

Addendum Four

To

Request for Proposals



Agreement No. PUC.PRO.0179

Wastewater Capital Plan Delivery - Program Management Consultant

ADDENDUM FOUR PUBLICATION DATE:

August 19, 2022



**Contract Administration Bureau
SAN FRANCISCO PUBLIC UTILITIES COMMISSION
525 Golden Gate Avenue, San Francisco, CA 94102**

****Please note that revisions are made in ~~striketrough~~ and in red where necessary.****

CHANGE NUMBER 1, on page 1 of the RFP:

1.1 Introduction

The San Francisco Public Utilities Commission (SFPUC, or “Department”), a department of the City and County of San Francisco (“City”), seeks to retain the services of a qualified Proposer to provide programmatic support services for implementation of the Wastewater Enterprise Capital Improvement Plan.

The SFPUC seeks to select Proposers with proven expertise and extensive experience (as specified in Section 4) in the following areas: Program Administration; Strategic Capital Planning; Program Implementation; and Project Technical Support.

The anticipated total amount and duration of the Professional Services Agreement (“Agreement”) are as follows:

Agreement Amount: \$90,000,000.00

Agreement Duration: 10 Years

The SFPUC may incorporate the Task Descriptions set forth herein into the Agreement as the applicable scope of services. The SFPUC will incorporate the ~~Fee Schedule~~ **Overhead and Profit Schedule’s (OPS)** billing rates **agreed to** ~~provided by the SFPUC and the~~ selected Proposer (“Program Management Consultant (PMC)”) ~~as part of its proposal~~ into the Agreement. The **standard** terms of the Agreement, ~~including the and billing rates listed in the submitted Fee Schedule,~~ will be non-negotiable.

The SFPUC may post additional information relating to the Request for Proposals (RFP) on the SFBid website after issuance of the RFP. Proposers are responsible for consulting the [SFBid website](#) regularly for these updates.

CHANGE NUMBER 2, on page 54 of the RFP:

5.2.8 Team Availability

Fill out the spreadsheet template attached as Appendix E of this RFP and entitled “Proposer Commitment Matrix” completely and attached it as directed in the Proposal Response Form. All information in this spreadsheet must be consistent with all other submissions with the proposal (~~OPS Fee Schedule~~, letters of commitment, etc.) Failure to provide consistent information on the Proposer Commitment Matrix may result in the City finding the proposal non-responsive.

The first worksheet tab is entitled "Commitment Matrix". Identify the specific percentage of work time each Key/Lead Team Member will spend on the project and confirm their availability throughout the project duration.

The second worksheet tab is entitled "Other Project Commitments." Fill in each Key/Lead Team Member proposed on this project and include all other current or pending projects on which they are committed. The numbers can be in full time employee hours or percentage of time, but the information should be consistent for each team member entry.

CHANGE NUMBER 3, on page 55 of the RFP:

5.2.9 FeeOverhead and Profit Schedule

Compensation under this contract will be provided as: 1) labor related costs by hourly billing rates for hours worked, and 2) separately billed direct reimbursable expenses (ODCs).

Proposers must use the ~~Fee~~Overhead and Profit Schedule (OPS) Template, provided as an Excel file in Appendix B, to prepare their ~~OPS Fee Schedule~~. The ~~OPS Fee Schedule~~ must include the ~~base~~ hourly billing rate and each firm's overhead and profit rate (OPR, or "multiplier") for each staff member for the Prime Proposer (or JV Partners) and all Subcontractors expected to work on the Project. ~~Proposer must list only one overhead and profit rate for each firm. The base hourly rate is the employee's earned income hourly rate, which shall not include health benefits, retirement benefits, profit sharing, sick leave, and vacation.~~

A. Applicable Rates/Tasks

All Proposals must provide 2022 billing rates. The Contractor will only be allowed to escalate its 2022 billing rates based on the annual percentage change of the Consumer Price Index (CPI) for the San Francisco Bay Area for Urban Wage Earners and Clerical Workers.

~~Based on the information provided in the OPS, SFPUC will calculate an Effective Overhead and Profit Rate (EOPR, or "Average Multiplier") will be calculated as a weighted average of the OPRs listed for each firm based on the firm's estimated percentage of work. The EOPR will be a weighted average of the rates proposed for each firm listed as part of the Proposer's team. The EOPR may not exceed 3.20. The maximum billing rate for key/lead staff and any Technical Advisory Panel members is \$300/hour, for all other staff the maximum billing rate is \$270/hour.~~

It is within sole discretion of the SFPUC to reject any proposal that does not comply with the ~~OPS Fee Schedule~~ requirements.

