

January 19, 2016

Utilities Large On-Call Professional Services Agreements Questions and Answers – Frequently Asked Questions

Is use of on-call contracts a new contracting practice for the City of Bellevue?

No, use of on-call contracts is a common practice across City departments. Currently, many City departments use on-call contracts including Job Order Contracting (JOC) for a variety of services including maintenance, architectural, geotechnical, survey, permitting, environmental, and design, to name a few. Large on-call contracts are used by many public agencies both locally and nationally, including the City of Seattle, King County, Pierce County, WSDOT, and Everett. The City's use of on-call contracts follows the City's Guide to Procurement policies.

Are these on-call contracts different than on-call contracts that have been used in the past?

These on-call contracts are only different from previously used on-call contracts by Utilities in terms of their scale. Whereas previous on-call contracts by Utilities have ranged between \$50,000 and \$650,000, these on-call contracts for Utilities will have dollar values of \$5 million total each over the three year term. These larger contracts are similar in scale to the City's job order contracting program. The JOC contract was renewed in August of 2015 for \$4 million per year for two years with an option to extend one additional year (\$8 - \$12 million contract limit). From a contracting standpoint, use of these on-call contracts by Utilities is in accordance with previously used on-call contracts in nature and use.

How was the dollar value of the on-call contracts determined?

Utilities evaluated projected CIP costs for the next 3 years and determined that consultant costs in the three funds will be approximately \$5 million each in the Water, Sewer, and Stormwater Funds. The contract limits for each of the contracts has been set at \$5 million so that one firm could perform all of the expected work in each fund, if necessary. At no time will the Utility exceed the Council authorized budgetary amount within each fund.

Will the use of on-call contracts reduce competition?

No, the City will have access to a total of 73 firms through the 6 on-call contracts. Many of the firms the Utility has contracted with over the past eight years will be under

contract through this process either as Prime firms (direct contract) or sub-consultants (contracted to the Prime).

How long will the on-call contracts last?

The on-call contracts will have a duration of three years, with an option for a one year extension. The extension will provide the flexibility to ensure that multi-year design work assigned in the third year can be completed.

How were the six on-call consultant teams selected?

The City executed an open, highly competitive selection process to select the 6 on-call consultant teams. An open house was held prior to advertisement of the RFQs and a total of 122 consultants attended. A total of 22 consultant teams, representing well in excess of 100 firms responded to the request for qualifications. The City interviewed 15 of the 22 consultant teams and evaluated them based on their project management capabilities, technical expertise, and past performance. The competitive process resulted in the selection of the 6 most qualified teams.

Will all Utilities consulting work be limited to the six contracts?

No, the City reserves the right to procure a consultant competitively outside of the on-call contracts should a specialized discipline or project require expertise not covered by the on-call contracts.

How will work be assigned to the consultant teams?

Work will be assigned based on the City's evaluation of team capabilities, availability, and total assigned work. While not guaranteed, we expect a balance in work between the on-call teams over time. This will be a metric used when assigning work under the contracts. All contract work will be tracked using a SharePoint tool to allow real-time reporting on contract usage. Controls will be built into the system to require Section Manager and/or Assistant Director approval to assign work.

Will Council have an opportunity to provide input on the assignment of work to the consultant teams?

Each quarter Utilities will provide Council with a report of work assigned under the contracts and anticipated work to be assigned in the next quarter. Council will have an opportunity to provide input that will be considered in future work assignments.

Expenditures on the contracts are limited by the budgetary spending authority appointed to the Utilities Department by Council's adopted budget.

Are Bellevue Companies getting a share of the work?

Yes, 11 Bellevue firms are included in the contracts:

- Prime Consultants
 - CH2M HILL
 - Jacobs Engineering Group
 - Stantec Consulting Services
- Sub Consultants
 - CHS Engineers
 - Core Design
 - HDR Engineering
 - KBA
 - MN Rendering Services and Animation
 - MWH
 - Osborn Consulting
 - Roland Resources

What are the benefits of using on-call contracts?

- Provides readily available technical expertise: Utilities will have ready access to a highly qualified and diverse pool of consultants.
- Maximizes staff efficiency: The number of consultant contracts that are executed will be reduced from approximately 60 to only 6 over a 3 year period. This will save approximately 5,000 labor hours, over the 3 year period, enabling Utilities to meet the annual CIP workload without hiring new staff.
- Encourages competition: – Two consultant teams have been selected to perform work within the 3 Utility Funds (Sewer, Storm, and Water). Each team will be in continuous competition for on-going work.
- Provides contracting redundancy: The contract limits for each of the two teams have been set up with enough funding that one firm could perform all of the expected work if needed.
- Reduces contracting time: Use of on-call contracts will significantly reduce the time to engage consultants on work.