



Board Report

File #: 2018-0244, **File Type:** Contract

Agenda Number: 48.

**REGULAR BOARD MEETING
SEPTEMBER 27, 2018**

**SUBJECT: CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR METRO RAIL
PROJECTS**

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE:

- A. an increase to the total authorized funding for Contract No. PS601830026445 with Destination Enterprises, Inc., for pending and future task orders to provide Construction Management Support Services (CMSS), in an amount not to exceed \$6,123,000 increasing the total contract value from \$3,000,000 to \$9,123,000; and
- B. the Chief Executive Officer to execute individual Task Orders (TOs) and Contract Modifications within the Board approved contract funding amount.

ISSUE

In December 2016, the Metro Board awarded contract PS601830026445 to Destination Enterprises (DE), a Metro Small Business Enterprise and female owned firm, for CMSS for rail facilities in an amount of \$3,000,000 for a term of three years, inclusive of two one-year options. To date, staff has awarded task orders totaling \$2,493,336 and has approximately \$500,000 of the authorized funding remaining. The amount remaining is not sufficient to support capital projects that are currently in planning or under contract.

BACKGROUND

The primary role of DE is to provide skilled and qualified staff to augment Metro staff in the performance of construction management services for Metro’s rail facilities construction contracts. Both Metro and DE staff work side-by-side in integrated project management offices (IPMO). In essence, the DE contract allows Metro to efficiently and effectively augment Metro Construction Management staff as required, so that the proper resources required to manage a contract are available to Metro both in terms of staff availability and technical expertise. Contract funds are

authorized by issuing separate TOs for various projects using labor classifications and rates set forth in the contract, with funding solely supported through their respective Life of Project budget. This method of funding and releasing work under the contract results in more efficient cost and schedule management, since TOs and modifications to existing TOs are negotiated and issued as the work or changed work is identified and defined. For each TO or modification, Metro prepares a scope of work and an estimate of hours, and DE subsequently provides a proposal. If there is a discrepancy, Metro and DE will fact-find and negotiate the hours. After agreement, the task order is issued and the work proceeds.

The initial \$3,000,000 contract award was calculated based on three years of small to midsize TOs, primarily for Resident Engineers, Office Engineers, Inspectors and night-time oversight on construction jobsites for rail facilities capital projects. However, due to the technical expertise of DE's staff, their team has also been able to assist Metro with other needs, such as constructability reviews, cost and schedule analysis, and railroad flagging operations. DE's services are also being used to support projects funded by departments outside of Program Management. For example, DE was able to provide support for Division 14 Rail Operations and Maintenance Facility in Santa Monica, Inspection support for Metro Facilities grouting and repairs within the Red Line tunnel, and oversight for adjacent development construction along multiple rail lines.

The New Blue

DE's original scope of work included Metro Blue Line Rail Replacement and Booting project, Metro Blue Line Overhead Catenary System Rehabilitation, and Metro Blue Line Signal System Rehabilitation. These individual projects are now included in the New Blue initiative. However, since the execution of the DE contract, the scope and magnitude of these projects has increased, and the New Blue initiative has commenced. The New Blue now includes Willowbrook/Rosa Parks Rehabilitation, along with multiple additional Maintenance of Way and State of Good Repair projects. Additionally, the plan to perform the New Blue initiative under full closures of the Metro Blue Line now requires 2nd and 3rd shift work that was not contemplated within DE's original scope of work. Due to the complex nature of the New Blue, staff has determined that consistency of project and construction management across the multiple New Blue projects is desired. It is primarily due to this support that staff is requesting additional funding. Current budget forecasts reflect a total value of \$6,123,000 in staff augmentation for projects related to the New Blue. A listing of the current task orders, proposed projects, and forecasted task order amounts is included as Attachment B. As shown on the attachment, the requested contract value is \$9,123,000.

Destination Enterprises, a SBE Prime, made a 56% SBE commitment. Destination Enterprises is currently exceeding their SBE commitment with an SBE participation of 64.46%.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The funding for these services is included in the approved FY19 budget in various rail facilities capital projects, as indicated in Attachment B. Task Orders will be issued and funded from the associated life-of-project (LOP) budgets. The funding source differs depending on the individual project. The contract task orders can only be issued when there is sufficient funding within the approved life-of-project budget for each respective project.

