



Project Procurement

***Presented by
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Technical Services Manager***



Key Terms

Professional services: Services rendered by a firm or individual in the following disciplines: accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising or professional nursing.

Consulting services: Services of an advisory and intellectual nature that require specialized training in the arts or sciences, and which are not specifically included within the definition of professional services.

Requests for Proposals (RFP): A publicly solicited request for vendors to submit a proposal response, offering to provide Professional Services or Consulting Services to the BRA.

Requests for Bids (RFB): A publicly solicited bid packet, published by the BRA, requesting vendors to submit a competitive bid to provide goods/services.



Statutory Requirements

Professional Services Contracts:

- **Water Code § 49.057(d):** Follow Government Code Ch. 2254 when selecting professional service providers.
- **Government Code Ch. 2254.004 (Subchapter A):** Select the most highly qualified provider of those services based on demonstrated competence and qualifications.
- **Texas Administrative Code, Title 30, § 292.13(4)(B):** Keep a list of at least 3 qualified providers for each area of professional services used by the BRA. For any professional service contract expected to exceed \$25,000, solicitation of proposals from at least 3 prequalified providers is required.



Statutory Requirements

Construction Services:

Water Code § 49.273 requires (at a minimum):

- The BRA to contract for construction, repair and renovation of district facilities and for the purchase of equipment, materials, machinery...
 - For contracts over \$75,000, BRA shall seek competitive sealed bids by advertising the letting of the contract... in one or more newspapers for two consecutive weeks before bids open.
 - For contracts over \$25,000, but not more than \$75,000, the BRA shall solicit written competitive bids of at least 3 bidders.
 - For contracts less than \$25,000, the BRA is not required to seek competitive bids.



Operational Policies Manual

Professional Services:

- **Section 2.1:** Professional services contracts over \$250,000 require Board approval.
- **Section 3.2:** Professional services are selected according to statutory and regulatory requirements.

Construction Services:

- **Section 2.1:** Construction contracts over \$500,000 require Board approval.
- **Section 3.3:** Includes the statutory requirements for construction services & these key differences:
 - For projects at \$25,000 or more, seek competitive sealed bids (**beyond the \$75,000 required by statute**)
 - For projects between \$5,000 and \$25,000, solicit written bids from at least three providers.
 - For projects under \$5,000, **there is no bidding requirement**, but BRA undertakes endeavors to evaluate multiple sources where feasible.



Purchasing Procedure

- BRA updated its Purchasing Procedure on November 2, 2021, through the Office of Finance and Administration
- Goal: Establish consistent guidelines and methods for managing BRA's purchasing of goods, supplies, equipment, and/or services
- This procedure is available on BRA's internal website

ADMINISTRATIVE PROCEDURES:		No.	
OFFICE OF PRIMARY RESPONSIBILITY: FINANCE & ADMINISTRATION	EFFECTIVE DATE: 11/02/2021	Page	1 of 19
SUBJECT: PURCHASING PROCEDURE	AUTHORIZATION: <i>[Signature]</i>	DATE:	11/02/2021

PURCHASING PROCEDURE

OBJECTIVE

To establish consistent guidelines and methods for managing the Brazos River Authority's purchase of goods, supplies, equipment and/or services, in a manner that furthers the interests of the Brazos River Authority and is consistent with all applicable laws, regulations and best industry practices. As stewards of public funds, we are accountable to the communities and citizens we serve; therefore, we must prudently manage our purchases to ensure compliance with state law and that goods and services are acquired in a uniform and economical manner. All purchases shall be scrutinized and evaluated to ensure that the purchases are in accordance with the best interests of the Brazos River Authority.

SCOPE

This procedure sets forth the guidelines for managing Brazos River Authority purchases, specifying the conditions under which the Brazos River Authority shall make various types of purchases as necessary to ensure compliance with applicable laws, regulations, and Brazos River Authority policies. In the event this procedure contradicts any state or federal law, the state or federal law shall supersede any section of this procedure which does not comply with that law.

DEFINITIONS:

Accounting System: The financial software system used by the F&A Department.



