

**Board Report**

File #: 2016-0101, **File Type:** Contract**Agenda Number:** 22

**CONSTRUCTION COMMITTEE
MAY 19, 2016****SUBJECT: PROGRAM CONTROL MANAGEMENT AND SUPPORT SERVICES****ACTION: EXERCISE CONTRACT OPTION AND AUTHORIZE ADDITIONAL CONTRACT
VALUE IN AN AMOUNT NOT TO EXCEED \$6,210,946****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute:

- A. Modification No. 3 to Contract No. PS8610-2879, **with Hill International, Inc. for Program Control Management and Support Services**, to exercise the final one-year option thereby extending the period of performance from June 28, 2016 to June 28, 2017, and increase the total contract not-to-exceed amount \$6,210,946 from \$18,482,598 to \$24,693,544; and
- B. individual Contract Work Orders (CWOs) and Contract Modifications within the Board approved not-to-exceed contract value.

ISSUE

On May 24, 2012, the Board authorized the Chief Executive Officer to award a five-year labor-contract to provide Program Control Management and Support Services (PCMS) to support Board adopted capital projects. The Board also authorized individual CWOs be executed for an amount not to exceed \$16,071,824 plus a 15% (\$2,410,774) contract modification authority of the contract award, for a total not to exceed \$18,482,598.

Contract No. PS8610-2879 was executed on June 28, 2012 for a three-year base term plus two one-year options. Since contract inception, Hill International has been responsive in providing the PCMS services to support Metro projects. Primarily due to satisfactory performance, the first one-year option was exercised, extending the period of performance through June 28, 2016, without any increase to the approved contract value.

Staff has issued CWOs and modifications totaling \$17,407,044 to date. Staff is requesting an increase to continue PCMS required to support Metro adopted capital projects through the final option-year period. It has been determined that the previously negotiated rates for the final year with Hill International are fair, reasonable, and are competitive in the current market.

DISCUSSION

The primary role of the PCMS is to provide skilled and qualified staff to perform project-level support activities include enhancing our capabilities in the areas of project controls for project cost and schedule management, cost estimating to establish project budgets and independent cost estimates for contract actions, and configuration management for facilitating document-management and change control requests.

Both Metro and the PMCS consultant staff, in most cases, work side-by-side in integrated project management offices (IPMO). The subject contract allows us to efficiently and effectively augment Metro Program Control staff as required to ensure proper resources needed to manage a project are available to us both in terms of staff availability and technical expertise.

The level of PCMS services are projected to increase significantly in the final one-year contract period. This increase is primarily due to adding support on three (3) major Transit Construction projects (Crenshaw/LAX, Regional Connector, Westside Purple Line Extension Section 1) that are now in full construction phase and to support additional projects, including Westside Purple Line Extension Section 3 Project, Emergency Security Operations Center Phase One Project, Division 20 Portal Widening and Turnback Facility Project, and Airport Metro Connector Project, etc. The contract increase is based on planned level of PCMS services, and the CWOs issued will reflect the actual level of PCMS services required to support the Board-approved projects.

The PCMS contract funds are authorized by issuing separate CWOs 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 CWOs and modifications to existing CWOs are negotiated and issued as additional work is identified.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Funding for these services are included in the approved FY16 Budget for the various Metro projects. The individual CWOs will be funded from the associated life-of-project (LOP) budgets. The project managers and Executive Director, Program Management will be accountable for budgeting the remaining amount in FY17.

Impact to Budget

There is no impact to the FY16 Budget as funds for this action are included in the approved budget for each project. These funds are not eligible for bus and rail operating purposes.

ALTERNATIVES CONSIDERED

The Board may elect to discontinue using Hill International for PCMS services through FY17. Staff does not recommend this alternative as the capital projects the consultant 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 contract with Hill International will expire in June 2017, staff will issue a new Request for Proposal (RFP) for Program Control Management and Support Services to ensure a new contractor is available before the existing contract expires.

We also considered providing the services through Metro in-house staff. This alternative will require the addition of significant Metro staff and additional time to recruit and hire new staff. This alternative is also not recommended since the intent of the PMCS is to augment Metro staff in terms of technical expertise and availability of personnel. PMCS 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 Metro staff resources, whereas the PMCS contractor can provide the technical expertise on an as-needed basis.

NEXT STEPS

Staff will issue a contract modification and issue contract work orders, as needed. Also, staff will work with Vendor/Contract Management to issue a new RFP to re-solicit the Program Control Management and Support Services.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Work Order/Modification Log
- Attachment C - DEOD Summary

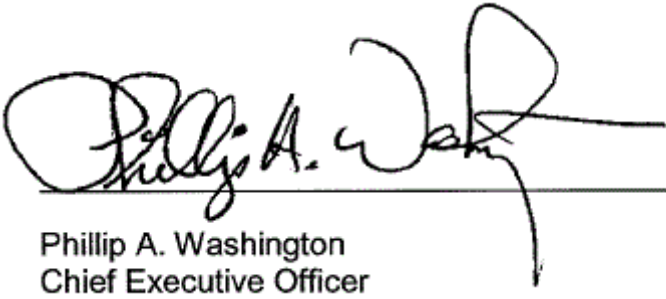
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