

**Board Report**

File #: 2016-0101, **File Type:** Contract**Agenda Number:** 22

**CONSTRUCTION COMMITTEE
MAY 19, 2016****SUBJECT: PROGRAM CONTROL MANAGEMENT AND SUPPORT SERVICES****ACTION: EXERCISE CONTRACT OPTION AND AUTHORIZE ADDITIONAL CONTRACT
VALUE IN AN AMOUNT NOT TO EXCEED \$6,210,946****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute:

- A. Modification No. 3 to Contract No. PS8610-2879, **with Hill International, Inc. for Program Control Management and Support Services**, to exercise the final one-year option thereby extending the period of performance from June 28, 2016 to June 28, 2017, and increase the total contract not-to-exceed amount \$6,210,946 from \$18,482,598 to \$24,693,544; and
- B. individual Contract Work Orders (CWOs) and Contract Modifications within the Board approved not-to-exceed contract value.

ISSUE

On May 24, 2012, the Board authorized the Chief Executive Officer to award a five-year labor-contract to provide Program Control Management and Support Services (PCMS) to support Board adopted capital projects. The Board also authorized individual CWOs be executed for an amount not to exceed \$16,071,824 plus a 15% (\$2,410,774) contract modification authority of the contract award, for a total not to exceed \$18,482,598.

Contract No. PS8610-2879 was executed on June 28, 2012 for a three-year base term plus two one-year options. Since contract inception, Hill International has been responsive in providing the PCMS services to support Metro projects. Primarily due to satisfactory performance, the first one-year option was exercised, extending the period of performance through June 28, 2016, without any increase to the approved contract value.

Staff has issued CWOs and modifications totaling \$17,407,044 to date. Staff is requesting an increase to continue PCMS required to support Metro adopted capital projects through the final option-year period. It has been determined that the previously negotiated rates for the final year with Hill International are fair, reasonable, and are competitive in the current market.

DISCUSSION

The primary role of the PCMS is to provide skilled and qualified staff to perform project-level support activities include enhancing our capabilities in the areas of project controls for project cost and schedule management, cost estimating to establish project budgets and independent cost estimates for contract actions, and configuration management for facilitating document-management and change control requests.

Both Metro and the PMCS consultant staff, in most cases, work side-by-side in integrated project management offices (IPMO). The subject contract allows us to efficiently and effectively augment Metro Program Control staff as required to ensure proper resources needed to manage a project are available to us both in terms of staff availability and technical expertise.

The level of PCMS services are projected to increase significantly in the final one-year contract period. This increase is primarily due to adding support on three (3) major Transit Construction projects (Crenshaw/LAX, Regional Connector, Westside Purple Line Extension Section 1) that are now in full construction phase and to support additional projects, including Westside Purple Line Extension Section 3 Project, Emergency Security Operations Center Phase One Project, Division 20 Portal Widening and Turnback Facility Project, and Airport Metro Connector Project, etc. The contract increase is based on planned level of PCMS services, and the CWOs issued will reflect the actual level of PCMS services required to support the Board-approved projects.

The PCMS contract funds are authorized by issuing separate CWOs for various projects using labor classifications and rates set forth in the contract. This method of contracting results in more efficient cost and schedule management, since CWOs and modifications to existing CWOs are negotiated and issued as additional work is identified.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Funding for these services are included in the approved FY16 Budget for the various Metro projects. The individual CWOs will be funded from the associated life-of-project (LOP) budgets. The project managers and Executive Director, Program Management will be accountable for budgeting the remaining amount in FY17.

Impact to Budget

There is no impact to the FY16 Budget as funds for this action are included in the approved budget for each project. These funds are not eligible for bus and rail operating purposes.

ALTERNATIVES CONSIDERED

The Board may elect to discontinue using Hill International for PCMS services through FY17. Staff does not recommend this alternative as the capital projects the consultant are assigned to are in various degrees of completion and the loss of staff would cause these projects to be significantly impacted. Given that the contract with Hill International will expire in June 2017, staff will issue a new Request for Proposal (RFP) for Program Control Management and Support Services to ensure a new contractor is available before the existing contract expires.

