

**Board Report**

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Agenda Number: 17.

**CONSTRUCTION MANAGEMENT
OCTOBER 20, 2016**

SUBJECT: CONSTRUCTION MANAGEMENT FOR BUS FACILITIES CAPITAL PROGRAM

**ACTION: AWARD AND EXECUTE CONTRACT FOR CONSTRUCTION MANAGEMENT
SUPPORT SERVICES**

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award to MARRS Services, Inc. a three-year cost-plus fixed fee Contract No. PS601800026331 for **Construction Management Support Services for Metro Bus Projects** with the most qualified firm in the amount not to exceed \$3,000,000, for a base term of three years plus two one-year options, subject to resolution of protest(s), if any.

ISSUE

The Los Angeles County Metropolitan Transportation Authority (Metro) requires professional services from a qualified Construction Management Support Services (CMSS) firm to support the design review, construction management, and administration of the construction contracts for various Metro Bus projects to ensure compliance with contract requirements and government regulations.

DISCUSSION

On March 23, 2016, requests for proposals were issued for CMSS services to assist Metro in managing the construction of Bus Facilities Capital Projects. The CMSS Contract is a cost-plus fixed fee contract for a base term of three (3) years with two, one-year options. If Metro decides to exercise the additional option years in the CMSS contract, rates for the option years will be negotiated prior to the end of the base contract period. Option 1 will be to extend the CMSS services and option 2 will be for contract closeout. This contract was procured as a Small Business Enterprise Set- Aside.

Since the CMSS contract is a cost plus fixed fee contract, consultant services will be performed using Annual Work Plans (AWP). Each AWP will include negotiated direct labor, overhead rates, general and administrative expenses, fee, and negotiated hours for the level of effort to match the work. The

AWPs will be funded from the existing project budgets and take into consideration all information available at the time of planning plus applicable time constraints on the performance of the work. Metro shall ensure that strict project controls are in place prior to approving each AWP to closely monitor the Consultant's budget and AWP schedules. No funds will be obligated until the AWP is approved against each particular capital project.

The primary role of the CMSS is to provide highly skilled and qualified individuals to assist Metro with Construction Management but also includes other tasks such as the administration of construction contracts. The CMSS staff will be part of a fully integrated Construction Management team working with Metro in the project and field offices.

The CMSS contract will provide some or all of the services for current bus projects, future bus projects and other bus-related capital projects, but not limited to the following Board approved list of projects:

- 202012 El Monte Busway Access Road Repair
- 202013 Pavement Repairs at CMF, Divisions 7 & 8
- 202260 Division 3 Master Plan Phases II-IV
- 202319 Metro Silver Line Improvements & Upgrades
- 202320 Bus Facility Maintenance Improvements & Enhancement Phase II
- 202324 Division 1 Improvements
- 202326 BRT Freeway Station Sound Enclosures
- 202331 Bus Facilities Maintenance and Improvement Phase III
- 202808 CMF Building 5 Vent & Air
- 202809 Division 4 Concrete Pavement Project
- 210137 Bus Pavers Retrofit at Patsaouras Plaza

Staff estimates that the CMSS for the Metro Bus Projects will be required beginning approximately in the Fall of 2016, immediately after award of the contract.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an adverse impact on safety standards for Metro.

FINANCIAL IMPACT

The FY17 portion for this contract is included in cost center 8510, Construction Procurement, under various Bus Facility Capital project numbers. AWP's under this contract will be funded within the life-of-project (LOP) budgets for each individual capital project. As such, approval of this action will not increase the LOP budgets of any individual capital project. Since this is a multi-year contract, the respective project managers and Chief Program Management Officer will be accountable for budgeting the contract cost in future years, including any options exercised.

Impact to Budget

The funding for this action comes from various approved Bus Facility Capital Projects utilizing the CMSS contract. These projects are funded by various sources including Federal 5307, TDA 4, Proposition A, or Proposition C. The funds have been specifically set aside for these uses as part of the Capital Program. Approval of this action will not impact the bus and rail operating budget.

ALTERNATIVES CONSIDERED

The Board may reject the recommendation. Staff does not recommend this alternative, as rejection will require an extensive hiring effort to provide permanent staff to fill the required positions, several of which are anticipated to be temporary. This would not be cost effective and could cause delays, since many of the CMSS staff are only required on a periodic basis for peak workloads and specific tasks over the life of the project.

