



## Board Report

File #: 2023-0412, File Type: Contract

Agenda Number: 22.

### CONSTRUCTION COMMITTEE SEPTEMBER 21, 2023

**SUBJECT: CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR THE SR91 PROJECTS**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a cost plus fixed fee contract, Contract No. AE94982, to Arcadis U.S. Inc , for Construction Management Support Services for State Route 91 (SR91) Projects, for the not-to-exceed amount of \$65,149,457.24, for a base term of seven (7) years subject to resolution of any properly submitted protest(s), if any; and
- B. EXECUTE individual Task Orders and modifications within the Board approved not-to-exceed amount.

#### **ISSUE**

A Construction Management Support Services (CMSS) is required to assist Metro staff in construction management oversight for two highway construction projects on SR91. Support services will begin in the construction contract procurement phase, continue through pre-construction activities and construction, and culminate in the construction contract close. The CMSS will assist Metro staff with ensuring compliance with contract requirements and government regulations.

#### **BACKGROUND**

##### **Eastbound SR-91 Atlantic Avenue to Cherry Avenue**

The project is in the City of Long Beach and adjacent to the City of Paramount and consists of an auxiliary lane on Eastbound State Route 91 within a 1.4-mile segment from the Southbound Interstate 710 to EB SR-91 connector, to Cherry Avenue. The proposed improvements include the construction of an auxiliary lane on eastbound SR-91 from Atlantic Avenue to Cherry Avenue to improve safety and capacity during peak hours.

##### **Westbound SR-91 Shoemaker Avenue to Alondra Boulevard**

The project is in the Cities of Cerritos and Artesia and consists of improving approximately 3 miles of

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freeway along Westbound State Route 91 (WB-91) between approximately Shoemaker Avenue and the Interstate 605 (I-605) interchange, and at the I-605 northbound exit to Alondra Boulevard. The proposed improvements include, and are not limited to:

- a. Capacity and safety enhancements to the SR-91 and I-605 interchange to create a three-lane exit from westbound SR-91 to I-605: a one-lane I-605 southbound connector, and a two-lane I-605 northbound connector.
- b. Improve functionality of the Norwalk, Pioneer Boulevard, and SR-91/I-605 connector interchanges by increasing merging/weaving distances and eliminating problematic on-ramp features.
- c. Improve safety through simplified lane exit movements at Alondra Boulevard and northbound I-605 mainline.

Even though this project was scoped and initiated before the adoption of Metro's Objectives for Multimodal Highway Investment (June, 2022), it is consistent with those objectives given that: 1) implementation of the project will not require any displacements; 2) the project supports traffic mobility, enhanced safety, economic vitality and access to opportunity, and; 3) multi-modal features were incorporated in the scope of the project (on local arterials) through an integrated planning approach to address the needs of local communities, and create a safer transportation system. Further, no residential or business displacements or property acquisitions are necessary for these two projects.

## **DISCUSSION**

### Findings

The Projects are design-bid-build projects, meaning that all design plans and specifications have been completed by Metro's design consultants prior to the award of a construction contract. As such, it is beneficial to have additional technical reviews of those technical bid documents by a consultant team to minimize risks to Metro during bidding and construction. The CMSS will provide review support of the technical bid documents, administration, inspection services, and technical support during the bid period, and construction and close out phases of the project. The CMSS will provide skilled individuals to assist Metro with the construction management of the projects. The consultant team will reside in an integrated project field office with Metro staff.

### Considerations

The selected proposer has the experience and competence in construction support services, design bid-build, and integrated team structures on some of the most challenging and complex projects in Los Angeles County. The CMSS Contract is for a base term of seven (7) years plus two (2) one-year options. The CMSS Contract will be a cost plus fixed fee contract, meaning the consultant services will be performed within the cost constraints of an Advanced Cost Agreement (ACA). The ACA will include negotiated direct labor rates, indirect cost rates, general and administrative expenses (if applicable), fixed fee, and negotiated labor hours for the level of effort to match the work. The

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contract will be funded on a task order basis from the two project budgets with consideration given to information available at the time of planning and applicable time constraints on the performance of the work. MetroProgram Management shall ensure that strict project controls are in place so that Metro may closely monitor the expenditure of the contract not-to-exceed amount and schedule. No funds are obligated until negotiations for each task order are finalized within the total not-to-exceed amount approved by the Board.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no impact on safety.

