

- **Board of Directors**
Engineering and Operations Committee

July 12, 2005 Board Meeting

8-4

Subject

Authorize entering into professional services agreements for the Weymouth and Diemer Oxidation Retrofit Programs, Mills Solids Handling Facilities, and project management support

Description

Metropolitan's plan for execution of Capital Investment Plan (CIP) projects to meet board-adopted schedules relies on the use of both in-house staff and professional consultants. Following a thorough assessment of existing and upcoming projects, as well as Metropolitan's in-house staffing capabilities, a staffing strategy has been developed to ensure that CIP projects are implemented in the most efficient manner possible. Metropolitan staff will be strategically assigned to projects so as to best maintain core engineering competencies and to address projects with special needs or issues. When Metropolitan staff is unavailable, consultants will provide required engineering services. Over the last several years, consultants have been utilized successfully on many projects such as design of the Skinner Oxidation Retrofit Program (ORP). Services typically requested from consultants include: performing studies and investigations, preparing preliminary and final designs, performing construction inspection, and providing specialized technical and project management support services.

Professional services agreements included within this action are for treatment plant design for the Weymouth ORP, Diemer ORP, and Mills Solids Handling projects; and project management support for treatment plant related CIP programs such as Chlorine Containment and Handling Facilities, and Mills Treatment Plant Capacity Upgrade. Consultants recommended in this action have been selected through open and competitive processes in response to advertised Requests For Qualifications (RFQs) and Requests For Proposals (RFPs). Design engineering firms were selected via RFQ 719, and project management support firms were selected via RFQ 661. No project approvals or funding are requested under this action. Projects receiving support from these agreements have been previously authorized by the Board and are fully or partially funded.

Treatment Plant Design Support (RFQ 719)

Selection of consultants to provide treatment plant design support followed a competitive process. RFQ 719 was issued in January 2005 to obtain conceptual, preliminary and final design services for new facilities and rehabilitation projects at Metropolitan's treatment plants. Statements of qualifications (SOQs) were submitted by 10 firms, of which 9 firms were deemed to be qualified to provide the types of services planned. Three agreements are recommended to proceed at this time:

- Weymouth ORP Final Design – Carollo Engineers
- Diemer ORP Final Design – Camp Dresser & McKee
- Mills Solids Handling Preliminary Design – Black & Veatch

Weymouth ORP Final Design – Carollo Engineers

In April 2005, Metropolitan's Board appropriated funds for final design of ozonation facilities at the Weymouth Water Treatment Plant. Staff's original plan was for the design to be conducted primarily with in-house personnel. However, during finalization of the fiscal year 2005/06 CIP, staff evaluated priorities for assignment of in-house staff and now recommends that Metropolitan personnel handle key portions of three major treatment plant design projects: the Weymouth ORP, Mills Plant Capacity Upgrade, and the Diemer ORP. Discrete elements of these programs will be handled by consultants.

In the April 2005 Weymouth ORP board letter, it was indicated that staff would return at a later date for authorization of a professional services agreement for final design support. Staff recommends that Carollo Engineers provide this support. Carollo Engineers' scope of work will include final design of the ozone generation building, a liquid oxygen tank farm, hydraulic conduits, site grading and utilities, and ancillary systems. Metropolitan staff will design the ozone contactors, ozone destruct building, all chemical storage and feed systems, and provide overall project management. For the Weymouth ORP agreement, Metropolitan has established a Small Business Enterprise (SBE) participation goal of 15 percent. Carollo Engineers has committed to meet this requirement.

This action authorizes the Chief Executive Officer to enter into a professional services agreement with Carollo Engineers for the Weymouth ORP final design, for a not-to-exceed total of \$11 million. No additional funding or project authorization is required at this time. All work to be performed by Carollo Engineers has previously been authorized and funded by the Board. As a result of this action, a portion of the previously appropriated final design funds identified as staff labor will be reallocated for use by consultants.

