



Board Report

File #: 2017-0419, File Type: Contract

Agenda Number: 48.

REGULAR BOARD MEETING JUNE 22, 2017

SUBJECT: PROGRAM MANAGEMENT SUPPORT SERVICES

ACTION: AWARD PROFESSIONAL SERVICES CONTRACT

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a five-year cost reimbursable fixed fee contract plus a two-year option, 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 \$24,970,960 through Fiscal Year 2019; and
- B. AUTHORIZING the Chief Executive Officer to execute individual Contract Work Orders and Contract Modifications within the Board approved contract funding amount.

ISSUE

On November 21, 2016, request for proposals were issued for Program Management Support Services (PMSS) to assist Metro to manage and support Board-approved projects for a base term of five years with one two-year option. 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. Staff will return to the Board every two years to request additional authorization for the subsequent two year period.

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. 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.

Anticipated Not-To-Exceed Value

The recommended Board action will provide initial funding through the end of FY2019 as part of a multiyear contract with an anticipated contract value of \$63,347,705 for the base five-years, plus

\$27,461,365 a two-year option, for a combined total amount not to exceed \$90,809,070. As this is a cost plus fixed fee staff augmentation contract, the contractor compensation will be based on the actual support required over the life of the contract and will be limited by the Board approved project budget funding.

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. Attachment C lists the projects that we expect to support over the duration of the PMSS contract.

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. Also it was assumed that there would be a greater reliance on consultants going forward due to the size of Metro's capital program. 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.

Scope

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.

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) 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.

The recommended PMSS contract approach is similar to the construction management support services (CMSS) contracts that are separately awarded to provide consultants to complement Metro staffing and technical expertise needed on each major transit project. However, while the CMSS contracts typically serve individual transit projects, the recommended PMSS contract aims to fulfill the consultant staffing demand on a program-wide level on various multiple transit, regional rail, highway, and other capital improvement projects.

Term

Due to the length of time required to deliver many of the major projects, it is very disruptive to change consultants mid-stream. Therefore the recommended PMSS contract term would provide more continuity and less disruption by implementing a base 5 year contract with a 2 year option versus a shorter term contract.

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 anticipated 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 fiscal year 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

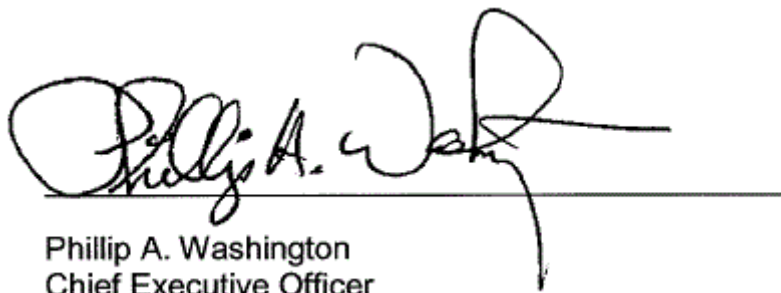
After Board approval of this PMSS contract, the Contracting Officer will award the contract in accordance with Metro Procurement Policies and Procedures.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - DEOD Summary
- Attachment C - Anticipated List of Projects

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