

**RESOLUTION NO. 96-197**

Adopted by the Sacramento Area Flood Control Agency

**RESOLUTION ESTABLISHING A CONTRACTING POLICY FOR THE SACRAMENTO  
AREA FLOOD CONTROL AGENCY.**

BE IT RESOLVED BY THE SACRAMENTO AREA FLOOD CONTROL AGENCY BOARD OF DIRECTORS:

The attached "CONTRACTING POLICY FOR THE SACRAMENTO AREA FLOOD CONTROL AGENCY", dated April 18, 1996, is hereby established. All subsequent contracting actions shall conform to the policy unless otherwise approved by the Board.

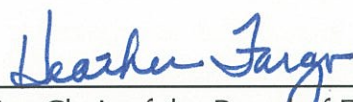
ON A MOTION BY Director Akin, seconded by Director Fargo, the foregoing resolution was passed and adopted by the Board of Directors of the Sacramento Area Flood Control Agency this 16th day of May, 1996, by the following vote, to wit:

AYES: Directors: Akin, Barandas, Dickinson, Fargo, Farrell, Jennings, Kerth, Purcell, Macdonald

NOES: Directors: Latham


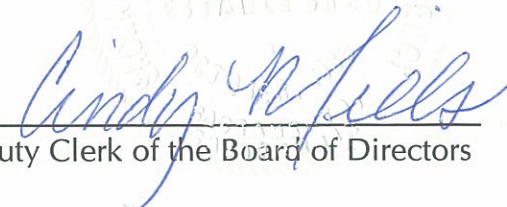
ABSTAIN: Directors: None

ABSENT: Directors: Cohn, Johnson, Nottoli

  
\_\_\_\_\_  
Vice-Chair of the Board of Directors of the  
Sacramento Area Flood Control Agency

(SEAL)

ATTEST:

  
  
\_\_\_\_\_  
Deputy Clerk of the Board of Directors

# SACRAMENTO AREA FLOOD CONTROL AGENCY CONTRACTING POLICY

April 18, 1996

## PURPOSE

To provide policy guidelines to be followed in developing, awarding, administering and amending Sacramento Area Flood Control Agency (SAFCA) contracts.

## BACKGROUND AND FUNDAMENTAL PRECEPTS FOR SAFCA CONTRACTS

SAFCA is a Joint Powers Agency composed of representatives from five separate agencies which have a common interest in securing a Federally funded flood control project principally in response to unacceptably high flood risk from the American and Sacramento Rivers. SAFCA's five parent agencies are: American River Flood Control District, the City of Sacramento, Reclamation District 1000, Sacramento County, and Sutter County. Authorization and funding for an American River Flood Control Project continues to be SAFCA's primary objective. On a case by case basis, SAFCA has also agreed to serve as the responsible agency and local sponsor for other flood control projects and has accepted the responsibility for planning, designing, financing, and constructing other flood control projects where its Board has decided such projects fit within SAFCA's regional responsibilities.

Since SAFCA's inception, policy officials have recognized that once regional flood threats were addressed, SAFCA's role would be reduced to that of a financing agency. In recognition of the fact that there may not be a long term need for a large permanent staff, and because the demands of a variable work load can be more cost effectively met by contracting out, SAFCA's policy has been to maintain a small permanent staff, and to contract for those services that might otherwise have been provided by a larger permanent staff. This fundamental SAFCA principal requires that **SAFCA will manage a large number of contracts, particularly when compared to other agencies with similarly sized staffs.**

Funds for the accomplishment of SAFCA's mission are raised primarily through the impositions of assessments on property owners within the areas which will benefit from improved flood protection. In carrying out its mission, SAFCA's assessees have the right to expect these funds to be expended in the most cost effective and efficient manner reasonably possible. In recognition of the rights of SAFCA's assessees and in keeping with the public trust with which these funds are paid, SAFCA's second fundamental precept is **to procure contract services and manage its contractors in a manner which results in the most cost effective and efficient use of public funds.** The benefits of improved flood protection include the reduction of flood risk, a corresponding reduction in risk to public safety and a decrease in flood damages. With 400,000 citizens at risk and current annualized flood damages of approximately \$180,000,000, there are substantial benefits associated with rapid completion of flood control projects. Rapid

completion of flood control projects is therefore a significant cost effectiveness consideration.

Implementing regional flood control projects involves working cooperatively with other Federal, State, and local flood control agencies and policy bodies. Flood control projects are inexorably intertwined with environmental concerns, economic development matters, and a constituency which is concerned about public safety and increasing government costs. The existing Central Valley Flood Control System is technically complex and an integral part of the State and Federal water projects which are the center of a complex and often emotional statewide debate about meeting the State's growing water need. Requirements of the existing set of government regulations, which include NEPA, CEQA, state and federal endangered species acts, the Clean Water Act, and state and federal water law must be met, and local land use, public safety, financing, and environmental concerns must be addressed. Extensive research and technical analysis of these many matters must be completed as part of the planning process, and it is typically not possible to identify all matters of concern until the project is well into the planning process. For these reasons, it is not normally possible to initially define a clear scope of work which can be used to develop a fixed price contract. Under such a situation, attempts to define all inclusive contract work scopes would require large contingencies to cover work tasks and costs which may or may not turn out to be a necessary part of project implementation. Given this situation, **it is most cost effective to base contracts on those work tasks which are well defined at contract inception, and to amend contract work scope and costs as the project proceeds and new tasks are clearly defined.** This is the third fundamental precept of SAFCA's contracting policy.