### **FINANCIAL IMPACT**

The Projects are fully funded through a combination of Measure R and State TCEP funds. They are funded on a fiscal year basis under project numbers 460351 and 462314 in cost center 8510, under various accounts including Professional/Technical Services and ROW acquisitions. The CMSS contract work scope will be planned and funded on an annual basis until the Life of Project Budget is established. It is the responsibility of the Project Manager and Chief Program Management Officer to budget for this project in future fiscal years.

#### **Impact to Budget**

The source of funds for this recommendation are Measure R Highway Capital and Measure M Highway Capital. No other funds have been considered. These funds are not eligible for Metro's operations of bus and rail.

### **EQUITY PLATFORM**

The two projects this contract will support are located within Equity Focus Communities. No Residential or business displacements or property acquisitions are necessary for the project. Proposed improvements would disproportionately serve an overwhelming majority Black, Indigenous, and/or other People of Color (BIPOC) community. The Project will improve safety for people along the project corridor during construction, by providing a community engagement program with the goals of building project awareness, sharing project information, identifying key issues and concerns important to the public, and integrating public feedback into the project during the construction phase. Metro will provide ongoing multilingual outreach to and engagement with all project stakeholders to ensure they are kept informed of the project's construction progress as well as its impact on local communities. Stakeholders are also made aware of associated mitigation measures deployed by the project to lessen or reduce construction related impacts. In addition to general stakeholders, Metro also engages local government officials as they develop public outreach plans to ensure consistency with the projects approved environmental mitigations. To ensure maximum opportunity for participation on this contract, Metro staff performed extensive outreach to the small business community, including those within the Disadvantaged Veterans Business Enterprise and the Small Business Enterprise programs. The solicitation was advertised through periodicals of general circulation, posted on Metro's Vendor Portal, and an e-mail notice to small businesses with applicable NAICS codes. The Construction Management Team presented at TBAC and attended meetings with the Small Business Community to further define the experience and background for this solicitation.

The Proposal Evaluation Team was comprised of department personnel that were age, race, and gender diverse.

Contract No. AE94982 includes a twenty-seven (27%) goal for Small Business Enterprise (SBE), as well as a three (3%) Disadvantaged Veteran Business Enterprise requirement of the Total Contract Price. Arcadis U.S. Inc., made a commitment of 28.05% SBE and a 3.02% DVBE commitment. DEOD will actively monitor the consultant and their subcontracting plan to ensure the awarded party will uphold their commitment to the SBE and DVBE goals during the Contract term

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Project is consistent with the following Metro Vision 2028 Goals and Objectives:

Goal 1: Providing high-quality mobility options that enable people to spend less time traveling.

Goal 3: Enhance communities and lives through mobility and access to opportunity.

Goal 4: Transform LA County through regional collaboration and national leadership.

### **ALTERNATIVES CONSIDERED**

The Board could direct Metro staff to perform construction support tasks with current in-house resources. This alternative would require Metro to divert resources from on-going projects and/or hire multiple full-time personnel that are not immediately available or funded. Additionally, this decision would result in schedule delays and cost increases for these projects. In addition, Metro received TCEP grants and as the implementing agency assumes responsibility and accountability for the use and expenditure of program funds.

Staff are concurrently addressing the possibility of Caltrans administering future highway projects funded through Measure R and Measure M, with the exception of future soundwall projects or any projects currently past 30% design under Metro contracts.

### **NEXT STEPS**

After Board approval of the recommended action, staff will complete the process to award and execute Contract No AE94982.

