

**Board Report**

File #: 2015-0960, **File Type:** Contract**Agenda Number:** 36.

REVISED
CONSTRUCTION COMMITTEE
JULY 16, 2015

SUBJECT: REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT**ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE CONTRACT MODIFICATION****RECOMMENDATION**

CONSTRUCTION COMMITTEE RECOMMENDED (5-0) authorizing the Chief Executive Officer to execute Contract Modification No. 3 to Contract No. MC070, to ARCADIS U.S., Inc., to **continue providing Construction Management Support Services (CMSS) through December 31, 2015 for the Regional Connector Transit Corridor Project**, in the amount of \$5,955,000, increasing the total contract value from \$11,180,690 to \$17,135,690.

ISSUE

On March 21, 2013, the Board approved and awarded Contract MC070 to Arcadis U.S., Inc., for Construction Management Support Services in the amount of \$3,499,990 for this project. On April 24, 2014, the Board approved a modification in the amount of \$7,680,700 to the contract to continue Construction Management Support Services during FY15. Construction management support services are professional services that are required to assist Metro by providing technical expertise and staff augmentation in the oversight and management of the final design and construction, and assist in closeout of the Regional Connector Transit Corridor Project. The executed contract is an eight year (with two one-year options for contract duration extension) cost-plus fixed fee contract with provisions for Board approval of the contract value every fiscal year by Contract Modification. This report requests approval through December 31, 2015 (the first half of FY16) pending the CEO's mid-year cost-budgeting exercise. The history of the contract's awarded amount and all Contract Modifications is contained in Attachment B. Contract No. C0981R, "Advanced Utility Relocations" was awarded on January 13, 2014, and the Design-Build Contract No. C0980 was awarded on May 6, 2014, with revenue service projected in 2020. Metro Project Management requires additional consultant staff with the expertise to oversee the design-builder's construction operations and assist Metro with the management of the Project.

The recommended Board action will provide sufficient contract funding through December 31, 2015. A separate funding request for the second half of FY16 (January 1, 2016 through June 30, 2016) will be processed for approval. Future work will be funded on a year-to-year basis. This approach will result in more accurate budgeting for each year, while providing better control over consultant services costs.

DISCUSSION

The primary role of the CMSS is to provide highly skilled and qualified individuals to assist Metro with the construction management of the Project by becoming part of a fully-integrated construction management team residing in the project field office, under the oversight of Metro Project Management. The CMSS consultant provides administration, inspection services and technical support during the final design, construction, pre-revenue operations and closeout phases of the Project. As part of this request Metro's Project Manager identified and evaluated the annual work plan and negotiated with Arcadis, U.S., Inc. to determine the recommended Contract Modification value.

The CMSS contact work plan for FY15 has been running at approximately 20 full-time equivalents (FTEs) per month, most of which are providing construction-related field services, technical expertise on ongoing construction work plans, and staff augmentation. These 20 FTEs in FY15 are planned to continue and carry over through FY16. The CMSS FY16 work plan level of effort is estimated to increase by approximately 20 FTEs from the FY15 expenditure level. The increase in the staffing level is due to work needed to manage and oversee the construction activities as it significantly ramps up in FY16.

In a parallel process under a separate board report, staff is recommending a total of ~~37~~ 33 new non-contract Metro positions for FY16 by converting ~~32~~ 28 new Construction Management Support Services (CMSS)/Consultant positions based on the assumption that all existing CMSS/consultant positions in FY15 shall remain. ~~Eleven~~ Eight of the new ~~32~~ 28 CMSS/Consultant positions proposed for conversion in FY16 to new Metro non-contract positions fall under the ARCADIS scope of work under Contract Modification No. 3. If the Board approves the new non-contract Metro positions, a reduction of up to ~~\$2,749,965~~ \$1,931,549 (for the entire FY 16) may be deducted from Contract Modifications to Arcadis for CMSS during FY 16 for these ~~eleven~~ eight new non-contract Metro positions ~~provided that these Metro positions are in place at the Regional Connector Transit Project on July 1, 2015.~~ ~~Otherwise a~~ A prorated rate of ~~\$17,559~~ \$20,120 per month (per CMSS position) may be deducted from those Contract Modifications for every CMSS consultant position that is converted to a new non-contract Metro position and placed on the Project.

