

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 9054 authorizing execution of a professional services agreement with Stantec Consulting Services, Inc. for Utilities Large On-Call Professional Services Water Contract (2016-2018) – for engineering and other associated services related to water utilities, in an amount not to exceed \$5,000,000.

FISCAL IMPACT

This contract authorizes the City to spend up to \$5,000,000 in accordance with authorized budgetary authority. This expenditure is included in the 2015-2021 Adopted CIP and will be fully funded through various Utility CIP projects and Water Operating Funds in the bi-annual Council approved budgets. The use of on-call for engineering and other associated services related to water utilities will be monitored to ensure compliance with authorized spending authority.

STAFF CONTACT

Nav Ota, Director, 452-2041

Paul A. Bucich, Engineering Assistant Director, 452-4596

Utilities Department

POLICY CONSIDERATION

Utility Department policies:

- The Utility shall provide domestic water to utility customers in sufficient quantity to meet peak hour demands and at a pressure that meets or exceeds applicable regulations.
- The Utility shall invest resources as necessary to construct, maintain and renew water system infrastructure and equipment such that Utility customers are provided consistent, reliable service, except during maintenance activities. Where practicable, the distribution system shall have operational redundancy. Connections with adjacent water systems should be encouraged to improve reliability and reduce vulnerability to loss of water service or improve distribution capability.

City Comprehensive Plan policies:

- Base the extension and sizing of system components on the land use plan of the area. System capacity will not determine land use.

Utilities Department practice:

- It is the Utilities Department's long-standing practice to use outside consulting services when existing Utility resources are not available or sufficient to complete a project. This contract is consistent with this practice.

City contracting policies:

- The City's procurement policy, updated January 1, 2015, supports open, fair, and transparent procurement of services in accordance with the City Code and state law. Because the amount of this contract exceeds \$90,000, Council approval is required.

BACKGROUND

This professional services agreement with Stantec Consulting Services, Inc. will provide on-call engineering services for Water Utility projects from 2016 through 2018. The Stantec Consulting team

includes 11 sub-consultants with a highly qualified and diverse pool of staff at our disposal over the next three years. This contract is one of two on-call contracts providing water professional services. This contract will cover all services for CIP projects including preliminary engineering, design, and construction support. In addition, the consulting team will be available for professional services such as hydraulic modeling, inspection services, or environmental permitting.

Process Improvement through On-Call Contracting

Future CIP budgets are programmed to increase each year due to aging infrastructure, as has been presented to Council through the bi-annual budget process. In response to the increasing CIP needs, Utilities has added resources and modified the annual budgets to be in better alignment with project construction schedules, however, additional process improvement is required. Improving our consultant contracting process will enable the Utility to better meet the projected CIP program needs.

Use of on-call contracts is a common practice across City Departments and many public agencies across the state (e.g., King County, City of Seattle, Pierce County, WSDOT and Sound Transit). By using the large on-call consultant contracting process, the total number of contracts executed between 2016 and 2018 will be reduced from 60 down to just 6. The selection process will result in two teams per utility discipline (i.e. water, sewer, storm drainage). The corresponding savings in staff time will be over 5,000 hours over the three years enabling Utilities to deliver a higher CIP workload without hiring new staff. The use of on-call contracts will enhance the level of consulting expertise available to the Utility and will encourage high quality service through competition.

Assignment of Work through On-Call Contracting

Through the on-call contracts for Water, the City will have access to a total of 34 firms with expertise in water engineering. Work will be assigned to firms 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 on-call contract does not guarantee that the consultant will receive a specific volume of work or a specific total contract amount. It is structured as pricing agreements for the specific hourly rates, terms and conditions. Should future budget updates reduce or eliminate funding for these services, the City can cancel the contract.

Utilities will provide Council with quarterly reports of project work performed under this on-call contract, similar to a process Finance followed previously with Council. Reports will include description of work assigned, dollar amounts of each assignment, total contract commitments, and anticipated work to be assigned in the next quarter. Additional information concerning consultant work can be made available at any time through the progression of this contract. Council will have an opportunity to provide input that will be considered in future work assignments.

Competitive Selection Process

A request for qualifications for Water On-Call Engineering Services was released on September 21, 2015. All engineering consultants on the City's roster were notified and advertisements were published in *Contract and Careers, Inc.*, *The Seattle Times*, and *The Daily Journal of Commerce* on September 21 and September 28, 2015.

The following 7 firms submitted Statement of Qualifications (SOQs) on October 16, 2015:

- BHC Consultants, LLC

- Carollo Engineers, Inc.
- Gray & Osborne, Inc.
- Kennedy/Jenks Consultants
- Murray, Smith & Associates, Inc.
- RH2 Engineering, Inc.
- Stantec Consulting Services Inc.

A selection team consisting of 8 individuals from Utilities Director's Office, Design Division, Inspection Division, and Maintenance and Operations Division reviewed the SOQs and short listed the top consulting teams for interviews during the week of November 2, 2015. Following the interviews, the selection team met on November 19, 2015, and selected the two most qualified consulting teams (Murray, Smith & Associates, Inc. and Stantec Consulting Services, Inc.) based on team consensus using SOQ and interview results. Primary areas of evaluation were:

- The consulting team's use of project management best practices as prescribed by the Project Management Institute, or an acceptable alternative.
- The project management experience and credentials of key consultant staff.
- Technical expertise and depth of experience of key consultant staff in 38 primary disciplines and 21 ancillary disciplines.
- The consulting team's pertinent project background highlighting its qualifications. This included relevant information about the listed projects, such as scale/scope of highlighted projects, challenges, and notable successes. The consultants provided documentation demonstrating preparation of clear and complete contract documents: adherence to original scope, schedule and budget, and reasons for changes if any; and minimal design-related issues and change orders during construction. The projects were categorized into 4 major work areas; Water Distribution System Design, Pump Station Design, Reservoir Design, and System Planning.

Based on the above information presented in the SOQs and interviews, Stantec Consulting Services demonstrated that their team possessed great depth of staff expertise, and that they had a history of exceptional performance on projects similar to the work expected to take place under the large on-call contract. The Stantec Consulting Services team included support from a total of 12 firms including HDR Engineering, Inc., Northwest Corrosion Engineering, and Golder Associates.

As required by state law relating to contracts for architectural and engineering services, the City selects the consultant deemed to be the most highly qualified for a given project. State law precludes using cost as a basis for selection of engineering firms.

EFFECTIVE DATE

If adopted, this Resolution will become effective immediately.

OPTIONS

1. Adopt the Resolution authorizing execution of a professional services agreement with Stantec Consulting Services, Inc. for Utilities Large On-Call Professional Services Water Contract (2016-2018) – for engineering and other associated services related to water utilities, in an amount not to exceed \$5,000,000.
2. Do not adopt the Resolution and provide alternative direction to staff.

RECOMMENDATION

Option No. 1.

MOTION

Move to adopt Resolution No. 9054 authorizing execution of a professional services agreement with Stantec Consulting Services, Inc. for Utilities Large On-Call Professional Services Water Contract (2016-2018) – for engineering and other associated services related to water utilities, in an amount not to exceed \$5,000,000.

ATTACHMENTS

FAQ Responses

Proposed Resolution No. 9054

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

Consultant Contract