



MEMORANDUM

The City of
OKLAHOMA CITY

Council Agenda
Item No. VII.Z.
2/24/2015

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Joint Resolution with the Oklahoma City Water Utilities Trust authorizing the General Manager or designee to submit initial proposals for the ownership, operation and recapitalization of water and wastewater facilities at Tinker Air Force Base, to make and allow additions, omissions and changes in the terms of said proposals as may be recommended and approved by Municipal Counselor, to approve travel expenses, and to negotiate with the federal government to formulate an agreement for Trust and Council consideration.

Background

On April 23, 2013, the United States Defense Logistics Agency (DLA) Energy contacted the Oklahoma City Water Utilities Trust (OCWUT) to determine if there was interest in pursuing a sole-source utilities privatization action with Tinker Air Force Base (Tinker) for the ongoing operation and maintenance of water and wastewater facilities over the next 50 years. In order to respond to this request, OCWUT must submit a qualified proposal which meets the federal government's municipalization solicitation requirements.

Following a Request for Qualifications process, OCWUT contracted with MWH Americas based on their expertise in performing water and wastewater facilities condition assessments, capital plan development, federal base contracting requirements and municipal utility operations and maintenance. MWH Americas is supporting OCWUT in responding to the federal solicitation, contract negotiations, city transition services, and performance services for the post transition first five-year performance period.

On May 20, 2014, MWH Americas briefed Trustees on the project approach which includes three phases: procurement, transition and performance. The procurement phase includes the evaluation of water and wastewater facilities at Tinker, determining the Fair Market Value, developing a Capital Improvement Plan, evaluating well system options for conversion to City water, creating staffing, and operations and maintenance plans, preparing proposals and providing assistance with negotiations.

Proposal documents include base water and wastewater technical proposals, price proposals and contract terms proposals. Alternate water proposals have been developed and are ready to be submitted in advance of the March 16, 2015 deadline. Following the

submittal of the proposals, the federal procurement process provides for a months-long period for negotiations, both written and face-to-face, which will require final revised offers from OCWUT to incorporate all technical and pricing changes agreed to during negotiations. The location of these negotiations has not yet been determined, but staff anticipates they will likely take place in June.

Previous Actions

Presentation received by OCWUT on January 20, 2015 (Item No. VII.C.), on December 2, 2014 (Item No. VI.A.), on November 18, 2014 (Item No. VI.B.), on October 7, 2014 (Item No. VIII.A.), and on September 9, 2014 (Item No. VI.A.).

Professional Services Agreement and letter of credit approved and Presentation received by OCWUT on May 20, 2014 (Item No. VI.A.) and Professional Services Agreement concurred by Council on May 27, 2014 (Item No. VI.CB.).

Resolution authorizing negotiation with MWH Global, Inc./Guernsey adopted by OCWUT on February 18, 2014 (Item No. III.I.) and concurred by Council on February 25, 2014 (Item No. VII.I.).

Resolution authorizing staff to proceed with interviews and authorizing negotiation of a contract adopted by OCWUT on January 7, 2014 (Item No. III.L.) and concurred by Council on January 14, 2014 (Item No. VII.H.).

Request for Qualifications approved and authorized by OCWUT on October 15, 2013 (Item No. V.A.) and concurred by Council on October 22, 2013 (Item No. VII.I.).

Resolution receiving request from Tinker Air Force Base for municipalization of water and sanitary sewer facilities and authorizing the General Manager, or designee, to prepare Request for Proposals for due diligence evaluation of water and sanitary sewer facilities at Tinker Air Force Base adopted by OCWUT on May 7, 2013 (Item No. III.C.) and concurred by Council on May 14, 2013 (Item No. VII.B.).

Source of Funds

OCWUT-Water Trust Operating Fund–Water Trust Operations–
Water Administration–Professional Services
(360-3010-3901100-06010-52040046)

OCWUT–WW Trust Operating Fund–WW Trust Operations–WW
Administration–Professional Services
(360-3510-3801100-07010-52040046)

Review

Utilities Department

Recommendation: Joint Resolution be adopted.