Purchasing Procedure

Professional Services: (Section V Requirements)

- When soliciting professional services, the BRA uses a request for proposal (RFP) process.
- If a project is estimated to exceed \$25,000, then the BRA will solicit proposals from at least three pre-qualified providers.
 - BRA keeps a list of prequalified providers in each professional service discipline.
 - In order to be added to the list, a provider may electronically submit its information through a Pre-Qualification Form which can be found on the BRA's website.
- BRA selects professional service providers based upon demonstrated competence and qualifications to perform the services, and then attempts to negotiate a contract.



Purchasing Procedure

Construction Services: (Section IV Requirements)

- When soliciting construction services, the BRA uses a Request for Bids (“RFB”) process.
- The BRA requires competitive sealed bids for projects expected to exceed \$25,000.
- Seeking competitive sealed bids at \$25,000 instead of \$75,000, helps to maximize the BRA’s ability to receive multiple bids on a project.

Subcontractors:

- For projects over \$100,000 (professional services or construction contracts), if subcontracting opportunities are available proposers must submit a Historically Underutilized Businesses (“HUB”) subcontracting plan.



Procurement Processes

Bid Solicitations are advertised on:

- **Newspapers** (for two consecutive weeks as required by statute)
- **Pre-Qualified Bidders List**
- **BRA website**
- **Electronic State Business Daily (ESBD)**
 - Purchasing uses the ESBD as an additional source to get solicitations out to the public. State agencies are required by statute to post solicitations to the ESBD.
- **Centralized Masters Bidders List (CMBL)**
 - CMBL is a database of vendors managed and developed by the Comptroller to assist governmental entities in obtaining vendors.
 - Purchasing uses the CMBL as an additional source to get solicitations out to the public.
- **CIVCAST** – a bidding platform for governmental bids (newly joined)



Sunset Review Process

- Extensive, state-mandated “audit” process for all appropriated state agencies, expanded to River Authorities by Legislature in 2015
- Looked into every aspect of BRA operations, including purchasing and procurement.
- Sunset Report stated: “While BRA generally performs well in procurement and contracting, implementing best practices to address the following areas (listed on next slide) would better position the authority to continue to succeed as its contracting portfolio significantly expands.”

Sunset Review Process (cont'd)

- **Recommendations included:**
 - Use of scoring matrices
 - Documenting vendor performance
 - Prohibiting contracting with former employees
 - Requiring vendor selection teams to disclose any conflicts
 - Creating a vendor dispute policy
 - Planning and monitoring HUB spending
- All best practices are in place or in the process of being implemented.



