THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

# Board Action

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

10/13/2026 Board Meeting

**8-1**

## Subject

Authorize agreements with HDR Inc., Tetra Tech, Geosyntec Consultants Inc., and Arcadis U.S. Inc., in amounts not to exceed $3 million each, in support of board-authorized 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 managing capital work relies on in-house resources to meet the base load of projects, while selectively using professional services agreements to handle projects above that base load or when specialized services are required. This action authorizes four new on-call professional services agreements, each for a maximum amount of $3 million including two agreements for engineering support on capital projects; one for environmental site assessment services to ensure operational safety for capital projects; and one for information technology (IT) support services to enhance the staff-developed, web-based budget platform that automated the Capital Investment Plan (CIP) budget development and reporting process. On-call agreements are typically used for shorter-term assignments, urgent projects, and projects with specialized technical needs.

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

**Staff Recommendation: Option #1**

**Option #1**

Authorize agreements with HDR Inc., Tetra Tech, Geosyntec Consultants Inc., and Arcadis U.S. Inc., in amounts not to exceed $3 million each, in support of board-authorized Capital Investment Plan projects.

**Fiscal Impact:** Funding for the work to be assigned to the consultants under on-call agreements and work to be performed in 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 the necessary technical services and complete capital projects in accordance with board-approved 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 request board authorization for project-specific agreements. This option would forgo an opportunity to reduce administrative costs or address urgent projects promptly.

## Alternatives Considered

Staff initially considered using project-specific agreements exclusively for upcoming projects rather than utilizing additional on-call agreements. Project-specific agreements are negotiated for the amount needed to cover a specific project, with agreements over $250,000 requiring board approval. Staff determined that this option would be inefficient. While project-specific agreements will continue to be used for most larger projects, a single on-call agreement can be utilized for multiple smaller projects, resulting in fewer total agreements for staff to track and manage. In addition, given the time and administrative costs associated with the request for proposals process, additional on-call agreements will allow staff to streamline administrative procedures, reduce costs, and enable projects to move forward without delay. Thus, the current approach of utilizing on-call agreements is recommended to ensure that staff can efficiently execute the planned work in the CIP over the upcoming biennia.

## 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 54446, dated April 14, 2026, the Board appropriated a total of $1.025 billion for projects identified in the Capital Investment Plan for Fiscal Years 2026/27 and 2027/28.

## 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**

In April 2026, Metropolitan's Board approved the biennial budget for FYs 2026/27 and 2027/28, allocating $875 million for core CIP work. This budget supports critical projects including the Colorado River Aqueduct (CRA) utility and power system rehabilitation, dam and reservoir refurbishment, water treatment system rehabilitation, prestressed concrete cylinder pipe rehabilitation, and drought mitigation projects. For the past 14 years, the Board’s authorized CIP expenditures averaged $550 million per biennium. The recent increase in the CIP budget reflects the need to gradually expand refurbishment and replacement (R&R) spending over multiple budget cycles to align with current industry standards, maintain system reliability, and begin addressing the backlog of R&R projects.

Multi-year CIP programs and projects have been identified that require engineering services beyond the capacity that in-house staff can support. Staff's approach to implementing capital projects is to use available in-house resources 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. Consultants are competitively evaluated to establish a list of qualified firms from which both project-specific and on-call agreements are executed as capital project needs are identified.

Staff recommends board authorization of four new three-year on-call agreements to support planned CIP work for the upcoming fiscal years. Two agreements will replace engineering services agreements expiring this fiscal year. The other two will provide critical support services, including environmental site assessments to ensure Metropolitan's operational safety and regulatory compliance for capital projects, as well as IT support services for application enhancements.

**Agreements for Engineering Services – HDR Inc. and Tetra Tech**

Over the next several fiscal years, CIP programs and projects will require engineering design services beyond the capacity of in-house staff. These efforts are located along the CRA, within the conveyance and distribution system, and at Metropolitan's water treatment plants. They will address critical programs such as rehabilitation of the CRA electrical systems, hydroelectric plants, valve structures, and infrastructure modifications needed to improve water reliability and address water supply equity. For these projects, it is anticipated that supplemental 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.

