

**Board Report**

File #: 2015-0851, **File Type:** Informational Report

Agenda Number: 47.

**CONSTRUCTION COMMITTEE
JULY 16, 2015**

SUBJECT: CRENSHAW/LAX TRANSIT PROJECT

**ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A
CONTRACT MODIFICATION**

RECOMMENDATION

CONSTRUCTION COMMITTEE FORWARDED WITHOUT RECOMMENDATION authorizing the Chief Executive Officer (CEO) to execute Contract Modification No. 39 to Contract No. E0117 with Hatch Mott MacDonald (HMM), to **continue Phase III Design Services During Construction (DSDC) support**, in the amount of \$6,656,000, increasing the total contract value from \$54,414,652 to \$61,070,652.

ISSUE

The Crenshaw/LAX Transit Project continues with final design and construction and requires a two-year extension of the HMM contract to provide specialized engineering consultant services. In addition to Metro staff there continues to be a need for HMM to provide DSDC support for the mainline project as the design-builder (Wash Shea Corridor Constructors) continues with final design and has commenced construction activities. HMM is required to supplement Metro support in the review of contract submittals, requests for information and contract design changes as they are received from the Crenshaw/LAX Transit Project design-build contractor.

In addition to supporting the efforts for the Crenshaw/LAX Transit Project HMM will also provide experienced engineering support for the Southwestern Yard Project in the review of design submittals, requests for information and design changes for the newly awarded design-build contractor (Hensel Phelps/Herzog JV) who will commence final design this summer.

DISCUSSION

In December 2009, the Board selected the Light Rail alternative as the Locally Preferred Alternative and awarded Contract E0117 to HMM for Phase I Advanced Conceptual Engineering, and contract options for Phase II Preliminary Engineering, Construction Contract Development and Bid Period Services; Phase III DSDC; and Phase IV Light Rail Transit (LRT) System Activation.

Phases I and II have been completed. In April 2012 the CEO was authorized by the Board to exercise the Phase III Contract option for DSDC support in the amount of \$13,235,158. This action is to extend the support from HMM for another two years through June 2017.

The Phase III DSDC scope of work includes the review of the design-build contractor's final design submittals, shop drawings, construction contractor's requests for information, review of design change notices/change orders, and support for issues resolution. The scope also includes additional bid support for the main alignment and Southwestern Yard design-build contracts. In addition, HMM provides final design oversight, support technical meetings, provide engineering support to the Metro project team and support the community relations team.

HMM is providing experienced engineering support to supplement existing Metro staff in the final design oversight, review of design submittals, requests for information and design changes, and also provides support to the Metro community relations team for the Crenshaw/LAX Transit Project. They will also provide experienced engineering support for the Southwestern Yard Project. There are not enough existing Metro positions available to provide such DSDC support. Some of the staff from HMM are on an as-needed basis only and not on a full-time basis depending on the type of submittals or questions received from the design-build contractors.

Authorization to exercise the option for Phase IV, LRT System Activation, will be presented to the Board when the project is ready to implement this Phase.

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 this action are included in the FY16 budget under Project 865512 (Crenshaw/LAX Transit Corridor Project) and Project 860003 (Southwestern Yard Project), in Cost Center 8510 (Construction Project Management), and Account No. 50316 (Professional Services). Since this is a multi-year project, the Executive Director, Engineering and Construction will be responsible for budgeting in future years.

Impact to Budget

The sources of funds for this project are Federal STP, CMAQ, State Proposition 1B, Proposition A 35% and Measure R 35% as included in the adopted Long Range Transportation Plan and updated by Board action in June 2013. The FY16 budget does not include any Prop 35% funds which are eligible for rail operations and capital. The other funds are not eligible for bus and rail operating expenditures. No other funds were considered.

ALTERNATIVES CONSIDERED

The Board could decide to not approve the recommended Contract Modification. This is not recommended because there continues to be major elements of final design by the design-builder that HMM is providing engineering support to review design submittals, requests for information and design changes. Not extending HMM would mean a loss of experienced staff that have been working on the Crenshaw/LAX Transit Project and would be a detriment to the completion of this project. There are not enough Metro positions available to provide DSDC support.

NEXT STEPS

After Board approval and execution of the contract modification, staff will direct the consultant to continue providing design support services for the Crenshaw/LAX Transit and Southwestern Yard projects through FY17.