All costs to manage and administer the services under the Agreement must be included in each firm's ~~hourly billing rate~~OPR, or "multiplier". Only individuals who are assigned to the proposal or have been approved by the SFPUC Program Director to be added to the Agreement, and are performing tasks directly related to the Agreement, will be allowed to charge their time on the approved task orders.

B. Individual Contractor

An Individual Contractor for purposes of the OPS is an individual staff team member proposed by Proposer who is compensated by Proposer under an hourly contract pay rate instead of an hourly base payroll labor rate. An Individual Contractor must be listed as a separate line item in the OPS. The Individual Contractor's name, entity, and hourly pay rate shall be listed, and the hourly pay rate extended to a billing rate with a 1.00 Overhead and Profit Rate pass-through. The Individual Contractor's hourly pay rate must be verifiable by an executed written contract with the Proposer. Markup on an Individual Contractor is limited to 5% of the Individual Contractor's proposed billed cost.

Provision of Individual Contractors for proposed services under the Agreement shall not exceed 3% of the Proposal Total Actual Labor Cost. If Proposer's Individual Contractor is later replaced or substituted after the Contract is executed, the billing rate of any new Individual Contractor must not exceed the billing rate proposed in the OPS for the position. If the Individual Contractor is replaced or substituted with a Prime or Subcontractor employee at an hourly payroll rate, the firm Overhead and Profit Rate applied to the replacement individual's hourly payroll rate must not exceed the Proposal EOPR.

C. Rates and Markups

The Proposer's billing rates and EOPR provided in the OPS Fee Schedule will be non-negotiable subject to negotiations prior to award of contract during the Agreement award process and non-negotiable for the duration of the Agreement. The EOPR will apply to the billing rate of all subconsulting firms not listed in the OPS. If a new subconsulting firm is added during the duration of the Agreement, the new individual firm's hourly billing rate must not exceed the maximum billing rate of \$300/hour for key/lead staff and any Technical Advisory Panel members and the maximum billing rate of \$270/hour for all other staff and Overhead and Profit Rate can be no more than the Proposal Effective Overhead and Profit Rate. The maximum billing rate and EOPR will also apply to all amendments to the Agreement.

SFPUC may require the Proposer to provide certified payroll records documenting the actual salaries of all individuals who will be added to the Project (i.e., individuals not listed in the OPS Fee Schedule). The City will only approve project staff substitutions when that change in personnel is requested by the City and/or beyond the control of the Proposer. The City expects individuals listed in the OPS Fee Schedule, and for whom résumés and qualifications have been submitted as part of the proposal, to be provided to the project team.

Markups are limited to 5% of Subcontractors' actual labor costs. Markups on ODCs or materials for either the Proposer or its Subcontractors are not allowable.

Hourly billing rates shall be the actual hourly base salary rate of each employee utilized for the work multiplied by the firm's proposed overhead rate (including salary burden and fringe benefits) and proposed profit rate. Each firm's proposed OPR, or "multiplier," shall apply to all proposed staff and substituted, new, or added staff for the duration of the contract and shall include all miscellaneous and incidental costs of work other than those as specifically defined below as direct

reimbursable expenses.

D. Other Direct Costs

Direct reimbursable expenses (ODCs) shall include actual direct costs (with no markup) of expenses directly incurred in performing the work. **All ODCs are subject to pre-approval in writing by the SFPUC Program Director.**

The following items will be eligible for reimbursement as ODCs:

- Task-specific out-of-town travel for staff other than Key/Leads as requested by SFPUC (“out-of-town” shall mean outside the nine Bay Area counties: San Francisco, Alameda, Marin, Santa Clara, Sonoma, Contra Costa, Napa, San Mateo, and Solano). Out-of-town travel must be non-routine.
 - Rental vehicle: traveler must select the most economical contractor and type of vehicle available and acquire any commercial rate or government discount available when the vehicle is rented.
 - Personal vehicle use: SFPUC will pay PMC on a per mile basis as established by the United State Internal Revenue Service and only for that portion of travel that is outside the nine Bay Area counties and non-routine. Should the travel begin or end on a normal workday, the PMC must subtract commuting mileage from total mileage to calculate reimbursable mileage. The PMC must submit to the City an approved mileage log and expense report with its monthly invoices.
 - Project vehicle rental/lease cost, gasoline, tolls and parking. The PMC must request the project vehicle and receive pre-authorization by the SFPUC staff. The SFPUC will only reimburse the business portion of the vehicle use. Vehicle mileage log and expense report are required for consideration of reimbursement. Since auto insurance is already part of the contract, SFPUC will not reimburse any additional insurance costs. Commuting to Moccasin from Contractor’s temporary home is not eligible for reimbursement.
- Specialty printing (“specialty” as used herein shall mean large volume printing and color printing and requires prior written approval by SFPUC project staff and documentation of the written approval by the SFPUC must be included with the invoice);
- Task related permit fees;
- Expedited courier services when requested by SFPUC staff; and
- Task-specific Safety equipment.

