



CITY OF MADISON • FINANCE DEPARTMENT • PURCHASING SERVICES

Non-Competitive Selection Request

Date: 04/11/2022

Requisition Number: (8 characters)

Requestor Name: Adam Wiederhoeft

Requestor Phone Number: 608-266-9121

Requestor Email: awiederhoeft@madisonwater.org

Fund: 2100 WATER UTILITY

Agency: 86 WATER

Major:

- 53*** Supplies/Goods
- 541** Utilities
- 542** Building/Facility Maintenance/Repair
- 543** Software/Equipment Maintenance/Repair
- 544** Public Works Maintenance/Repair
- 545** Training/HR-Related Services
- 546** Consulting/Professional Services
- 548** Grants/Loans/Insurance/Other Services

Total Purchase Amount: \$375,000.00

Vendor Name: AECOM Inc.

Product/Service Description: Engineering services in support of bench-scale pilot testing, an alternative...

- \$50,000 and UNDER**
This form will be sent to the Purchasing Supervisor for review.
- OVER \$50,000**
Complete this form and draft a resolution using the sample resolutions provided by the City Attorney to your Budget Analyst. **Your resolution will not be added to the Finance Committee agenda without this form.**

Check the box(es) for the exception criteria you feel are applicable:

- 1. Public exigency (emergency) will not permit the delay incident to advertising or other competitive processes.
- 2. The services or goods required are available from only one person or firm (i.e., true sole source).
- 3. The services are for professional services to be provided by attorneys.
- 4. The services are to be rendered by a university, college, or other educational institution.
- 5. No acceptable bids have been received after formal advertising.
- 6. Service fees are established by law or professional code.
- 7. A particular consultant has provided services to the City on a similar or continuing project in the recent past, and it would be economical to the City on the basis of time and money to retain the same consultant.
- 8. Otherwise authorized by law, rule, resolution, or regulation. Explain:
Timeline required for BIL grant funding opportunity does not permit standard RFP purchasing pr ...

- If procurement is being paid with Federal or State grant funds, the vendor was identified by name in the approved Grant Application. (OPTIONAL)

REASON FOR REQUEST

WHY A COMPETITIVE SELECTION PROCESS CANNOT BE USED:

Provide **detailed** explanation below. For a true sole source, provide all information to explain why this product or service can only be purchased from this vendor. For one-of-a-kind items not sold through distributors, explain the unique performance features of the product requested that are not available from any other product. For services, detail the unique qualifications this vendor possesses, or other reason(s) that meet the criteria selected above. Identify specific, measurable factors and qualifications.

Bipartisan Infrastructure Law (BIL)

The recently passed BIL contains specific funding opportunities for treatment of PFAS. The allocation to Wisconsin under the 'Drinking Water Emerging Contamination' program is \$12.8 million annually for five years, beginning in 2022. This program has an attractive provision for 100% principal forgiveness. The availability of BIL funding creates a unique opportunity for the Utility to align the treatment objectives at Well 15 with potential for 100% principal forgiveness on the capital investment.

Utility staff received confirmation from the WI Department of Natural Resources (DNR) – the state funding agency responsible for disbursing BIL funds earmarked for PFAS treatment – that they will be finalizing the regulations in the coming weeks and months. Utility staff is also aware that the cutoff date for submitting applications under the State Revolving Fund (SRF) program is generally October 31, 2022. This provides the Utility with a tight window of opportunity for submitting the funding application to the DNR. It will be a very competitive program and with no particular guarantee for acceptance. The competitiveness stems from the fact that many communities in WI are facing PFAS contamination in their drinking water and the funding under the 'Drinking Water Emerging Contaminants' is 100% forgivable.

A factor that will weigh heavily with the DNR staff when making BIL funding decisions will be whether the funded project is 'shovel-ready'. One of the ways to demonstrate the Utility's commitment and sufficient readiness with a 'shovel-ready' project is to submit a preliminary design report for the proposed Well 15 PFAS Treatment Facility along with our SRF funding application by October 31, 2022. Some of the steps we have taken/proposing to take are to increase the chances for acceptance of our application for funding by the DNR.

