




MWD


METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-2

June 12, 1997

To: Board of Directors (Engineering and Operations Committee--Action)
(Organization and Personnel Committee--Action)

From: *for* General Manager 

Submitted by: Chief Engineer 

Subject: *for* Authorization to Enter into Agreements for Fabrication Inspection and Testing Services for Construction Projects

RECOMMENDATIONS

To provide continued testing and inspection services of fabricated equipment for construction projects, it is recommended that your Board authorize the General Manager to enter into an agreement with:

- Robert W. Hunt Co., in an amount not to exceed \$650,000;
- Moody International Inc., in an amount not to exceed \$325,000; and
- United Inspection and Testing Co., for local inspection and testing services in an amount not to exceed \$325,000.

EXECUTIVE SUMMARY

Metropolitan uses a combination of in-house staff and consultants to inspect valves, pumps, and other equipment that is being fabricated for our construction projects. Much of the equipment is fabricated outside the state and even outside the country. Inspection during fabrication is the best way to assure finished products meet specification requirements, minimize delays, and control costs. The proposed consultants were selected through a competitive proposal process. Three firms are recommended to provide an optimal mix of expertise, diversity, and staff availability. This action only requests authority to enter into contracts because funds for this work will be included in funding requests for specific projects.

JUSTIFICATION

Testing and inspection of fabricated items (e.g. large valves, pumps, motors, etc.) is necessary to ensure that equipment meets quality standards defined in the project specifications. Inspections must be performed at various points in the fabrication process to minimize rework, delays, and costs. Metropolitan does not have sufficient staff and test equipment to perform all the necessary inspections. Moreover, since much of the equipment is fabricated outside the state and even outside the country, it is more efficient to use consultants who have offices and staff in the states or countries where the items are being fabricated.

ALTERNATIVES TO PROPOSED ACTION

1) Use Only Metropolitan Staff to Perform Inspections

Metropolitan could hire additional staff, pay travel expenses, and purchase additional test equipment to perform this work. This would provide additional control and oversight by Metropolitan staff, but would increase cost and lead to staffing problems when capital projects are complete.

2) Do Not Perform Inspections During Fabrication

Metropolitan could trust that contractors will meet specification requirements or perform inspections only when equipment arrives at the jobsite. This would decrease some inspection costs, but would likely increase project costs and lead to significant schedule delays if equipment is rejected after it is delivered to the jobsite. Also, it may not be feasible to dismantle equipment so it can be thoroughly inspected once it reaches the jobsite.

ACTIONS AND MILESTONES

- Award new inspection contracts by September 1, 1997.
- Perform inspections for capital projects, as required.

CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION

All California Environmental Quality Act (CEQA) requirements have been satisfied for the proposed action.

CONTRACT SUMMARY - CONSULTANT AGREEMENT

Contract Status: New**Contract Form:** Professional Services**Contract Type:** New**Type of Selection:** Competitive Proposals
RFP No. 220**Firms Receiving RFPs:** 55**Proposals Submitted:** 14**Evaluation Criteria**

Evaluation based on qualifications, expertise, methodology, and cost-effectiveness

MBE / WBE - CONSULTANT AGREEMENT

Due to the limited number of firms that can provide the specific services required by the RFP, it was not feasible to establish Minority- and Women-Owned Business Enterprise (MBE/WBE) participation goals for this work. Respondents were encouraged to do business with MBE/WBE firms. Consultant proposed participation is shown in Attachment A.

One of the selected consultants, United Inspection and Testing Co., is a certified 100 percent MBE firm. By utilizing United Inspection and Testing Co., we will be able to take advantage of the very competitive rates they offer for local inspection and nondestructive testing services, and increase our business outreach. The combined MBE/WBE participation for this work is 28 percent.

DETAILED REPORT

The Field Inspection Branch uses a combination of Metropolitan staff and consultants for both domestic and worldwide inspection of fabricated items. These items include major equipment, pumps, valves, pipe, and materials purchased by Metropolitan and construction contractors for capital projects.

Metropolitan has a vested interest in making sure that fabricated items are manufactured to appropriate standards that ensure reliability and minimum life-cycle costs. Many of the items fabricated for Metropolitan have extremely long lead times. Delays in the delivery of fabricated items can have a devastating affect on project budgets and schedules. Through experience, Metropolitan has found that inspection of the work during fabrication is the

most economical and reliable way of assuring that fabricated items are built to the appropriate quality.

