

**Board Report**

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**File #:** 2023-0051, **File Type:** Contract**Agenda Number:** 32.

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**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE  
APRIL 20, 2023****SUBJECT: METRO EXPRESSLANES ON CALL TRAFFIC AND REVENUE SUPPORT****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award Contract No. PS86284000 with CDM Smith, Inc., to provide Metro ExpressLanes On-Call Traffic and Revenue Support services in an amount not to exceed \$2,999,870 subject to the resolution of timely submitted protest(s), if any.

**ISSUE**

Staff has been conducting planning studies to advance the implementation of ExpressLanes in support of Metro's ExpressLanes Strategic Plan. One of the studies prepared for potential ExpressLanes projects is the Traffic and Revenue (T&R) study, which estimates toll rates and potential toll revenue that could be used to operate, maintain, fund construction of the projects as well as provide net toll revenues to jurisdictions and agencies for transit, active transportation and roadway improvements within the corridor. Furthermore, T&Rs provide an indication of the financial feasibility of a potential ExpressLanes project.

This contract will provide on-call T&R study and financing support for future ExpressLanes projects. Metro expects to pursue grant opportunities as well as seek Federal TIFIA (Transportation Infrastructure Finance and Innovation Act) loans to fully fund these projects. As projects proceed through the Project Approval/Environmental Document (PA/ED) and Plans, Specifications, and Estimates (PS&E) phases, staff anticipates the need to refresh the T&R studies. This contract will support updates to the I-105, I-405, and I-10 T&Rs and the TIFIA application process.

**BACKGROUND**

In November 2014, the Board directed staff to prepare a Countywide ExpressLanes Strategic Plan (Strategic Plan) based on the success of the I-110 and I-10 ExpressLanes. In January 2017, the Board directed staff to initiate planning studies for Tier 1 ExpressLanes corridors in Los Angeles County as identified in the Strategic Plan. Tier 1 corridors include I-10 between I-605 and the Los Angeles/San Bernardino County line; I-105 between I-405 and Studebaker Road; I-405 between US-101 and the Los Angeles/Orange County line; and I-605 between I-10 and the Los Angeles/Orange

County line.

Currently, the I-105 between I-405 and Studebaker Road is in the PS&E phase and the I-10 between I-605 and the Los Angeles/San Bernardino County line and I-405 between US-101 and I-10 are in the PA/ED phase. Furthermore, Measure M provides \$175 million for the I-105 ExpressLanes and \$260 million for the I-405 Sepulveda Pass ExpressLanes.

## **DISCUSSION**

The operations and maintenance costs of ExpressLanes such as operating the toll collection system, service center support, back office operations, dedicated California Highway Patrol enforcement, Freeway Service Patrol tow services, and general maintenance, are funded through revenue generated by the ExpressLanes. In addition, future ExpressLanes projects may require toll-backed debt financing to pay for construction costs such as the Federal TIFIA program that is commonly used to fund ExpressLanes projects and toll revenue bonds across the country. Furthermore, on the I-10 and I-110 ExpressLanes, net toll revenue has been used to provide transit subsidies and grants to active transportation, transit, and roadway projects in the corridor.

Due to the anticipated need to fund future ExpressLanes projects through debt financing and the intent to reinvest net toll revenue, Investment Grade T&R studies must be prepared to estimate the potential revenue that an ExpressLanes project can generate. This contract will be task order based allowing on-call services as needed in three categories:-- planning, TIFIA loan support, and toll revenue bond support. Potential planning tasks include traffic and revenue studies, preparation of grant applications, and financial feasibility analysis. Potential TIFIA loan support tasks include assisting Metro with the TIFIA loan application process and support to obtain rating agency rating opinion(s). Potential toll revenue bond support tasks could include preparing analyses, presentations, reports, and applications needed to obtain toll revenue bonds.

## **DETERMINATION OF SAFETY IMPACT**

This contract is to study the revenue potential of future ExpressLanes. This will have no impact on safety.