Engineering Design - Consultant Selection Process

With the objective of getting a preliminary design report prepared by October 31, 2022, Utility staff structured a direct consultant evaluation process to expeditiously contract with a nationally reputed engineering services firm with proven experience in designing PFAS water treatment facilities. Some of the key considerations incorporated into the selection process are:

- Recent regional, municipal PFAS treatment plant design experience, their approach to Pilot Testing, and understanding of the existing Feasibility Study for PFAS Removal
- Experience, reliability and confidence in scheduling and estimating costs, including contaminated waste (media) disposal, for PFAS treatment facilities and the specific challenges the firms identified that relate directly to the Utility's proposed PFAS treatment facility project
- Diversity equity and inclusivity of project team and overall DEI philosophy of the firm

The Utility's project team proceeded with a thorough, objective, and competitive consultant selection process by conducting multiple rounds of interviews and presentation reviews with eight nationally known qualified and experienced engineering consulting firms. The objective for the Utility was to identify directly through this selection process the most experienced consulting firm capable of successful design and implementation of a PFAS water treatment system for Madison Water Utility.

The Utility project team conducted initial telephone interviews with **eight** consultants nationwide (AECOM, Baxter Woodman, Black & Veatch, BTS Squared, Greeley and Hansen, Strand Associates, Suez / Veolia, and TRC Companies). **Five** of the firms proceeded to round two with detailed presentations and extended interviews with the Utility's project team.

One firm – AECOM – stood out above the rest based on its proven experience and expertise in designing PFAS treatment facilities. The AECOM project team will be led by Angel Gebeau, PE, out of Stevens Point, WI. Angel and her AECOM team previously worked with the Utility on the implementation of the Utility’s first iron & manganese treatment plant at Well 29 in 2009.

Engineering Design Contract – Cost Structure

As shown in Table 1, the total cost for the proposed contract with AECOM for engineering services through permitting and final design of the Well 15 PFAS Treatment Facility is \$336,764, with a contingency of \$38,236 for a total not to exceed amount of \$375,000.

| Table – 1 AECOM Engineering Services Scope of Work and Budget | |
|---|------------------|
| Task Description | Budget |
| Task – 1 Bench-scale pilot testing & alternatives analysis: evaluate GAC and AIX for PFAS removal; identify selected media or combination; and refine treatment system design to optimize long-term operating costs | \$52,964 |
| Task – 2 Preliminary design: incorporate information from the alternatives analysis to develop up to three layout and design alternatives for Utility consideration, and through direct consultation with the project team, identify a selected alternative to proceed to final design | \$104,688 |
| Task – 3 City review and permitting approval: lead project presentations at City committee and council meetings to obtain approval and building permits necessary for the project to proceed to construction | \$53,514 |
| Task – 4 Final design: incorporate input from project team, community preferences identified at public meetings, and feedback from City review and permitting committees. Prepare engineering design report and project cost estimate to submit with Environmental Loan application | \$125,598 |
| TOTAL | \$336,764 |
| Allowances | \$38,236 |
| Total Not-to-exceed Amount | \$375,000 |

Uncertainty with Funding Approval from DNR

The main impetus to fast track the design consultant contract award is for the Utility to complete the following tasks by October 31, 2022, the funding application deadline – pilot testing, alternatives analysis, and preliminary design report & construction cost estimate. This is critical for the Utility to submit “Intent to Apply (ITA)” to the DNR, including data for Priority Evaluation and Ranking Formula (PERF). A well-documented application material and demonstrated elements of a ‘shovel ready’ project is one of the more effective ways to enhance the chance of funding approval with the DNR. Task 1 and 2 included in Table – 1 will accomplish that goal for an estimated cost of around \$160,000.

The Utility leadership anticipates a high probability for obtaining funding for this project, particularly given the status of Well 15. Keeping in mind, the unlikely chance of non-acceptance of the Utility's funding application by the DNR, the proposed engineering services contract will include a provision that AECOM will suspend work after completing Task 1 and 2 and will proceed further only after receiving specific written direction from the Utility to do so. The Utility will give the go ahead only after knowing the fate of our funding application with the DNR. The Utility will reevaluate its options in April 2023 after DNR releases its Project Priority List.

COMMENTS REGARDING PURCHASES OVER \$50,000

The City of Madison has paid AECOM Inc. \$3,235,136 since 2019. The company was initially selected through competitive process (RFP #8706-0-2018-JA) in 2018 for the first phase of the Bus Rapid Transit (BRT) design project. That accounts for \$524,909. When it came time for Phase 2 of that project, the transportation agencies received approval from the Common Council to contract with AECOM, which would be considered non-competitive since it was not a part of the RFP done in 2018. The contract amount for phase 2 was \$2,979,932, of which \$2,710,227 has been paid. In 2021, the transportation agencies again received authorization from the Common Council to proceed with AECOM for phase 3 of the BRT project on a non-competitive basis, resulting in a contract for \$3,732,122, none of which has been paid yet.

Date:

Submit