

RESOLUTION NO. 2025/26-11
CITY OF DAYTON, OREGON

A Resolution Adopting Findings to Support an Exemption from Competitive Bidding Requirements and Authorizing the Use of a Competitive Request for Proposal Solicitation for a Consultant to Serve as the City's Integrator of Record, Declaring Such Exemption and Authorizing a Process to Award Two Contracts to the Selected Consultant.

WHEREAS, the City of Dayton (City) owns and operates a number of water supply wells and associated booster pumps, municipal springs, a municipal PRV station, a municipal water treatment plant (WTP) and three potable water storage reservoirs, four municipal sanitary sewer pump stations and a municipal wastewater treatment plant, as well as associated ancillary systems and appurtenances; and

WHEREAS, the City owns and operates supervisory control and data acquisition (SCADA) systems, i.e. control & telemetry systems and project specific and ongoing system integration and programming services, connected to many of these utilities; and

WHEREAS, partial upgrades to the City's SCADA system were completed over the past several years in order to replace and upgrade certain obsolete components and expand the SCADA systems' capabilities and resiliency, and additional upgrades and improvements to various water & sewer system components are currently under construction or in the planning stages; and

WHEREAS, the City seeks to solicit a consultant to serve as the City's integrator of record ("Integrator of Record") to develop, maintain, update, and provide technical support for all of the City's SCADA systems that will include (1) acquiring and installing upgraded SCADA for existing bespoke systems and programs that are particularized to the City's infrastructure and programming needs, (2) acquiring SCADA related equipment for certain contemplated future City infrastructure projects, and (3) ongoing ordinary repairs and maintenance services for the existing SCADA systems and infrastructure; and

WHEREAS, the City believes that it is in the best interest of the City for the Integrator of Record to complete items (1) and (2) identified above (the "Improvement Projects") by entering into task orders under the Master Procurement and Installation Contract (as defined below), because each Improvement Project will need to be procured and installed pursuant to unique system requirements and will integrate with public infrastructure for which the security and precision of the systems will be critical; and

WHEREAS, the systems and programs that the Integrator of Record plans, acquires, installs, and maintains will be unique to the City, will be unable to communicate using other

programming or equipment without significant time and expense because it will have been developed specifically for the City's infrastructure, programs, and systems; and

WHEREAS, the City intends to enter into two contracts with the selected consultant: (1) a Master Procurement and Installation Contract; and (2) a Master Services Contract as further described in the findings; and

WHEREAS, the installation scope of the Improvement Projects may be considered public improvements under the Public Contracting Code and, to the extent they are, the City wishes to exempt such public improvements entered into under task orders from the competitive bidding requirements under ORS 279C as permitted by ORS 279C.335(2); and

WHEREAS, control and telemetry system components must be procured from Rockwell Automation and the selected Consultant must be a Rockwell Certified Systems Integrator; and

WHEREAS, ORS 279B.085(4) authorizes a Local Contract Review Board to exempt from the competitive proposal or bidding procurement requirements of ORS 279B the purchase of goods and materials upon approval of certain findings of fact; and

WHEREAS, the City desires to ensure that its Integrator of Record consultant is solicited widely among all potential proposers prior to adopting a single SCADA system in order to encourage maximum competition from all potential proposers and to ensure there is no favoritism in its contracting process; and

WHEREAS, the City believes that the exemption will result in substantial cost savings and other substantial benefits by reducing duplicative procurement processes, standardizing hardware and software across facilities, minimizing compatibility issues, shortening project delivery times, and ensuring that the City has a single point of accountability for the procurement, programming, installation, and maintenance of its SCADA systems, thereby enhancing operational efficiency, reliability, and public safety; and

WHEREAS, findings addressing competition, favoritism, operational, budget, financial data, public benefits, value engineering, specialized expertise, public safety, market conditions, technical complexity and funding sources recommended by the City Manager were made available and a notice of the public hearing of this Resolution was published at least fourteen (14) days in advance of granting the exemption in a trade newspaper of general statewide circulation; and

WHEREAS, the City will invite prospective contractors to submit competitive proposals in response to the City's solicitation requirements, and the City's selection of an Integrator of Record will be based upon an evaluation of the proposals as required by the solicitation documents.

