

**Board Report**

File #: 2021-0621, **File Type:** Contract**Agenda Number:** 8.

**PLANNING AND PROGRAMMING COMMITTEE
JANUARY 19, 2022****SUBJECT: LOS ANGELES UNION STATION STRATEGIC ADVISOR****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to award and execute a two-year base period Contract No. PS76262000 with Morgner Construction Management for the Los Angeles Union Station Strategic Advisor in the amount not to exceed \$805,464.50 with three, one-year options for as-needed advisory services, in the amounts of \$46,306.75, \$47,696.25, and \$49,126.77 respectively, for a total amount of \$948,594.27, subject to resolution of all properly submitted protest(s) if any.

ISSUE

The Los Angeles Union Station (LAUS) continues to be a central element in Metro's expanding system and remains critical to numerous planned transit projects such as Link Union Station (Link US) and the West Santa Ana Branch Transit Corridor (WSAB). Individually and combined, these projects can shape, influence, and impact Metro's ability to leverage LAUS as a station that is interconnected and holistically designed, as well as the timing and success of future commercial development. The LAUS Strategic Advisor (Strategic Advisor) will support Metro in exploring and defining a series of recommendations that will guide Metro's efforts focused on transforming LAUS into a world-class transportation facility.

BACKGROUND

Metro acquired LAUS in 2011 and shortly thereafter initiated a master planning process. The Union Station Master Plan (Master Plan) was defined by three programmatic goals (improved connectivity, transit optimization, and creating a great destination) that continue to guide the LAUS work program to-date.

The Master Plan included a series of near- and long-term capital improvements including perimeter improvements, a new consolidated passenger concourse, relocation of the Patsaouras Bus Plaza, and a 3.25M square foot commercial development program. Since completion of the Master Plan in 2014, Metro's approach to LAUS redevelopment has been defined by the following actions:

- **2015:** The Metro Board approved accommodating for California High Speed Rail (CAHSR) at the LAUS as part of the Link US Project.

- 2016: Staff updated the Board on revised approach for Union Station redevelopment which included combining the expanded passenger concourse with the Link US project, deferring the relocation of the Patsaouras Bus Plaza as it was no longer a near-or mid-term priority, and advancing a series of perimeter improvements on the east (Chavez Bus Stop Improvements Project) and west side of the station (LAUS Forecourt and Esplanade Improvements Project).
- 2017: Board approved the WSAB Project Definition for Environmental Scoping including four Northern Alignment Options, two of which included LAUS options.
- 2018: Board approved the Los Angeles Union Station Forecourt and Esplanade Improvements Final Environmental Impact Report
- 2018: Staff held a Commercial Development Industry Forum to engage the development community on interest for commercial development at LAUS.
- 2018: Unsolicited Proposal received for privately-led Los Angeles Area Rapid Transit (LA ART).
- 2019: Los Angeles River Path, which will include on-street connections to LAUS, released the Notice of Preparation followed by Scoping Meetings.
- 2019: Metro executed a Memorandum of Understanding with LA ART for Metro to be the Lead Agency under the California Environmental Quality Act (CEQA).
- 2019: Link US (including the bicycle/pedestrian bridge over US-101) Final Environmental Impact Report (FEIR) approved by Metro Board.
- 2020: Construction completed for the Union Station Patsaouras Bus Plaza and the Chavez Bus Stop Improvement Project.

The projects described above are complex, have varying levels of interface with one another, and are in different phases of their respective planning and/or implementation processes. The magnitude of these investments and the potential for improved mobility that they represent are a tremendous opportunity for the future of LAUS. A coordinated and holistic approach centered around the programmatic goals of transit optimization, connectivity, and creating a destination is necessary to avoid a disjointed station that is piecemealed over time.

LAUS is the most transit rich place in Southern California and Metro has the unique opportunity to establish a precedent-setting, best practice for transit station redevelopment. To do this effectively, Metro must coalesce the various active projects through an integrated program that is centered on a coordinated approach and shared vision for LAUS.

DISCUSSION

LAUS Strategic Advisor

The Strategic Advisor contract is structured to include a two-year base contract with three, one-year options for as-needed advisory services to be exercised at Metro's discretion. The base contract includes internal and external stakeholder engagement and the preparation of six technical memos related to the topic areas described below.

