

**ORDINANCE NO.** \_\_\_\_\_

An ordinance authorizing the Los Angeles Department of Water and Power (LADWP) to use the competitive sealed proposal selection process to award contracts with alternative project delivery methods and establishing criteria for letting such contracts for the Mainline Replacement Program, Trunk Line Replacement Program, Mid-Valley and Western District Operations and Maintenance Facilities, Water Quality Laboratory, and Fairmont Reservoir Water Quality Treatment Facility, as annually approved in the adopted Annual Department Budget of the Los Angeles Department of Water and Power (collectively, the Proposed Projects).

**WHEREAS**, Section 371(b) of the Los Angeles City Charter permits the letting of contracts using a competitive sealed proposal method, in accordance with criteria established by ordinance adopted by at least two-thirds of the City Council, and also allows for the use of design-build or other appropriate alternative project delivery methods;

**WHEREAS**, the purpose of this ordinance is to establish criteria for the letting of contracts pursuant to a competitive sealed proposal method and to authorize the use of alternative project delivery methods for contracts between the LADWP and the successful proposers for design and construction services for the Proposed Projects;

**WHEREAS**, time is of the essence and it is in the best interest of the City of Los Angeles to expedite implementation of the Proposed Projects, which will improve the aging Water System Infrastructure, meet water quality goals and regulatory requirements, increase system resiliency, increase service reliability, achieve improved customer service satisfaction, and provide for greater efficiency of essential LADWP Water System functions;

**WHEREAS**, it is advisable for LADWP to use the competitive sealed proposal selection process and alternative project delivery methods pursuant to the terms of this ordinance because this type of work is highly specialized and regulated, making it critically important that the successful proposers have the experience and expertise to deliver the Proposed Projects in an accurate and timely manner;

**WHEREAS**, the Los Angeles City Council desires to authorize LADWP to use the competitive sealed proposal selection process and alternative project delivery methods for the Proposed Projects; and

**WHEREAS**, the Los Angeles City Council desires to establish the criteria for the letting of contracts by LADWP pursuant to such competitive sealed proposal selection process.

**NOW, THEREFORE,**

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. The LADWP may use the competitive sealed proposal selection process as provided herein and the Construction Manager at Risk, Design-Build or Progressive Design-Build alternative project delivery methods for the Proposed Projects, or any combination thereof.

Sec. 2. The Proposed Projects to be included in the Trunk Line Replacement Program include the Century Unit 2, De Soto, Western, Topham, Sunset, Coldwater Canyon, Rinaldi, Stone/Sunset West, and Hayvenhurst Lines. Should an operational emergency or efficiency require the addition or replacement of a project in the Trunk Line Replacement Program, the General Manager or a designee shall provide notice (manual or electronic) to the following: the Associate Director, Infrastructure Services of the Office of the Mayor; the Chair of the Energy and Environment Committee of the City Council; the Chief Administrative Analyst of the City Administrative Officer; the Policy Advisor, Energy and Environment of the Chief Legislative Analyst; the Ratepayer Advocate of the Office of Public Accountability; and the Commission Secretary of the Board of Water and Power Commissioners; or similar position of the aforementioned City representatives.

Sec. 3. For the Mainline and Trunk Line Replacement projects, LADWP shall establish a list of approved contractors through a Request for Qualifications (RFQ). Following the evaluation and selection of contractors from responses to the RFQ, a list of approved contractors and the negotiated agreements will be submitted to the Board of Water and Power Commissioners (Board) and the City Council for approval of an initial five-year term. LADWP may, with prior City Council approval, include an option in the contracts to extend the term for an additional five years for the Mainline and Trunk Line Replacement projects. LADWP will subsequently issue Requests for Proposals to the approved contractors for each Mainline or Trunk Line project on a Task Order basis.

Sec. 4. For Operations and Maintenance and Water Quality Facilities projects, the selected alternate delivery method, contractor and negotiated agreement will each be submitted separately to the Board and, at the recommendation of the Chief Administrative Officer, to the City Council for approval.

