Technology Program Implementation

**16.B Describe the project to be funded. Clearly describe what the requested fund award would be used to accomplish, detailing the specific tasks and deliverables. Where relevant, identify the origin and destination of the proposed service as well as each municipality visited along the route. Please see page 7 of the application instructions for additional guidance on writing a project description.**

This project will fund a specialized project management team to assist Sandy and other collaborating agencies in the implementation of technology applications. A Technology Assessment for Sandy Transit prepared by Full Path Transit Technology and Trillium Solutions in October 2020 concluded "as a small provider and early adopter of technology, Sandy Transit is positioned to lead the way in developing the best methods to maintain systems at the smaller scale. Budgeting, maintenance and training are areas where many if not most small transit agencies struggle and where no readily replicable solutions have been established in the industry. If Sandy Transit is able to arrive at a solution that may also serve other small agencies in Oregon or elsewhere, we encourage the agency to document the approaches and share it with ODOT and present them at conferences or other knowledge-sharing venues." These funds would be used to contract a technology team that will assess the technology being used at Sandy Area Metro (SAM), identify areas of redundancies/efficiencies, maximize the value of the technology in use, develop a technology maintenance plan, evaluate, update and maintain current technology and procure/implement a mobile payment option. As agencies across the State utilize new grant funding for on board technology and emerging vehicle technology, such as electric buses, these maintenance plans can be shared to enhance the technological understanding of other smaller agencies, saving valuable and often unavailable staff time. Clackamas County partners understand the value of using shared data standards for more effective dissemination of information to riders and universal applications. Clackamas partners recently collaborated on a Request for Proposals (RFP) to select one common vendor for vehicle GPS, automated announcements, interior LEDs and new demand response software, allowing for shared knowledge and resources. Additionally, a STIF Discretionary funded analysis has been conducted to identify the needs of each service provider in the identification of a flash pass mobile ticketing solution to be used by all providers to collect fare payments and data. Currently, partners are engaged in the development of an integrated web site that will include all provider services, representing the providers as collaborators under a shared brand and vision and provide the passenger with easy trip planning capabilities. This funding

would enhance and support these projects. Task 1: mobile ticketing/fare collection. Deliverables: Request for Proposal, Selection of Vendor, mobile app technology plan. Task 2: Technology assessment for Sandy/collaborating partners. Deliverables: Assessment report of technology being used. A technology plan that outlines description of technology used, recommended training of staff, staff members responsible, future training needs, future technology implementation, thorough written documentation of procedures/best practices. Task 3: Technology assistance in updating, maintenance and integration of technology used by agency and collaborating partners and written procedures for ongoing maintenance, updates and shared data as part of the technology plan. Task 4: Analysis of emerging charging management software. Deliverables: List of available charging software and attributes. Applicability of use for collaborating partners (currently Wilsonville/Sandy, Proterra Electric Vehicle). Agencies involved in the original Integrated Fares Feasibility study were SAM, Canby Area Transit (CAT), Clackamas County, South Clackamas Transit District (SCTD) and South Metro Area Transit (SMART). The Vision Around the Mountain visioning process also identified the advantages of a shared fare payment system for the ease of the customer throughout the region and in the gains of efficiency/knowledge of a shared resource and Hood River joined the collaborative efforts. These providers operate throughout Clackamas, Hood River, Multnomah and Washington Counties. SAM originates in Sandy with destinations in Gresham and Estacada. Sandy, Eagle Creek, Estacada and Gresham are visited. CAT originates in Canby with destinations in Oregon City and Woodburn. Clackamas County's Mt Hood Express/Village Shuttle services originate in Sandy with Timberline Lodge on Mt Hood as the destination. Mt Hood communities such as Rhododendron, Welches, Government Camp and Brightwood are visited. Clackamas County also operates 2 shuttles. One originates at Oregon City Shopping Center and one at Clackamas Town Center. The Oregon City Shopper's destination is the Clackamas Community College (CCC) Oregon City Campus. The Clackamas Town Center shuttle runs a loop through the Clackamas Industrial Area. SCTD originates in the City of Molalla with connections at CCC and Canby. SCTD visits Liberal, Mulino, and Carus. SMART originates in Wilsonville with destinations in Canby, Salem, Tualatin and south end Portland.

**17. What is the minimum project cost that will still allow your project to proceed?**

\$275,000.00

**18. Select the fund source(s) for which you would like to compete and that you believe your project is eligible to receive. Check all that apply.**

STIF Discretionary

STIF Intercommunity Discretionary

**19. Why is this an important project? What are the consequences of this project not receiving funding?**

As noted in the Transit Technology Assessment Process Prepared by Full Path Transit Technology and Trillium Solutions (February 27, 2020) problem statement "technology offers immense benefits: increasing efficiency of operations, providing data for analysis, and improving the rider experience. But choosing the right tools, and implementing them successfully, can be challenging...small transit agencies often encounter particular challenges in technology due to their size and types of services they provide." Clackamas providers have worked together to procure on board ITS equipment, including MDTs, automated announcements, interior LED signs and dispatch software that will be utilized by all agencies. This creates the ability to share implementation strategies, best practices, policies, procedures and more across a region of providers. This project has the collaboration of agencies spanning 4 Counties in ODOT's Region 1. The inclusion of all of the small and rural public transit agencies in Region 1 makes this an important project by the number of agencies and passengers that stand to benefit. It provides the passengers with familiar equipment and the ability to use one app for all agencies. Without this funding, agencies will continue to work toward a collaborative and interactive website application which will provide trip planning tools but agencies will continue to be restricted by staff time and remain dependent on the vendors to meet their needs. This funding gives that valuable staff time back to the agencies, creating truly effective Information Systems that save future staff time, implements new integrated fare payment systems, ensure cross communication of the technologies being used, increases the reliability of the data

collected and plans for proper future maintenance and training, independent of the vendor. Due to the budget and staff sizes of these rural (and one small urban) agencies, specifically trained IT staff devoted 100% to transit equipment is just not currently feasible. This erodes the functionality of the technology systems and diminishes the worth and quality of the data collected, the applications purpose and the agency's confidence in the data collected. Without this funding, agencies will continue to procure and implement new technologies, however, at a much slower rate of implementation and without the the greater solution of best practices of integration, maintenance and training. As noted in the Fare Integration Feasibility Study Final Report (conducted by the agencies pg 13) the project plan recommends "Costs can be allocated for a project manager that will manage the implementation of the project, whether that is an internal or contracted resource." Also on pg 13, in Project Resources, Team Structure and Governance, "A project management and governance structure can be established to ensure the project proceeds effectively. A steering committee consisting of a representative from each agency can be established to provide project oversight and act as the decision-making entity." This project creates that project management team for the fare integration process as well as other on board technology equipment. These are obviously important aspects to proper implementation that will not exist without this funding due to constrained budgets and staff time. Without the creation of assessments and maintenance plans, agencies have no ability to make informed adjustments for better technology integration. Empirical data on use, uptime and performance empowers each agency to have more constructive conversations with manufacturers and suppliers. It should not be underestimated the time, effort and systems it takes to keep records updated and keep systems maintained.

**20. Will this project involve breaking ground or any other activity that might require environmental review per federal requirements?**

No

## Oregon Transportation Commission Investment Priorities

### Equity and Public Transportation Service to Low-Income Households

**21. Describe how this project would support and improve access for vulnerable populations and/or historically marginalized communities.**

SAM on board surveys demonstrate year after year that the majority of passengers on SAM's public transportation system are transit dependent individuals. 56% earn less than \$20,000 a year while 83% earn less than \$30,000. Nationally, 20 percent of household at or below the federal poverty line lack access to a car, with percentages of low-income African American and Latino households without a care even higher. Sandy passengers (16%) self report a Latino/Hispanic background at a higher percentage rate than the general Hispanic population in Sandy. 85% of Sandy passengers self reported not owning a vehicle. 42% reported that without the SAM service, they would not have been able to make the trip that day, with another 35% reporting they would have had to rely on a friend. 53% report they ride almost daily, with another 23% reporting they ride 3-4 times a week. Public transportation is often the only way these families can meet their basic daily needs such as getting to work, goods and services. With the widespread adoption of mobile devices, combined with transit applications, such as SAM's newly procured Passio and CTS systems as well as the intention to launch a mobile fare payment system, technology can facilitate the matching of drivers with riders. SAM partnered with all the Clackamas providers (excluding Wilsonville as they had just procured a new system) to launch a new vehicle locating service that includes a mobile app, on board automated announcements (for those with sight challenges), LED reader boards (for those with hearing challenges) and will include the equipment on the demand response service as well as new software. The new demand response software offers persons with disabilities the opportunity to increase autonomy thereby creating a more equitable form of transportation. Today, in an email from CTAA,

"Paratransit riders have the right to access appropriate transportation. But legacy systems that require advanced manual trip planning make spontaneous rides near-impossible and create additional workloads and limitations for transit providers. Tech-enabled software empowers agencies to automate their paratransit operations, reduce costs and offer on-demand services that drive efficiency and provide a superior rider experience". This technology program implementation will support the proper set up, implementation and maintenance of the types of tech-enabled software and equipment that improves services for vulnerable populations.