### **ATTACHMENTS**

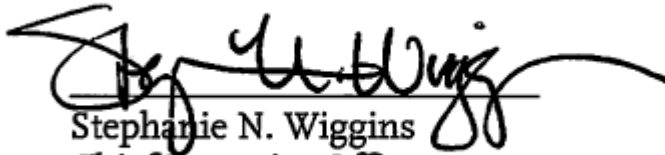
Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Stephanie N. Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

**CONSTRUCTION MANAGEMENT SUPPORT SERVICES (CMSS)  
FOR THE SR-91 PROJECTS  
CONTRACT NUMBER AE94982MC082**

1.	<b>Contract Number:</b> AE94982MC082	
2.	<b>Recommended Vendor:</b> Arcadis U.S. Inc.	
3.	<b>Type of Procurement (check one):</b> <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.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> December 22,2022	
	<b>B. Advertised/Publicized:</b> December 15,2022	
	<b>C. Pre-Proposal Conference:</b> January 10, 2023	
	<b>D. Proposals Due:</b> February 22, 2023	
	<b>E. Pre-Qualification Completed:</b> June 12, 2023	
	<b>F. Ethics Declaration Form Submitted to Ethics:</b> February 24, 2023	
	<b>G. Protest Period End Date:</b> September 25, 2023	
5.	<b>Solicitations Picked up/Downloaded:</b> 160	<b>Proposals Received:</b> 8
6.	<b>Contract Administrator:</b> Rafael Vasquez	<b>Telephone Number:</b> 213-418-3036
7.	<b>Project Manager:</b> Michelle McFadden Quinn	<b>Telephone Number:</b> 213-922-3026

**A. Procurement Background**

This Board Action is to approve the award of Contract No. AE94982MC082, Construction Management Support Services (CMSS) for the SR-91 Projects, to the most qualified firm, Arcadis U.S. Inc. (Arcadis) to provide construction management support services that will assist and support Metro Program Management in the performance of Metro's responsibilities managing the Construction of the SR-91 Projects: Eastbound State Route 91 (EB-91) and Westbound State Route 91 (WB-91). Services will include construction management, administration of construction contracts, equipment and services required to support the management of the projects. Board approval is subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was an Architectural and Engineering (A&E) qualifications-based procurement process performed in accordance with the Los Angeles Metropolitan Transportation Authority (Metro) Procurement Policies and Procedures, and California Government code §4525-4529.5 for Architectural and Engineering services. The contract type is a Cost-Plus Fixed Fee (CPFF) for a term of seven (7) years.

A virtual pre-proposal conference was held on January 10, 2023, in accordance with the California Governor Executive Order N-33-20 related to COVID-19. The event was attended by 143 individuals, and one hundred sixty (160) individuals from various firms downloaded the RFP package.

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

- Amendment No. 1, issued on January 3, 2023, provided vendors the virtual link information to attend the Pre-proposal Conference;
- Amendment No. 2, issued on January 20, 2023, clarified submittal requirements and revised scope of services; and,
- Amendment No. 3, issued on February 10, 2023, clarified, and revised the number of pages required for Volume I - Technical Proposal, under the submittal requirements.

A total of eighty-one (81) questions were submitted during the solicitation period and responses were released to all firms that obtained the RFP prior to the proposal due date. A total of eight (8) proposals were received from the following proposers on the proposal due date of February 22, 2023. The proposers are listed in alphabetical order:

1. AECOM Technical Services, Inc.
2. Arcadis U.S. Inc.
3. Bureau Veritas North America
4. Gateway Partners, A SBE-led Joint Venture
5. Ghirardelli Associates, Inc.
6. Parsons Transportation Group Inc.
7. Psomas
8. WSP USA Inc.

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Metro's Program Management and Countywide Planning and Development departments was convened and conducted a comprehensive evaluation of the technical proposals received in accordance with the evaluation criteria set forth in the RFP.

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

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|--|------------|
| • Experience and Capabilities of Firms on the Team | 35 percent |
| • Experience and Capabilities of the Key Personnel | 30 percent |
| • Project Understanding and Approach               | 35 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar A&E procurements. Several factors were considered when developing these weights, giving the greatest importance to the Experience and Capabilities of the Firms on the Team, and Project Understanding and Approach.

This is an A&E, qualifications-based procurement; therefore, price cannot be used as an evaluation factor pursuant to federal law.

