



Board Report

File #: 2020-0685, File Type: Contract

Agenda Number: 37.

CONSTRUCTION COMMITTEE
JANUARY 21, 2021

SUBJECT: ENERGY AND CLIMATE CONSULTANT SERVICES

ACTION: AWARD CONTRACT

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) to award and execute a three (3) year base plus two one-year option years contract, Contract No. AE67484, with TRC Energy Services for Energy and Climate Services on Task Orders, inclusive of three base years with an initial amount not-to-exceed \$7,618,165.92, and two one-year options (Option Year 1: \$2,539,388.66; Option Year 2: \$2,539,388.66), staff will return to the Board to authorize the options. This recommendation is subject to the resolution of any properly submitted protest; and
- B. AUTHORIZING the CEO to award individual Task Orders and changes up to the authorized Not-to-Exceed contract amount of \$7,618,165.92.
- C. AUTHORIZING Contract Modification Authority (CMA) in the amount of \$1,269,694.32 (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

Metro’s energy choices have far-reaching impacts on the climate, regional air quality, community health, and the stability of our transportation network. Recognizing this reality, Metro has made long-term commitments to energy efficiency, transitioning to renewable energy sources, reducing greenhouse gas emissions, climate adaptation and ensuring energy resilience. These and other sustainability and resiliency commitments have been in place and implemented since 2007. Our agency has renewed these commitments and updated our implementation plan through the Board approved 2019 Climate Action and Adaptation Plan and the 10-year Sustainability Strategic Plan, *Moving Beyond Sustainability*.

The issues and solutions to Metro's energy and climate change challenges are intertwined. In fact, more than half of Metro's climate change strategy is tied to energy, energy management, energy resiliency, and renewable energy. There must be an integrated approach moving forward, and the recommended award of Contract No. AE67484 to TRC Energy Services for Energy and Climate Services is designed to fulfill that need. These services will ensure the protection of human health and the environment, addressing the challenge of operational sustainability while ensuring a renewable, resilient and reliable energy future.

DISCUSSION

Metro's current Energy Efficiency and Renewable Energy Services contract was awarded in 2015. This contract supports numerous, critical energy and sustainability program needs, such as the preparation of analyses, studies, surveys, investigations, modeling, predictions, and/or reports related to energy management and renewable energy design, construction, operation and maintenance for Metro's current and future system.

In addition, Metro's current Climate Change and Adaptation and Greenhouse Gas Emissions Consultant Services contract supported development of the 2019 Climate Action and Adaptation Plan, provided State-level climate policy analysis to the Metro Chief Sustainability Officer, developed a framework to implement climate resilience, and conducted climate risk analysis for capital projects.

In the coming years, Metro's total energy consumption will significantly increase due to the ongoing expansion of the rail system and our commitment to fleet electrification. This expansion and increasing demand mean that Metro will need to implement advanced strategies to meet our energy and climate goals, including reducing and managing energy consumption, while transitioning to clean renewable energy sources.

The use and sourcing of energy has ongoing impacts and longstanding implications for the environmental, fiscal and infrastructural resilience of our system. We are already taking proactive measures to ensure the reliability of the energy systems that supply our infrastructure. This will become even more necessary as our bus fleet is electrified and our transportation system expands.

Implementation of our sustainability strategies had been effective, resulting in the meeting or exceeding of our goals by successfully reducing resource consumption, decreasing air pollutant and greenhouse gas emissions and improving operational efficiency. These efforts not only advance the sustainability of our system, but also yield operational cost savings for years to come. In some cases, revenues from our activities have also been generated in environmental finance markets. Per Metro Board Policy, *the funds generated from these activities were reinvested back into the environmental and sustainability programs or to the creation or maintenance of sustainable infrastructure.*

To further advance Metro's sustainability and environmental goals, we have combined the Energy and Climate Change efforts under one contract to ensure that we align our short-term energy strategies and long-range climate change targets. Contract No. AE67484, with TRC Energy Services for Energy and Climate Services will provide the necessary staff, sub-consultants, equipment, software, supplies, and services required to support the tasks associated with the energy and climate change efforts. The consultant shall employ or subcontract as necessary with diverse professionals

such as Professional Engineers, Certified Energy Managers, Energy Efficiency Engineers, Commissioning Agents, Sustainability Engineers, Lighting Engineers, Leadership in Energy and Environmental Design (LEED®) accredited professionals and such other professional practitioners as may be needed to support the required energy efficiency, renewable energy, energy resiliency and other energy related programs, projects and initiatives.

