



Board Report

File #: 2016-0573, File Type: Contract

Agenda Number: 22.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE SEPTEMBER 15, 2016

**SUBJECT: CONSULTING SERVICES FOR HEAVY RAIL VEHICLE ACQUISITION,
PROGRAM CONTROL SUPPORT SERVICES**

ACTION: AWARD PROFESSIONAL SERVICES CONTRACT

RECOMMENDATION

AWARD a cost plus fixed fee contract for **Program Control Support Services for the Heavy Rail Vehicle (HRV) Acquisition**, Contract No. PS5868500, to STV/PB Heavy Rail Vehicles II, a Joint Venture, in the not-to-exceed amount of \$5,651,853.54 for the 64 HRV Base Order.

ISSUE

This action authorizes contract award to STV/PB Heavy Rail Vehicles II, a Joint Venture, to support Metro's designated Project Manager, with project control, management and oversight of the Rail Vehicle Contractor to ensure performance consistent with the requirements of the HR4000 Heavy Rail Vehicle Acquisition Contract. Consultant shall apply appropriate program control and oversight support resources to facilitate the timely production and delivery of the HR4000 HRVs and associated deliverables for the 64 HRV Base Order.

DISCUSSION

Metro is currently supporting three rail line extensions on the Purple Line Extension (PLE). This rail line expansion, previously named the Westside Subway Extension, extends service from the terminus of the Purple Line at the Wilshire/Western Station to Westwood.

In accordance with the Rail Fleet Management Plan FY2015-FY2040 (Draft, June 10, 2015, v.7.1), Metro anticipates a need to expand each rail fleet to accommodate anticipated growth in ridership, line extensions; replace vehicles reaching the end of their useful revenue service life; and support the maintenance department with reasonable spare ratios to prevent deferred maintenance issues. The base order of 64 HRVs will address the operational service requirements of the PLE, Section 1, with 34 HRVs; the remaining 30 HRVs will be used to replace the original A650 HRVs that will be reaching the end of their revenue service life. As such, this contract base order will be supporting the fleet replacement efforts in addition to the PLE section 1 extension. There are five (5) Options totaling 218 HRVs for potentially a cumulative purchase of 282 vehicles.

The Options below were evaluated as part of this procurement action, but the authority to award the Options are not included in the staff recommendation. The Options can be exercised at any time during the term of the contract. Authority will be requested at the same time that the HRV Options are recommended to be approved by the Board for award in the future.

- Option 1 - 24 HRVs: Red Line Expansion
- Option 2 - 84 HRVs: System Expansion
- Option 3 - 20 HRVs: PLE, Section 2
- Option 4 - 16 HRVs: PLE, Section 3
- Option 5 - 74 HRVs: Fleet Replacement of existing 74 vehicles

STV/PB Heavy Rail Vehicles II, a Joint Venture shall provide support to Metro's designated Project Manager or his/her designee, with program control and oversight of the Rail Vehicle Contractor to ensure that performance is consistent with the delivery requirements of the HR4000 Heavy Rail Vehicle Contract, which may include Metro's exercise of any or all of the five (5) Options.

The scope of services shall include, but not be limited to:

- provide oversight of the project status;
- identify any variances from schedule and deliverable requirements and recommend corrective action;
- assess and report on project performance;
- support of Project Reviews;
- performing Buy America audit and reviewing Change Order requests; and
- other program management and oversight support services as directed by Metro.

The Consultant shall provide, on an as needed basis, highly experienced and qualified Program Control staff with demonstrated expertise in all subject areas listed in STV/PB Heavy Rail Vehicles II, a Joint Venture Statement of Qualifications for the duration of the Contract.

The Diversity & Economic Opportunity Department (DEOD) has completed its initial evaluation of the Proposer's commitment to meet the twenty percent (20%) Race Conscious Disadvantage Business Enterprise (RC DBE) goal established for this project. STV/PB Heavy Rail Vehicles II, a Joint Venture exceeded the goal by making a 20.88% DBE commitment and is deemed responsive to the DBE requirements.

DETERMINATION OF SAFETY IMPACT

The approval of this contract award will have a direct and positive impact to system safety. The procurement of sixty-four (64) new HRVs will feature the most current safety systems and augment service levels by replacing the underperforming original 30 A650 HRVs.

