



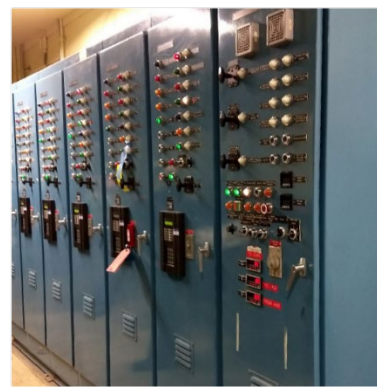
Valley Water

Clean Water • Healthy Environment • Flood Protection

Coyote Pumping Plant Adjustable Speed Drives R

Procurement Options

October 12, 2021



Project Overview

- Replacement of major equipment at the Coyote Pumping Plant
- ~90% of the work is electrical
- No change to system capacity
- All work occurs within the existing building or fenced in switchyard



Summary

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Staff Recommendation

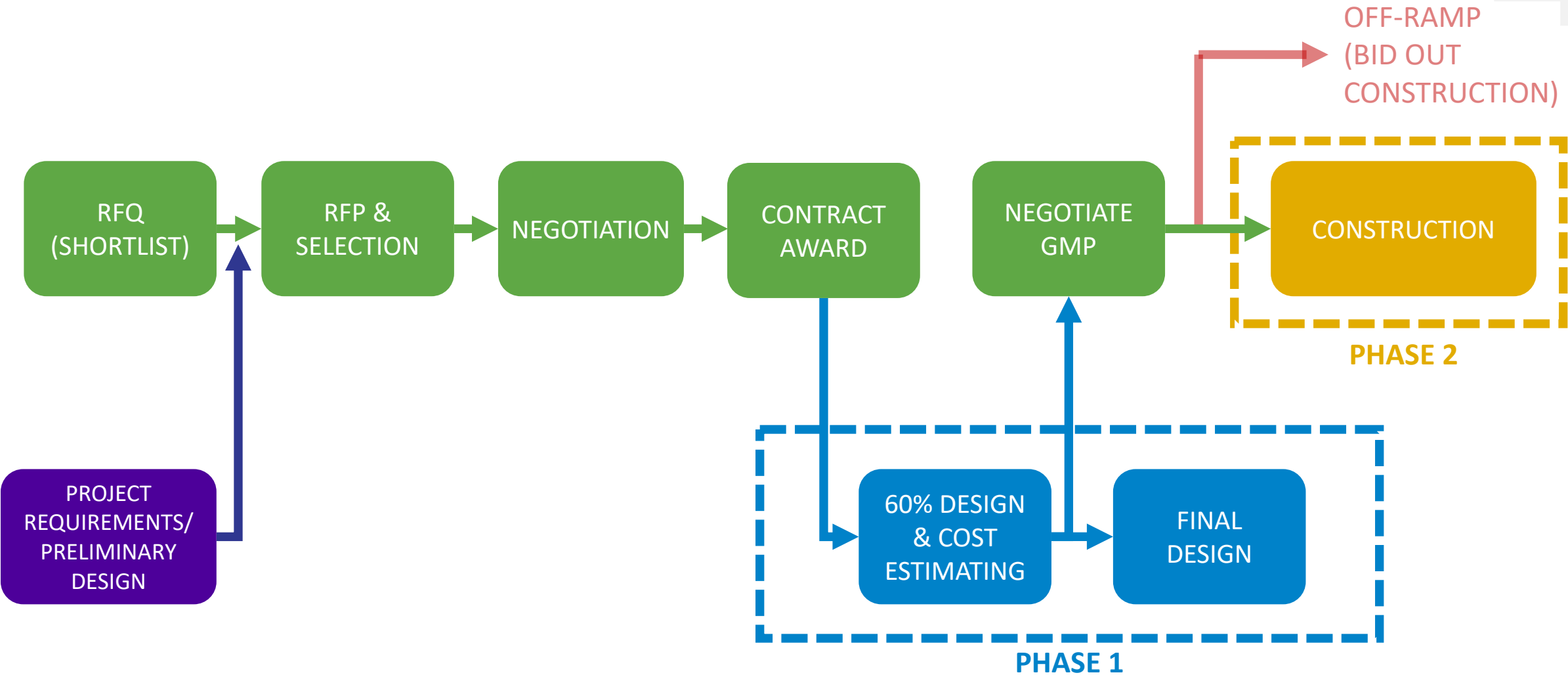
- Proceed to Request for Proposal (RFP) stage with single proposer

Justification

- Staff and consultant conducted outreach and were unable to obtain confirmation of additional proposers; therefore, potential for additional proposers is highly unlikely
- Re-posting of the Request for Qualifications (RFQ) would likely involve changes to risk allocation between the parties such as:
 - A limitation of liability in the agreement (increased risk to Valley Water)
 - Clarifying language addressing the design-to-budget approach
 - Reducing RFQ submittal requirements



