



Memo

To: Clay Pearson, City Manager
From: Trent Epperson, Assistant City Manager
CC: Robert Upton, Director of Engineering
Eric Wilson, Director of Public Works
Date: February 2, 2017
Re: Surface Water Plant Project

2/2/17

To: Mayor and City Council members
Progress being made to bring three sets of design contracts for our new surface water treatment plan and related work. Clay

Background

A previous memo was included in the Thursday Administrative package June 16, 2016 (attached).

Project Update

Since the last update, Council has approved our Master Service Agreement for Owner's Representative services with Ardurra Group, LLC (Ardurra) and approved funding the project through the Texas Water Development Board (TWDB) with the Drinking Water State Revolving Fund (DWSRF), which provides low interest financing for water projects.

Additionally, staff has completed the Consultant Selection Process to select the most qualified firm through a Qualification Based Selection process, in accordance with state statutes. The selection was separated into the three design packages and followed the City's standard advertised Request for Qualifications process, plus TWDB requirements that covered procurement, equal opportunity in employment, and the Environmental Protection Agency's "fair share policy and goals". The three packages are:

Package 1 – Raw Water System: canal intake structure and pre-sedimentation basin

Package 2 – Water Purification Plant

Package 3 – Distribution System: storage, high service pump station, and transmission lines

A single firm submitted a Statement of Qualifications (SOQ) on Package 1, four firms submitted SOQs on Package 2, and four firms submitted SOQs on Package 3. Two firms were short listed for interviews on Packages 2 and 3 and the lone submitting

firm for Package 1 was also interviewed. The shortlisting was determined based on staff review and evaluation of the written SOQs.

After the interviews were conducted, Freese-Nichols was selected for Package 1 and the team of Dannenbaum/LAN was selected for Package 3. After the initial interview, staff reached an impasse on the selection of a firm for Package 2 and therefore a second interview was conducted. The results of the second interview established a consensus for the selection of CDM Smith for Package 2.

With the completion of the selection process some questions have been asked regarding the selection process and the capacity of the firm selected for Package 2.

The selection process was conducted by staff with assistance from our Owner's Representative, Ardurra. Ardurra's role was to act as an independent and impartial advocate for the City's goals. Their role was explained to each firm at the beginning of the interviews. Ardurra did ask some questions during the interviews, mostly related to schedule and coordination between the packages. They asked the same questions of each firm. Ardurra was not present during staff deliberation, did not participate in the scoring process, and did not provide input on whom to select. Their advice to the City was that both teams are technically qualified but will have different styles of leadership and project approaches and City staff will have to determine which will work best with our approach, personnel, and processes.

During the second interview, the firms were provided additional question and topics to address. The CDM Smith team was well prepared to discuss the new topics and ideas regarding plant options, which furthered the discussions initiated during the first interview. Their team was cohesive, prepared, engaged, and demonstrated their experience working together. Conversely, the second firm struggled during the second interview from a preparation perspective and did not bring any new information to the conversation. Additionally, the team interaction was much less cohesive and did not demonstrate a seamless team approach.

Another differentiating factor is that the majority of the CDM Smith team lives and offices in the Houston area while the other team only has one person in their Houston area office and no team members that live in the Houston area. The CDM Smith team Project Manager lives in Dallas but operates out of both the Houston and Dallas offices. The other team members, including the Deputy Project Manager, Process Selection and Design Lead, Piloting and Raw Water Sampling Lead, and Constructability/Construction Phase Lead all live in the Houston area. The other finalist team's Project Manager lives in Austin but operates out of the Houston office, the Quality/Value Lead/Technical Advisor lives in Abilene, the Treatment System Lead lives in Dallas, the Piloting and Process Design Lead lives in Austin, and the Construction Phase Lead lives in San Antonio. It is important to have local personnel accessible and available throughout the design and construction of such a complex project. Our experience with non-local firms or project personnel not located in our area has resulted in diminished responsiveness to our projects.

Regarding the capacity of CDM Smith to take on this project, staff specifically asked both firms about their capacity to take on our project during the interviews. More specifically, CDM Smith was asked if the City of Houston Northeast Plant project would or could affect their commitment to our project. The City of Houston project is approximately a \$1.2B Progressive Design Build project, meaning that CDM Smith is in a joint venture with another engineering design firm to design and construct the plant. Their joint venture also includes the construction branch of both design firms plus a third contractor. Overall, the joint venture is responsible for delivering the design and construction of the project under one single contract.

