

ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to request to allow use of alternative delivery processes to award contacts for projects related to the Mainline Replacement Program, Trunk Line Replacement Program, Mid-Valley and Western District Operations and Maintenance Facilities, Water Quality Laboratory, and the Fairmont Reservoir Water Quality Treatment Facility.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. CONCUR with the Board of Water and Power Commissioners' (Board) action of February 13, 2018, Resolution No. 018-144, as amended, authorizing the use of alternative delivery processes to award contacts for projects related to the Mainline Replacement Program, Trunk Line Replacement Program, Mid-Valley and Western District Operations and Maintenance Facilities, water quality laboratory, and the Fairmont Reservoir Water Quality Treatment Facility.
2. PRESENT and ADOPT the accompanying ORDINANCE dated April 5, 2018 authorizing the Board to use the competitive sealed proposal selection process for award of contracts in conjunction with the use of alternative project delivery methods, and establishing criteria relating to such contracts for capital improvement projects related to the Mainline Replacement Program, Trunk Line Replacement Program, the Mid-Valley and Western District Operations and Maintenance Facilities, Water Quality Laboratory, and the Fairmont Reservoir Water Quality Treatment Facility.

Fiscal Impact Statement: The City Administrative Officer reports that approval of Resolution No. 018-144, as amended, and the accompanying Ordinance will not have a fiscal impact. However, the ensuing agreements, subject to separate City Council approval, may result in a cumulative expenditure not to exceed \$2.576 billion which is supported by the Los Angeles Department of Water Power's (LADWP) Water System Capital Budget for Fiscal Years 2017-18 through 2021-22. Resolution No. 18-044, as amended, complies with the LADWP's adopted Financial Policies. There is no impact to the City General Fund.

Community Impact Statement: None submitted.

Summary:

On April 17, 2018, your Committee Considered February 14, 2018 Board, December 18, 2017 CAO, and April 6, 2018 City Attorney reports along with Resolution No. 18-144, and Ordinance relative to request to allow use of alternative delivery processes to award contacts for projects related to the Mainline Replacement Program, Trunk Line Replacement Program, Mid-Valley and Western District Operations and Maintenance Facilities, water quality laboratory, and the Fairmont Reservoir Water Quality Treatment Facility. According to the Board, In order to address LADWP's aging infrastructure condition in a timely and expeditious manner while continuing to meet water quality goals and adhering to regulatory requirements, the use of Alternative Project Delivery (AD) is necessary. Some examples of AD are Construction Manager at Risk, Design-Build (DB), and Progressive Design-Build.

The Proposed Projects fall under the categories of the Mainline Replacement Program, Trunk Line Replacement Program, Mid-Valley and Western District Operations and Maintenance Facilities, Water Quality Laboratory, and the Fairmont Reservoir Water Quality Treatment Facility. In the traditional Design-Bid-Build method of project delivery, the LADWP bears majority of the risk and is more appropriate for simple construction projects. There are no contractual provisions which require collaboration between designer and builder during the construction phase. By involving the DB entity throughout design, the design and construction disciplines are contractually obligated to work together to complete a design that meets LADWP's constructability and budget objectives. The DB entity bears the risk for design completeness thereby reducing the need for change orders that can lead to significant budget increases, disputes and claims.

AD enables early collaboration between designer and builder, potential opportunities for streamlining project schedule, and selection of an entity that enables selection of the best value to the LADWP. AD contracts also facilitate innovation and provide for flexibility in the selection of design and construction methods. Proposals for task orders will be solicited by issuing a RFP to the approved contractors for design and construction activities. Proposed Projects will be located throughout the City and will integrate into the operations of the Water Distribution System. Timely completion of these Proposed Projects 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 critical LADWP Water System functions.

Evaluation criteria Will be described in each RFP in a plan of evaluation that iden evaluation factors and their relative importance to the proposed work or project. RFP may require that proposers submit:

- a. Relevant experience
- b. Qualifications
- c. Approach
- d. Risk assessment
- e. Schedule
- f. Evidence of bonding capability
- g. A listing of subcontractors or a selection plan for subcontractors that meets specified requirements, and which is sufficient to ensure that fair practices are used in such selection.
- h. Updated financial and other relevant information sufficient to . provide evidence of financial ability to complete the work.
- i. Such other information as LADWP deems relevant and appropriate.

After further consideration and having provided an opportunity for public comment, the

Committee moved to recommend concurring with the Board's February 13, 2018 action and approving the Ordinance as described above in Recommendation No. 2. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
MARTINEZ:	YES
KORETZ:	YES
KREKORIAN:	YES
CEDILLO:	ABSENT
O'FARRELL:	YES

ARL
4/17/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-