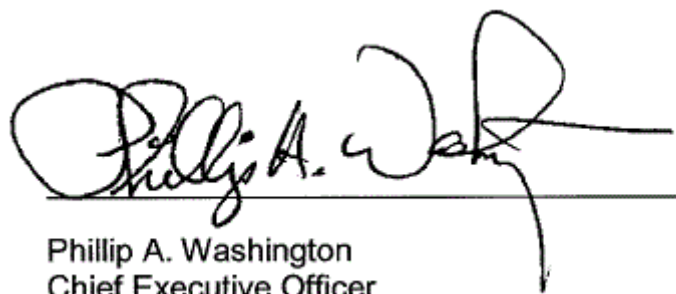
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - Contract Modification Authority (CMA) Change Order Log

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Phillip A. Washington
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

Advanced Conceptual/Preliminary Engineering for Crenshaw Transit Corridor

1	Contract Number: E0117			
2	Contractor: Hatch Mott Macdonald			
3	Mod. Work Description: Continued Funding for Phase III (Design Support During Construction)			
4	Work Description: Construction Management Support Services			
5	The following data is current as of: 06/09/15			
6	Contract Completion Status:		Financial Status:	
	Award Date:	01/07/2010	Award Amount	\$10,311,664
	Notice to Proceed (NTP):	01/07/2010	Total Contract Modifications	\$44,102,988
	Original Completion Date:	06/30/2015	Current Total Contract Value	\$54,414,652
	Current Est. Complete Date:	06/30/2017		
7	Contract Administrator: Valerie Dean		Telephone Number: 323-903-4123	
8	Project Manager: Charles Beauvoir		Telephone Number: 323,903-4113	

A. Contract Action Summary

The Request for Proposal (RFP) was an Architecture and Engineering (A&E) qualification-based procurement process in accordance with the California Government Code 4525-4529. This process requires that each of the responding firm's qualifications be evaluated, and the most qualified firm be selected, followed by cost and contract negotiations with the selected firm to establish a fair and reasonable contract price.

On June 26, 2009, the MTA issued a RFP for a Cost Plus Fixed Fee contract. No amendments were issued during the solicitation phase. The proposal evaluation team determined Hatch Mott MacDonald to be the most qualified proposer in October 2009 and the MTA Board authorized the Chief Executive Officer to negotiate and award a 9-year cost-plus fixed fee, Contract, Contract No. E0117, for Crenshaw Transit Corridor Advanced Conceptual Engineering, and

subsequent phases (options) for preliminary engineering, Design-build contract bid support, design support during construction and start-up support services for the LRT Alternative at the December 2009 meeting. The contract was for an amount not to exceed \$10,400,000 million to perform Phase I, Advanced Conceptual Engineering.

On September 23, 2010, the MTA Board of Directors authorized the CEO to exercise a 21 month cost plus fixed fee option for an amount not to exceed \$21,000,000 for Phase II Preliminary Engineering, Construction Contract Development and Bid Period Services.

On January 26, 2012, the MTA Board of Directors approved the recommendation to execute Contract Modification 16 for Advanced Utilities, Contract Modification 17, for BNSF track alignment, Contract Modification 18 for Integrated Project Management and Office Recurring Costs; and an increase of Contract Modification Authority for a not-to-exceed amount of \$2,524,038.

On April 19, 2012, the MTA Board of Directors authorized the Chief Executive Officer to execute contract modification No. 21 to Contract No. E0117 Advance Conceptual/Preliminary Engineering for Crenshaw Transit Corridor, with Hatch Mott MacDonald, to exercise the option for Phase III Design Services During Construction (DSDC), in the amount of \$13,235,158.

Attachment B shows that 37 Modifications have been approved to date and 1 modification is pending. The proposed modification 39 is for an amount of \$6,656,000 for the continued design services during construction of the Crenshaw/LAX Transit Project.

B. Cost/Price Analysis

The negotiated amount complies with all requirements of Metro Procurement policies and procedures and was determined fair and reasonable through fact findings, clarifications, and cost analysis. An independent cost estimate (ICE) was obtained as part of the cost analysis before negotiating.

Proposal Amount	MTA Estimate	Negotiated Amount
\$7.21 million	\$6.77 million	\$6.65 million

C. Small Business Participation

Hatch Mott MacDonald (HMM) made a commitment of 25.30% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) on this contract. Current DBE participation is 21.42%, a shortfall of 3.88%. For Phase I and Phase II, HMM achieved 25.10% DBE participation. HMM provided the following explanation for the shortfall: 1) Phase III Scope Reduction - the HMM team forecasted a greater participation level in the review of Contractor Design-Build documents, which has predominantly been undertaken by Metro staff. This has impacted DBE services in the areas of architectural & general civil reviews, utilities, and management reporting, and 2) Project Continuity - to ensure continuity and efficiency, specialty work forecasted to be filled by DBE firms were maintained by non-DBE firms, who brought ongoing project experience gained during the preliminary engineering phase.