NOW, THEREFORE, the City of Dayton resolves as follows:

Section 1: Council hereby adopts the Factual Findings for Proposed Exemptions from ORS 279B and 279C formal procurement requirement, attached as **Exhibit A**, and on that basis: (1) exempts the solicitation and any resulting projects executed under the Master Installation and Procurement Contract from the competitive low bid requirements of ORS 279C; and (2) exempts the solicitation from the requirements of ORS 279B and authorizes the award of a contract to an Integrator of Record to procure and install control and telemetry systems from Rockwell in connection with existing and future City infrastructure projects.

Section 2: The City Manager is authorized to use a competitive solicitation process to select an Integrator of Record.

Section 3: As required by ORS 279C.335(2), the City Manager will prepare and deliver a post project evaluation to the Council within 30 days of the date the City accepts the last Improvement Contract under the Master Procurement and Installation Contract or upon the termination or expiration of the Master Procurement and Installation Contract.

Section 4: This Resolution shall take effect immediately upon adoption.

ADOPTED on this 5th day of January 2026.

In Favor: Hildebrandt, Hover, Mackin, Pederson, Teichroew, Wilkins

Opposed:

Absent: Frank

Abstained:

Drew Hildebrandt, Council President

Date Signed

ATTEST:

Rocio Vargas, City Recorder
Attachment: Exhibit A

Date of Enactment

EXHIBIT A

DAYTON SCADA SYSTEM UPGRADE, EXPANSION & MAINTENANCE FACTUAL FINDINGS FOR PROPOSED EXEMPTION FROM COMPETITIVE BIDDING

The City Manager recommends that the Dayton City Council ("Council") approve the following factual findings, including the Additional Findings (as hereinafter defined) (collectively, the "Findings") to exempt the City's Integrator of Record Master Procurement and Installation Contract (the "Contract") and the resulting procurement of goods and installation services provided thereunder (the "Services") from the competitive bidding requirements of ORS Chapter 279B and 279C, and to approve a competitive request for proposals ("RFP") for the Contract. Capitalized terms used herein have the meaning ascribed to them in the Resolution.

BACKGROUND

The City of Dayton (the "City") owns and operates critical public water and wastewater infrastructure, including water supply wells, booster pumps, municipal springs, a municipal pressure reducing valve (PRV) station, a municipal water treatment plant, three potable water storage reservoirs, four sanitary sewer pump stations, and a municipal wastewater treatment plant, along with associated ancillary systems. Many of these facilities rely on supervisory control and data acquisition ("SCADA") systems, programmable logic controllers ("PLCs"), telemetry, and other automated control equipment to ensure safe, reliable, and efficient operation.

Over the past several years, the City has undertaken partial upgrades to its SCADA and related control systems, replacing obsolete components and expanding system resiliency. Additional improvements are currently in design and construction phases. These investments have demonstrated the critical importance of integrated, secure, and well-maintained control systems. However, under the City's existing procurement approach, each new project or upgrade requires a separate bidding process, which can lead to inconsistent hardware and software platforms, compatibility issues, and duplicative costs.

To address these challenges, the City seeks to procure the services of an **Integrator of Record**. The selected Integrator of Record will provide turnkey professional and construction services for the City's SCADA, PLC, and telemetry systems, including procurement, programming, integration, equipment installation, and ongoing technical support (the "Project") under two contracts: (1) a Master Procurement and Installation Contract; and (2) a Master Services Contract. The Master Contracts are expected to be in effect for five (5) years, with an option for two five (5) year extensions, after which the City will re-solicit to maintain competition and avoid long-term exclusivity.

Under the Master Procurement and Installation Contract, the consultant will procure and install control and telemetry systems for existing and future contemplated City infrastructure projects. Because each SCADA-related improvement project must be tailored to the City's unique system architecture, the City believes it is in the public interest to authorize an exemption from competitive low-bid contracting and instead use a competitive Request for Proposals ("RFP") process to select a single qualified Integrator of Record. Task Orders under the Master Procurement and Installation Contract will then be negotiated and executed for specific projects, ensuring continuity and compatibility across the City's infrastructure.

In addition, control and telemetry system components must be procured from Rockwell Automation and the selected consultant must be a Rockwell Certified Systems Integrator. As such, the selected consultant will procure and/or install the required control and telemetry system components.

