



RESOLUTION NO. 0 23 244

BOARD LETTER APPROVAL

for

ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

ARAM BENYAMIN
Chief Operating Officer

MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: May 15, 2023

SUBJECT: Agreement No. 47729 for Owner's Agent – Fairmont Sedimentation Plant Project with Arcadis U.S., Inc.

SUMMARY

The proposed Agreement No. 47729 (Agreement) with Arcadis U.S., Inc. (Arcadis) is to engage an experienced Owner's Agent to provide a full range of expert professional engineering and consulting services in order to assist LADWP with the design and construction associated with the Fairmont Sedimentation Plant Project (Project). The Owner's Agent will elicit, evaluate, ascertain, document, represent, and carry out LADWP's interests through consultation with LADWP staff for a term of nine years with an option to extend by one year with a not-to-exceed amount of \$20,000,000 (budgeted). The Agreement is the result of a competitive process under Request for Proposal No. 90641.

The as-needed services may require, but are not limited to, assisting LADWP in overseeing and managing the design-build project, and providing engineering support, such as planning, analysis, designing, permitting, engineering, procurement, cost estimating, scheduling, construction review, and post construction activities.

City Council approval is required for this Agreement pursuant to Section 373 of the Los Angeles City Charter.

RECOMMENDATION

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

ALTERNATIVES CONSIDERED

The services to be performed under this Agreement require specialized knowledge in the design and construction of water treatment facilities. LADWP personnel do not currently possess this knowledge and hiring in house expertise is not achievable in the time frame required to design and construct the Project. Training is not feasible since it requires multiple, advanced, university-level courses, and several years of experience designing and operating various types of water treatment facilities.

Failure to award the Agreement will indefinitely delay the Project, which will result in the inability to improve source water quality for the Los Angeles Aqueduct (LAA) Filtration Plant.

FINANCIAL INFORMATION

The Agreement is for a term of nine years with an option to extend by one year and for an amount not-to-exceed \$20,000,000 (budgeted).

Typical costs for an Owner's Agent are between five and ten percent of the construction costs. The Project is estimated to be \$531,000,000. Cost for Owner's Agent services is in line with standard estimates.

BACKGROUND

Recently, the LAA provided 20 percent of the City of Los Angeles' total water supply by transporting water from the snows of the Sierra Nevada for more than 200 miles to Southern California. Treatment of the LAA water is currently being addressed in a two-step process: (1) Pretreatment at Cottonwood Treatment Plant, and (2) Final Treatment at LAA Filtration Plant. This current treatment strategy is approaching its operational limits. The construction of the Project will eliminate the need to operate the Cottonwood Treatment Plant and improve operational flexibility of the LAA Filtration Plant by improving source water quality.

Under the Agreement, Arcadis will provide a full range of professional engineering and consulting services in order to assist in the planning, design, alternative delivery evaluation and oversight, commissioning, permitting, close out, and operations support of the Project. Deliverables will include treatment alternatives evaluation; hydraulic performance evaluation; and evaluation of cost management, schedule management, and risk management.

The Project is targeted for completion in May 2029. However, it is anticipated the Owner's Agent may also provide guidance to LADWP while the initial startup, operation, and maintenance of the Project are happening to help address issues that may arise. Therefore, a 10-year duration for the Owner's Agent is desired.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report (CAO) was approved on December 15, 2022.

The Notice of Compliance (NOC) for Contracting Out was reissued on March 29, 2023. The NOC was revised to clarify that Appendix B overtime would apply in circumstances when LADWP staff is not available and the contractor performs bargaining unit work.

ENVIRONMENTAL DETERMINATION

Determine item is in compliance with the California Environmental Quality Act (CEQA) Guidelines Sections 15070-15075 (MND adopted on September 5, 2018). In accordance with CEQA, a Mitigated Negative Declaration (MND) was prepared to analyze the impacts associated with the construction and operation of the Project. On September 5, 2018, the Board adopted the MND and Mitigation Monitoring and Reporting Program, and approved the Project.

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
- CAO Report

PROCUREMENT SUMMARY

1.	Recommended Vendor: Arcadis U.S., Inc. (Arcadis)
2.	Procurement Type: Request for Proposal (RFP) No. 90641
3.	Procurement Details: A. Contract Status: New B. Bid Advertisement Date: 1/28/2022 C. Pre-Bid Conference Date: 2/10/2022 D. Bid/Proposal Due Date: 3/31/2022 E. Number of Downloads of Solicitation: 78* (prime consultants and subconsultants) F. Number of Proposals Received: 2 G. Protest Received: No
4.	Buyer Assigned: Joelle Morisseau-Phillips
5.	Contract Administrator: David Christensen
6.	LADWP System/Division: Water System/Water Engineering Technical Services
7.	Contact Person for Item: Priscilla Gonzalez

* Downloads do not necessarily accurately reflect unique vendor interests as multiple individuals in an organization can download solicitations.