FINANCIAL IMPACT

The total not-to-exceed contract amount is \$5,651,853.54. Funding for the base order is within the respective Life of Project (LOP) budgets for the PLE Section 1 (865518) of \$2,773,880,000 and the Heavy Rail Procurement Project (206037) of \$130,910,000.

The FY17 planned expenditures of \$2,497,043 is included in the annual budgets for the two aforementioned projects in Cost Center 3043, Rail Vehicle Acquisition, and Account 50316, Professional & Technical Services and as per Attachment C.

Since this is a multi-year contract, the cost center manager will ensure that costs will be budgeted in future years.

Impact to Budget

The source of funds for this action affecting PLE Section 1 is Measure R 35%, and is within the Adopted LOP budget. Funding sources for the PLE Section 1 project is planned for the design, construction and procurement efforts; these funds are not eligible for operations.

The source of funds for the Heavy Rail Procurement project is a combination of Measure R 35% which is not eligible for transit operations and Proposition A 35% which is eligible for transit operations. Staff is actively pursuing additional Federal sources such as Section 5337 and other eligible federal sources. Staff is also pursuing additional State and Local funding sources such as Cap and Trade and similar sources as they become available to meet the funding needs of project 206037.

ALTERNATIVES CONSIDERED

Staff considered using in-house Metro resources to perform this work. This approach is not recommended as Metro does not have sufficient resources and Subject Matter Experts (SME) available to perform this work.

The Board of Directors may choose not to authorize the Contract award for this project; however, this alternative is not recommended by staff as this project is critical to support the Purple Line Extension, accommodate projected growth in ridership, and increase vehicle spare ratios to enable the Maintenance department to effectively plan and schedule its work.

NEXT STEPS

Upon Board approval, a Contract will be awarded and a Notice-to-Proceed will be issued to STV/PB Heavy Rail Vehicles II, a Joint Venture. Metro and STV/PB Heavy Rail Vehicles II, a Joint Venture

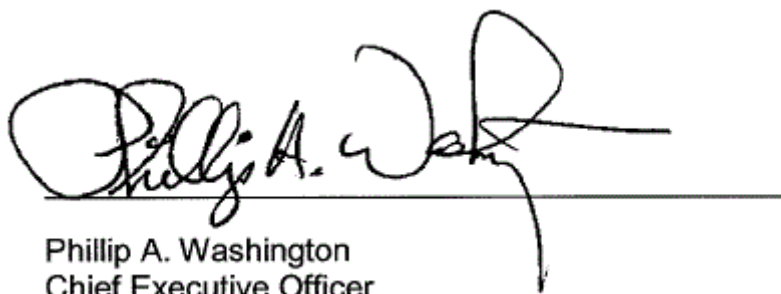
will mobilize required resources and SMEs to ensure timely completion of deliverables by the Vehicle Contractor.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Funding/Expenditure Plan

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

HEAVY RAIL VEHICLES ACQUISITION PROGRAM CONTROL SUPPORT SERVICES/PS5868500

| | | |
|----|--|--------------------------------|
| 1. | Contract Number: PS5868500 | |
| 2. | Recommended Vendor: STV/PB Heavy Rail Vehicles II, a Joint Venture | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates: | |
| | A. Issued: May 10, 2016 | |
| | B. Advertised/Publicized: May 11, 2016 | |
| | C. Pre-proposal/Pre-Bid Conference: May 26, 2016 | |
| | D. Proposals/Bids Due: July 5, 2015 | |
| | E. Pre-Qualification Completed: August 15, 2016 | |
| | F. Conflict of Interest Form Submitted to Ethics: August 11, 2016 | |
| | G. Protest Period End Date: (15 Calendar Days after Notification of Intent to Award) | |
| 5. | Solicitations Picked up/Downloaded: 13 | Bids/Proposals Received: 1 |
| 6. | Contract Administrator: Nicole Dang | Telephone Number: 213-922-7438 |
| 7. | Project Manager: Cop Tran | Telephone Number: 213-922-3188 |

A. Procurement Background

This Board Action is for a Best Value procurement issued to obtain professional consulting services for Heavy Rail Vehicles (HRV) program control support services to assist and augment Metro staff engaged in the acquisition and on time delivery of Heavy Rail Vehicles.

The RFP was issued in accordance with Metro’s Acquisition Policy and the contract type is Cost-Plus Fixed Fee.

