




Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL



JAMES B. McDANIEL
Senior Assistant General Manager –
Water System



MARCIE L. EDWARDS
General Manager

DATE: June 18, 2014

SUBJECT: Agreement No. 47202-4 (Agreement) with ARCADIS U.S., Inc. (ARCADIS) for Professional and Technical Services for Ultraviolet (UV) and Chloramine Facilities and Disinfection Integration

SUMMARY

The purpose of this proposed Agreement with ARCADIS is to provide the Los Angeles Department of Water and Power (LADWP) expert as-needed professional and technical services in the water quality arena.

Special expertise and experience is necessary to successfully complete design, construction, start-up and permitting of ultraviolet and chloramine disinfection facilities to complete the chloramine conversion of the water distribution system and meet water quality regulatory deadlines. The \$6,000,000 is budgeted for a term of six years and six months.

City Council approval is required in accordance with Charter Section 373.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of the Agreement with ARCADIS per Charter Section 373.

ALTERNATIVES CONSIDERED

The alternative of proceeding with these projects without outside expertise would, at a minimum, risk delay of compliance to water quality regulations. This in turn could result in violations resulting in fines, public notification of non-compliance, and loss of customer confidence in the safety of the public water supply. This option was therefore not considered. A reduction in scope or duration was also not considered, as expertise

is necessary during the startup and commissioning of projects near the end of the anticipated duration.

FINANCIAL INFORMATION

The not-to-exceed limit of the Agreement is \$6,000,000. Contract total includes a deduction of \$150,000 for an interim General Manager (GM) award to ARCADIS under requirements in the Request for Proposal (RFP) No. 90045.

The not-to-exceed amount was estimated based on the engineer's estimate and negotiations with the selected consultant.

Duration of the Agreement is six years and six months.

BACKGROUND

To comply with the Environmental Protection Agency's Stage 2 Disinfectants and Disinfection Byproducts Rule (Stage 2) and the California Department of Public Health's Long Term 2 Enhanced Surface Water Treatment Rule (Long Term 2), LADWP's Water System has undertaken a program to construct two ultraviolet and nine chloramine/ammonia disinfection facilities. ARCADIS' services will augment LADWP's staff to provide design, construction support, regulatory approval, start-up and testing of the ultraviolet disinfection facilities as well as the integration of those facilities into the overall disinfection strategy to reduce disinfection byproducts.

In March 2009, LADWP entered into a Compliance Agreement with the California Department of Public Health (Public Health). The Compliance Agreement specifies schedules to bring each of the six open reservoirs into compliance with Long Term 2, including the Los Angeles Reservoir, which must be in compliance with the rule by December 31, 2020. In April 2012, LADWP was granted a two-year extension to comply with the Stage 2 rule by the Environmental Protection Agency and Public Health. This extension includes schedules for the completion of capital facilities in order to comply with the requirements of Stage 2.

ARCADIS will assist LADWP in meeting milestone dates set in the Long Term 2 Compliance Agreement and the Stage 2 Extension. All work will be administered and managed utilizing a Task Management System. The Contract Administrator will issue a Request for Task Proposal to the consultant clearly delineating deliverables and schedule for each task required. LADWP staff will evaluate and if necessary, negotiate the task proposals based upon a variety of factors, including cost.

ARCADIS has special expertise and the opportunity exists for knowledge transfer under this Agreement. Representatives of LADWP and the International Brotherhood of Electrical Workers (IBEW) Local 18 have met and discussed the issuing of tasks and administration of this Agreement to provide for knowledge transfer to LADWP employees as part of the performance of work.

A Letter of Agreement (LOA) has been negotiated with IBEW Local 18 regarding communication procedures related to knowledge transfer and issuing of task assignments under Agreement, and the status of filling authorized positions in the Water Engineering & Technical Services Division and the Water Quality Division named in the LOA.

ARCADIS has performed well under previous contracts with LADWP.

The City Administrative Officer report, dated April 30, 2014, is attached.