- 1. Transit Infrastructure Projects:** Assessment of how the various active transit infrastructure projects can shape future development, financing opportunities, and timing considerations for future commercial development.
- 2. Customer Experience:** Guidance on best practices and emerging technologies related to passenger experience, considerations around the unique requirements of a large multimodal transportation facility, and amenities that support transit riders.
- 3. Timing for Commercial Development:** Guidance on the timing for commercial development given market conditions, timing of major transit projects, and protecting Metro's financial interest.
- 4. Combining Infrastructure and Commercial Development:** Financial and feasibility assessment of combining future commercial development with transit infrastructure delivery.
- 5. Operational Models and Financial Analysis to Meet Development Requirements:** Recommendations related to the financial and organizational requirements needed to manage the station with full development build out, exploring value capture opportunities to fund LAUS improvements, and exploring advertising and corporate sponsorship opportunities.
- 6. Additional Considerations:** Considerations related to messaging and other relevant matters such as approach to people experiencing homelessness and historic resource considerations including, but not limited to, coordination with the 1871 Memorial Steering Committee.

The proposed team is comprised of staff from Morgner and six (6) subcontractors, of which, four (4) are Metro certified SBEs and one is DBE certified.

DETERMINATION OF SAFETY IMPACT

The Strategic Advisor work will result in a series of recommendations that will support Metro's efforts in coordinating the various active transit projects and exploring the timing for future commercial development. Approval of this item will not impact the safety of Metro's customers or employees.

FINANCIAL IMPACT

Impact to Budget

The adopted Fiscal Year (FY) 2022 Budget includes \$400,000 in Cost Center 4530 (Transit Oriented Communities), Project 405557 (Union Station Master Plan). The funding source for this project is General Fund, which is eligible for bus & rail operations and capital project. Since this is a multi-year contract, the cost center manager and Chief Planning Officer will be responsible for budgeting funds in future years.

EQUITY PLATFORM

The LAUS Strategic Advisor solicitation will result in a series of comprehensive and strategic recommendations for Metro to pursue around transit infrastructure, customer experience and future commercial development. The Strategic Advisor work will be informed by stakeholder engagement and equity centered data to ensure that the study embeds equity through the process and within the

final recommendations that come out of this work.

A couple of equity considerations that must be considered as this study progresses include how future commercial development could create/augment gentrification and displacement pressures for surrounding communities that are largely low-income communities of color and the importance of coordinating future construction efforts to minimize negative impacts for adjacent communities that also include small businesses/ legacy businesses. Staff will take the above considerations into account as the study proceeds and will ensure that stakeholder engagement touches on these points and that the input informs the future recommendations.

The benefits of this decision isto establish a coordinated and holistic approach to planning for the future of the station that integrates land use planning, community development, equity and massive transit infrastructure investments (including active transportation). The goal is to benefit transit riders and to ensure that as this transformation occurs, it supports adjacent communities and does not create or exacerbate historic harms or create new gentrification/displacement pressures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Strategic Advisor effort aligns with the following Strategic Plan Goals:

- **Strategic Plan Goal #1:** Provide high-quality mobility options that enable people to spend less time traveling by planning for an integrated LAUS that puts customer experience and integrated mobility options at the forefront.
- **Strategic Plan Goal #2:** Deliver outstanding trip experiences for all users of the transportation system by creating an accessible environment and great destination at LAUS.
- **Strategic Plan Goal #3:** Enhance communities and lives through mobility and access to opportunity by realizing an integrated transit station and commercial development program that incorporates stakeholder input with the goal of enhancing the communities surrounding LAUS.

ALTERNATIVES CONSIDERED

The Board could choose to not award the Strategic Advisor Contract. Staff does not recommend this approach. As previously noted, several projects are actively moving forward and making decisions that will directly impact the future of the station. The Strategic Advisor will equip staff with the necessary expertise and resources to coordinate and coalesce the various active projects, respond to the topic area inquiries, and chart a course for the future of the station.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS76262000 with Morgner Construction Management and initiate the work.

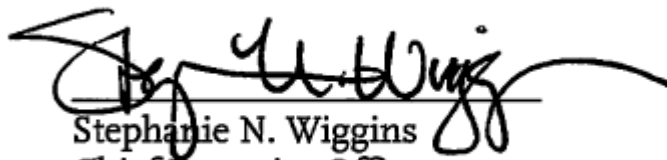
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

LOS ANGELES UNION STATION STRATEGIC ADVISOR/PS76262000

1.	Contract Number: PS76262000	
2.	Recommended Vendor: Morgner Construction Management	
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 19, 2021	
	B. Advertised/Publicized: May 19, 2021	
	C. Pre-Proposal Conference: June 2, 2021	
	D. Proposals Due: July 21, 2021	
	E. Pre-Qualification Completed: In Process	
	F. Conflict of Interest Form Submitted to Ethics: July 27, 2021	
	G. Protest Period End Date: January 25, 2022	
5.	Solicitations Picked up/Downloaded: 127	Bids/Proposals Received: 9
6.	Contract Administrator: Yamil Ramirez Roman	Telephone Number: (213) 922-1064
7.	Project Manager: Elizabeth Carvajal	Telephone Number: (213) 922-3084

A. Procurement Background

This Board Action is to approve Contract No. PS76262000 for the Los Angeles Union Station (LAUS) Strategic Advisor to support Metro in its efforts to holistically plan and implement the future development at Union Station. Board approval of contract awards are subject to resolution of any properly submitted protest(s).

