



## Board Report

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Agenda Number: 38.

### CONSTRUCTION COMMITTEE JANUARY 21, 2021

**SUBJECT: SUSTAINABILITY PROGRAM ASSISTANCE SERVICES**

**ACTION: AWARD CONTRACT**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO):

- A. To award and execute a five (5) year contract, Contract No. PS66866, with Cumming Management Group Inc. for Sustainability Program Assistance Services on Task Orders for a total amount not-to-exceed \$23,800,000 inclusive of three base years (not to exceed \$14,000,000) with two one-year options (option year one = \$4,850,000 and option year two = \$4,950,000.) Staff will return to the Board to approve the two one-year options.
- B. To award individual Task Orders and changes up to the Not-to-Exceed contract amount of \$14,000,000; and
- C. AUTHORIZING Contract Modification Authority (CMA) in the amount of \$2,380,000 (10% of the not-to-exceed contract amount) and authorizing the CEO to award and execute individual task order, changes and/or modifications within the CMA amount.

#### **ISSUE**

The Los Angeles County Metropolitan Transportation Authority (Metro) has implemented a sustainability program since 2007. This program has become part of our agency's culture. We have incorporated sustainability and resiliency principles specifically focused on climate, energy, water and resource conservation and management in all of the things we plan, design, construct, operate, maintain and procure. In addition to the environmental and social benefits that our agency derived from these programs, we have also received financial benefits that have facilitated the unprecedented expansion of our initiatives and our portfolio of sustainable and resilient infrastructure. The need for more efficient and cost-effective management of this program comes at a very opportune time, specifically given our current financial agency-wide COVID-19 related constraints.

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The Board adoption of our 10-year Sustainability Strategic Plan *Moving Beyond Sustainability (MBS)* facilitates the implementation of a more audacious sustainability and resiliency vision; and we need continual support. The proposed contract award Contract No. PS66866, with Cumming Management Group Inc. is designed to assist us in the implementation of our vision, particularly focusing on the execution of the strategies and actions described in MBS.

This contract will enhance staff's internal ability to plan, develop, design, track, and oversee the sustainability strategies and actions. Having a consultant workforce support for MBS implementation provides seamless opportunity to scale up and down on our program implementation as our agency comes out of the continuing impacts of the COVID-19 pandemic.

## **DISCUSSION**

Metro's sustainability program formally began in 2007 with the adoption of the Metro Energy and Sustainability Policy. A year later, the Metro Board approved the hiring of two full-time equivalents reporting one each to the Metro Planning Department and another to the Metro Environmental Compliance and Sustainability Department (ECSD). With the hiring of our Chief Sustainability officer in December 2019, the separate but parallel efforts of sustainability and resiliency housed in the two departments are now consolidated into one and now holistically managed through ECSD. Sustainability as a culture cannot be achieved through one department however. Our agency's sustainability and resiliency are part of our culture and similar to safety, is everyone's responsibility.

Seen as the gold standard in the transit industry, this program has also grown to include more than 150 separate initiatives that positively impact our agency and our region. That explosive growth from modest beginnings was not achieved by accident. The successes we have seen and the challenges we overcame were achieved through the deliberate planning of sustainability and resiliency projects and the procurement of consultant resources to support the overall program.

This program has also seen significant success in the area of environmental finance. In 2014, the Metro Board approved a policy for staff to explore and implement alternative forms of funding and financing our sustainability and environmental programs. That policy resulted in new responsibilities, revenue generating opportunities, and the ability to address operational sustainability while ensuring resiliency and maintaining a state of good repair. For example, the close collaboration of ECSD, Metro's OMB, and Treasury resulted in the development and execution of carbon credits and environmental monetization initiatives and Metro's Green Bonds program.

Metro's sustainability program has been cost-neutral since 2017. Any excess monetized benefits are put into the Board adopted Green Fund, portions of which are re-used back into the sustainability program and to build sustainable and resilient infrastructure through the capital projects, state of good repair projects, or as individual projects such as solar panels and recycled water pipelines among others. These infrastructures are all used for the environmental and social sustainability benefit of our system, and in turn the overall region.

Since 2007, technology has also evolved rapidly relative to climate science, energy, water, and resource management. As our program grew, more and more of our generic environmental and sustainability contracts have become more specialized to address specific elements of our sustainability projects. Management of the sustainability program has therefore become more robust

and complicated with multiple efforts simultaneously getting implemented while strategic goals are developed.

Continual improvement is at the heart of these efforts. Using the Board adopted tool, our ISO 14001-2015 certified environmental management system, we were able to put order in the oversight of our program. The Metro CSO continues to be at the center of this governance. In addition to current Metro staff, the CSO and his staff need the additional program management support offered through Contract No. PS66866 but whose number of support staff could be seamlessly increased or decreased as needed.

To this end, staff has solicited for a Sustainability Program Assistance Services contract. The selected consultant will provide as-needed analysis, studies, surveys, investigations, modeling, predictions, and/or reports related to the operation and maintenance of Metro's transportation system, facilities, and support activities. The Contract No. PS66866, with Cumming Management Group Inc. has been selected to support of the Metro CSO, Metro staff, and other consultants to ensure cohesive, cost-effective, and seamless MBS implementation agency-wide.

The consultant will also support Metro staff from time to time in the execution of activities related to the Metro Sustainability Council as well as Metro's activities that are performed with our strategic partners such as the County and City of LA, other cities and special jurisdictions across our region, and similar entities.

