



## Board Report

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File #: 2019-0054, File Type: Contract

Agenda Number: 26.

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**CONSTRUCTION COMMITTEE  
MARCH 21, 2019**

**SUBJECT: QUALITY MANAGEMENT CONSULTANT**

**ACTION: AWARD PROFESSIONAL SERVICES CONTRACT**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. AWARD AND EXECUTE a seven (7) year cost reimbursable, Contract No. PS54007, to PQM, Inc., for Quality Management Consultant Program Services on Task Orders for an amount not-to-exceed \$5,378,518 for an initial twenty-six months; plus three one year options, subject to resolution of any properly submitted protest; and
- B. EXECUTE individual Task Orders and changes within the Board approved contract not-to-exceed amount.

**ISSUE**

Staff seeks to award a Quality Management Consultant Program Services contract to assist Metro in the delivery of voter approved Measures R, M, and other Board approved Capital Improvement projects. The recommended action will provide contract authority for Task Orders issued during the initial 26 months, FY's 2019, 2020, and 2021. Staff intends to return to the Board in two years to request additional contract authorization as additional contracts develop and the new quality oversight program matures.

**BACKGROUND**

The delivery of quality capital projects is a major goal of Metro's Program Management Department and a commitment made to the public and the Metro Board. As the size and complexity of Metro's capital program grows, it is important to have the systematic quality assurance tools and capabilities to keep up with this program.

The ability of the Quality Division to support the Measures R & M projects with a Quality Management Oversight (QMO) System depends on procuring consultant services to upgrade and improve our present system. The enhancements will assist and support staff in the oversight and verification of Contractor's compliance to the projects' requirements.

## **DISCUSSION**

Metro's Quality Management Program requires utilization of Consultant services to develop, implement, and manage a Quality Management Oversight System. Training of employees and other personnel affected by this QMO System will also be needed as well as development of supporting tools. The Purple Line Extensions 2 & 3 have been selected as the first projects to implement this system. In addition, this QMO system will be applied to all other major capital improvement projects once the program has been proven effective.

### **Term**

Due to the length of time needed to deliver major capital improvement projects, it is inefficient and disruptive to change the contractor during project delivery. The recommended Quality Management Consultant term will provide Quality Management Oversight Support Services with greater continuity, consistency, and less disruption by implementing a base seven (7) year contract with three (3) one-year options.

### **Scope**

The scope of services to be provided by the Consultant includes, but is not limited to: development and implementation of an ISO 9001:2015, Quality Management System; development and implementation of an QMO Training Program; manage Project Database Requirements; internal quality audits of Project Management processes; trend analysis and feedback; Materials Verification Testing & Inspection program (OVT) Database tool; support for Project Close-Out and acceptance; implement Quality Improvement Methodologies for overall program and project continuous improvement.

The primary purpose of this contract is to establish an improved QMO system for Metro. The Services to be performed will include provision of a QMO Program Manual that meets the requirements of ISO 9001:2015. Services will also provide a requirements database tools for requirements management, data analysis, reporting, and product acceptance. The scope of services also includes supporting Metro to achieve certification to the ISO 9001:2015 standard and facilitate the ISO Registrar to perform a registration audit and subsequent annual surveillance audits. The benefits of this QMO enhancement include improvements in:

- Confidence and accountability to project stake holders.
- Communications to project participants.
- Productivity of staff resources.
- Delivery and quality of contract requirements.

## **DETERMINATION OF SAFETY IMPACT**

The Board action will not have any adverse safety impacts on Metro's Construction projects, Operations, our employees, and/or patrons.

## **FINANCIAL IMPACT**

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The FY19 Budget includes \$1,600,000 for this recommendation under Project 100055 (Measure R Overhead), Cost Center 8110 (Quality Assurance/Compliance) and Account 50316 (Professional Services). The FY19 budget is planned for support of the program wide elements of the contract which cannot be assigned or funded by a specific project.

Since this is a task order driven contract defined by detailed scope(s) of work, each task order (TO) shall be charged to a Measure R/M (MR/MM) project, State of Good Repair (SGR) project or MR/MM Overhead project for the program wide quality elements and activities. The funds for the assigned TO (s) will be included as part of the respective MR/MM project or SGR life of project (LOP) funds to fund the assigned scope of work described in the task orders.

Staff anticipates the overhead nature of the workscope to occur from the remainder of FY19 thru FY21. This time frame will initially require a not to exceed amount of \$3,000,000 to be funded under Project 100055. Annual overhead allotments beyond FY21 are expected to decrease by more than 50% as new quality oversight program task orders will be applied directly to respective projects and as the ISO 9001:2015 certification is achieved. Beyond FY21, future overhead related task orders will be required for maintaining the certification and the continuous improvement of the quality program.

Upon approval of the recommendation, staff shall return to the Board every two years to provide a status update and, if required, request additional contract authorization as the new program matures in order to accurately estimate the anticipated level of required resources. Since this is a multi-year project, the Project Manager and Chief Program Management Officer will be responsible for budgeting in future fiscal years.

#### Impact to Budget

Upon approval of this action, up to \$400,000 of the \$1,600,000 in the FY19 budget under Project 100055 (MR Overhead) will be used to initiate the program wide support efforts. Any additional funding for TOs issued under this action will be provided by the specific project benefiting the services.

The source funds for project 100055 are Measure R Admin funds. Task orders assigned to MR/MM Projects will be funded within the LOP funding plans of the respective project(s). The project funds may consist of federal and/or state grants, local funds and loans. Many state-of-good-repair and capital improvement projects are funded with local funding sources which are eligible for rail and bus operations.

#### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Executing Contract, No.PS54007 would permit Metro's Program Management/Quality Department to provide an efficient, consistent and high level of support to Measures R, M projects; therefore, it would positively support Metro's overall plan and goal of expanding the transportation network, increase mobility for all users and improve LA County's overall transit network and assets.

#### **ALTERNATIVES CONSIDERED**

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The Board may reject the recommendation, proposed duration, or initial funding authorization. Staff does not recommend these alternatives. The use of a consultant allows the agency to secure highly technical expertise without the necessary increase in Metro long term labor costs. Further, by providing for an overall term of seven years plus three one-year options, an integrated and consistent approach across all projects serves Metro's interests. Finally, by limiting funding to two years, greater accuracy of project scope and cost requirements can be provided to the Board on a two-year basis.

### **NEXT STEPS**

Upon Board approval, staff will complete the process to award and execute the contract. Specific task orders will be subsequently issued on an as needed basis.

### **ATTACHMENTS**

Attachment A - Procurement Summary

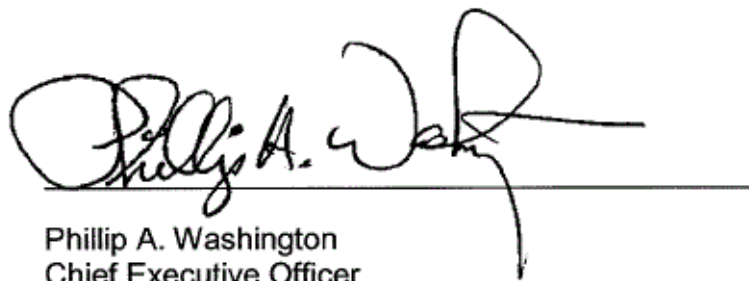
Attachment B - DEOD Summary

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