A major difference in these projects is the Houston project will treat Trinity/San Jacinto River raw water from Lake Houston, whereas, our project will treat Brazos River raw water from the Gulf Coast Water Authority (GCWA) system. The CDM Smith team proposed for our project is not engaged in the City of Houston project. Their experience and expertise is in developing and delivering projects treating Brazos River water. On the other hand, the team on the Houston project has expertise related to the Trinity/San Jacinto River water. The only interaction between the projects will be for personnel assigned to Quality Assurance/Quality Control (QA/QC), meaning that this group will review both sets of plans.

One of the final items that has been raised is a question regarding any ongoing contractual relationship between Ardurra and CDM Smith. There is a single transition contract between them to assist with sub-consultant coordination regarding minority procurement and coordination of same with City of Houston staff. The scope of the contract has essentially been completed and Ardurra has not been active on the project since September 2016 (see attached letter).

Conclusion

This project will be the single largest capital project undertaking the City has developed. Our goal is to deliver a successful quality project on-time and within budget. The design selection process was strictly geared towards identifying the most qualified team to help us meet that goal. Therefore, the three selected firms provide the best opportunity for the success of this most important project. Additionally, this is a long-term partnership (> 5 years) and to be successful this partnership needs to be cohesive and seamless. After the interviews and deliberation, it was staff's consensus that CDM Smith will provide that partnership, dedication and enthusiasm to make the plant a successful project for Pearland.

Next Steps/Schedule

Staff is currently working with the selected firms to develop the detailed scope of work and negotiate the design fees. Once that process is completed, staff will bring the contracts to City Council for approval. The planned schedule is to approve a contract for Preliminary Engineering Reports (PERs) on all three Packages at the March 27, 2017 meeting. After completion of the PERs, we expect to bring final

design contracts for Package 1 & 3 to Council for approval in the July through September timeframe. The PER for Package 2 is expected to take longer and therefore the final design contract for that package is not expected until April 2018.

January 25, 2017

Mr. Eric Wilson
Public Works Director
City of Pearland
3501 East Orange Street
Pearland, Texas 77581

Subject: Ardurra Group – CDM Smith

Dear Mr. Wilson,

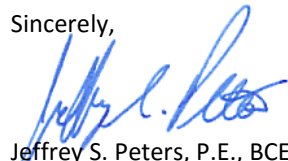
This letter is in response to the City of Pearland's request to disclose all active projects with CDM Smith, Inc. The Houston Waterworks Team (CDM Smith and CH2M) were successful in winning the Northeast Water Purification Facility DB contract for the City of Houston. As client account managers, Chris Canonico (while employed for CDM Smith) and Mike Lucchesi (Ch2M) were instrumental in helping the Team understand the complexities of the City's selection process, minority subcontracting arrangements, and have a unique and penetrating insight to the City's governance, policies, and political agendas (collective and individual). Mr. Canonico has subsequently taken a position with the Ardurra Group and has the personal commitment to continue to assist HWT as a subcontractor role.

To that end, Ardurra Group currently has one open contract with the Houston Waterworks Team, through a subcontract with CDM Smith in the amount of \$45,000 to assist with sub-consultant coordination regarding minority procurement and coordination of same with City of Houston staff.

This contract was set up specifically for Chris Canonico due to his involvement during the project pursuit and team formation. Ardurra has not been active on this project since September, 2016. The contract was clearly stated to last through Component No. 1, which ended approximately November 1, 2016. The contract expires upon mutual termination or December 31, 2017. Ardurra currently has this contract in an "open" status to collect approximately \$1,000 in accounts receivable.

We trust this information is helpful and satisfies your request. Please do not hesitate to contact me if you have any further questions.

Sincerely,



Jeffrey S. Peters, P.E., BCEE
Principal



City of Pearland
Surface Water Treatment Plant Program
RFQ #1017-02/DWSRF #62712
Package No. 1

Criteria	Maximum	Freese & Nichols
Technical Quality		
a. Expertise & Experience	40	36
b. Methodology & Approach	40	33
c. RFQ Conformance	10	0
d. References	10	8
Interviews	25	24
Total	125	101



City of Pearland
Surface Water Treatment Plant Program
RFQ #1017-02/DWSRF #62712
Package No. 2

Criteria	Maximum	AECOM	CDM Smith	HDR	Stantec
Technical Quality					
a. Expertise & Experience	40	32	35	37	30
b. Methodology & Approach	40	33	33	34	31
c. RFQ Conformance	10	0	10	10	10
d. References	10	8	9	8	7
Interviews *	25	-	25	20	-
Total	125	73	112	109	78

Note: Only shortlisted firms were interviewed.



