

**Board Report**

File #: 2015-0848, **File Type:** Contract**Agenda Number:** 11.

**REVISED
CONSTRUCTION COMMITTEE
JULY 16, 2015****SUBJECT: CONSTRUCTION MANAGEMENT CONSULTANT SUPPORT
SERVICES CONTRACT, CONTRACT PS100800-2641****ACTION: AUTHORIZE ADDITIONAL CONTRACT VALUE IN AN AMOUNT NOT-
TO-EXCEED \$2,144,000****RECOMMENDATION****CONSTRUCTION COMMITTEE FORWARDED WITHOUT RECOMMENDATION:**

- A. authorizing an increase to the total authorized funding for Contract No. PS100800-2641 with MARRS Services, Inc., for **pending and future task orders to provide Construction Management Consultant (CMC) Support Services**, in an amount not to exceed \$2,144,000, increasing the total contract value from \$7,744,000 to \$9,888,000; and
- B. authorizing the Chief Executive Officer to execute individual Task Orders (TOs) and Contract Modifications within the Board approved contract funding amount.

ISSUE

Staff came to the Construction Committee in November 2014 seeking to increase the value of contract PS100800-2641 by \$4,288,000 for work it forecasted through the end of the contract in June 2016 (FY16). At the Construction Committee meeting, the Committee recommended an increase of only half that amount, \$2,144,000. Staff has awarded task orders totaling \$7,452,264 and has less than \$300,000 of the authorized funding remaining. Staff comes to the Board asking for funding in the amount of last November's reduction, \$2,144,000, because its forecast for work through the end of FY16 has not changed, but it no longer has sufficient funding to award additional task orders.

MARRS is a Small Business Enterprise (SBE) company, and has provided Construction Management Consultant (CMC) services on current bus facilities capital projects including Division 13, Harbor Transitway Improvements, Bus Division Facility Improvements, Harbor Gateway Transit Center Improvements, Slauson Bus Stop improvements, and a bollard safety project along the San

Bernardino (I-10) Freeway. MARRS has performed satisfactorily since initial award of the contract.

DISCUSSION

The primary role of the CMC is to provide skilled and qualified staff to support and augment Metro staff with construction management of Metro's bus facilities construction contracts. Both Metro and CMC staff, in most cases, work side-by-side in integrated project management offices (IPMO). In essence, the CMC contract allows us to efficiently and effectively augment Metro Construction Management staff as required, so that the proper resources required to manage a contract are available to us both in terms of staff availability and technical expertise. The CMC contract funds are authorized by issuing separate Task Orders (TOs) for various projects using labor classifications and rates set forth in the contract. This method of contracting results in more efficient cost and schedule management, since TOs and modifications to existing TOs are negotiated and issued as additional work is identified. For each task order or modification, Metro prepares a scope of work and an estimate of hours, and the contractor subsequently provides a proposal. If there is a discrepancy, Metro and the contractor fact-find and negotiate the hours. After agreement, the task order is issued and the work proceeds.

In April 2011, the MTA Board authorized the Chief Executive Officer to award the MARRS contract and execute individual TOs and modifications for an amount not to exceed \$2,500,000. The CMC contract is a Time and Material Contract with a base contract term of three years and two one-year options. The contract was executed on June 17, 2011, and the expiration date of the three year base contract was June 17, 2014. Primarily due to satisfactory performance, staff has exercised the options and extended the period of performance through June 17, 2016.

The initial \$2,500,000 was calculated based on three years of small TOs, primarily for inspectors and night-time oversight on construction jobsites for bus facilities capital projects. However, due to the technical expertise of MARRS staff, the MARRS team has also assisted Metro with its underground storage tank (UST) replacement program and the Division 13 Bus Operations and Maintenance Facility. MARRS's services are also being used to support projects funded by departments outside of Engineering and Construction. For example, MARRS is being used for CMC support for the Bus Shelters and Pylons along Rapid Bus Lines on Wilshire Blvd, and earlier this spring, staff also began using MARRS to oversee construction of a joint development project at 1st and Boyle off the Gold Line's Mariachi Plaza Station. Nonetheless, the single largest TO has been for CMC support on the Division 13 project. Since the start of construction of Division 13 in August 2012, MARRS has provided a resident engineer, office engineers, construction field inspectors, schedulers, and estimators to support the project.

On July 25, 2013 the Board approved an increase to the total contract value in the amount of \$3,100,000, increasing the total contract value to \$5,600,000. This action was required primarily to accommodate the addition of the Division 13 project to the MARRS contract. Due to the current needs of our capital program, and staff's desire to continue using MARRS for CMC services,

additional contracting authority is now required to provide CMC support for our bus facility projects.

With Contract PS100800-2641 extended through June 2016, the current contracting authorization of \$7,744,000 is already subscribed through Division 13 and other smaller capital projects. As a result, additional contracting authority is now required to continue supporting approved bus facility capital projects through the contract period of performance. Furthermore, due to the technical expertise provided by MARRS, staff intends to use MARRS personnel to assist with the Patsaouras Plaza Improvements Project (202317) which will start construction this summer. A listing of the current task orders, proposed projects, and forecasted task order amounts is included as Attachment B. As shown on the attachment, the requested contract value through expiration in June 17, 2016 is \$9,888,000.

In regards to small business participation, upon contract award MARRS made an 80% SBE commitment. To date, MARRS has maintained a 100% SBE participation.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects.

FINANCIAL IMPACT

The funding for these services is included in the approved FY16 budget in various bus facilities capital projects, and the 1st and Boyle joint development project. Task Orders will be issued and funded from the associated life-of-project (LOP) budgets. The funding source differs depending on the individual project. These activities will remain within the approved life-of-project budget for each respective project.

Since this is a multi-year contract, the cost center manager and Executive Director, Engineering and Construction, will be accountable for budgeting the cost of the annual work program for each fiscal year for the term of the contract, including any option(s) exercised.

Impact to Budget

Funding for this action will come from various sources eligible for bus / rail facilities capital expenditures and major construction projects funded with specific grant sources. Approval of this action will result in use of funding which are also eligible for Bus and Rail Operations.

ALTERNATIVES CONSIDERED

The Board may elect to discontinue using MARRS Services, Inc., for CMC services. Staff does not recommend this alternative as the construction projects they are assigned to are in various degrees

of completion and the loss of staff would cause these projects to be significantly impacted. Given that the MARRS contract will expire in June 2016, staff intends to conduct a new CMC procurement shortly so that a new contractor is available before the existing contract expires.

Another alternative would be to hire Metro staff to perform the required services. This alternative is also not recommended since the intent of the CMC is to augment Metro staff in terms of technical expertise and availability of personnel. CMC services are typically required on a periodic or short-term basis to accommodate for peak workloads or specific tasks over the life of the projects. Further, for some projects, the specific technical expertise required may not be available within the ranks of Metro staff, whereas the CMC consultant can provide the technical expertise on an as-needed basis.

NEXT STEPS

Staff will issue a contract modification and issue task orders, as needed.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - Contract Task Order/Modification Log

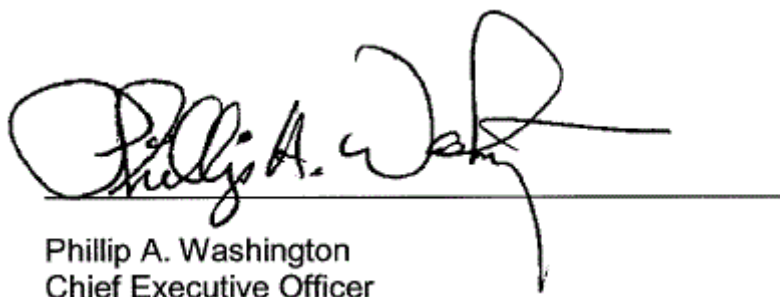
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