

APPROVED
By the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

JUL - 9 1996



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

John Chen
EXECUTIVE SECRETARY

8-6

June 25, 1996

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

From: General Manager *Edward J. Mea*

Submitted by: S. E. Vazquez *S. E. Vazquez*
Acting Director of Public Affairs and Conservation

Subject: Contracting for the City of Los Angeles Department of Water and Power's
Community-Based-Organization Ultra-Low-Flush Toilet Program Phase Four

RECOMMENDATION

It is recommended that your Board authorize the General Manger to enter into an agreement for \$4,037,400 with Honeywell DMC Services, Inc. (Honeywell DMC) to distribute a maximum of 60,000 Ultra-Low-Flush (ULF) toilets through the City of Los Angeles Department of Water and Power's (LADWP) Community-Based-Organization (CBO) Program Phase Four. Metropolitan will only be responsible for the management of the initial term of the contract which would commence on August 1, 1996 and conclude on June 30, 1997, after which Metropolitan would no longer be involved in contract management. LADWP will have the option of extending the program (under its own management) beyond June 30, 1997.

BRIEF DESCRIPTION

Since 1992, LADWP, using Metropolitan-managed vendors, has distributed over 200,000 ULF toilets utilizing local CBOs. LADWP intends to continue the distribution program for at least one additional year through June 30, 1997.

In May 1996, Metropolitan staff circulated Request for Proposal (RFP) No. 219 for the distribution of 40,000 to 70,000 ULF toilets per year through CBOs for LADWP's Phase Four Program. In June, five fixed-price proposals were received. Evaluation of the proposals was conducted by a team comprised of representatives from LADWP and Metropolitan, with a

neutral third party facilitator. Honeywell DMC, the selected vendor, submitted the lowest price. Honeywell DMC also exceeded the minimum business qualifications established by Metropolitan and LADWP for the administrative vendor.

The following is a breakdown of project costs and funding:

PROJECT COST:	TOTAL	Per ULFT
DMC Proposal		
Purchase Toilets	\$3,387,600	\$56.46
Administrative Services	<u>649,800</u>	<u>10.83</u>
SUBTOTAL:	\$4,037,400	\$67.29
Pass Thru Costs		
Payments to CBOs for Services (Not to exceed \$25/ULFT)	\$1,500,000 (est)	\$25.00
Customer Service and Marketing	<u>\$ 240,000 (est)</u>	<u>4.00</u>
TOTAL COST:	\$5,777,400 (est)	\$96.29

PROJECT FUNDING:	TOTALS
MET Budget (@ \$60.00/ULFT)	\$3,600,000
LADWP (Balance)	\$2,177,400

TOTAL FUNDING	\$5,777,400

Staff recommends that your Board authorize the General Manager to enter into an Agreement with Honeywell DMC in the amount of \$4,037,400 for FY 1996/97 for the purchase and distribution of a maximum of 60,000 ULF toilets. Execution of the Agreement is contingent upon Honeywell DMC successfully passing a pre-award audit by Metropolitan staff.

Contract Type <input checked="" type="checkbox"/> New <input type="checkbox"/> Amended Contract Form <input type="checkbox"/> Lease <input checked="" type="checkbox"/> Professional Services <input type="checkbox"/> Construction	Funding <input type="checkbox"/> Capital-Appropriation No. <input checked="" type="checkbox"/> O & M Budget Status <input checked="" type="checkbox"/> FY 96-97 Amount \$3,600,000* <input type="checkbox"/> Out-Year Amount <input type="checkbox"/> Non-Budget Amount _____	Type of Competition <input checked="" type="checkbox"/> Competitive Bidding Specification No. 219 <input type="checkbox"/> Negotiated Contract <input type="checkbox"/> Sole Source
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*Balance of Project Cost funded by LADWP

PURPOSE/BACKGROUND

In March 1996, your Board authorized distribution of a maximum of 22,000 ULF toilets on interim Phase 3.5 through LADWP's CBO program to bridge the gap between Program Phases Three and Four. In May, your Board further authorized an additional 8,000 ULF toilets to be distributed through the program. At that time, your Board was informed that Metropolitan and LADWP staff were working together on an implementation and vendor selection plan for Phase Four. On May 22, RFP No. 219 was released, soliciting fixed-price proposals for LADWP's Phase Four program.

In June, five proposals were received and evaluated. Proposed fixed prices and vendor qualifications were evaluated at the minimum guaranteed volume of 40,000 ULF toilets per year. That evaluation resulted in the following ranking of vendors with respect to cost, financial qualifications, previous project experience and MBE/WBE participation:

- 1) Honeywell DMC Services, Inc (Honeywell DMC)
- 2) Richard Heath & Associates Inc. (RHA)
- 3) Jordan Sun Eagle, Joint Venture
- 4) Diverse/Mission Valley Pipe and Supply Joint Venture
- 5) VOLT VIEWtech

Honeywell DMC submitted the lowest fixed price for both the minimum of 40,000 and the contract amount of 60,000 ULF toilets to be distributed. At the minimum guaranteed quantity of 40,000 ULF toilets, Honeywell's price is \$629,000 less than the second place vendor (RHA), while Honeywell DMC's pricing is \$1,072,000 less than RHA at the contract amount of 60,000 ULF toilets. In August, staff will bring to your Board a request for approval of "pass through" costs which will include CBO payments and other materials and services costs requested by LADWP.

MBE/WBE

The Business Outreach Office established goals for this contract at 20 percent certified MBE and 5 percent certified WBE. Honeywell DMC has exceeded these goals by committing to achieve 21 percent MBE and 6 percent WBE participation under this contract.

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 price that meets the requirements of the specifications. Bidders qualifications and MBE/WBE participation are also considered.</p> <p>Contractual Details <input checked="" type="checkbox"/> Anticipated Duration 8/96-7/97 <input type="checkbox"/> Hourly Rates N/A <input type="checkbox"/> Prevailing Wage Rates Will Apply</p>
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