

AGENDA ITEM FOR ADMINISTRATIVE MEETING () Discussion only
(X) Action

FROM (DEPT/ DIVISION): County Counsel

SUBJECT: FCS Group Contract

<p>Background:</p> <p>As part of the project for an additional water intake from the Columbia River, a return on investment analysis for the project is sought. A proposal from FCS Group is before the Board to conduct a return on investment analysis for the regional water system investment. The proposal has a not to exceed budget of \$29,810. FCS recently conducted the Umatilla County regional economic analysis for the county.</p>	<p>Requested Action:</p> <p>Authorize contract with FCS to perform return on investment analysis for regional water system investment</p>
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ATTACHMENTS: Proposal

*****For Internal Use Only*****

Checkoffs:

- () Dept. Heard (copy)
() Human Resources (copy)
() Fiscal
(X) Legal (copy)
() (Other - List:)

To be notified of Meeting:

Needed at Meeting:

Scheduled for meeting on: April 16, 2025

Action taken:

Follow-up:



April 10, 2025

Umatilla County
Attention: Robert Waldher, RLA
Director
Umatilla County Community Development Department
216 SE 4th Street
Pendleton, OR 97801

Re: Umatilla County Infrastructure Return on Investment Analysis

Dear Mr. Waldher:

This letter proposal describes our qualifications and approach for preparing a return on investment (ROI) analysis for the regional water system investment that Umatilla County is considering. The purpose of this study is to ascertain the potential economic and fiscal benefits that this project is likely to leverage over the next 20 years. FCS, a Bowman company (FCS) has successfully completed the following relevant economic and fiscal impact assessment projects:

- Umatilla Electric Cooperative Regional Economic and Community Benefits Analysis, 2024
- Umatilla County Regional Economic Analysis, 2024
- Columbia River Enterprise Zone Regional Benefits Analysis, 2020
- SW Hermiston Urban Renewal Plan and Infrastructure Funding Analysis, 2023-24
- Port of Hood River, Bridge Replacement Economic and Financial Analysis, 2021
- City of Moscow (ID), Transportation Economic Cost Benefit Analysis, 2019
- City of Salem, Gilchrist Corridor Benefit Cost Analysis, 2022
- Clark County (WA) Discovery Corridor Land Use and Economic Analysis, 2020
- Peninsula Light Company (WA) Headquarters ROI Analysis, 2025

Proposal Summary

This proposal includes details regarding our proposed approach, management plan, and schedule.

- **Proposed Work Scope.** FCS will build upon the proven economic modeling work we have completed for clients throughout the Pacific Northwest, as well as prior economic and financial analysis we have conducted within Northeast Oregon. Our proposed work scope is provided in the attached Proposal Exhibit A.
- **Management Plan.** Our proposed senior staff members (Todd Chase and Tim Wood) have managed several similar projects throughout Oregon and the Pacific Northwest. For this assignment, I will serve as principal-in-charge with Tim Wood serving as project manager. We will be assisted by analysts and support staff in our Oregon and Washington offices, as needed. As an FCS principal/economist with

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P: 425.867.1802



over 40 years of experience, and with 30 staff to address your needs, we are committed to managing this effort.

- **Schedule.** Our proposed schedule includes completion of Tasks 1-5 within 60-90 days of notice to proceed. All project work activities will be completed no later than June 30, 2025.
- **Budget.** Not to Exceed \$29,810. All work will be billed monthly based on time and materials using the labor fee schedule provided in Exhibit A.

We look forward to modifying this scope of services, budget and schedule to meet your needs. Your signature below will allow us to get started with the work described herein, as we solidify the professional contract.

Respectfully,

A handwritten signature in black ink, appearing to read "Todd Chase", written over a horizontal line.