Anything not listed above is not eligible for reimbursement and therefore should be included in the Proposer’s rates **EOPR** if compensation for these expenses is desired. They include, but are not limited to:

- All other travel expenses such as parking, bridge tolls, public transit, vehicle mileage within the nine Bay Area Counties, and travel from Contractor’s home office to SFPUC facilities or to Moccasin when not requested by SFPUC;
- Travel for all Key/Lead Members and Other Team Members to attend in-person meetings;
- Contractor staff relocation costs;

- Any labor charges or pass-throughs including, but not limited to, administrative and clerical staff time;
- Telephone calls and faxes originating in the firm's home office, standard computer use charges, computer hardware or software (other than the specialty hardware or software mentioned above), communication devices, and electronic equipment;
- All meals, including refreshments and working lunches with SFPUC staff;
- Equipment to be used by SFPUC staff;
- Ergonomic office equipment; and
- Postage and courier services that are not requested by SFPUC staff.

CHANGE NUMBER 4, on page 71 of the RFP:

7.1 Agreement Preparation

The SFPUC in its sole discretion may invite the highest-ranked Proposer to negotiate the proposed overhead and profit rate, billing rates, and staffing listed in the submitted OPS. The SFPUC reserves the right to proceed negotiation with the next highest ranked Proposer if an agreement cannot be reached.

If an agreement is reached in principal, ~~The~~ SFPUC General Manager will make a recommendation to the SFPUC Commissioners, subject to approval by the San Francisco Board of Supervisors pursuant to City Charter Section 9.118, ~~to~~ for award ~~and of the Agreement to the highest ranked Proposer.~~

Failure by the Proposer to obtain compliance with City requirements and execute an Agreement within two (2) weeks of the date of the Board of Supervisors' approval of the Commission's authorization to execute the Agreement may result in the General Manager's executing an Agreement with the next highest ranked Proposer. The SFPUC, at its sole discretion, may select another Proposer and may proceed against the original Contractor for damages.

SFPUC will issue a NCA after the selected ~~Proposer~~ Contractor obtains all necessary City approvals, submits required documents, executes the Agreement, and the Controller certifies the Agreement.

CHANGE NUMBER 5, on page 71 of the RFP:

7.2 Standard Agreement Language

By submitting a proposal, Proposers acknowledge that they have read, understand, and agree, if selected, to enter into the City's Agreement as set forth in Appendix A, without changes to ~~its~~ the Agreement terms and conditions. SFPUC will not negotiate the standard terms of the Agreement, ~~including the billing rates listed in the submitted Fee Schedule.~~ By submitting its proposal,

Proposer agrees to the **standard** terms of the Agreement and ~~agrees~~**will** not **seek** to propose negotiation of any of its terms.

CHANGE NUMBER 6, on page 100 of the RFP:

14 List of Appendices

- A. Professional Services Agreement (P-606)
- B. ~~Fee~~**Overhead and Profit** Schedule Template (Excel file) **Rev. 1**
- C. PRO.0179 Background Documents Rev. 1
- D. Social Impact Partnership Supporting Documents
- E. Proposer Commitment Matrix
- F. Contract Monitoring Division (CMD) LBE Forms
 - a. Form 2A – CMD Contract Participation Form
 - b. Form 2B – CMD “Good Faith Outreach” Requirements Form
 - c. Form 3 – CMD Compliance Affidavit
 - d. Form 5 – CMD Employment Form
- G. 12B & 12C Declaration: Nondiscrimination in Contracts and Benefits Form (CMD-12B-101)
- H. Minimum Compensation Ordinance (MCO) Declaration
- I. Health Care Accountability Ordinance (HCAO) Declaration
- J. First Source Hiring Program Agreement
- K. Chapter 12X Certification
- L. Release of Liability Form
- M. Consultant Services Performance Evaluation Procedure

END OF DOCUMENT