



## Board Report

**File #:** 2015-1555, **File Type:** Contract

**Agenda Number:** 27.

### CONSTRUCTION COMMITTEE NOVEMBER 19, 2015

**SUBJECT: CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACT FOR CRENSHAW/LAX TRANSIT PROJECT**

**ACTION: INCREASE CONTRACT BUDGET THROUGH FY17 WORK PROGRAM FOR STANTEC CONSULTING, INC**

#### **RECOMMENDATION**

- A. EXTENDING Contract No. MC069 with **Stantec Consulting, Inc. to provide Construction Management Support Services for Crenshaw/LAX Transit Project, including the Southwestern Yard**, from March 2016 to June 2021. All other existing Contract Work Orders not pertaining to Crenshaw/LAX Transit Project will be closed by March 18, 2016;
- B. AUTHORIZING an increase to the Crenshaw/LAX Transit Project CWO16 and Southwestern Yard CWO27 within Contract No. MC069, with Stantec Consulting, Inc. to provide Construction Management Support Services in an amount not-to-exceed \$28,566,728 for the FY16/FY17 18-month Work Program Funding increasing the CWO values from \$28,607,941 to \$57,174,669. Therefore, the total contract value will increase from \$97,412,136 to \$125,978,864; and
- C. AUTHORIZING the Chief Executive Officer to execute individual Contract Work Orders and Modifications within the Board approved contract value.

#### **ISSUE**

On February 19, 2009, the Board approved the Construction Management Support Services (CMSS) contract to support Board adopted capital projects. Contract No. MC069 with Stantec Consulting, Inc. is set to expire on March 18, 2016. With the project currently in construction along the entire length of the 8.5 mile alignment, it is critical that there be no disruption in construction management oversight in order to allow the existing experienced CMSS staff to continue to augment Metro staff to successfully deliver the project on time. The recommended actions are to extend Contract No. MC069 with Stantec Consulting, Inc. to provide Construction Management Support Services for Crenshaw/LAX Transit Project from March 2016 to June 2021 as well as approve funding for the remaining six months of FY16 and 12-month FY17 Work Program solely for the Crenshaw/LAX

Transit Project and the related Southwestern Yard Project. Existing funding for the CWO will be depleted in December 2015. This will allow for CMSS construction support during the peak construction period.

All other Contract Work Orders (CWO's) under this contract that have supported other capital projects are to be closed by March 18, 2016. These CWOs have adequate funding to perform the expected level of effort through March 18, 2016.

## **BACKGROUND**

The primary role of the CMSS is to provide skilled and qualified staff to support Metro with construction management of Metro's construction contracts. Both Metro and CMSS consultant staff, in most cases, work side-by-side in an integrated project management offices (IPMO). The CMSS contract funds are authorized by issuing separate contract work orders (CWOs) for various projects for labor classifications and rates set forth in the contract. Modifications to existing CWOs are issued as additional work is identified.

In February 2009, the Metro Board authorized the Chief Executive Officer to award CMSS to Stantec Consulting, Inc., and execute individual CWOs and modifications within the Board approved contract value. The CMSS contract is an indefinite delivery/indefinite quantity labor-hour contract for a term of seven years, inclusive of two one-year options. The Contract was executed on March 18, 2009, and the expiration date of the five year base contract was March 18, 2014. In FY14, based on prior board approvals, Metro exercised both one year options on March 10, 2014 to extend the contract period of performance through March 18, 2016. This CMSS contract terms and conditions allows the coordination of funding of existing CWO's beyond the contract end date to maintain staffing continuity.

Metro staff will report back to the Board whether any extension of CMSS services will be needed after March 18, 2016 for the I-405 project."

## **DISCUSSION**

With the Crenshaw/LAX Transit Project currently in construction along the entire length of the 8.5 mile alignment, it is critical that there be no disruption in construction management oversight. The project is excavating three underground stations with concrete operations to commence soon. The project will also be constructing multiple bridges with tunneling operations commencing in 2016. Metro staff has determined the best option going forward is to keep the current CMSS contractor on board through completion of the Crenshaw/LAX Transit Project. By extending this CMSS contract, the period of performance will be extended from March 18, 2016 to June 2021 which will allow Metro to have CMSS expertise available beyond the revenue service date of October 2019, to support the close-out phase of the design-builder's contract.

In July 2015, Metro staff received Board approval for FY16 funding for six months (July 2015 through December 2015) pending the CEO's mid-year cost budgeting exercise. The recommended action allows for the continuation of funding of existing CWOs for Crenshaw/LAX Transit Corridor Project from January 2016 through June 2017. For the remaining six-months of FY16 and FY17 funding for the CMSS contract is intended to fund the existing CMSS staff currently on the project.

