



Legislation Details (With Text)

File #: 11-1003 **Version:** 1 **Name:** PW - MWH for CIP Benchmarking Study Group
Type: Contract **Status:** CCIS
File created: 9/13/2011 **In control:** City Council
On agenda: 10/4/2011 **Final action:** 10/4/2011

Title: Recommendation to authorize City Manager to execute a one-year contract extension with MWH Americas, Inc. (MWH), in an amount not to exceed \$122,500 (with a net cost to the City of \$17,500) to provide statistical and data gathering services for the California Multi-Agency Capital Improvement Program (CIP) Benchmarking Study Group in which the City of Long Beach participates; and increase appropriations in the General Fund (GP 100) in the Department of Public Works (PW) by \$105,000. (Citywide)

Sponsors: Public Works

Indexes:

Code sections:

Attachments: 1. 100411-C-10sr&att.pdf

Date	Ver.	Action By	Action	Result
10/4/2011	1	City Council	approve recommendation	Pass

Recommendation to authorize City Manager to execute a one-year contract extension with MWH Americas, Inc. (MWH), in an amount not to exceed \$122,500 (with a net cost to the City of \$17,500) to provide statistical and data gathering services for the California Multi-Agency Capital Improvement Program (CIP) Benchmarking Study Group in which the City of Long Beach participates; and increase appropriations in the General Fund (GP 100) in the Department of Public Works (PW) by \$105,000. (Citywide)

Since 2001, the City of Long Beach has participated in an ongoing study to benchmark capital project delivery performance by the seven largest cities in California (Los Angeles, Long Beach, San Jose, San Francisco, San Diego, Sacramento, and Oakland). The purpose of the study is to determine reasonable costs to deliver capital projects by comparing cost data from similar agencies and to compare/evaluate different delivery methods. Information is shared by each participating agency on what has worked or not worked to improve project delivery in categories as varied as fire stations, libraries, parks, streets, storm drains, and traffic signals, just to name a few. The results have been a more uniform and improved project delivery approach for each of the participating agencies.

The study, now known as the *California Multi-Agency CIP Benchmarking Study*, was first published in 2002, with subsequent annual updates published each year thereafter. The study currently includes three main areas: Performance Benchmarking, Best Management Practices and Discussions of Current Project Delivery issues, and has been officially recognized by the League of California Cities and the American Public Works Association. The study, now in its tenth year, is considered nationally as one of the longest and best studies ever conducted for the purposes of understanding project delivery costs by municipalities. As the current chair of this study group, Long Beach regularly receives inquiries from cities and counties across the nation about the study and how to form similar study groups in their areas.

The participation in the statewide benchmarking process has provided each agency with unique and valuable insight as to how project delivery varies from agency to agency, both in terms of non-construction related costs and methodology. The process has also challenged each City to fully understand its own processes and costs, and to re-evaluate those areas that do not meet the standards being set by the other participating agencies in this study. Attached is a brief summary of the study and the positive impacts resulting from it. In general, Long Beach has been able to keep its project delivery costs below the average by utilizing lessons learned through the City's participation in this study. The resulting project delivery cost reductions have saved the City well over \$500,000 last year, easily recouping the study participating cost of \$17,500.

When the study was first initiated in 2001, the participating agencies agreed that, in order to make the most effective use of the group's time and to have access to the expert capability required to process large amounts of data (the project data base now includes over 1000 projects totaling more than \$1 billion), the benchmarking group needed to retain the services of a consultant to provide data gathering and statistical analysis services. Since 2001, the cities in the group have typically rotated the responsibility of managing the study's consultant, MWH. Long Beach accepted the management responsibility for the study group on October 1, 2008. It has been requested by the participating agencies that Long Beach continue as the lead agency for one additional year. This will require that the current contract between the City of Long Beach and MWH be extended for one year. It should be noted that to assist the member agencies in these tough economic times and to ensure that this valuable study work continues, MWH has reduced the current proposed contract to \$122,500, which is 16 percent (\$23,500) less than it has been historically. The contract costs are shared equally by each of the seven cities resulting in a net cost to the City of Long Beach of \$17,500 for participation in the study.

This matter was reviewed by Deputy City Attorney Linda Trang on September 13, 2011, and by Budget Management Officer Victoria Bell on September 9, 2011.

In order to avoid disruption to the work of the benchmarking group, City Council action on this matter is requested on October 4, 2011, to authorize execution of a contract extension with MWH.

The contract award is for an estimated amount of \$122,500. Since sufficient funds are not currently budgeted, an appropriation increase in the General Fund (GP 100) in the Department of Public Works (PW) in the amount of \$105,000 is requested. Participating cities' reimbursement to the City will be deposited in the General Fund, so the net cost to the City will be \$17,500. There are no job impacts related to this action.

Approve recommendation.

MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST
CITY MANAGER