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. This RFP was issued under the Small Business Set-Aside Program and was open to Metro Certified Small Businesses only.

Four (4) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on June 9, 2021, revised the scope of services to increase the meetings with technical advisory teams from 15 to up to 25 and extended the due date to July 21, 2021;
- Amendment No. 2, issued on June 24, 2021, updated the scope of services, topic area for additional considerations for homelessness impact to the future station;
- Amendment No. 3, issued on July 8, 2021, updated the contract administrator assigned;
- Amendment No. 4, issued on July 14, 2021, corrected the scope of services, project management task, to require a project management plan (PMP).

A virtual pre-proposal conference was held on June 2, 2021 and was attended by 38 participants representing 34 companies. There were 44 questions asked and responses were released prior to the proposal due date.

A total of 127 firms downloaded the RFP and were included in the plan holders list. A total of nine proposals were received on July 21, 2021 from the following firms listed in alphabetical order:

1. Alex L.P. San Andres
2. BAE Urban Economics
3. CR Associates
4. Estolano Advisors
5. GHT Capital LLC
6. Morgner Construction Management
7. Sperry Capital, Inc.
8. SXM Strategies, LLC
9. Urban Field Studio, LLP

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Countywide Planning & Development and Program Management/Regional Rail were convened and conducted a comprehensive technical evaluation of the proposals received.

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

- Proposer's Qualifications 40%
- Approach to the Work 40%
- Cost Proposal 20%

The evaluation criteria are appropriate and consistent with criteria developed for other, similar advisor services procurements. Several factors were considered when developing these weights, giving the greatest importance to proposer's qualifications and approach to the work.

During the period of July 27, 2021 to September 2, 2021, the PET independently evaluated and scored the technical proposals. Of the nine proposals received, five firms were determined to be within the competitive range. They are listed below in alphabetical order:

1. BAE Urban Economics (BAE)
2. GHT Capital (GHT)
3. Morgner Construction Management (Morgner)
4. Sperry Capital (Sperry)
5. SXM Strategies, LLC (SXM)

Four firms were determined to be outside the competitive range and were excluded from further consideration as their proposals did not clearly address the relevant experience, approach to the work, and schedules in the manner prescribed by the solicitation.

On September 28, 2021, all firms within the competitive range were invited for oral presentations which provided them the opportunity to present their qualifications, and to respond to questions from the PET.

Following the oral presentations, the PET submitted finalized technical scores based on both the written proposals and input received during oral presentations. On October 6, 2021, the PET determined Morgner to be the highest ranked proposer.

Qualifications Summary of Firms within the Competitive Range:

Morgner Construction Management

Morgner provides professional advisory and technical services to assist in the planning, design, and construction of major multimodal transportation projects from highways to airports and ports.

Morgner demonstrated experience in dealing with complex projects, similar in nature to the tasks on this project's scope of services. Morgner also had a strategy around communication and buy-in and provided useful perspective on transit design.

Morgner's proposal provided a detailed schedule that clearly outlined the task sequencing and broke down key inputs for analysis. The proposal also clearly showed how the work will be allocated to staff and demonstrated how the work would be distributed amongst the most appropriate and qualified staff for the task.

BAE Urban Economics

BAE is an urban economics and public-benefit real estate development consulting practice. Since 1986, the company has completed more than 2,500 assignments for clients including public agencies, non-profit organizations, and private developers throughout the US.

BAE demonstrated experience working on similar projects in other major metropolitan cities such as New York Penn Station, Los Angeles World Airports, and the London Bridge Station. BAE also demonstrated understanding of the tasks required and provided a reasonable and clear schedule.

BAE assembled a team with direct experience in the core competency areas required for this project. However, BAE's project manager did not demonstrate relevant experience in transit or station projects and there was no clear lead/expert on marketing and security areas identified in their proposal.

SXM Strategies LLC

SXM provides strategic and financial advice to leaders of government, non-profit, development, and investment organizations for the development of public infrastructure.