Sec. 5. Selection of all qualified contractors through the competitive selection process will be based on the contractor's ability to provide the best value to LADWP. In order to utilize these methods, the Board shall make a written finding supported by a written statement of facts that award to the lowest responsive and responsible bidder is not practicable or advantageous, and shall also state in writing the reason for the particular award.

Sec. 6. Contract negotiations may be engaged in by LADWP after proposals have been opened to allow clarification and changes in the proposal. LADWP shall take adequate precaution to treat each proposer fairly.

Sec. 7. Proposals shall be solicited by issuing a Request for Proposal (RFP). Notice of the RFP shall be given in writing or electronically to prospective proposers. The RFP shall state the time and place at which the proposals will be received by LADWP. Proposals received after the time and date specified shall be returned and shall not be considered.

Sec. 8. At a minimum, the RFP shall include: (a) description of the services and items desired or the scope of work to be performed; (b) a statement of the evaluation criteria that will be used in evaluating proposals; and (c) a statement as to when and in what form costs or prices are to be submitted. In addition, the RFP may require that proposers submit: (i) relevant experience; (ii) qualifications; (iii) approach; (iv) risk assessment; (v) schedule; (vi) evidence of bonding capability; (vii) a listing of subcontractors/subconsultants or a selection plan for subcontractors/subconsultants that meets specified requirements and which is sufficient to ensure that fair practices are used in such selection; (viii) updated financial and other relevant information sufficient to provide evidence of financial ability to complete the work; and (iv) such other information as LADWP deems relevant and appropriate.

Sec. 9. The evaluation criteria shall be described in the RFP in a plan of evaluation that identifies the criteria and their relative importance to the proposed work or project. The criteria shall address, but not be limited to, a means to measure how well a proposal meets desired performance requirements and how the lowest ultimate cost will be determined.

Sec. 10. Proposals shall be opened and their contents secured to prevent disclosure during the process of negotiating with competing proposers. Adequate precautions shall be taken to treat each proposer fairly and to insure that information gleaned from competing proposals is not disclosed to other proposers. Except for the names of the proposers, information contained in the proposals, including price, shall not be disclosed until a recommendation for award is made to the Board.

Sec. 11. Contract award shall only be made to the responsible and responsive proposers whose final proposals are most advantageous to the City, except that the Board may reject any or all offers if rejection is in the best interest of the City. No award may be made to a proposer whose final proposal is higher as to the ultimate cost to the City (as defined in Charter Section 371), than any responsive proposal submitted. The Board shall document its findings regarding this determination.

Sec. 12. The Proposed Projects are subject to the California Environmental Quality Act (CEQA), Public Resources Code § 2100, et seq. In accordance therewith, LADWP, as lead agency, will conduct environmental reviews for all Proposed Projects and prepare the appropriate environmental documentation needed to evaluate and

disclose the potential environmental impacts associated with the construction and operation of the Proposed Projects. The Board shall retain its full discretion to make a determination regarding the Proposed Projects, including the selection of no project at all. The Board will review the CEQA analysis and make a determination pursuant to law. No Task Order Proposal for construction shall be awarded prior to the completion of CEQA compliance.


Sec. 13. Every 30 months following the award of the Mainline and Trunk Line Replacement contracts, LADWP will re-open the Request for Qualifications process to allow for the inclusion of additional design-build teams.

Sec. 14. The total amount of contracts to be awarded through these contracts will not exceed \$2.575 billion.

Sec. 15. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By   
ERIC ROSENBLATT  
Deputy City Attorney

Date 9-4-18

File No. \_\_\_\_\_

m:\proprietary\_occ\dwpl\eric rosenblatt\ml tl revised ordinance (final).docx

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, **by a vote of not less than two-thirds** of all its members.

CITY CLERK

MAYOR

\_\_\_\_\_

\_\_\_\_\_

Ordinance Passed \_\_\_\_\_

Approved \_\_\_\_\_