



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

12/9/2025 Board Meeting

7-2

Subject

Authorize on-call agreements with Butier Engineering Inc., MARRS Services, Mott MacDonald, and HDR Inc. in amounts not to exceed \$2 million each for a maximum of two years for construction management and inspection services on capital improvement projects; and an increase of \$1.0 million to an existing agreement with PMA Consultants, for a new not-to-exceed total amount of \$1.249 million for cost estimating and scheduling services; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff's strategy for construction management of capital projects is to have Metropolitan staff accomplish the base load of projects consistent with in-house staffing levels and expertise, while professional services agreements are selectively utilized to handle projects above this base load or where specialized services are required. This action authorizes four new professional services agreements to provide construction management and inspection services for capital improvement projects. The four new agreements will be the on-call type, which is typically used for shorter-term assignments, urgent projects, and projects with specialized technical needs. The recommended maximum amounts of these agreements are \$2 million each, and the maximum duration of these engineering services agreements will be two years.

Capital projects rely on cost estimates to forecast financial obligations and support decision-making. For projects advertised with contract amounts exceeding \$250,000, an engineer's estimate is provided to the Board. These estimates help evaluate bid amounts, confirm that the scope of work is accurately reflected, and ensure the bids are reasonable for the proposed work. While staff typically perform this work, the growing demand for estimating services led the General Manager to authorize a two-year on-call agreement in August 2024. Staff now recommends amending this agreement to extend it for one additional year to meet ongoing needs.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

- Authorize on-call agreements with Butier Engineering Inc., MARRS Services, Mott MacDonald, and HDR Inc. in amounts not to exceed \$2 million each, for a maximum period of two years for construction management and inspection services; and
- Authorize an increase of \$1.0 million to an existing agreement with PMA Consultants, for a new not-to-exceed total amount of \$1.249 million for cost estimating and scheduling services.

Fiscal Impact: 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 to complete 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 work 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. Due to the current lack of sufficient resources to complete engineering estimates, this option may also impact the schedule of multiple projects in Metropolitan's Capital Investment Plan.

Alternatives Considered

Staff initially considered using project-specific agreements instead of additional on-call agreements. Project-specific agreements are negotiated for an amount needed to cover a specific project, with agreements over \$250,000 requiring approval by the Board. However, this option would result in multiple agreements for staff to track and manage, and an increased administrative burden. The current approach of utilizing on-call agreements is recommended to ensure that staff can efficiently execute the planned work in the Capital Investment Plan (CIP) over the upcoming biennium. It also streamlines administrative procedures and reduces costs, as well as enhances accountability by establishing a single point of contact for supplemental contract management support.

Staff considered utilizing in-house staff to perform estimating; however, due to the current levels of in-house estimating staff and the number of capital projects in development and advertising, additional consultant support is needed at this time to prepare cost estimates and evaluate construction scheduling. The selected approach of relying on consultants will enable the timely completion of project cost estimating without impacting the schedules of other budgeted capital projects.

Applicable 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

Related Board Action(s)/Future Action(s)

By Minute Item 53598, dated April 9, 2024, the Board appropriated a total of \$636.5 million for projects identified in the Capital Investment Plan for Fiscal Years 2024/25 and 2025/26.

Minute Item pending dated October 14, 2025, the Board appropriated an additional \$30 million for projects identified in the Capital Investment Plan for Fiscal Years 2024/25 and 2025/26, increasing the biennial CIP appropriation to \$666.48 million.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5)).

CEQA determination for Option #2:

None required

Details and Background

Background

Metropolitan's Board adopts an operating budget biennially, which includes planned expenditures for capital programs aggregated within the CIP. The CIP encompasses the programs and projects necessary to ensure the reliability of Metropolitan's infrastructure, operating systems, and other assets. Staff's approach for construction management 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 in-house workforce and is consistent with Metropolitan's succession planning efforts.

When resource needs exceed available in-house staffing levels 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 are negotiated for the amount needed to cover specific tasks on a particular project, with agreements exceeding \$250,000 approved by the Board. By contrast, on-call agreements are multi-year agreements with not-to-exceed limits. These types of agreements have been used extensively in the past and provide a high degree of flexibility to respond to schedule or scope adjustments, allowing for 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 on-call agreements have been successfully relied upon for over 15 years to efficiently execute capital projects. Engineering Services recently had three on-call agreements for construction management and inspection services available for use at any one time and had utilized approximately 34 percent of the agreement capacities since inception. All three of the agreements expired in October 2025.

