



## Legislation Text

**File #:** 18-1032, **Version:** 2

MOTION TO APPROVE THE FINDINGS AND RECOMMENDATION OF THE EVALUATION COMMITTEE AND TO AWARD PSUT-18-03 "UTILITIES COMPREHENSIVE MASTER PLAN SERVICES" TO CH2M HILL ENGINEERS, INC., AND TO DIRECT THE CITY MANAGER TO NEGOTIATE A CONTRACT FOR SERVICES.

### SUMMARY EXPLANATION AND BACKGROUND:

*Note: This item was previously presented as File ID # 18-0753 (Agenda Item # 14) on August 22, 2018, and was deferred by the City Commission for further review on issues of conflicts of interest in the procurement evaluation committee process. In addition, on September 4, 2018 this item was deferred again by the City Commission due to the absence of Vice Mayor Good, and the desire for all members of the Commission to provide input on this item.*

1. On June 6, 2018, the City Commission authorized the advertisement of PSUT-18-03 "Utilities Comprehensive Master Plan Services", which was advertised on June 12, 2018.
2. The purpose of this solicitation was to provide Utility Comprehensive Master Plan Services.
3. On July 10, 2018, the City opened three (3) proposals from the following vendors:

Vendor Name

Calvin, Giordano & Associates, Inc.

Carollo Engineers, Inc.

CH2M Hill Engineers, Inc.

4. On August 14, 2018, the City convened an evaluation committee to evaluate the qualifications of the proposers based on the weighted criteria provided for in the bid documents and listed below:

- Firm's Qualifications and Experience in Similar Projects (35%)
- Qualifications & Experience of Key Personnel (15%)
- Firm's Understanding and Approach to the Work (35%)
- Client References and Past Performance (10%)
- Local Vendor Preference/Veteran Owned Small Business Preference (5%)

5. Pursuant to Section 35.36 "Local Vendor Preference" of the City's Procurement Code:

(A) For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**Local Broward County Vendor.** A business entity which has maintained a permanent place of business with full-time employees within the Broward County limits for a minimum of one year prior to the date of issuance of a bid or proposal solicitation. The permanent place of business may not be a post office box. The business location must actually distribute goods or services from that location. In addition, the business must have a current business tax receipt from the Broward County or the city within Broward County where the business resides.

**Local Pembroke Pines Vendor.** A business entity which has maintained a permanent place of business with full-time employees within the city limits for a minimum of one year prior to the date of issuance of a bid or proposal solicitation. The permanent place of business may not be a post office box. The business location must actually distribute goods or services from that location. In addition, the business must have a current business tax receipt from the City of Pembroke Pines.

6. As normal procedure, the City Manager approved all of the evaluation committee members. The makeup of the committee included one City employee and two Facility Contract Services employees. In addition, all of the evaluation committee members completed an "Evaluation Committee Conflict of Interest Form" prior to the Evaluation Committee Meeting. (Please see attached - Evaluation Committee Conflict of Interest Form)

7. At the August 14, 2018 meeting, the evaluation committee allowed the vendors to make a presentation and also held a question and answer session with each of the vendors.

8. As recommended by the City Attorney's Office, the scoring of the Local Vendor Preference Points is left up to the Evaluation Committee to determine, based on the information provided in the proposals.

9. During the August 14, 2018 meeting, the evaluation committee discussed Local Vendor Preference and came to a consensus to not award the Local Vendor Preference Points to Calvin, Giordano & Associates, Inc. since they did not provide the requested Local Business Tax Receipts (LBTR) as the required supplemental backup to their selection on the Local Vendor Preference Certification Form, in which they had stated that they are a Local Broward County Vendor.

10. The evaluation committee did not specifically discuss the Local Vendor Preference for the other two vendors, however Carollo Engineers, Inc. provided a Local Vendor Preference Certification Form in which they had selected that they do not meet the requirements as a Local Vendor.

11. In addition, CH2M Hill Engineers, Inc. submitted two Local Vendor Preference Certification Forms in their bid response:

- One form stated that they were a Local Pembroke Pines Vendor and they included a note on the form stating that "Operations Management International, Inc. and CH2M Hill Engineers, Inc. are both wholly owned legal entities of CH2M Hill Companies, Ltd." They also included their City of Pembroke Pines Local Business Tax Receipt under the name of Operations Management International, Inc. with a Pembroke Pines address for the October 1, 2016 thru September 30, 2017 year and October 1, 2017 thru September 30, 2018 year.

- The other form stated that they were a Local Broward County Vendor and they also included their Broward County Local Business Tax Receipt under the name of CH2M Hill Engineers, Inc. with a Fort Lauderdale address for the October 1, 2016 thru September 30, 2017 year and October 1, 2017 thru September 30, 2018 year.

12. Please note that on February 4, 2015, the City Commission approved the agreement with Operations Management International, Inc. (OMI) for the Operation, Maintenance, and Management of the City's Utility System. In addition, OMI is commonly referred to as CH2M and/or JACOBS. In fact, the work vehicles provided by the contractor under the OMI agreement originally had CH2M decals and now have JACOBS decals.

