


0150-08448-0003

TRANSMITTAL

TO The Council	DATE MAY 05 2014	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT All

**25 Pre-Qualified On-Call (PQOC) Consultants for Planning and Technical Support Services
For the Bureau of Sanitation's Wastewater, Stormwater, and Solid Resources Programs**

Approved and transmitted for your consideration.
See the City Administrative Officer report attached.


(Ana Guerrero)
MAYOR

SOI/MVA -2 BW 3:18

MAS:WKP:06140085t


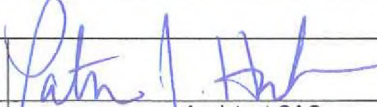
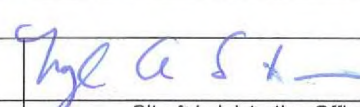
Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 04-30-14	C.D. No. All	CAO File No.: 0150-08448-0003				
Contracting Department/Bureau: Public Works/Sanitation		Contact: Abdulsamad Danishwar, (323) 342-6220; Ali Poosti, (323) 342-6228					
Reference: Transmittal from the Board of Public Works dated February 28, 2014; referred for report on March 4, 2014.							
Purpose of Contract: To provide pre-qualified on-call consultant services for planning and technical support for the Bureau's Wastewater, Stormwater, and Solid Resources Programs.							
Type of Contract: (X) New contract () Amendment		Contract Term Dates: Five years from the date of execution with an option to extend for an additional five years.					
Contract/Amendment Amount: N/A							
Proposed amount \$ N/A + Prior award(s) \$0 = Total \$ N/A							
Source of funds: Various special funds.							
Name of Contractor: See Report.							
Address: See Report.							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose			X	a. Equal Employmt. Oppty./Affirm. Action	X		
2. Appropriated funds are available			X	b. Good Faith Effort Outreach**	X		
3. Charter Section 1022 findings completed	X			c. Equal Benefits Ordinance	X		
4. Proposals have been requested	X			d. Contractor Responsibility Ordinance	X		
5. Risk Management review completed	X			e. Slavery Disclosure Ordinance	X		
6. Standard Provisions for City Contracts included	X			f. Bidder Certification CEC Form 50	X		
7. Workforce that resides in the City: See Report				*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

In accordance with Executive Directive No. 3, the Board of Public Works (Board), on behalf of the Bureau of Sanitation (Bureau) is requesting authority to establish a pre-qualified on-call (PQOC) list of consultants to provide planning and technical support services for the Bureau's Wastewater, Stormwater, and Solid Resources Programs. The term of each contract is five years from the date of execution with an option to extend the term for an additional five years for a total term of ten years. Compensation will be provided on a project by project basis and subject to the availability of project funds. The proposed PQOC list will include the following 25 consulting firms:

Name of Contractor	Address	Workforce that Resides in City
AECOM Technical Services, Inc.	515 South Flower Street, 4 th Floor, Los Angeles, CA 90071	0.83%
AKM Consulting Engineers, Inc.	553 Wald, Irvine, CA 92618	0.00%
Atkins North America, Inc.	12301 Wilshire Blvd., Suite 430, Los Angeles, CA 90025	0.35%
Black & Veatch Corporation	800 Wilshire Blvd., Suite 600, Los Angeles, CA 90017	0.68%
Brown and Caldwell	801 S. Figueroa Street, Suite 950, Los Angeles, CA 90017	0.07%
Carollo Engineers, Inc.	199 S. Los Robles Avenue, Suite 530, Pasadena, CA 91101	0.00%
CDM Smith, Inc.	523 West 6 th Street, Suite 400, Los Angeles, CA 90014	0.58%
CH2M HILL Engineers, Inc.	1000 Wilshire Blvd., Suite 2100, Los Angeles, CA 90017	0.07%