## **FINANCIAL IMPACT**

The FY 2022-23 budget includes \$1,000,000 in Cost Center 2220 (Shared Mobility), project 475004 for I-105 ExpressLanes PS&E/T&R studies. Since this is a multi-year contract, the Cost Center Manager and Deputy Chief Operations Officer, Shared Mobility will be responsible for budgeting in future years.

### **Impact to Budget**

Funds for this action will come from dedicated Measure M funding for the I-405 Sepulveda Pass (Phase 1) ExpressLanes Project and I-105 ExpressLanes project. Work prepared for the I-10 ExpressLanes Extension Project will be funded with toll revenues from the I-10 ExpressLanes.

These funds are not eligible for bus and rail operating and capital expenses.

## **EQUITY PLATFORM**

Equity Focus Communities (EFCs) are present on the Tier 1 ExpressLanes corridors that are currently in PS&E or PAED. For example, on the I-10 corridor between I-605 and the Los Angeles/San Bernardino County line 58% of census tracts include EFCs; on I-105 between I-405 and Studebaker Road 92% of census tracts include EFCs; and on I-405 between US-101 and 18% of census tracts include EFCs. A map of EFCs on the I-10, I-105, and I-405 corridors is included in Attachment B.

As noted earlier, the T&R on-call contract will support planning for Tier 1 ExpressLanes corridors by estimating potential toll revenue that could be generated. It is anticipated that net revenue generated could be reinvested into the corridor similar to the previous net toll grant cycles in 2014 and 2016. This has been done on the I-10 and I-110 ExpressLanes, which have reinvested over \$47 million through two rounds of net toll revenue reinvestment grants in 2014 and 2016. The grants have funded transit improvement projects, system connectivity and active transportation improvement projects, and roadway improvements projects. These projects are located within three miles of the ExpressLanes corridor centerline, such that the benefits accrue largely to marginalized groups and EFCs, which collectively comprise 61% of the I-110 corridor and 32% of the I-10 corridor.

Additionally, transit users that travel the two ExpressLanes corridors receive safe, clean, reliable, high-frequency service along the ExpressLanes corridors as a result of an annual investment of approximately \$8 million by the ExpressLanes program in incremental transit service on the Metro J line, Foothill Transit, Gardena Transit, and Torrance Transit. Metro intends to continue the transit subsidy program on future ExpressLanes projects, and this contract will estimate funding that can be made available for net toll reinvestment grants and transit subsidies.

Metro also has discount and rewards programs to improve accessibility to the ExpressLanes including the Low-Income Assistance Plan (LIAP). In addition, Metro provides the option of opening a cash account for those who do not have a credit card. Furthermore, frequent transit riders can also take advantage of the Transit Rewards Program to earn monetary credits toward ExpressLane tolls and the Carpool Loyalty Program allows carpoolers the opportunity to earn toll credits for future SOV travel on the ExpressLanes.

The Diversity and Economic Opportunity Department (DEOD) established a 22% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. CDM Smith committed to meet both the SBE and DVBE goals. Additionally, of the certified subcontractors proposed, two are based in Los Angeles County, as follows: 1) Wiltec, Local SBE; and 2) Global Urban, Local DVBE.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The On-Call T&R support contract supports Strategic Goal 1: Provide high-quality mobility options

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that enable people to spend less time traveling. The proposed Express Lanes would increase regional highway capacity and improve the Level of Service for both the Express Lanes as well as the general-purpose lanes. The contract also supports Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system. The proposed project would result in shorter trip time for both the Express Lane and the general-purpose lanes. Lastly, the contract supports Strategic Goal 4: Transform LA County through regional collaboration and national leadership. This project will require extensive collaboration with Caltrans, corridor cities, Los Angeles County, and regulatory agencies.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to award this contract. This is not recommended as it could delay the overall project completion schedule for the Tier 1 ExpressLanes projects.

