Resolution authorizing the General Manager of the San Francisco Public Utilities Commission to execute the Water System Improvement Program-funded Agreement No. CS-963, Program Construction Management Services, with AECOM WATER, for an amount not to exceed $26,000,000 with a term of up to seven (7) years, pursuant to San Francisco Charter Section 9.118, if the Board of Supervisors has approved an ordinance waiving procurement requirements of San Francisco Administrative Code Section 6.40 and 6.41, and that ordinance is effective.

WHEREAS, On July 11, 2005, by Resolution 536-05, the Board of Supervisors authorized the San Francisco Public Utilities Commission (SFPUC) to award and execute the Water System Improvement Program / Project / Pre-Construction Management (PPPCM) Services Agreement No. CS-765 to Parsons Water and Infrastructure Inc. (Parsons), for an amount not to exceed $38 million; and

WHEREAS, On November 13, 2007, by Resolution No. 07-0193, the SFPUC approved a $19,000,000 amendment (Amendment No. 1) to the 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 Water System Improvement Program (WSIP); and
WHEREAS, On July 10, 2008, the SFPUC advertised a request for proposals (RFP) for CS-940, Program Management for the Water System Improvement Program, 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 was the highest-ranking proposer for CS-940; and

WHEREAS, In the proposal, Program Delivery Partners divided the tasks included in CS-940 so that Parsons would perform pre-construction program management related tasks and AECOM would perform construction management related tasks; 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 could result in a void 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, It is essential to provide additional contracting capacity to the WSIP to avoid a break in the continuity of essential program management services required to successfully deliver the WSIP on schedule; and

WHEREAS, Consultant assistance is required 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

**San Francisco Public Utilities Commission**

BOARD OF SUPERVISORS
WHEREAS, On November 12, 2008, the SFPUC rejected all proposals submitted in response to the RFP for CS-940, and authorized an amendment to the existing CS-765 Agreement with Parsons to obtain the necessary consulting services for pre-construction program management tasks only, subject to Board of Supervisors approval, and authorized an award of a new agreement to AECOM for program construction management services, subject to Board of Supervisors approval; and

WHEREAS, the SFPUC decision on November 12, 2008 was intended to achieve the following: secure required program management services without any further delay, which is critical to the successful implementation of the program; alleviate the potential conflict of interest with Parsons; honor the results of the competitive process conducted for CS-940; and provide much needed continuity in the management of the WSIP during a very critical time when the WSIP as a whole is about the start transitioning to construction; 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 authorized 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, which matter is pending before this Board of Supervisors; and

WHEREAS, SFPUC Resolution 08-0206 approved an award of a program-level construction management contract to AECOM contingent upon the Board of Supervisors' adopting an ordinance, granting a waiver of the competitive procurement requirements of San
Francisco Administrative Code Sections 6.40 and 6.41, and approving the contract in the amount of $26,000,000, with a term of up to seven (7) years, pursuant to Charter Section 9.118; and

WHEREAS, The Board of Supervisors action on this Resolution authorizing execution of the contract is contingent upon Board adoption and final effectiveness of Ordinance No. 22-09, authorizing a waiver of the competitive procurement requirements of San Francisco Administrative Code sections 6.40 and 6.41; and

WHEREAS, A Human Rights Commission (HRC) Local Business Enterprise (LBE) participation goal of 11% of the total contract value has been established and approved for this contract; and

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

RESOLVED, That the Board of Supervisors authorizes the General Manager to execute the Water Enterprise Water System Improvement Program-funded Agreement No. CS-963, Program Construction Management Services with AECOM, for an amount not to exceed $26,000,000 with a term of up to seven (7) years, pursuant to San Francisco Charter Section 9.118, if the Board of Supervisors has approved Ordinance No. 22-09, and that Ordinance is effective, authorizing a waiver of the competitive procurement requirements of San Francisco Administrative Code sections 6.40 and 6.41.
Resolution authorizing the General Manager of the San Francisco Public Utilities Commission to execute the Water System Improvement Program-funded Agreement No. CS-963, Program Construction Management Services, with AECOM WATER, for an amount not to exceed $26,000,000 with a term of up to seven (7) years, pursuant to San Francisco Charter Section 9.118, if the Board of Supervisors has approved an ordinance waiving procurement requirements of San Francisco Administrative Code Sections 6.40 and 6.41, and that ordinance is effective.

January 27, 2009  Board of Supervisors — CONTINUED
Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

February 3, 2009  Board of Supervisors — ADOPTED
Ayes: 10 - Alioto-Pier, Avalos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi
Noes: 1 - Campos
I hereby certify that the foregoing Resolution was ADOPTED on February 3, 2009 by the Board of Supervisors of the City and County of San Francisco.

[Signature]

Angela Calvillo
Clerk of the Board

[Signature]

Mayor Gavin Newsom

2/13/09
Date Approved