 WKP Analyst 06140085	 Assistant CAO	 City Administrative Officer
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Name of Contractor	Address	Workforce that Resides in City
D R Consultants & Designers, Inc. (formerly Dean Ryan Consultants & Designers, Inc.)	725 S. Figueroa Street, Suite 3320, Los Angeles, CA 90017	39.22%
GeoSyntec Consultants	3415 S. Sepulveda Blvd., Suite 500, Los Angeles, CA 90034	0.77%
Hazen and Sawyer	1150 S. Olive Street, Suite 475, Los Angeles, CA 90015	0.13%
HDR Engineering, Inc.	801 S. Grand Ave., Suite 500, Los Angeles, CA 90017	0.53%
Kennedy/Jenks Consultants, Inc.	300 N. Lake Ave., Suite 1020, Pasadena, CA 91101	0.47%
Larry Walker Associates, Inc.	720 Wilshire Blvd., Suite 204, Santa Monica, CA 90401	2.44%
Malcolm Pirnie, the Water Division of ARCADIS US, Inc.	888 West 6 th Street, 3 rd Floor, Los Angeles, CA 90017	0.23%
MARRS Services, Inc.	205 S. Broadway, Suite 618, Los Angeles, CA 90012	6.52%
MWH Americas, Inc.	618 Michillinda Ave., Suite 200, Arcadia, CA 91007	0.75%
Parsons Water & Infrastructure, Inc.	100 West Walnut Street, Pasadena, CA 91124	2.45%
Parsons Brinckerhoff, Inc.	444 S. Flower Street, Suite 800, Los Angeles, CA 90071	0.51%
Psomas	555 S. Flower Street, Suite 4300, Los Angeles, CA 90071	8.10%
Raines Melton & Carella, Inc. (dba RMC Water and Environment)	515 S. Flower Street, 36 th Floor, Los Angeles, CA 90071	4.46%
Shaw Environmental, Inc.	707 Wilshire Blvd., Suite 4825, Los Angeles, CA 90017	0.24%
Tetra Tech, Inc.	800 West 6 th Street, Suite 380, Los Angeles, CA 90017	0.22%
TRC Solutions, Inc.	123 Technology Drive, Irvine, CA 92618	4.52%
URS Corporation (dba URS Corporation of Americas)	915 Wilshire Blvd., Suite 700, Los Angeles, CA 90017	29.14%

Background

The Bureau is responsible for collecting, cleaning, and recycling solid and liquid waste generated by residential, commercial, and industrial users in the City and its surrounding communities. The Bureau carries out these responsibilities through the following three core programs and services:

- Clean Water Program – Collection, conveyance, treatment and disposal of wastewater through 6,700 miles of sewers and four wastewater treatment and water reclamation plants.
- Solid Resources Program – Collection, recycling, and disposal of solid municipal waste, green waste, household hazardous waste, bulky items, and other special solid resources materials.
- Stormwater Program – Inspection, cleaning, operation, and maintenance of the stormwater drainage system to protect the beneficial uses of receiving waters while complying with flood control mandates and pollution abatement regulations.

The Bureau requires the use of PQOC consultants to address unanticipated increases in workload, meet time-sensitive compliance deadlines, and provide highly specialized technical expertise within these three program areas. These programs are subject to a variety of mandates including, but not limited to, the Collection System Settlement Agreement and Total Maximum Daily Loads (TMDL), which have compliance deadlines. Failure to complete deliverables by these deadlines would result in penalties and fines. The PQOC list provides the Bureau with the necessary tools to meet regulatory challenges and new mandates in a timely manner.

The Bureau has been using PQOC consultants since 2008 and the current list expired on August 18, 2013. However, Council (C.F. 13-0949) authorized the Bureau to execute First Amendments to these contracts to extend the term for an additional two years or until new contracts can be executed. The Bureau of Engineering (BOE) and other City departments, such as the Port of Los Angeles, also use PQOC consultants and the Bureau has developed its PQOC contracts and processes to mirror those already established and in use by other City departments.

Contractor Selection Process

In accordance with Charter Section 1022, this Office determined that the work can be performed more feasibly by contractor than by City employees as contractors can provide industry and technical expertise that is not available within the Bureau's or City's workforce. In addition, this Office found there is insufficient existing staff and additional staff cannot be employed in a timely manner to meet compliance deadlines and address unanticipated increases in workload.