## Coordination of Public Transportation Services

### **22. Describe how this project would improve the passenger experience, benefit multiple transit providers, or involve consolidation, coordination, or resource sharing between agencies, including use of transportation data and technology.**

This project includes collaboration of six transit agencies, across four Counties. City of Sandy will be the lead organization. Sandy (SAM), Canby Area Transit (CAT), South Clackamas Transit District, Clackamas County (MHX and Clackamas Shuttles), Hood River Transit District (Columbia Area Transit) and South Metro Area Transit (SMART) will collaborate on this project in an effort to share resources and create systems of data and information sharing. This project will implement and improve several technology projects, all of which are designed to improve the passenger experience, promote coordination, and encourage resource sharing. As stated recently in Mass Transit magazine, "transit agencies across the country are attempting to improve consumer adoption of U.S. public transportation using a mix of modernization and expansion. Agencies need to enhance networks, solve for first-mile and last-mile gaps, improve bus stops and safety and create seamless passenger systems that allow for easy transportation planning and use of systems". The technology team procured with these grant funds will be tasked with following up on an earlier STIF Discretionary funded study that identified the best Fast Pass solutions to meet all of the (5) Clackamas regional agency's needs, creating a passenger-facing technology that will improve the passenger experience and allow passenger data collection. The Fare Integration final report (pg 13) recommended a project management and governance structure to ensure the project proceeds effectively, this project creates that project management team. Attached to this application are four support letters from partnering agencies. As agency's technology projects and staff resources are at varying levels, the format of this project structure, with Sandy as the lead agency, allows agencies to participate and collaborate at varying levels of commitment. For example, Hood River Transit District already utilizes a mobile ticketing app (Token Transit). However, they will be included and participate in the RFP process as we all strive to choose a system that can be utilized by all agencies. Beyond these regional partners, many of the deliverables outlined, such as technology plans that include usage of standardize data for transit collection and planning, shared mobile ticketing systems, shared websites, on board technology advancements and maintenance standards and more can be shared throughout the state as best practice models.

## Environmental and Public Health

### **23. Describe how this project would go beyond providing an alternative to personal car use to reduce greenhouse gas emissions, reduce pollution, and/or support positive health outcomes. How does this project support applicant's climate planning efforts?**

Technology projects are being launched to increase passenger satisfaction and encourage the use of public transit systems. Regaining passengers will take more than increased capacity. Using public transit will have to be easy, time efficient and enjoyable. This project will assist in the implementation of new MDTs, automated announcements, LED reader signs (already procured but not installed), create a shared fare payment method across agencies, identify efficient uses of on board cameras and WIFI. All of these technology projects increase the ease of transit use and improve the customer experience. These types of improvements also increase passenger safety. By improving access, ease of payment, ease of trip planning and more efficient route planning through the use of standardized data and vehicle location apps, the choice of public transportation in place of single occupant vehicle becomes a higher probability. An

analysis of current and emerging vehicle charging management systems are also included in a deliverable to assist Sandy and Wilsonville. While Wilsonville already operates Proterra electric vehicles, Sandy is currently in the beginning stages of electrification with 3 Proterra electric vehicles to be ordered in the near future.

## Safety, Security, and Community Livability

### **24. Describe how the project would increase use and participation in active transportation, and support connections between transit and other travel modes like biking and walking.**

In alignment with the Oregon Transportation Commission's priority to build, maintain and operate a modern, multimodal transportation system this grant application seeks to invest in and integrate technologies to improve transportation services and operations. This project will improve passenger amenities such as vehicle location services, automated announcements, integrated fare systems, security cameras, WIFI on vehicles and other technological amenities. Improvements in the function of these amenities, planning for future training of added technology, implementation of fares, all of these projects are transit investments that encourage the discretionary user to choose transit and/or multimodal transportation over vehicles. When a passenger has the ability to easily plan a trip, verify amenities provided such as bus stops and bike racks, easily pay a fare when necessary, especially when travelling between cities and counties, they are much more likely to choose transit or a multimodal style of travel than when none of those options are available. As stated in Mass Transit magazine (Aug 23, 2022), "improving consumer adoption of U.S. public transportation isn't simply a case of offering services ... spurring public transportation usage involves a complex mix of modernizing and extending the networks that exist... This process includes providing capacity in the right places, solving for the first-mile and last-mile gaps ... ensuring stops are truly safe and accessible by all ... Further, transportation agencies need to make it easier for consumers to use these services. Consumers want to easily plan their journey, use multiple forms of transportation to reach their destinations and pay for everything in one place". Supporting these rural agencies through funded project management of these technological improvements gives small, rural agencies that do not have the same staffing capabilities of larger, urban agencies, the ability to utilize the technological improvements that attract passengers, improve community livability and improve the agency's ability to collect and analyze data.

### **25. Describe how the project would support and improve safety of passengers in transit vehicles and safety of other roadway users.**

As stated prior, this project will improve, enhance and implement several on board technology systems. While Sandy, and Sandy's partners, currently have onboard safety equipment such as cameras and communications, a deliverable task of this project is to improve those capabilities, assist in the installation, best practices and training of the new equipment to be installed and create interagency communication and best practices. For example, Sandy has recently had intermittent problems with one of our camera systems on several buses. With our small staff, it can sometimes take months to problem solve on site, communicate with the vendor, involve the City IT who have to familiar themselves with the equipment and more before this very important safety measure is repaired. The lack an infrastructure and process assessment turns a minimally risky or easy to solve problem into a downtime scenario that can last hours, days and sadly sometimes months. This project aims to identify and troubleshoot such problems with trained, transit technology contractors, develop a plan for the future that is a more efficient method of problem solving and set up appropriate training schedules of key staff members. As part of the Technology Plan deliverable, I would expect to see recommendations from the technology team regarding vendor responsibility, warranties and record checklist that help standardize technology solutions. This team of consultants will also outline future investments in training, assist in proper installations of new equipment that is currently being purchased.

## Statewide Transit Network Connections

### **26. Describe how this project would support and improve the utility and connectivity of the**



### **Statewide Transit Network and/or create a foundation for future Statewide Transit Network improvements.**

This project supports technological equipment used by six public transit agencies across four counties. Sandy is a rural transit agency that connects eastern Clackamas County and the greater Portland Metro region. Additionally, Sandy operates a service between two rural destinations in an underserved portion of Clackamas County - Sandy and Estacada through the community of Eagle Creek. At the Sandy Transit Center, SAM connects passengers to the MHX which takes passengers as far east as Timberline Lodge. This service (MHX) provides public transit to all of the government communities, providing access for employment and recreation. The addition of the Clackamas shuttles, CAT in Canby, CAT in Hood River, SCTD and SMART improve the connectivity and ability to implement a shared fare system in Clackamas, Multnomah, Hood River and Washington Counties. Most importantly, this project has an underlying goal of supporting several transit agencies, furthering the collaboration of data and resource sharing for transit network improvement and demonstrating that agencies can find ways to work together across jurisdictional and funding boundaries.

