



● Board of Directors
Engineering & Operations

2/11/2020 Board Meeting

8-3

Subject

Authorize on-call agreements with Arcadis U.S., Inc., HDR, Inc., and Tetra Tech, Inc., in amounts not-to-exceed \$1 million per year each, for a maximum of five years, and with GEI Consultants, Inc. and Genterra Consultants, Inc., in amounts not-to-exceed \$500,000 per year each, for a maximum of three years, for engineering services to support board-authorized O&M and Capital Investment Plan projects; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff's strategy for the management of capital and O&M work is to rely on in-house engineering staff to handle the base load of projects, while professional services agreements are selectively utilized to handle projects above this base load, or where specialized services are required. This action authorizes five new professional services agreements to provide engineering support for capital projects and for dam safety initiatives, a portion of which are part of Metropolitan's O&M budget. The five new agreements will be the on-call type, which are typically used for shorter-term assignments, urgent projects, and projects with specialized technical needs. The recommended maximum amounts of these agreements are \$1 million per year for Arcadis U.S., Inc., HDR, Inc., and Tetra Tech, Inc. The maximum duration of the agreements will be five years. The recommended maximum amounts of the agreements are \$500,000 per year for GEI Consultants, Inc. and Genterra Consultants, Inc. The maximum duration of the agreements will be three years.

Details

Background

Metropolitan's Board adopts an operating budget biennially that includes planned expenditures for capital programs, which are aggregated within the Capital Investment Plan (CIP). The CIP contains the programs and projects necessary for ensuring the reliability of Metropolitan's infrastructure, operating systems, and other assets. Staff's approach for the design of capital projects is to use available in-house staff first, with professional consultant services used only where appropriate. This approach maintains a stable, responsive, and experienced workforce, and is consistent with Metropolitan's succession planning efforts.

When resource needs exceed available in-house staffing or require specialized technical expertise, Metropolitan uses a combination of project-specific and on-call professional services agreements. Firms are competitively evaluated, resulting in a list from which both project-specific and on-call agreements are executed as capital project needs are identified. Project-specific agreements over \$250,000 are approved individually by the Board. By contrast, on-call agreements are multi-year with annual not-to-exceed amounts and provide a high degree of flexibility to respond to schedule or scope adjustments, allow quicker delivery times, and lower administrative costs for both Metropolitan and the consultants. For these types of agreements, consultants are assigned work only after specific tasks are identified by staff, up to the not-to-exceed amounts of the contracts. These agreements have been relied upon for over 15 years for the efficient execution of capital projects. Typically, Engineering Services has between five and ten design on-call agreements available for use, and has utilized approximately 60 percent of the agreement capacities since inception.

Over the next several fiscal years, a number of projects have been identified that will require engineering services beyond the level that can be supported by in-house staff. These projects will be located along the Colorado River

Aqueduct, within the conveyance and distribution system, at Metropolitan's treatment plants, and at Metropolitan's Headquarters Building. Supplemental engineering support will be needed in the areas of: (1) electrical systems; (2) instrumentation and controls; (3) communications; (4) security systems; (5) mechanical equipment refurbishment; (6) pipeline and valve structure rehabilitation; (7) heating, ventilation, and air conditioning improvements; (8) site and erosion protection improvements; (9) treatment processes and chemical feed systems; (10) seismic structural upgrades; (11) dam safety assessments and improvements; and (12) preparation of record drawings.

In support of Metropolitan's goal of increasing business opportunities for Small Business Enterprise (SBE) firms, staff establishes SBE participation levels for the vast majority of professional services agreements for capital projects. The only exceptions are for highly specialized areas of expertise, or for the uncommon occasions when sub-consulting opportunities are limited. During fiscal year 2018/19, 25 percent of all expenditures on professional services agreements were paid to prime or sub-consultant SBE firms.

Agreements for Engineering Services – Arcadis U.S., Inc., HDR, Inc., and Tetra Tech, Inc.

Request for Qualifications (RFQ) No. 1215 was issued in May 2019 to establish a pool of qualified firms to support projects related to Metropolitan's conveyance, distribution, storage, and treatment facilities. Planned engineering services to be provided under the resulting agreements were identified in the RFQ and include conceptual, preliminary, and final design support for new facilities and rehabilitation of existing facilities; field investigations; specialized technical analyses and reviews; cost estimating; engineering support during bid advertisement and construction; and project controls. The RFQ covered services in three categories: water treatment facilities, conveyance and distribution facilities, and large rotating equipment. The consultants submitted Statements of Qualifications (SOQs) for one or more of these three categories. Eighteen firms submitted SOQs, which were then evaluated based on qualifications, key personnel, experience related to planned projects, past performance, environmental sensitivity, and business outreach. All of the 18 firms were prequalified to provide services under one or more of the above categories through this process, and will be eligible to submit proposals on project-specific agreements, within the categories of work for which they were prequalified.