### **NEXT STEPS**

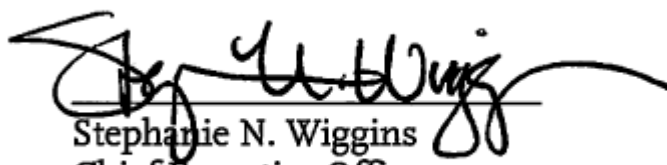
Upon Board approval, staff will execute this contract with CDM Smith, Inc. and issue a Notice to Proceed (NTP).

### **ATTACHMENTS**

- Attachment A - Procurement Summary
- Attachment B - EFC maps
- Attachment C - DEOD Summary

Prepared by: Philbert Wong, Senior Director, Countywide Planning & Development,  
ExpressLanes, (213) 418-3137  
Shahrzad Amiri, Deputy Chief Operations Officer, Shared Mobility (213) 922-3061  
Debra Avila, Deputy Chief, Vendor/Contract Management (213) 418-3051

Reviewed by:



Stephanie N. Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

METRO EXPRESSLANES ON-CALL TRAFFIC AND REVENUE  
SUPPORT/PS86284000

|    |   |  |
|----|---|--|
| 1. | <b>Contract Number: PS86284000</b>  |  |
| 2. | <b>Recommended Vendor:</b> CDM Smith, Inc.  |  |
| 3. | <b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E<br><input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order |  |
| 4. | <b>Procurement Dates:</b>   |  |
|    | <b>A. Issued:</b> 10/10/2022  |  |
|    | <b>B. Advertised/Publicized:</b> 10/10/2022   |  |
|    | <b>C. Pre-Proposal Conference:</b> 10/19/2022   |  |
|    | <b>D. Proposals Due:</b> 12/2/2022  |  |
|    | <b>E. Pre-Qualification Completed:</b> 3/17/2023  |  |
|    | <b>F. Conflict of Interest Form Submitted to Ethics:</b> 12/5/2022  |  |
|    | <b>G. Protest Period End Date:</b> 4/25/2023  |  |
| 5. | <b>Solicitations Picked up/Downloaded:</b> 49   | <b>Proposals Received:</b> 2               |
| 6. | <b>Contract Administrator:</b><br>Andrew Conriquez  | <b>Telephone Number:</b><br>(213) 922-3528 |
| 7. | <b>Project Manager:</b><br>Philbert Wong  | <b>Telephone Number:</b><br>(213) 418-3137 |

**A. Procurement Background**

This Board Action is to approve Contract No. PS86284000 issued in support of the Metro ExpressLanes On-Call Traffic and Revenue Support. Board approval of contract awards are subject to resolution of any properly submitted protest(s), if any.

On October 10, 2022, staff released Request for Proposals No. PS86284 in accordance with Metro Acquisition Policy and the contract type is task order based.

Three amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on October 17, 2022, provided the virtual link for the Pre-Proposal Conference;
- Amendment No. 2, issued on November 7, 2022, extended the proposal due date from November 16, 2022 to December 2, 2022;
- Amendment No. 3, issued on November 12, 2022, updated Exhibit 2 - Schedule of Quantities.

A virtual pre-proposal conference was held on October 19, 2022. There were 15 attendees from eight companies who attended the pre-proposal meeting. There were 4 questions asked and responses were released prior to the proposal due date.

A total of 49 firms downloaded the RFP and were included in the plan holders list. A total of two proposals were received on December 2, 2022, from the following firms listed below in alphabetical order:

1. CDM Smith, Inc.
2. C&M Associates, Inc.

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Metro's Treasury and ExpressLanes 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:

- |   |            |
|---|------------|
| • Proposed Team's Qualifications and Experience | 25 percent |
| • Firm's Technical Approach                     | 30 percent |
| • Team's Management Approach                    | 25 percent |
| • Cost  | 20 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar on-call traffic and revenue (T&R) support services procurements. Several factors were considered when developing these weights, giving the greatest importance to the Firm's Technical Approach.