## **Funding and Strategic Investment**

### **27. Describe why investment in this project makes sense from both the perspective of current need and long term Oregon transit needs.**

The current need has been identified by a group of small, rural providers who are all at varying stages of technology implementation on our public transit services. Sandy was one of the first small, rural agencies to secure grant funding for tablets, automated announcements and interior LED signs that were installed and used on both the SAM transit system and the MHX. While these amenities have been a wonderful addition for passengers to know where their bus is located and have on board amenities that help with various disabilities (hearing and seeing stop announcements) the data collection expected by the agency, such as ridership trends never materialized as expected. Additionally, when first launched, the geofencing for stop announcements was not properly set and many tablets had some fatal flaws and had to be replaced after a lot of troubleshooting. This experience, and the technological assessment conducted at the agency in 2020, really highlighted the need for technological support and the importance of standardized, reliable data that can be shared across agencies. Therefore, the current need is to first have an inventory and analysis of what on vehicle technology is currently being used, what it promises to do, and how to support it. Using this funding to contract with an IT company or contracting team that can provide remote and onsite project management and support for the maintenance, cross agency connections and implementation of new on vehicle technologies help meet a current need. Contracting with a team of professionals who can build run books, standard operating procedures and written service level agreements that meet all of our partner needs meets other current needs as identified in the deliverables in 16b. The long term Oregon Transit needs that are being met are the standardization of technology equipment, best practices materials and an example of interagency coordination for shared resources. The agencies committed to this project all bring their own jurisdictional backing and equipment that they have already procured and are either currently using or will be installed in the future. These funds ensure that the investments that each of these agencies have made to improve their services are supported now and with a plan for the future.

### **28. If this project will last beyond the 2023-25 biennium, describe the plan for ongoing funding including match. If not applicable, type N/A.**

N/A

### **29. Does this project depend on other funding sources including other discretionary grants whose outcomes are uncertain? If yes, please list those fund sources. If not applicable, type N/A.**

N/A

## **30. Capital Asset Purchases**

Describe proposed capital purchases. If no capital assets are included in your application, type N/A.  
N/A

## Project Details

**Task Category**  
Project Administration

## Project Administration

**Give a brief (1-3 sentences) description of this project cost.**

Due to the required expertise in the project management team and the time needed for data collection and aggregation between multiple transit agencies and multiple projects, the total project cost is estimated at \$450,000. Although no equipment is expected to be purchased, \$5,000 per agency was originally included in this budget scenario as the Integrated Fares study stated that upfront fees may be involved in the Fast Pass procurement and implementation. For scalability, equipment purchase has been removed from the application. In the event this grant application is scaled down further all of the tasks and deliverables may not be achievable. The implementation of the fare payment system and technology assessments, particularly assessments on the shared resources (ITS equipment and demand response software) are the most important aspects of this grant application. These would still require technology assessments, resulting in a technology plan but perhaps not include all of the technology currently used. The shared fares project would still require an RFP process, installation and implementation. In the event this grant application is approved at any amount, Sandy will actively seek additional funding from other available grant sources to complete the intended project outline.

**Total Task Cost (Grant Amount + Match Amount)**  
\$450,000.00

## Project Task and Match Amounts

### 20% Match Rate Calculations

**Grant Amount - STIF Discretionary/STIF Intercommunity/5311f (80% State/Fed Share)**  
\$360,000.00

**Match Amount - STIF Discretionary/STIF Intercommunity/5311f (20% Local Share)**  
\$90,000.00

### 10% Match Rate Calculations (For Qualified Applicants)

**Grant Amount - STIF Discretionary/STIF Intercommunity (90% State Share)**  
\$405,000.00

**Match Amount - STIF Discretionary/STIF Intercommunity (10% Local Share)**  
\$45,000.00

## Application Totals

### Match Sources

Match Sources	Amount
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Local \$45,000.00

**Are matching funds of at least 20% of project costs available if the project is awarded?**

Yes

**What percent of funds will be used for demand response transportation?**

28%

**Percent of funds used for fixed route transportation**

72%

**Note on Application Totals:** If applying for 5311(f) Operating, a 50% match rate is applied to identified Operating costs. However, the application form automatically applies a 20% match rate to the full Project Cost, including Operating costs. Therefore, Section 5311(f) applicants should ensure the accuracy of the Total Task Cost for each Task Category, as the 20% match rate will only apply to non-Operating costs in a 5311(f) grant award. The form is unable to calculate an accurate application total using two different match rates.

### Application Totals Summary By Task - 20% Match Rate

Task Category	Task Project Cost	Task Grant Amount	Task Match Amount
Vehicle Expansion	\$0.00	\$0.00	\$0.00
Vehicle Replacement	\$0.00	\$0.00	\$0.00
Equipment Purchase	\$0.00	\$0.00	\$0.00
Facility Purchase	\$0.00	\$0.00	\$0.00
Signs/Shelters	\$0.00	\$0.00	\$0.00
Planning	\$0.00	\$0.00	\$0.00
Project Administration	\$450,000.00	\$360,000.00	\$90,000.00
Operating	\$0.00	\$0.00	\$0.00
Preventive Maintenance	\$0.00	\$0.00	\$0.00
Mobility Management	\$0.00	\$0.00	\$0.00
	<b>Total Project Cost:</b> \$450,000.00	<b>Total Grant Amount:</b> \$360,000.00	<b>Total Match Amount:</b> \$90,000.00

### Application Totals Summary By Task - 10% Match Rate (For Qualified Applicants)

Task Category	Task Project Cost	Task Grant Amount	Task Match Amount
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Vehicle Expansion	\$0.00	\$0.00	\$0.00
Vehicle Replacement	\$0.00	\$0.00	\$0.00
Equipment Purchase	\$0.00	\$0.00	\$0.00
Facility Purchase	\$0.00	\$0.00	\$0.00
Signs/Shelters	\$0.00	\$0.00	\$0.00
Planning	\$0.00	\$0.00	\$0.00
Project Administration	\$450,000.00	\$405,000.00	\$45,000.00
Operating	\$0.00	\$0.00	\$0.00
Preventive Maintenance	\$0.00	\$0.00	\$0.00
Mobility Management	\$0.00	\$0.00	\$0.00
	<b>Total Project Cost:</b> <b>\$450,000.00</b>	<b>Total Grant Amount:</b> <b>\$405,000.00</b>	<b>Total Match Amount:</b> <b>\$45,000.00</b>

**Document Upload (Optional)**

CAT - Hood River Letter of Support.pdf

SMART Letter of Support.pdf

CAT - Canby Letter of Support.pdf

SCTD Letter of Support.pdf

SAM Full Map &amp; Schedule.pdf

Sandy Transit Master Plan - 20200414 print quality.pdf



# STAFF REPORT

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**Meeting Type:** City Council Meeting  
**Meeting Date:** April 15, 2024  
**From:** Jennifer Coker, Public Works Director  
AJ Thorne, Assistant Public Works Director  
**Subject:** PUBLIC HEARING (CONTINUED) – Resolution 2024-08: Adoption of Advance Financing Reimbursement District for 362<sup>nd</sup> and Bell Extension

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**NOTE:**

*The public hearing on formation of this proposed Advance Financing Reimbursement District (AFRD), which commenced on March 18, 2024, was continued to this meeting at the request of affected property owners. In the intervening period, city staff have met with property owners to answer additional questions and provide information about the proposal.*

**DECISION TO BE MADE:**

Whether to approve Resolution 2024-08, which would create an Advance Financing Reimbursement District (AFRD) for street improvements for the extension of 362<sup>nd</sup> and Bell Streets.

**BACKGROUND / CONTEXT:**

The extension and connection of 362<sup>nd</sup> and Bell Streets has been nearly a 30-year goal of the City and was completed in Fall 2023. The project accomplished three objectives:

1. Relief of chronic traffic congestion;
2. Emergency access connecting Hwy 26 to the High School and Bluff Road; and
3. Economic Development opportunities for the last remaining large parcels of land.

The project was completed with a total project cost of \$12.94 Million.

**Advance Financing of Public Improvements**

[Section 12.14 of the Sandy Municipal Code](#) provides a method for a developer (in this case the City) to apply for reimbursement of some or all the eligible cost of public improvements (streets, water lines, sewer lines, etc) that may directly or indirectly benefit other property owners at the time they develop or redevelop their property and connect to the advance financed utility improvements.