Due to uncertainty of when, and if, Metro positions will be available, as a contingency factor, this contract assumes all 11 CMSS/Consultant positions identified to be converted to Metro positions will be temporarily filled with CMSS positions for at least the first six months of FY16. The other new CMSS/Consultant positions for FY16 are for specialty positions which are not planned to be

converted into non-contract Metro position.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects. The CMSS contract provides services that support Metro's internal safety staff on the Regional Connector Transit Corridor Project. The scope of services for the CMSS contract includes provisions for staff members to ensure that safety is the highest priority during oversight of all phases of construction.

FINANCIAL IMPACT

Funding for the CMSS contract is included in the FY16 budget in Cost Center 8510, (Construction Project Management) under Project 860228 (Regional Connector Transit Corridor Project), Account 50316, (Professional Services). Since this is a multi-year contract, the Executive Director of Engineering and Construction and the Project Manager will be accountable to budget the cost for future years on an annual basis.

Impact to Budget

The sources of funds for this report's Recommendation are Federal 5309 New Starts, State Prop 1B PTMISEA, and State Repayment of Capital Project Loans. The approved budget through December 31, 2015, is designated for the Regional Connector Transit Corridor Project and does not have an impact to operations funding sources. These funds were assumed in the LRTP for the Regional Connector Transit Corridor Project. This Project is not eligible for Propositions A and C funding due to the proposed tunneling element of the Project. Availability of Measure R funds begin again in FY16 and continue through FY23. No other funds were considered.

ALTERNATIVES CONSIDERED

The Metro Board could decide not to approve the recommended contract modification. This is not recommended because Metro does not have sufficient staff with expertise in the many different fields, including construction managers, resident engineers and inspectors in the disciplines of systems, tunnels, stations, cut and cover work, sequential excavation method work, trackwork, civil, architecture, geology, mechanical and electrical, rail activation, systems integration, survey, among many others. The recommendation by staff will provide adequate staff and expertise during the first half of FY16 to continue to successfully deliver the completion of the project's construction on schedule and within budget.

Should the Board approve the separate board item to hire additional non-contract Metro positions (as presented above herein), positions anticipated to be filled with consultant staff through the recommended action would be converted to Metro staff via a transition plan to be determined by the Executive Director of Engineering and Construction.

NEXT STEPS

1. After Board approval and execution of the contract modification, staff will direct the consultant to continue providing construction management support services for the Regional Connector Transit Corridor project through FY16.
2. Staff will report back by December 2015 on the actual number of non-contract Metro positions hired and placed on the project with the corresponding reduction in the CMSS contract value.
3. Staff will report back by December 2015 with a proposed work plan request for the second half of FY16.

ATTACHMENTS

- A. Procurement Summary
- B. Contract Modification/Change Order Log

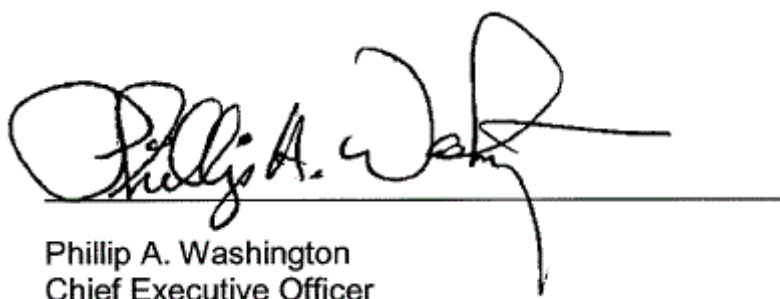
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