DETERMINATION OF SAFETY IMPACT

The unprecedented events of 2020 have accentuated the importance of Metro's system as a lifeline for Angelenos, as well as our role in emergency response. When it comes to energy, the stability of the grid is foundational to Metro's ability to function and provide safe and reliable transit to those who need it. Metro must be able to remain operational, even if the power grid is down.

This Board action will provide the necessary programmatic support in the overall management of our energy and climate change strategies. That in turn will facilitate the long-term safety, security, and continuity of Metro's operations by improving the resiliency of our energy system, improving the management and efficiency of energy use and contributing to a state of good repair.

FINANCIAL IMPACT

Contract No. AE67484 will be an Indefinite Delivery/Indefinite Quantity (IDIQ) contract. No MTA funds are obligated until a Contract Work Order (CWO) is issued by Metro authorized Contracting Officer against a valid project budget. No expenditures are authorized until a Task Order is awarded by an MTA 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. 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 450001 - Energy Conservation Initiative, Cost Center 8420 Environmental Compliance and Services, Account 50316 Professional and Technical Services. Future task orders are to be individually negotiated and level of effort fully defined prior to the authorization of any project specific funds from the projects that would use these services. Usage of bus and rail operating eligible funds will be limited to tasks directly associated with Operations.

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.

The Energy and Climate Services contract will support these strategic goals by: 1) advancing operational efficiency and expanding the use of clean, renewable energy; 2) generating cost savings and reducing the prevalence and cost of retroactive sustainability upgrades; and 3) improving the reliability and resiliency of the energy systems supplying our transit infrastructure.

ALTERNATIVES CONSIDERED

Metro's sustainability program, administered through the Environmental Compliance and Sustainability Department (ECSD), has historically used sustainability consulting contracts to provide expert supplement for current staff expertise. We have seen the effectiveness of this management style (i.e., as-needed combination of internal staff and expert consultants), especially in large programs such as the energy and climate change programs.

Metro's sustainability and resiliency program has also grown to include more than 150 separate initiatives that positively impact our agency and our region. Many of these are related to the energy and climate change initiatives. The successes we have seen and the challenges we overcame were achieved through the deliberate planning of energy and climate change projects and the procurement of consultant resources to support the overall program.

Specifically, in this time of financial constraint, Contract AE67484 is designed to cost-effectively and cost-efficiently advance Metro's existing energy resiliency, renewable energy and climate change efforts, while establishing the next generation of initiatives and best practices. This is accomplished by using only the optimum amount of resources for specific energy and climate change tasks as Metro scales up or down its operations post lockdown.

As an alternative, staff can solicit and award individual contracts every time additional staff is needed in any of our energy and climate change-related efforts. We are not recommending this option. Further procuring for 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.

The existing contracts that currently provide support to our energy and climate initiatives are expiring. Majority of our climate change goals are tied to our energy strategies and initiatives. If this contract is not awarded, the timing of the implementation of our energy and climate change programs as outlined in our 10-year sustainability strategic plan will be significantly impacted.

NEXT STEPS

Upon Board approval, staff will execute the conformed contract and proceed with issuing Task Orders and Contract Work Orders. Material activities and work products relative to the support provided by this contract will be included in Metro's annual sustainability report.

ATTACHMENTS

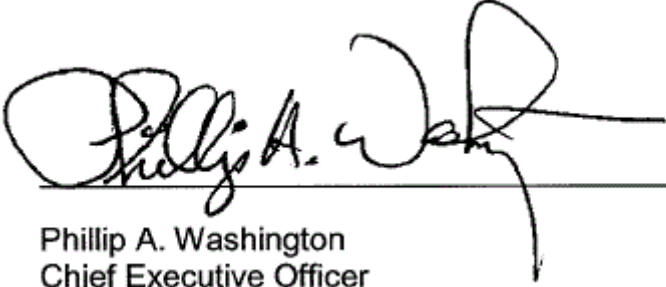
Attachment A - Procurement Summary

Attachment B - Types and Total Value Estimates of Projects - FY21 to FY25

Attachment C - DEOD Summary

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