



## Legislation Text

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**File #:** 08-1020, **Version:** 1

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Recommendation to authorize City Manager to enter into a one year term agreement with MWH Americas, Inc., (MWH) in an amount not to exceed \$154,000 (with a net cost to the City of Long Beach of \$22,000) 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. (Citywide)

Prior to 2001, seven of the largest cities in California were expected to award billions of dollars in public works infrastructure construction contracts without the benefit of any organized benchmarking data to assist in the process. Each of these cities had accumulated their own respective experiences in managing not only actual construction costs but the significant additional project delivery costs associated with planning, design, environmental documentation, value engineering, permits, construction management and startup.

To access this collective and valuable experience, in October 2001, the City of Los Angeles, Department of Public Works, Bureau of Engineering initiated a benchmarking study through the cooperative effort of individuals responsible for the development and implementation of capital improvement projects in the cities of Long Beach, Oakland, Sacramento, San Diego, San Jose, and San Francisco. The objective of this study was to provide a general analysis of the efficiency of capital project delivery systems within various agencies in California, based on the observed performance and the processes implemented over previous years. This study became known as the California Multi-Agency CIP Benchmarking Study (Study). The first Study was published in 2002, with subsequent annual updates published each year thereafter. The Study has evolved over the years into three main areas: Performance Benchmarking, Best Management Practices and Discussions of Current Project Delivery issues also known as "on-line discussions" (Exhibit A).

The environment in which cities are planning, designing, and constructing their capital improvement programs has been in a state of constant change over the past few years. Rapid increases in construction costs, more stringent environmental regulations along with the ever present pressure of budget shortfalls are only a few of the challenges faced by California cities. Participation in the statewide benchmarking process has allowed the City of Long Beach to normalize its CIP project delivery performance in a constantly evolving environment, and to learn from the other participants how they are overcoming these challenges.

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 benchmarking group retains the services of a consultant to provide data gathering and statistical analysis services. The cities in the group have typically rotated the responsibility of taking the lead with the consultant, MWH. The contract term with San Jose's agreement with MWH ended September 30, 2008. Because it is now the responsibility of Long Beach to assume the lead, staff proposes that Long Beach execute a new agreement with MWH effective October 1, 2008.

This matter was reviewed by Deputy City Attorney Amy R. Burton on September 15, 2008 and by Budget Management Officer Victoria Bell on September 18, 2008.

In order to avoid disruption to the work of the benchmarking group, City Council action on this matter is requested on October 7, 2008 to authorize execution of a new agreement with MWH effective October 1, 2008.

The contract award is for an estimated amount of \$154,000. Sufficient funds to cover the contract are budgeted in the General Fund (GP 100) in the Department of Public Works (PW). Please note that contract costs are shared equally by each of the seven cities resulting in a net cost to the city of Long Beach of \$22,000 for participation in the study.

Approve recommendation.

Michael P. Conway  
Director of Public Works

NAME  
TITLE

APPROVED:

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PATRICK H. WEST  
CITY MANAGER