

**Board Report**

File #: 2017-0188, **File Type:** Contract

Agenda Number: 14

**CONSTRUCTION COMMITTEE
MAY 18, 2017**

SUBJECT: PROGRAM MANAGEMENT SUPPORT SERVICES

ACTION: AWARD PROFESSIONAL SERVICES CONTRACT

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a cost reimbursable fixed fee contract, Contract No. AE35279, to **Kal Krishnan Consulting Services/Triunity Engineering & Management Joint Venture (KKCS/Triunity JV), the most qualified proposer, for Program Management Support Services (PMSS)** for a not-to-exceed amount of \$76,745,629.86 for the base five-years, plus \$32,436,264.59 for a two-year option, for a combined total amount not to exceed \$109,181,894.45, subject to resolution of protest(s), if any;
- B. AUTHORIZING the Chief Executive Officer to execute individual Contract Work Orders and Contract Modifications within the Board approved contract funding amount;
- C. APPROVING Contract Modification Authority specific to Contract No. AE35279 for 10% of the not-to-exceed award value.

ISSUE

Program Management Support Services (PMSS) are needed to assist the Program Management Department in managing and supporting delivery of Metro's Capital Program. These services will be required to supplement staffing and provide technical expertise to support project delivery of capital projects and strategic initiatives detailed in the Program Management Plan (PMP) and the Annual Program Evaluation (APE) presented to and approved by the Board. The PMSS Contract will provide Metro the flexibility to adjust the necessary resources to implement and deliver capital projects safely, on-time and within budget.

On November 21, 2016, request for proposals were issued for PMSS to assist Metro to manage and support Board-approved projects for a base term of five years with one two-year option. The recommended joint venture contractor is comprised of two Small/Disadvantaged Business Enterprise (SBE/DBE) firms - Kal Krishnan Consulting Services, Inc. and Triunity Engineering & Management, Inc.

DISCUSSION

The Program Management Department is responsible for the delivery of the large transportation capital program at Metro. With the recently approved Measure M program added to the Measure R program, Metro is currently undertaking the largest transportation construction program in the nation, which creates an unprecedented challenge to project delivery. Recognizing that staffing is a key factor in project delivery, Program Management is committed to developing strengths in its capacity and capability to ensure the multi-billion dollar capital program can be successfully managed.

The proposed PMSS contract is a new approach for Metro that would assist Program Management in securing sufficient qualified resources across a broad spectrum of disciplines in a timely manner needed to manage and support delivery of Board approved projects. The selected consultant would scale staff up or down depending on Metro's transit, highway, regional rail and other capital improvement program needs. The contract allows us to efficiently and effectively augment Metro Program Management 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.

With the significant increase in number and size of projects and the aggressive implementation schedule for delivering Metro's Capital Program, close coordination and expertise across multi-disciplines are required in the following eight key functions: project management, program management, project delivery development support, project control, estimating, configuration management, project management and other technical training, and Project Management Information System (PMIS) support services. The scope also allows for contract administration and small business contract compliance support assisting Vendor/Contract Management (V/CM), not requiring an agent agreement, to efficiently provide sufficient staffing needed to perform V/CM support activities. Combining all the above functions together into one contract allows for a better coordinated and more efficient allocation of resources for Metro than would be possible under a series of separate contracts.

Shortly after Measure M was approved, Program Management and Vendor/Contract Management jointly hosted Metro's first Pre-Solicitation Meet and Greet Session for the upcoming PMSS opportunities to business owners, which was also attended by the CEO. Prime contractors and other businesses were encouraged to network with each other for possible future joint ventures, partnerships or subcontracting opportunities. Establishing a competitive and qualified pool of consultants, contractors, and small businesses on Metro's projects is integral to successful project delivery.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The not-to-exceed award value is based on the planned level of services. The Contract Work Orders (CWO) issued will reflect the actual level of services required to support individual Board-approved projects. The 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.

Funding for these services are included in the approved FY18 Budget for the various Metro projects. The individual CWOs will be funded from the associated life-of-project (LOP) budgets that are approved by the Board. The project managers, cost managers and Chief Program Management Officer will be accountable for budgeting the cost in future years, including cost associated with exercising the option.

Impact to Budget

There is no impact to the FY18 Budget as funds for this action will be included in the approved budget for each project. Most of the projects are funded with multiple sources of funds: federal and state grants, federal loans, bonds and local sales taxes. Much of local sales taxes are eligible for bus and rail operations and capital improvements. These funds are programmed to state of good repair projects and to augment the costs of mega projects, where eligible and appropriate.

ALTERNATIVES CONSIDERED

The Board may choose to have existing or new Metro staff perform these services. This alternative is not practical or cost effective because Metro would have to hire a large workforce and attract high-paid expertise dependent on fluctuating projects' needs. While requests for additional Metro staff are being considered by the Board as part of the FY18 Budget process, consultant support is also recommended in order to meet peak, short-term needs, and provide technical assistance that is not available internally.

NEXT STEPS

After Board approval of this PMSS contract, the Contracting Officer will award the contract in accordance with Metro Procurement Policies and Procedures.


ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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