SXM demonstrated relevant experience on stations both large and small. The company also assembled a well-qualified team of key personnel with experience on comparable projects. However, the proposer did not clearly highlight how the individual key personnel members would work together cohesively and cooperatively.

The company's approach did not comprehensively address the variety of stakeholders that would need to be engaged during the project or clearly demonstrated understanding of the approach to the work.

Sperry Capital

Sperry is an infrastructure and project finance advisory firm and has been the advisor on capital projects totaling over \$200 billion since 2000.

Sperry's proposal demonstrated experience working on complex major transit stations across Los Angeles County of comparable scale as LA Union Station. The firm demonstrated understanding of the financial aspect of the work but lacked clarity on the security and messaging aspects.

Sperry's proposed project manager possesses very extensive experience with focus on transit infrastructure, P3s and infrastructure development.

GHT Capital

GHT is a public sector consulting firm that delivers complex infrastructure and commercial projects through alternative financing and contracting mechanisms.

GHT's proposal demonstrated relevant experience working on transit projects and understanding of the work required. Their proposed timeline for the work was clear, reasonable, and included a one-month acceleration on the project.

In general, GHT's key personnel demonstrated the required level of experience, however, GHT did not include resumes for the operation key personnel. Additionally, GHT's proposal did not clearly demonstrate an understanding of transit infrastructure projects.

A summary of the PET scores is provided below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Morgner Construction Management				
3	Proposer's Qualifications	79.38	40.00%	31.75	
4	Approach to the Work	81.05	40.00%	32.42	
5	Cost Proposal	86.45	20.00%	17.29	
6	Total		100.00%	81.46	1
7	BAE Urban Economics				
8	Proposer's Qualifications	73.95	40.00%	29.58	
9	Approach to the Work	73.33	40.00%	29.33	
10	Cost Proposal	100.00	20.00%	20.00	
11	Total		100.00%	78.91	2
12	SXM Strategies, LLC				
13	Proposer's Qualifications	75.20	40.00%	30.08	
14	Approach to the Work	69.18	40.00%	27.67	
15	Cost Proposal	94.15	20.00%	18.83	
16	Total		100.00%	76.58	3
17	Sperry Capital				
18	Proposer's Qualifications	85.43	40.00%	34.17	
19	Approach to the Work	80.83	40.00%	32.33	
20	Cost Proposal	47.55	20.00%	9.51	
21	Total		100.00%	76.01	4
22	GHT Capital				
23	Proposer's Qualifications	70.83	40.00%	28.33	
24	Approach to the Work	76.25	40.00%	30.50	
25	Cost Proposal	83.85	20.00%	16.77	
26	Total		100.00	75.60	5

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), technical analysis, cost analysis and negotiations. Staff successfully negotiated a savings of \$64,302.98.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated Amount
1.	Morgner Construction Management	\$1,012,897.25	\$655,525.00	\$948,594.27
2.	BAE Urban Economics	\$875,451.41		
3.	SXM Strategies	\$929,625.72		
4.	Sperry Capital	\$1,840,726.96		
5.	GHT Capital	\$1,043,989.56		

The variance between the final negotiated price and the ICE is an inadvertent underestimation of the labor hours required for the review of existing LAUS historical materials. Due to the need to thoroughly review, understand and properly consider the complex nature and history of the site and given that it is the subject of multiple ongoing projects, the added level of effort included in the proposal was determined to be reasonable and will be to Metro's benefit.

D. Background on Recommended Contractor

The recommended firm, Morgner Construction Management, has over 30 years of experience and is headquartered in Los Angeles, CA. Morgner is a Metro certified SBE/DBE firm with experience in professional advisory, planning, design and construction of major multimodal transportation projects.

The proposed team is comprised of staff from Morgner and six (6) subcontractors, of which four (4) are Metro certified SBEs and one is DBE certified. The prime and subcontractors provide balanced knowledge and experience in the transit and public sector.

DEOD SUMMARY

LOS ANGELES UNION STATION STRATEGIC ADVISOR / PS76262000

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**.

Morgner Construction Management, an SBE Prime, listed six (6) subcontractors to perform work on this contract and made a 58.53% SBE commitment. Morgner Construction Management is performing 32.11% of the work with its own workforce.

SMALL BUSINESS SET-ASIDE

SBE Prime Contractor		SBE % Committed
1.	Morgner Construction Management (Prime)	32.11%
2.	RAW International	10.47%
3.	The Maxima Group LLC	5.63%
4.	Vicus LLC	10.32%
Total Commitment		58.53%

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. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.



