

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

CAO WA# 0220-05151-0441
Council File No. 18-0384
Council District - All

Date: April 7, 2023

To: Los Angeles City Council

From: Matthew W. Szabo, Chair 
Measure W - Safe, Clean Water Program - Administrative Oversight Committee

Subject: **TRANSMITTAL – RECOMMENDATIONS RELATED TO REQUEST FROM BUREAU OF SANITATION FOR AUTHORITY TO UTILIZE A COMPETITIVE SEALED-PROPOSAL METHOD FOR SAFE CLEAN WATER ALTERNATIVE CONTRACTING AND TO ESTABLISH ON-CALL DESIGN/BUILD CONTRACTS**

RECOMMENDATIONS

That the Council, subject to approval by the Mayor,

1. AUTHORIZE the Board of Public Works, Bureau of Sanitation (LASAN), on behalf of the Measure W – Safe, Clean Water Program, to utilize a competitive sealed-proposal method pursuant to Charter Section 371 for the award of on-call Design/Build construction contracts to be used for the Measure W – Safe, Clean Water Program for various projects;
2. REQUEST the Office of the City Attorney prepare and present an Ordinance allowing the Board of Public Works and its bureaus to utilize a competitive, sealed-proposal method for the delivery of projects in the Safe, Clean Water Program, and to subsequently establish and execute Design/Build contracts for the expeditious delivery of specific SCWP projects;
3. INSTRUCT LASAN to notify and present project(s) to the Measure W AOC, following establishment of the on-call lists and prior to proceeding with execution of an on-call contract for said project(s); and
4. AUTHORIZE the CAO and CLA to make technical corrections consistent with the Mayor and Council action on this matter.

SUMMARY

At its regular meeting on March 30, 2023, the Administrative Oversight Committee of the Measure W – Safe, Clean Water Program (Measure W AOC) considered a report from Los Angeles Sanitation and Environment (LASAN) dated March 20, 2023, regarding a request for

approval to establish and utilize Design/Build contracts for Safe, Clean Water Program projects, pursuant to a competitive, sealed-proposal method.

The Measure W AOC considered the request, supported the efforts to expedite and complete projects in the program and amended the recommendations, as outlined below, to require LASAN and other departments proposing to use the alternative contracting method present the respective projects for Measure W AOC consideration before proceeding. The amended recommendations below reflect the intent of the Measure AOC and are hereby transmit to Council for consideration.

FISCAL IMPACT STATEMENT

There is no anticipated fiscal impact to the General Fund resulting from the recommendations included in this report, as associated costs will be paid from budgeted funds from Measure W funds.

FINANCIAL POLICIES STATEMENT

The recommendations of this report comply with the City's Financial Policies in that expenditures of the special funds are limited to and within the mandate of the funding source.

Attachment – March 20, 2023 LASAN Report Requesting Safe Clean Water Alternative Contracting and Establishment of an On-Call Design/Build Contracts

MWS:PJH/JVW 10230117

FORM GEN. 160 (Rev. 11-02)

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date March 20, 2023

To: Measure W – Administrative Oversight Committee (AOC)
Matthew W. Szabo, City Administrative Officer
Sharon M. Tso, Chief Legislative Analyst
Ryan Jackson, Office of the Mayor

From: Michael Scaduto, P.E., ENV SP *Michael Scaduto*
Principal Engineer
Safe Clean Water Implementation Division
LA Sanitation and Environment

Subject: Safe Clean Water Alternative Contracting
On-Call Design/Build Contracts

RECOMMENDATION

- 1) That the AOC recommends that the City Council request the City Attorney to prepare and present an ordinance allowing the Board of Public Works and its Bureaus to utilize Design/Build contracts for the delivery of projects in the Safe, Clean Water Program, pursuant to a competitive, sealed-proposal method.

Background

The City recognizes the need to meet State regulations and the Federal Clean Water Act in order to improve water quality in the Los Angeles River, Santa Monica Bay, Ballona Creek, and the Dominguez Channel watersheds. The Los Angeles Regional Water Quality Control Board (Water Board) has promulgated 22 Total Maximum Daily Loads (TMDLs) regulating the discharges of trash, bacteria, nutrients, metals, toxic sediment, and other pollutants into the City's receiving waters and watersheds.