On January 17, 2023, the PET completed its independent evaluation of the technical proposals and both firms were determined to be within the competitive range. In addition, the PET determined that oral presentations were not needed and CDM Smith, Inc. was determined to be the highest ranked firm.

### **Qualifications Summary of Firms within the Competitive Range:**

#### **CDM Smith, Inc.**

CDM Smith, Inc., headquartered in Massachusetts, with a local office in Los Angeles, is a nationwide privately owned engineering and construction firm providing services in environment, transportation, energy and facilities. They provide traffic and revenue studies, supporting feasibility assessment of pricing, revenue estimating transportation operations and congestion pricing. The CDM Smith, Inc. proposal demonstrated experience working on several traffic and revenue studies for public agencies.

CDM Smith, Inc. has over five decades of experience with toll facility support projects and traffic and revenue studies. Their successful delivery of traffic and revenue analyses is demonstrated by the complexity of projects they have worked

on. CDM Smith, Inc. has supported studies similar in nature and complexity for Metro and other transportation agencies.

**C&M Associates, Inc.**

C&M Associates, Inc., a Texas-based corporation with a local office in Los Angeles, is a private company founded in 2004, that advises public agencies in the development of toll projects and managed/express lanes. They have experience throughout the United States along with staff who have experience in major metropolitan areas. They have worked on toll projects providing toll policy advice, stakeholder engagement, traffic and revenue forecasting and project financing support.

C&M Associates, Inc.'s. experience as T&R engineer includes work on toll roads, tunnels, and bridges including several express lane projects. For these projects, C&M Associates, Inc. has developed T&R forecasts based upon fixed, dynamic, and variable pricing strategies. C&M Associates, Inc's proposal did not fully demonstrate experience with data and lacked innovation under the Firm's Technical Approach.

Table below provides the scores in order of rank.

| 1  | Firm  | Average Score | Factor Weight  | Weighted Average Score | Rank     |
|----|---|---------------|----------------|------------------------|----------|
| 2  | <b>CDM Smith, Inc.</b>                        |               |                |                        |          |
| 3  | Proposed Team's Qualifications and Experience | 88.36         | 25.00%         | 22.09                  |          |
| 4  | Firm's Technical Approach                     | 86.66         | 30.00%         | 26.00                  |          |
| 5  | Team's Management Approach                    | 85.00         | 25.00%         | 21.25                  |          |
| 6  | Cost  | 68.70         | 20.00%         | 13.74                  |          |
| 7  | <b>Total</b>                                  |               | <b>100.00%</b> | <b>83.08</b>           | <b>1</b> |
| 8  | <b>C&amp;M Associates, Inc.</b>               |               |                |                        |          |
| 9  | Proposed Team's Qualifications and Experience | 71.68         | 25.00%         | 17.92                  |          |
| 10 | Firm's Technical Approach                     | 71.66         | 30.00%         | 21.50                  |          |
| 11 | Team's Management Approach                    | 73.36         | 25.00%         | 18.34                  |          |
| 12 | Cost  | 100.00        | 20.00%         | 20.00                  |          |
| 13 | <b>Total</b>                                  |               | <b>100.00%</b> | <b>77.76</b>           | <b>2</b> |

