



- **Board of Directors**
Finance and Asset Management Committee

6/11/2024 Board Meeting

7-7

Subject

Authorize amending agreements with Hazen and Sawyer for a new not-to-exceed amount of \$2,000,000 and CDM Smith Inc. for a new not-to-exceed amount of \$500,000, and authorize a new agreement with Arup US, Inc. for a not-to-exceed amount of \$500,000 for a period of three years to provide support services in the development and implementation of the CAMP4W; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

In February 2023, the Board directed staff to integrate water resources, climate, and financial planning into a Climate Adaptation Master Plan for Water (CAMP4W). Specifically, the CAMP4W will include: (1) Climate and Growth Scenarios; (2) Time-Bound Targets; (3) A Framework for Climate Decision-Making and Reporting; (4) Policies, Initiatives, and Partnerships, and (5) Business Models and Funding Strategies. CAMP4W will increase Metropolitan's understanding of the climate risks to water supplies, infrastructure, operations, workforce, and financial sustainability. CAMP4W will also develop decision-making tools and long-term planning guidance for adapting to climate change to strengthen Metropolitan's ability to fulfill its mission. This action authorizes the amending of two existing agreements and the initiation of a new agreement to provide support services for the development and implementation of the CAMP4W.

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

Staff Recommendation: Option #1

Option #1

Authorize amending agreements with Hazen and Sawyer for a new not-to-exceed amount of \$2,000,000 and CDM Smith Inc. for a new not-to-exceed amount of \$500,000, and authorize a new agreement with Arup US, Inc. for a not-to-exceed amount of \$500,000 for a period of three years to provide support services in the development and implementation of the CAMP4W.

Fiscal Impact: Up to \$3,000,000 from Sustainability, Resilience, and Innovation (SRI) and Engineering Services Group (ESG)-approved operations and maintenance budget for fiscal years 2024/25 and 2025/26. Professional Services items in SRI's approved biennial budget for CAMP4W, climate resilience, and sustainability planning and previously approved funding for ESG studies related to system resilience will be directed towards these contracts.

Business Analysis: This option will support the Board's request that staff evaluate Metropolitan's long-term planning with consideration for climate change, resilience, and funding policies under the CAMP4W and will direct previously approved budget for climate, sustainability, and risk analysis towards CAMP4W.

Option #2

Do not authorize the consulting agreements at this time.

Fiscal Impact: None

Business Analysis: Under this option, Metropolitan staff would perform 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 and which could result in delays.

Alternatives Considered

Several alternatives were considered to develop and implement the CAMP4W, including utilizing in-house staff to perform all work components. Metropolitan's staffing strategy for in-house Metropolitan staff has been: (1) to assess current work; and (2) to use project-specific professional service agreements when resource needs exceed available in-house staffing or require specialized technical expertise.

This strategy relies on the assumption that in-house staff will handle the baseload of work on projects, while professional services agreements are selectively utilized to handle tasks above this baseload or where specialized needs are required. This strategy allows Metropolitan's staff to be strategically utilized on projects to best address projects with special needs or issues.

After assessing the current workload for in-house staff, required expertise, and relative priority of this task, staff has determined that insufficient SRI staff is available to ensure completion of the work in a timely manner. Staff recommends utilizing a hybrid effort of consultant and Metropolitan staff for the performance of this work.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 53596, dated April 9, 2024, the Board adopted the biennial budget for fiscal years 2024/25 and 2025/26, rates for calendar years 2025 and 2026., and charges for 2025.

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

A Draft Climate Adaptation Master Plan for Water will be presented for board review by the end of 2024.

Summary of Outreach Completed

Request for Qualifications (RFQ) No. 1359 was issued in October 2023 to establish a pool of qualified firms to support CAMP4W planning and implementation. Metropolitan received six statements of qualifications in November 2023.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

None required

Details and Background

Background

Increased climatic variability and water supply uncertainty have prompted Metropolitan's Board to pursue the integration of climate and water resource planning with its financial plans. The Board charged the leadership and staff of Metropolitan to expand the focus of water resource and financial planning to include climate adaptation strategies and to develop a Climate Adaptation Master Plan for Water (CAMP4W). The effort focuses on strengthening the resilience and reliability of Metropolitan and its individual member agencies in the face of a changing climate and the associated risks to our economic and environmental stability.

