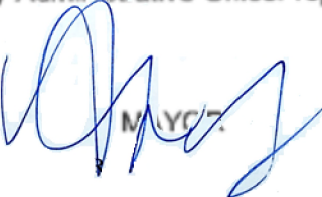


TRANSMITTAL			0150-10585-0000
TO The Council	DATE 3/11/16	COUNCIL FILE NO.	
FROM The Mayor		COUNCIL DISTRICT All	
<p>Authority for the Board of Public Works to award and execute Amendment 2 to Personal Services Contract 113313, with CH2M Hill Engineers, Inc., for as needed consultant services for the Bureau of Sanitation's Automation Master Plan.</p> <p>Approved and forwarded for your consideration. See the City Administrative Officer report attached.</p> <p style="text-align: center;"> MAYOR (Ana Guerrero)</p> <p>MAS:SMC:06160095f</p>			

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 03-08-16	C.D. No. Citywide	CAO File No.: 0150-10585-0000
Contracting Department/Bureau: Bureau of Sanitation		Contact: Alexa Esparza (213) 485-2842	
Reference: Board of Public Works transmittal dated December 21, 2015; referred for report on December 22, 2015			
Purpose of Contract: To continue as-needed consultant services for the Bureau's Automation Master Plan			
Type of Contract: () New contract (X) Amendment		Contract Term Dates: Existing Term: July 1, 2007 – December 31, 2015 2 nd Amendment: January 1, 2016 – December 31, 2018	
Contract/Amendment Amount: Proposed amount \$ 10,000,000 + Prior award(s) \$ 20,000,000 = Total \$ 30,000,000			
Source of funds: Sewer Construction and Maintenance Fund No. 761			
Name of Contractor: CH2M Hill Engineers, Inc.			
Address: 9191 Jamaica Street, Englewood, CO 80112-5946			
	Yes	No	N/A*
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: 0.2%			
8. Contractor has complied with:		Yes	No
a. Equal Employmt. Oppty./Affirm. Action		X	
b. Good Faith Effort Outreach**			X
c. Equal Benefits Ordinance		X	
d. Contractor Responsibility Ordinance		X	
e. Slavery Disclosure Ordinance		X	
f. Bidder Certification CEC Form 50		X	
*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The Board of Public Works, on behalf of the Bureau of Sanitation (Bureau), requests authority to execute a second amendment to personal services agreement, Contract 113313, with CH2M Hill Engineering, Inc. (CH2M Hill) for as needed development and support services for the Bureau's Automation Master Plan. The current contract expired on December 31, 2015. The proposed amendment will extend the term of the contract for an additional three years, from January 1, 2016 to December 31, 2018, and will increase the contract ceiling amount by \$10 million, from \$20 million to \$30 million.

On August 20, 2007, the Bureau executed a personal services agreement with CH2M Hill to provide as needed development and support services for automation and technology and for evaluation, selection and negotiation of contracts with qualifying firms. The agreement was subsequently amended to extend the term to December 31, 2015 and to increase the cost ceiling to \$20 million. Under this agreement, CH2M Hill was awarded Project Task Order (PTO) #A2-08-02 in the service area of Automation Project and/or Construction Management Services. The project will integrate operations of the Bureau's four treatment plants and Wastewater Collection System with the goal of

	Analyst	06160095	Assistant CAO		City Administrative Officer
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reducing costs, simplifying operations, and improving business processes that rely on the information gathered from the treatment plants, such as work management and regulatory reporting.

On July 1, 2013, the Board authorized the Bureau to issue a Request for Qualifications (RFQ) to provide as needed consultant services for the Bureau's Automation Master Plan. Effective January 2016, the Bureau will execute nine personal service agreements, including a new agreement with CH2M Hill. However, due to delays in the Los Angeles Wastewater Integrated System (LAWINS) project, the Bureau is requesting to continue CH2M Hill's expertise and development support services under the PTO of the current contract. Therefore, the Bureau requests to extend the term of the contract for an additional three years, from January 1, 2016 to December 31, 2018, and to increase the cost ceiling amount to \$30 million to cover the cost of services, including contingencies. The Bureau will also execute a fifth amendment to the PTO to extend the term for an additional three years, from January 1, 2016 to December 31, 2018, and to increase the cost ceiling amount from \$10,768,383 to \$24,635,364. These proposed amendments and expenditures are shown in the following table:

	Contract 113313	Project Task Order #A2-08-02	Expenditures
Existing Ceiling Amount	\$20 million	\$ 10,768,383	\$ 9,389,640
Proposed Amendment	\$10 million	\$ 13,866,981	\$ 13,866,981
TOTAL:	\$30 million	\$ 24,635,364	\$ 23,256,621

