

1 [WSIP Agreement No. CS-765, Parsons Water and Infrastructure.]
2

3 **Resolution approving Amendment No. 2 to Agreement No. CS-765, San Francisco Water**
4 **System Improvement Program – Program/Project/Pre-Construction Management Services**
5 **with Parsons Water and Infrastructure.**
6

7 WHEREAS, On May 24, 2005, by Resolution No. 05-0057, the San Francisco Public
8 Utilities Commission (SFPUC) awarded the Water System Improvement Program (WSIP)
9 Program / Project / Pre-Construction Management (PPPCM) Services Agreement No. CS-765
10 to the highest scoring proposer, Parsons Water and Infrastructure Inc. (Parsons), for a
11 duration of five years, for an amount not to exceed \$45 million; and,

12 WHEREAS, On July 11, 2005, by Resolution 536-05, the Board of Supervisors
13 authorized the SFPUC to award and execute the WSIP PPPCM Agreement with Parsons for
14 an amount not to exceed \$38 million, following the recommendation of the Budget Analyst;
15 and

16 WHEREAS, On November 13, 2007, by Resolution No. 07-0193, the SFPUC approved
17 a \$19,000,000 amendment (Amendment No. 1) to the WSIP PPPCM Agreement to provide
18 additional program, project and pre-construction management services through July 25, 2010;
19 and

20 WHEREAS, on March 5, 2008, the Board of Supervisors directed SFPUC staff to lower
21 the amount of Amendment No. 1 and undertake a competitive selection process to address
22 the remaining program management consulting needs of the WSIP; and

23 WHEREAS, On March 11, 2008, by Resolution No. 08-0040, the SFPUC approved
24 Amendment No. 1 to Agreement No. CS-765, increasing the Agreement by \$7,000,000, for a
25 total Agreement amount of \$45,000,000, with no time extension; and

1 WHEREAS, On, March 18, 2008, by Resolution No. 130-08, the Board of Supervisors
2 approved Amendment No. 1 to Agreement No. CS-765, increasing the Agreement by
3 \$7,000,000, for a total Agreement amount of \$45,000,000, with no time extension; and

4 WHEREAS, the SFPUC advertised a request for proposals (RFP) for CS-940, Program
5 Management for the Water System Improvement Program, on July 10, 2008, and proposals
6 were received on September 19, 2008, from two firms: Program Delivery Partners, a joint
7 venture between Parsons and AECOM WATER (AECOM), and CH2M HILL; and

8 WHEREAS, Program Delivery Partners is the highest-ranking proposer for CS-940;
9 and

10 WHEREAS, On August 4, 2008, the City Attorney's Office advised the SFPUC that
11 awarding CS-940 entirely to Parsons would present a potential conflict of interest that would
12 nullify any contract between the SFPUC and Parsons for those services; and

13 WHEREAS, even though the City Attorney's Office identified a potential conflict of
14 interest arising from Parsons' prior participation in the development of program construction
15 management services for WSIP, the City Attorney's Office stated that, based upon its
16 understanding of the facts and circumstances at that time, there was no indication that
17 Parsons acted in bad faith or attempted to steer CS-940 to itself; and

18 WHEREAS, Rejecting all proposals submitted in response to the RFP for CS-940 and
19 amending the existing agreement with Parsons to provide for the continuation of pre-
20 construction program management services only would avoid the conflict of interest issue,
21 ensure consistency of consultant services on pre-construction program management tasks,
22 and prevent further delay; and

23 WHEREAS, The objective of the WSIP PPPCM Agreement is to secure consultant
24 assistance to supplement existing internal resources (unplanned work and augmentation
25

1 during peak work load), or provide sufficient qualifications or experience that are not available
2 through SFPUC/City resources (specialized work); and

3 WHEREAS, Amendment No. 2 to Agreement No. CS-765 is being requested so that
4 Parsons can continue to provide program, project and pre-construction management services;
5 and

6 WHEREAS, It is essential to provide additional contracting capacity to the WSIP
7 PPPCM to avoid a break in the continuity of essential program management services required
8 to successfully deliver the WSIP on schedule; and

9 WHEREAS, Failure to approve the requested Amendment will likely result in overall
10 program and project-specific delays that will impact timely implementation of the WSIP; and

11
12 WHEREAS, As of October 17, 2008, Parsons has achieved 16% of the Human Rights
13 Commission (HRC) subcontracting goal of 13% Disadvantaged Business Enterprise (DBE)
14 participation as established and approved for the PPPCM Agreement; and

15 WHEREAS, The HRC Contract Compliance Officer (CCO) assigned to the SFPUC has
16 reviewed the scope of Amendment No. 2 and has determined that a sub-consulting goal of
17 9% will be applied to the amendment; and

18 WHEREAS, The services to be provided under this Amendment will be paid using both
19 program and project-specific WSIP funds; and

20 WHEREAS, The SFPUC rejected all proposals received in response to the Request for
21 Proposals for Agreement No. CS-940, Program Management for the Water System
22 Improvement Program; and,

23 WHEREAS, SFPUC resolution No. 08-0205 approved Amendment No. 2 to Agreement
24 No. CS-765, San Francisco Water System Improvement Program – Program/Project/Pre-

1 Construction Management Services, with Parsons Water and Infrastructure, Inc., and
2 authorizes the General Manager of the Public Utilities Commission to execute this
3 amendment, upon Board of Supervisors approval, increasing the Agreement by \$19,000,000,
4 for a total Agreement amount of \$64,000,000, with a time extension of five (5) years, for a
5 total agreement duration of ten (10) years; now, therefore be it

6 RESOLVED, That the Board of Supervisors hereby approves Amendment No. 2 to
7 Agreement No. CS-765, San Francisco Water System Improvement Program –
8 Program/Project/Pre-Construction Management Services, with Parsons Water and
9 Infrastructure, Inc., increasing the Agreement by \$19,000,000, for a total Agreement amount
10 of \$64,000,000, with a time extension of five (5) years, for a total agreement duration of ten
11 (10) years and authorizes the General Manager of the Public Utilities Commission to execute
12 this amendment.



City and County of San Francisco

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Tails Resolution

File Number: 081485

Date Passed:

Resolution approving Amendment No. 2 to Agreement No. CS-765, San Francisco Water System Improvement Program – Program/Project/Pre-Construction Management Services with Parsons Water and Infrastructure.

January 6, 2009 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Campos, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin

File No. 081485

I hereby certify that the foregoing Resolution was ADOPTED on January 6, 2009 by the Board of Supervisors of the City and County of San Francisco.

1/16/09

Date Approved

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom