

**Board Report**

File #: 2015-0958, **File Type:** Contract

Agenda Number: 35.

**CONSTRUCTION COMMITTEE
JULY 16, 2015**

SUBJECT: CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACT

**ACTION: INCREASE CONTRACT VALUE FOR FY16 6-MONTH WORK PROGRAM FUNDING
FOR STANTEC CONSULTING, INC**

RECOMMENDATION

CONSTRUCTION COMMITTEE RECOMMENDED (5-0) authorizing:

- A. an increase to the total contract value for Contract No. MC069, with Stantec Consulting, Inc., to provide **Construction Management Support Services** in an amount not-to-exceed \$10,953,136 for the FY16 six-month Work Program Funding from \$86,459,000 to \$97,412,136; and
- B. the Chief Executive Officer to execute individual Contract Work Orders and Modifications within the Board approved contract value.

ISSUE

On February 19, 2009, the Board approved the Construction Management Support Services (CMSS) contract to support Board adopted capital projects. The recommended action is for FY16 six-month Work Program funding to continue the construction management support services for capital projects pending the CEO's mid-year cost-budgeting exercise. The services being provided are for the closeout of the I-405 Sepulveda Pass Widening and continuing construction management of the Crenshaw/LAX Transit Project and the Patsaouras Plaza Bus Station.

DISCUSSION

The primary role of the CMSS is to provide skilled and qualified staff to support Metro with construction management of Metro's construction contracts. Both Metro and CMSS consultant staff, in most cases, work side-by-side in an integrated project management offices (IPMO). The CMSS contract funds are authorized by issuing separate contract work orders (CWOs) for various projects for labor classifications and rates set forth in the contract. Modifications to existing CWOs are issued

as additional work is identified.

In February 2009, the Metro Board authorized the Chief Executive Officer to award CMSS to Stantec Consulting, Inc., and execute individual CWOs and modifications within the Board approved contract value. The CMSS contract is an indefinite delivery/indefinite quantity labor-hour contract for a term of seven years, inclusive of two one-year options. The Contract was executed on March 18, 2009, and the expiration date of the five-year base contract was March 18, 2014. In FY14, based on prior board approvals, Metro exercised both one year options on March 10, 2014 to extend the contract period of performance through March 18, 2016. This CMSS contract allows the continuation of funding of existing CWO's beyond the contract end date of March 18, 2016 to June 30, 2016 in order to ensure continuity of the staffing for these projects to the end of the fiscal year.

The request for six months of FY16 funding has been reduced compared to previous fiscal years as the I-405 Sepulveda Pass Widening is closing out. In addition, some of the CMSS consultant positions were converted and supported by new non-contract Metro positions as in the case for Crenshaw/LAX Transit Corridor Project where a pilot project study was initiated in November 2014. The pilot project study consisted of converting seven new CMSS/consultant positions with non-contract Metro positions that generated a potential annual cost savings of \$1.27 million. As a result of the pilot project study for Crenshaw/LAX, staff performed a cost benefit analysis that focused on the four main transit corridor projects such as Crenshaw/LAX, Regional Connector, and Westside Purple Line Extension Sections 1 and 2 and Environmental Compliance and Sustainability division. The results of the analysis indicate that a potential cost savings can be achieved by converting new CMSS/consultant positions to new non-contract Metro positions.

Therefore, in a parallel process under a separate board report, staff is recommending a total of 33 new non-contract Metro positions for FY 16 by converting 28 new Construction Management Support Services (CMSS)/Consultant positions. Eleven of the 28 CMSS/Consultant positions proposed for conversion to new Metro non-contract positions fall under Stantec Consulting, Inc.'s scope of work under CWO No. 16 and CWO No. 27. If the Board approves the new non-contract Metro positions, a reduction of up to \$1,970,898 (for 8 CMSS consultant positions) may be deducted from CWO No. 16 and a reduction of up to \$685,910 (for 3 CMSS positions) may be deducted from CWO No. 27 for these eleven new non-contract Metro positions. A prorated rate of \$20,530 per month (per position) may be deducted from CWO No. 16 and prorated rate of \$19,053 per month (per position) may be deducted from CWO No. 27 for every CMSS/consultant position that is converted to new non-contract Metro position and placed on the project.

For the Crenshaw/LAX Project, the FY16 funding for the CMSS contract is intended to fund the existing CMSS staff currently on the project and eleven additional new CMSS positions for FY 16. Staff is proposing to convert eleven new CMSS positions to new non-contract Metro positions. However, due to the uncertainty of the hiring of new Metro positions in a timely manner, CMSS staff will be added as an interim measure.

CWO No. 16 - Crenshaw/LAX Transit Corridor Project Support

At the present time, staff is intending to initiate a new three-year CMSS solicitation for the Crenshaw/LAX Transit Project. This new solicitation would be needed to complement the existing Metro staff and provide SBE/DBE participation and specialty services on an as-needed basis. The solicitation for a new CMSS contract would be initiated as early as October 2015 with a projected award in the spring of 2016. Metro would then have the new CMSS staff on board prior to March 2016 which is when the Stantec Consulting, Inc. CMSS contract period of performance for the recommended action is complete.

CWO No. 2 - I-405 HOV Sepulveda Pass Widening

The continuation of the CMSS Contract with the same consultants is critical to the continuity and completion of closeout of the contract. In addition, these consultants know the history of the remaining claims to be negotiated and closed.

CWO No. 15 - Projects Contract Administration Support- The recommended action does not include funding for this effort but for continuity of the project, if additional work is required Metro would like to use the same CMSS staff support.

CWO No. 27 - Southwestern Yard

The recommended action provides 5 new CMSS consultants as described above for this project.

CWO No. 29 - Patsaouras Plaza Busway Station

Currently there is one CMSS consultant working as the Resident Engineer. It is critical that this person stay in this position to carry on the continuity of the job and to be able to relay the history to any Metro employee beginning to work on the project.

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 of \$10,953,136 for these services is included in the proposed FY16 budget in various capital projects. CWOs will be modified or issued and funded from the associated life-of-project budgets. The funding source differs depending on the individual project. These activities will remain within the approved life-of-project budget for each project.

Since this is a multi-year contract, the cost center managers 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 exercised.

Impact to Budget

The funding will come from various sources of funds. Funding allocations planned for the Crenshaw /LAX and the I-405 Project will have no impact to Bus and Rail Operation funding sources. However, FY16 local funding sources eligible for Bus and Rail Operations will be utilized due to planned allocations for Patsaouras Plaza. FY16 Bus and Rail eligible funding impacts can potentially total \$489,005 with approval of this action.

ALTERNATIVES CONSIDERED

The Board may elect to discontinue using Stantec Consulting, Inc., for CMSS in FY16. Staff does not recommend this alternative as the construction projects they are assigned are in various degrees of completion and loss of experienced staff would be a detriment to the completion of these projects. There is insufficient time to hire all staff required or to solicit a new CMSS consultant by July 31, 2015. This alternative would also seriously impact the near and long term businesses of the local, DBE firms that make up the Stantec Consulting, Inc., team's nearly 30% DBE percentage.

NEXT STEPS

1. Staff will proceed with processing the required CWOs for FY16.
2. At the present time, staff is intending to initiate a new three-year CMSS solicitation for the Crenshaw/LAX Transit Project.

ATTACHMENTS

- A. Procurement Summary
- B. Contract Work Value Summary
- C. FY16 Six-Month Work Program (July 2015 to December 2015) Funding

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