We also considered providing the services through Metro in-house staff. This alternative will require the addition of significant Metro staff and additional time to recruit and hire new staff. This alternative is also not recommended since the intent of the PMCS is to augment Metro staff in terms of technical expertise and availability of personnel. PMCS services are typically required on a periodic or short-term basis to accommodate for peak workloads or specific tasks over the life of the projects. Further, for some projects, the specific technical expertise required may not be available within Metro staff resources, whereas the PMCS contractor can provide the technical expertise on an as-needed basis.

NEXT STEPS

Staff will issue a contract modification and issue contract work orders, as needed. Also, staff will work with Vendor/Contract Management to issue a new RFP to re-solicit the Program Control Management and Support Services.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Work Order/Modification Log
- Attachment C - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

PROGRAM CONTROL MANAGEMENT AND SUPPORT SERVICES / PS8610-2879

1.	Contract Number: PS8610-2879		
2.	Contractor: Hill International, Inc.		
3.	Mod. Work Description: Exercise final one-year option and increase Contract Value for planned work orders/modifications to support Board approved projects.		
4.	Work Description: Project Control Management Support Services		
5.	The following data is current as of: April 22, 2016		
6.	Contract Completion Status:		Financial Status:
	Award Date:	5/24/12	Board Approved NTE Amount: \$16,071,824
	Notice to Proceed (NTP):	6/28/12	Total Contract Modification Authority (CMA): \$2,410,774
	Original Completion Date:	6/28/16	Value of Task Orders and Mods. Issued to Date (including this action): \$24,693,544
	Current Est. Complete Date:	6/28/17	Remaining Board Approved Amount: \$1,075,554
7.	Contract Administrator: Brian Mahaffey		Telephone Number: (213) 922-7327
8.	Project Director: Brian Boudreau		Telephone Number: (213) 922-2474

A. Contract Action Summary

This Board Action is to approve Contract Modification No. 3 to exercise the final one-year option and to increase the not-to-exceed contract value.

All Work Orders and Contract Modifications are handled in accordance with Metro's Acquisition Policy. The contract type is a negotiated labor-hour work order contract.

In May 2012, the Board authorized the CEO to award Program Control Management and Support Services to Hill International, Inc. and execute individual contract work orders within the Board approved not-to-exceed contract value \$16,071,824, plus a contract modification authority of \$2,410,774 (15% of contract value). In June 2012, Contract No. PS8610-2879 was awarded for a five-year contract term, inclusive of two one-year options to be exercised at the sole discretion of the Authority.

Since contract award, Hill International has performed satisfactorily providing Program Control Management and Support Services on various Metro projects. In June 2015, the first one-year option was exercised to extend the period of performance to June 28, 2016 without any increase to the contract value.

This current recommended action is to:

- Exercise the final contract option year, extending the period of performance from June 28, 2016 to June 28, 2017; and
- Increase the not-to-exceed contract value for contract work orders and modifications required to continue Program Control Management and Support Services through the final one-year option period.

Attachment B shows contract work orders and modifications issued to date, and the additional contract work orders and modifications that are currently planned for the final one-year option period. The actual contract work order and modifications will reflect the PCMS required to support the Board approved projects.

B. Cost/Price Analysis

The price for all future contract work orders and modifications will be determined to be fair and reasonable in accord with Metro's Procurement Policies and Procedures and based on audit by Management Audit Services of the direct labor and annual provisional overhead rates. A cost analysis, technical evaluation, fact finding, and negotiations will be performed on all work orders and any Contract Modifications. It has been determined that the previously negotiated rates for the final year with Hill International are fair, reasonable, and are competitive in the current market.