A. Evaluation Rating Summary of Proposals

Criteria	Maximum Score	Arcadis	Hazen and Sawyer
SBE/DVBE Participation	Pass/Fail	Pass	Pass
Financial Resources and Responsibility	Pass/Fail	Pass	Pass
Compliance with Minimum Requirements	Pass/Fail	Pass	Pass
Compliance with Mandatory Requirements	Pass/Fail	Pass	Pass
Proposer's Qualifications and Experience	20%	18.40	17.20
Past Performance Questionnaire	5%	5.00	4.90
Organizational/Management Approach to Work	10%	9.00	8.00
Qualifications of Key Personnel	20%	18.00	18.80
Technical Approach & Task Proposal Exercise	15%	14.10	11.70
Compliance Matrix to Technical Requirements	5%	4.7	4.80
Fee Schedule	25%	19.39	23.30
Evaluation of Written Proposal Total	100%	88.59	88.70
Local Business Preference Program	Up to 12%	8.00	4.00
Total Evaluated Score	112%	96.59	92.7

B. Evaluation of Proposal

Two proposals were received in response to RFP No. 90641. Each proposal was evaluated based on the firms' qualifications and experience, qualifications of key

personnel, technical approach and fee. Based on the aforementioned criteria, Arcadis was determined to be best qualified to perform the work.

The recommended fee schedule has been determined to be fair and reasonable based on a comparison to representative sample of labor classifications' hourly rates; comparison to the cost estimate; and comparison to similar Owner's Agent contract rates.

The limited number of proposers could be caused by the limited number of consultants with experience in the design of large-scale water treatment facilities and with the progressive design-build delivery method of the Project.

The Vendor Authentication Unit conducted a review of Arcadis and no issues were found.

C. Procurement History

There is no contract history for these services.

Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 10 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
47570H	Enterprise Technology Advisory Service	5 years	04/13/2020	04/12/2020	\$75,000,000*
47591A	Water Quality Professional & Technical Services for Evaluation of Advanced Emerging Technology	5 years	06/15/2020	06/14/2025	\$5,000,000*
47366A	Professional and Technical Engineering & Architectural Design Services	5 years, 11 months	06/17/2016	05/16/2022	\$60,000,000*

*Contract amount is the cumulative contract amount for Agreement Nos. 47591A-D, Agreement Nos. 47570A-K and Agreement Nos. 47366A-F.

D. Local Business Preference Program (LBPP)

The LBPP was included in this RFP. Arcadis is a certified local business enterprise and was awarded the Agreement because of the Local Business Preference of eight percent.

E. Additional Outreach Efforts Taken

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

- RFP No. 90641 was posted on the LADWP and City of Los Angeles Business Assistance Virtual Network websites.

Research was conducted for firms with expertise and emails were sent to inform them of the opportunity.

- A pre-proposal meeting was conducted virtually via WebEx on February 10, 2022. Representatives from fifteen firms were in attendance.

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

Arcadis met the contract specific SBE/DVBE participation requirement of 12 percent and committed to an overall SBE/DVBE participation of 12 percent.

SBE SUBCONTRACTING

Name	Description of Work	Dollar Amount	%
Beyaz & Patel, Inc.(MBE)	Structural Engineering and Design	TBD	1.0
Diaz Consultants, Inc. dba Diaz Yourman & Associates (MBE)	Geotechnical Engineering	TBD	1.0
Paul Hansen Engineering, LLC	Scheduling, Cost Estimating, CM Support, Contract Admin Support	TBD	7.0
Water Quality & Treatment Solutions, Inc.	Water treatment evaluation and design review	TBD	3.0
SBE Total:			12%

OBE SUBCONTRACTING

Name	Description of Work	Dollar Amount	%
Brown and Caldwell	DB Procurement, architect, and civil support	TBD	20%
Hilts Consulting Group, Inc.	Civil and Structural Engineering	TBD	1%
Schnabel Engineering West, Inc.	Hydraulic Design Review and Risk Management	TBD	1%
OBE Total:			22%

DVBE: None

MBE: None

WBE: None