



Board Report

File #: 2016-0727, File Type: Contract

Agenda Number: 19.

CONSTRUCTION COMMITTEE NOVEMBER 17, 2016

SUBJECT: CONSTRUCTION MANAGEMENT FOR RAIL FACILITIES CAPITAL PROGRAM

ACTION: AWARD AND EXECUTE CONTRACT FOR CONSTRUCTION MANAGEMENT SUPPORT SERVICES

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to award a three-year cost-plus fixed fee Contract No. PS601830026445 for **Construction Management Support Services for Metro Rail Projects with Destination Enterprises, Inc.** in the amount not to exceed \$3,000,000, inclusive of two one-year options, subject to resolution of protest(s) if any. Destination Enterprises, Inc. is a certified SBE with Metro.

ISSUE

The Los Angeles County Metropolitan Transportation Authority (Metro) requires professional services from a qualified Construction Management Support Services (CMSS) firm to support the design review, construction management, and administration of the construction contracts for various Metro Rail projects to ensure compliance with contract requirements and government regulations.

DISCUSSION

On April 8, 2016, requests for proposals were issued for CMSS services to assist Metro in managing the construction of Rail Facilities Capital Projects. The CMSS Contract is a cost-plus fixed fee contract for a term of three (3) years with two one-year options. If Metro decides to exercise the additional option years in the CMSS contract, rates for the option years will be negotiated prior to the end of the base contract period. Option 1 will be to extend the CMSS services and option 2 will be for contract closeout. This contract was procured as a Small Business Enterprise Set- Aside.

Since the CMSS contract is a cost-plus fixed fee contract, consultant services will be performed using Annual Work Plans (AWP). Each AWP will include negotiated direct labor, overhead rates, general and administrative expenses, fee, and negotiated hours for the level of effort to match the work. The AWP's will be funded from the existing project budgets and take into consideration all information available at the time of planning plus applicable time constraints on the performance of the work.

Metro shall ensure that strict project controls are in place prior to approving each AWP to closely monitor the Consultant's budget and AWP schedules. No funds will be obligated until the AWP is approved against each particular capital project.

The primary role of the CMSS is to provide highly skilled and qualified individuals to assist Metro with Construction Management but also includes other tasks such as the administration of construction contracts. The CMSS staff will be part of a fully integrated Construction Management team working with Metro in the project and field offices.

The CMSS contract will provide some or all of the services for current rail projects, future rail projects and other rail-related capital projects, but not limited to the following listed projects:

- 204072 Metro Blue Line Artwork Renovations
- 204083 LRT Stations Sound Enclosures
- 204089 Bicycle Lockers & Racks for Metro Rail Stations
- 204090 Bicycle Access Improvements - Rail
- 204094 Division 21 Midway Yard Improvements
- 204117 System Wide Elevator Installations
- 204119 PGL South Pasadena Station Northbound Platform ADA Ramp
- 204120 Universal City Station North Entrance Knock-out Panel
- 205055 MGL Emergency Trip System
- 205056 MGL Negative Ground Devices
- 205070 Fiber Optic Main Loop Upgrade
- 205073 Metro Blue Line Yard Signal System
- 205088 Long Beach Bank Upgrade Phase II
- 205092 System Wide Corrosion Protection System Replacement
- 205093 Metro Blue Line Rail Replacement and Booting
- 205103 Platform Track Intrusion Detection System
- 205104 Metro Blue Line Pedestrian Safety Enhancement at Grade Crossing
- 211002 Metro Blue Line Overhead Catenary System Rehabilitation
- 211005 Metro Blue Line Signal System Rehabilitation
- 460090 Bob Hope/Hollywood Way Metro Link Station

Staff estimates that the CMSS for the Metro Rail Projects will be required beginning approximately in the Fall of 2016, immediately after award of the contract.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an adverse impact on safety standards for Metro.

FINANCIAL IMPACT

The funding for this contract is included in cost center 8510, Construction Procurement, under various Rail Facility Capital project numbers. AWP's under this contract will be funded within the life-of-project (LOP) budgets for each individual capital project. As such, approval of this action will not

increase the LOP budgets of any individual capital projects. Since this is a multi-year contract, respective project managers, the Cost Center Manager and Chief Program Management Officer will be accountable for budgeting the contract cost in future years, including any options exercised.

Impact to Budget

The funding for this action comes from various approved Rail Facility Capital Project budgets, which are funded by various sources including Federal 5307, TDA 4, Proposition A and Proposition C. The funds have been specifically set aside for these uses as part of the Capital Program. Approval of this action will not impact the bus and rail operating budget.

ALTERNATIVES CONSIDERED

The Board may reject the recommendation. Staff does not recommend this alternative, as rejection will require an extensive hiring effort to provide permanent staff to fill the required positions, several of which anticipated to be temporary. This would not be cost effective and could cause delays, since many of the CMSS staff are only required on a periodic basis for peak workloads and specific tasks over the life of the project.

