



Board Report

File #: 2015-1555, File Type: Contract

Agenda Number: 27.

CONSTRUCTION COMMITTEE NOVEMBER 19, 2015

SUBJECT: CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACT FOR CRENSHAW/LAX TRANSIT PROJECT

ACTION: INCREASE CONTRACT BUDGET THROUGH FY17 WORK PROGRAM FOR STANTEC CONSULTING, INC

RECOMMENDATION

- A. EXTENDING Contract No. MC069 with **Stantec Consulting, Inc. to provide Construction Management Support Services for Crenshaw/LAX Transit Project, including the Southwestern Yard**, from March 2016 to June 2021. All other existing Contract Work Orders not pertaining to Crenshaw/LAX Transit Project will be closed by March 18, 2016;
- B. AUTHORIZING an increase to the Crenshaw/LAX Transit Project CWO16 and Southwestern Yard CWO27 within Contract No. MC069, with Stantec Consulting, Inc. to provide Construction Management Support Services in an amount not-to-exceed \$28,566,728 for the FY16/FY17 18-month Work Program Funding increasing the CWO values from \$28,607,941 to \$57,174,669. Therefore, the total contract value will increase from \$97,412,136 to \$125,978,864; and
- C. AUTHORIZING the Chief Executive Officer to execute individual Contract Work Orders and Modifications within the Board approved contract value.

ISSUE

On February 19, 2009, the Board approved the Construction Management Support Services (CMSS) contract to support Board adopted capital projects. Contract No. MC069 with Stantec Consulting, Inc. is set to expire on March 18, 2016. With the project currently in construction along the entire length of the 8.5 mile alignment, it is critical that there be no disruption in construction management oversight in order to allow the existing experienced CMSS staff to continue to augment Metro staff to successfully deliver the project on time. The recommended actions are to extend Contract No. MC069 with Stantec Consulting, Inc. to provide Construction Management Support Services for Crenshaw/LAX Transit Project from March 2016 to June 2021 as well as approve funding for the remaining six months of FY16 and 12-month FY17 Work Program solely for the Crenshaw/LAX

Transit Project and the related Southwestern Yard Project. Existing funding for the CWO will be depleted in December 2015. This will allow for CMSS construction support during the peak construction period.

All other Contract Work Orders (CWO's) under this contract that have supported other capital projects are to be closed by March 18, 2016. These CWOs have adequate funding to perform the expected level of effort through March 18, 2016.

BACKGROUND

The primary role of the CMSS is to provide skilled and qualified staff to support Metro with construction management of Metro's construction contracts. Both Metro and CMSS consultant staff, in most cases, work side-by-side in an integrated project management offices (IPMO). The CMSS contract funds are authorized by issuing separate contract work orders (CWOs) for various projects for labor classifications and rates set forth in the contract. Modifications to existing CWOs are issued as additional work is identified.

In February 2009, the Metro Board authorized the Chief Executive Officer to award CMSS to Stantec Consulting, Inc., and execute individual CWOs and modifications within the Board approved contract value. The CMSS contract is an indefinite delivery/indefinite quantity labor-hour contract for a term of seven years, inclusive of two one-year options. The Contract was executed on March 18, 2009, and the expiration date of the five year base contract was March 18, 2014. In FY14, based on prior board approvals, Metro exercised both one year options on March 10, 2014 to extend the contract period of performance through March 18, 2016. This CMSS contract terms and conditions allows the coordination of funding of existing CWO's beyond the contract end date to maintain staffing continuity.

Metro staff will report back to the Board whether any extension of CMSS services will be needed after March 18, 2016 for the I-405 project."

DISCUSSION

With the Crenshaw/LAX Transit Project currently in construction along the entire length of the 8.5 mile alignment, it is critical that there be no disruption in construction management oversight. The project is excavating three underground stations with concrete operations to commence soon. The project will also be constructing multiple bridges with tunneling operations commencing in 2016. Metro staff has determined the best option going forward is to keep the current CMSS contractor on board through completion of the Crenshaw/LAX Transit Project. By extending this CMSS contract, the period of performance will be extended from March 18, 2016 to June 2021 which will allow Metro to have CMSS expertise available beyond the revenue service date of October 2019, to support the close-out phase of the design-builder's contract.