### **C. Cost Analysis**

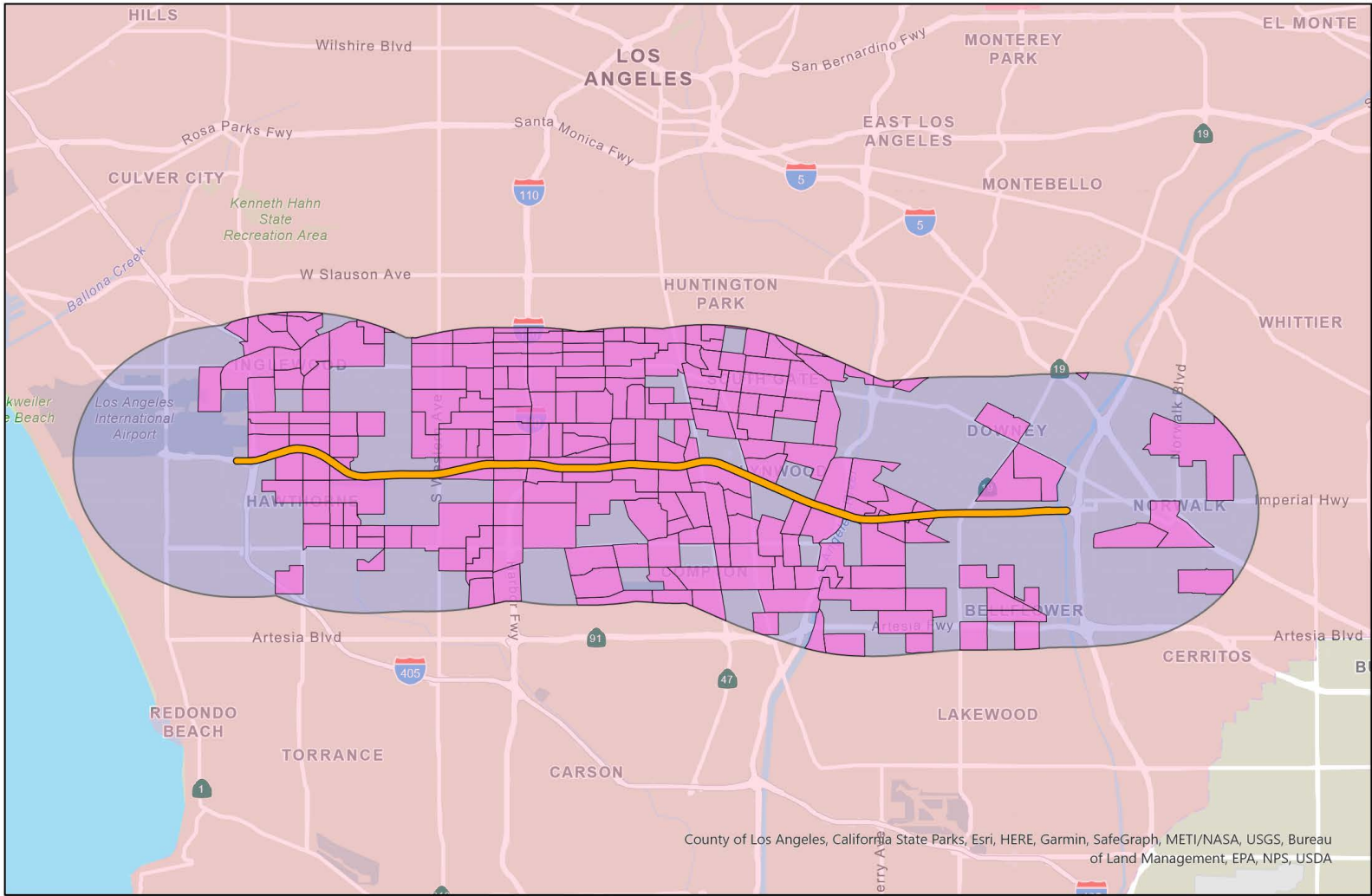
Firm fixed hourly rates from the recommended firm have been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, technical analysis, and fact finding. Work will be performed through the issuance of task orders on an as-needed basis. Each task order will be subject to an ICE, cost analysis, technical analysis, fact finding and negotiation to determine the level of effort.

### **D. Background on Recommended Contractor**

The recommended firm, CDM Smith, Inc. is a professional consultancy firm that performs traffic and revenue studies. CDM Smith, Inc. has conducted T&R studies that have supported over \$120 billion in toll financing for transportation infrastructure. In addition, they have supported recent investment grade studies for toll financed projects in the U.S. since 2010 and the assessment of express/managed lane projects around the country, including 27 express lane projects currently operating in the United States.

