



Board Report

File #: 2019-0885, File Type: Contract

Agenda Number: 34.

CONSTRUCTION COMMITTEE JANUARY 16, 2020

SUBJECT: ENVIRONMENTAL CONSTRUCTION WASTE HANDLING SERVICES

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE:

- A. An increase to the total authorized funding for Contract No. PS20655 with TRC Solutions Inc. to increase Environmental Construction and Waste Handling Services contract value in the amount of \$20,600,000, increasing the Total Contract Value from \$46,200,000 to \$66,800,000, and
- B. The Chief Executive Officer (CEO) to execute all individual Task Orders and changes within the new Board approved contract funding amount.

ISSUE

Nearly every capital project and all transit projects undertaken by Metro require evaluation of hazardous substances, contamination, or a need for regulatory compliance under federal, state and local law. Metro must comply with all environmental laws to avoid fines, and civil or criminal liability.

The passing of Measure M and continuation of Measure R projects in the last four years has increased the number of projects that have been developed; many of which have been awarded and executed such as Purple Line Extension 2, Purple Extension 3, and West Santa Ana Branch.

While there have been due diligence efforts to anticipate unforeseen environmental conditions at the project sites, procuring for project specific environmental services contracts to address unforeseen circumstances determined during project development or design could significantly delay schedule. Specifically, such delay will likely result in increased liability for Contractor claims for delay to schedule completion milestones or risk fines due to violation of order by a regulatory agency. Metro staff does not have the internal resources to do all environmental waste handling and environmental compliance support work in house. To complement and supplement limited resources, Metro has hired consulting staff and used vendors with specialized environmental equipment. Metro, in effect, would incur more cost to do the work internally than by employing consultants and specialized

vendors.

The increased and overlapping capital programs in the last four years has also increased the level and volume of capital project requests for support. The use of Contract No. PS20655 to support the capital projects has pushed this contract to be fully encumbered at its contract value.

Staff is procuring a new contract to provide additional vendor participation, commencing in 2020 to address further expansion and acceleration of our capital program. While the current environmental services contractor is not precluded from responding in this new procurement, the opportunity will allow additional vendors to provide additional environmental services resources and contract diversity while most efficiently and cost-effectively support forthcoming projects.

Staff requests the Board for an increase in current contract amount of \$20,600,000, increasing the Total Contract Value from \$46,200,000 to \$66,800,000 in order to continue with support for the major capital projects. This is necessary to execute current schedule and cost critical tasks and those that are already in the project pipeline and maintain momentum of support to the capital projects, pending award of the second contract.

DISCUSSION

The capital work being supported under this Contract is required in order to meet the accelerated capital program that has grown from \$14B to approximately \$20B in four years. This contract has been an important asset to all the major capital projects that it has been used to support; saving time, project delays, budget and also maintaining regulatory compliance for every capital project

Over the past two years, the PS20655 consultant contract has been a key contributor to support numerous large capital Projects. These include:

- Portal Widening Turnback (PWT);
- Purple Line Section 1;
- Purple Line Section 2;
- Crenshaw LRT;
- Metro Fuel Storage Tank Program; and
- Emergency Service Operations Center (ESOC).

Based on current information (November 2019), \$38,585,640 will have been spent in support of all current capital projects through January 31, 2020. Approximately \$8M have been encumbered since June 2019 and the corresponding task orders are in in the middle of implementation.

This contract is in its second of five years. Approximately \$21M worth of environmental support services need to be executed within the next three years as follows:

Proj Nur	Task Order Description	Anticipated TO Amount
-------------	------------------------	--------------------------

202213 FY 2024 to 27 LOP	Fuel Storage Tank Program	Various Upgrades to Existing Fueling Systems- Agency Wide	\$27,500,000
460 Mar	Ros	Environmental Demolition	\$8,000,000
212	ESC	Environmental Demolition	\$1,100,000
865	Cre	Environmental Demolition	\$4,000,000

At least an additional \$38M for known programmed environmental services activities will be included in the new procurement. Details are as follows:

Project Number	Project Title	Task Order Description	Anticipated TO Amount
202213 FY 24 to 27 LOP	Fuel Storage Tank Program	Various Upgrades to Existing Fueling Systems- Agency Wide	\$27,500,000
405509	Rail to River	Environmental Remediation	\$10,000,000

Additional environmental services are currently being programmed in support of all capital projects and agency-wide environmental compliance.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an adverse impact on safety standards for Metro.

FINANCIAL IMPACT

Contract No. PS20655 is an Indefinite Delivery/Indefinite Quantity (IDIQ) contract. All task orders are individually negotiated, and level of effort fully defined prior to the authorization of any project specific funds. The Chief Program Management Officer, Chief Sustainability Officer, and Project Managers are responsible for providing appropriate budgets and following task order award process protocols during the execution of each task order.

Impact to Budget

There will be no net impact to Bus and Rail Operating or Capital Budgets. The source of funds for this contract is included in the department’s budget under Project Number 300012 Site Remediation, 202213 Fuel Storage Tanks, Cost Center 8420 Environmental Compliance and Services, Account 50316 Professional and Technical Services. The project funds to be used to support capital project environmental services work are within the LOP of the respective capital project budgets.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This consultant contract supports Strategic Goal 2 by optimizing the delivery and performance of Metro’s transportation system by incorporating environmental compliance through environmental

services activities to reduce impacts to the environment and increase system efficiency.

ALTERNATIVES CONSIDERED

The Metro Board of Directors could decide not to increase the funding for this Contract and solicit and award individual contracts for each environmental task as the need arises. Staff does not recommend this alternative owing to high costs, construction delays and, for multiple contracts and administrative inefficiencies that are current occurring.

As a second alternative, Metro could perform all the environmental hazardous materials and construction services in-house. However to do so, Metro would need to hire additional staff with expertise in many different subjects, such as drillers, laboratory science, and operating heavy earthmoving and material handling equipment, as well as purchase earthmoving and material handling equipment, and laboratory equipment. Staff does not recommend this alternative owing to high capital costs to procure personnel and equipment as well as potential for implementation and training delays. Staff does not recommend this alternative.

Although this contract is only two years old, because of the magnitude of the current contract value increase and the volume of environmental services work anticipated in the next 10 years, staff is currently in the process of going out to the market in FY20 for additional environmental support services to ensure diversity in contracts, competitive pricing, and availability of environmental services resources.

NEXT STEPS

Upon Board approval, staff will execute the Modification to Contract No. PS20655 to continue the capital project and operations support. The additional environmental services contract will be presented to the Board at the conclusion of the procurement process.

Prepared by:

Cris B. Liban, Executive Officer, Environmental Compliance/Sustainability, (213) 922-2471

Reviewed by:

Richard Clarke, Chief Program Management Officer, (213) 922-7557

Debra Avila, Chief Vendor/Contract Management, (213) 418-3051



Phillip A. Washington
Chief Executive Officer