In July 2015, Metro staff received Board approval for FY16 funding for six months (July 2015 through December 2015) pending the CEO's mid-year cost budgeting exercise. The recommended action allows for the continuation of funding of existing CWOs for Crenshaw/LAX Transit Corridor Project from January 2016 through June 2017. For the remaining six-months of FY16 and FY17 funding for the CMSS contract is intended to fund the existing CMSS staff currently on the project.

STATUS OF CONVERSION OF CONSULTANT POSITIONS TO FTEs

Metro staff received Board approval in July 2015 to solicit and hire 11 new Metro full-time equivalents (FTEs) to replace consultant positions from the CMSS contractor for the Crenshaw/LAX Transit Project and Southwestern Yard Project. As these positions were just authorized in July 2015, all these positions are currently in recruitment phase. Due to the uncertainty of the hiring of new Metro positions in a timely manner, the CMSS staffing plan includes five CMSS positions (of the 11 new Metro FTEs) for the oversight support of the Southwestern Yard Project. When a Metro staff is hired the CMSS staffing plan will be reduced accordingly to reflect a Metro staff person replacing a planned CMSS position. Metro staff will update the Board when the remaining six new Metro FTE positions have been filled.

PROPOSED CONTRACT ENHANCEMENTS BY STANTEC

The CMSS contractor, Stantec Consulting Services Inc., is committed to actively contributing to the community and proposes the following enhancements with an overall project cost savings of \$3.2 million for the period January 2016 - June 2021:

- Increased participation by historically underutilized businesses. Stantec has achieved a 29% Disadvantage Business Enterprise (DBE) performance against a 15% (voluntary) contract goal. The 29% is comprised of Asian/Pacific, Hispanic, African American and Woman-owned businesses. Beginning in January 2016, the CMSS contractor is proposing an increase in the Minority Business Enterprise participation to 10% of new Contract work, and an increase in the DBE participation to 35%. This level of DBE participation will increase their projected total DBE participation to 32% for their entire Contract. Stantec will also continue to involve the current DBEs on the team.

Stantec Classification of Firm	Current	Proposed
MBE Partnering	0.0%	10%
DBE Firms	29.51%	35%
All Other Firms	70.49%	55%
Total	100%	100%

- Adoption of a formal mentor protégé program as part of enhanced business participation. Subject to the pre-approval by Metro, Stantec will partner with a Minority Business Enterprise (MBE) firm to develop a formal mentor protégé program to further strengthen their commitment to the success of their small business firms and on-going informal mentoring activities.
- In efforts to work with Metro to reduce program costs, Stantec is exploring additional cost efficiencies including position transfers as approved for senior to mid-level staff to grow and mentor future transit professionals; and conducting field rate reviews and instituting changes, when fair and reasonable. Such changes may help reduce individual billing rates up to 15%.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's Construction projects.

FINANCIAL IMPACT

The funds for FY16 portion of \$8,000,000 for these services is included in cc 8510 in projects 865512 Crenshaw/LAX Transit project and 860003 Southwestern Yard. Since this is a multi-year contract, the cost center managers and Executive Director, Engineering and Construction will be responsible for budgeting the remaining amount in FY17.

Impact to Budget

The funding for this contract extension is included in the Crenshaw/LAX Transit and Southwestern Yard life-of-project budgets. In addition to the federal and state grants, these projects utilize Proposition A 35% and Proposition C 40% which are eligible for bus and rail capital and operating use.

ALTERNATIVES CONSIDERED

The Board may elect to discontinue using Stantec Consulting, Inc., for CMSS through FY17. Staff does not recommend this alternative as the current CMSS staff assigned to the Crenshaw/LAX Transit Project has been on board since the start of the design-build contract in September 2013 and the experience and lessons learned that have been acquired is instrumental in the successful completion of the Crenshaw/LAX Transit Project. This alternative would also seriously impact the near and long term businesses of the local, DBE firms that make up the Stantec Consulting, Inc. team's 29% DBE percentage.