The proposed project team has over 20 years of experience in managing toll feasibility analyses and travel demand modeling projects for both private and public agencies. Their areas of specialization include toll diversion modeling and financial analysis; urban, intercity, and statewide regional travel demand forecasting; All Electronic Tolling (AET) feasibility analysis; new mode modeling and analysis; traveler's behavioral theory; discrete choice models; stated preference and revealed preference survey design and implementation; and software interface development.





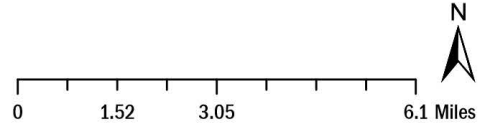
County of Los Angeles, California State Parks, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA

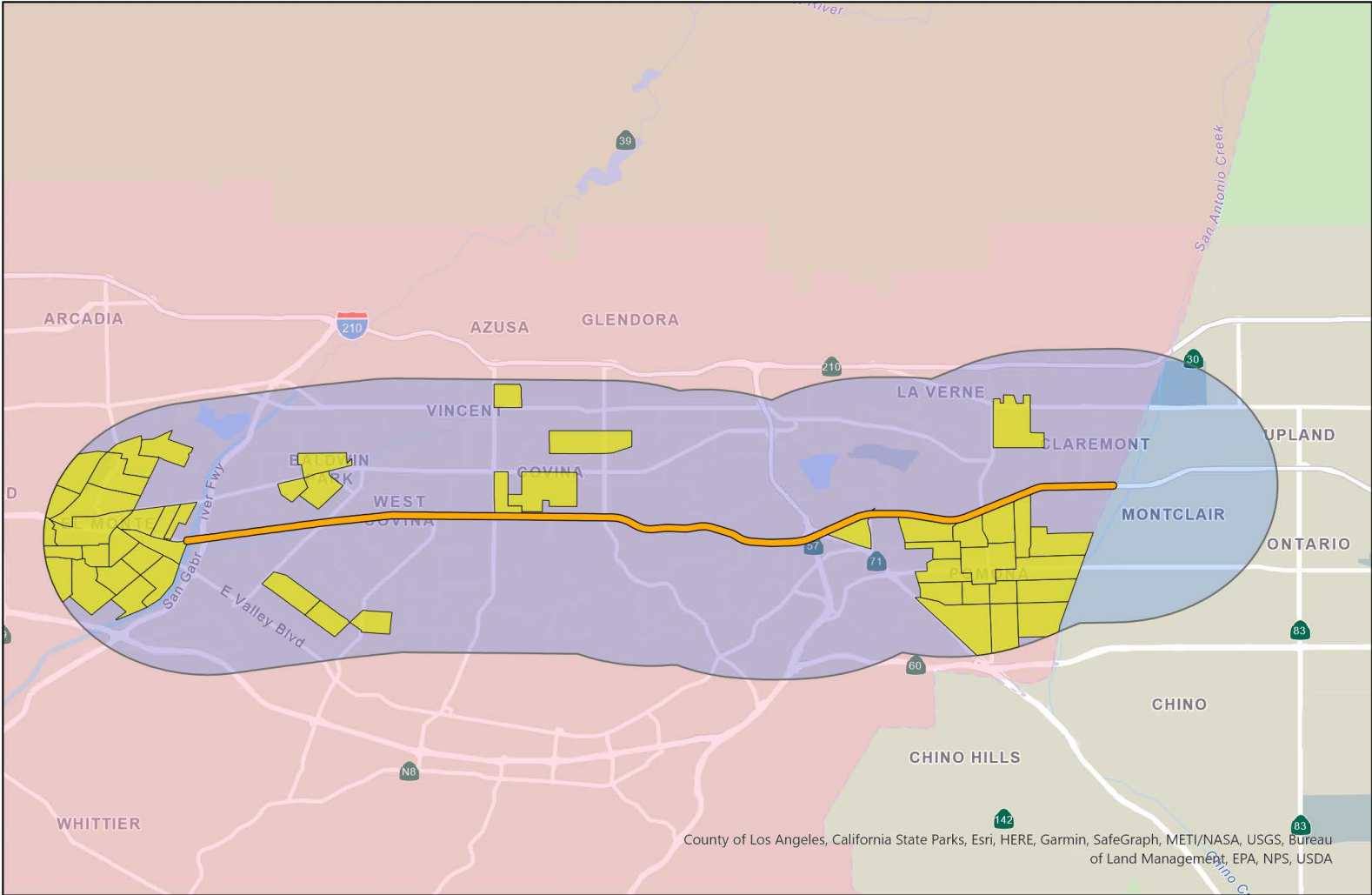
### Equity Focus Communities (EFCs) Along the I-105