A number of deliverables have been identified to complete and implement the Climate Adaptation Master Plan for Water. The Board has asked that a Draft Master Plan be developed to include: (1) Climate and Growth Scenarios, (2) Time-Bound Targets, (3) Framework for Climate Decision-Making and Reporting, (4) Policies, Initiatives, and Partnerships, and (5) Business Models and Funding Strategies. Staff has proposed an ambitious schedule to address each of these components over the next year and anticipates that additional professional services will be needed to produce technical memoranda, decision support tools and dashboards, an adaptive management framework, and ultimately a digital Master Plan that is both iterative and comprehensive.

Support Services for Climate Adaptation Master Plan for Water

Metropolitan issued RFQ 1359 to provide support services for the development and implementation of the CAMP4W to better integrate Metropolitan's planning for water resources, climate resilience, and finances. The RFQ process provided a competitive process in which the expertise of the firms' staff, technical approach, proposed methodology, and capability were evaluated. Arup US, Inc.; CDM Smith Inc.; and Hazen and Sawyer were recommended for the support services based on their expertise in climate adaptation and resilience planning.

Based on RFQ 1359 recommendations, on-call Agreement No. 220126 was executed with Hazen and Sawyer for a not-to-exceed amount of \$245,000, and on-call Agreement No. 220127 was executed with CDM Smith Inc. for a not-to-exceed amount of \$245,000. Both agreements were executed under the General Manager's contracting authority. Staff recommends amending Agreement No. 220126 with Hazen and Sawyer to increase a new not-to-exceed amount of \$2,000,000 and amending Agreement No. 220127 with CDM Smith Inc. to a new not-to-exceed amount of \$500,000. In addition, staff recommends a new on-call agreement with Arup US, Inc. for a not-to-exceed amount of \$500,000. On-call agreements provide a high degree of flexibility to respond to schedule or scope adjustments, allow 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.

CAMP4W Support Services (Hazen and Sawyer and CDM Smith Inc.) – Amendment of Existing Agreements

Due to the urgency of the CAMP4W work, Metropolitan entered into agreements with Hazen and Sawyer and CDM Smith Inc. in April 2024, immediately following the evaluation and recommendation process for RFQ 1359. Agreement No. 220126 was executed with Hazen and Sawyer for a not-to-exceed amount of \$245,000 for a period of 3 years, and Agreement No. 220127 was executed with CDM Smith Inc. for a not-to-exceed amount of \$245,000 for a period of 3 years. The scope of work to provide Climate Adaptation Planning and Business Model support services as described in the agreements includes:

- 1) Technical memoranda on specific topics related to CAMP4W deliverables.
- 2) Written analyses and draft and final reports.
- 3) Decision-making tools including elements of the Climate Decision-Making Framework and Evaluative Criteria.
- 4) Digital tools including dashboards and data management.
- 5) Technical input into an adaptive management and risk assessment.

This action authorizes amending the existing on-call Agreement No. 220126 with Hazen and Sawyer for a new not-to-exceed amount of \$2,000,000 and on-call Agreement No. 220127 with CDM Smith Inc. for a new not-to-exceed amount of \$500,000. The 3-year term of both agreements will remain unchanged. The amendments are needed to complete the anticipated work recently identified within the CAMP4W process. For these agreements, Metropolitan has established a Small Business Enterprise participation level of 25 percent. Both firms have committed to meet this level of participation within the existing agreement.

CAMP4W Environmental Support Services (Arup US, Inc.) – New Agreement

CAMP4W goals include understanding the economic, environmental, and social implications of Metropolitan's investments and decision-making. Arup US, Inc. is a global firm providing systems thinking to water resources

and climate challenges. Arup US, Inc. has been selected to provide Climate Adaptation Planning support services, including:

- 1) Measuring and evaluating environmental and equity co-benefits.
- 2) Adaptive management and risk assessment.
- 3) Climate science updates.
- 4) Intersection of climate and financial planning.
- 5) Renewable energy infrastructure opportunities.

This action authorizes a new on-call agreement with Arup US, Inc. for a not-to-exceed amount of \$500,000 for a period of three years. The Business Outreach Program Office sets Small/Disabled Veteran Business participation levels on RFQ at the minimum organizational goal of 25 percent, and the proposed agreement complies with this requirement.

Project Milestone

December 2024 – Draft Climate Adaptation Master Plan for Water



Elizabeth Crosson
Chief Sustainability, Resilience and
Innovation Officer

5/28/2024

Date



Adel Hagekhalil
General Manager

5/31/2024

Date