Project Milestones

- July 2005 – Initiate consultant portion of final design
- November 2006 – Advertise general Weymouth ORP construction contract for bids

Diemer ORP Final Design - CDM

In June 2004, Metropolitan's Board appropriated funds for final design of the ORP at the Diemer Water Treatment Plant. At that time, it was indicated that staff would perform final design of all ozone-related facilities with assistance from an architectural design firm. Similar to the Weymouth ORP, staff has evaluated allocation of in-house personnel during development of the fiscal year 2005/06 CIP, and recommends that portions of the Diemer ORP facilities be designed by a consultant. Staff recommends that Camp, Dresser and McKee (CDM) provide this support. Metropolitan staff will continue in-house efforts on design of the south slope stabilization and chemical tank farm projects. CDM's scope of work on the Diemer ORP will include final design of the ozone contactors, ozone generation building, liquid oxygen tank farm, site utilities, ancillary systems, and relocated helicopter landing pad. For the Diemer ORP agreement, Metropolitan has established an SBE participation goal of 15 percent. CDM has committed to meet this requirement.

This action authorizes the CEO to enter into a professional services agreement with CDM for the Diemer ORP final design, for a not-to-exceed total of \$10.25 million. No additional funding or project authorization is required at this time. All work to be performed by CDM has previously been authorized and funded by the Board. As a result of this action, a portion of the previously appropriated final design funds identified as staff labor will be reallocated for use by consultants.

Project Milestones

- July 2005 – Initiate consultant portion of final design
- June 2007 – Advertise general Diemer ORP construction contract for bids

Mills Solids Handling Facilities Preliminary Design – Black & Veatch

In March 2005, Metropolitan's Board appropriated funds for study and preliminary design of the Mills Plant Capacity Upgrade. This upgrade may include improvements to the plant's solids removal and processing systems. Similar to the Diemer ORP, staff has evaluated allocation of in-house personnel during development of the fiscal year 2005/06 CIP, and recommends that portions of the Mills Solids Handling Facilities study and preliminary design be performed by a consultant. Staff recommends that Black & Veatch provide this support. For the Mills Solids Handling Facilities agreement, Metropolitan has established an SBE participation goal of 20 percent. Black & Veatch has committed to meet this requirement.

This action authorizes the CEO to enter into a professional services agreement with Black & Veatch for the Mills Solids Handling Facilities studies and preliminary design, for a not-to-exceed total of \$0.53 million. No additional funding or project authorization is required at this time. All work to be performed by Black & Veatch has previously been authorized and funded by the Board. As a result of this action, a portion of the

previously appropriated preliminary design funds identified as staff labor will be reallocated for use by consultants.

Project Milestones

- Spring 2006 – Completion of Mills plant studies and preliminary design

Project Management Support (RFQ 661)

Project Management Support – Vanir

Selection of consultants to provide project management support followed a competitive process. RFQ 661 was issued in September 2004 to obtain support in project scheduling, budgeting, reporting, presentation development, and document control. These services to provide project support for Metropolitan's five treatment plants are estimated to range between \$2 to \$3 million over the next five years. In response to RFQ 661, SOQs were submitted by 17 firms, of which six were deemed to be qualified to provide the types of services planned.

Project management support of CIP projects includes tasks such as developing and maintaining project schedules, monitoring cost expenditures, developing status reports, developing presentations and graphics, performing document control, and general project administration. Collectively, these functions are referred to as project controls. For efficiency, programs with similar features have been grouped together for the purpose of providing project controls support. This approach means that a single agreement will be utilized to provide project controls support to a number of CIP programs, allowing Metropolitan to take advantage of efficiencies gained from fully dedicated consulting resources.

This action authorizes the CEO to enter into a project management support agreement with Vanir in an amount not to exceed \$0.6 million each per year, for 5 years. No additional funding or project authorizations are required at this time. Initial phases of the work to be performed by Vanir have previously been authorized and funded by the Board. Future phases of work will be recommended to the Board under individual capital programs for authorization and funding. For this agreement, Metropolitan has established an SBE participation goal of 25 percent. Vanir has committed to meet this requirement.