CHARTER SECTION 1022

It is more feasible to have work performed by an independent contractor. The work required under this Agreement is of expert nature that LADWP and City of Los Angeles personnel do not have.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the action of awarding a contract for specialized professional and technical services for ultraviolet and chloramine facilities and disinfection integration, is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061 (b) (3). General Exemptions apply in situations where it can be seen with reasonable certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Environmental documentation for the construction of the two UV Plants and the chloramination/ammoniation stations referred to above has been completed. Future activities or projects requiring CEQA documentation will be addressed at that time.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Agreement and Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- Agreement
- City Administrative Officer Report

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): ARCADIS U.S., Inc.
2.	Procurement Type: Request for Proposal
3.	Procurement Details: A. Contract Status: New B. Bid Advertisement Date: March 14, 2012 C. Pre-Bid Conference Date: March 28, 2012 D. Number of Downloads of Solicitation: 34 E. Number of Bids/Proposals Received: 2 F. Protest Received: No
4.	Buyer Assigned: Charvon Tolson
5.	Contract Administrator: Stephen A. Ott
6.	LADWP System: Water
7.	Contact Person for Item: Susan R. Rowghani

A. Summary of Bids Received/Evaluation Rating Summary of Proposals

Name of Proposers	Evaluation Criteria								Final Rank
	Qualification of Firm	Location of Firm	Technical Approach	Cost	References	Personnel Qualification	Samples of Capabilities	Total Score	
	11 points max.	2 points max.	10 points max.	37 points max.	10 points max.	20 points max.	10 points max.	100 points max.	
ARCADIS	9.5	1.9	8.5	32.4	8.3	17.6	8.6	86.8	1
Black & Veatch	8.5	1.7	7.5	28.1	8.7	17.3	7.7	79.5	2

B. Evaluation of Bid/Proposal/Cooperative Agreement

A total of two proposals were received and evaluated as shown in the table above.

C. Contract/Vendor History

ARCADIS (formerly Malcolm Pirnie)

Contract and Vendor History					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
47730-8	Professional and Technical Civil, Structural, Mechanical and Electrical Engineering, and Architectural Services	4 years	2/8/2008	4/12/2012	\$5,000,000
49048	Impact Analyses of Policies, Programs and Procedures of the Metropolitan Water District of Southern California (MWD)	1 year	3/8/2010	3/7/2011	\$95,000

D. Local Business Preference Program (LBPP)

The Local Business Preference was applied to this RFP. Both vendors that responded are certified as local businesses.

E. Additional Outreach Efforts Taken

In addition to the original bid list, the following outreach efforts were taken:

- The bid was posted on the LADWP website and the City of Los Angeles Business Assistance Virtual Network (LABAVN) website.
- The bid was electronically advertised on the Electronic Request-Solicit-Procure System (eRSP) for direct download.

F. Small Business Enterprise (SBE)/Disabled Veterans Business Enterprise (DVBE)/Minority Business Enterprise (MBE)/Woman Business Enterprise (WBE)/Other Business Enterprise (OBE) Subcontracting Participation

Good Faith Efforts (GFE) for RFP No. 90045 were required as part of the evaluation criteria. ARCADIS detailed their steps taken regarding GFE to reach out to MBE, WBE, and OBE firms and received a passing score. ARCADIS has committed to utilize the following subcontractors based on the type and scope of task assignments issued by LADWP. As a project control measure, LADWP Contract Administrators will review each task assignment to ensure that ARCADIS utilizes listed MBE, WBE, and OBE subcontractors to the maximum extent possible. Due to the nature of the Task Management System, exact utilization of each sub-contractor defined by dollar amounts or percentages is not known at this time. These will be determined as each task is assigned or approved by the Contractor Administrator.

MBE SUBCONTRACTING

Name	Description of Work	Commitment
Avant-Garde, Inc. (MBE/WBE)	Public Relations	TBD
Beyaz & Patel, Inc.	Engineering Support	TBD
Dean Ryan Consultants & Designers, Inc. (MBE/WBE)	Civil, Electrical, Mechanical, Structural Engineering, Architecture	TBD
E2 Consulting Engineers, Inc.	Engineering Support	TBD
E. W. Moon, Inc.	CADD(Revit)	TBD
LEE & RO, Inc.	Civil & Structural Engineering, Engineering Instrumentations and Controls (E/I & C), Computer Aided Drafting and Design (CADD)	TBD
MWA Architects, Inc.	Architecture	TBD
ProjectLine (MBE/WBE)	Instrumentation and Control, CADD (Revit), Fire Suppression Design, HVAC/Plumbing	TBD
Weck Laboratories, Inc.	Laboratory Services	TBD