Attachments A and C provide the procurement process and DEOD summary (i.e., proposed small and disadvantaged business utilization) of this contract. Attachment B provides the major types of activities that Cumming Management Group Inc. will provide as a service to Metro under Contract No. PS66866 over the life of this contract.

### **DETERMINATION OF SAFETY IMPACT**

This Board action will not have an adverse impact on safety standards for Metro. The outcomes and work products of Contract No. PS66866 will increase safety enterprise-wide. Sustainability-related projects and programs are programmed, designed, and implemented to increase environmental benefits of our sustainable infrastructure and programs. They also equitably provide health and safety of our staff and enhance the customer experience of our system.

### **FINANCIAL IMPACT**

Contract No. PS66866 will be an Indefinite Delivery/Indefinite Quantity (IDIQ) contract. No MTA funds are obligated until a Contract Work Order (CWO) is issued by a Metro authorized Contracting Officer against a valid project budget. No expenditures are authorized until a Task Order is awarded by a Metro authorized Contracting Officer for a specific package of work within the CWO. All task orders are to be individually negotiated and level of effort fully defined prior to the authorization of any project specific funds. Execution of work under those Task Orders within those CWO awards can continue beyond the contract end date.

Obligations and authorizations made within the total Contract Amount will be against specific project or operations budgets which make up the Board-approved Metro budget for any particular fiscal year.

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Specific funding for this contract will parallel the project approved by Board under separate actions. The Chief Sustainability Officer, Chief Program Management Officer, and Project Managers of each of the projects will be responsible for developing and overseeing the appropriate annual budgets.

### Impact to Budget

The initial source of funds for this contract is included in the FY21 budget under Project Number 450003 - Sustainability Environment, Cost Center 8420 Environmental Compliance and Services, Account 50316 Professional and Technical Services. Usage of bus and rail operations eligible funds for CWOs will be limited to work orders directly impacting the Operations.

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

This professional services contract will support the implementation of Metro's Strategic Plan Goals, with specific alignment to Initiative 5.2 - Exercise good public policy judgement and sound fiscal stewardship, and Initiative 5.4 - Apply prudent commercial business practices to create a more effective agency.

Contract No. PS66866 will support these strategic goals by: 1) advancing operational efficiency; 2) generating cost savings through only as needed use of consultant support for the achievement of our MBS goals.

### **ALTERNATIVES CONSIDERED**

In the past, the Board of Directors have provided significant guidance in Metro's vision of sustainability. Many projects have been implemented, constructed, and currently being maintained to fulfill this vision. These programs and projects have provided significant financial, employee welfare, and enhanced customer experience for our agency. The implementation of the recently approved 10-year sustainability strategic plan will continue to build on these achievements. Contract PS66866 is designed to provide the needed project management support to continue the implementation of Metro's sustainability program, especially the implementation, tracking, and reporting of MBS strategies and actions.

During the last five years, the Metro Board has also approved various plans and projects to achieve reductions in operational greenhouse gas emissions; implement innovative approaches and strategies to enhance customer experience, reduce limited natural and energy resource use; investigate public-private partnerships to supplement limited funds to design, build, operate, and maintain sustainability related infrastructure; and increase operational efficiency. Metro's sustainability program administered through ECSD has executed significant portions of that mandate; and will continue to do so using all of the sustainability-related consulting contracts (including Contract No. PS66866) to supplement current Metro staff.

Staff can solicit and award individual contracts every time additional staff is needed for oversight in any of the programmed sustainability-related efforts. We are not recommending this option. Individually procuring these micro-contracts have associated inconsistent and most likely cumulative higher administrative and execution costs, especially in a sustainability program as large as Metro's. As many of our projects overlap with one another in a single major capital project or facility, having

multiple consultants with overlapping skills will cause delays and result in administrative inefficiencies.

### **NEXT STEPS**

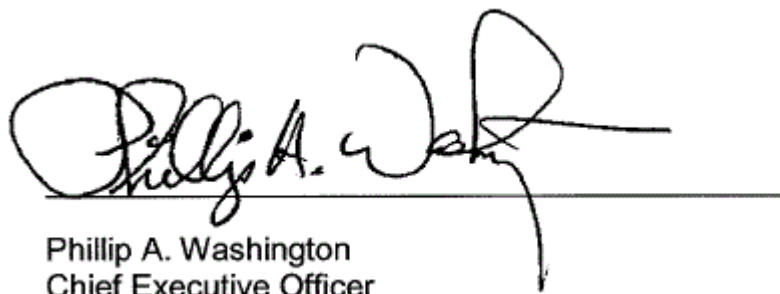
After the recommended Board Action is approved, staff will execute the conformed contract and proceed with issuing Contract Work Orders and Task Orders. Material activities and work products relative to the support provided by Contract No. PS66866 are going to be included in the annual Metro Sustainability Report. The annual Sustainability Report has been published every late spring or summer since 2010.

### **ATTACHMENTS**

- A. Procurement Summary
- B. Estimated SPAS Contract Value - FY21 to FY25
- C. DEOD Summary

Prepared By: Cris B. Liban, Chief Sustainability Officer, (213) 922-2471

Reviewed by: Richard Clarke, Chief Program Management Officer, (213) 922-7557  
Debra Avila, Chief Vendor/Contract Management Officer,  
(213) 418-3051



Phillip A. Washington  
Chief Executive Officer