Of the eight proposals received, four were determined to be within the competitive range, after the initial scoring and ranking of the written proposals. The four firms within the competitive range are listed below in alphabetical order:

1. AECOM Technical Services, Inc.
2. Arcadis U.S. Inc.
3. Bureau Veritas North America
4. WSP USA Inc.

The four other proposers were determined to be outside the competitive range and were not included for further consideration. Those four firms were outside the competitive range because it was determined that each had little or no chance of scoring high enough to be determined to be most qualified. The four firms that were outside of the competitive range were notified on May 22, 2023.

During the week of June 1, 2023, the four proposers in the competitive range made oral presentations to the PET. The proposers' project managers and key personnel had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. In general, each proposing team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Also highlighted were staffing plans, work plans, and perceived project issues. Each Proposer was asked questions relative to their proposal and their team's previous experience. The Arcadis' team demonstrated a clear understanding of the risks and challenges associated with these types of projects and provided examples from prior projects of how the team overcame those challenges.

### **Qualifications Summary of Recommended Firm**

Arcadis is a global design, engineering and management consulting company based in Irvine , CA with local offices in the Los Angeles area. It currently operates more than 350 offices across 40 countries. Arcadis demonstrated expertise and a history of construction management support services for Caltrans projects in Orange County, Lake Elsinore, and San Bernardino areas.

The proposed project manager has experience working on the agency side managing CMSS contracts but also has many years of experience working as a construction contractor, bringing an enhanced understanding of both sides of the construction industry. Arcadis demonstrated experience with similar construction management efforts with different multiple agencies including OCTA, Metro and RCTC, the City of Long Beach, and Caltrans. Arcadis demonstrated experience on projects including I-15 Baseline that resulted in no claims and had many of the same challenges as EB and WB SR-91 projects, including retaining walls, demolition of bridges, multiagency coordination, utilities, temporary bridges.



Additionally, Arcadis highlighted the I-5 Widening project in Orange County, including utility relocation and bridge replacement similar to the EB SR-91 project. Arcadis presented their understanding of key EB SR-91 challenges, including lane closures and demolition of retaining/sound walls and how they would minimize these issues. Key staff highlighted personal connection to the project area for EB SR-91 working in close partnership with the community specially along 67<sup>th</sup> street, detour issues at Atlantic and Orange, impacts to Long Beach and Metro bus stops, bicycle paths, etc.

Arcadis explained the major risks, including cost and budget escalation, maintenance of traffic, time related overhead, environmental commitment record, inflation/escalation, etc. Arcadis recommended a proposed solution related to a detailed constructability review and being proactive at resolving and ironing out any design issues upfront. In addition, Arcadis committed to a full review and restructuring of the schedule to validate the approach.

Arcadis provided specific examples of how lessons learned would be transferred from EB to WB SR-91 projects, including transferring team from one project to the other and including monthly meetings to share information and lessons learned, co-locate teams in the same PMO, and utilize some of the same key personnel for critical path items including utility relocations and bridge widening/replacements.

Finally, Arcadis excelled during the oral presentation, clearly identifying project challenges and preliminary solutions, highlighting previous relevant experience in managing those challenges, and demonstrating a cohesive team, including leveraging the strengths of each key staff.

After a thorough evaluation of the written proposals and oral presentations, the PET's recommendation in the order of ranking is shown in the table below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Arcadis</b>				
3	Experience and Capabilities of Firms on the Team	88.89	35.00%	31.11	
4	Experience and Capabilities of the Key Personnel	86.67	30.00%	26.00	
5	Project Understanding and Approach	79.21	35.00%	27.72	
6	<b>Total</b>		<b>100.00%</b>	<b>84.83</b>	<b>1</b>
7	<b>WSP USA Inc.</b>				
8	Experience and Capabilities of Firms on the Team	85.67	35.00%	29.99	
9	Experience and Capabilities of the Key Personnel	83.17	30.00%	24.95	

10	Project Understanding and Approach	84.27	35.00%	29.50	
11	<b>Total</b>		<b>100.00%</b>	<b>84.44</b>	<b>2</b>
12	<b>AECOM Technical Services, Inc.</b>				
13	Experience and Capabilities of Firms on the Team	81.78	35.00%	28.62	
14	Experience and Capabilities of the Key Personnel	80.33	30.00%	24.10	
15	Project Understanding and Approach	81.58	35.00%	28.55	
16	<b>Total</b>		<b>100.00%</b>	<b>81.27</b>	<b>3</b>
17	<b>Bureau Veritas North America</b>				
18	Experience and Capabilities of Firms on the Team	78.89	35.00%	27.61	
19	Experience and Capabilities of the Key Personnel	82.50	30.00%	24.75	
20	Project Understanding and Approach	80.00	35.00%	28.00	
21	<b>Total</b>		<b>100.00%</b>	<b>80.36</b>	<b>4</b>