WBE SUBCONTRACTING

Name	Description of Work	Commitment
Babcock Laboratories, Inc.	Laboratory Services	TBD
DDB Engineering, Inc.	Permitting	TBD
E/I & C Engineering	Specialty Ultraviolet Electrical Design, Independent Quality Assurance and Quality Control (QA/QC) Review for Ultraviolet (UV), Electrical Design	TBD
HVAC Engineering, Inc.	HVAC/Plumbing	TBD
Integrated Engineering Management (IEM)	Scheduling, Cost Estimating	TBD
L Boulos Consulting, Inc.	Engineering & Environmental Services, Permitting/Regulatory Support, Coordinating with the Labs, Testing New UV Equipment	TBD
Lynn Capouya, Inc.	Landscape Architecture	TBD
Pamela Burton & Company	Landscape Architecture	TBD
TRG & Associates	Public Relations/Involvement	TBD

OBE SUBCONTRACTING

Name	Description of Work	Commitment
AKD Consulting Engineers, Inc.	Structural Engineering, Specialty Storage Tank Assessments (Hydraulics, Configuration Improvements & Standard operating Procedures); QA/QC	TBD
Anil Verma Associates, Inc.	Landscape Architecture; CADD (Revit) Support; Document Control	TBD
Carollo Engineers, Inc.	Structural, Instrumentation & Control; CADD; Permitting; Specialty UV Hydraulics & Electrical Design; Specialty Storage Tank Assessments	TBD
GANT Architects, Inc.	Architectural Services; CADD (Revit)	TBD
NCS Engineers	UV & Chloramine Facility Design, Cost Estimating, Specialty Storage Tank Assessments	TBD
Northwest Hydraulics Consultants	Hydraulic Analysis Services for Fire Suppression Design, Specialty Storage Tank Assessments (Hydraulics)	TBD

0150-10148-0000

TRANSMITTAL

TO Marcie L. Edwards, General Manager Department of Water and Power	DATE JUN 11 2014	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT N/A	

Request to Award a Six-Year and Six-Months Contract to ARCADIS U.S., Inc. for Professional and Technical Services for Ultraviolet and Chloramine Facilities and Disinfection Integration

Transmitted for further processing, including Council consideration. See the City Administrative Officer report attached.


(Ana Guerrero)
MAYOR

MAS:JFH:10140154t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 30, 2014

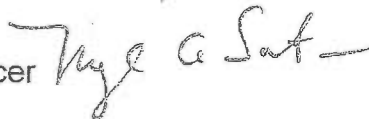
CAO File No. 0150-10148-0000

Council File No.

Council District:

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Los Angeles Department of Water and Power dated December 30, 2013; referred by the Mayor for report on January 17, 2014

Subject: **REQUEST TO AWARD A SIX-YEAR AND SIX-MONTHS CONTRACT TO ARCADIS U.S., INC. FOR PROFESSIONAL AND TECHNICAL SERVICES FOR ULTRAVIOLET AND CHLORAMINE FACILITIES AND DISINFECTION INTEGRATION**

SUMMARY

The General Manager of the Los Angeles Department of Water and Power (DWP; Department) requests approval to execute Agreement No. 47202-4 with ARCADIS U.S., Inc. (ARCADIS; Contractor) for professional and support services for the Water System's ultraviolet and chloramine disinfection projects. The proposed six-year and six-months agreement is for a not-to-exceed cost of \$6,000,000.

The contractor's services will augment the DWP's staff in performing work required to provide design, construction support, regulatory approval, start-up, and testing of two ultraviolet and nine chloramine/ammonia disinfection facilities. As proposed, the contractor will also assist DWP staff with the integration of those facilities into the overall DWP strategy to reduce disinfection byproducts.

On March 24, 2012, the DWP's Request for Proposals (RFP) for the required services was posted on the City's Business Assistance Virtual Network (BAVN) and DWP Web site. The RFP was also advertised on the Department's Electronic Request-Solicit-Procure System (eRSP).

The RFP provided that written proposals were due on April 27, 2012. In response to the RFP, two proposals and no protests were received.

The RFP required proposers to engage in a Good Faith Effort (GFE) to reach out to Minority Business Enterprises (MBE), (Women Owned Enterprises WBE), and Other Business Enterprises (OBE) for potential use as sub-contractors. The GFE outreach effort by ARCADIS resulted in an extensive list of subcontractors in each outreach category and a passing proposal evaluation score on the MBE, WBE, and OBE outreach evaluation component.

