



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

6/11/2024 Board Meeting

7-2

Subject

Authorize on-call agreements with AECOM, Black & Veatch, and Hazen and Sawyer in amounts not to exceed \$3 million each, for a maximum of three years for engineering services; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff's strategy for managing capital and O&M work is to rely on in-house engineering staff to accomplish 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 three new professional services agreements to provide engineering support for capital and O&M projects. The three 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 \$3 million each for AECOM, Black & Veatch, and Hazen and Sawyer. The maximum duration of these engineering services agreements will be three years.

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

Staff Recommendation: Option #1

Option #1

Authorize on-call agreements with AECOM, Black & Veatch, and Hazen and Sawyer in amounts not to exceed \$3 million each, for a maximum period of three years for engineering 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 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.

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. The current approach of utilizing multiple 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. On-call agreements allow staff to streamline administrative procedures, reduce costs, and enable the design of projects to move forward without delay.

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

By Minute Item 52778, dated April 12, 2022, the Board appropriated a total of \$600 million for projects identified in the Capital Investment Plan for Fiscal Years 2022/23 and 2023/24.

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

Not applicable

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 that includes planned expenditures for capital programs, which are aggregated within the 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 in-house 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 are negotiated for an amount needed to cover specific tasks on a specific project, with agreements over \$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, 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 on-call agreements have been successfully relied upon for over 15 years for the efficient execution of capital projects. Typically, Engineering Services has ten or more on-call

agreements for design services available for use at any one time and has utilized approximately 60 percent of the agreement capacities since inception.

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 along the Colorado River Aqueduct (CRA), within the conveyance and distribution system, and at Metropolitan's treatment plants, and will address critical programs such as rehabilitation of the CRA electrical systems, hydroelectric plants, valves structures, and infrastructure modifications needed to improve water reliability and address water supply equity. For these projects, it is anticipated that 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 and other structural upgrades; and (11) preparation of record drawings.

Multiple three-year on-call agreements are recommended to ensure that staff can execute the planned work in the CIP over the upcoming fiscal years. Staff recommends board authorization of three new multi-year agreements. Two will replace agreements that have already expired to ensure the timely execution of the CIP over the next several years; the other proposed agreement is with a firm that has not previously been awarded an on-call agreement but has performed well under project-specific agreements.

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.

Agreements for Engineering Services – AECOM, Black & Veatch, and Hazen and Sawyer

Request for Qualifications (RFQ) No. 1305 was issued in March 2022 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; planning studies; specialized technical analyses and reviews; cost estimating; engineering support during bid, advertisement, and construction; and project controls. The RFQ covered services in four categories: water treatment facilities, conveyance and distribution facilities, large rotating equipment, and power distribution. The consultants submitted Statements of Qualifications (SOQs) for one or more of these four categories. Twenty-one 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 21 firms were prequalified to provide services under one or more of the above categories through this process and will be eligible for project-specific agreements within the categories of work for which they were prequalified.

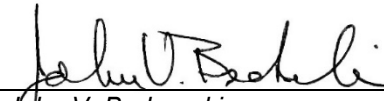
Agreements are currently in place with all of the prequalified firms, with a combined total of approximately \$226 million in authorized agreements to date. Fourteen of these existing agreements are on-call agreements, and the remaining are project-specific agreements. New on-call agreements are recommended 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 AECOM, Black & Veatch, and Hazen and Sawyer. These firms were selected through the evaluation process described above.

This action authorizes on-call agreements with AECOM, Black & Veatch, and Hazen and Sawyer in an amount not to exceed \$3 million each per contract. 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. Staff plans to issue a new RFQ for engineering services in early 2025.

For each of the agreements, Metropolitan has established an SBE participation level of 25 percent of the amount of the agreement. AECOM, Black & Veatch, and Hazen and Sawyer have committed to meet this level of participation.


Summary

This action authorizes a total of three on-call agreements for engineering services with AECOM, Black & Veatch, and Hazen and Sawyer in an amount not to exceed \$3 million each per contract for a maximum duration of three years.



John V. Bednarski
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Engineering Services

5/30/2024
Date



Adel Hagekhalil
General Manager

6/3/2024
Date

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