NEXT STEPS

After Board approval of this CMSS Contract, the Contracting Officer will award the contract in accordance with Metro Procurement Policies and Procedures.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**CONSTRUCTION MANAGEMENT FOR BUS FACILITIES CAPITAL PROGRAM/
PS601800026331**

1.	Contract Number: PS601800026331	
2.	Recommended Vendor: MARRS Services, Inc.	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input checked="" type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: March 23, 2016	
	B. Advertised/Publicized: March 23, 2016	
	C. Pre-proposal/Pre-Bid Conference: April 1, 2016	
	D. Proposals/Bids Due: April 27, 2016	
	E. Pre-Qualification Completed: September 6, 2016	
	F. Conflict of Interest Form Submitted to Ethics: September 22, 2016	
	G. Protest Period End Date: Fifteen Calendar Days after Notification of Intent to Award	
5.	Solicitations /Downloaded: 140	Bids/Proposals Received: 10
6.	Contract Administrator: Josie Mellen	Telephone Number: 213-922-1105
7.	Project Manager: James Gleig	Telephone Number: 213-922-7453

A. Procurement Background

This Board Action is to approve Contract No. PS601800026331 issued in support of Contract Management Support Services (CMSS) related to Bus projects. The scope of the Contract is to support design reviews, construction management and administration to ensure the construction of various projects are administered and completed in compliance with contract requirements and government regulations. Board approval of contract awards are subject to resolution of all properly submitted protests.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a cost plus fixed fee. One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on April 6, 2016, extended the proposal due date through April 27, 2016 and provided the pre-proposal documents.

A total of ten proposals were received on April 27, 2016. The procurement was designated as a Small Business Prime set-aside solicitation, meeting the threshold requirements for Metro's certified SBE vendor registration program. Each of the firms were Metro certified in one or more of the following North American Industry Classification System (NAICS) codes: 236220, 541330, 541618 or 541618. Metro held a pre-proposal conference on April 1, 2016, in the Metro Library on the 15th floor of the Gateway Building. There were 51 firms that signed in at the pre-proposal conference. There were 140 registered plan holders who downloaded the RFP

package. The Questions and Answers were e-mailed to all planholders on April 15, 2016.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET), consisting of staff members from Metro's Facilities Engineering Operations and Construction Management departments, was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|---|------|
| • Experience and Capabilities of Firms on the CMSS Team | 20% |
| • Staff Skills and Experience | 50 % |
| • Management Plan and Control | 30% |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar Architect and Engineers (A&E) solicitations. Several factors were considered when developing these weights, giving the greatest importance to the staffing.

This is an A&E, qualifications based procurement. Price cannot be used as an evaluation factor pursuant to state and federal law.

On June 20, 2016, the scoring of the written proposals was completed, and resulted in three proposers within the competitive range. The three firms within the competitive range are listed below in alphabetical order:

1. Athalye
2. MARRS Services, Inc. (MARRS)
3. PMCS

Seven firms were determined to be outside the competitive range and were not included for further consideration.

The PET invited the three proposers to oral presentations on July 26, 2016. Each of the firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Each team was asked questions relative to each firm's proposed alternatives and previous experience.

The final scoring included evaluation of written proposals supported by oral presentations from the proposers' proposed key personnel.

On July 25, 2016, an e-mail was sent by Athayle, the third ranked firm, voluntarily withdrawing from their scheduled oral presentation. The contract administrator confirmed the voluntary withdrawal by e-mail on July 29, 2016.

Qualifications Summary of Recommended Firm:

The evaluation performed by the PET, in accordance with RFP defined criteria, determined MARRS as the most qualified firm to provide Construction Management Support Service. After the PET recommendation was approved by EO, V/CM (Interim), the MARRS cost proposal was opened; a cost analysis was performed along with a request for an audit, and negotiations.

MARRS provides relevant bus experience working for multiple transportation agencies such as Metro, OMNI, Foothill Transit and OCTA, on design and construction management projects. Their proposal provided relevant report samples such as cost tracking and monthly status reports. In addition, all proposed key personnel had relevant bus experience, especially the proposed project manager and resident engineer.

MARRS and their team demonstrated they are well-skilled in providing the scope of services at the level required by this Contract, and have the capabilities to provide staffing for task order assignments that may be issued under this Contract. Therefore, the PET recommends MARRS as the most qualified firm according to the evaluation criteria.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	MARRS Services				
3	Experience & Capabilities of Firms on the CMSS' Team	85.70	20.00%	17.14	
4	Staff Skills and Experience	89.50	50.00%	44.75	
5	Management Plan and Controls	83.05	30.00%	24.92	
6	Total		100.00%	86.81	1
7	PMCS				
8	Experience & Capabilities of Firms on the CMSS' Team	69.35	20.00%	13.87	
9	Staff Skills and Experience	75.66	50.00%	37.83	
10	Management Plan and Controls	78.04	30.00%	23.41	
11	Total		100.00%	75.11	2
12	Athayle				
13	Experience & Capabilities of Firms on the CMSS' Team	74.48	20.00%	15.69	

