



Board Report

File #: 2015-0218, File Type: Contract

Agenda Number: 39.

REVISED
CONSTRUCTION COMMITTEE
JUNE 18, 2015

SUBJECT: REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT**ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE CONTRACT MODIFICATION****RECOMMENDATION**

WITHDRAWN: ~~AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 3 to Contract No. MC070, to ARCADIS, U.S., Inc. to continue providing **Construction Management Support Services (CMSS) through FY16 December 31, 2015 for the Regional Connector Transit Corridor Project**, in the amount of \$11,910,669 \$5,955,000, increasing the total contract value from \$11,180,690 to \$23,091,359 \$17,135,690.~~

ISSUE

On March 21, 2013, the Board approved and awarded Contract MC070 to Arcadis, U.S., Inc., for Construction Management Support Services in the amount of \$3,499,990 for this project. On April 24, 2014, the Board approved a modification in the amount of \$7,680,700 to the contract to continue Construction Management Support Services during FY15. Construction management support services are professional services that are required to assist Metro by providing technical expertise and staff augmentation in the oversight and management of the final design and construction, and assist in closeout of the Regional Connector Transit Corridor Project. The executed contract is an eight year (with two one-year options for contract duration extension) cost-plus fixed fee contract with provisions for Board approval of the contract value every fiscal year by Contract Modification. ~~Accordingly, This report requests approval for FY 16 through December 31, 2015 (the first half of FY16) pending the CEO's mid-year cost-budgeting exercise.~~ The history of the contract's awarded amount and all Contract Modifications is contained in Attachment B. Contract No. C0981R, "Advanced Utility Relocations" was awarded on January 13, 2014, and the Design-Build Contract No. C0980 was awarded on May 6, 2014, with revenue service projected in 2020. Metro Project Management requires additional consultant staff with the expertise to oversee the design-builder's construction operations and assist Metro with the management of the Project.

The recommended Board action will provide sufficient contract funding through ~~June, 2016~~ December 31, 2015. A separate funding request for the second half of FY16 (January 1, 2016 through June 30, 2016) will be processed for approval. Future work will be funded on a year-to-year basis. This approach will result in more accurate budgeting for each year, while providing better control over consultant services costs.

DISCUSSION

The primary role of the CMSS is to provide highly skilled and qualified individuals to assist Metro with the construction management of the Project by becoming part of a fully-integrated construction management team residing in the project field office, under the oversight of Metro Project Management. The CMSS consultant provides administration, inspection services and technical support during the final design, construction, pre-revenue operations and closeout phases of the Project. As part of ~~the this~~ request for FY16 Metro's Project Manager identified and evaluated the annual work plan and negotiated with Arcadis, U.S., Inc. to determine the recommended Contract Modification value.

The CMSS contact work plan for FY15 has been running at approximately 20 full-time equivalents (FTEs) per month, most of which are providing construction-related field services, technical expertise on ongoing construction work plans, and staff augmentation. These 20 FTEs in FY15 are planned to continue and carry over through FY16. The CMSS FY16 work plan level of effort is estimated to increase by approximately 20 FTEs from the FY15 expenditure level. The increase in the staffing level is due to work needed to manage and oversee the construction activities as it significantly ramps up in FY16.

In a parallel process under a separate board report, staff is recommending a total of ~~46~~ 37 new non-contract Metro ~~Engineering and Construction (E&C)~~ positions for FY16 by converting ~~40~~ 32 new Construction Management Support Services (CMSS)/Consultant positions based on the assumption that all existing CMSS/consultant positions in FY15 shall remain. ~~Sixteen~~ Eleven of the new ~~40~~ 32 CMSS/Consultant positions proposed for conversion in FY16 to new Metro non-contract positions fall under the ARCADIS scope of work under Contract Modification No. 3. If the Board approves the new non-contract Metro ~~E&C~~ positions, a reduction of up to ~~\$2,071,739~~ \$2,749,965 (for the entire FY 16) may be deducted from Contract Modifications to Arcadis for CMSS during FY 16 No. 3 for these ~~sixteen~~ eleven new non-contract Metro positions provided that these Metro positions are in place at the Regional Connector Transit Project on July 1, 2015. Otherwise a prorated rate of ~~\$10,790~~ \$17,559 per month (per CMSS position) may be deducted from those Contract Modifications No. 3 for every CMSS consultant position that is converted to a new non-contract Metro position and placed on the Project.