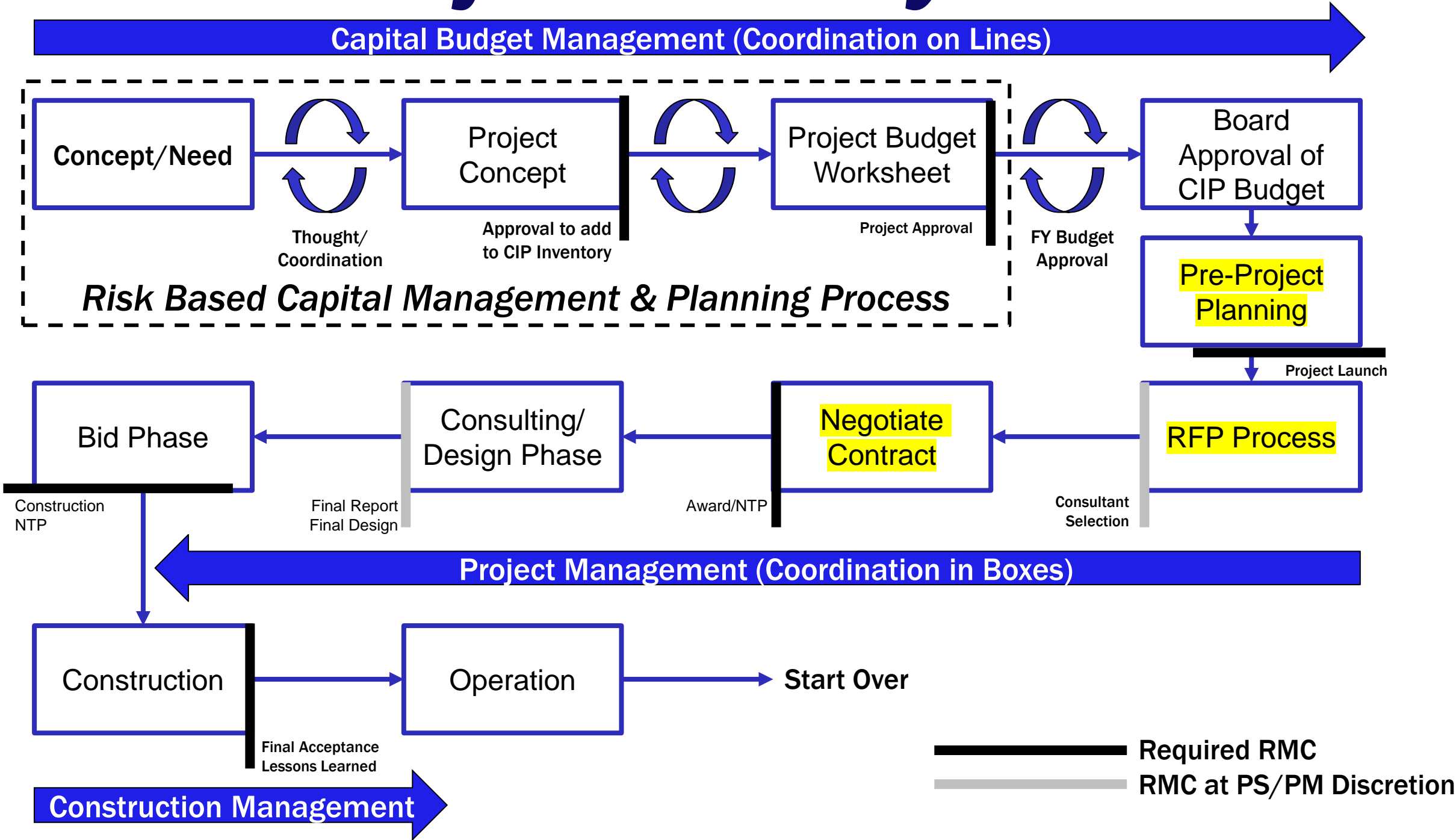
Additional Audits

- Annual Financial Audit
- Efficiency and Effectiveness Review conducted by the Legislative Budget Board in 2014
 - No major findings
- Audited by the State Auditor's Office in 2014
 - No major findings
- 5 Year Management Audit/Internal Audit (Previously conducted but no longer required upon completion of Sunset Review)
 - Most recently conducted in 2017, audit results were positive



Professional Services Procurement

Project Lifecycle





Professional Services Procurement

- **Pre-Project Planning: (1-2 Months)**
 - Coordination/collaboration
 - Identify Project Team
 - Understanding project controls (scope, schedule, budget and risk constraints)
- **RFP Development Process: (1-2 Months)**
 - Who, What, Why, When and Where
 - Developed by Project Team
 - Draft, review, refine, review, finalize (cyclical process until complete)
- **The Solicitation (RFP): (3-4 Weeks)**
 - Advertised in newspapers, Brazos.org, ESBD
 - Emailed to Pre-Qualified List & the CMBL
 - Identify Selection Committee & evaluation criteria
 - Pre-proposal meeting (optional)



Professional Services Outreach & Networking

Estimated Timing: 1-2 Months Prior to Solicitation

- **Ongoing Relationships:**

- Pre-qualified database
- CIP updates
- Calls/meetings

- **New Firms:**

- Meet & Greet
- Brown Bags
- Networking Opportunities
- Conferences (TWCA, USSD, ASDSO, Texas Water, AWWA, etc.)