City of Pearland
Surface Water Treatment Plant Program
RFQ #1017-02/DWSRF #62712
Package No. 3

Criteria	Maximum	AECOM	Binkley & Barfield	Cobb Fendley	Dannenbaum
Technical Quality					
a. Expertise & Experience	40	37	28	27	38
b. Methodology & Approach	40	35	28	26	35
c. RFQ Conformance	10	0	10	0	10
d. References	10	8	8	8	9
Interviews	25	20	-	-	25
Total	125	100	74	61	117

Note: Only shortlisted firms were interviewed.



Memo

To: Clay Pearson, City Manager

From: Andrea Brinkley, Project Manger

Cc: Jon Branson, Deputy City Manager
Trent Epperson, Assistant City Manager
Cynthia Pearson, Interim Finance Director
Susan Polka, P.E., Director of Engineering and Capital Projects
Eric Wilson, Public Works Director
Skipper Jones, Assistant Director, Projects

Date: June 10, 2016

Re: Surface Water Plant

6/14/2016

To: Mayor and City Council members
Please review and share any questions regarding the large water utility upgrade to build a surface water treatment plant and distribution system. Clay

Status Update and Background

This is the second memo update, and includes the project background, future activities and coordination of the project. Previous Memo: 2/26/16.

Background

The Surface Water Plant is included in the FY2016 Capital Improvement Program (CIP) and will be a multi-year project, with a duration through 2023. The overall project includes preliminary design, pilot testing, final design, and construction of the first phase (10 MGD) Surface Water Treatment plant and associated water conveyance infrastructure. The Surface Water Plant will treat raw water from the Gulf Coast Water Authority (GCWA) canal and will distribute the water throughout the City via four (4) water transmission lines. This work is estimated to be \$145 million in studies, design and construction. In the future, a second 10 MGD expansion is planned.

Owner's Representative Role

In order to manage the various stages and work that will need to be done, an Owner's Representative with expertise in this technical area is proposed to provide assistance to staff. This augments current staff, provides the capacity needed to complete the work, and provides oversight of the project. In this case, the staff oversight will be provided via the Engineering and Capital Projects Department.

The Owner's Representative will provide a broad and continuous role to assist with the project as it moves from preliminary studies and funding assistance applications to design and construction of facilities. The Owner's Representative is to remain an independent and impartial advocate for the City and its' goals, and assist staff with the execution of tasks related to the overall project. The Owner's Representative will assist staff in data gathering, environmental assessments, site planning, the application of the selection criteria for the selection of professional services required for various work efforts, the

technical review of proposed infrastructure, selection of the most cost effective treatment process, and construction management.

The contractual mechanism that is recommended by staff is a Master Service Agreement (MSA). The MSA is recommended due to the size, scope and time duration that this project will require. The MSA will include authorization of work by Task Order, with each task order including a scope, schedule and cost. Task Orders will be submitted to Council for consideration as the scope and cost necessitate