The proposed ARCADIS contract is for a not-to-exceed amount of \$6,000,000 over six-years and six-months. The not-to-exceed amount is reduced by \$150,000 to account for an interim contract with ARCADIS authorized by the General Manager for planning, monitoring, and testing assistance provided for under requirements in the RFP, the need for which resulted from near-term federal and state compliance deadlines.

City Council approval of the proposed contract is required in accordance with Charter Section 373, "Long Term Contracts Approved by Council." Furthermore, to become effective, the City Attorney must approve the contract as to form. The above-referenced aspects of the proposed agreement, and this report, incorporate revised information received from the Department subsequent to the initial request submittal.

Background

The General Manager of the Los Angeles Department of Water and Power requests approval to execute Agreement No. 47202-4 with ARCADIS for professional and support services for the Water System's ultraviolet and chloramine disinfection projects. The not-to-exceed limit of the proposed agreement is \$6,000,000.

Disinfection of drinking water is one of the major public health advances in the 20th century. However, the disinfectants themselves can react with naturally-occurring materials in the water to form byproducts, which may pose health risks.

The Stage 1 Disinfectants and Disinfection Byproducts Rule and Interim Enhanced Surface Water Treatment Rule, promulgated by the Environmental Protection Agency (EPA) in December 1998, were the first phase in a rulemaking strategy required by Congress as part of the 1996 Amendments to the Safe Drinking Water Act. The Stage 2 Disinfectants and Disinfection Byproducts Rule (Stage 2 DBPR) and the Long Term 2 Enhanced Surface Water Treatment Rule (Long Term 2) are the second phase of rules required by Congress. The Stage 2 DBPR Rule builds upon the Stage 1 DBPR to address higher risk public water systems for protection measures beyond those required for existing regulations. Entities regulated by the Stage 2 DBPR include community water systems, such as the DWP, that produce and/or deliver water that is treated with a primary or residual disinfectant other than ultraviolet light (UV).

The DWP's Water System has undertaken a number of projects to comply with the Stage 2 DBPR. The ARCADIS services will augment the DWP's staff in performing work required to provide design, construction support, regulatory approval, start-up, and testing of two ultraviolet and nine chloramine/ammonia disinfection facilities. As proposed, ARCADIS will also assist DWP staff with the integration of these facilities into the Department's overall disinfection strategy to reduce disinfection byproducts. In April 2012, the DWP was granted a two-year extension for compliance with Stage 2 by the EPA and the California Department of Public Health (Public Health).

In March 2009, the DWP also entered into a Compliance Agreement with Public Health regarding Long Term 2. The Compliance Agreement specifies schedules to bring each of the Department's six open reservoirs, including the Los Angeles Reservoir, into compliance with Long Term 2 by December 31, 2020.

Competitive Bid Process and Contract Specifics

On March 24, 2012, the DWP's RFP for the required professional and technical services was posted on the City's Business Assistance Virtual Network and DWP web site. The RFP was also advertised on the DWP's Electronic Request-Solicit-Procure System making it available for direct download.

A Pre-Bid Conference was held on March 28, 2012. The RFP was downloaded 34 times from the eRSP system with written proposals due on April 27, 2012. In response to the RFP, two proposals and no protests were received.

The RFP required proposers to engage in a Good Faith Effort (GFE) to reach out to Minority Business Enterprises, Women Owned Enterprises and Other Business Enterprises for potential use as sub-contractors.

ARCADIS has committed to utilize the following subcontractors by category of outreach:

ARCADIS PROPOSED MBE SUB-CONTRACTORS	ARCADIS PROPOSED WBE SUB-CONTRACTORS	ARCADIS PROPOSED OBE SUB-CONTRACTORS
Avant-Garde, Inc.	Babcock Laboratories, Inc.	AKD Consulting Engineers, Inc.
Beyaz & Patel, Inc.	DDB Engineering, Inc.	Anil Verma Associates, Inc.
Dean Ryan Consultants & Designers, Inc.	E/I & C Engineering	Carollo Engineers, Inc.
E2 Consulting Engineers, Inc.	HVAC Engineering, Inc.	GANT Architects, Inc.
E.W. Moon, Inc.	Integrated Engineering Management	NCS Engineers
LEE & RO, Inc.	L Boulos Consulting, Inc.	Northwest Hydraulics Consultants
MWA Architects, Inc.	Lynn Capouya, Inc.	
ProjectLine	Pamela Burton & Company	
Weck Laboratories, Inc.	TRG & Associates	

As one of the project control measures, DWP Contract Administrators will review each project task to ensure that ARCADIS utilizes the MBE, WBE, and OBE subcontractors identified above to the maximum extent possible within their respective areas of expertise.