### C. Cost/Price Analysis

A cost analysis of the elements of cost including labor rates, indirect rates and other direct costs was completed in accordance with Metro's Procurement Policies and Procedures, including fact-finding, clarification and cost analysis and the cost factors were determined to be fair and reasonable. Metro negotiated and established indirect cost rates and as appropriate provisional indirect (overhead) rates, plus a fixed fee factor to establish a fixed fee amount based on the total estimated cost of performance of the Scope of Services, during the contract term.

The following table reflects the total estimated cost-plus fixed fee for the staffing plan provided in the RFP for the base 7 years of the contract.

<b>Proposer Name</b>	<b>Proposal Amount <sup>(1)</sup></b>	<b>Metro ICE <sup>(2)</sup></b>	<b>Negotiated or NTE amount</b>
Arcadis	\$65,937,772.42	\$55,313,169.07	\$65,149,457.24

- (1) The cost proposal amount is for the base years (7 years) including fixed fee, other direct costs such as equipment vehicles, PMO office and indirect costs.
- (2) ICE amount is based for the base years (7 years) including fixed fee, direct labor rates and indirect costs. The ICE amount did not include costs for PMO Office leases, construction vehicle equipment costs (insurance, lease, fuel) and office equipment. The ICE used blended direct labor rates based on Estimating's records.

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

The recommended firm, Arcadis, is a global design, engineering and management consulting company based in Irvine, CA with local offices in the Los Angeles area. The Firm will be operating out of their Los Angeles area office. It currently operates in excess of 350 offices across 40 countries. Arcadis has expertise and a history of construction management support services for Caltrans projects in Orange County, Lake Elsinore, and San Bernardino areas. Other projects include LA Paz Bridge and Road Widening Improvements Mission Viejo, CA, I-5 Widening Project SR 73 and OSO Parkway, South Orange County, CA, SR 57/Lambert Avenue interchange Brea, CA, CHSR CP2-3 Selma, CA

The proposed project manager is a registered Professional Civil Engineer and has over 40 years of heavy civil experience that include the delivery of over 11 State Highway projects with Caltrans oversight including 1-15, SR-91, SR-57, I-5, SR-20, I-10, SR-101, and SR-138 on either the client side (Caltrans) or the GC side.

## DEOD SUMMARY

**CONSTRUCTION MANAGEMENT SUPPORT SERVICES (CMSS)  
FOR THE SR-91 PROJECTS  
CONTRACT NUMBER AE94982MC082**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 28% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Arcadis U.S. Inc. exceeded the goal by making a 28.05% SBE and 3.02% DVBE commitment.

<b>Small Business Goal</b>	<b>28% SBE 3% DVBE</b>	<b>Small Business Commitment</b>	<b>28.05% SBE 3.02% DVBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>
1.	Berg & Associates, Inc.*	12.23%
2.	Costin Public Outreach Group, Inc.	2.89%
3.	Z&K Consultants, Inc.	10.06%
4.	ZT Consulting Group, Inc.*	2.87%
	<b>Total SBE Commitment</b>	<b>28.05%</b>

	<b>DVBE Subcontractors</b>	<b>% Committed</b>
1.	RMP Safety Services dba American Safety Group	3.02%
	<b>Total DVBE Commitment</b>	<b>3.02%</b>

**B. Local Small Business Preference Program (LSBE)**

The LSBE Preference Program is not applicable to A&E. In accordance with the California Government Code Section 4525, et seq, only a competitor's qualifications to perform the architectural and engineering services are to be evaluated. Arcadis listed two LSBE firms as indicated by (\*).

**C. Living Wage and Service Contract Worker Retention Policy Applicability**

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

**D. 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).

**E. 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.