May 7, 2026



Smart Procurement Strategies for Reservoir and Pump Station Infrastructure

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Agenda

- Project Background
- Supply Chain Issues
- Cost Escalation Concerns
- Lessons Learned
- Q&A



Project Background

New reservoir and booster pump station to support growing **Tehaleh Master Planned Community**

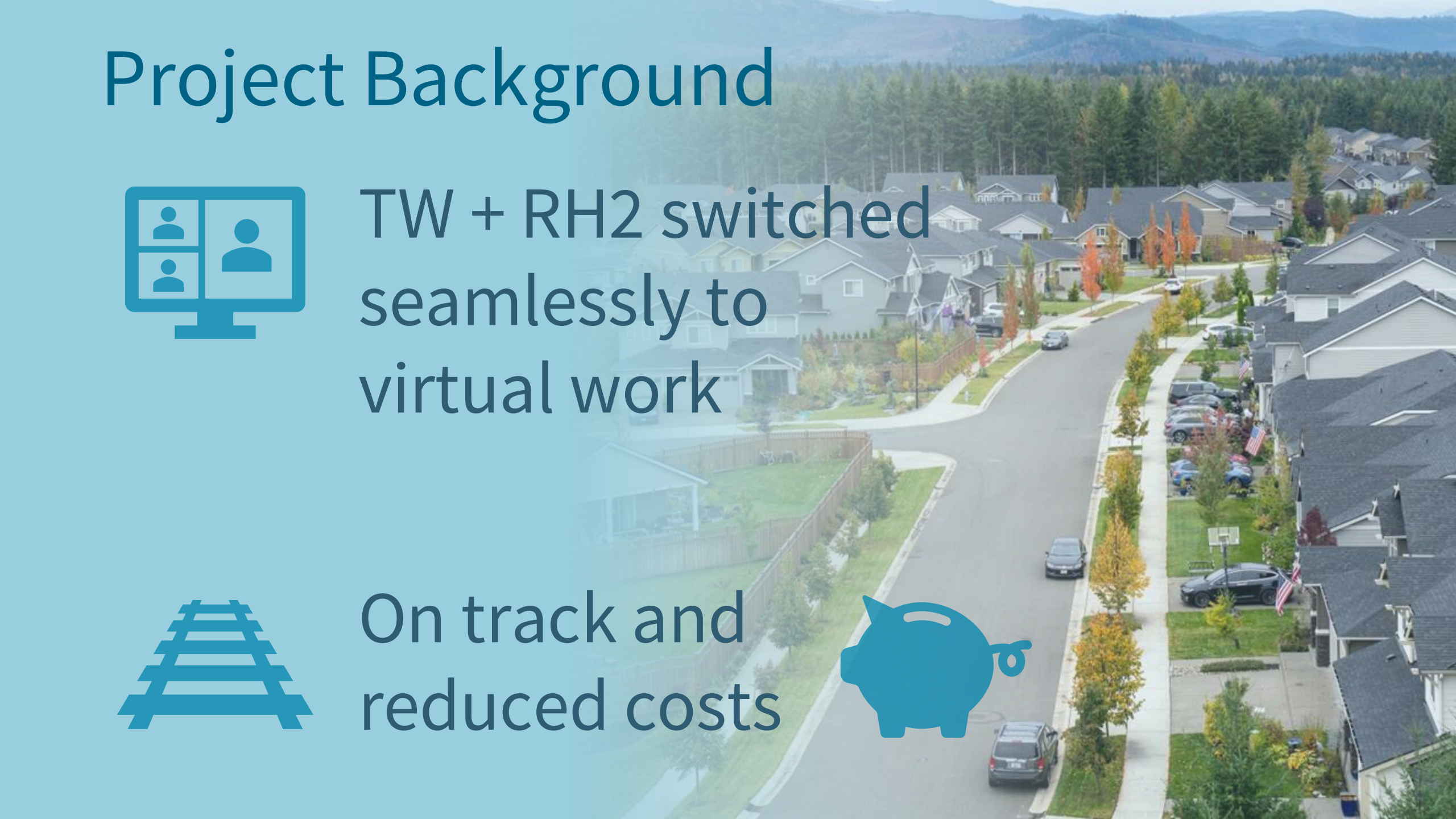


Bonney Lake, WA

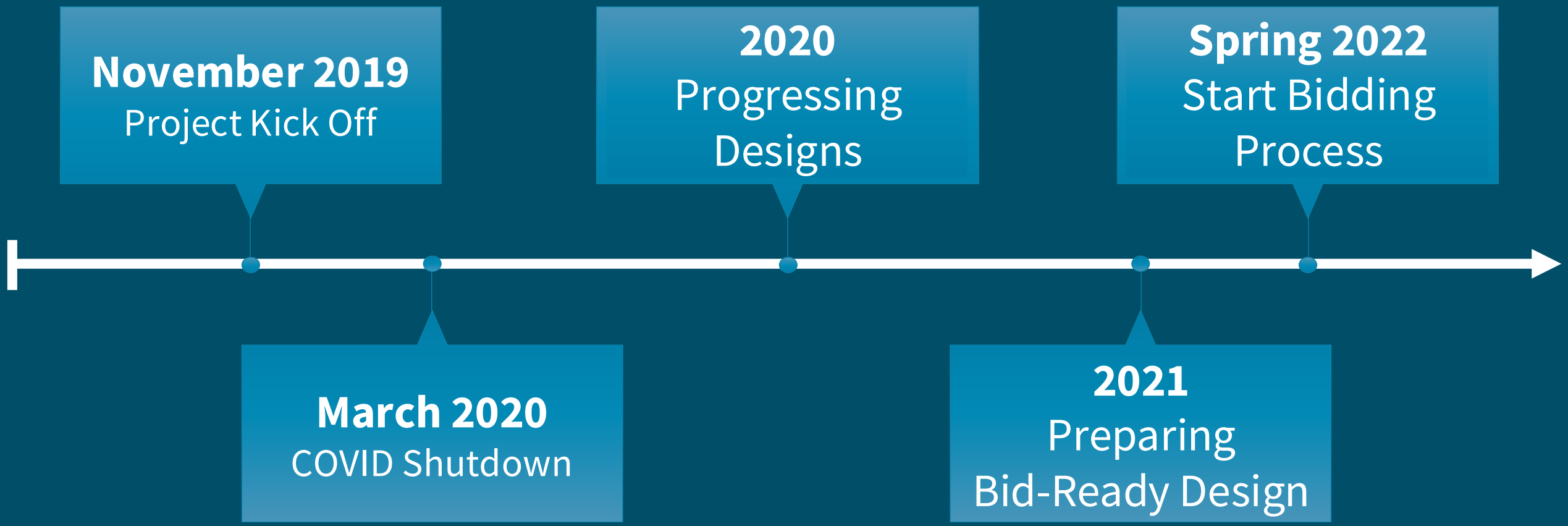
Project Background

TW + RH2 switched seamlessly to virtual work

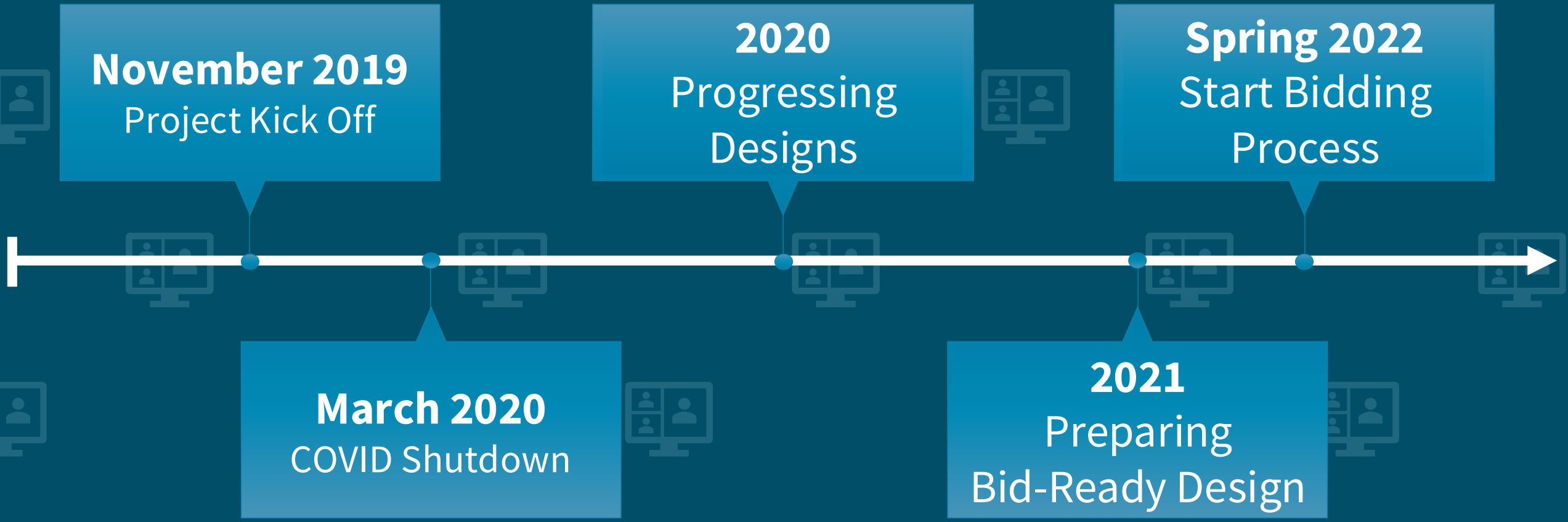
On track and reduced costs



Project Background: Timeline



Project Background: Timeline



Supply Chain Issues

