

**Board Report**

File #: 2015-0961, **File Type:** Contract**Agenda Number:** 37.

REVISED
CONSTRUCTION COMMITTEE
JULY 16, 2015**SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 1 PROJECT****ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE CONTRACT MODIFICATION****RECOMMENDATION**

CONSTRUCTION COMMITTEE RECOMMENDED (5-0) authorizing the Chief Executive Officer (CEO) to execute Change Modification No. 2 to Contract No. MC071, Westside Extension Support Team (WEST), to continue providing **Construction Management Support Services (CMSS) for six months of FY16 for the Westside Purple Line Extension Section 1 Project**, in an amount not-to-exceed \$6,487,628, increasing the total contract value from \$14,513,451 to \$21,001,079.

ISSUE

On July 25, 2013, the Board approved and awarded, to WEST, the Construction Management Support Services contract for this project. Construction management support services are required to oversee and manage the construction and assist in closeout of the Westside Purple Line Extension Section 1 Project. Metro Project Management requires the continuation of construction management support services to provide the expertise to oversee the construction of the advanced utility relocations at the three station areas, Division 20 Maintenance-of-Way/Non-Revenue Vehicle Maintenance Building, the Design/Builder's construction operations and assist Metro with the management of the Project. On May 22, 2014, the Board authorized annual funding for WEST to continue to provide construction management support services through FY15, for a total contract value in an amount not-to-exceed \$14,513,451.

The recommended Board action will provide sufficient contract funding for six months of FY16, pending the CEO's mid-year cost budgeting exercise. Future work will be funded on an Annual Work Program, 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 construction field office, under the oversight of Metro Project Management. The CMSS consultant will provide administration, maintenance, inspection services and technical support during the construction, pre-revenue operations and closeout phases of the Project.

In a parallel process under a separate board report, staff is recommending a total of ~~37~~ 33 new non-contract Metro Engineering and Construction (E&C) positions for FY16 by converting ~~32~~ 28 new Construction Management Support Services (CMSS)/Consultant positions. ~~Six~~ Five of the ~~32~~ 28 CMSS/Consultant positions proposed for conversion to new Metro non-contract positions fall under the WEST's scope of work under Contract Modification No. 2. If the Board approves the new non-contract Metro E&C positions, a reduction of up to ~~\$1,264,787~~ \$1,093,070 may be deducted from Contract Modification No. 2 for these ~~six~~ five new non-contract Metro positions ~~provided that these Metro positions are in place at the Westside Purple Line Extension Section 1 Project on July 1, 2015.~~ ~~Otherwise,~~ a A prorated rate of ~~\$17,567~~ \$18,218 per month (per position) may be deducted from Contract Modification No. 2 for every CMSS/Consultant position that is converted to new non-contract Metro position and placed on the project.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects. The CMSS contract will provide services that support Metro's internal safety staff on the Westside Purple Line Extension Section 1 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

Funds are included in the FY16 budget for this action under Project 865518 - Westside Purple Line Extension Section 1 Project in Cost Center 8510 (Construction Project Management), and Account Number 50316 (Professional Services). Since this is a multi-year project, 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, including the exercise of any options for future phases.

Impact to Budget

The sources of funds for the recommended action are Federal 5309 New Starts, Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan proceeds and Measure R 35%. The approved FY16 budget is designated for the Westside Purple Line Extension Section 1 Project and does not have an impact to operations funding sources. These funds were assumed in the Long Range Transportation Plan (LRTP) for the Westside Purple Line Extension Section 1 Project. This Project is not eligible for Propositions A and C funding due to the proposed tunneling element of the project. No other funds were considered.

ALTERNATIVES CONSIDERED

The Board may elect to discontinue using WEST for CMSS in FY16. Staff does not recommend this alternative as the construction projects they are assigned are in various degrees of completion and loss of experienced staff would be a detriment to the completion of these projects. There is insufficient time to hire all Metro staff required or to solicit a new CMSS consultant. Therefore, this action will extend the services of all the existing FY15 CMSS positions including approximately 30% DBE. Furthermore, a portion of CMSS positions are needed on an as-needed basis only and not on a full-time basis. Some of the CMSS positions also provide specialty work on an as-needed basis of which is not representative of Metro's core functions.

In a parallel process under a separate board report, staff is proposing to convert ~~six~~ five new CMSS positions to new non-contract Metro positions. However, due to the uncertainty of the hiring of new Metro positions in a timely manner, new CMSS positions are added as an interim measure.

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 Westside Purple Line Extension Section 1 Project for six months of 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.