14	Staff Skills and Experience	77.10	50.00%	38.55	
15	Management Plan and Controls	82.82	30.00%	24.85	
16	Total		100.00%	79.09	3

C. Cost/Price Analysis

The cost analysis included verification of the certified payroll records of each proposed direct labor classification, and examination of labor rates on a previous contract no. PS 100800-2641, Metro Bus Facilities Construction Management Consultant. Metro negotiated and established provisional overhead rates plus fixed fee for the total estimated costs for each Task Order. The pricing for each Task Order will use the Contract defined fixed direct labor rates, provisional overhead rates plus the negotiated fixed fee factor to establish a lump sum price, a cost-plus-fixed-fee amount.

An audit request will be submitted to Metro Management Audit Services (MASD) to perform an audit of the provisional overhead rates. In order to prevent any unnecessary delay in contract award, provisional rates have been established subject to retroactive adjustments. In accordance with FTA Circular 4220.1.F, if an audit has been performed by any other cognizant Federal or State government agency within the last twelve month period, Metro will receive and accept that audit report for the above purposes rather than perform another audit.

A fair and reasonable audit for all future Task Orders will be determined based upon a cost analysis, technical evaluation, fact finding, and negotiations, before issuing work to the Consultant.

Proposer Name	Proposal Amount	Metro ICE	Negotiated or NTE amount
MARRS Services, Inc.	\$3,000,000.00	\$2,985,035.00	\$3,000,000.00

D. Background on Recommended Contractor

The recommended firm, MARRS Services, Inc. (MARRS), located in Fullerton, California, has been in business for twenty-seven years and is a leader in the construction management field. MARRS' recently completed project is the Metro's bus capital improvement project – Division 13 Maintenance and Operations Facility and the upgrade and modernization projects for Metro Divisions 1, 2, 3, 5, 6, 7, 8, 9,10,15,18 and 20. The key personnel proposed have solid bus project experience especially the proposed project manager who has extensive bus experience. The resident engineer also has good bus project experience.

MARRS was the incumbent prime consultant on the previous CMSS contract and was awarded the contract in 2011.

**CONSTRUCTION MANAGEMENT SUPPORT SERVICES – BUS PROJECTS
CONTRACT PS601800026331**

A. Small Business Participation

Effective June 2, 2014, per Metro’s Board-approved policy, competitive acquisitions with three or more Small Business Enterprise (SBE) certified firms within the specified North American Industry Classification System (NAICS) as identified for the project scope shall constitute a Small Business Set-Aside procurement. Accordingly, the Contract Administrator advanced the solicitation, including posting the solicitation on Metro’s website, advertising, and notifying certified small businesses as identified by NAICS code(s) that this solicitation was open to **SBE Certified Small Businesses Only**.

MARRS Services, Inc., an SBE Prime, is performing 75% of the work with its own workforce. The prime listed six (6) SBE subcontractors and it is expected that the SBE commitment will increase as task orders are issued. The prime also listed one (1) major firm that is a non-SBE subcontractor on this project.

	SBE Firm Name	NAICS	SBE % Committed
1.	MARRS Services, Inc. (Prime)	237110 - Water and Sewer Line & Related Structures Construction and Construction Management 541330 - Engineering Services 541519 - Other Computer Related Services 541611 - Administrative Management and General Management Consulting Services 541620 - Environmental Consulting Services 561210 - Facilities Support Services 562910 - Remediation Services	75%
2.	BASE Architecture, Planning & Engineering	541310 - Architectural Services	TBD
3.	Falcon Engineering Services, Inc.	541330 - Engineering Services	TBD
4.	Morgner Construction Management	237110 - Water and Sewer Line and Related Structures Construction (Const. Mgmt.) 237310 - Highway, Street, and Bridge	TBD

		Construction (Const. Mgmt.) 541611 - Administrative Management and General Management Consulting Services	
5.	Ramos Consulting Services, Inc.	541330 - Engineering Services 541611 - Administrative Management and General Management Consulting Services 541350 - Building Inspection Services	TBD
6.	Safework, Inc.	236210 - Industrial Building Construction (Const. Mgmt.) 237110 - Water and Sewer Line and Related Structures Construction (Const. Mgmt.) 237310 - Highway, Street, and Bridge Construction (Const. Mgmt.) 237990 - Other Heavy and Civil Engineering Construction (Const. Mgmt.) 541690 - Other Scientific and Technical Consulting Services	TBD
7.	Wagner Engineering, Inc.	541330 - Engineering Services 541360 - Geophysical Surveying and Mapping Services 541370 - Surveying and Mapping (except Geophysical) Services	TBD
		Total Commitment	TBD

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection, construction management and other support trades.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.