 Metro LA Metro ExpressLanes | October 2022

### Legend

-  I-105
-  I-105 3mi Buffer
-  I-105 EFCs in Corridor
-  EFC Map (June 2022)





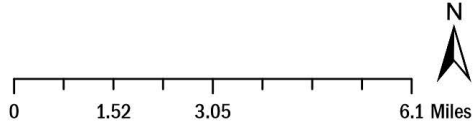
County of Los Angeles, California State Parks, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA

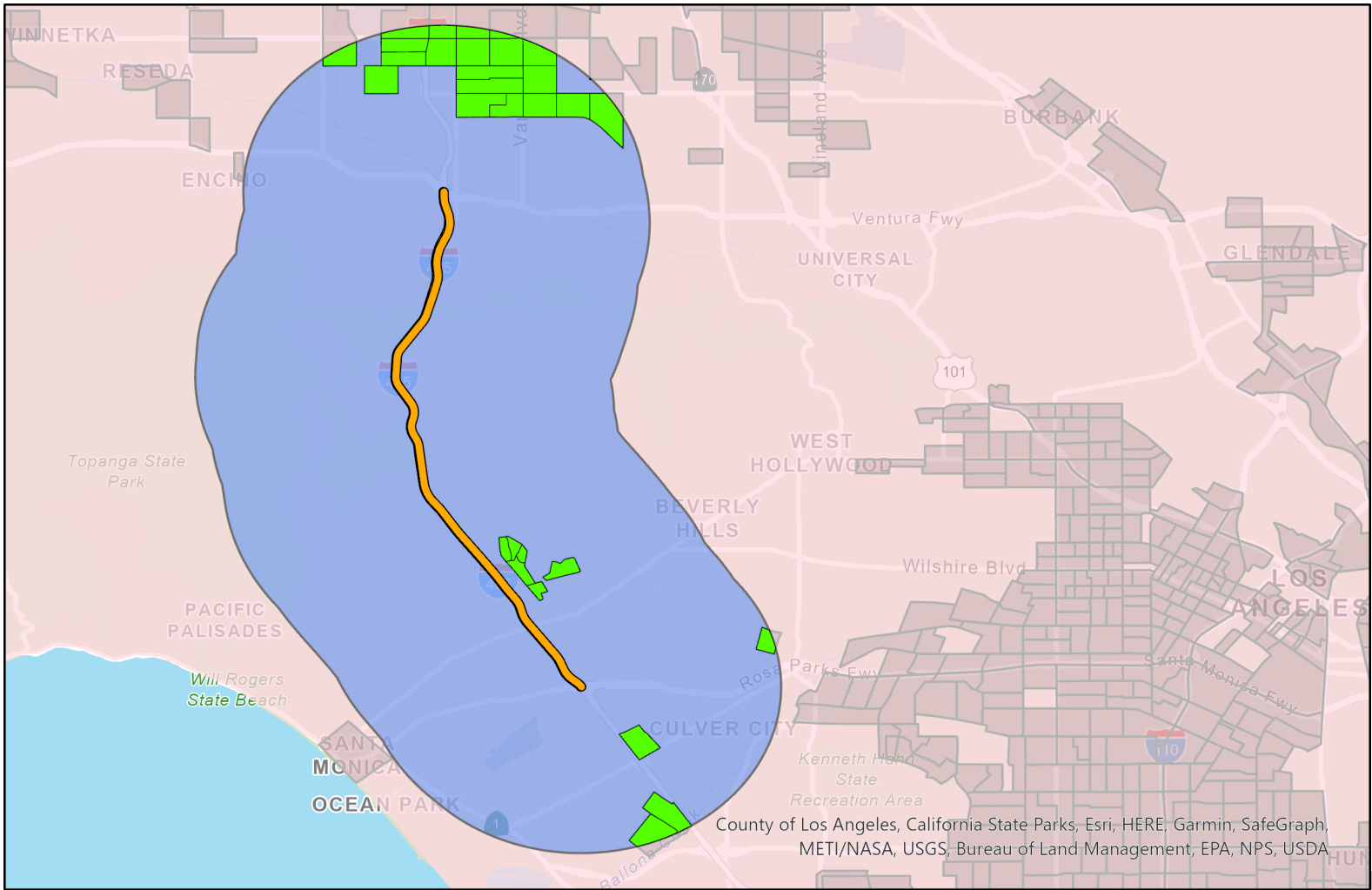
### Equity Focus Communities (EFCs) Along the I-10