- Electrical Components
  - MCCs
  - Generator
- Pumps



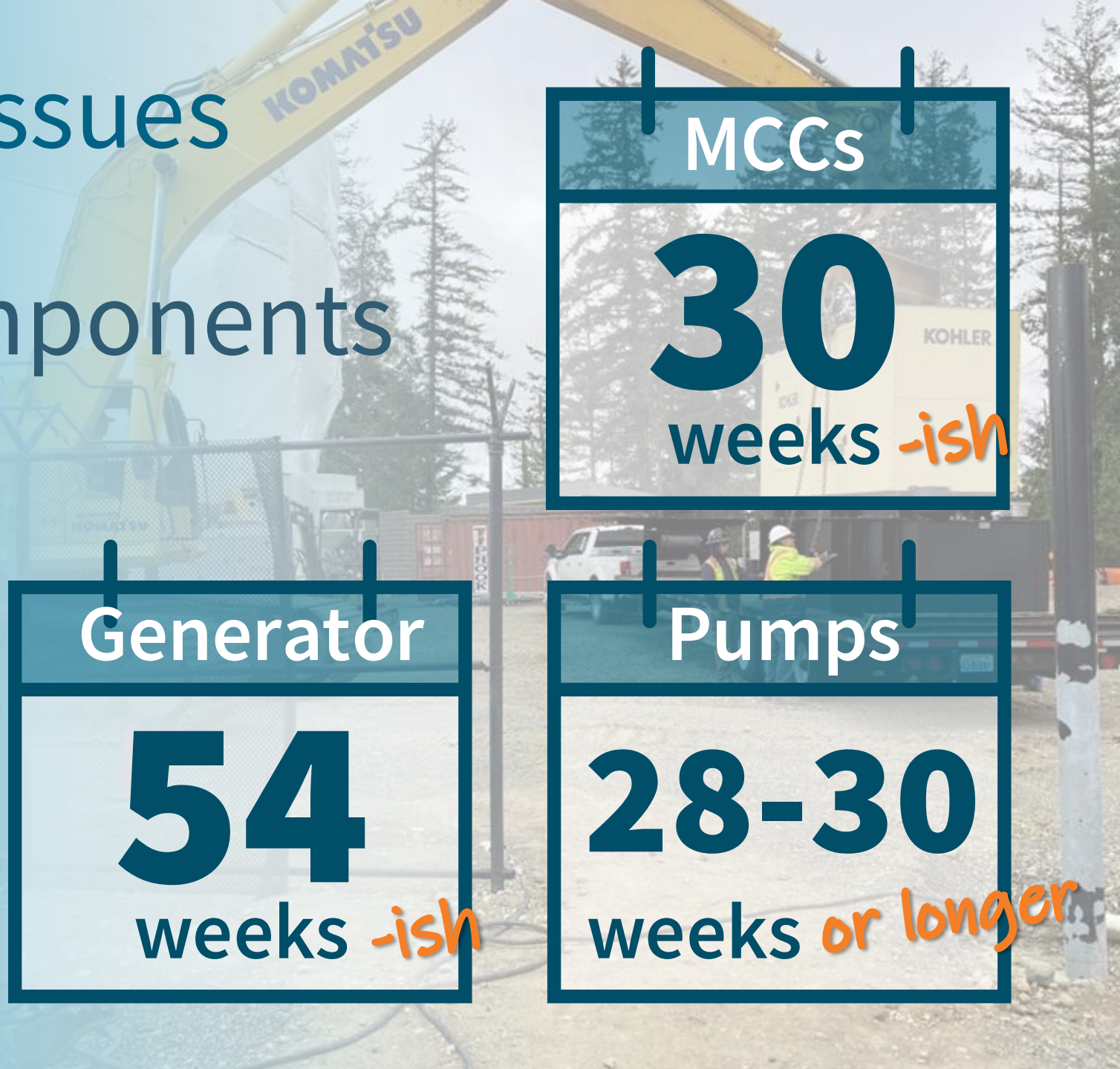
Supply Chain Issues

- Electrical Components
  - MCCs
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Supply Chain Issues

- Electrical Components
  - MCCs
  - Generator
- Pumps



MCCs

30 weeks -ish

Generator

54 weeks -ish

Pumps

28-30 weeks or longer

Supply Chain Issues

- Piping and valves
- Long lead items?



Allow some to not be subject to

Project Substantial Completion

Supply Chain Issues

- Pre-purchased packaged pump station
- Electrical equipment



Supply Chain Issues

- Pre-purchased packaged pump station
- Electrical equipment





Supply Chain Issues

- Worked with contractor on material procurement



Supply Chain Issues

- Worked with contractor on material procurement



Cost is **always** a concern, no matter the project...

Cost Escalation Concerns

- Volatility in the steel market
- Concerned bidders



Cost Escalation Concerns

- Steel escalation bid item
- Results? Credit to Owner



Lessons Learned



- ✓ Pre-purchase minimized impact
- ✓ Best laid plans still have hiccups
  - Electrical equipment
  - Booster pump station

Lessons Learned



✓ Cost escalation clauses share risk and reduce bid prices


Questions?

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RH2

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TACOMA PUBLIC UTILITIES

Thank You!