



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Materials Management

CM: Todd Hileman

DATE: June 5, 2018

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas, a Texas home-rule municipal corporation, for approval of a pre-qualified professional services list for Water, Wastewater, and Storm Water; and providing an effective date (RFQ 6590). The Public Utilities Board recommends approval (6-0).

BACKGROUND

In an effort to expedite capital project delivery, the Capital Projects Department advertised a request for qualifications (RFQ) relating to professional services. In November of 2017, an RFQ was advertised for professional services in seven categories including project management, development review, design of roads, bridges and intersections, design of traffic signals and street lights, design of water infrastructure, design of wastewater infrastructure, and design of storm water infrastructure. A pre-submittal meeting was held on November 16, 2017, with more than 50 engineering consultants represented. All Statements of Qualification (SOQs) that were received by the submittal deadline of November 30, 2017, are being reviewed by staff from multiple divisions and departments.

The RFQ process involves the review of 41 SOQs and the scoring of each firm in the categories they submitted on. This process insures that not only are all consultants reviewed fairly and based on criteria spelled out to each consultant in the original RFQ, but it also ensures that the City can use this RFQ process for consultant selection and contract negotiation regardless of the project funding source (i.e. state and/or federal funding).

The intent of this process is to utilize the entire list of qualified firms to maximize availability and flexibility in selecting the appropriate firm for a project. As such, notes as to each firms strengths (i.e., large firm with general and specific capabilities for any project, small specialized firm focused on elevated water tanks, etc.) are being identified in the review process so that we can utilize each firm in such a way to ensure that the project is as successful as possible. This becomes the first litmus test to determine which firm to negotiate a contract.

Due to the nature and format of the RFQ, several firms submitted that would not normally submit on a water, wastewater or storm water RFQ because their firms are so specialized. We can potentially cut down on some of the pass through markup that would normally be passed on to City when these firms are

subcontracted through a larger consultant. This also ensures that we (as the owner) get the unfiltered summary of the smaller, specialized firm's design or comments.

A second scenario that the approval of the entire list avoids is the scenario of exclusion by lack of selection. In other words, if we take only the top 5 or 10 firms in each category and we have a water project with a transportation and wastewater component, the potential to limit the City's options to select a single firm for a project as a whole may be impacted by inadvertently requiring the City to utilize three separate firms based on the type of work. For instance, if a project is initiated by the City that is primarily a water project with limited transportation and wastewater participation, Firm A may be the best firm in the water category, but was ranked number 11 in transportation and 12 in wastewater. They are qualified to do the work, but they may not have been deemed the most qualified in two categories. This could inadvertently cause the City to select multiple firms which would be more costly in delivery time, staff expense and overall cost as the coordination between all three firms would be extensive. If we take all firms in each category, it provides the maximum amount of flexibility to select a firm that is best suited for the project as a whole.

In regard to "short listing" or taking only the top five or ten highest ranked firms, the process in general has also taken care of some of this by nature of some of the categories of work as we only had five firms even submit for both project management and development review. For the design categories we had nine firms submit for all five design categories, eighteen submit for all but traffic signals (which is not uncommon), and the other twenty-three firms submitted on one or two related specialty design categories. Of the nine that submitted qualifications for all categories, five firms submitted that the City regularly contracts with (Freese & Nichols, Kimley-Horn, TNP, Transystems and Halff) and a few that were unexpected. All nine are larger firms that will by and large subcontract some of the more specialized work. The eighteen firms encompass the same nine larger firms and quite a few other firms that are more medium sized firms. One of the problems associated with "short listing" on an RFQ of this type is that smaller firms may complain that they cannot break into work with the City if they do not get a chance. By accepting the entire list, the City has the option of hiring some of the smaller firms and more specialized firms for a project that is the right fit.

Accepting the entire list also gives the City the best chance at ensuring that resources do not get overloaded by always negotiating with the top ranked firm, then the next, then the next and so on. The City can utilize these consultant resources over a three year time span to best effectiveness by balancing workloads appropriately between the consultants. For instance, the City currently has an inordinate amount of work contracted through one design firm and that has staff concerned that this firm's ability to deliver in the new environment may be compromised. By having a large pool of consultants, we can select and negotiate contracts more effectively by having a number of consultants already pre-qualified to do the work and the loss of productivity on multiple projects by engaging more consultants to ensure successful, timely delivery of all projects.

In the end, each firm on the list is qualified to do the type of work submitted upon. Upon approval of the RFQ, staff will negotiate each contract to the benefit of the City balancing quality, efficiency, and cost in the analysis for each project. The City requires that each consultant not only submit a scope of work for each contract negotiated, but also a level of service matrix detailing how much time the consultant anticipates each task in the contract to take per person involved. This allows staff to negotiate the time spent on each task with the consultant to make sure that all amounts (time and money) make sense. If the City and the consultant cannot agree on the overall amount, the City move on to the next consultant to gain the best possible contract for the City and the project.

Any qualified professional firm that submitted under this RFQ is eligible to receive contracts for professional services that would go through the normal negotiation and council award process. It is intended that this method of qualifying design consultants for a wide range of services required to deliver

current and future capital project delivery will be repeated every three (3) years and is eligible for use by any City of Denton departments and divisions when these services are required.

Requests for Qualifications were sent to 1,036 prospective suppliers of this item. In addition, the RFQ was placed on the Materials Management website for prospective respondents to download, and advertised in the local newspaper. 41 SOQs were received. Firms were allowed to submit SOQs for any or all of the work categories. The SOQs were evaluated based upon published criteria including: identification and understanding of the City's requirements, past performance and experience, qualifications of key personnel, and ability to meet schedules.

Council partially approved four (4) of the seven (7) work categories on March 6, 2018. The four (4) work categories staff has completed review includes project management; development review; design of roadways, bridges and intersections; and design of traffic signals and street lights.

PRIOR ACTION/REVIEW

Request for Qualifications for professional engineering services were solicited using the City's formal solicitation process. City Council approved a partial pre-qualified list of engineering firms on March 6, 2018 (Ordinance 2018-331).

On May 21, 2018, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Recommend approval of the qualified firm list for water, wastewater and storm water categories as reviewed and scored by staff.

ESTIMATED SCHEDULE OF PROJECT

This qualified firm list will remain active for three (3) years.

FISCAL INFORMATION

No funds are requested or required to be spent as part of this approval. Individual contracts will be negotiated with the top ranked firms, and purchasing orders will be issued as needed.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Public Infrastructure
Related Goal: 2.5 Develop a Capital Improvement Program that will meet our community's needs

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Prequalified Firm List
Exhibit 3: Ordinance

Respectfully submitted:
Karen Smith, 349-8436
Purchasing Manager

For information concerning this acquisition, contact: Todd Estes, P.E., City Engineer at 349-8917.