LA Sanitation and Environment (LASAN) has led the development of five Enhanced Water Management Programs (EWMPs) in collaboration with thirty other cities and agencies in local and regional watersheds to achieve compliance with the interim and final milestones, in which the implementation cost is expected to exceed \$7.2 billion over the next 25 years. Non-compliance with TMDL interim and final milestones may expose the City to third party lawsuits as well as fines and penalties from the State.

The City has been on the forefront of stormwater/watershed management programs for years. In 2004, the City voters approved Proposition O, which dedicated up to \$500 million to implement stormwater management and water quality improvement projects throughout the City; and, in 2018, with 69% support of the electorate, the voters of Los Angeles County approved Measure W, the Safe, Clean Water Program, which includes

an annual tax of \$0.024 per square feet of impervious area on parcels in Los Angeles County.

The Safe, Clean Water program generates approximately \$36 million per year for the City of Los Angeles through the Municipal Program, and Los Angeles County is administering the Regional Program, which provides competitive grant opportunities for additional stormwater projects. The goal of the Safe, Clean Water Program is to use the parcel tax to support multi-benefit stormwater projects and programs that improve water quality, increase water supply, and provide community benefits. These projects will also support access to local jobs and help meet environmental justice objectives for the City.

To ensure that the City is implementing projects to support compliance with the regulatory requirements and the pending TMDL compliance milestones, it is imperative that the most efficient and appropriate project delivery methods are utilized. Establishing a list of pre-qualified on-call design-build (DB) contracts, to be managed by LASAN, will allow the City to solicit proposals based upon feasibility reports that have been prepared as part of the funding application, and award the design and construction scope in a cost-effective manner that significantly reduces the overall project delivery schedule.

The City Charter permits the letting of contracts pursuant to a competitive sealed proposal method, in accordance with criteria established by ordinance adopted by at least two-thirds of the City Council (Section 371(b)). This process also allows for the use of DB or other appropriate project delivery systems when justified by the type of project and approved by the contracting authority. Typically, City Council approval for alternative contact delivery methods is provided for individual projects. Therefore, to ensure sufficient controls are implemented while providing flexibility to achieve schedule efficiencies, it is recommended that the pre-qualified on-call DB list can only be utilized for task orders up to \$20 million, adjusted annually based on the Consumer Price Index, which includes both the design and construction scope of services, unless City Council approval is provided for a project that exceeds this ceiling. In addition, only projects included in the Watershed Investment Strategic Plan will be authorized to be delivered using the pre-qualified on-call DB list, unless specifically approved by the AOC.

Further, to ensure that there are sufficient ongoing opportunities for design and construction firms to participate in the delivery of the SCW program, it is recommended that prior to executing any contract extensions with the original DB firms, there will be an opportunity for other DB firms to be added to the pre-qualified on-call list.

Upon City Council approval of the alternative project delivery ordinance, a Request for Qualifications will be prepared by LASAN and issued to DB firms. All firms that submit a Statement of Qualifications will be evaluated, and those that meet the required qualifications will be included in the proposed on-call list. Contracts with each firm will be presented for approval and execution to the Board of Public Works and City Council. Once the contracts are executed and the list of on-call DB contractors is approved, proposals will be solicited for individual projects. Upon evaluation and review of the

proposals, a report will be presented to the Board of Public Works, recommending award of the task order for each project. It is intended that any of the Bureaus that deliver projects for the Safe, Clean Water program will be able to utilize the list of pre-qualified on-call DB contracts.

In an effort to control costs, manage City-risk, and assure timely delivery of a high-quality product, LASAN proposes to utilize the DB delivery method for the Safe, Clean Water Program. Time is of the essence, and it is in the best interest of the City to expedite implementation of the Safe, Clean Water Program in order to meet water quality goals and regulatory compliance deadlines, and minimize risk to the City.

Therefore, it is recommended that the AOC recommend that the City Council request the City Attorney to prepare and present an ordinance allowing the Board of Public Works and its Bureaus to let DB contracts for the delivery of the Safe, Clean Water Program, pursuant to a competitive, sealed-proposal method.

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