## CONTRACT TYPES

For purposes of this policy, the Contracts will be divided into the following four types:

**Staff Services Contracts** are contracts for services which would normally be provided by in house staff. Services covered by these types of contracts include:

**Legal Services** - SAFCA has two annual contracts for legal services. Orrick, Harrington, and Sutcliff provide legal services in connection with assessment law, bond sales, and general legal matters. Shute, Mihaly, and Weinberger provide legal services in connection with environmental law and fees. SAFCA also calls upon attorneys from its parent agencies when appropriate and cost effective.

**Lobbying Services** - SAFCA is pursuing Federal and State funding for flood control projects. SAFCA maintains annual contracts with Will and Carlson for lobbying in Washington, D.C. and with the Gualco Group for lobbying in the California State legislature. Because federally funded flood control projects must be presented to

## SAFCA Contracting Policy

April 18, 1996

Page 3

Congress through a highly specialized and administratively complex planning process involving the Corps of Engineers, SAFCA has an annual contract with Steinberg and Associates for government relations services in connection with this process.

**Technical Support** - SAFCA maintains annual contracts with Murray, Burns and Keinlen and Parson-Brinkerhoff for broad based technical support, project management, and assessment engineering.

**Other Services** - SAFCA has smaller on-going contracts which are renewed annually on an as-needed basis. These include real estate acquisition services, annual financial statements, specialized legal services, environmental coordination, and others.

**Project Contracts** are consulting contracts associated with a particular project. They are most commonly for project planning or design, but could include specialized work such as hydraulic modeling, construction surveying, geotechnical investigations or, in one case, developing a filing system.

**Construction Contracts** are contracts awarded to the lowest responsible bidder through a competitive bidding process. The scope of work is defined in great detail by a set of specifications and construction drawings.

**Service and Supply Contracts** are self explanatory. Their scope ranges from furnishing paper and pencils to furnishing computers and printing documents.

### SCOPE DEFINITION

In developing work scope for contracts, SAFCA will attempt to define the work scope in a manner which allows the contracting process to be completed in the most cost effective manner. The work scope and contract work products shall be described as realistically and completely as is feasible and in sufficient detail to permit the contractor to prepare a detailed estimate of cost. When it is not possible to accurately define the scope of subsequent phases until the initial phases are completed, the work will be phased and a small contingency, not to exceed 10 percent of the contract amount, may be recommended. In presenting phased contracts for Board authorization, staff will disclose that subsequent amendments are anticipated.

When, as is typically the case for Staff Services contracts, it is not possible to define a detailed work scope, a cost reimbursement contract will be used. Cost reimbursement contracts shall establish an hourly rate and contain a "not to exceed" amount which may be developed based on experience and judgement and shall not be exceeded without

prior Board authorization.

The scope of work for construction contracts and service and supply contracts shall normally conform with the practice and policy used by Sacramento County, including mediation and arbitration provisions for dispute resolution.

## **PROCUREMENT**

To the maximum extent feasible and consistent with time constraints, contractors will be selected through a cost effective competitive procurement process, particularly when there are a large number of contractors qualified to provide the desired services. However, the Executive Director may selectively negotiate contracts with a single contractor, subject to approval by the Board, when such negotiated procurement is judged to be cost effective for the following reasons:

Use of a specific contractor is cost effective because of specialized knowledge or contractor capability.

A contractor has prior experience on the same or similar projects and, by avoiding a learning curve, use of such contractor will be cost effective.

Time constraints beyond SAFCA's control do not permit a competitive procurement process.

Contractors for Staff Services Contracts and Project Contracts will be selected on the basis of cost and qualifications.

Construction Contractors will be selected in conformance with appropriate public contracting codes.

Contractors for furnishing Services and Supplies shall be procured using Sacramento County policies and procedures except when direct procurement is determined to be more cost effective.

## **PREFERENCE FOR MINORITY AND WOMEN BUSINESS ENTERPRISE**

The use of minority and women business enterprises in construction contracts shall conform to the policies and procedures followed by Sacramento County. For all other contract procurement, the use of minority and women's business enterprises shall be encouraged.

### **PREFERENCE FOR LOCAL BUSINESS**

SAFCA shall seek contractors with local business establishments. However, cost effectiveness shall be the primary criteria for selecting contractors.

### **POTENTIAL CONFLICTS OF INTEREST**

Prior to awarding, amending, or extending a contract, the Contractor will be asked to disclose whether or not they have contracts for other projects which may conflict with or benefit from the project being undertaken for SAFCA. The existence of such contracts does not, in itself, constitute a conflict of interest providing the potential conflicts are disclosed so that all parties can manage the work in a manner which avoids an actual conflict.

Should it become apparent that a contractor is providing services to a client which are directly adverse to SAFCA's interest, the Executive Director may terminate the contract or, with Board approval, impose controls which eliminate the conflict.

### **CONTRACT DURATION, AMENDMENT, AND RENEWALS**

In presenting contracts for Board authorization, care shall be taken to distinguish between amendments, new contracts, and contract renewals. When a contract is being modified because the scope of follow on work has been clearly identified or previously unanticipated work has been identified, the contract change shall be presented as an amendment or change order and the new work scope shall be clearly summarized in bullet or similar form in the summary portion of the Board letter.

Staff Services contracts will typically have a duration of one year. When an on-going contract is being renewed, the contract modification will be presented as an annual renewal and not as an amendment.

### **CONTRACTOR PERFORMANCE**

In seeking Board approval of contract renewals, extensions and amendments, Contractor performance shall be a primary consideration. Staff shall provide their assessment of contractor performance to date and the contractor's capability to provide the additional services for which authorization is being sought.