13. As a result, each of the individual evaluators gave zero Local Vendor Preference points to Calvin, Giordano & Associates, Inc. and Carollo Engineers, Inc. In addition, each of the individual evaluators gave five Local Vendor Preference points to CH2M Hill Engineers, Inc.

14. At the August 14, 2018 meeting, the evaluation committee ranked the vendors as shown below:

Ran Vendor Name

k

- 1 CH2M Hill Engineers, Inc.
- 2 Carollo Engineers, Inc.
- 3 Calvin, Giordano & Associates, Inc.

15. During the presentation, the evaluation committee discussed whether there was a possible conflict of interest with awarding PSUT-18-03 "Utilities Comprehensive Master Plan Services" to CH2M Hill Engineers, Inc. while the City currently has an agreement with Operations Management International, Inc. for the Operations Management International, Inc. (OMI) for the Operation, Maintenance, and Management of the City's Utility System. In addition, after the scoring was read aloud one of the evaluation committee members asked the City Attorney that was present at the meeting whether there was a possible conflict of interest with awarding CH2M Hill Engineers, Inc. At the meeting, the City Attorney stated that he did not have all of the details in regards to the OMI contract, however that information can be looked into and brought up if needed.

16. Based on the scoring results, the evaluation committee unanimously approved a motion to recommend the City Commission to award PSUT-18-03 "Utilities Comprehensive Master Plan Services" to the first ranked vendor, CH2M Hill Engineers, Inc., and to direct the City Manager to negotiate a contract for services. If the City is unable to negotiate a satisfactory contract with the first ranked vendor, the City Manager shall begin negotiations with the next ranked vendor.

17. CH2M Hill Engineers, Inc. has also completed the Equal Benefits Certification Form and has stated that the "Contractor currently complies with the requirements of this section."

18. After the Evaluation Committee meeting, staff reached out to the City Attorney's Office to review the possible conflict of interest comment closer, in which the City Attorney's office stated that there was no legal conflict of interest in awarding CH2M Hill Engineers, Inc.

19. On August 22, 2018, the City Commission deferred the agenda item for the approval of the findings and recommendation of the evaluation committee and to award PSUT-18-03 "Utilities Comprehensive Master Plan Services" to CH2M Hill Engineers, Inc., and to direct the City Manager to negotiate a contract for services, in order to have further legal review on issues of conflicts of interest in the procurement evaluation committee process.

20. The City Attorney's Office has examined the information provided and revisited the discussion from the August 22, 2018 Commission Meeting and have made the following observations and recommendations for the City to consider:

- An award of the contract to CH2M Hill Engineers, Inc., as recommended, does not create an actual, legal conflict given OMI's operation of the utility plant. Both the utility master plan and the plant management were procured through an open and transparent competitive selection process. As you know, the City currently has certain vendors performing multiple services for the City which were procured through similar competitive processes. Additionally, it is our understanding that OMI, as the plant management, will not have any approval or oversight role with regards to the preparation of the master plan. Further, as the City Manager previously indicated, there may be some inherent benefit to having an entity with some knowledge of the City working on the master plan.

All of that said, we certainly understand and respect the comments offered by some Commission members at the August 22, 2018 meeting, and agreed that there may be an "appearance" issue with CH2M Hill and OMI serving the City in this dual capacity. We clearly appreciate both sides of this argument and have no legal objection to the City Commission sending this matter back to the Evaluation Committee for further consideration and re-evaluation should it chose to do so.

- Regarding the local vendor preference inquiry, it appears that the City LBTR is issued to Operations Management International, Inc. The County LBTR is issued to CH2M Hill Engineers, Inc. In light of this distinction, it is our recommendation that CH2M Hill Engineers, Inc. would qualify as a county local vendor, but not qualify as a city local vendor. We would suggest that City staff revisit the evaluation committee's recommendation and determine whether the City local vendor preference awarded to CH2M Hill Engineers, Inc. was decisive in their recommendation. If the City preference was decisive, we would recommend that the matter be sent back to the evaluation committee for further consideration of a county preference only. If the City preference was not decisive, the issue may be moot. We would also recommend that the agenda summary include an explanation of how the preference affected the evaluation committee's recommendation, if at all.

21. Staff has revisited the evaluation committee's recommendation and has determined that the local vendor preference was not decisive in their recommendation as there would be no impact to the ranking if the evaluation committee gave 2.5 Local Vendor Preference points to CH2M Hill Engineers, Inc. instead of 5 points. (Please see attached - Evaluator Scoring Comparison for Local Vendor Preference)

22. Request Commission to approve the findings and recommendation of the evaluation committee and to award PSUT-18-03 "Utilities Comprehensive Master Plan Services" to CH2M Hill Engineers, Inc., and to direct the City Manager to negotiate a contract for services.

#### **FINANCIAL IMPACT DETAIL:**

- a) **Initial Cost:** None at this time.
- b) **Amount budgeted for this item in Account No:** Funds are currently budgeted for this project in account # 471-536-6010-31100 (Professional Services - Engineering)
- c) **Source of funding for difference, if not fully budgeted:** Not Applicable.
- d) **5 year projection of the operational cost of the project:** Not Applicable.

**e) Detail of additional staff requirements:** Not Applicable.