Three (3) amendments were issued during the solicitation phase of this RFP;

- Amendment No. 1 issued on May 17, 2016 extended the proposal due date to June 30, 2016.
- Amendment No. 2 issued on June 22, 2016 extended the proposal due date to July 1, 2016.
- Amendment No. 3 issued on June 29, 2016 extended the proposal due date to July 5, 2016, corrected administrative errors, and added Regulatory Requirements No. 27 entitled “Compliance with California Health and Safety Code (HSC) §25250.51”.

Only one (1) proposal was received on July 5, 2016. LACMTA conducted a market survey to determine if the RFP was issued with any unduly restricted elements in the Statement of Work. Staff determined that the solicitation contained no restrictions to competition and that an environment of fair and open competition existed and was encouraged. The RFP was downloaded by 13 firms.

It should be noted that this RFP was the second phase of two separate RFPs issued by LACMTA to obtain consulting services for the HR4000 consulting support services. The first RFP for technical consulting support services (Element A), was awarded in May 2016. This RFP for program management consulting support services is the second phase (Element B).

The firms awarded the contract for Element A are prohibited from proposing on Element B. This prohibition prevents any organizational conflicts of interest and ensures the project has appropriate checks and balances between engineering and program management oversight. Firms such as CH2M Hill, Inc., LTK Engineering Services, and Virginkar and Associates, Inc. that meet the RFP's technical requirements were not able to compete because they were awarded Element A. The two remaining firms left in the industry left to propose for this RFP were STV and PB, a long standing joint venture, resulting in one proposal received for this solicitation. The market survey performed by staff confirmed that CH2MHill, LTK Engineering Services and Virginkar and Associated choose not to submit proposals because they recognized that their participation would create an organizational conflict of interest. This left only the STV and PB Joint Venture as the remaining known source.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Rail Vehicle Acquisition Department and Metro's Rail Fleet Services were convened and conducted a comprehensive technical evaluation of the proposal received. The proposal was evaluated based on the following evaluation criteria and weights:

- | | |
|--|-------------|
| • The firm's degree of skills and experience | 30% percent |
| • Staff quality and technical expertise | 20% percent |
| • Understanding of work and appropriateness of approach for implementation | 20% Percent |
| • Price | 30% percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar Best Value procurements. Several factors were considered when developing these weights, giving the greatest importance to the firm's skills, staff experience, and price.

From July 6, 2016 through July 19, 2016, the PET met to review the proposal from STV/PB, JV.

Qualifications Summary of Firms Within the Competitive Range:

STV/PB Heavy Rail Vehicle II, JV

The PET determined that STV/PB, JV's proposal significantly exceeded the RFP's requirements based on the firm and staff's experiences on similar projects. STV/PB, JV demonstrated their expertise in rail vehicle engineering consulting services by providing a comprehensive implementation plan showing specific consultant staff responsible for managing each major milestone during the program support services.

STV/PB, JV provided technical consulting services to assist LACMTA staff with development of the HR4000 technical specification and commercial requirements. The same staff are proposed for this new work, thus STV/PB, JV team has no learning curve and will be able to begin work immediately as an integrated team to support the design development and to oversee the timely production and delivery of the HRVs.

This contract scope of work is similar to the project that the STV/PB, JV worked on for Massachusetts Bay Transportation Authority (MBTA) to develop the technical specification for the procurement of 226 HRVs. The STV/PB, JV is currently assisting MBTA with program management support on this procurement. STV/PB, JV also provided technical consulting support services to Chicago Transit Authority (CTA) on the 5000 Series Procurement and Southeastern Pennsylvania Transportation Authority (SEPTA) on the Silver Liner V Procurement.

Evaluation Summary:

The PET assessed STV/PB, JV's proposal strengths, weaknesses and associated risks based on the Evaluation Criteria of the RFP. The PET determined STV/PB, JV has the ability to provide the services as required in the RFP.

| 1 | FIRM | Average Score | Factor Weight | Weighted Average Score | Rank |
|---|--|---------------|----------------|------------------------|----------|
| 2 | STV/PB, JV | | | | |
| 3 | The Firm's Degree of Skills and Experience | 8.42 | 30.00% | 25.25 | |
| 4 | Staff Quality of Technical Expertise | 8.42 | 20.00% | 16.83 | |
| 5 | Understanding of Work and Appropriateness of Approach for Implementation | 8.17 | 20.00% | 16.33 | |
| 6 | Price | 30.00 | 30.00% | 30.00 | |
| 7 | Total | | 100.00% | 88.41 | 1 |