This contracting approach will reduce costs, increase efficiency, and improve long-term system reliability by standardizing equipment and software, streamlining procurement, and leveraging the Integrator of Record's familiarity with the City's systems. At the same time, the exemption will not diminish competition, because the Integrator of Record will be selected through an open and widely publicized competitive solicitation process.

Based on the Findings, using a competitive RFP to award the contracts will support successful completion of the Services in the most efficient and cost-effective manner to achieve the City's goals. Ordinarily, the City would be required to use competitive sealed bidding for any installation contracts that it awards. In addition, awarding the procurement of components to a single consultant requires the approval of a special procurement under ORS 279B.085(4). In order to ensure that the Agreement does not violate state statutes, the City desires to exempt the solicitation process from the competitive bidding requirements of ORS 279C.335 and ORS 279B.085. Council is the Local Contract Review Board with the authority to exempt certain public contracts or classes of contracts from the formal procurement requirements of ORS 279B and ORS 279C based on the Findings. With the present action, Council will exempt the RFP, the Master Procurement and Installation Contract and any Services from the formal procurement requirements of ORS 279B and ORS 279C and will authorize the Improvement Projects to be awarded under the Master Procurement and Installation Contract via Task Orders. State law and the City's public contracting rules permit the City to exempt certain contracts if Council is able to approve certain findings justifying an alternative approach. The factual bases to support the Findings in connection with the Project, including the Additional Findings (as hereinafter defined) are set forth below.

NO FAVORITISM OR DIMINISHED COMPETITION

ORS 279B.085(4) and ORS 279C.335(2) require that Council make certain findings as a part of exempting public contracts or classes of public contracts from competitive bidding. Council must make a finding that the exemption is unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts. This finding is appropriate for the Dayton SCADA System Upgrade, Expansion & Maintenance project and is supported by the following facts.

It is unlikely that this exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for such contracts. The City intends to use a competitive Request for Proposals (RFP) process that will be broadly advertised as required by State law and the City's procurement rules, including advertisement in the local paper of record, a trade publication of statewide circulation, ORPIN, and other relevant outlets. Multiple qualified firms provide PLC, SCADA, and telemetry integration services across Oregon and the Pacific Northwest. All interested firms will have equal access to the solicitation documents, evaluation criteria, and proposal process.

The exemption does not pre-select or favor a particular firm; instead, it establishes a framework for fair competition among firms with the necessary expertise. Because the contracts will be time-limited (five years, with one optional five-year renewal), other firms will have future recurring opportunities to compete. This structure ensures that competition is not diminished and favoritism is avoided.

SUBSTANTIAL COST SAVINGS

ORS 279B.085(4) and ORS 279C.335(2) require that Council make certain findings as part of exempting public contracts or classes of public contracts from the required formal procurement process. Council must find that the awarding of public contracts under the exemption will result in substantial cost savings to the public contracting agency. This finding is appropriate for the Project and is supported by the following facts.

Awarding contracts under this exemption will result in substantial cost savings to the City. Without a single Integrator of Record, each Improvement Project would require separate bidding and procurement efforts, leading to duplicative engineering, integration, and procurement costs. Additionally, competing integrators may propose hardware and software solutions that are not compatible with existing systems, resulting in costly retrofits, inefficiencies, potential service disruptions, as well as potential lack of resiliency and redundancy.

Engaging a Rockwell Certified Systems Integrator to directly procure and install the necessary control and telemetry system components will help mitigate Project risks because the

consultant will have expertise in Rockwell Automation products, best practices and system implementation. These benefits will result in Project efficiencies and acceleration while reducing overall Project costs.

By engaging a single Integrator of Record, the City will avoid repeated re-design, ensure hardware and software standardization, reduce training and maintenance costs, and streamline procurement of parts and services. The City will also save on Project delivery time, as the Integrator of Record will already be familiar with system architecture, cybersecurity protocols, and operational requirements. Over the 15-year potential life of the contracts, these efficiencies are expected to save the City significant capital and operating funds.

The factual bases to support the ADDITIONAL findings

A. How Many Persons are Available to Propose

A Web search indicates that there are at least 11 firms in the Portland Metro area and the Willamette Valley offering PLC programming and automation services. The City anticipates that at least three to six regional firms are capable of performing the Integrator of Record services. The RFP will be posted through ORPIN and advertised in trade publications to ensure wide notice. No qualified provider will be excluded from consideration.