Todd Chase, ACIP, LEEDAP
Principal
(503) 313-6360
ToddC@fcsgroup.com

Legal Name:

FCS, a Bowman Company
7525 166th Ave NE, Ste D215
Redmond, WA 98052
(425) 867-1802 ph

AUTHORIZATION TO PROCEED: _____(name/date)

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Exhibit A

Scope of Services

TASK 1: PROJECT INITIATION AND KEY ASSUMPTIONS

Within 2 weeks of notice to proceed, FCS will conduct a virtual kickoff meeting with the Umatilla County project manager and the appropriate County staff for introductions and to determine objectives, timelines, methodologies, and project assumptions. FCS will submit a data request to the County that will request all relevant information for the project including water system operating and capital budgets, financial reports, fee schedules and all other materials relevant to the study.

FCS will compile key assumptions for the study. This will include but not be limited to expected water system capital and annual M&O costs and potential customers (including agricultural, irrigation, municipal and industrial users), water demand by customer type, employment impacts and fiscal impacts (after any tax abatement including local property tax revenues and payments in lieu of taxes if in enterprise zone). The data collection process will include coordination and interviews with County staff, IRZ (engineers) and potential municipal customers.

TASK 2: RETURN ON INVESTMENT SENSITIVITY ANALYSIS

This task will incorporate data gathered from statistics and information gathered during Task 1 to develop a ROI model based on cost recovery and long-term fiscal sustainability assumptions.

The model will be designed to measure the expected return on investment to the County based on potential increases in customers and related contract revenues, tax revenues, and community economic measures, such as job creation. The model will incorporate the following:

- Capital Costs by time frame
- Annual O&M costs
- Customer Growth (low, medium and high water demand scenarios)
- Customer Contract Revenues (by customer type)
- Property Tax Revenues over time (after abatement)
- Other Fiscal and Economic Impacts (such as in lieu fee revenues and job creation)
- Annual Inflation Escalation Index and Discount Rates

The model will encompass a range of assumptions that will be evaluated over a 20 year time frame. It will also be accompanied by a presentation explaining the logic and approach used for the ROI analysis and preliminary findings.

TASK 3: DRAFT FINDINGS

This stage of the project will include the presentation of the technical memorandum and power point presentation of the study findings and fee model recommendations. This stage will include one (1) virtual meeting with County staff to finalize the report and one (1) virtual meeting with County Commission to discuss the study findings.

TASK 4: REPORT AND PRESENTATION

FCS will incorporate the input received during Task 3 into a revised "final" memorandum and presentation of key findings. FCS will participate in one (1) virtual follow-up meeting to update County staff and the Commission after the findings and report are generated.

SCHEDULE AND BUDGET

Completion of the referenced work tasks will require 60-90 days from notice to proceed. All work will be completed by June 30, 2025. FCS will prepare monthly invoices based on work completed using the rate schedule provided in Exhibit B. Total labor budget is estimated at a not-to-exceed amount of \$29,810 as shown in the table below. This proposal is valid until April 25, 2025.

Estimated FCS Labor Budget by Work Task

Technical Tasks	Principal	Project Manager	Analyst	Admin Support	Total Hours	Total Budget
Task 1: Project Initiation & Key Assumptions	6	14	4	2	26	\$6,010
Task 2: ROI Sensitivity Analysis	8	24	32		64	\$13,080
Task 3: Draft Findings	10	14	6		30	\$7,400
Task 4: Report & Presentation	4	6	2	3	15	\$3,320
TOTAL	28	58	44	5	135	\$29,810
Billing Rate	\$325	\$230	\$155	\$110		

Exhibit B

2025 Standard Fee Schedule

LABOR

<i>Position/Title</i>		<i>Billing Rate</i>
Principals	Standard Rates	\$285-\$325
Project Managers	Standard Rates	\$225-\$250
Analysts	Standard Rates	\$145-\$165
Administrative Support	Standard Rates	\$110

DIRECT EXPENSES

Major direct expenses, such as travel, mileage, and lodging, will be charged at cost. Other expenses will not be directly charged unless by mutual agreement of the client and FCS and specific terms will be established in advance prior to expenditure and billing.

SUBCONSULTANTS

When applicable, subconsultants will be charged at invoiced cost plus 10%.