Over the next several fiscal years, several 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 throughout Metropolitan's conveyance and distribution system, as well as at Metropolitan's treatment plants. The types of projects will typically involve the construction of refurbishment and replacement projects including: (1) treatment plant facilities; (2) pipelines and pipeline relocations; (3) service, shop, and warehouse buildings; (4) reservoir covers; and (5) service connections. For these projects, it is anticipated that on-site construction contract administration and inspection services will be required, including, but not limited to, fabrication inspection services, office engineering, cost estimating, construction schedule analysis, administrative support, and on-site construction inspection services.

Four two-year on-call agreements are recommended to ensure that staff can execute the planned work in the CIP over the upcoming fiscal years.

Agreements for Construction Management and Inspection Services – Butier Engineering Inc., MARRS Services, Mott MacDonald, and HDR Inc.

Request for Qualifications (RFQ) No. 1387 was issued in January 2025 to establish a pool of qualified firms to provide on-site construction contract administration and inspection services for Metropolitan construction projects, ensuring that the completed works conform to plans and specifications. The planned services to be provided under the resulting agreements, as identified in the RFQ, include fabrication inspection, office engineering, cost estimating, construction schedule analysis, administrative support, and on-site construction inspection services. Twelve firms submitted SOQs, which were then evaluated based on firm qualifications/record of past performance, staff qualifications, construction management approach/staffing plan, and business outreach program. All 12 firms were prequalified to provide services through this process and will be eligible for agreements within the category of work for which they were prequalified.

New on-call agreements are recommended to be awarded at this time to four 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 Butier Engineering Inc., MARRS Services, Mott MacDonald, and HDR Inc. These firms were selected through the evaluation process described above and were the highest rated.

This action authorizes on-call agreements with Butier Engineering Inc., MARRS Services, Mott MacDonald, and HDR Inc. in an amount not to exceed \$2 million each per contract. The maximum duration of the agreements will be two years. Staff may return to the Board in the future to authorize additional agreements if a need for such work is identified. For each of the agreements, Metropolitan has established an SBE participation level of 25 percent of the amount of the agreement. All four firms have committed to meet this level of participation.

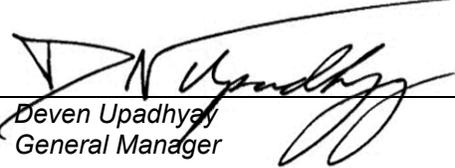
Cost Estimating Services (PMA Consultants) – Amendment to Agreement

In April 2024, Metropolitan issued RFQ No. 1363 to identify qualified firms to provide on-call services in two categories: (1) cost estimating and scheduling; and (2) risk analysis and management services. Following evaluation of the respondents' qualifications, and based on Metropolitan's then-current needs, PMA Consultants (PMA) was awarded an on-call agreement under the General Manager's authority, for a duration of two years and with a maximum amount payable of \$249,000, to provide cost estimating and scheduling services. The agreement started on August 29, 2024, and will end on August 31, 2026.

In the past, Metropolitan staff have taken the lead on preparing cost estimates and evaluating construction scheduling. Due to the current shortage of estimating staff and the number of capital projects in development and advertising, additional support is needed. Metropolitan has issued task orders to PMA for estimating services for various projects. Staff from PMA prepare cost estimates and peer reviews of cost estimates prepared by other consulting firms for projects in development and projects advertised for bids. Specific examples of upcoming or ongoing estimates: (1) evaluation of costs for potential design options considered for the Gene Pumping Plant Delivery Line Rehabilitation; and (2) development of a construction cost estimate for seismic upgrades of the Weymouth plant's Administration Building; CRA Sump System Rehabilitation, and CRA Copper Reservoir Discharge Valve Replacement. To date, PMA's estimates have been reasonable and accurate in comparison to bids received.

This action authorizes an increase of \$1,000,000 for the existing on-call agreement with PMA for a new not-to-exceed total of \$1,249,000 for cost estimating support. This agreement's performance period will also be extended from two years to three years. The new maximum payable amount will be in effect for the remainder of the agreement term.

Funds for the work assigned to the consultants under the on-call agreement are available within Metropolitan's capital expenditure plan. No work is guaranteed to the consultant under this agreement.

	11/26/2025
_____ Mai M. Hattar Chief Engineer Engineering Services	Date
	11/26/2025
_____ Deven Upadhyay General Manager	Date