When a developer or public agency invests in public improvements that have the potential to spur development of adjacent or intervening properties it is reasonable to allow for recovery of some or all of the eligible costs from the benefitting property(ies). By doing so, the value of the benefitting properties



can be significantly increased since developers often net out the cost of entitlements or public improvements from their land purchase offers. Public improvements can enable development of property that might otherwise not be feasible to develop without access to street or utility improvements.

### **Impact to Property**

If a property owner has no interest in developing or redeveloping property subject to reimbursement during the term of the reimbursement obligation, then they incur no costs. The reimbursement obligation is only collectable upon development or redevelopment of the benefitting property and does not become a lien on the property. The property can be sold or conveyed without satisfaction of the reimbursement obligation, which is only collected upon "*connection to an advance financed water, sanitary sewer or storm sewer system or the connection and use of advance financed street and sidewalk improvements*".

### **History of AFRD Use in Sandy**

Advance Financed Public Improvement reimbursements are fairly common, although a City acting as a developer for a public improvement is unusual. The City Council has approved about a dozen AFRDs since Section 12.14 of the Municipal Code was adopted in 1993. Most recently the Council approved a private development Advance Financed Public Improvement reimbursement for the Viewpoint Subdivision in November, 2021.

### **Council Consideration of AFRD**

On February 5<sup>th</sup>, 2024 and again on March 4<sup>th</sup>, 2024, City Council considered formation of an Advance Financing Reimbursement District (AFRD) to recover a portion of the funds invested to build the extension of 362<sup>nd</sup> and Bell Streets. After consideration, Council directed staff to bring a resolution to Council with the following AFRD elements:

- A valuation of \$2,480,935, which is 20% of the Street Funded Portion of the Project (\$12,404,675).
- A reimbursement methodology using developable area;
- An interest rate of 5% simple interest; and
- A reimbursement term of 20 years

Funds represented in this reimbursement district will replenish street fund operations that will be used to fund future street projects and street fund operations and maintenance. The city is not seeking reimbursement for investments from the water or sewer funded portions of the project.

### **KEY CONSIDERATIONS / ANALYSIS:**

This reimbursement district will bring up to \$2,480,935 back into the Street fund. As the project had multiple goals including relief of chronic traffic congestion and emergency evaluation, the amount of the AFRD is not the total portion of the project cost, but merely the amount to replenish funds taken from street fund operations that are needed to continue services. Development of any of the land considered for this district would have been required to perform the improvements required by this project and would likely have led to the creation of a similar reimbursement district. The total cost of the road was \$12.94 million, and the AFRD provides a moderate ask of future developers.

**BUDGET IMPACT:**

This reimbursement district will bring up to \$2,480,935 to the street fund. The district will have a 5% simple interest rate applied annually on the date that this resolution is adopted.

See table 1 for breakdown of reimbursement per property.

**Table 1 – AFRD valuation representing total development of each property 2024 dollars**

Address	AFRD Valuation
16370 Bell St	\$ 339,915.03
16200 Bell St	\$ 180,891.45
16210 Bell St	\$ 162,914.37
16220 Bell St	\$ 140,380.58
36405 Hwy 26	\$ 1,430,870.59
36145 Hwy 26	\$ 225,962.98
<b>Totals</b>	<b>\$ 2,480,935.00</b>

**RECOMMENDATION:**

Staff recommends adoption of Resolution 2024-08.

**SUGGESTED MOTION LANGUAGE:**

"I move to adopt Resolution 2024-08"

**LIST OF ATTACHMENTS / EXHIBITS:**

- Updated Resolution 2024-08
- Redlined version of Resolution 2024-08 (displaying clarifications)
- Staff Response to Public Testimony
- March 18<sup>th</sup> Staff Presentation (for reference)



**RESOLUTION NO. 2024-08**

**A RESOLUTION DESIGNATING STREET IMPROVEMENTS CONSTRUCTED BY THE CITY OF SANDY ON 362<sup>nd</sup> AND BELL STREETS AS ADVANCE FINANCING IMPROVEMENTS ELIGIBLE FOR ADVANCE FINANCING REIMBURSEMENT**

**WHEREAS**, the City of Sandy has previously adopted by ordinance a process for permitting reimbursement for the cost of public improvements which would benefit other property owners, which is found in Chapter 12.14 of the Sandy Municipal Code; and

**WHEREAS**, the City of Sandy, hereinafter referred to as City, has constructed certain street infrastructure on 362<sup>nd</sup> and Bell Streets, as depicted in Exhibit A, attached; and

**WHEREAS**, the City has identified other property owners who will benefit from the construction of said street improvements in the future; and

**WHEREAS**, the City is desirous of recovering a portion of the cost of the construction of said street improvements from benefiting property owners and has applied for said reimbursement under SMC Chapter 12.14; and

**WHEREAS**, the City has properly notified benefiting property owners of the pendency of the application for advance financing reimbursement and of a hearing on the same in accordance with SMC 12.14.050, and a hearing in accordance with SMC 12.14.040 was held on March 18, 2024, which was there continued to April 15, 2024; and

WHEREAS, this Resolution No. 2024-08 is adopted in compliance with SMC 12.14.060.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANDY:**

**Section 1:** The City hereby designates the street improvement constructed by the City on 362<sup>nd</sup> and Bell Streets, as depicted in Exhibit A, attached hereto and incorporated herein by reference, as advance financed improvements.

**Section 2:** The City has determined that \$2,480,935 is eligible for advance financing reimbursement.

**Section 3:** The advance financing reimbursement amount assigned to each benefiting property is determined by dividing the eligible cost of the improvements (\$2,480,935) by the total area of the benefiting properties (64.1 acres). This result (\$25,863.47/acre, roughly \$0.59/square foot) is then multiplied by the developable area of each benefiting property to determine the reimbursement amount for each property. If any subject property is subsequently divided or merged with another subject property, the resulting lots or parcels shall be apportioned a proportionate share of the advance financing reimbursement amount based on the methodology stated in this Section.

**Section 4:** The determination of advance financing reimbursement amounts assigned to individual lots or parcels is contained in Exhibit B, attached hereto and incorporated herein by reference.

**Section 5:** Payment of the reimbursement amount assigned to each property shall become due and payable, as described in SMC 12.14.070(C), upon application for connection to and use of advance financed street and sidewalk improvements or, if connection is made without permits, then when connection and use is commenced. For clarity, because some or all of the benefited properties have existing connections to the improvements subject to this Resolution, payment shall not be due immediately upon enactment of this Resolution, but shall instead be due upon application for new, expanded, or modified connection to said improvements, or if such connection is made without permits, when new, expanded, or modified connection and use is commenced.

**Section 6:** The advance financed reimbursement amount assigned to each benefited lot or parcel shall be increased by 5% simple annual interest, beginning on the date of approval of this Resolution, until such time as payment is made pursuant to Section 5.

**Section 7:** The City Manager, or designee, is authorized to take such other action as may be necessary to effectuate the intent of this Resolution and comply with the requirements of SMC Chapter 12.14.

This resolution is adopted by the City Council of the City of Sandy this 15th day of April, 2024.

