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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Dora Chin

EXECUTIVE SECRETARY

February 27, 1996

To: Board of Directors (Water Planning and Resources Committee--Action)
(Finance and Insurance Committee--Action)

From: General Manager *[Signature]*

Submitted by: J. W. Malinowski
Director of Public Affairs and Conservation *[Signature]*

Subject: Alternative Solutions for Contracting of Community-Based-Organization Ultra-Low-Flush Toilet Programs

RECOMMENDATION(S)

It is recommended that your Board authorize staff to: (1) enter into agreements to distribute Ultra-Low-Flush (ULF) toilets through Metropolitan's Community-Based-Organization (CBO) ULF Toilet Program (Program) through June 30, 1996 with the following vendors for the following maximum amounts: (a) The Demand Management Company: 22,000 ULF toilets for \$ 2,739,000; (b) Richard Heath and Associates: 4,700 ULF toilets for \$564,000; and (c) VIEWtech: 3,800 ULF toilets for \$459,800, and (2) increase payments to continuous distribution CBOs for each ULF toilet distributed from the current level of \$25 per ULF toilet up to a maximum of \$46 per ULF toilet to offset costs for assuming new tasks.

BRIEF DESCRIPTION

Staff has been unable to secure agreement with the prior vendor for program administration services for the interim phase of the Program. In place of the prior vendor, staff recommends that three new vendors be contracted to distribute up to 30,500 ULF toilets by June 30, 1996 for projects with eight member agencies. Staff also recommends that the payments made to CBOs for each ULF toilet distributed be increased from the current level of \$25 per ULF toilet up to a maximum of \$46 per ULF toilet to compensate them for assuming certain Program activities that were previously handled by the prior vendor. Unspent funds currently authorized to be spent under the agreements with the prior vendor will cover all costs, which will not exceed \$3,762,800.

Contract Type <input checked="" type="checkbox"/> New <input type="checkbox"/> Amended	Funding <input type="checkbox"/> Capital-Appropriation No. <input checked="" type="checkbox"/> O & M	Type of Competition <input type="checkbox"/> Competitive Bidding Specification No. _____ <input type="checkbox"/> Negotiated Contract <input checked="" type="checkbox"/> Sole Source
Contract Form <input type="checkbox"/> Lease <input checked="" type="checkbox"/> Professional Services <input type="checkbox"/> Construction	Budget Status <input checked="" type="checkbox"/> FY 95-96 Amount \$6,045,000 remaining <input type="checkbox"/> Out-Year Amount <input type="checkbox"/> Non-Budget Amount _____	

PURPOSE/BACKGROUND

In November 1995 staff informed your Board of the rejection of all respondents to a request-for-proposal (RFP) for the selection of a contractor to implement Phase Four of the Program beginning January 1, 1996. To accommodate this situation, staff proposed to extend Phase Three distribution through June 30, 1996 to allow for a smooth transition into Phase Four, which was rescheduled to begin July 1, 1996. Please see Attachment A for a timeline of all Phases of the Program. This extension, unofficially designated as Phase 3.5, intended to use unspent funds in the Phase Three agreement to fulfill Metropolitan's ULF toilet commitments to its member agencies. In early February staff notified member agencies of the likely disruption to Program operations. Staff then sought to make other arrangements for implementation of Phase 3.5 for those agencies in need of Metropolitan's Turn-key Program services.

Staff proposes that Metropolitan contract three different vendors to complete outstanding ULF toilet agreements for Phase 3.5, and distribute approximately 30,500 ULF toilets. Two of these vendors were qualified during the above-mentioned RFP process, and the third qualifies by virtue of working on a similar project for the Los Angeles Department of Water and Power (LADWP). Attachment B identifies the vendors, the member agencies involved, the type of CBO projects, the number of ULF toilets to be distributed, and pertinent pricing information.

Staff also proposes increasing payments made to continuous distribution CBOs under Phase 3.5 for providing additional services previously performed by the prior vendor. Currently these CBOs receive \$25 for each ULF toilet distributed. This payment would increase up to a maximum of \$46 to allow for the additional tasks of recycling used toilets, warehousing of ULF toilets, and providing marketing materials.

While it is regrettable that the Program has been disrupted by this unexpected change in administrative vendors, there is the favorable consequence that three new vendors will have direct experience with the Program. Staff expects that this experience developed during Phase 3.5 will lead to more competitive proposals for Phase Four. Also, more vendors will be available to the agencies who contract separately for ULF toilet distributions.