On June 26, 2015, HMM advised that they will continue to examine opportunities to increase their DBE participation for Phases III and IV in the following service areas: 1) Design support for the Contract C0991 - Southwestern Yard, 2) Right-of-Way project acquisition support, 3) Systems Integration for Contracts C0988 and C0991, and 4) Identify specialty services for DBEs such as environmental compliance and clearance. To date, HMM has utilized six (6) additional DBE subcontractors.

	DBE Subcontractors	Ethnicity	% Commitment	Current ¹ Participation
1.	Anil Verma	Sub Asian American	10.49%	7.61%
2.	Earth Mechanics	Asian Pacific American	4.97%	2.63%
3.	UltraSystems	Caucasian	1.52%	0.28%
4.	Wagner Engineering	Caucasian	3.48%	2.29%
5.	The Solis Group	Hispanic American	3.24%	1.27%
6.	Epic Land Solutions	Caucasian	1.41%	1.76%
7.	E. W. Moon	African American	0.21%	0.50%
8.	BASE Architecture (added)	African American	0.00%	1.93%
9.	MARRS Services (added)	Sub Asian American	0.00%	1.74%
10.	Terry A. Hayes (added)	African American	0.00%	0.16%
11.	Cordoba (added)	Hispanic American	0.00%	0.36%
12.	The Alliance Group (added)	Asian Pacific American	0.00%	0.77%
13.	Armand Consulting (added)	Sub Asian American	0.00%	0.11%
	Total Commitment		0	0

¹Current Participation = Total Actual Amount Paid-to-Date to Subs ÷ Total Actual Amount Paid-to-Date to Prime

D. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

ATTACHMENT B
Contract Modification Authority (CMA) Change Order Log

MOD No.	Description	Value	Status
1	Context- Sensitive Design and Planning.	\$890,119.00	Executed
2	Park Mesa Heights Grade Separation Analysis.	\$249,924.00	Executed
3	Cancelled		Cancelled
4	Provisional Indirect Rates to Fixed indirect Rate	No Cost	Executed
5	Crenshaw LAX Phase II (Option)	\$21,000,000	Executed
6	Project Administration/Design Consensus	\$382,638.00	Executed
7	Maintenance Facility Site	\$257,500.00	Executed
8	Period of Performance Time Extension	No Cost	Executed
9	Article VI Other Direct Costs;	No Cost	Executed
10	Geotechnical Investigation	\$156,718.00	Executed
11	Project Office	\$168,550.00	Executed
12	Paint & Body Shop : Special Fund	\$500,000.00	Executed
13	Crenshaw/LAX Re-Location Plan	\$72,491.00	Executed
14	FAA Options Analysis	\$92,685.00	Executed
15	Leimert Park Station	\$366,658.00	Executed
16	Utility Re-Location	\$968,678.00	Executed
17	BNSF Abandonment	\$832,666.00	Executed
18	Project Office Recurring Costs	\$651,208.00	Executed
19	Project Office Overhead Rate	No Cost	Executed
20	Westchester Light Rail Station	\$234,875.00	Executed
21	Crenshaw/LAX – Phase III (Option)	\$13,235,158.00	Executed
22	Project Management Support	\$439,204.00	Executed
23	Guideline Specification Support	\$412,712.00	Executed
24	Civil & Structural Design	\$486,055.00	Executed
25	Systems	\$380,048.00	Executed
26	Overhead Adjustment	\$ 70,038.00	Executed
27	Southwestern Yard/3 rd Party Coordination	\$1,959,247.00	Executed
28	Geotechnical	\$202,816.00	Executed
29	Additional Subcontractor	No Cost	Executed
30	Adjusted Hourly Rate	No Cost	Executed
31	Overhead and Fee Adjustment	\$93,000.00	Executed
32	Additional Subcontractor	No Cost	Executed
33	Additional Subcontractor	No Cost	Executed
34	Period of Performance –Ext	No Cost	Executed
35	Economic Price Adjustment FY 14	No Cost	Executed
36	Overhead Adjustment	No Cost	Executed
MOD No.	Description	Value	Status

37	Economic Price Adjustment FY 15	No Cost	Executed
38	Time Extension	No Cost	Pending
39	Additional Funding for Design Support Phase During Construction Phase III	Pending	Pending

Subtotal – Modifications issued-to-date	\$44,102,988	
Subtotal – Award Value	\$10,311,664	
Subtotal – Contract Value	\$54,414,652	
Subtotal –Pending Modification	\$ 6,656,000	
Total Contract Value	\$61,070,652	

Current CMA Authorized by the Board	\$ 12,023,275
Total Approved CMA Modifications (excluding Phase II and III Options)	-\$ 9,867,830
Remaining CMA	\$ 2,155,445