ATTACHMENTS

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

Prepared by:

Dennis Mori, Executive Officer, Project Director, (213) 922-7221

James Cohen, Deputy Executive Officer, Project Management, (323) 900-2114


Rick Wilson, Director Project Control (213) 922-3627

Reviewed by:

Ivan Page, Interim Executive Director, Vendor/Contract Management (213) 922-6383

Nalini Ahuja, Executive Director, Finance and Budget (213) 922-3088

Bryan Pennington, Executive Director, Engineering & Construction (213) 922-7449



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**WESTSIDE PURPLE LINE EXTENSION SECTION 1 PROJECT
CONSTRUCTION MANAGEMENT SUPPORT SERVICES
CONTRACT MODIFICATION NO. 2**

| | | | |
|-----------|--|---------|---|
| 1. | Contract Number: MC071 | | |
| 2. | Contractor: Westside Extension Support Team, J.V. (WEST) | | |
| 3. | Mod. Work Description: Continue Construction Management Support Services for six months of Fiscal Year 2016 | | |
| 4. | Contract Work Description: Construction Management Support Services | | |
| 5. | The following data is current as of: April 14, 2015 | | |
| 6. | Contract Completion Status | | Financial Status |
| | Contract Awarded: | 7/26/13 | Contract Award Amount: \$4,683,115 |
| | Notice to Proceed (NTP): | 8/09/13 | Total of Modifications Approved: \$9,830,336 |
| | Original Complete Date: | 8/09/24 | Pending Modifications (including this action): \$6,487,628 |
| | Current Est. Complete Date: | 8/09/24 | Current Contract Value (with this action): \$21,007,079 |
| 7. | Contract Administrator: Zachary Munoz | | Telephone Number: 213-922-7301 |
| 8. | Project Manager: Dennis Mori | | Telephone Number: 213-922-7221 |

A. Procurement Background

This Board Action is to approve Contract Modification No. 2 to continue Construction Management Support Services for Section 1 of the Westside Purple Line Extension Project.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is cost plus fixed fee.

On July 25, 2013, the Metro Board authorized the Chief Executive Officer to execute a cost-plus fixed fee type contract (Contract No. MC071) for Construction Management Support Services with West Extension Support Team (WEST), for an amount not-to-exceed \$4,683,115, for the first year of the Contract, FY14. On May 22, 2014, the Board authorized WEST to continue to provide Construction

Management Support Services through FY15 for an amount not-to-exceed \$9,830,336.

Attachment B shows that only the one modification has been issued to date, and this recommended modification is currently pending.

The proposed Contract Modification is for an amount not-to-exceed of \$6,487,628 to continue the necessary Construction Management Support Services for six months of FY16.

B. Cost/Price Analysis

The negotiated amount complies with all requirements of Metro Procurement policies and procedures and was determined fair and reasonable through fact-finding, clarifications, and cost analysis. An independent cost estimate (ICE) was obtained as part of the cost analysis before negotiating.

An audit request has been submitted to the Metro Management Audit Services Department (MASD) to determine actual overhead rates incurred. In order to prevent any unnecessary interruption to the Project, provisional overhead rates have been established and used for the negotiated amount. The negotiated amount is subject to retroactive adjustments to the Contract upon completion of the audit. In accordance with FTA Circular 4220.1F, if an audit has been performed by any other cognizant agency within the last twelve month period Metro will receive and accept the audit report rather than perform another audit.

| <u>Proposal Amount (for 12 months)</u> | <u>Metro ICE (for 12 months)</u> | <u>Negotiated Amount (for 6 months)</u> |
|---|---|--|
| \$14,323,790 | \$13,955,737 | \$6,487,628 |

C. Disadvantaged Business Participation

Westside Extension Support Team made a 28.26% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) commitment. Westside Extension Support Team is currently exceeding its DALP commitment with 33.17% DBE participation.

| SMALL BUSINESS COMMITMENT | DALP 28.26% | SMALL BUSINESS PARTICIPATION | DALP 33.17% |
|----------------------------------|--------------------|-------------------------------------|--------------------|
|----------------------------------|--------------------|-------------------------------------|--------------------|

| | DBE Subcontractors | Ethnicity | % Committed | Current Participation¹ |
|----|-----------------------------|-----------------------------|--------------------|--|
| 1. | Anil Verma Associates, Inc. | Asian Subcontinent American | 0.39% | 0.00% |

| | | | | |
|--------------|--|-----------------------------|---------------|---------------|
| 2. | Cabrinha Hearn & Associates | Hispanic American | 10.37% | 5.11% |
| 3. | Cogstone Resource Management | Caucasian Female | 2.15% | 2.37% |
| 4. | D'Leon Consulting Engineers | Hispanic American | 0.00% | 1.38% |
| 5. | Diana Ho Consulting Group | Asian Pacific American | 0.00% | 0.06% |
| 7. | Kal Krishnan Consulting Services, Inc. | Asian Subcontinent American | 0.00% | 0.74% |
| 8. | Lenax Construction Services, Inc. | Caucasian Female | 1.72% | 0.86% |
| | MARRS Services, Inc. | Asian Subcontinent American | 6.85% | 10.53% |
| | Ramos Consulting Engineers, Inc. | Hispanic American | 6.78% | 11.18% |
| | Safework, Inc. | Caucasian Female | 0.00% | 0.96% |
| Total | | | 28.26% | 33.17% |

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.

ATTACHMENT B

**Contract Modification Authority (CMA) / Change Order Log
Westside Purple Line Extension Section 1 Project**

ATTACHMENT B

| Mod. no. | Description | Date | Amount |
|-----------------|--|-------------|---------------------|
| 1 | Continue Construction Management Support Services thru FY 15 | 5/22/14 | \$9,830,336 |
| 2 | Continue Construction Management Support Services for six months of FY 16 Pending Board Approval | | \$6,487,628 |
| | | | |
| | Total mods: | | \$16,317,964 |