B. The Construction Budget and the Projected Operating Costs for the Services

The City anticipates approximately \$250,000 in SCADA and control system projects over the first five years of the contracts (although this amount is a rough estimate subject to additional review and clarification as the Projects progress). Each Improvement Project will be negotiated under a task order structure with not-to-exceed pricing. System planning services will be competitively priced as part of the original RFP response, and construction task orders will be priced on actual costs plus a negotiated and capped markup. Independent cost estimators will be used, as appropriate, to validate pricing.

C. Public Benefits That May Result from Granting the Exemption

The primary public benefit is the assurance of reliable, secure, and compatible water and wastewater control systems. A single Integrator of Record reduces risks of communication failures, improves system resilience, enhances cybersecurity, and ensures rapid troubleshooting. These benefits support the City's mission to provide safe, reliable water and wastewater service to residents, based on secure, resilient and flexible systems providing these services.

D. Whether Value Engineering Techniques May Decrease the Cost of the Services

Yes. A long-term relationship with an Integrator of Record will allow continuous improvement and cost optimization across projects. Standardized equipment, programming methods, and documentation will reduce redundancy. The Integrator of Record can propose iterative improvements and reuse proven designs, lowering both capital and lifecycle costs without sacrificing system capabilities.

E. The Cost and Availability of Specialized Expertise Required for the Services

PLC/SCADA integration requires highly specialized expertise not typically available in-house for a city the size of Dayton. A single Integrator of Record ensures availability of such expertise while maintaining familiarity with the City's infrastructure. This reduces onboarding time for each project and avoids errors from contractors unfamiliar with the City systems.

F. Likely Increases in Public Safety

A secure and reliable SCADA system is vital to protecting public health. Failures or breaches could compromise water quality, wastewater treatment, or emergency operations. A single Integrator of Record improves reliability and cybersecurity, directly enhancing public safety.

G. Whether Granting the Exemption May Reduce Risks to the City related to the Services

Yes. With one Integrator of Record, the City minimizes the risk of integration failures, incompatible equipment, and project delays. While reliance on a single firm does present continuity risks if the firm ceases operations, this risk is mitigated by requiring all programming, documentation, and passwords to be turned over to the City. This ensures continuity of operations.

H. Whether Granting the Exemption will Affect the Funding Sources for the Services

No. The exemption has no impact on funding sources. Projects will continue to be funded through existing utility capital improvement budgets and rates.

I. Whether Granting the Exemption will Better Enable the City to Control the Impact That Market Conditions May Have on the Cost of and Time Necessary to Complete the Services

Yes. By locking in markup percentages and contractual terms up front, the City will insulate itself from volatile market conditions for labor and materials. The task order approach for Improvement Projects allows flexibility to time or scope projects according to market conditions while maintaining cost transparency. still be constrained by the cost and time requirements of each task order.

J. Whether Granting the Exemption Will Better Enable the City to Address the Size and Technical Complexity of the Services

Yes. The City's control systems span multiple facilities, including wells & booster pump systems, a water treatment plant, water storage reservoirs, a wastewater treatment plant, sewer pump stations, and remote telemetry sites monitoring various aspects of these systems. This technical complexity requires consistent design and oversight. A single Integrator of Record is best positioned to address this complexity across multiple systems and projects.

K. Whether the Services Involve New Construction or Renovates an Existing Structure.

Both. Some task orders will involve new construction, while others will involve renovations or retrofits of existing facilities.

L. Whether the Project Will be Occupied or Unoccupied During Construction

Varies by task order. Some work will occur in continuously operating water or wastewater facilities, requiring careful planning to avoid service interruptions. Other projects may be new facilities and unoccupied during construction.

M. Whether the Services Will Require a Single Phase or Multiple Phases of Construction Work to Address Specific Project Conditions.

Multiple phases. The City anticipates multiple task orders over the term of the contracts, phased to align with budget cycles and operational priorities.

N. Whether the City Has or Will Retain Personnel, Consultants and Legal Counsel that Have Necessary Expertise and Substantial Experience in Alternative Contracting Methods to Assist in Developing the Alternative Contracting Method and to Help Negotiate, Administer and Enforce the Terms of the Project Contract

Yes. The City has contracted civil & electrical engineers, a public works project management team, as well as outside legal counsel experienced with alternative contracting methods. These resources will be available to develop, negotiate, and administer the Integrator of Record contracts.