CONTRACT WORK ORDER / MODIFICATION LOG

PROGRAM CONTROL MANAGEMENT & SUPPORT SERVICES CONTRACT /
PS8610-2879

CWO/ Mod	Description	Status	Date	Cost
1	Program Control Management Assistance	Approved	7/20/12	\$448,715
2	Project Management Information System (PMIS)	Approved	9/11/12	\$615,682
3	Division 13 Document Control Specialist	Approved	7/27/12	\$774,310
4	Life Cycle Cost Analysis	Approved	9/6/12	\$88,613
5, 26-27, 28, 30, 31-32, 55 56	Highway Program Project Control Support	Approved	10/16/12 7/10/13 7/11/13 8/28/13 9/4/13 6/18/14	\$1,189,275
6	Rail Car Rehabilitation Support Services	Approved	11/6/12	\$59,239
7	Southwestern Yard Maintenance (SWY) Cost Estimating Support	Approved	1/15/13	\$261,916
8	PMIS Highway Support Services	Approved	11/28/12	\$359,956
9	ARTI Document Management Support	Approved	5/22/13	\$37,987
10	TIGER Grant	Approved	6/6/13	\$4,995
11	Universal Bridge Project Control	Approved	1/17/13	\$161,302
12, 20-25, 37, 77	Estimating Support and Project Cost Support on Environmental Program	Approved	11/14/12 7/1/13 12/6/13 7/7/15	\$1,546,077
13	Division 13 Project Control Support	Approved	11/14/12	\$122,245
14	I-405 Sepulveda Pass Project Control Support	Approved	1/23/13	\$93,247
15	Universal City Bridge Estimating Services	Approved	2/6/13	\$51,135
16	Blue Line Refurbish Estimating Services	Approved	3/28/13	\$34,182
17	Regional Connector Estimating Services	Approved	3/28/13	\$1,438,089
18	Westside Purple Line Extension (PLE) Section 1 Estimating Services	Approved	4/16/13	\$2,014,086
19	Management Succession Planning - Rail Transit	Approved	8/8/13	\$11,195
33	Change Management Custom Application	Approved	9/25/13	\$226,914
34	Measure R Cost Estimate Review Services	Approved	9/26/13	\$117,942
35	Project Management Academy Training	Approved	11/21/13	\$271,690
36	PMIS Application	Approved	11/26/13	\$2,134
38	Project Control for MRL/MOL N. Hollywood	Approved	1/30/14	\$165,915
39	PMIS Expenditure Data Services	Approved	12/19/13	\$43,997
40	Crenshaw/LAX Cost Estimating Support	Approved	12/18/13	\$1,334,309
41	MRL/MOL N. Hollywood Station Document	Approved	2/5/14	\$211,581

CWO/ Mod	Description	Status	Date	Cost
42	Universal City Pedestrian Bridge Document	Approved	2/5/14	\$211,581
43	EcoSys Project Control Technical Support	Approved	2/5/14	\$235,220
44	PMIS CMI Screen Modification Support	Approved	2/5/14	\$7,500
45	Southwestern Yard Project Control Support	Approved	3/5/14	\$32,680
46-47	Highway Document Control	Approved	5/13/14	\$1,415
48	Patsaouras Plaza Document Control	Approved	5/7/14	\$214,850
49	PMIS Cost Engineering Support	Approved	3/13/14	\$130,901
50	Blue Line Refurbishment Document Control	Approved	11/14/14	\$188,082
51 52 53 54	ARTI Cost Estimating	Approved	4/23/14 4/24/14 4/25/14 4/23/14	\$141,951
57	Westside PLE Section 2 Estimating Support	Approved	7/22/14	\$238,233
58	Ongoing PMIS Software Support	Approved	8/14/14	\$444,135
59	Regional Connector Project Control Support	Approved	9/18/14	\$1,453,896
60	PMIS Issue Module	Approved	9/4/14	\$13,457
61	PMIS CM14 Migration	Approved	10/13/14	\$179,677
62	Security PMO Plan	Approved	8/27/14	\$50,964
63	Organization Assessment for Risk	Approved	12/5/14	\$88,020
64	WPLE 1 Cost Schedule Support	Approved	9/5/14	\$494,304
65	I-405 Cost Estimating Support	Approved	10/31/14	\$67,052
66	Potential New Tax Initiatives Estimate Support	Approved	2/11/15	\$99,919
67-69,	Rail Operation Capital Project Control Support	Approved	12/5/14	\$258,990
74	Pershing Square Escalator Replacement Project Scheduling	Approved	6/29/15	\$37,810
76	PMIS Work Order Processing	Approved	4/16/15	\$200,773
78-79	Highway Program Project Control Support	Approved	7/9/15	\$347,672
80	Rail Operations Sharepoint Development	Approved	8/31/15	\$61,005
81	MBL Pedestrian & Swing Gates Installation Project Control Services	Approved	9/18/15	\$38,545
82	Estimating Support on Accommodations of Future Metro Airport Station	Approved	10/1/15	\$31,236
83	Westside PLE Section 2 Project Control Support Services	Approved	12/1/15	\$219,811
84	Major Rail Project Risk Register Prototype Implementation	Approved	11/5/15	\$59,496
90	Southwestern Maintenance Yard Project Control Support Services	Approved	4/6/16	\$171,142
	CWO/Modification Total:			\$17,407,044
	Board Authorized NTE & CMA:			\$18,482,598
	Remaining Contract Modification Authority:			\$1,075,554