Due to uncertainty of when, and if, Metro positions will be available, as a contingency factor, this contract assumes all 4611 CMSS/Consultant positions identified to be converted to Metro positions will be temporarily filled with CMSS positions for at least the first six months of FY16. The other new CMSS/Consultant positions for FY16 are for specialty positions which are not planned to be converted into non-contract Metro position.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects. The CMSS contract provides services that support Metro's internal safety staff on the Regional Connector Transit Corridor Project. The scope of services for the CMSS contract includes provisions for staff members to ensure that safety is the highest priority during oversight of all phases of construction.

FINANCIAL IMPACT

Funding for the CMSS contract is included in the FY16 budget in Cost Center 8510, (Construction Project Management) under Project 860228 (Regional Connector Transit Corridor Project), Account 50316, (Professional Services). Since this is a multi-year contract, the Executive Director of Engineering and Construction and the Project Manager will be accountable to budget the cost for future years on an annual basis.

Impact to Budget

The sources of funds for this report's Recommendation are Federal 5309 New Starts, and State Repayment of Capital Project Loans. The approved FY16 budget through December 31, 2015, is designated for the Regional Connector Transit Corridor Project and does not have an impact to operations funding sources. These funds were assumed in the LRTP for the Regional Connector Transit Corridor Project. This Project is not eligible for Propositions A and C funding due to the proposed tunneling element of the Project. Availability of Measure R funds begin again in FY16 and continue through FY23. No other funds were considered.

ALTERNATIVES CONSIDERED

The Metro Board could decide not to approve the recommended contract modification. This is not recommended because Metro does not have sufficient staff with expertise in the many different fields, including construction managers, resident engineers and inspectors in the disciplines of systems, tunnels, stations, cut and cover work, sequential excavation method work, trackwork, civil, architecture, geology, mechanical and electrical, rail activation, systems integration, survey, among many others. The recommendation by staff will provide adequate staff and expertise in during the first half of FY16 to continue to successfully deliver the completion of the project's construction on

schedule and within budget.

Should the Board approve the separate board item to hire additional non-contract Metro positions (as presented above herein), positions anticipated to be filled with consultant staff through the recommended action would be converted to Metro staff via a transition plan to be determined by the Executive Director of Engineering and Construction.

NEXT STEPS


1. After Board approval and execution of the contract modification, staff will direct the consultant to continue providing construction management support services for the Regional Connector Transit Corridor project through FY16.
2. Staff will report back by December 2015 on the actual number of non-contract Metro positions hired and placed on the project with the corresponding reduction in the CMSS contract value.
3. Staff will report back by December 2015 with a proposed work plan request for the second half of FY16.

ATTACHMENTS

- A. Procurement Summary
- B. Contract Modification/Change Order Log

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**MODIFICATION FOR CONTRACT NO. MC070
REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT
CONSTRUCTION MANAGEMENT SUPPORT SERVICES**