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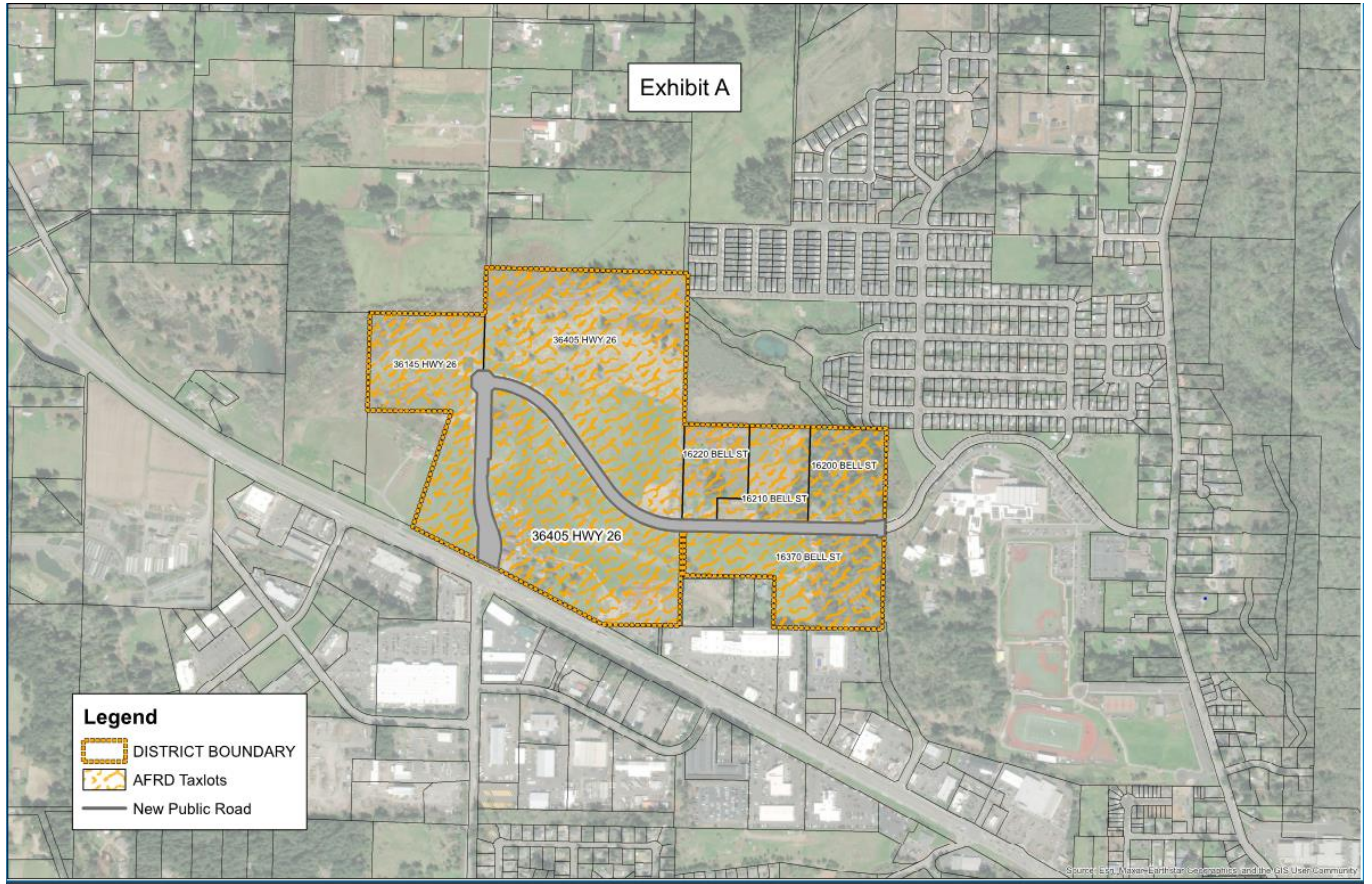
Stan Pulliam, Mayor

ATTEST:

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Jeffrey Aprati, City Recorder

# Exhibit A





## Exhibit B

<b>Address</b>	<b>AFRD Valuation</b>
<b>16370 Bell St</b>	<b>\$ 339,915.03</b>
<b>16200 Bell St</b>	<b>\$ 180,891.45</b>
<b>16210 Bell St</b>	<b>\$ 162,914.37</b>
<b>16220 Bell St</b>	<b>\$ 140,380.58</b>
<b>36405 Hwy 26</b>	<b>\$ 1,430,870.59</b>
<b>36145 Hwy 26</b>	<b>\$ 225,962.98</b>
<b>Totals</b>	<b>\$ 2,480,935.00</b>



## RESOLUTION NO. 2024-08

**A RESOLUTION DESIGNATING STREET IMPROVEMENTS CONSTRUCTED BY THE CITY OF SANDY QIN 362<sup>nd</sup> AND BELL STREETS AS ADVANCE FINANCING IMPROVEMENTS ELIGIBLE FOR ADVANCE FINANCING REIMBURSEMENT**

**WHEREAS,** ~~t~~The City of Sandy has previously adopted by ordinance a process for permitting reimbursement for the cost of public improvements which would ~~potentially~~ benefit other ~~benefiting~~ property owners, which is found in Chapter 12.14 of the Sandy Municipal Code; and

**WHEREAS,** ~~t~~The City of Sandy, hereinafter referred to as City, ~~z~~ has constructed certain street infrastructure oin 362<sup>nd</sup> and Bell Streets, ~~z~~ as depicted in Exhibit A, attached; and

**WHEREAS,** ~~t~~The City ~~of Sandy~~ has identified other property owners who will benefit from the construction of said street improvements in the future; and

WHEREAS, the City is desirous of recovering a portion of the cost of the construction of said street improvements from benefiting property owners and has applied for said reimbursement under SMC Chapter 12.14; and

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WHEREAS, this Resolution No. 2024-08 is adopted in compliance with SMC 12.14.060.

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subject property, the resulting lots or parcels shall be apportioned a proportionate share of the advance financing reimbursement amount based on the methodology stated in this Section.

**Section 4:** The determination of advance financing reimbursement amounts assigned to individual lots or parcels is contained in Exhibit B, attached hereto and incorporated herein by reference.

**Section 45:** Payment of the reimbursement amount assigned to each property shall become due and payable, as described in SMC 12.14.070(C), upon application for connection to and use of advance financed street and sidewalk improvements or, if connection is made without permits, then when connection and use is commenced. For clarity, because some or all of the benefited properties have existing connections to the improvements subject to this Resolution, payment shall not be due immediately upon enactment of this Resolution, but shall instead be due upon application for new, expanded, or modified connection to said improvements, or if such connection is made without permits, when new, expanded, or modified connection and use is commenced. Payment for determined reimbursement amount shall be requested following land use approval for a development within the defined district. Improvements and repairs to existing properties that do not effectively change the use of each property will not require payment for reimbursement of this project.

**Section 56:** The advance financed reimbursement amount assigned ~~for~~to each benefited lot or parcel shall be increased by 5% simple annual interest, beginning on the date of approval of this Resolution, until such time as the development of the benefiting property and/or connection to the improvements is affected or the lapse of twenty years, whichever comes first payment is made pursuant to Section 5.

**Section 6:** The determination of advance financing reimbursement amounts for individual lots or parcels are contained in Exhibit B, attached hereto and incorporated herein by reference.

**Section 7:** The City Manager, or designee, is authorized to take such other action as may be necessary to effectuate the intent of this Resolution and comply with the requirements of SMC Chapter 12.14.

This resolution is adopted by the City Council of the City of Sandy this ~~18th~~15th day of ~~March~~April, 2024.

