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.

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

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

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

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

WHEREAS, On March 11, 2008, by Resolution No. 08-0040, the SFPUC approved Amendment No. 1 to Agreement No. CS-765, increasing the Agreement by $7,000,000, for a total Agreement amount of $45,000,000, with no time extension; and
WHEREAS, On, March 18, 2008, by Resolution No. 130-08, the Board of Supervisors approved Amendment No. 1 to Agreement No. CS-765, increasing the Agreement by $7,000,000, for a total Agreement amount of $45,000,000, with no time extension; and

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

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

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

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

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

WHEREAS, The objective of the WSIP PPPCM Agreement is to secure consultant assistance to supplement existing internal resources (unplanned work and augmentation
during peak work load), or provide sufficient qualifications or experience that are not available through SFPUC/City resources (specialized work); and

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

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

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

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

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

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

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

WHEREAS, SFPUC resolution No. 08-0205 approved 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, Inc., and authorizes the General Manager of the Public Utilities Commission to execute this amendment, upon Board of Supervisors approval, increasing the Agreement by $19,000,000, for a total Agreement amount of $64,000,000, with a time extension of five (5) years, for a total agreement duration of ten (10) years; now, therefore be it

RESOLVED, That the Board of Supervisors hereby approves 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, Inc., increasing the Agreement by $19,000,000, for a total Agreement amount of $64,000,000, with a time extension of five (5) years, for a total agreement duration of ten (10) years and authorizes the General Manager of the Public Utilities Commission to execute this amendment.
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

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.

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom

1/16/09
Date Approved