Request for Qualifications (RFQ) No. 1404 was issued in July 2025 to establish a pool of qualified engineering 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 evaluated based on firm qualifications, key personnel, experience related to planned projects, past performance, environmental sensitivity, and business outreach. All firms were prequalified to provide services under one or more of the above categories through this process. They are eligible for both project-specific and on-call agreements within the categories of work for which they were prequalified.

Agreements are currently in place with 17 of the prequalified firms, totaling approximately $219 million in authorized agreements to date. Thirty-five of these existing agreements are on-call, and 39 are project-specific. Staff recommends awarding new on-call agreements to two prequalified firms, HDR Inc. and Tetra Tech, based on the staff's current assessment of the technical resources needed for capital projects over the next several fiscal years. These firms were selected through the evaluation process described above. Staff will return to the Board in the future to authorize additional agreements if a need for such work is identified.

This action authorizes two on-call agreements with HDR Inc. and Tetra Tech, each in an amount not to exceed $3 million and a duration of three years to provide engineering services. For each agreement, Metropolitan has established an SBE participation level of 25 percent of the agreement amount. HDR Inc. and Tetra Tech have committed to meet this level of participation.

**Agreements for Environmental Site Assessment Services – Geosyntec Consultants Inc.**

Environmental site assessments are often the initial step in starting a CIP project and evaluating its environmental risks. The assessments typically include reviewing historical records and conducting physical inspections of the site. A more detailed investigation is sometimes conducted to determine the extent of any recognized environmental contamination identified during the initial evaluation. This work involves collecting and analyzing soil, water, and air samples. If environmental risk or contamination are confirmed, the scope expands to include remediation measures, such as removal and treatment of hazardous materials. These assessments ensure the site is safe for construction, ongoing rehabilitation, and long-term maintenance.

RFQ No. 1416 was issued in April 2026 to establish a pool of qualified environmental firms to support Metropolitan's operational safety and regulatory services for capital projects across Metropolitan's distribution and

service area. The planned services identified in the RFQ include monitoring and inspecting contractor remediation work, conducting confirmation field sampling, and preparing final contractor oversight abatement reports. Ten firms submitted SOQs, which were evaluated based on firm qualifications, record of past performance, key personnel and staffing, technical approach, and methodology. Nine firms were prequalified through this process to provide the services described above, and they are now eligible for both project-specific and on-call agreements.

This action authorizes an on-call agreement with Geosyntec Consultants Inc. in an amount not to exceed $3 million and a duration of three years to provide environmental site assessment services. For this agreement, Metropolitan has established an SBE participation level of 25 percent of the agreement amount. Geosyntec Consultants Inc. has committed to meet this level of participation.

**Agreement for IT Support Services – Arcadis U.S. Inc.**

In recent years, staff developed a web-based budget platform that successfully automated the manual, paper-based CIP project proposal submittal and approval process, eliminated duplicate data entry, improved data collection, and streamlined modeling of budget planning. Staff currently use this application to collect project information, prioritize projects, and help prepare CIP budgets and expenditure forecasts. Enhancements to this tool are now recommended to improve automated workflows and reporting functions, develop additional dashboards, and provide integration with other CIP tools including project risk forms and schedules. Application upgrades are also required to ensure compliance with the latest cybersecurity industry standards, increase smart technology utilization, and optimize work within the cloud environment.

RFQ No. 1397 was issued in February 2025 to establish a pool of qualified firms to provide IT support services related to these CIP planning tools and other system enhancements mentioned above. Planned services to be provided under the agreement include application enhancements for cloud environment optimization, advanced smart technology utilization, and the existing web-based budget platform. Seventy-five firms submitted SOQs, which were evaluated based on firm qualifications, record of past performance, key personnel and staff, technical approach and methodology, and business outreach program. Sixty-seven firms were prequalified to provide the services described above, and they are now eligible for both project-specific and on-call agreements.

This action authorizes an on-call agreement with Arcadis U.S. Inc. in an amount not to exceed $3 million to provide IT support services. For this agreement, Metropolitan has established an SBE participation level of 25 percent of the agreement amount. Arcadis U.S. Inc. has committed to meet this level of participation.

9/24/2026

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9/24/2026

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