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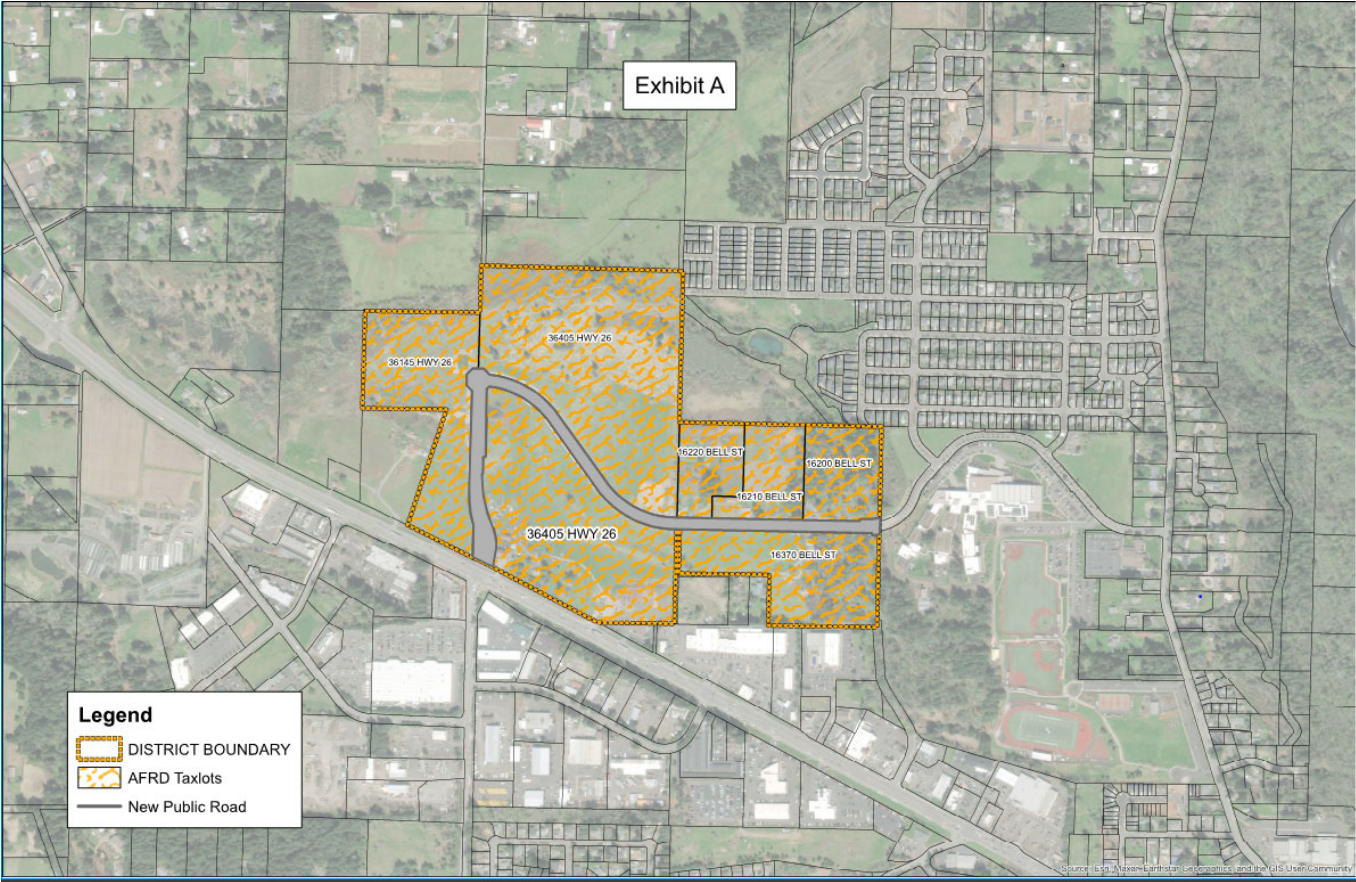
Stan Pulliam, Mayor

ATTEST:

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Jeffrey Aprati, City Recorder

# Exhibit A



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<b>Totals</b>	<b>\$ 2,480,935.00</b>



## Staff Response to Public Testimony on 362<sup>nd</sup> and Bell AFRD Resolution Adoption at Council Meeting March 18, 2024

### Frank Walker:

The Public Notice did not offer enough time for residents to process information and ask questions of staff.

*The Public Notice was mailed on March 6<sup>th</sup>. This time of notice is prescribed in 12.14.050 and must be between ten and thirty days of the public hearing. The requirements of this section of the code were met. A notice of public hearing could not have been made sooner, as City Council had just reached a decision and directed staff on the terms of the intended reimbursement district. As section 12.14.030 expresses, the purpose of this public hearing is an informational meeting for interested parties.*

### Bob Skipper:

Does the AFRD constitute all city development charges?

*Payment of an AFRD will be in addition to the standard fees associated with developing land in the City and connecting to City utilities. Additional costs of development will be assessed as laid out in the city's most recent fee schedule at the time of development.*

General Question on interest

*The reimbursement district is subject to a 5% simple interest rate as directed by the Council. What this means is that the value of the reimbursement amount increases by 5% of each property's reimbursement total each year. The interest will then be due with the reimbursement value if and when a property develops. With no development on a taxlot, no interest or reimbursement payment is required.*

### Doug Castle

What will trigger reimbursement? Will payment be required for the barns damaged in the storm?

*This reimbursement district is intended to have a portion of this transportation system improvement be paid for by development of properties directly benefitting from the new road being built. Payment of this reimbursement amount for each property will only occur if a property is developed from it's current use. The resolution language has been changed to ensure that only after a property has land use approval to develop will the reimbursement amount be required. This language is intended to ensure that improvements and repairs made to existing properties that do not change its current land use will not require payment of this reimbursement.*

How was the area of each property determined?

*The reimbursement areas for each property were determined by using the developable area of each taxlot. This was performed by using the total area of each taxlot and subtracting areas that are not developable. The areas determined to be undevelopable were: areas that have now become Right-Of-Way for the new road, areas with an environmental overlay(FSH,) and areas encumbered by the slope easement for the roadway or storm drainage. Furthermore the reimbursement amount required by each property will only be collected for the portion of the property that is developed. For example, if a single acre of a parcel is carved off and developed, only a proportional amount will be due to the City.*

**Eric Lundeen**How was this project funded? Which portion of this funding will this district reimburse?

*The project was funded by three different sources: the entirety of the City's SDC holdings, a bond against the City's vehicle registration revenue and, to fill the remaining need of the project, money from the City's transportation operating budget. The City's operating budget is intended to serve the entire city, paying for roadway repairs and maintenance and covering the city's response to keep our road operational during storm events. The 20% reimbursement was selected by council with the intent of replenishing this fund, as it will take a long time to rebuild and is required to keep Sandy's streets in good condition. Other funding sources were sought to avoid this portion of investment, but in the competitive grant market, this project was unsuccessful at receiving funding.*

How does this project incentivize development?

*For any of the properties in this district to develop, the same roadway would be required to be built. The cost of this project for a developer would be similar to what it was for the City, and would likely cost considerably more, the further into the future that construction occurred. The developer would be required to manage a complicated infrastructure project, and carry the cost of the entire project. It should be noted that the developer would not receive a payment from the City's SDC pool, they would only realize that savings by receiving SDC credits for their development. After project completion, the initial developer would likely create a reimbursement district to recuperate their costs. This would then lead to a higher reimbursement value for all of the neighboring properties.*

*With the City's investment in the project, a developer can purchase property on an existing roadway for a fraction of what the roadway would cost them otherwise. Additionally, the developer would only need to manage the development of their own site without having to negotiate easements with other properties in order to perform their offsite improvements.*

**Julie Walker**When does interest begin to accrue?

*Interest will begin once the reimbursement district is formed by council resolution. Interest is 5% of the initial project cost, added to the total reimbursement value annually.*

The turning radius is too tight to get large construction equipment and materials onto the remaining portion of Royal Ln.

*While this may be the case under current conditions, a developer would simply need to create a construction entrance that meets their construction needs. With existing elevations and obstructions, this may seem daunting, but is a standard practice on major development sites. Additionally, if traffic control is required to get oversized loads onto a site, the City will have reviewed and approved this for feasibility and safety before such work can occur.*



# Adoption of 362<sup>nd</sup> & Bell Street Project AFRD

Sandy City  
Council

March 18, 2024

Item # 5.





# Background

## Benefits

- Relief of Traffic Bottleneck
- Access to Schools
- Resiliency – Evacuation and Emergency Access
- Economic Development

**Project Cost \$12.94M**





# Advance Financing Reimbursement Districts

- Common; City has created a dozen
- Investment made by City or developer decreases cost of development of adjacent properties
- AFRD allows Developer (in this case the City) to recoup investment; allows reallocation of funds to other City utility needs
- Properties are impacted only if development occurs

# AFRD Elements

- 1) Methodology: street frontage or area**
- 2) Interest rate and term limit**
- 3) Value of the district**

**Council considered these elements at the February 5, 2024 and March 4, 2024 council meetings.**

# AFRD Methodology

- Both Street Frontage and Area basis considered
- Street frontage was found to favor properties based by shape, and not development potential
- Area approach was considered most equitable, as it used developable land only
- **Area methodology preferred by Council**