The most cost-effective approach to perform this work is through a blended team of Metropolitan staff and consultant inspectors. Metropolitan staff will be responsible for contract administration, handling internal coordination, conducting pre-fabrication inspections, directing inspections, and directing contractors as needed. Consultants will perform detailed inspections.

In October 1996, RFP 220 was advertised for consultant inspection and testing services. The evaluation results are shown on Attachment A. Fifty-five firms requested RFP 220 and 14 firms submitted proposals. Consultants' proposals and presentations were analyzed through a competitive process. Instead of selecting one consultant, it was determined that three consultants will provide Metropolitan with the best combination of skills, expertise, worldwide and local coverage, access to local testing facilities, cost control, and MBE/WBE participation.

Robert W. Hunt Co., will provide the predominate amount of services up to \$650,000, because of their overall excellence in quality of service, unique skills, and worldwide experience at competitive rates. Moody International Inc., will provide services up to \$325,000 to augment staff coverage in worldwide locations not available from Robert W. Hunt Co.

The third firm, United Inspection and Testing Co., was selected to provide primarily materials testing services and supplemental inspection staff because of the availability of their local testing laboratories to expedite critical work. Their rates were considerably lower than two competing firms.

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Attachment

Evaluation Summary for RFP No. 220
Fabrication Inspection/Non-Destructive Testing and Material Testing Services

Attachment A

Written Proposal Scoring

Firm	Office Location/ Geographical Staffing	Public Works Inspection Experience/ Familiarity w/ Scope	Mechanical/ Electrical Equip. Inspection Experience	Management / Inspection on Public Works Experience	Large Diameter Pipe Experience	Laboratory / NDT (3) Accreditation	MBE/WBE	Total (Average of 3 Member Panel) 75 Pts Possible	Ranking
	20 Points	17.5 Points	11.25 Points	10 Points	8.75 Points	7.5 Points		75 Points	
R. W. Hunt Co.	19.00	16.00	9.75	8.33	8.17	4.50	Yes	65.75	1
A	17.67	13.33	5.75	7.33	4.67	4.50	Yes	53.25	2
B	14.00	5.00	7.25	4.33	1.75	3.00	No	35.33	3
Moody International, Inc.	9.67	9.00	6.50	4.00	3.50	0.00	No	32.67	4
United Inspection & Testing Co.	6.67	9.33	1.50	6.33	2.33	5.50	Yes	31.66	5
C	6.67	11.83	5.67	3.42	0.58	0.00	No	28.17	6
D	8.00	5.50	0.50	5.83	3.50	4.50	Yes	27.83	7
E	4.67	8.83	0.25	5.68	5.5	3.00	Yes	27.33	8
F	10.33	4.33	4.25	4.33	1.75	0.50	No	25.50	9
G	11.83	3.33	0.50	5.17	1.17	3.50	Yes	25.50	10
H	8.67	3.83	1.75	2.50	1.75	4.50	No	23.00	11
I	0.33	5.33	0.38	5.58	0.58	4.75	Yes	16.96	12
J	1.20	2.30	0.25	2.50	4.08	0.00	No	10.33	13
K	0.33	0.67	0.25	0.50	0.00	0.00	No	1.75	14

Interview Scoring

Firm	MBE/WBE Percentages	Inspection Mechanical/Electrical Equipment Experience	Inspection Steel & Concrete Pipe Experience	International Inspection Staffing and Capabilities	Non-Destructive Testing Services and Laboratory Test Capabilities	Total Average
		10 Points	10 Points	10 Points	15 Points	45 Points
R. W. Hunt	5% MBE	9.30	7.70	10.00	13.30	40.30
Moody International, Inc.	0%	6.60	6.40	6.90	14.40	34.30
A	20% WBE	8.00	5.00	8.90	5.40	27.30
B	15% MBE	5.00	5.00	2.30	13.70	26.00
United Inspection & Testing (1, 2)	100% MBE	2.40	2.90	2.00	12.40	19.70

1. Local testing & inspection firm with extensive experience in inspecting structural steel, welding, and non-destructive testing.
2. No mileage mark-ups for local inspections and a very competitive rate structure provide added value as compared to the larger global testing and inspection firms.
3. NDT: Non-Destructive Testing.