Professional Services Procurement (cont'd)

- **Pre-Proposal Meetings: (1-2 Days)**
 - Identified during RFP development process (Does it add value?)
 - Mandatory vs. non-mandatory
- **Q&A Period: (1 Week)**
 - Questions developed from pre-proposal meeting, site visit and review of RFP by potential proposers
 - Project Team provides response via Addenda (Posted on Brazos.org)
 - Addenda can address scope, objectives, proposal instructions, requirements, etc.
- **Proposal Evaluation & Selection Process: (1-2 Months)**
 - Selection Committee executes Non-Disclosures/Conflict Statements
 - Selection Committee reviews proposals
 - Utilize scoring matrix
 - Collaborative approach scoring
 - When in doubt...Interviews (Not mandated)



Professional Services Procurement (cont'd)

- **Scope & Fee Negotiations: (4+ Months)**
 - Scope of services developed in conjunction with selected firm based on project objectives in RFP
 - Firm develops fee based on scope of services developed and approved by BRA
- **Contract Development: (1-2 Months)**
 - Migrate scope of services into BRA Format (Professional Services Agreement)
 - Contract provided as part of RFP solicitation for firm's initial review
 - Limitation on edits to Terms & Conditions within Professional Services Agreement (uniformity)
 - Finalized once all terms are agreed upon by BRA and firm
- **BOD Approval Process: (1 Month)**
 - RMC approval required before proceeding with BOD approval process
 - BOD approval required for all professional services exceeding \$250,000
 - Approved amount usually will consider a 10% contingency



Professional Services Procurement (cont'd)

- **Contract Execution & NTP: (1 Month)**
 - Finalize Professional Services Agreement for signature by firm
 - Originals required for execution
 - Insurance and associated documents coordinated for approval
 - Notice To Proceed (NTP) issued to firm at a mutually acceptable time
 - Project now accumulates expenditures
 - Prior internal efforts captured by department overhead



Potential Factors That Affect Proposals/Responses

- Complexity and project nuances
- Meeting Minimum Qualifications
- Relatable Experience
- Market Conditions
- Firm Workload & Size
- Locality
- Size of the Project
- Familiarity with the Project
- Familiarity with the BRA
- Etc.



A Few Examples

Integrated Water Resources Plan (IWRP) Project:

- RFQ posted on 10/11/2019 and closed on 11/05/2019
- **Firms notified via Pre-Qualified List: 3**
- **Firms notified via CMBL: 706**
- **Proposals received: 5** (Aqua Strategies, Black and Veatch, Carollo, CP&Y, Stantec)
- **Selection: Stantec**