1.	Contract Number: MC070		
2.	Contractor: ARCADIS, U.S., Inc.		
3.	Mod. Work Description: Provide construction management support services during construction of Design-Build Contract C0980 for the Regional Connector Transit Corridor Project for FY16: <u>through December 31, 2015 (the first half of FY 16).</u>		
4.	Contract Work Description: Construction Management Support Services		
5.	The following data is current as of: 04/03/15		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	05/13/13	Contract Award Amount: \$3,499,990
	Notice to Proceed (NTP):	05/17/13	Total of Modifications Approved: \$7,680,700
	Original Complete Date:	05/2021	Pending Modifications (including this action): \$11,910,669 <u>\$5,955,000</u>
	Current Est. Complete Date:	05/2021	Current Contract Value (with this action): \$23,091,359 <u>\$17,135,690</u>
7.	Contract Administrator: Susan Santoro		Telephone Number: 213-893-7144
8.	Project Manager: Girish Roy		Telephone Number: 213-893-7119

A. Procurement Background

This Board Action is to approve Contract Modification No. 3 to continue providing construction management support services through FY16 December 31, 2015 (the first half of FY16) for the Regional Connector Transit Corridor Project.

This contract modification will be processed in accordance with Metro's Acquisition Policy and the contract is a Cost Plus Fixed Fee type contract.

On May 13, 2013, Metro awarded Contract No. MC070, an eight year, cost plus fixed fee type contract to ARCADIS, U.S., Inc. with a not to exceed amount of \$3,499,990 for the first year FY14 to provide construction management support services on the Regional Connector Transit corridor Project.

Attachment B shows two modifications have been issued to date.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon fact-finding, clarifications, and cost analysis, taking into consideration an independent cost estimate (ICE), technical evaluation, and negotiations, pending a completed audit of the consultant’s provisional overhead rates. The most current fiscal year data was requested from the consultant, and is expected to be provided shortly. Upon receipt of this data, an audit request will be submitted to MASD and any findings resulting in an increase or decrease to the contract amount will be incorporated into the contract via a modification.

Proposed Amount	Adjusted Metro ICE	Negotiated Amount	Amount to Be Funded (First half of FY16)
\$13,869,000	\$12,055,606	\$11,910,669	\$5,955,000

The above referenced Contractor’s cost proposal, Metro ICE, cost analysis, and negotiated amount were developed based on the assumption of full FY16 funding. Metro recommends funding only for the first half of FY16 at this time. The additional amount necessary to fund the remainder of FY16 CMSS services will be brought to the Board for approval at a later date.

C. Small Business Participation

ARCADIS US, INC Arcadis made a 26.79% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) commitment. ~~ARCADIS US Inc.~~ Arcadis’ current DALP participation is 55.84%. ~~ARCADIS US Inc.~~ Arcadis is exceeding its DALP commitment.

SMALL BUSINESS COMMITMENT	DALP 26.79%	SMALL BUSINESS PARTICIPATION	DALP 55.84%
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	ABA Global	Caucasian Female	3.14%	10.87%
2.	DHS Consulting	Subcontinent Asian American	8.29%	15.28%
3.	EPC Consultants	Subcontinent Asian American	6.59%	13.93%
4.	Ghirardelli Associates	Caucasian Female	3.60%	8.64%
5.	MBI Media	Caucasian Female	0.99%	0.00%
6.	Ramos CS	Hispanic American	2.34%	4.64%
7.	R Industrial &	African American	0.59%	0.95%

	Healthcare			
8.	Allied Protection Services	African American	1.25%	1.52%
Total			26.79%	55.84%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

D. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

E. Prevailing Wage

Prevailing wage is applicable to this modification. Labor Wage and Retention Programs will monitor this project for labor compliance.

CONTRACT MODIFICATION/CHANGE LOG

**MODIFICATION FOR CONTRACT NO. MC070
REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT
CONSTRUCTION MANAGEMENT SUPPORT SERVICES**

Mod. No.	Original Contract	05/13/13	\$3,499,990
1	FY 2015 Incremental Funding	07/01/14	\$7,680,700
2	Add Junior Staff Engineer Position	07/21/14	\$0.00
3	FY 2016 Incremental Funding (through December 31, 2015 only)	Pending	\$11,910,669 \$5,955,000
	Total:		\$23,091,359 \$17,135,690