Representatives of the DWP and the International Brotherhood of Electrical Workers (IBEW) Local 18 have also negotiated a Letter of Agreement to provide for knowledge transfer from ARCADIS to DWP employees under the proposed agreement as part of the contracted tasks and services.

The DWP indicates that ARCADIS has a track record of successful performance on previous contracts with the Department.

In February 2013, as authorized by Administrative Code Section 10.1.1 and the DWP Board, the General Manager of the DWP issued a contract to ARCADIS in an amount not-to-exceed \$150,000 to assist with urgent Stage 2 ultraviolet and chloramine facilities and disinfection integration planning, testing, and deadline compliance. This initial contract amount reduces the proposed ARCADIS not-to-exceed \$6,000,000 contract award by \$150,000 and the term specified in the RFP by six-months (contract term reduced from seven years to six-years six-months). The not-to-exceed amount is reduced by \$150,000 to account for an interim contract with ARCADIS authorized by the General Manager for planning, monitoring, and testing assistance provided for under requirements in the RFP, the need for which resulted from near term federal and state compliance deadlines.

The proposed agreement includes an early termination provision whereby the DWP may, at its discretion, with or without cause, terminate the agreement upon 30 days advance written notice.

Alternatives to the Proposed Contract

The DWP indicates that proceeding with these projects without outside expertise will risk a delay in compliance with federal and state water quality regulations. The DWP further indicates that such delay could result in compliance violations and fines, notification of the public of such non-compliance, and a loss of customer confidence in the safety of the public water supply.

Reducing the scope or duration of the proposed assistance was also deemed unacceptable by the DWP as ARCADIS possesses unique expertise deemed essential to the success of each of the projects during the commissioning or start-up phase near the end of the implementation life-cycle.

Compliance with City Administrative Requirements and Contract Standard Provisions

Prior to execution of the proposed agreement, ARCADIS is required to comply with the City's standard contract provisions pertaining to the Living Wage Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, Contractor Responsibility Program, and City insurance requirements.

ARCADIS must also submit the Bidder Contributions CEC (City Ethics Commission) Form 55 pertaining to the City's contract bidder campaign contribution and fundraising restrictions (Charter Section 470 {c} {12}) and be determined by the Department of Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance.

Pursuant to Charter Section 1022, the DWP found that the proposed work can be performed more feasibly or economically by an independent contractor than by City employees as ARCADIS has unique expertise that the DWP and City do not currently possess.

City Council approval of the proposed contract is required in accordance with Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5 (b)(2), "Limitation and Power to Make Contracts" because the cumulative term of the contract exceeds three years. Additionally, to become effective, the City Attorney must approve the contract as to form.

California Environmental Quality Act Guidelines

With respect to CEQA (California Environmental Quality Act) compliance, the proposed agreement with ARCADIS for specialized professional and technical services is exempt from CEQA requirements pursuant to the General Exemption described in CEQA Guidelines Section 15061(b) (3).

Environmental documentation for the actual construction of the two UV plants and the nine chloramination/ammoniation stations identified in this report has been completed.

RECOMMENDATIONS

That the Mayor:

1. Approve the attached six-year and six-months Agreement No. 47202-4 with ARCADIS U.S., Inc., for professional and technical services for ultraviolet and chloramine facilities and disinfection integration, subject to City Attorney approval as to form, compliance with the City's Standard Provisions for Contracts including; Living Wage Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, Contractor Responsibility Program, City insurance requirements and Bidder Contributions CEC Form 55 and determination by the Department of Public Works, Office of Contract Compliance, of the Contractor's compliance with provisions of the Equal Benefits Ordinance, for a not-to-exceed cost of \$6,000,000 less \$150,000 for an initial interim contract with ARCADIS, and authorize the General Manager to execute the contract; and
2. Return the proposed contract to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of the proposed contract will have no impact on the City's General Fund. Expenditures up to the \$6,000,000 contract limit will be paid from the Water Revenue Fund.

Time Limit for Council Action

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5 (a), "Limitation and Power to Make Contracts," the Council shall have 60 days from the date the contract is transmitted by the board, officer, or employee and received by the City Clerk, to approve it. The contract shall be deemed approved if the Council does not disapprove it within this period.