NEXT STEPS

After Board approval of this CMSS Contract, the Contracting Officer will award the contract in accordance with Metro Procurement Policies and Procedures.

ATTACHMENTS

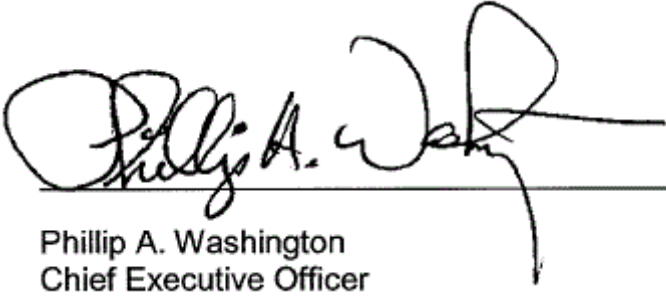
Attachment A - Procurement Summary
Attachment B - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

CONSTRUCTION MANAGEMENT FOR RAIL FACILITIES CAPITAL PROGRAM/
PS601800026445

1.	Contract Number: PS601830026445	
2.	Recommended Vendor: Destination Enterprises	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input checked="" type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: April 8, 2016	
	B. Advertised/Publicized: April 8, 2016	
	C. Pre-proposal/Pre-Bid Conference: April 18, 2016	
	D. Proposals/Bids Due: May 12, 2016	
	E. Pre-Qualification Completed: September 6, 2016	
	F. Conflict of Interest Form Submitted to Ethics: October 18, 2016	
	G. Protest Period End Date: Fifteen Calendar Days after Notification of Intent to Award	
5.	Solicitations Picked up/Downloaded: 132	Bids/Proposals Received: 11
6.	Contract Administrator: Josie Mellen	Telephone Number: 213-922-1105
7.	Project Manager: James Gleig	Telephone Number: 213-922-7453

A. Procurement Background

This Board Action is to approve Contract No.: PS601830026445 issued in support of. Contract Management Services (CMSS) related to Rail projects. The scope of the contract is to support design reviews, construction management and administration to ensure the construction of various projects are administered and completed in compliance with contract requirements and government regulations. Board approval of contract awards are subject to resolution of all properly submitted protests.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a cost plus fixed fee. One amendment was issued during the solicitation phase of the RFP:

- Amendment No. 1, issued on April 22, 2016 which extended the proposal due date and sent out the pre-proposal documents.

A total of eleven proposals were received on May 12, 2016. The procurement was designated as a Small Business Prime set-aside solicitation, meeting the threshold requirements for Metro's certified SBE vendor registration program. Each of the firms were Metro certified in one or more of the following North American Industry Classification System (NAICS) codes: 236220, 541330, 541618 or 541618. Metro held a pre-proposal conference on April 18, 2016, in the Gateway conference room on the third floor of the Gateway Building. There were seventy-seven firms that signed in at the pre-proposal conference. One hundred thirty-two registered plan

holders downloaded the RFP package. The Questions and Answers were emailed to all Planholders on May 4, 2016.

B. Evaluation of Proposals/Bids

A Proposal Evaluation Team (PET) consisting of staff members from Metro's Construction Management and Facilities Engineering Operations departments was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- EXPERIENCE & CAPABILITIES OF FIRMS ON THE CMSS' TEAM 20%
- STAFF SKILLS AND EXPERIENCE 50 %
- MANAGEMENT PLAN AND CONTROL 30%

The evaluation criteria are appropriate and consistent with criteria developed for other, similar Architect and Engineers (A&E) solicitations. Several factors were considered when developing these weights, giving the greatest importance to the staffing.

This is an A&E, qualifications based procurement. Price cannot be used as an evaluation factor pursuant to state and federal law.

On August 9, 2016, the scoring of the written proposals was completed, and resulted in three proposers with-in the competitive range. The three firms within the competitive range are listed below in alphabetical order:

1. Destination
2. Ramos
3. Safe Work

Eight firms were determined to be outside the competitive range and were not included for further consideration.

The PET invited the three proposers to oral presentations on August 26, 2016. Each of the firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Each team was asked questions relative to each firm's proposed alternatives and previous experience.

The final scoring included evaluation of written proposals supported by oral presentations from the proposers' proposed key personnel.

Qualifications Summary of Recommended Firm:

The evaluation performed by the PET, in accordance with RFP defined criteria, determined Destination as the most qualified firm to provide Construction Management Support Service. After the PET recommendation was approved by the EO, V/CM. Destination’s cost proposal was opened; a cost analysis was performed along with a request for an audit, and negotiations.

