CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a professional service agreement with Jacobs Engineering Group, for Utilities On-Call Professional Services (2020-2022) for Water, Sewer and Stormwater, in an amount not to exceed $7,000,000, plus all applicable taxes.

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Utilities Department

EXECUTIVE SUMMARY

This Resolution authorizes the execution of an agreement with Jacobs Engineering Group for Utilities On-Call Professional Services (2020-2022) for Water, Sewer, Stormwater. The City intends to enter into similar agreements with four other consultants. This suite of on-call contracts will provide professional engineering and related services needed for development and delivery of Bellevue Utilities drinking water, sewer and stormwater capital projects.

RECOMMENDATION

Move to adopt Resolution No. 9729

BACKGROUND/ANALYSIS

Utilities Capital Investment Program
Bellevue Utilities (Utilities) delivers capital investment projects to support the delivery of drinking water, sewer, and stormwater utility services. Our current adopted 7-year Capital Investment Plan (CIP) for 2019-2025 includes over 90 projects to replace or rehabilitate aging infrastructure, provide capacity for growth, protect the environment and enhance customer service. Typical projects in our three utilities include replacement or rehabilitation of pipes, pump stations, and reservoirs, seismic mitigation projects, stormwater management facilities and stream restoration projects. These projects will require professional engineering work in the areas of civil, electrical, environmental, geotechnical, mechanical and structural engineering.

Use of On-Call Professional Services Contracting
On-call contracting for professional engineering services has been widely used by state, county and municipal agencies in Washington for many years. This contracting method involves the procurement of on-call contracts with prime consulting firms who have many sub-consultants; the resulting teams have expertise to deliver services in a broad range of engineering and related disciplines. On-call contracts do not guarantee that the consultants will receive a specific volume of work or a specific total contract amount, but are instead structured agreements for pricing of hourly rates to perform specified work tasks and include description of project delivery requirements and contractual terms and conditions.

In 2016, Utilities implemented six on-call professional engineering contracts, with a maximum contract capacity of $5 million each. These contracts have met the department’s need for professional engineering and related services to deliver our capital projects in a more efficient, cost effective, and timely manner by providing for the work on specific capital projects through project work assignments.

Staff then developed and implemented the necessary program management work processes to ensure that: 1) the maximum on-call contract amount is not exceeded over the duration of the contract, 2) project work assignments are appropriately distributed between the on-call consultant teams, and 3) each project work assignment is carefully managed, with quality control practices at multiple levels in the department, to ensure quality in scope, schedule, and cost delivery. We plan to continue to use these program management work processes into the future. Between 2016 and the present, the use of these on-call contracts as an efficiency improvement has been highly successful.

Because these existing contracts will expire at the end of 2020, Utilities implemented a robust procurement process in August through December 2019 to establish a new set of on-call contracts. As we have utilized the existing contracts over the past several years, we identified a need for both large and specialty on-call professional services. While the large on-call contracts, with prime and sub-consultants, provide services in a broad range of subject areas, the specialty on-call contracts will cover four specific areas: es are in specific specialty areas: 1) Public Outreach and Engagement, 2) Construction Management, 3) GIS, Mapping and Survey, and 4) Environmental Services. These contracts will be for lower contract values and will be brought to City Council in the near future.

The proposed contract amount for the new large on-call contracts is $7 million each, with a duration of three years with an opportunity to extend for an additional two years. Also, in order to support the advancement of Bellevue's Diversity Advantage Plan, Utilities has incorporated a new subcontracting goal into our proposed on-call contracts; this goal is 15 percent utilization of MWDBE (Minority, Women, Disadvantaged Business Enterprises) subcontracts by the prime consultant on an annual basis.

The procurement process utilized for the large and specialty on-call contracts is described as follows.

Competitive Selection Process

Bellevue Utilities conducted an information meeting on August 16, 2019, to give advance notice to the consultant community about our procurement process, before formally advertising the request for qualifications (RFQ) for on-call professional services. Staff encouraged small businesses to network with larger businesses at this meeting and approximately 80 consultant representatives participated in this event. Subsequently, the RFQ for these on-call professional services was released on August 28, 2019. All engineering consultants on the City's roster were notified and advertisements were published in The Seattle Times and The Daily Journal of Commerce on August 28, 2019 through September 3, 2019.