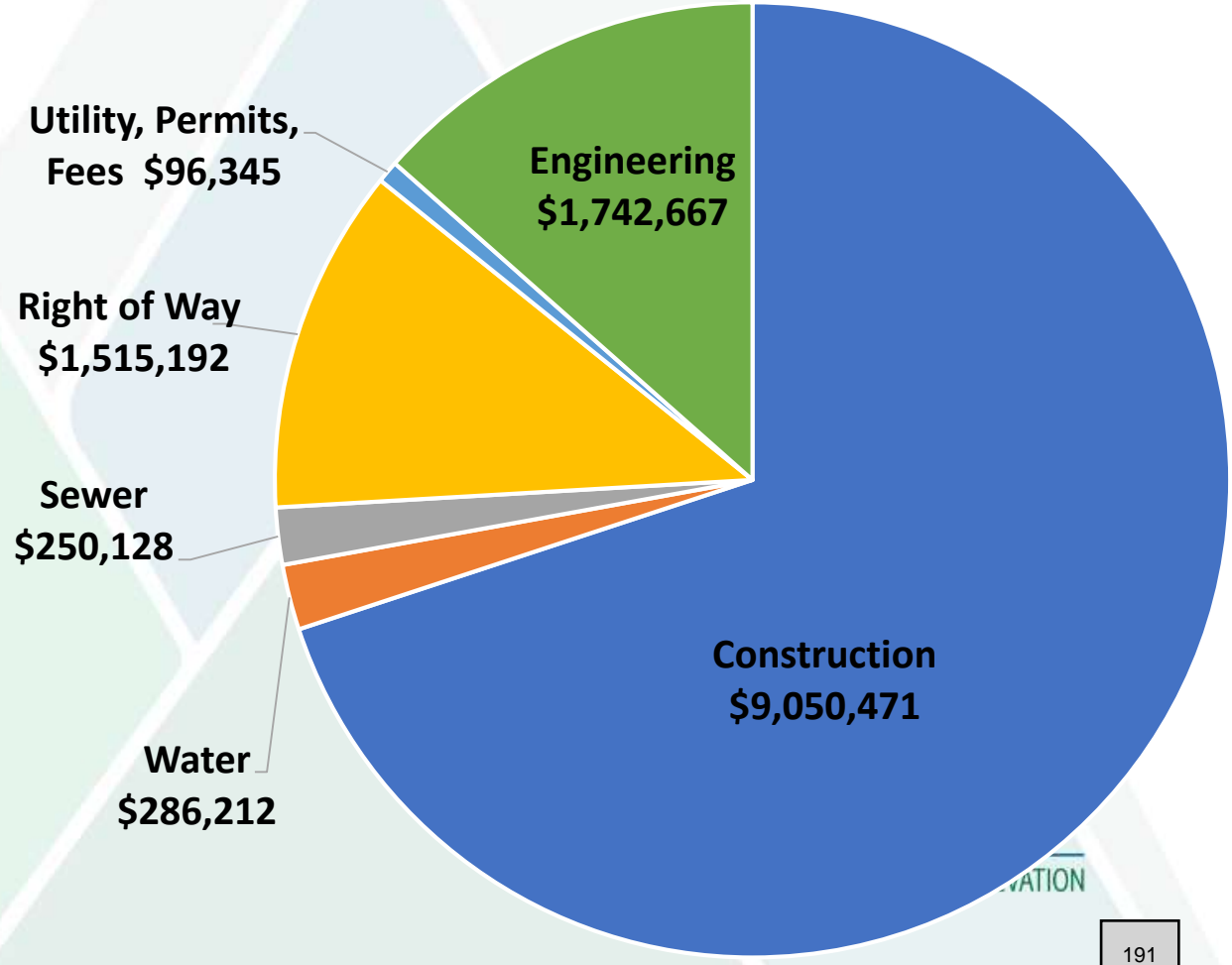
# Interest Rate and Term

- Municipal code prescribes 9% simple interest rate
- The funding spent for this project would earn 5% compound interest
- Standard length of reimbursement districts is 20 years
- Council considered different examples of AFRD in Sandy and surrounding area
- **Council preferred 5% simple interest and 20 year term**

# Cost of the Project

Construction	\$ 9,050,471
Water	\$ 286,212
Sewer	\$ 250,128
Right of Way	\$ 1,515,192
Utility, Permits, Fees	\$ 96,345
Engineering	\$ 1,742,667
<b>Project TOTAL</b>	<b>\$ 12,941,014</b>

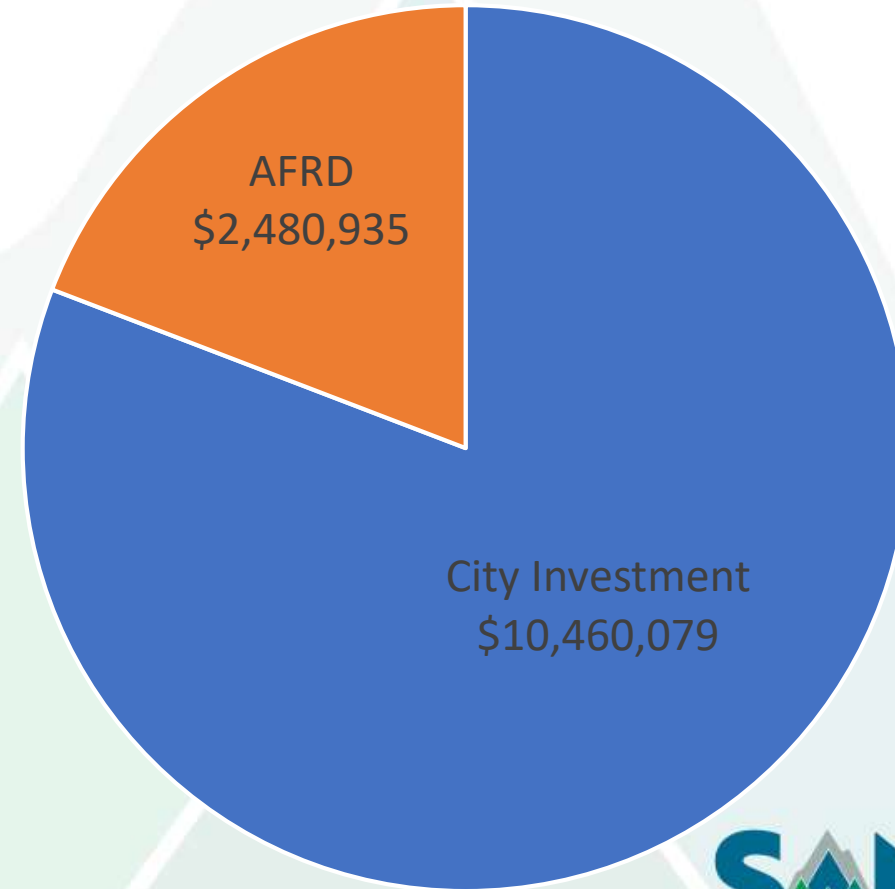
Street fund total paid was **\$12,404,675.**