Destination provides relevant rail experience working on METRO projects such as Regional Connector, Division 14 facility (EXPO Light Rail Phase II), and Division 9. Relevant report samples were submitted such as CM monthly construction progress report, safety plan and the management plan. A detailed presentation of the project status of the proposed 32 projects with staffing projections was submitted which demonstrated a clear understanding of the proposed project’s scope of work.

Destination demonstrated they are well-skilled in providing the scope of services at the level required by this contract, and has the capabilities to provide staffing for task order assignments that may be issued under this contract. Therefore, the PET recommends Destination as the most qualified firm according to the evaluation criteria.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Destination				
3	Experience and Capabilities of Firms of the CMSS Team	82.50	20.00%	16.50	
4	Staff Skills and Experience	77.00	50.00%	38.86	
5	Management Plan and Control	80.00	30.00%	24.00	
6	Total		100.00%	79.36	1
7	Ramos				
8	Experience and Capabilities of Firms of the CMSS Team	84.50	20.00%	16.90	
9	Staff Skills and Experience	78.30	50.00%	39.16	
10	Management Plan and Control	59.70	30.00%	17.93	
11	Total		100.00%	74.00	2
12	Safe Work				
13	Experience and Capabilities of Firms of the CMSS Team	77.5	20.00%	15.5	
14	Staff Skills and Experience	70.00	50.00%	35.03	
15	Management Plan and Control	58.10	30.00%	17.43	
16	Total		100.00%	67.96	3

C. Cost/Price Analysis

The cost analysis included verification of the certified payroll records of each proposed direct labor classification, and examination of labor rates on a previous contract No. PS 100800-2642, Metro Rail Facilities Construction Management Consultant. Metro has negotiated fixed billing rates for direct labor and provisional overhead rates. The pricing for each Task Order will use the Contract defined fixed direct labor rates, provisional overhead rates plus the negotiated fixed fee factor to establish a lump sum price, a cost-plus-fixed-fee amount.

An audit request will be submitted to Metro Management Audit Services (MASD) to perform an audit of the provisional overhead rates. In order to prevent any unnecessary delay in contract award, provisional rates have been established subject to retroactive adjustments. In accordance with FTA Circular 4220.1.F, if an audit has been performed by any other cognizant Federal or State government agency within the last twelve month period, Metro will receive and accept that audit report for the above purposes rather than perform another audit.

A fair and reasonable price for all future Task Orders will be determined based upon a cost analysis, technical evaluation, fact finding, and negotiations, before issuing work to the Consultant.

Proposer Name	Proposal Amount	Metro ICE	Negotiated or NTE amount
Destination Enterprises			
FY 17 – FY19	\$5,632,671 ⁽³⁾	\$2,985,035 ⁽²⁾	\$3,000,000 ⁽¹⁾
Total Contract	\$3,000,000 ⁽³⁾	\$2,985,035	N/A

(1) The amount of \$3,000,000 is the negotiated amount for the 36-month period of FY17 through FY19. Future work will be funded on an annual basis.

(2) Metro's ICE is for the period FY17 through FY19

(3) Proposal amount includes Scope of Services not yet identified.

D. Background on Recommended Contractor

The recommended firm, Destination Enterprises, located in Culver City, California, has been in business for eleven years and is a leader in the construction management field. Destination has provided construction management services for several Metro owned transit operations and maintenance facilities of similar size, scope and cost. This includes Division 14 Operations & Maintenance facility for the Expo Light Rail. The Project Manager along with the proposed key personnel presented a thorough understanding of Metro's scope of work and requirements. This team would be able to start immediately and efficiently without much of a learning curve.

**CONSTRUCTION MANAGEMENT SUPPORT SERVICES – RAIL PROJECTS
CONTRACT PS601800026445**

A. Small Business Participation

Effective June 2, 2014, per Metro’s Board-approved policy, competitive acquisitions with three or more Small Business Enterprise (SBE) certified firms within the specified North American Industry Classification System (NAICS) as identified for the project scope shall constitute a Small Business Set-Aside procurement. Accordingly, the Contract Administrator advanced the solicitation, including posting the solicitation on Metro’s website, advertising, and notifying certified small businesses as identified by NAICS code(s) that this solicitation was open to **SBE Certified Small Businesses Only**.

Destination Enterprises, an SBE Prime, has committed to perform 56% of the work with its own workforce. The prime listed two (2) major firms, Arcadis US, Inc., and Capital, GCS as non-SBE subcontractors on this project.

	SBE Firm Name	NAICS	SBE % Committed
1.	Destination Enterprises	236220 - Commercial & Institutional Building Construction (Construction Management)	56%
	Total Commitment:		56%

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 requirements are applicable to this project. DEOD will 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). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection, construction management and other support trades.

D. Project Labor Agreement/Construction Careers Policy

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