Since this is a multi-year contract, the cost center manager, Chief Program Management Officer and Deputy Executive Officer, Construction Management will be responsible and accountable for budgeting the cost of the annual work program for the current and future fiscal years for the term of the contract, including any option(s) exercised.

Impact to Budget

Funding for this action will come from various sources eligible for rail facilities capital expenditures and major construction projects funded with specific grant and local sales tax matching sources. Approval of this action will result in use of funding which are also eligible for Rail Operations.

ALTERNATIVES CONSIDERED

The Board may elect to discontinue using Destination Enterprises, Inc., for CMSS. Staff does not recommend this alternative as the construction projects are in various degrees of completion and the loss of staff would cause these projects to be significantly impacted.

Another alternative would be to hire Metro staff to perform the required services. This alternative is also not recommended since the intent of the CMSS is to augment Metro staff in terms of technical expertise and availability of personnel. CMSS are typically required on a periodic or short-term basis to accommodate for peak workloads or specific tasks over the life of the projects. Further, for some projects, the specific technical expertise required may not be available within the ranks of Metro staff, whereas the CMC consultant can provide the technical expertise on an as-needed basis.

NEXT STEPS

Upon Board approval, staff will issue a contract modification and issue task orders, as needed.

ATTACHMENTS

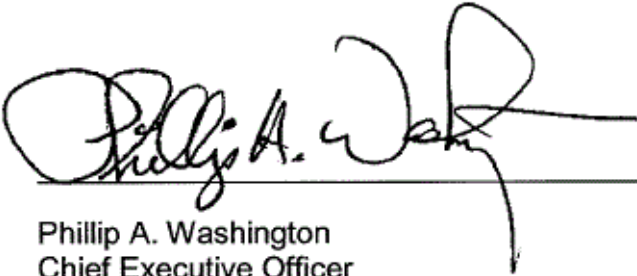
Attachment A - Procurement Summary
Attachment B - Contract Task Order/Modification Log

Attachment C - DEOD Summary

Prepared by: Brad Owen, Deputy Executive Officer, Construction Management (213) 418-3143
Tim Lindholm, Executive Officer, Project Management (213) 922-7297

Reviewed by:

Debra Avila, Chief Vendor/Contracts Management Officer, (213) 418-3051
Richard F. Clarke, Chief Program Management Officer, (213) 922-7447



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**CONSTRUCTION MANAGEMENT SUPPORT SERVICES (CMSS) FOR
METRO RAIL PROJECTS / PS601830026445**

1.	Contract Number: PS601830026445		
2.	Contractor: Destination Enterprises, Inc.		
3.	Mod. Work Description: CMSS for Willowbrook/Rosa Parks Station, Metro Blue Line Signal Rehabilitation, Metro Blue Line Track and System Refurbishment, and Rail-to-River Active Transportation Corridor Project		
4.	Contract Work Description: Construction Management Support Services (CMSS) for Metro Rail Projects		
5.	The following data is current as of: May 4, 2018		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	12/01/2016	Contract Award Amount: \$ 3,000,000.00
	Notice to Proceed (NTP):	01/27/2017	Total of Task Orders and Modifications Approved: \$ 2,493,335.89
	Original Complete Date:	01/27/2020	Proposed and Pending Task Orders and Modifications (including this action): \$ 6,506,180.76
	Current Est. Complete Date:	01/27/2021	Current Contract Value (with this action): \$ 9,123,000.00
7.	Contract Administrator: Robert Romanowski		Telephone Number: (213) 922-2633
8.	Project Manager: Brad Owen		Telephone Number: (213) 418-3143

A. Procurement Background

On December 1, 2016, the Board approved award of this SBE set-aside procurement of Contract No. PS601830026445 to Destination Enterprises, Inc., in the amount of \$3,000,000, for Construction Management Support Services (CMSS) including Resident Engineers, Office Engineers, Project Controls, and staff augmentation in those areas of expertise.