The absence of the former administrative vendor's services has provided opportunities for staff from Metropolitan and LADWP to work directly with the CBOs to improve operations for LADWP's continuous distribution programs. Metropolitan, LADWP and the CBOs have tightened the procedures to ensure better results at the time of inspection at the customers' homes, increased the specificity of the marketing plans with expectations of increasing participation at a lower cost and reduced used toilet recycling costs. The benefits that the CBOs have expressed enthusiasm for are: the increase in their autonomy over the day-to-day management of distribution operations and the opportunity to work more closely with Metropolitan and LADWP to develop more effective methods to achieve water conservation.

MBE/WBE

Richard Heath & Associates is a certified MBE firm participating in 25% of the Program operations.

CEQA COMPLIANCE/ENVIRONMENTAL DOCUMENTATION

This action is exempt from provisions of the California Environmental Quality Act in that there is no possibility that it may have a significant adverse effect on the environment.

<p>Plan and Bid Statistics ----- Contractors Requested Plans ----- Bids Submitted</p> <p style="text-align: center;">N/A</p>	<p>Evaluation Criteria Low bid that meets the requirements of the specifications. Bidders qualifications and MBE/WBE participation are also considered.</p> <p>Contractual Details X Anticipated Duration 3/96 - 6/96 <input type="checkbox"/> Hourly Rates N/A <input type="checkbox"/> Prevailing Wage Rates Will Apply</p>
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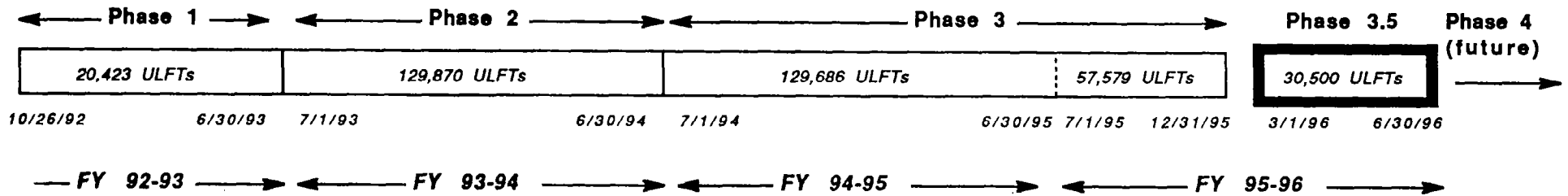
SOLE SOURCE JUSTIFICATION

Due to unforeseen circumstances vendors were required to be selected within three weeks. Work must commence immediately and be completed by June 30, 1996.

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ULTRA-LOW-FLUSH TOILET DISTRIBUTION PROGRAM

Program Timeline



ATTACHMENT B

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Vendor	The Demand Management Co.	Richard Heath & Assoc.	VIEWtech
Type of CBO	Continuous Distribution	Single Events	Single Events
		High Schools	Adult Organizations
Member Agencies	Los Angeles DWP	Calleguas MWD	City of San Fernando
		Chino Basin MWD	Eastern MWD
		City of Burbank	Three Valleys MWD
		Western MWD	
Number of ULF toilets	22,000	4,700	3,800
*Costs:			
ULF toilets	\$60.00	\$60.00	\$60.00
Administration	**** \$18.50	\$38.00	\$39.00
Recycling	***** \$7.00	\$7.00	\$7.00
CBO Payments	***** \$39.00	\$15.00	\$15.00
Maximum Total Cost per ULFT	\$124.50	\$120.00	*** \$121.00
**Total Project Cost	\$2,739,000.00	\$564,000.00	\$459,800.00
MWD Contribution	\$1,320,000.00	\$282,000.00	\$228,000.00

- * All costs are not to exceed budgeted amounts. Actual costs may be lower.
- ** All costs have been reviewed and approved by participating agencies. MWD's contribution is \$60 per ULF toilet, participating agencies will reimburse MWD for costs above \$60/ULFT.
- *** One agency may include plumbers' installation for the same total project cost, but a higher per ULFT cost.
- **** For volume greater than 22,000, administration costs will be reduced to \$15.50 per ULFT.
- ***** Continuous distribution CBOs will be paid directly for recycling services for a not-to-exceed total payment of \$46.