



# OPERATIONS COMMITTEE

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## Agenda Report

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**File #:** 2021-1433

**Agenda Date:** 4/7/2021

**Agenda Item No:** 7.

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**FROM:** James D. Herberg, General Manager  
Originator: Kathy Millea, Director of Engineering

**SUBJECT:**

**HEADQUARTERS COMPLEX AT PLANT NO. 1, PROJECT NO. P1-128A**

### GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Professional Services Agreement with AECOM Technical Services, Inc. to provide construction management, testing, and inspection services for Headquarters Complex at Plant No. 1, Project No. P1-128A, for an amount not to exceed \$6,750,000; and
- B. Approve a contingency of \$675,000 (10%).

### BACKGROUND

Headquarters Complex at Plant No. 1, Project No. P1-128A, will construct a new Headquarters Building on the north side of Ellis Avenue to house approximately 350 staff as well as Board and public meeting spaces. Surface parking and a pedestrian/utility bridge over Ellis Avenue to Plant No. 1 are also included in the project.

The Orange County Sanitation District (OC San) manages its many construction contracts using its own staff, supported by a Supplemental Engineering and Support Services Agreement to handle peaks and to provide specialized engineering support. This approach ensures consistent and professional construction management of a wide range of projects. The construction management teams include construction managers, inspectors, cost estimators, schedulers, and administrative staff. Currently, 41 OC San staff and 13 Supplemental Engineering and Support Services employees are performing construction management full time.

### RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- California Government Code §4526: Select the "best qualified firm" and "negotiate fair and equitable fees"

## **PROBLEM**

Construction of the Headquarters Complex will last two and a half years and will require the equivalent of approximately six full-time staff for construction management. The work will involve construction, codes, trades, and specialties not typically involved with the construction of wastewater treatment and conveyance projects. The involvement of professionals experienced with office building construction is important to make cost-effective decisions during construction.

These professionals could be made available through the Supplemental Engineering and Support Services Agreement, but that agreement will expire approximately six months before construction is completed. That could require replacement of the construction management team at a critical time in the project.

## **PROPOSED SOLUTION**

Award a Professional Services Agreement to provide construction management, testing, and inspection services for Headquarters Complex at Plant No. 1, Project No. P1-128A. This contract will provide the requisite resources and expertise to provide oversight and management of the construction of this new facility.

## **TIMING CONCERNS**

The construction contract for the Headquarters Complex is expected to be awarded in May and construction is scheduled to start in June 2021.

## **RAMIFICATIONS OF NOT TAKING ACTION**

Without a dedicated Construction Management firm, the role would need to be staffed through the Supplemental Engineering and Support Services Agreement, which will expire prior to construction completion. Existing specialty inspection and materials testing contracts are insufficient to complete this work.

## **PRIOR COMMITTEE/BOARD ACTIONS**

March 2019 - The Headquarters Complex Ad Hoc Committee endorsed staff's recommendation to use the existing staff augmentation contract with Jacobs Engineering to provide third-party engineering design support and construction management services for the Headquarters Complex as needed.

November 2018 - The Headquarters Complex Ad Hoc Committee provided direction to staff to consider hiring a third-party Construction Management firm to oversee the project.

## **ADDITIONAL INFORMATION**

In early 2019, construction was scheduled to be completed before June 2023, when the Supplemental Engineering and Support Services Agreement expires. At the March 4, 2019 Headquarters Complex Ad Hoc Committee meeting, the Committee endorsed staff's recommendation to utilize that contract to provide construction management services for this project.

Challenges in obtaining approval from the City of Fountain Valley delayed the project so that construction will not be completed until late 2023.

Consultant Selection:

OC San requested and publicly advertised for proposals for construction management services relating to Headquarters Complex at Plant No. 1, Project No. P1-128A, on November 5, 2020. The following evaluation criterion were described in the Request for Proposals (RFP) and used to determine the most qualified Consultant.