Destination Enterprises has two significant subcontractors on its team to help perform those services. To date, Arcadis U.S., Inc. has performed \$650,038.62 of the work and CER Scheduling Consultants has performed \$371,306.40 of the work.

Attachment B shows that seventeen Contract Task Orders and Modifications have been issued to date to authorize and/or delete work and two Contract Task Order Modifications are currently in negotiations.

This Board Action is to approve an increase to the total authorized funding for Contract No. PS601830026445 in support of additional Construction Management Support Services (CMSS) for projects including Willowbrook/Rosa Parks Station, Metro Blue Line Signal Rehabilitation, Metro Blue Line Track and System Refurbishment, and Rail-to-River Active Transportation Corridor Project. This Contract Modification also extends the period of performance through January 27, 2021.

B. Cost/Price Analysis

All direct labor rates and the negotiated fixed fee factor for this cost reimbursable plus fixed fee contract remain unchanged from the original contract.

A fair and reasonable price for all future Task Orders will be determined based upon fact finding, technical evaluation, cost analysis, and negotiations, before issuing work to the Consultant. Task Orders will be processed in accordance with Procurement Policies and Procedures, within the additional funding requested.

CONTRACT TASK ORDER / MODIFICATION LOG

CONSTRUCTION MANAGEMENT SUPPORT SERVICES (CMSS) FOR
METRO RAIL PROJECTS / PS601830026445

Mod/ Task Order (TO) No.	Description	Status	Contract Value (A)	Mod/ TO Value (B)	Board Approved CMA (C)
N/A	Initial Award		\$ 3,000,000.00		\$ 3,000,000.00
1	CMSS for Bob Hope Airport/ Hollywood Way Station: Resident Engineer (RE) & Inspector Support	Approved (in- process)		\$ 340,194.49	
Mod 1.1	Additional Level of Effort for Bob Hope Airport / Hollywood Way Station	Approved (in- process)		\$ 63,370.55	
2	CMSS for Ivy Station Culver City J.D. Project: RE Support	Approved (in- process)		\$ 128,958.80	
3	Railroad Flaggers Support for Metro Blue Line (MBL) Pedestrian and Swing Gate Installation Project	Approved (in- process)		\$ 323,352.20	
Mod 3.1	Railroad Flaggers Support for Metro Blue Line (MBL) Signal System Rehabilitation Project	Approved (in- process)		\$ 326,686.42	
4	CMSS for Metro Facilities Grouting & Repairs – Construction Inspector Support	Approved (in- process)		\$ 65,728.14	

Mod 4.1	Additional Level of Effort for Metro Facilities Grouting & Repairs – Construction Inspector Support	Approved (in-process)		\$ 200,076.19	
5	CMSS for Construction Management Manual Revision	Approved (Complete)		\$ 21,600.00	
6	CMSS for Rail to River – Project Controls Pre-Construction Services	Approved (in-process)		\$ 28,607.18	
7	<i>Eastside Access Project Controls</i>	<i>On Hold</i>		\$ 0.00	
8	Patsaouras Plaza Scheduling Support	Approved (in-process)		\$ 90,556.23	
Mod 8.1	Patsaouras Plaza – Field Engineer Support	Approved (in-process)		\$ 50,294.09	
9	Soundwall Package 11 Scheduling Support	Approved (in-process)		\$ 127,916.44	
10	LAX Airport / Metro Connector Scheduling Support	Approved (in-process)		\$ 52,888.53	
11	Construction Inspector Support Services in Support of LADWP Project	Approved (Complete)		\$ 9,894.39	
Mod 11.1	Deletion of Work and Closeout of Task Order #11	Approved (Complete)		(\$ 4,323.39)	
12	Willowbrook/ Rosa Parks Scheduling Support – Phase E&F	Approved (in-process)		\$ 52,888.53	