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon Metro Management Audit Services (MAS) audit findings, an Independent Cost Estimate of \$8,510,800, cost analysis of labor rates of similar job titles from the Bureau of Labor Statistics, technical evaluation, and negotiations. Metro has negotiated fixed billing rates for direct labor, overhead rates, and a fixed fee based on the total estimated cost for each Task Order. The pricing for each Task Order will use the Contract defined fixed direct labor rates, overhead rates, other direct costs (ODC) plus a portion of the negotiated fixed fee to establish a lump sum price.

| Years | Proposed | Negotiated |
|------------------|-----------------|-------------------|
| Base Year 1-5 | \$ 5,772,489.98 | \$ 5,651,853.54 |
| Option 1 | \$ 638,567.23 | \$ 600,403.58 |
| Option 2 | \$ 933,987.67 | \$ 879,806.00 |
| Option 3 | \$ 229,122.79 | \$ 213,680.38 |
| Option 4 | \$ 194,804.64 | \$ 183,121.30 |
| Option 5 | \$ 753,343.64 | \$ 689,324.36 |
| Total NTE Amount | \$ 8,522,315.94 | \$ 8,218,189.15 |

D. Background on Recommended Contractor

The recommended firm, STV/PB, JV located in Los Angeles, CA has been in business and worked together as a Joint Venture for 13 years, is a leader in the field of engineering rail vehicle procurement. STV/PB, JV has worked with such municipals such as LA Metro, Massachusetts Bay Transportation Authority (MBTA), City of Anaheim DPW Regional Transportation Intermodal Center, Amtrak, New Jersey Transit, New York City Transit, and Santa Clara VTA Silicon Valley rapid Transit.

STV/PB, JV proposed senior vehicle specialist Andrew Frohn, who has over 30 years of experience in this industry and has been involved with HRV procurements from specification development to final acceptance. STV/PB, JV proposed Safety and Security subject matter expert, Gulzar Ahmed who has over 46 years of professional experience, and has extensive experience with performing safety certifications on projects in California in accordance with CPUC requirements. Overall, the proposed staff clearly exceeded the minimum requirements and they have extensive technical and program management support experience.

DEOD SUMMARY

HEAVY RAIL VEHICLES ACQUISITION PROGRAM CONTROL SUPPORT
SERVICES/PS5868500**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 20% Disadvantaged Business Enterprise (DBE) goal for this solicitation. STV/PB Heavy Rail Vehicles II, a Joint Venture, exceeded the goal by making a 20.88% DBE commitment.

| | | | |
|------------------------------------|----------------|--|-------------------|
| Small Business Goal | 20% DBE | Small Business Commitment | 20.88% DBE |
|------------------------------------|----------------|--|-------------------|

| | DBE Subcontractors | Ethnicity | % Committed |
|----|--------------------------------------|-------------------|--------------------|
| 1. | Capitol GCS, Inc. | Hispanic American | 19.75% |
| 2. | Information Design Consultants, Inc. | African American | 1.13% |
| | Total Commitment | | 20.88% |

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.