CRITERION	WEIGHT
Project Understanding and Approach	40%
Related Project Experience	25%
Project Team and Staff Qualifications	35%

Seven proposals were received on December 23, 2020 and evaluated in accordance with the evaluation process set forth in OC San's Purchasing Ordinance No. OCSD-52 (Purchasing Ordinance) by a pre-selected Evaluation Team consisting of OC San staff: Senior Engineer (Project Manager, non-voting), Construction Inspection Supervisor, Engineering Supervisor, and Engineering Manager. The Evaluation Team also included one voting representative from the Orange County Water District (GWRS Program Manager), one non-voting representative from the Contracts Administration Division, and one non-voting technical advisor from Jacobs Engineering.

The Evaluation Team scored the proposals on the established criterion as summarized in the table below:

	Proposer	Project Understanding and Approach (Max. 40 Points)	Related Project Experience (Max. 25 Points)	Project Team and Staff Qualifications (Max. 35 Points)	Total Score (Max. 100 Points)
1	ARCADIS U.S., Inc.	31	18	25	74
2	AECOM Technical Services, Inc.	29	19	25	73
3	Vanir Construction Management	28	20	23	71
4	Hill International	28	14	25	67
5	Griffin Structures	27	16	23	66
6	The Austin Company	23	14	23	60
7	Project Management Advisors	18	11	14	43

Following scoring, the five highest-scoring firms were invited for interviews. The interviews were conducted on January 28 and February 4, 2021. After the interviews, the Evaluation Team determined the highest-scoring proposer based on both the written proposal and the interview. Below is the summary of the final scores.

	<b>Proposer</b>	<b>Project Understanding and Approach (Max. 40 Points)</b>	<b>Related Project Experience (Max. 25 Points)</b>	<b>Project Team and Staff Qualifications (Max. 35 Points)</b>	<b>Total Score (Max. 100 Points)</b>
1	AECOM Technical Services, Inc.	33	21	28	82
2	ARCADIS U.S., Inc.	29	19	29	77
3	Vanir Construction Management	29	20	27	76
4	Griffin Structures	29	19	25	73
5	Hill International	26	16	22	64

AECOM Technical Services, Inc. was selected based on their superior combination of project approach, team experience, and qualifications. The firm proposed an efficient, yet robust, team that was very experienced and had worked together recently on similar successful projects. The AECOM team proposed a project plan that excelled both in risk management as well as testing and inspection strategies.

#### Review of Fee Proposal and Negotiations:

Proposals were accompanied by sealed fee proposals. Only the fee proposal of the Evaluation Committee's highest-ranked firm, as approved by the Director of Engineering, was opened in accordance with the Purchasing Ordinance.

Staff conducted negotiations with AECOM Technical Services, Inc. to clarify the requirements of the Scope of Work, the assumptions used for the estimated level of effort, and the proposed approach to meet the goals and objectives for the project. Negotiations were held with multiple follow up e-mails and calls. During negotiations, the Scope of Work was reviewed in detail and certain areas were identified that could be adjusted to better meet the needs of the project. Those changes included a greater allowance for change order cost estimating; oversight and coordination for furnishings, fixtures, and equipment; coordinating building information modeling data with the contractor; and replacing the quality control manager with a more highly qualified individual with mass timber experience.

	Original Fee Proposal	Negotiated Fee
Total Hours	29,098	31,537
Total Fee	\$6,180,186	\$6,750,000

The Consultant's fringe and overhead costs, which factor into the billing rate, have been substantiated. The contract profit is 5.00%, which is based on an established formula based on OC San standard professional agreements.

Based on the above, staff has determined that the final negotiated fee is fair and reasonable for the level of effort required for this project and recommends award of the Professional Services Agreement to AECOM Technical Services, Inc.

### **CEQA**

The project is included in the Addendum to the City of Fountain Valley "Fountain Valley Crossings Specific Plan" Program Environmental Impact Report, State Clearinghouse No. 2015101042.

### **FINANCIAL CONSIDERATIONS**

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Adopted Budget, Fiscal Years 2020-2021 and 2021-22, Section 8, Page 58, Headquarters Complex, Project No. P1-128) and the budget is sufficient for the recommended action.

### **ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Draft Professional Services Agreement
- Presentation

TG:DF:dm