Mod 12.1	Willowbrook/ Rosa Parks – Office Engineer Support – Phase E&F	Approved (in-process)		\$ 77,375.52	
Mod 12.2	Additional Level of Effort for Willowbrook/ Rosa Parks – Office Engineer Support – Phase E&F	Approved (in-process)		\$ 91,058.41	
Mod 12.3	Willowbrook/Rosa Parks – Field Engineer Support – Phase E&F	Approved (in-process)		\$ 121,022.56	
13	Willowbrook/Rosa Parks Scheduling Support – Phase A&C	Approved (in-process)		\$ 18,449.49	
Mod 13.1	Willowbrook/Rosa Parks Scheduling Support – Phase A&C – No Cost Time Extension	Approved (in-process)		\$ 0.00	
14	Constructability Review for LAX Airport / Metro Connector (AMC) Project	Approved (in-process)		\$ 159,532.40	
15	Division 20 Widening Project – Inspection Support Services for Design Services	Approved (in-process)		\$ 21,293.74	
16	Metro Blue Line (MBL) Signal Rehabilitation Project – OE Support	Approved (in-process)		\$ 61,900.42	
Mod 16.1	MBL Signal Rehabilitation Project – Constructability Review	Approved (in-process)		\$ 21,427.07	

17	Division 14 – Seismic Retrofit – Inspection Support Services	Approved (in-process)		\$ 42,587.49	
Subtotal Approved Task Orders and Modifications				\$ 2,493,335.89	
Mod 13.2	Willowbrook/Rosa Parks Phase A&C Resident Engineer Support	Pending		\$ 227,574.36	
Mod 16.2	Metro Blue Line (MBL) Signal Rehabilitation Project – Scheduling Support	Pending		\$ 155,606.40	
Subtotal Pending Modifications				\$383,180.76	
Subtotal Approved and Pending Task Orders and Modifications				\$ 2,876,516.65	
TBD	Willowbrook/Rosa Parks – Resident Engineer	Proposed		\$ 1,007,400.00	
TBD	Willowbrook/Rosa Parks – Project Engineer	Proposed		\$ 800,800.00	
TBD	Willowbrook/Rosa Parks – Civil Inspector – Nights /Weekends	Proposed		\$894,000.00	
TBD	Willowbrook/Rosa Parks – Project Controls – Scheduling	Proposed		\$305,000.00	
TBD	Metro Blue Line (MBL) Signal Rehabilitation – Resident Engineer	Proposed		\$623,000.00	
TBD	MBL Signal Rehabilitation – Project Engineer	Proposed		\$443,000.00	
TBD	MBL Signal Rehabilitation – Civil Inspector	Proposed		\$503,000.00	

TBD	MBL Signal Rehabilitation – Scheduling	Proposed		\$199,800.00	
TBD	MBL Track & System Refurbishment – Project Engineer	Proposed		\$403,200.00	
TBD	MBL Track & System Refurbishment – Civil Inspector – Daytime	Proposed		\$419,000.00	
TBD	MBL Track & System Refurbishment – Civil Inspector – Nights/Weekends	Proposed		\$391,400.00	
TBD	MBL Track & System Refurbishment – Scheduling	Proposed		\$133,400.00	
Subtotal Future Proposed Task Orders				\$ 6,123,000.00	
Subtotal Approved Task Orders and Modifications					\$2,493,335.89
Subtotal Pending Modifications					\$ 383,180.76
Subtotal Approved Task Orders and Modifications and Pending Modifications					\$2,876,516.65
Subtotal Proposed Task Orders					\$6,123,000.00
Original Contract Value					\$3,000,000.00
TOTAL					\$9,123,000.00

DEOD SUMMARY

CONSTRUCTION MANAGEMENT SUPPORT SERVICES (CMSS) FOR
METRO RAIL PROJECTS / PS601830026445

A. Small Business Participation

Destination Enterprises made a 56% SBE commitment. The project is 40% complete. Destination Enterprises is currently exceeding their SBE commitment with an SBE participation of 65.52%.

Small Business Commitment	56.00% SBE	Small Business Participation	65.52% SBE
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	SBE Subcontractors	% Committed	Current Participation¹
1.	Destination Enterprises, Inc.	56.00%	65.52%
	Total	56.00%	65.52%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to 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).

D. Project Labor Agreement/Construction Careers Policy

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