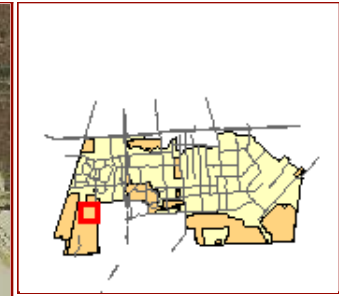
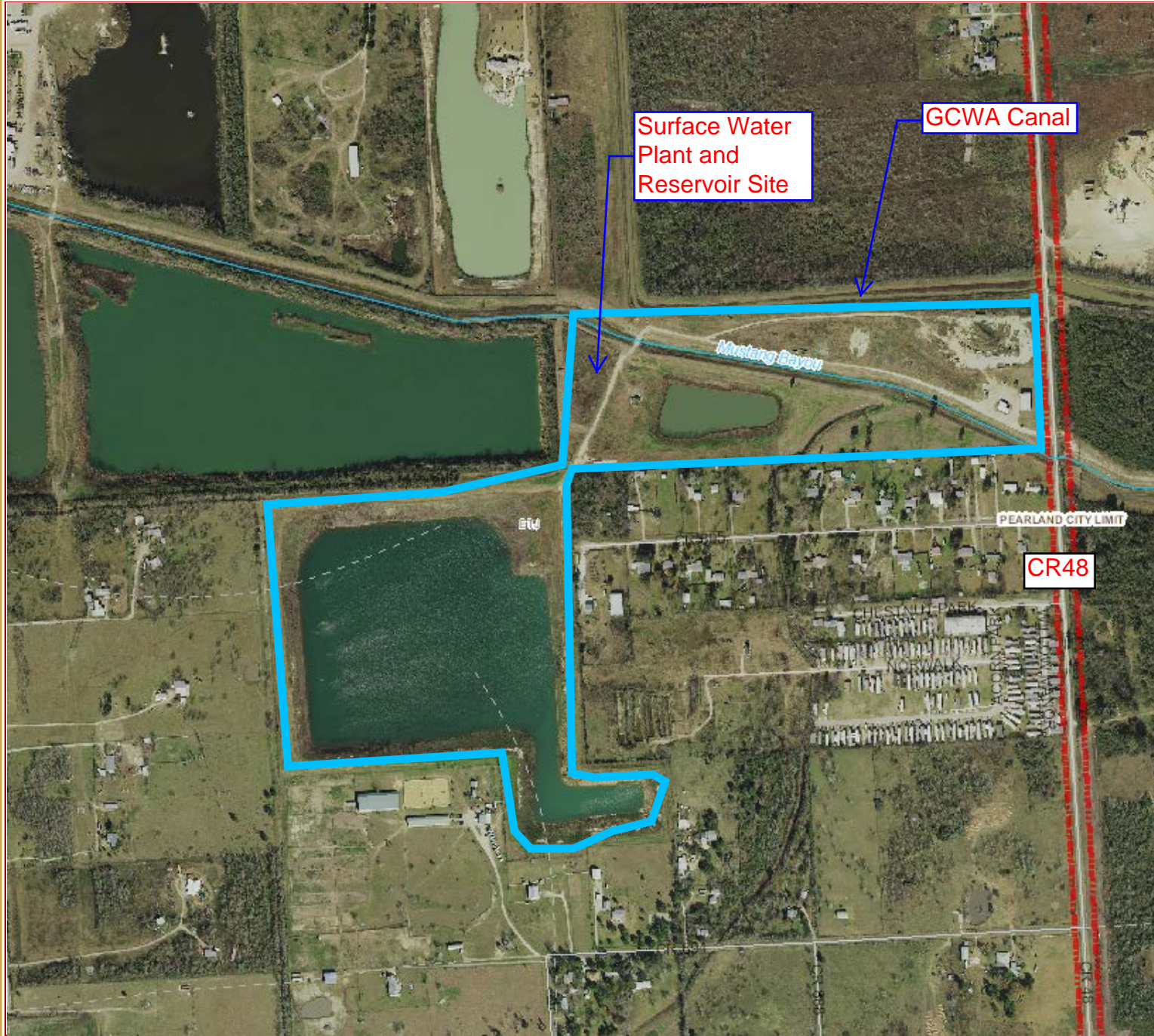
Recent Activities

- Staff submitted initial abridged applications for the State Water Implementation Fund for Texas (SWIFT) and the Drinking Water State Revolving Fund (DWSRF) programs. Both programs are administered by the Texas Water Development Board.
- Staff interviewed Owner's Representatives and made a selection in March 2016
- Council approved the submittal of full applications to both funding assistance programs in May 2016.
- Staff negotiated a Master Services Agreement for Owner's Representative Services for the Surface Water Plant.

Upcoming Activities

- Staff will begin the determination process for the most favorable funding assistance program over the next 2-3 months. Staff will work very closely with the Texas Water Development Board to select and begin the formal process of securing the funding.
- On June 27th Council will consider the Master Service Agreement for Owner's Representative services with Ardurra Group LLC. The first Task Order will include: funding application assistance, the development of an engineering feasibility study and report, design consultant request for proposals and selection assistance, water quality review assistance, overall water system conveyance analysis and project management services.