**STATUS OF CONVERSION OF CONSULTANT POSITIONS TO FTEs**

Metro staff received Board approval in July 2015 to solicit and hire 11 new Metro full-time equivalents (FTEs) to replace consultant positions from the CMSS contractor for the Crenshaw/LAX Transit Project and Southwestern Yard Project. As these positions were just authorized in July 2015, all these positions are currently in recruitment phase. Due to the uncertainty of the hiring of new Metro positions in a timely manner, the CMSS staffing plan includes five CMSS positions (of the 11 new Metro FTEs) for the oversight support of the Southwestern Yard Project. When a Metro staff is hired the CMSS staffing plan will be reduced accordingly to reflect a Metro staff person replacing a planned CMSS position. Metro staff will update the Board when the remaining six new Metro FTE positions have been filled.

**PROPOSED CONTRACT ENHANCEMENTS BY STANTEC**

The CMSS contractor, Stantec Consulting Services Inc., is committed to actively contributing to the community and proposes the following enhancements with an overall project cost savings of \$3.2 million for the period January 2016 - June 2021:

- Increased participation by historically underutilized businesses. Stantec has achieved a 29% Disadvantage Business Enterprise (DBE) performance against a 15% (voluntary) contract goal. The 29% is comprised of Asian/Pacific, Hispanic, African American and Woman-owned businesses. Beginning in January 2016, the CMSS contractor is proposing an increase in the Minority Business Enterprise participation to 10% of new Contract work, and an increase in the DBE participation to 35%. This level of DBE participation will increase their projected total DBE participation to 32% for their entire Contract. Stantec will also continue to involve the current DBEs on the team.

<b>Stantec Classification of Firm</b>	<b>Current</b>	<b>Proposed</b>
MBE Partnering	0.0%	10%
DBE Firms	29.51%	35%
All Other Firms	70.49%	55%
Total	100%	100%

- Adoption of a formal mentor protégé program as part of enhanced business participation. Subject to the pre-approval by Metro, Stantec will partner with a Minority Business Enterprise (MBE) firm to develop a formal mentor protégé program to further strengthen their commitment to the success of their small business firms and on-going informal mentoring activities.
- In efforts to work with Metro to reduce program costs, Stantec is exploring additional cost efficiencies including position transfers as approved for senior to mid-level staff to grow and mentor future transit professionals; and conducting field rate reviews and instituting changes, when fair and reasonable. Such changes may help reduce individual billing rates up to 15%.

**DETERMINATION OF SAFETY IMPACT**

This Board action will not have an impact on established safety standards for Metro's Construction projects.

### **FINANCIAL IMPACT**

The funds for FY16 portion of \$8,000,000 for these services is included in cc 8510 in projects 865512 Crenshaw/LAX Transit project and 860003 Southwestern Yard. Since this is a multi-year contract, the cost center managers and Executive Director, Engineering and Construction will be responsible for budgeting the remaining amount in FY17.

#### **Impact to Budget**

The funding for this contract extension is included in the Crenshaw/LAX Transit and Southwestern Yard life-of-project budgets. In addition to the federal and state grants, these projects utilize Proposition A 35% and Proposition C 40% which are eligible for bus and rail capital and operating use.

### **ALTERNATIVES CONSIDERED**

The Board may elect to discontinue using Stantec Consulting, Inc., for CMSS through FY17. Staff does not recommend this alternative as the current CMSS staff assigned to the Crenshaw/LAX Transit Project has been on board since the start of the design-build contract in September 2013 and the experience and lessons learned that have been acquired is instrumental in the successful completion of the Crenshaw/LAX Transit Project. This alternative would also seriously impact the near and long term businesses of the local, DBE firms that make up the Stantec Consulting, Inc. team's 29% DBE percentage.

### **NEXT STEPS**

Staff will proceed with processing only the Crenshaw/LAX Transit Project and the related Southwestern Yard Project required CWOs for the remaining six months of FY16 and the 12-month FY17 Work Program funding. When new Metro FTE is hired for the Crenshaw/LAX Transit Project, Metro staff will reduce the corresponding CMSS position in the applicable CWO staffing plan.

### **ATTACHMENTS**

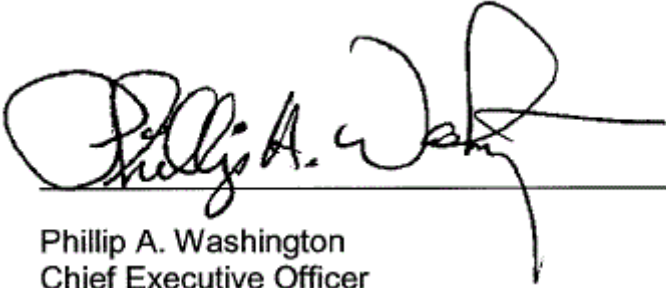
- A - Procurement Summary
- B - Contract Work Value Summary
- C - Remaining 6-month FY16 and 12-month FY17 Work Program Funding
- D - DEOD Summary

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