On January 13, 2012, the Board authorized the Bureau to advertise a Request for Qualifications (RFQ) and to negotiate and establish a PQOC list. The Bureau received 26 responses to the RFQ and each response was evaluated on the following criteria:

- Technical Qualification and Experience (25 percent)
- Record of Past Performance (25 percent)
- Project Management and Delivery (25 percent)
- Overall Company Resources and Access (15 percent)
- Familiarity with the City of Los Angeles (10 percent)

All 26 firms received a score of 70 or above and were deemed responsive to the RFQ and only one of the 26 proposers withdrew consideration from the PQOC list. On February 28, 2014, the Board approved the proposed PQOC list, which consisted of the remaining 25 firms.

Scope of Services and Assignment of Work

Article 4 in the proposed contracts provides a comprehensive list of services and areas of expertise that will be provided by the PQOC consultants. Some highlights from this list are as follows:

- Provide scientific and technical expertise;
- Strategic planning;
- Alternative technologies to manage biosolids and energy recovery from solid waste;
- Regulatory compliance requirements;
- TMDL compliance and stormwater discharge limits for Santa Monica Bay, Ballona Creek, Los Angeles River, and Long Beach Harbors;
- Sewer capacity and rehabilitation planning;
- Operational support services;
- Optimization of wastewater treatment plant processes;
- Assessment of sewer system structural and hydraulic conditions;
- Provide financial analysis of the Bureau's special funds and review of rate structures;
- Information technology (IT) services;
- Review feasibility, constructability, and cost-effectiveness of capital projects and programs;
- Specialized training and human resources development;
- Development of a new Climate Change Adaptation Program;
- Assessment of Brownfield sites;
- Development of industrial waste discharge standards;
- Implementation and testing of odor control devices and structures; and
- Public outreach and education.

When a project manager wants to utilize the PQOC list, they are required to consult with their Division Manager to develop the scope of work and to justify the need for issuing a Task Order Solicitation (TOS). The Task Order will include the scope of work, project schedule, deliverables, and estimated project costs. Appropriate justifications for initiating a TOS are compliance with regulatory mandates, lack of expertise, time sensitive deadlines that carry fines and penalties, or compliance with court mandates. The TOS is discussed with and reviewed by the Assistant Directors and once approved, the project is presented to the Program Review Committee (PRC) for approval and funding. Once approved by the PRC, the Bureau's Financial Management Division (FMD) identifies the appropriate funding source for the project. Next, the Board Commissioners are informed and for all TOS over \$150,000, Board approval is required. Once all these approvals are obtained, the Bureau Director and Assistant Director will sign the Task Order and the TOS is advertised to the PQOC list.

The 25 consultants will be randomly placed on the PQOC list and work will be assigned according to the following manner:

- For large projects with sufficient lead time and estimated costs equal to or over \$1.0 million, the Bureau will solicit proposals from all consultants on the PQOC list;
- For moderately sized projects with tighter schedules and estimated costs between \$250,000 and \$1.0 million, the Bureau will solicit proposals from the top three consultants on the list; and
- For smaller projects with estimated costs equal to or less than \$250,000, the Bureau will assign the project to the first consultant on the PQOC list.

Although this is the standard process, the Bureau reserves the right to assign projects to any PQOC consultant and to advertise any TOS, regardless of the size of the project, to the entire PQOC list to best serve the needs of the City and the project. The Bureau will evaluate the proposals and award the project to the consultant that proposes the best overall value to the City. The Bureau will negotiate the terms for the project and once an agreement is reached, the Bureau will issue a Notice to Proceed to the selected consultant. The selected consultant will be moved to the bottom of the PQOC list for the purpose of subsequent work assignments. The contracts make no guarantee of work to any of the consultants on the list.

Compensation for Services

Funding will be provided on a project by project basis from various funding sources and subject to the availability of funds. Since these contracts provide future services, it is difficult to identify specific funding sources, establish a cost ceiling, or estimate the total amount of work to be contracted. The PQOC contracts contain a Financial Liability Clause which limits the City's financial obligation to the amount approved by the Mayor and Council in the corresponding year's budget for such work. Under the terms of the contracts, compensation for services will be provided using the following payment methods or a combination thereof:

- **Cost Reimbursement – Salary Rate Basis:** Contractor is compensated for time directly charged to a project using approved salary rates, fixed overhead rates (employee benefits, payroll burden, administrative expenses, etc.), actual subcontractor expenses, profit (capped at 10 percent), and other direct expenses (travel, mileage, and equipment rental). This method of compensation is also known as Time and Materials.