Surface Water Plant Location Map

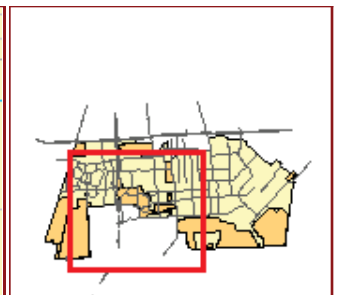
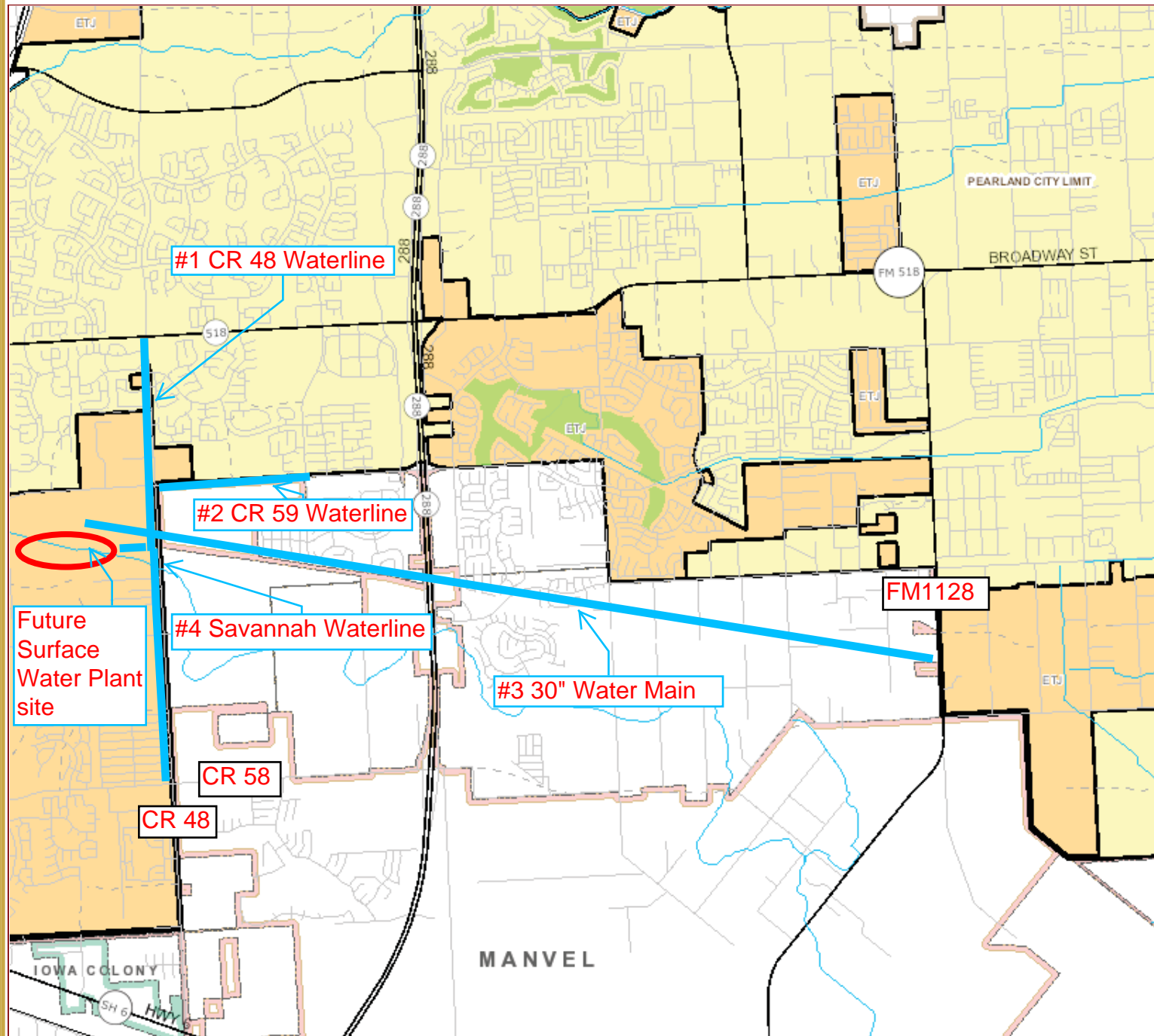


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Scale 1:8,033
1 in = 669 ft
May 04, 2016



Surface Water Plant Transmission Lines



- #1 - CR 48 Waterline (Surface Water Plant to Broadway)
- #2 - CR 59 Waterline (CR 48 to Kirby Dr)
- #3 - 30" Water Main (Surface Water Plant to FM 1128 along American Canal)
- #4 - Savannah Waterline (Surface Water Plant to CR 58)



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Scale 1:57,540
1 in = 4,795 ft
May 03, 2016