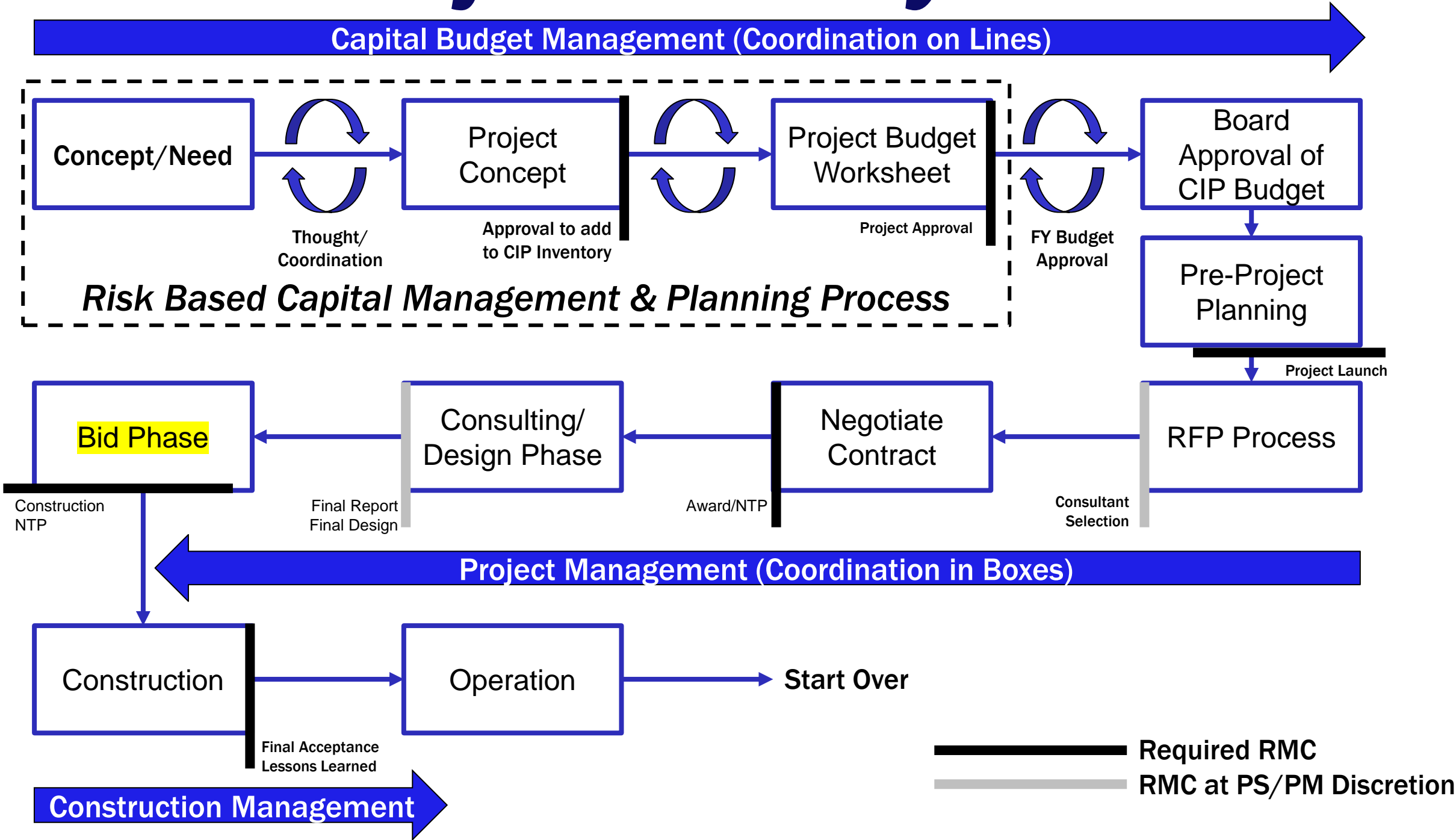
Risk Based Asset Management and Capital Planning Project:

- RFP posted on 07/30/2020 and closed on 08/27/2020
- **Firms notified via Pre-Qualified List: 19**
- **Firms notified via CMBL: 1,019**
- **Proposals received: 8** (Athenian Group, Black & Veatch, Carollo Engineers, Dewberry, HDR, KCI, Luemenor, Stellar)
- **Selection: Carollo Engineers**