Progressive Design-Build Delivery Method



Procurement Background

- December 2020: Staff presented on the Coyote Pumping Plant Adjustable Speed Drives (ASD) Replacement Project during the Virtual Open House.
- June 2, 2021: RFQ was posted, with statement of qualifications (SOQs) due on July 29, 2021.
- June 18, 2021: Staff conducted a prequalification meeting, which was attended by 23 people from 14 different contractors/designers/suppliers. Local builder's exchanges also downloaded the RFQ documents.
- July 29, 2021: Only one potential DBE submitted a SOQ for the Project.



Feedback from Potential Contractors/DBEs

Electrical contractors are very busy

Electrical contractors don't want to prime the work

General contractors are very busy and would need to sub out most of the work

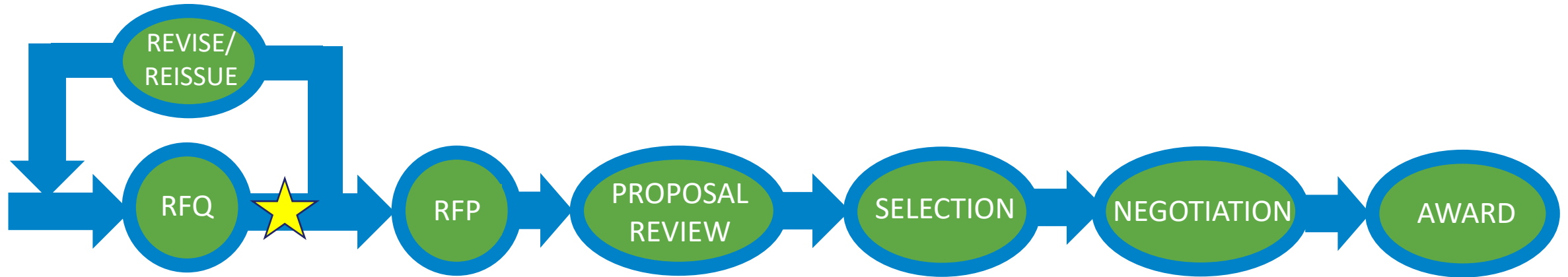
Only 1 potential new proposer has expressed interest (no firm commitment)

Vetted Best Options to Proceed

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OPTION A: Proceed to RFP stage with single proposer  Staff Recommended



OPTION B: Re-issue RFQ with targeted changes

★ Current stage in the process

Option A: Proceed to RFP Stage with Single Proposer

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- Proceed to RFP stage of the procurement process as originally envisioned.
- Evaluate proposal for responsiveness, as well as proposer qualifications, proposed team, approach to the work, and to confirm that price elements (proposed fees for general conditions, overhead, and profit) are acceptable.

Pros	Cons
1. No/minimal delay to currently planned procurement schedule. 2. VW maintains the risk allocation defined in the RFQ and procurement approach.	1. VW doesn't have the option to proceed to second highest-ranked proposer if contract negotiations are unsuccessful. 2. Less incentive to provide lowest bid pricing for Phase 1 (design) and fees for Phase 2 (construction).

Option B: Re-issue RFQ with Targeted Changes

- Shift more risk allocation to Valley Water
- Reduction of administrative effort to submit a SOQ
- Conduct additional outreach to potential DBEs to encourage their participation before the RFQ is re-issued

Pros	Cons
1. Opportunity to qualify multiple proposers. 2. Opportunity to obtain more competitive pricing. 3. Considering future procurements: this is an opportunity to demonstrate that VW is willing to consider suggestions from the proposer community.	1. Overall project schedule will be delayed. 2. Possible that there is still a single SOQ submitted (or even none). 3. Requires that VW change approach and risk allocation to respond to the market.

Tools to Control Cost



- ✓ Validate DBE's Phase 1 (design) lump sum and Phase 2 (construction) markups
- ✓ Design to budget requirement
- ✓ Off-ramp
- ✓ Competition amongst equipment vendors



Staff and CIP Committee
Supported Option

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	Option A	Option B
Procurement Process	Proceed with agreement as originally envisioned	Requires revising, reviewing, and re-issuing RFQ documents
Schedule	Proceed with no schedule interruption	Project delay
Pricing and Negotiations	Lack of competition for DBE fees & lack of negotiation leverage	Potential for additional SOQs to increase competition (market outreach indicates limited potential)
Risk/Legal	VW maintains the risk allocation in the original RFQ	Re-posting the RFQ would likely involve changes to the risk allocation between the parties

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