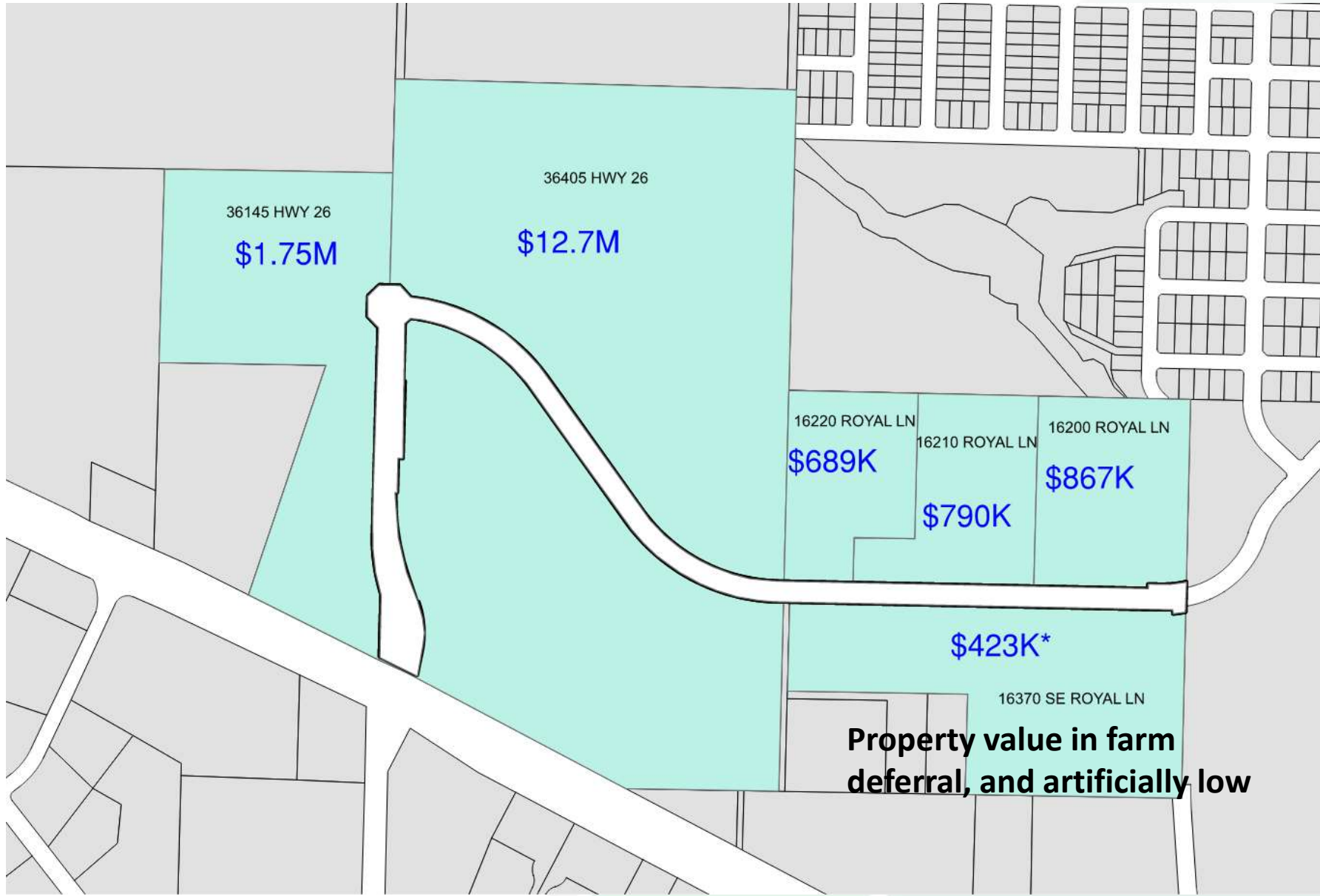
# AFRD - 20% of Street Fund contribution

- Recoups funds from Street Fund operating budget
- Eliminates Water and Sewer Contribution
- Keeps economic development incentives
- Total AFRD **\$2.48M** preferred by Council



# What Are These Properties Worth?

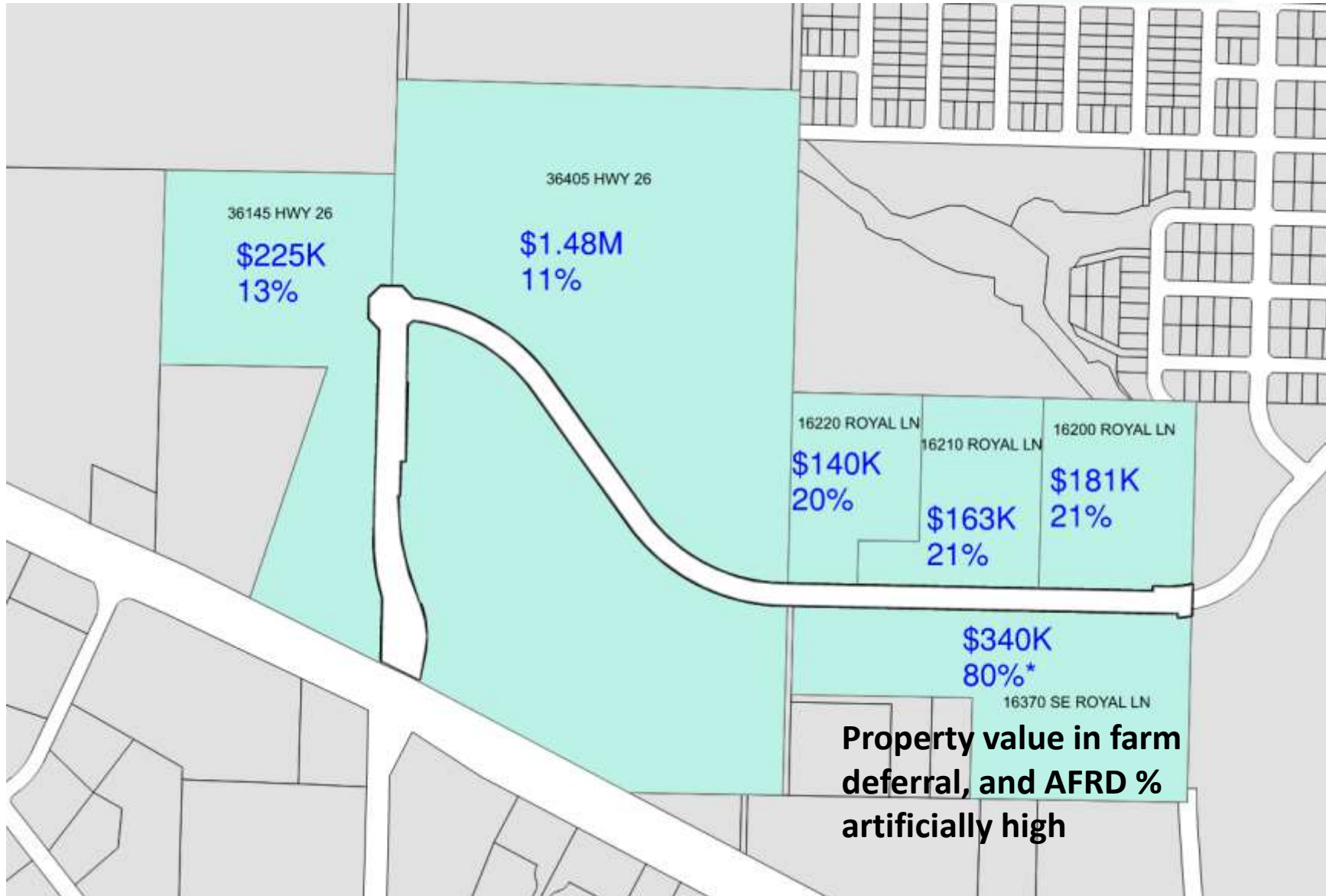
Item # 5.



Values presented based on the County tax assessor's market value data, likely low estimates not reflected increased value from road



# AFRD Impact to Properties



# Summary

## **Council directed staff to create AFRD with following:**

- Area Method
- Interest rate 5% simple interest
- District term of 20 Years
- Value of \$2.48M
  - 20% of Street Funded portion of project or 19% of total project cost
- Balanced and moderate AFRD, recouping street fund operations funds



Jeff Aprati &lt;japrati@ci.sandy.or.us&gt;

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## Testimony for Resolution 2024.08

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**Julie Miller** <jkimmler57@gmail.com>  
To: Recorder@ci.sandy.or.us

Fri, Apr 12, 2024 at 7:54 AM

Greetings City Council,

The owners of [16370 Royal Lane](#) respectively ask for you to consider reducing the AFRD payable amount from 20% to 10%. We realize that it is within city code to implement an AFRD and believe that all of Sandy benefits from the Bell Street extension with better and alternative access.

Another option would be to reduce the simple interest time period from 20 years to 10 years.

Thank you for considering these options and hopefully implementing one and or both.

Julie Walker, part owner of [16370 Royal Lane, Sandy, Oregon](#).





Jeff Aprati &lt;japrati@ci.sandy.or.us&gt;

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**AFRD**

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**Brian Fletcher** <fourwheeldrive1@msn.com>  
To: "japrati@ci.sandy.or.us" <japrati@ci.sandy.or.us>

Fri, Apr 12, 2024 at 10:18 AM

Jeff Aprati,

As a concerned citizen I would like to encourage the City Council to recoup our \$2.48 million street maintenance funds (at a minimum!). This should include land owners in the area, as well as future developers. As I see it, council is only trying to recover 20% of the of the street maintenance fund, on the back of landowners only, and I find that crazy. The entire city (citizens) paid into that fund and we should recoup most of that money borrowed. I do see where there is benefit for many in the Bluff neighborhood as well as students and parents alike (Sandy High School), and the city should incur some costs. Please maximize the AFRD to recoup all or most of my "our" street maintenance funds, as we need to fix our city and neighborhood streets.

Thank you for your consideration,

Brian Fletcher  
Citizen of Sandy, Oregon