Construction Procurement

Project Lifecycle



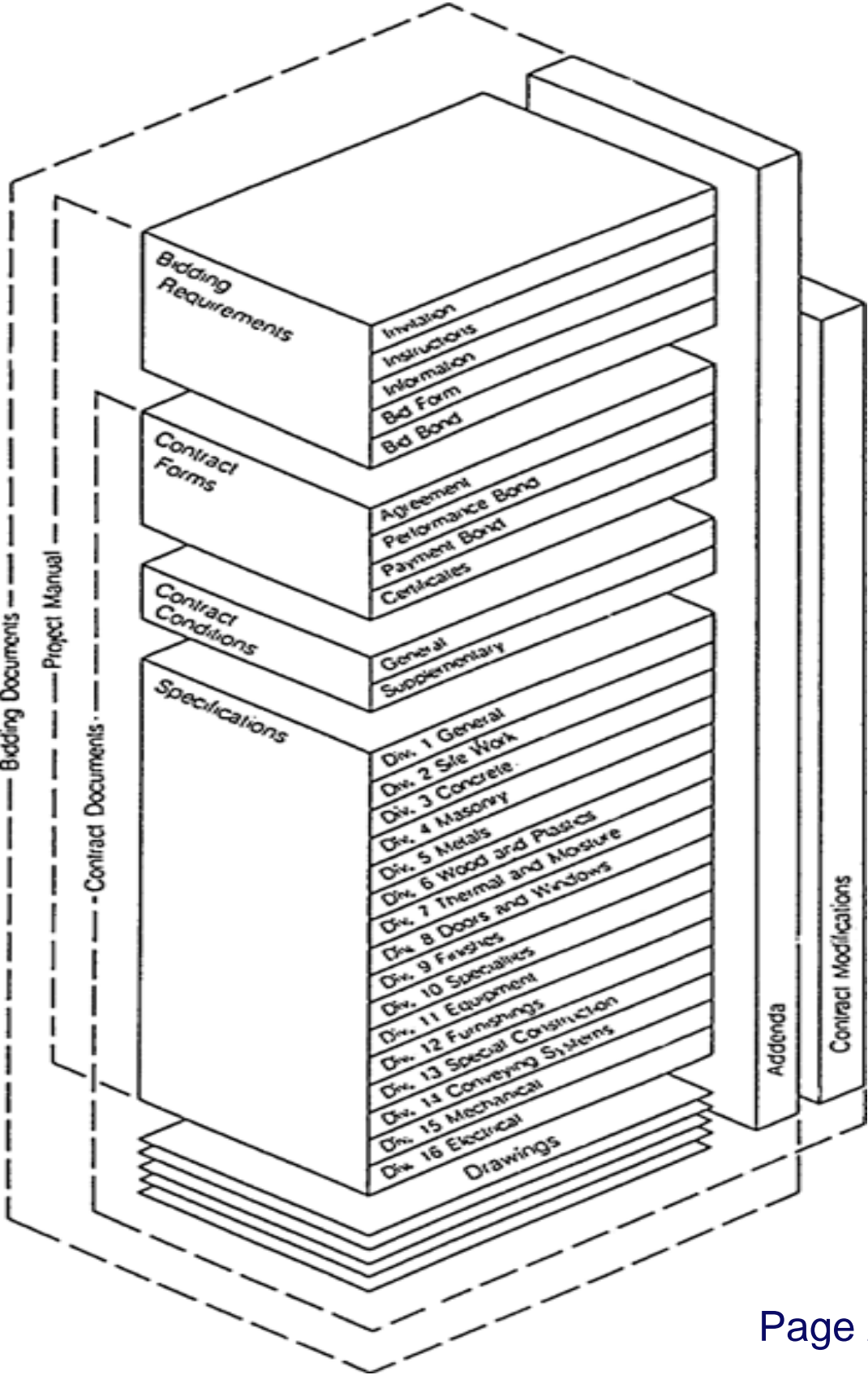
RFB Development

Estimated Duration: 3+ Months

- Compile design and front-end documents to develop RFB.
- Utilizes BRA standard templates, forms and contract
- Logistics of construction/constructability
- Cross check to verify no conflicts between documents

RFB Purpose:

- Invitation to contractors to offer a competitive sealed bid on a project
- Provides standardized information to foster a truly competitive process
- Provided all information required to submit a qualified bid:
 - Instructions to Bidder
 - Contract, General and Supplemental Conditions
 - Written technical specifications and drawings





The RFB Document

- Title Page/TOC – Engineer Provided
- BRA RFB Template (Yellow)
- BRA Contract (Green)
- BRA Contract Conditions (Blue)
- Division Documents (Orange)

Document
Title Page
Table-of-Contents
Request for Bids Cover Page
General Instructions to Respondents
Request for Bids
Bid Submittal Schedule
Bid Form
List of Subcontractor Form
Acknowledgment of Request for Bids and Receipt of Addenda
W-9 form
Conflicts of Interest Questionnaire [CIQ] form
Non-Collusion Affidavit Form
Vendor Compliance to State Law Form
Firm's Experience (as noted in Tab A)
Example Response to Litigation History Question
Bid Bond Form
Agreement
Performance Bond
Payment Bond
Warranty Bond
Certificates
General Conditions
Supplementary Conditions
Specifications Cover Page
Specifications Seal Pages
Specifications Table-of-Contents
Division 1 - General Requirements
Div Docs
Div Docs
Div Docs
Div Docs
Div Docs
Div Docs
Div Docs
Construction Drawings