NEXT STEPS

Staff will proceed with processing only the Crenshaw/LAX Transit Project and the related Southwestern Yard Project required CWOs for the remaining six months of FY16 and the 12-month FY17 Work Program funding. When new Metro FTE is hired for the Crenshaw/LAX Transit Project, Metro staff will reduce the corresponding CMSS position in the applicable CWO staffing plan.

ATTACHMENTS

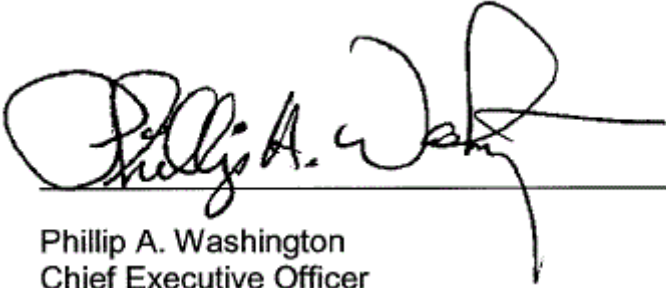
- A - Procurement Summary
- B - Contract Work Value Summary
- C - Remaining 6-month FY16 and 12-month FY17 Work Program Funding
- D - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

Construction Management Support Services

1.	Contract Number: MC069		
2.	Contractor: Stantec, Inc.		
3.	Mod. Work Description: Increase Contract Value through FY17 Work Program Funding		
4.	Work Description: Construction Management Support Services		
5.	The following data is current as of: September 30, 2015		
6.	Contract Completion Status:		Financial Status:
	Award Date:	2/19/09	Prior Board Approved Contract Annual Work Program Funding
			\$97,412,136
	Notice to Proceed (NTP):	3/18/09	Increased Work Program Funding for this recommended action
			\$28,566,728
	Original Completion Date:	3/18/16	Total Work Program Funding including this action
			\$125,978,864
	Current Est. Complete Date:	06/30/20	
7.	Contract Administrator: Valerie Dean		Telephone Number: 323-903-4123
8.	Project Manager: Charles Beauvoir		Telephone Number: 323-903-4113

A. Contract Action Summary

This Board Action is to approve funding for 18-months to provide construction management support services for Crenshaw/LAX and Southwestern yard CWOs. Any contract modifications required for this work will be processed in accordance with Metro's Acquisition Policy.

In February 2009, Metro Board authorized the Chief Executive Officer to award Contract No. MC069 to Stantec Consulting, Inc., (Stantec) and execute individual Contract Work Orders (CWOs) and Modifications within the Board approved work program funding.

The recommended actions will provide funding for 18 months. The funding amount requested is calculated based on the forecasted construction management support needs of the Crenshaw/LAX and Southwestern Yard projects.

Metro staff continuously monitors Stantec's performance and cost for each CWO. Stantec provides a separate invoice for each CWO. Each invoice submitted by Stantec is reviewed by the respective project manager, contract administrator and project control manager before payment is authorized.

B. Cost/Price Analysis

The recommended funding for the Crenshaw/LAX and Southwestern yard modifications was determined to be fair and reasonable based upon MAS audit findings and cost analysis.

