



RESOLUTION NO. 023 089

BOARD LETTER APPROVAL

ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: October 18, 2022

SUBJECT: Approval of Amendment No. 3 to Agreement No. 47424 with Simplar Sourcing Solutions, LLC – Term Extension for Strategic Procurement and Project Management Assistance

SUMMARY

The proposed Amendment No. 3 (Amendment) to Agreement No. 47424 (Agreement) with Simplar Sourcing Solutions, LLC (Simplar) will extend the term by four years and one month, from a term of five years and eleven months to ten years total; and update certain administrative provisions of the agreement. All other terms and conditions of the Agreement will remain unchanged.

Simplar has assisted LADWP in achieving short and long-term strategies for delivery of the Water System's capital projects by educating staff on the thinking, concepts, tools, and processes required for an efficient procurement and to become a "client of choice" in the vendor community. The Amendment is necessary to continue services supporting Water System capital projects, which have been delayed by unforeseen circumstances.

City Council approval is required under City Charter Section 373.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing approval of the Amendment to the Agreement with Simplar as required in Charter Section 373.

ALTERNATIVES CONSIDERED

The alternative to let the Agreement expire was considered. However, LADWP would lose contract support from Simplar on various projects currently in procurement and with future projects. In addition, not extending the contract would impact the knowledge transfer of Simplar's procurement methodology to internal staff, which includes educating staff on the Simplar procurement concepts, tools, and processes required to be considered a "client of choice" within the vendor community.

FINANCIAL INFORMATION

Amendment will extend the term of the Agreement by four years and one month, for a total term of ten years. The not-to-exceed amount of \$1,607,000 (budgeted) will remain the same.

BACKGROUND

The Board adopted Resolution No. 017 115 on December 6, 2016, which authorized the execution of the Agreement with Simplar for a term of one year with two one-year renewal periods, for an amount not-to-exceed \$992,000.

On April 23, 2019, the Board adopted Resolution No. 019 091, which authorized execution of Amendment No. 1 to extend the Agreement by two years and increased the contract amount by \$615,000 to \$1,607,000.

On January 11, 2022, the Board adopted Resolution No. 022 095, authorizing Amendment No. 2 to extend the term by 11 months.

Upon execution of Amendment No. 3, the effective date of this Amendment shall be the contract expiration date of Amendment No. 2, which expires on November 10, 2022.

Water Engineering & Technical Services (WETS) Division is utilizing Simplar's Best Value Business Model to enhance value and effectiveness of procuring services for major Water System capital projects. LADWP benefits from Simplar's model through more efficient procurement performance, increased transparency and removal of evaluator bias, reduced cost overruns, improved quality and performance of vendor services, and improved ability to measure and track vendor performance.

Simplar's Best Value Business Model has been used successfully on various Water System projects such as the Groundwater Remediation Project, the Mainline and Trunk Line Program, and the Fairmont Sedimentation Plant. There are other design-build projects that are also slated to use the Best Value approach including the Mid-Valley Water Facilities, Western District Yard, and Water Quality Lab.

Simplar has performed satisfactorily and received positive feedback from contract administrators in response to services provided in support of procurement processes.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report (CAO) was approved on October 11, 2022.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, approval of amendment to strategic procurement and project management assistance services is not subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Procurement Summary
- Resolution
- Amendment
- CAO Report