Outreach & Networking

Estimated Timing: 1-2 Months Prior to Solicitation

Contractor Engagement is critical to generate interest in the project

- **Ongoing Relationships:**

- CIP updates
- Calls/meetings

- **New Firms:**

- Meet & Greet
- Brown Bags
- Networking Opportunities
- Conferences (TWCA, USSD, ASDSO, Texas Water, AWWA, etc.)

- **Other:**

- Engineer Coordination
- CIVCAST (or similar services)



Construction Procurement

Solicitation process similar to professional services

- **The Solicitation: (1+ Months)**
 - Duration between bid opening and NTP (time is money)
 - Suppliers holding quotes for less time due to volatility in supply chains and materials
 - Concerned that long periods before NTP will negate costs contained in their bid
 - Consider BOD approval process for contracts greater than \$500,000
- **Pre-Bid Meeting: (1-2 Days)**
 - Mandatory vs. non-mandatory
 - Virtual or face to face
- **Q&A Period: (1-2+ Weeks)**
 - Firm/Project Team provide answers to questions via Addenda (posted on Brazos.org)
 - Addenda can address all aspects of the bid package



Construction Procurement (cont'd)

- **Bid Evaluation: (3+ Weeks)**
 - Purchasing prepares the initial bid tabulation
 - Bid Evaluation Team executes Non-Disclosures/Conflicts Statements
 - Engineering firm evaluates bids and makes recommendation to BRA
 - Must select lowest qualified bidder
- **BOD Approval Process: (1 Month)**
 - RMC approval required before proceeding with BOD approval process
 - BOD approval required for all construction exceeding \$500,000
- **Contract Development (Conformed Docs): (1 Month)**
 - Duration dependent on how quickly insurance, bonds, forms, etc. are received from contractor
 - Usually engineering firm develops conformed contract documents
- **Contract Execution & NTP: (1 Month)**
 - Construction Services department initiate RPR services for project
 - NTP issued at a mutually acceptable time



Potential Factors That Affect Bids/Responses

- **Cost uncertainty**; greater the uncertainty of a projects cost, more likely to affect contractors' decision to not bid.
- **Market conditions**; labor shortages, inflation, supply chain issues, Infrastructure Bill, number of competitors
- **Firm workload**; are you a big firm, are you expanding; how many other jobs and are they more profitable
- **Experience** and familiarity with specific type of work
- **Region**; does the job line up with your resources and other jobs
- **Firm size**; ability to devote resources to respond; are you looking to expand to new markets
- **Owners' capacity**; identify risks associated with documents, clarity of contracts, plans and specs, financially stability of owner
- **Duration of the project**; other opportunities to obtain work with the owner
- **Cash Flow**; availability of resources and people
- **Size of the job**; total bid value
- **Time** allocated for examining the project; type, size, and difficulty of the project
- **Constructability**; assess different project delivery methods integrating design and contractor early on
- **Insurance**; obtaining proper coverages to meet the project or solicitation needs



A Few Examples

Central Office HVAC Project:

- RFB posted on 07/05/2018 and closed on 07/27/2018
- **Contractors notified via CMBL:** 1,205
- **Number of Attendees to Pre-Bid Meeting:** Meeting 1 = 10, Meeting 2 = 23
- **Bids received:** 5
- **Selection:** HCS, Inc.

Morris Sheppard Dam RJV Access Platforms Project:

- RFB posted on 09/19/2018 and closed on 10/11/2018
- **Contractors notified via CMBL:** 218
- **Number of Attendees to Pre-Bid Meeting:** Meeting 1 = 17, Meeting 2 = 8
- **Bids received:** 3
- **Selection:** Eagle Contracting, LP



Brazos

RIVER AUTHORITY