

**CITY COUNCIL REGULAR SESSION**

Resolution authorizing execution of a professional service agreement with KBA Inc. for Utilities Specialty On-Call Professional Services (2020-2022) for Water, Sewer and Stormwater - Construction Management and Inspection in an amount not to exceed \$1,500,000, plus all applicable taxes.

Nav Ota, Director, 452-2041

Linda De Boldt, Assistant Director of Engineering, 452-4625

*Utilities Department*

**EXECUTIVE SUMMARY**

This Resolution authorizes the execution of an agreement with KBA Inc. for construction management and inspection services to support and augment the work of Bellevue Utilities internal staff in these disciplines, in order to deliver Utilities capital investment projects and programs.

**RECOMMENDATION**

Move to adopt Resolution No. 9778

**BACKGROUND/ANALYSIS****Utilities Capital Investment Program**

Bellevue Utilities (Utilities) delivers capital investment projects and programs 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 services in construction management and inspection, to assist and augment the capacity of Utilities staff in the performance of their work.

**Use of On-Call Professional Services Contracting**

On-call contracting for professional services has been widely used by state, county and municipal agencies in Washington for many years. On-call contracts do not guarantee that 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 large on-call professional engineering contracts, with a maximum contract capacity of \$5 million each. As we have utilized those contracts over the past several years, we identified a need for both large on-call 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: 1) Public Outreach and Engagement, 2) Construction Management and Inspection, 3) Survey, Mapping and GIS, and 4) Environmental Services.

On-call contracts in these specialty areas will meet the department's need for professional services to augment the resources of City staff to deliver our capital projects in a more efficient, cost effective, and timely manner. These on-call contracts will provide for consultant support through project work assignments. A robust program management system was put in place for the original on-call contracts and will be refined and utilized for the new on-call contracts. This will 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.

To select the most qualified consultants for our specialty on-call contracts, Utilities implemented a robust procurement process in August through December 2019.

### **Competitive Selection Process**

Bellevue Utilities conducted an informational 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 consultant firms submitted Statements of Qualifications (SOQs) for the specialty on-call contracts for construction management and inspection on September 20, 2019:

- AECOM
- David Evans and Associates
- KBA
- Perteet

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 selected KBA as the most qualified consulting firm to perform this specialty area of work. The evaluation criteria used included:

- Qualifications and experience of key personnel expected to lead and participate in the on-call work;
- 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 construction management; and
- The consulting team's pertinent project experience and background

### **Professional Services Agreement with KBA**

Based on the information presented in the SOQs, KBA 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 proposed contract amount for this specialty on-call contract with KBA is for \$1,500,000 and will have a term of three years with an opportunity to extend for an additional two 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 \$1,500,000, 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 KBA, Inc. for Utilities Specialty On-Call Professional Services (2020-2022) for Water, Sewer and Stormwater - Construction Management and Inspection in an amount not to exceed \$1,500,000, plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

Proposed Resolution No. 9778

**AVAILABLE IN COUNCIL LIBRARY**

Modified Professional Services Contract