



Board Report

File #: 2021-0410, File Type: Contract

Agenda Number: 36.

CONSTRUCTION COMMITTEE JUNE 17, 2021

SUBJECT: ENVIRONMENTAL WASTE HANDLING AND ENVIRONMENTALLY RELATED CONSTRUCTION SERVICES

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE:

- A. An increase to the total authorized funding for Contract No. PS20655 with TRC Solutions Inc. for Environmental Waste Handling and Environmentally Related Construction Services in the Not-to-Exceed amount of \$19,759,809, increasing the total authorized funding from \$74,800,000 to \$94,559,809, extending the contract term an additional six months; 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 and removal 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 scope of work identified in this contract generally falls into two categories: support for Metro's capital program and Metro's underground storage tank program. Expertise and services within the contract scope also include those of drillers, laboratory scientists, tank design engineers, and operators for heavy earth-moving and material handling equipment and trucks. Equipment used within the contract scope also include laboratory equipment and use of heavy earth-moving equipment and trucks. These are all needed to ensure continual compliance in all aspects of our construction and tank operations. Our agency does not have these types of specialized resources.

The passing of Measure M and continuation of Measure R projects in recent years has further increased the number of projects that have been developed. More recently, additional projects such as the Rosecrans-Marquardt Grade Separation, and compliance needs such as the Metro Fuel Storage Tank Program have further increased the need for specialized environmental waste handling

and environmentally related construction services. Most recently, under a State Water Resources Control Board Consent Decree order, we have also accelerated the installation of above ground tanks to house our hazardous chemicals as we reduce the number of underground storage tanks still in use.

The increased and overlapping capital programs in the last five years has increased the level and volume of capital project requests for support. In addition, there has also been an increased volume of Operations related tank work due to the Consent Decree. The use of Contract No. PS20655 to support these required efforts has resulted in the authorized contract funding being fully encumbered. All work under this contract is authorized by Task Orders and the aggregate value of the Task Orders establishes the Total Contract Amount and that must always be within the Board authorized funding amount for the contract.

Staff is completing a second parallel contract procurement. The contract will provide additional vendor participation and environmental waste handling and environmentally related construction services capacity but specific to capital projects. The procurement is still underway and is expected to come before the Board in July 2021.

Contract No. PS20655 is only about four years old and has approximately \$3M left in contract value. That amount is insufficient to address the additional programmed activities within the next year. While the procurement for the new parallel contract is anticipated to be completed in July 2021, there would not be enough contract value capacity in this current contract to address the programmed activities in time for the Notice to Proceed for the new parallel contract.

Staff requests the Board for an increase in current contract funding of \$19,759,809. This is necessary to continue the support for the major capital projects and comply with the State Water Resources Control Board 2019 Consent Decree. This is also critical 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 parallel contract currently in procurement.

DISCUSSION

The capital related work being supported under this Contract is required in order to meet the accelerated capital program that has grown from \$14B to approximately \$21B+ in five years. Contract No. PS20655 has been an important asset to all the major capital projects that it has been used to support; saving time, reducing project delays, producing cost-efficiencies that reduce impacts to project budget while maintaining regulatory compliance for every capital project.

Over the past four years, the Contract No. 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;
- Purple Line Section 3;
- Crenshaw LRT;

- Metro Fuel Storage Tank Program; and
- Emergency Service Operations Center (ESOC).

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 would have likely resulted in increased liability for contractor claims for delay to schedule completion milestones or risk fines due to violation upon the 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 contracted for such vendors with specialized environmental equipment and technical capabilities to include laboratory, field services, and evaluation and remediation tools. Metro, in effect, would incur more cost to do the work internally than by employing these types of consultants and specialized vendors.

In addition, as part of the 2019 Consent Decree with the State Water Resources Control Board, staff is also accelerating the upgrades of underground storage tank infrastructure. Where feasible, staff is converting underground storage of hazardous materials to above ground storage.

Based on current information (April 2021), \$72,059,808 will have been spent in support of all current capital projects. Approximately \$20M worth of environmental support services need to be executed within the next year. These include the following:

Project Title	Task Order (TO) Description	Anticipated TO Amount
Metro Fuel Storage Tank Program	UST Removals and AST Installations, Fuel System Repairs and Maintenance, SWQCB Consent Decree Compliance	\$12,200,000
Crenshaw-LAX Demolition/Abatement Union Equity Buildings	Union Equity Building Abatement of Haz Mat and demolition	\$3,300,000
Azusa Depot	Abatement of Haz Mat and demolition	\$2,000,000
North Hollywood Demolition/Abatement	Abatement of Haz Mat and demolition of Metro owned properties	\$1,500,000
Rosecrans-Marquardt Grade Separation	Abatement of Haz Mat and demolition of Metro owned properties	\$3,000,000

Additional environmental services are currently being programmed in support of all capital projects and agency-wide environmental compliance. Those services will be performed in the future parallel contract.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an adverse impact on safety standards for Metro. It will however increase safety as environmental related projects and programs are implemented to increase the health and safety of our staff and enhance customer experience of our system.

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 process protocols for the execution of each Task Order. Execution of work under those Task Orders within those Contract Work Order (CWO) issued for each project can continue beyond the contract end date.

Obligations and authorizations made within the authorized total contract funding amount will be against specific capital project or operations budgets which make up the Board-approved Metro budget for the particular fiscal year. Specific funding for this contract will parallel the project approved by Board under separate actions. The Project Managers of each of the business units and projects overseeing these projects will be responsible for providing appropriate budgets.

Impact to Budget

The source of funds for this contract is included in Cost Center 8420 Environmental Compliance and Services Department's budget under Project Numbers 300012 - Site Remediation, 202213 Fuel Storage Tanks, and 100055 Administrative-Measure R, in Account 50316 Professional and Technical Services. The Site Remediation and Fuel Storage Tanks are in support of Metro Operations thus uses operations-eligible funds.

The project funds to be used to support capital project environmental services work are within the LOP of the respective capital projects.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This environmental waste handling and environmentally related construction services 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. The risk for non-compliance with the 2019 Water Board

Consent Decree will also be higher for any delays in executing the Consent Decree requirements.

As another alternative, Metro could perform all the environmental construction and waste handling 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, UST design engineers, and operators for heavy earth-moving 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 acquisition costs to procure personnel and equipment as well as potential for implementation and training delays.

NEXT STEPS

Upon Board approval, staff will proceed with issuing Task Orders and Contract Work Orders on Contract No. PS20655.

In addition, because of the magnitude of the anticipated volume of additional environmental services work in the next 10 years, staff is in the process of going out to the market in FY22 for the replacement of Contract No. PS20655 and to ensure diversity in contracts, competitive pricing, and availability of environmental services resources.

ATTACHMENTS

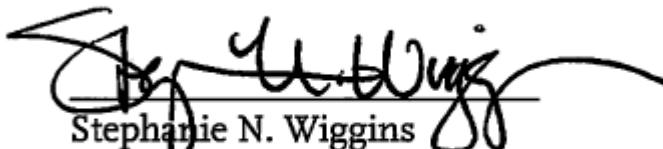
Attachment A - Procurement Summary

Attachment B - DEOD Summary

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