- Cost Reimbursement – Hourly Rate Basis: Contractor is compensated on an hourly basis using approved hourly rates, which include salaries, fringe benefits, overhead, profit, and all other business expenses incurred by the contractor and subcontractor.
- Lump Sum Basis: Contractor is compensated for meeting designated project milestones. All of the contractor's costs including employee salaries, overhead, other direct costs, subcontractor expenses, and profit are included in the Lump Sum amount.

These different billing methods provide the Bureau with the tools to deliver projects in the most cost effective manner. For projects with detailed scopes of work and where the Bureau can accurately estimate costs, the Lump Sum basis would provide the most cost effective payment method. However, for projects where the scope of work and estimated costs are not as defined, the other methods of compensation might be more cost effective.

To date, the Bureau has issued 71 Task Orders with a total value of \$41,315,930 under the existing PQOC list. The majority of the Task Orders were issued for lack of technical expertise. Three Task Orders totaling \$708,605 were issued for staff augmentation.

Compliance with City Contracting Requirements

The contractors have complied with all City contracting requirements. In addition, the 25 contractors have pledged subcontractor participation levels of 18 percent for Minority Business Enterprises (MBE), four percent for Women Business Enterprises (WBE), 25 percent for Small Business Enterprises (SBE), eight percent for Emerging Business Enterprises (EBE), and three percent for Disabled Veteran Business Enterprises (DVBE). In accordance with Los Angeles Administrative Code Section 10.5(a), execution of the 25 PQOC contracts require Council approval because the term of the contracts exceed three years.

RECOMMENDATIONS

That the Council:

1. Authorize the Board of Public Works, on behalf of the Bureau of Sanitation, to execute the proposed contracts for pre-qualified on-call planning and technical services for the Bureau's Wastewater, Stormwater, and Solid Resources Programs with the following consulting firms:
 1. AECOM Technical Services, Inc.;
 2. AKM Consulting Engineers, Inc.;
 3. Atkins North America, Inc.;
 4. Black & Veatch Corporation;
 5. Brown and Caldwell;
 6. Carollo Engineers, Inc.;
 7. CDM Smith, Inc.;
 8. CH2M HILL Engineers, Inc.;
 9. D R Consultants & Designers, Inc. (formerly Dean Ryan Consultants & Designers, Inc.);
 10. GeoSyntec Consultants;
 11. Hazen and Sawyer;
 12. HDR Engineering, Inc.;
 13. Kennedy/Jenks Consultants;

14. Larry Walker Associates, Inc.;
 15. Malcolm Pirnie, the Water Division of ARCADIS US, Inc.;
 16. MARRS Services, Inc.;
 17. MWH Americas, Inc.;
 18. Parsons Water & Infrastructure, Inc.;
 19. Parsons Brinckerhoff, Inc.;
 20. Psomas;
 21. Raines Melton & Carella, Inc. (dba RMC Water and Environment);
 22. Shaw Environmental, Inc.;
 23. Tetra Tech, Inc.;
 24. TRC Solutions, Inc.; and
 25. URS Corporation (dba URS Corporation of Americas).
2. Instruct the Bureau of Sanitation to prepare a semi-annual report to the City Administrative Officer on its consultant usage related to this rotating list through the term of the contracts. The report should include, at minimum, the initial ranking of consultants, task orders solicited, beginning and end dates of task orders, consultants awarded, basis for using the rotating list (i.e., lack of staffing availability, specialized expertise, etc.), funds budgeted and expended, funding sources/accounts utilized, and subcontractor utilization.

FISCAL IMPACT STATEMENT

The execution of the proposed contracts will have no direct General Fund impact as funding will be provided on a project by project basis from various funds, subject to the availability of funds. In addition, the PQOC contracts contain a Financial Liability Clause which limits the City's financial obligation to the amount approved by the Mayor and Council in the corresponding year's budget for such work, which is consistent with the City's Financial Policies. As such, the recommendation in this report complies with the City's Financial Policies as project funding will support project expenditures.

MAS:WKP:06140085