CWO/ Mod	Description	Status	Cost
1	Program Control Management Assistance (100800)	Planned	\$99,400
11	Universal City Pedestrian Bridge Project Control (809382)	Planned	\$17,300
17	Regional Connector Estimating (860228)	Planned	\$377,000
18	Westside Purple Line Extension (WPLE) 1 Estimating (865518)	Planned	\$1,090,000
38	MRL/MOL N. Hollywood Station Project Control (204122)	Planned	\$22,300
40	Crenshaw Estimating (865512)	Planned	\$800,000
41	MRL/MOL North Hollywood Station Document Control (204122)	Planned	\$46,000
42	Universal City Pedestrian Bridge Document Control (809382)	Planned	\$3,000
43	Ecosys Project Control Technical Support (100800)	Planned	\$140,000
48	Patsaouras Plaza Document Control (202317)	Planned	\$135,700
57	WPLE 2 Estimating (865522)	Planned	\$334,000
58	Ongoing PMIS Software Support (100800)	Planned	\$270,200
59	Regional Connector Project Control (860228)	Planned	\$418,000
64	WPLE 1 Project Control (865518)	Planned	\$186,800
7	SWY Estimating (860003)	Planned	\$314,000
74	Pershing Square Escalator Replacement (204133)	Planned	\$28,600
77	Project Control & Estimating to Environmental (202211/300012/450001/450002/450003/450004)	Planned	\$584,000
78-79	Highway Program Project Control (100055/405522)	Planned	\$438,000
81	MBL Pedestrian & Swing Gates Installation Project Control Services (205104)	Planned	\$29,000
83	WPLE 2 Project Scheduling (865522)	Planned	\$382,000
90	Southwestern Maintenance Yard Project Control (860003)	Planned	\$457,000
TBD	Crenshaw Project Control (865512)	Planned	\$166,000
TBD	Various Operations Capital Projects (205066/205055/205056/205092/205078/205070/205097/211013/204128/211029/205099/205058/205067/205072/205079/205083/211030/205102/205040/205093/205101/205038/205087/204123/205088/204135/205103/800113)	Planned	\$190,200
TBD	96th Street Future Airport Connector (860303)	Planned	\$152,000
TBD	Division 20 Turnback Portal Widening (TBD)	Planned	\$152,000
TBD	Emergency Security Operations Center Project Control Support Services (212121)	Planned	\$28,000
TBD	WPLE 3 Estimating (865523)	Planned	\$152,000
TBD	WPLE 3 Project Control (865523)	Planned	\$274,000
	FY17 Planned CWO/Modification Total:		\$7,286,500
	Remaining Contract Modification Authority:		\$1,075,554
	Additional Contract Authority Increase Request:		\$6,210,946

DEOD SUMMARY

PROGRAM CONTROL MANAGEMENT AND SUPPORT SERVICES / PS8610-2879

A. Small Business Participation

Hill International made a 20% Disadvantaged Business Enterprise (DBE) commitment. Current DBE participation is 17.80%, a shortfall of 2.20%. This project is 75% complete. According to Hill International, and confirmed by Metro’s Project Management, Hill was required to augment its team to provide strong Oracle expertise by adding non-DBE subcontractors, DRMcNatty and EcoSys to perform on-going project management information system (PMIS) services required by the contract scope. Cambria Solutions, a certified DBE, was added to perform policy and organization assessment related work.

Based on the current authorized contract value, Hill International has projected that they will exceed their DBE commitment (21%).

Small Business Commitment	20% DBE	Small Business Participation	17.80% DBE
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	LS Gallegos	Hispanic American	7.93%	6.13%
2.	LKG CMC	Caucasian Female	6.35%	10.03%
3.	Stellar Services	Asian Pacific American	5.72%	0.82%
4.	Cambria Solutions	Hispanic American	Added	0.82%
Total			20.00%	17.80%

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

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.