The following seven prime consultant firms submitted Statements of Qualifications (SOQs) for the large on-call contracts on September 20, 2019:

- Brown and Caldwell
- CDM Smith
- HDR Engineering
- Jacobs Engineering Group
- Murraysmith
- Stantec
- Tetra Tech

A selection team consisting of seven individuals from the Utilities Director's Office, Engineering Division, and Resource Management/Customer Service Division reviewed the SOQs and short listed the top consulting teams for interviews during the week of October 21, 2019. Following the interviews, the selection team met on October 25, 2019, and selected the five most qualified consulting teams, which are: Brown and Caldwell, HDR Engineering, Jacobs Engineering Group, Murraysmith, and Tetra Tech. The primary areas of evaluation were:

- Consultant's demonstrated understanding of the scope and purpose of the on-call services contracts;
- List of proposed subconsultants and the team's MWDBE Inclusion Plan to support the Utilities' goal of 15 percent MWDBE utilization;
- Qualifications and experience of key personnel expected to lead and participate in the on-call work and description of roles/responsibilities of prime and subconsultant team members on past projects related to the potential on-call project assignments;
- The consulting team's knowledge and use of project and program management best practices;
- Technical expertise and depth of experience of key consultant staff in 50 primary disciplines and 35 ancillary disciplines;
- Consultant team's approach to system and project planning, alternatives analysis, design, construction management and inspection as well as additional services such as financial analysis, operations support, and asset management; and
- The consulting team's pertinent project experience and background highlighting its qualifications. This included relevant information about the listed projects, such as scale/scope of highlighted projects, challenges, and notable successes.

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

Assignment of Work through On-Call Contracting

Through the large on-call contracts for water, sewer, and stormwater utilities, the City will have access to these five prime consultant firms and their subconsultants with comprehensive expertise in professional engineering and related services. Work will be assigned to firms based on the City's evaluation of the following criteria:

- Qualifications of proposed team members in the needed disciplines for the project
- Availability of staff to meet the desired project schedule
- Balanced distribution of work between the consultant teams
- Team responsiveness
- Quality of work products
- Effective project management to meet scope, schedule and budget commitments
- Effective communications and coordination with City staff
- Demonstrated utilization of subconsultants on previous work assignments, including utilization of MWDBE subconsultants towards the 15 percent annual utilization goal

Professional Services Agreement with Jacobs Engineering Group
Based on the information presented in the SOQs and interviews, Jacobs Engineering Group 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 on-call contract.

The attached Professional Services Agreement with Jacobs Engineering Group includes 19 sub-consultants with a highly qualified and diverse pool of staff at our disposal over the next three to five years.

POLICY & FISCAL IMPACTS

Policy Impact
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 policies: The Utility shall invest resources as necessary to construct, maintain and renew water, sewer, and stormwater system infrastructure and equipment such that Utility customers are provided consistent, reliable service.

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.

Bellevue City Code 4.28.030: The City's procurement policy supports open, fair, and transparent procurement of services in accordance with the City Code and state law. Because of the amount of this contract, Council approval is required.

Fiscal Impact
This contract authorizes the City to spend up to $7,000,000, plus all applicable taxes. This expenditure is included in the 2019-2025 Adopted Capital Investment Plan (CIP) and will be fully funded through various Utility CIP projects and Water, Sewer, and Stormwater Operating Funds in the bi-annual Council approved budgets. The use of on-call contracts for engineering and other associated services to deliver Utilities capital projects will be monitored to ensure compliance with authorized spending authority.

OPTIONS

1. Adopt the Resolution authorizing execution of a professional service agreement with Jacobs Engineering Group, for Utilities On-Call Professional Services (2020-2022) for Water, Sewer and Stormwater, in an amount not to exceed $7,000,000, plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 9729

AVAILABLE IN COUNCIL LIBRARY

Modified Professional Services Contract