Policy

Metropolitan Water District Administrative Code Section 8117: Professional and Technical Consultants

California Environmental Quality Act (CEQA)

CEQA determinations for Option #1:

Weymouth Oxidation Retrofit Program

The environmental effects from the design, construction, and operation of the Weymouth ORP were evaluated in the Weymouth Filtration Plant Ozonation Facilities and Site Improvements Program Final Environmental Impact Report (Final EIR), which was certified by the Board on April 12, 2005. The Board also approved the Findings of Fact (findings), the Statement of Overriding Considerations (SOC), the Mitigation Monitoring and Reporting Program (MMRP), and the Weymouth ORP itself. The current board action is solely based on entering into an agreement for final design services and not on any changes to the approved project itself. Hence, the previous environmental documentation acted on by the Board in conjunction with the proposed action fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further CEQA documentation is necessary for the Board to act on the proposed action.

The CEQA determination is: Determine that the proposed action has been previously addressed in the certified 2005 Final EIR, findings, SOC, and MMRP and that no further environmental analysis or documentation is required.

Diemer Oxidation Retrofit Program

The environmental effects from the design, construction, and operation of the Diemer ORP were evaluated in the Robert B. Diemer Filtration Plant Improvements Project Final EIR, which was certified by the Board on February 13, 2001. The Board also approved the findings, the SOC, the MMRP, and the overall improvements

project itself. Subsequently, staff recommended major modifications to the approved Diemer Improvements Project that necessitated the preparation and processing of the Robert B. Diemer Filtration Plant Improvements Project Final Supplemental Environmental Impact Report (Final SEIR), which was certified by the Board on August 20, 2002. During that same meeting, the Board approved the amended findings, the amended SOC, and amended MMRP, along with the proposed project modifications. By 2004, in order to accommodate certain site preparation activities, staff had determined that minor changes were needed with regards to the construction techniques and schedule previously developed for the original improvements project. As a result, Addendum No. 2 to the Final EIR was prepared and processed. On March 9, 2004, the Board then certified this addendum and approved these minor technical changes to the original improvements project, including site preparation activities for the Diemer ORP. The current board action to enter into an agreement for final design services would not result in any further changes to the original improvements project and its approved modifications. Hence, the previous environmental documentation taken by the Board in conjunction with the proposed action fully complies with CEQA and the State CEQA Guidelines. Therefore, no further CEQA documentation is necessary for the Board to act on the proposed action.

The CEQA determination is: Determine that the proposed action has been previously addressed in the certified 2001 Final EIR, 2002 Final SEIR, 2004 Addendum No. 2, along with the approved and amended documentation (i.e., findings, SOC, and MMRP to the Final EIR and Final SEIR), and that no further environmental analysis or documentation is required.

Mills Solids Handling Facilities

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action consists of basic data collection and resource evaluation activities, which do not result in a serious or major disturbance to an environmental resource. This may be strictly for information gathering purposes, or as part of a study leading to an action, which a public agency has not yet approved, adopted, or funded. Accordingly, the proposed action qualifies as a Class 6 Categorical Exemption (Section 15306 of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action qualifies for a Class 6 Categorical Exemption (Section 15306 of the State CEQA Guidelines).

Project Management Support

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). Additional CEQA review may be required for specific projects, depending on the nature and scope of the consultant's assignments.

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and authorize the Chief Executive Officer to enter into the following consultant agreements:

- Carollo Engineers, not to exceed \$11 million for final design of the Weymouth ORP;
- CDM, not to exceed \$10.25 million for final design of the Diemer ORP;
- Black & Veatch, not to exceed \$0.53 million for study and preliminary design of the Mills Solids Handling Facilities; and
- Vanir, not to exceed \$0.6 million/yr for five years, for project control services.

Fiscal Impact: None. Funds are appropriated under each capital program individually.

Option #2

Do not authorize entering into consulting agreements and instead use Metropolitan staff to perform all work. This option would result in delays to board-authorized programs.

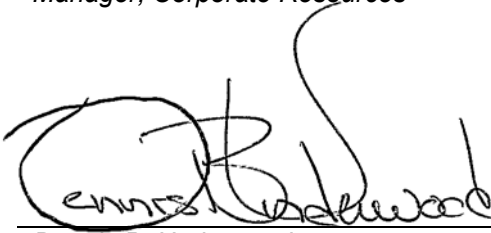
Staff Recommendation

Option #1



Roy L. Wolfe
Manager, Corporate Resources

6/23/2005
Date



Dennis B. Underwood
CEO/General Manager

6/27/2005
Date