CONTRACT WORK VALUE SUMMARY

CONSTRUCTION MANAGEMENT SUPPORT SERVICES / CONTRACT MC069

Contract Work Order (CWO)	Description	Value	Status
	CWOs Related to Crenshaw/LAX and Southwestern Yard		
16	Crenshaw/LAX Transit Corridor Project Support	\$27,880,417	Open
25	Crenshaw/LAX Transit Corridor Project Security	\$40,752	Complete
27	Southwestern Yard Project Support	\$686,772	Open
	All Other CWOs		
1	Metro Orange Line Extension	\$4,399,025	Complete
2	I-405 HOV Sepulveda Pass Widening	\$42,984,463	Closes as of 3/18/16
3	Union Division (Division 13) Contract Administration Support	\$1,357,899	Closes as of 3/18/16
4	I-405 HOV Partnering Sessions	\$244,433	Complete
5	I-405 HOV Performance Assessment	\$171,379	Complete
6	MRL Station Canopy Support	\$212,252	Complete
7	Express Lanes Support	\$7,722,319	Complete
8	Cancelled	\$0	Cancelled
9	I-10 & I-1100 Express Toll Lanes Constructability Review	\$210,170	Complete
10	I-710 Value Engineering Analysis	\$33,838	Complete
11	LA Congestion Reduction Demonstration Program- El Monte Transit Center and Patsaouras Plaza	\$3,174,572	Complete
12	Design & Implement PMIS - Measure R	\$1,341,932	Complete
13	Document Control Support	\$15,000	Complete
14	Soundwall Package # 4 Support	\$540,698	Complete
15	Multiple projects Contract Administration Support	\$1,006,056	Closes as of 3/18/16
17	Bauchet Street Storage Project Support	\$25,000	Complete
18	ATMS Upgrade Project Support	\$139,430	Complete
19	Escalator Replacement at Civic Center Support	\$248,304	Complete
20	Measure R Project Control Support	\$178,065	Complete
21	Division 20 Carwash and Cleaning Platform Support	\$198,686	Complete
22	Martin Luther King Transit Center Support	\$54,801	Complete
23	Soundwall Packages 5,6,7 & 8 Contract Administration Support	\$431,679	Complete
24	I-405 HOV Claims Support	\$145,408	Complete
26	Metro Red Line North Hollywood West Entrance Contract Administration Support	\$119,187	Complete
28	Cancelled	\$0	Cancelled
29	Patsaouras Plaza Busway Station Project	\$704,566	Closes as of 3/18/16
	Subtotal – CWO’s issued-to-date for Crenshaw/LAX & Southwestern Yard	\$28,607,941	
	Subtotal – CWO’s issued-to-date for All Other CWOs	\$65,659,562	
	Subtotal – pending CWO’s/Modifications	\$0	
	Total Approved CWO’s/Modifications	\$94,267,503	
	Prior Board Approved Annual Work Program Funding	\$97,412,136	
	Increased Work Program Funding for this Recommended Action	\$28,566,728	
	Total Work Program Funding including this action	\$125,978,864	

ATTACHMENT C

JANUARY 2016 TO JUNE 2017

REMAINING 6-MONTH FY16 AND 12-MONTH FY17 WORK PROGRAM FUNDING

CONSTRUCTION MANAGEMENT SUPPORT SERVICES

Contract Work Order	Description	Total \$'s Required for Board Action
16	Crenshaw/LAX Transit Project Support	\$26,433,198
27	Southwestern Yard	\$1,301,530
	Subtotal	\$27,734,728
	Unallocated Contingency (3%)*	\$832,000
	Total	\$28,566,728

* Requesting only 3% instead of customary 10% unallocated contingency as some CMSS positions may be reduced due to hiring of replacement Metro staff over the next 18 month period.

DEOD SUMMARY

CONSTRUCTION MANAGEMENT SUPPORT SERVICE / MC069

A. Small Business Participation

Stantec Consulting Services made a 17.89% Disadvantaged Business Enterprise (DBE) Anticipated Level of Participation (DALP) commitment. Current DBE participation¹ is 29.51%. Stantec is exceeding its DALP commitment. Beginning in January 2016, Stantec is proposing an increase in the Minority Business Enterprise participation to 10% of new Contract work, and an increase in the DBE participation to 35%. This increased level of DBE participation will increase their projected total DBE participation to 32% for their entire Contract.

SMALL BUSINESS COMMITMENT	17.89% DALP	SMALL BUSINESS PARTICIPATION	29.51% DALP
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	DBE Subcontractors	Ethnicity	% Commitment	% Participation¹
1.	Arellano Associates	Hispanic American	0.20%	0.29%
2.	Diaz Yourman & Associates	Hispanic American	0.03%	0.07%
3.	Kal Krishnan Consulting	Sub-continent Asian American	12.02%	13.42%
4.	Lenax Construction Services	Caucasian Female	2.02%	4.69%
5.	LKG-CMC	Caucasian Female	0.99%	1.57%
6.	Safework	Caucasian Female	2.63%	8.50%
7.	Power-Tech Engineers	Hispanic American	Added	0.32%
8.	Kevin Scott Tunnel Consultants	African American	Added	0.65%
Total Commitment			17.89%	29.51%

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

B. Living Wage Service Contract Worker Policy

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

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial

Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).