Agreements are currently in place with 15 of the 18 prequalified firms, with a combined total of approximately \$63 million in authorized agreements to date. Ten of these existing agreements are on-call agreements, and the remaining are project-specific agreements. Several of the existing on-call agreements will expire soon or have insufficient contracting capacity to conduct the required activities. New on-call agreements are recommended to be awarded at this time to three prequalified firms based on staff's current assessment of technical resources needed for capital projects over the next several fiscal years. New agreements are recommended with Arcadis U.S., Inc., HDR, Inc., and Tetra Tech, Inc. These firms were selected through the competitive evaluation process described above. HDR, Inc. was prequalified under all three RFQ categories. Arcadis U.S., Inc. and Tetra Tech, Inc. were prequalified under two of the three RFQ service categories.

This action authorizes on-call agreements with Arcadis U.S., Inc., HDR, Inc., and Tetra Tech, Inc., in an amount not-to-exceed \$1 million each per contract year. The maximum duration of the agreements will be five years. Staff will return to the Board in the future to authorize additional agreements if a need for such work is identified.

Funding for the work to be assigned to the consultants under on-call agreements is available within Metropolitan's capital expenditure plan. No work is guaranteed to the consultants under these agreements. For each of the agreements, Metropolitan has established an SBE participation level of 25 percent of the amount of the agreement. All prequalified firms have committed to meet this level of participation.

Agreements for Engineering Services – GEI Consultants, Inc. and Genterra Consultants, Inc.

Request for Qualifications (RFQ) No. 1220 was issued in August 2019 to establish a pool of qualified firms to support projects related to Metropolitan's dam safety program. Planned engineering services to be provided under the resulting agreements were identified in the RFQ and include conceptual, preliminary, and final design support for new facilities and rehabilitation of existing facilities; dam safety assessments; dam instrumentation design; field investigations; specialized technical analyses and reviews; and engineering support for preparation of Emergency Action Plans. The RFQ covered services in two categories: geotechnical engineering and tunnels. The consultants submitted SOQs for one or both of these categories. Eighteen firms submitted SOQs, which were

then evaluated based on qualifications, key personnel, experience related to planned projects, past performance, environmental sensitivity, and business outreach. All of the 18 firms were prequalified to provide services under one or more of the above categories through this process and will be eligible to submit proposals on project-specific agreements within the categories of work for which they were prequalified.

Agreements are currently in place with seven of the 18 prequalified firms, with a combined total of approximately \$3 million in authorized agreements to date. Four of these existing agreements are on-call agreements, and the remaining are project-specific agreements. Several of the existing on-call agreements will expire soon or have insufficient contracting capacity to conduct the required activities. New on-call agreements are recommended to be awarded at this time to two prequalified firms based on staff's current assessment of technical resources needed for capital and O&M projects, specifically in the area of dam safety initiatives, over the next several fiscal years. New agreements are recommended with GEI Consultants, Inc. and Genterra Consultants, Inc. These firms were selected through the competitive evaluation process described above. GEI Consultants, Inc. and Genterra Consultants, Inc. were prequalified under one of the two RFQ service categories.

This action authorizes on-call agreements with GEI Consultants, Inc. and Genterra Consultants, Inc., in an amount not-to-exceed \$500,000 each per contract year. The maximum duration of the agreements will be three years. Staff will return to the Board in the future to authorize additional agreements if a need for such work is identified.

Funding for the work to be assigned to the consultants under on-call agreements is available within Metropolitan's O&M budget and capital expenditure plan. No work is guaranteed to the consultants under these agreements. For each of the agreements, Metropolitan has established an SBE participation level of 25 percent of the amount of the agreement. All prequalified firms have committed to meet this level of participation.

Summary

This action authorizes on-call agreements with Arcadis U.S., Inc., HDR, Inc., and Tetra Tech, Inc., in an amount not-to-exceed \$1 million each per contract year and with GEI Consultants, Inc. and Genterra Consultants, Inc., in an amount not-to-exceed \$500,000 each per contract year.

Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 51353, dated October 9, 2018, the Board appropriated a total of \$290 million for projects identified in the Capital Investment Plan for Fiscal Years 2018/19 and 2019/20.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are not defined as a project under CEQA because they involve the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Public Resources Code 21065; Section 15378(b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

- a. Authorize on-call agreements with Arcadis U.S., Inc., HDR, Inc., and Tetra Tech, Inc., in an amount not-to-exceed \$1 million per year each, for a maximum period of five years.
- b. Authorize on-call agreements with GEI Consultants, Inc. and Genterra Consultants, Inc., in an amount not-to-exceed \$500,000 per year each, for a maximum period of three years.

Fiscal Impact: None, funding for the work to be assigned to the consultants under on-call agreements and performed this biennium has been previously authorized. Future costs will be accounted for and appropriated under subsequent biennial budgets. In addition, no work is guaranteed to the consultants under these agreements.

Business Analysis: Contracting with multiple firms provides flexibility and an efficient means for Metropolitan to obtain needed technical services and specialized expertise to support the completion of capital projects in accordance with board-adopted schedules.

Option #2

Do not authorize the consulting agreements at this time.

Fiscal Impact: None

Business Analysis: Under this option, Metropolitan staff would perform the engineering activities, or would request board authorization for agreements on a project-specific basis. This option would forego an opportunity to reduce administrative costs or address urgent projects promptly.

Staff Recommendation

Option #1



John V. Bednarski
Manager/Chief Engineer

1/22/2020
Date



Jeffrey Kightlinger
General Manager

1/30/2020
Date

Ref# es12669374