ATTACHMENT C

ATTACHMENT C - Funds Uses and Sources Tables

| | From Inception to Date (ITD) thru FY14 Jun | 7/1/14 - 6/30/15 | 7/1/15 - 6/30/16 | 7/1/16 - 6/30/17 | 7/1/17 - 6/30/18 | 7/1/18 - 6/30/19 | 7/1/19 - 6/30/20 | 7/1/20 - 6/30/21 | Total | % of Project |
|--|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------|
| Use of Funds | | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | | |
| Replacement: 30 Vehicles (CP 206037) | \$0 | \$0 | \$595,000 | \$5,900,000 | \$24,497,000 | \$24,544,000 | \$24,559,000 | \$24,477,000 | \$104,572,000 | 35.9% |
| Professional Services | \$0 | \$629,759 | \$405,000 | \$1,123,200 | \$1,921,000 | \$1,921,000 | \$1,921,000 | \$1,821,000 | \$9,741,959 | 3.3% |
| MTA Administration | \$279,343 | \$157,890 | \$500,000 | \$775,000 | \$859,568 | \$812,668 | \$833,068 | \$839,068 | \$5,056,605 | 1.7% |
| Contingency | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$11,539,436 | \$11,539,436 | 4.0% |
| Total | \$279,343 | \$787,649 | \$1,500,000 | \$7,798,200 | \$27,277,568 | \$27,277,668 | \$27,313,068 | \$38,676,504 | \$130,910,000 | 45.0% |
| WSE Section 1: 34 Vehicles (Project 865518) | | | | | | | | | | |
| Professional Services | \$0 | \$770,241 | \$495,362 | \$1,373,803 | \$2,349,605 | \$2,349,605 | \$2,349,605 | \$2,227,293 | \$11,915,513 | 4.1% |
| MTA Administration | \$341,657 | \$193,110 | \$611,536 | \$947,881 | \$1,051,313 | \$993,951 | \$1,018,902 | \$1,026,241 | \$6,184,591 | 2.1% |
| Contingency | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,113,517 | \$14,113,517 | 4.8% |
| Total | \$341,657 | \$963,351 | \$1,834,626 | \$9,537,808 | \$33,362,511 | \$33,362,634 | \$33,405,930 | \$47,304,183 | \$160,112,700 | 55.0% |
| Base Order Total | \$621,000 | \$1,751,000 | \$3,334,626 | \$17,336,008 | \$60,640,079 | \$60,640,302 | \$60,718,998 | \$85,980,686 | \$291,022,700 | 100.0% |

| | From Inception to Date (ITD) thru FY14 Jun | 7/1/14 - 6/30/15 | 7/1/15 - 6/30/16 | 7/1/16 - 6/30/17 | 7/1/17 - 6/30/18 | 7/1/18 - 6/30/19 | 7/1/19 - 6/30/20 | 7/1/20 - 6/30/21 | Total Uses | % of Project |
|---------------------------------|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------|
| Base Order Summary | | | | | | | | | | |
| Use of Funds | | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | | |
| Base Order 64 Vehicles | \$0 | \$0 | \$1,322,728 | \$13,116,124 | \$54,458,593 | \$54,563,077 | \$54,596,424 | \$54,414,132 | \$232,471,078 | 79.9% |
| Professional Services | \$0 | \$1,400,000 | \$900,362 | \$2,497,003 | \$4,270,605 | \$4,270,605 | \$4,270,605 | \$4,048,293 | \$21,657,472 | 7.4% |
| MTA Administration | \$621,000 | \$351,000 | \$1,111,536 | \$1,722,881 | \$1,910,881 | \$1,806,619 | \$1,851,970 | \$1,865,309 | \$11,241,196 | 3.9% |
| Contingency | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$25,652,953 | \$25,652,953 | 8.8% |
| Base Order Summary Total | \$621,000 | \$1,751,000 | \$3,334,626 | \$17,336,008 | \$60,640,079 | \$60,640,302 | \$60,718,998 | \$85,980,686 | \$291,022,700 | 100.0% |

| | | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | Total Sources | % |
|--|------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---|
| Sources of Funds | | | | | | | | | | |
| Measure R 35% Per WSE PLE Sec | \$341,657 | \$963,351 | \$1,834,626 | \$9,537,808 | \$33,362,511 | \$33,362,634 | \$33,405,930 | \$47,304,183 | \$160,112,700 | |
| <i>Reference the Adopted Uses and Sources for \$2,739,510,000 Life of Project Budget for WSE PLE Section 1</i> | | | | | | | | | | |
| Measure R 2% (206037) | \$279,343 | \$787,649 | \$1,500,000 | \$3,899,100 | | | | | \$6,466,092 | |
| Cap and Trade; Other State & Federal sources (206037)* | | | | \$3,899,100 | \$27,277,568 | \$27,277,668 | \$27,313,068 | \$38,676,504 | \$124,443,908 | |
| <i>* Future Local, State & Federal Funds to be identified as they become available.</i> | | | | | | | | | | |
| Total Funding Sources | \$621,000 | \$1,751,000 | \$3,334,626 | \$17,336,008 | \$60,640,079 | \$60,640,302 | \$60,718,998 | \$85,980,686 | \$291,022,700 | |

* Staff will pursue additional funding sources to supplement Project 206037 budget which may become available through MAP-21 or other federal sources for this project. Staff will also utilize other State and Local funding sources as opportunities arise such as Cap and Trade or other new sources.