**M** Metro LA Metro ExpressLanes | October 2022

### Legend

- I-10
- I-10 EFCs in Corridor
- I-10 3mi Buffer
- EFC Map (June 2022)



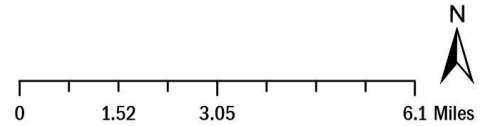


### Equity Focus Communities (EFCs) Along the I-405

 Metro LA Metro ExpressLanes | October 2022

### Legend

-  I-405
-  I-405 EFCs in Corridor
-  I-405 3mi Buffer
-  EFC Map (June 2022)



## DEOD SUMMARY

**METRO EXPRESSLANES ON-CALL TRAFFIC AND REVENUE  
SUPPORT/PS86284000**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established an overall 22% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this Task Order Contract. Proposers were encouraged to form teams that include SBE/DVBE firms to perform the scopes of work identified without schedules or specific dollar commitments prior to establishment of this contract. CDM Smith made a 22% SBE and 3% DVBE commitment.

In response to a specific Task Order request with a defined scope of work, the prime consultants will be required to identify SBE and DVBE subcontractor activity and actual dollar value commitments for that Task Order based upon the funding for that Task Order. Overall SBE and DVBE achievement in meeting the commitments will be determined based on cumulative SBE/DVBE participation of all Task Orders awarded.

|                            |                            |                                  |                            |
|----------------------------|----------------------------|----------------------------------|----------------------------|
| <b>Small Business Goal</b> | <b>22% SBE<br/>3% DVBE</b> | <b>Small Business Commitment</b> | <b>22% SBE<br/>3% DVBE</b> |
|----------------------------|----------------------------|----------------------------------|----------------------------|

| <b>SBE Subcontractor</b>    |                            | <b>% Committed</b> |
|-----------------------------|----------------------------|--------------------|
| 1.                          | Economic & Planning System | TBD                |
| 2.                          | Redhill Group              | TBD                |
| 3.                          | TJKM                       | TBD                |
| 4.                          | Wiltec                     | TBD                |
| <b>Total SBE Commitment</b> |                            | <b>22%</b>         |

| <b>DVBE Subcontractor</b>    |                         | <b>% Committed</b> |
|------------------------------|-------------------------|--------------------|
| 1.                           | Global Urban Strategies | TBD                |
| <b>Total DVBE Commitment</b> |                         | <b>3%</b>          |

**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. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.