The Bureau reports that the delays in the LAWINS project are due to circumstances outside the control of CH2M Hill. These delays are attributed to the following: 1) nature of work involved with the replacement of the entire control system while ensuring no disruption to the daily operation of the treatment plants; 2) recreating the entire distributed control system with its control strategies since there is no documentation of the existing system; 3) limited City staff to assist with cut overs and operation interruptions; 4) conducting field verifications to verify and document existing field devices connectivity and operability; and, 5) huge volumes of submittals, including operation narratives, loop diagrams, system's enterprise design, and software and hardware design manuals. The Bureau's project management team is committed to keeping the project on schedule. However, this schedule does not account for the expanded work on the collection system segment to include all pumping plants, air treatment facilities and greenways. The entire LAWINS project is approximately 25 percent completed and the control system project at Hyperion Treatment Plant is 57 percent completed.

The proposed amendment does not change the scope of work provided under the PTO. CH2M Hill has provided highly specialized expertise and assistance with planning, Request for Proposal (RFP) development, vendor selection, negotiations and project delivery. CH2M Hill will continue to provide expertise and support services for the following steps of the Implementation Phase of the LAWINS project, as provided in the PTO:

- Step 11 – Design: CH2M Hill will provide review of blueprints and related documents.
- Step 12 – Enterprise and Facility Delivery: CH2M Hill will provide support for planning, scheduling, coordination of personnel and vendor management as systems are installed, tested and commissioned onsite.

- Step 13 – Performance/Warranty and Maintenance: CH2M Hill will provide maintenance and performance metrics that address equipment failure, obsolescence, performance, training, and other performance compliance and maintenance.
- Step 14 – Project Management and Construction Management: CH2M Hill will provide project and construction management to ensure that the project meets specifications.

The proposed amendment includes updated contact information and updated standard contracting provisions. In addition, the amendment extends the term of the agreement for an additional three years and raises the maximum allowable compensation to \$30 million. The City is not obligated to reimburse CH2M Hill for costs incurred in excess of the total maximum cost set forth in the PTO. As of December 31, 2016, the Bureau expended \$9,389,639 of the \$10,768,383. Funding of \$1,378,744 is available to support the cost of work in Fiscal Year 2015-16. The proposed cost of work over the next three years is \$13,866,981, which is provided in the below table:

	Proposed Annual Cost
January 2016 – December 2016	\$ 3,686,975
January 2017 – December 2017	\$ 5,071,405
January 2018 – December 2018	\$ 5,108,601
TOTAL:	\$13,866,981

CH2M Hill will submit invoices on a monthly basis. Payments will be made in accordance with the rates established in the Schedule of Hourly Rates and Project Cost Breakdown of the PTO. The hourly rates are inclusive of salary, overhead rates, profit, fringe benefits and all other reasonable business expenses incurred by the contractor.

The Mayor's Office had exempted this Project Task Order from the Minority Business Enterprise/Women Business Enterprise/Other Business Enterprise (MBE/WBE/OBE) Subcontractor Outreach Program which required the contractor to perform subcontractor outreach to all available MBE/WBE/OBE firms which could perform a portion of the scope of work in the task order. However, the Bureau had set a goal of 12 percent MBE and 2 percent WBE participation for the PTO. With Amendment No. 5, CH2M Hill has pledged participation of 13.69 percent MBE, 12.53 percent WBE and 6.86 percent OBE firms.

The City Attorney has reviewed and approved the proposed Amendment as to form. CH2M Hill is in compliance with the City's contracting policies. In accordance with the Los Angeles Administrative Code Section 10.5(b)2, Council approval of the proposed contract amendment is required because the term of the agreement exceeds three years.

RECOMMENDATION

That the Council authorize the Board of Public Works, or designee, to execute Amendment No. 2 to Contract No.113313, between the Bureau of Sanitation and CH2M Hill Engineers, Inc., to extend the contract term for an additional three years, from January 1, 2016 to December 31, 2018, and to increase the total cost ceiling amount to \$30 million, subject to the review and approval of the City Attorney as to form.

FISCAL IMPACT STATEMENT

There is no General Fund impact. The cost ceiling for Project Task Order #A2-08-02 shall not exceed \$13,866,981 over the next three years. As of December 31, 2016, unspent project funds totaling \$1,378,744 are available in Sewer Construction and Maintenance Fund No. 761, Account No. 50MGES, to support the cost of work performed in Fiscal Year 2015-16. Funding for future years will be provided through the City's annual budget process and is subject to Mayor and Council approval. The contract includes a Financial Liability clause which limits the City's financial obligation to the extent of the City appropriation for this purpose. Therefore, the recommendation in this report is in compliance with the City's Financial Policies.

MAS:SMC:06160095