Next stop: access to opportunity.

LA Union Station Strategic Advisor

Legistar: 2021-0621

Planning & Programming Committee

January 19, 2022



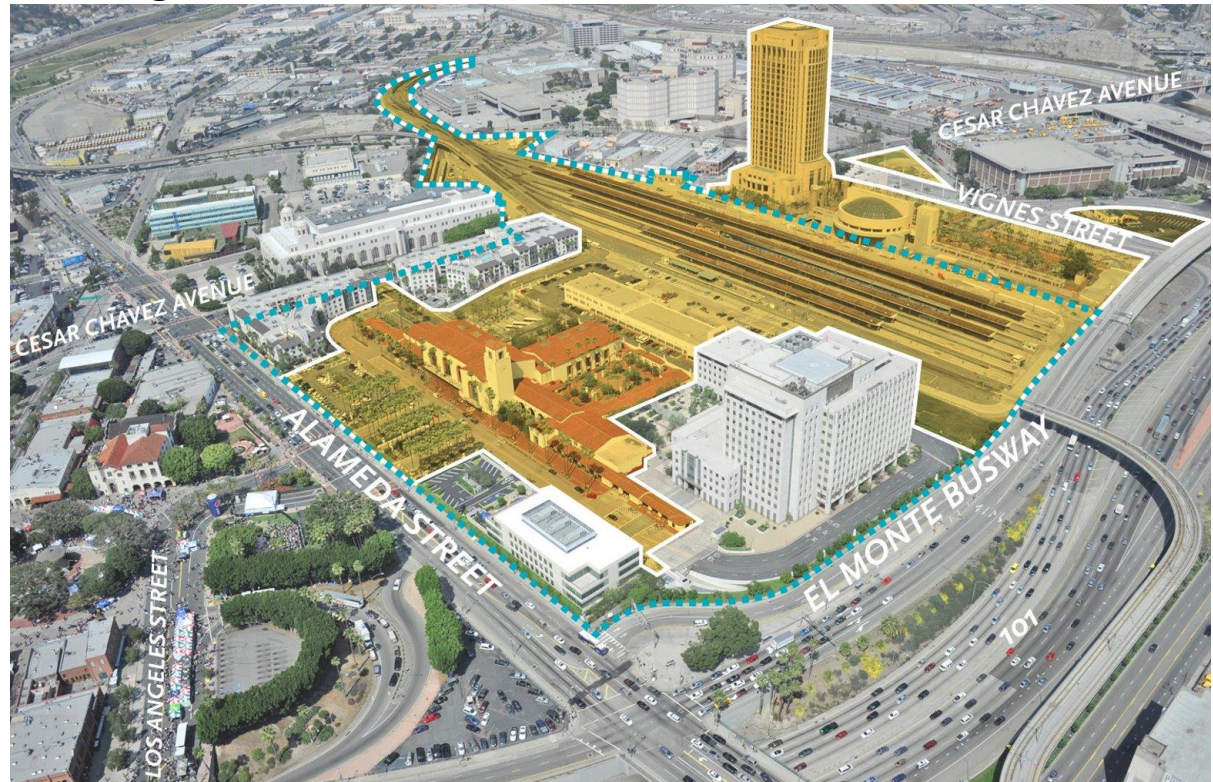
Recommendations


AUTHORIZE the Chief Executive Officer (CEO) to award and execute a two-year base period Contract No. PS76262000 with Morgner Construction Management for the Los Angeles Union Station Strategic Advisor in the amount not to exceed \$805,464.50 with three, one-year options for as-needed advisory services, in the amounts of \$46,306.75, \$47,696.25, and \$49,126.77 respectively, for a total amount of \$948,594.27, subject to resolution of all properly submitted protest(s) if any.

Contract

- Small Business Enterprise (SBE) Set-Aside
- Phase 1: Base Contract, two years
- Phase 2: Three, one-year options to extend (as-needed)

Los Angeles Union Station



 Metro-owned property

Scope and Purpose

Strategic Guidance around six Topic Areas*:

1. Transit Infrastructure Projects
2. Customer Experience
3. Timing for Commercial Development
4. Combining Infrastructure and Commercial Development
5. Operational Models and Financial Analysis
6. Additional Considerations (Messaging, Historic Preservation)

**Inclusive of internal/external stakeholder engagement.*

Project Team

Prime Consultant:

Morgner (SBE)

Subconsultants:

1. ARUP
2. Deloitte
3. The Maxima Group (SBE)
4. RAW International (SBE)
5. Strategic Economics
6. Vicus Planning (SBE)