



Board Report

File #: 2019-0099, File Type: Project

Agenda Number: 30.

CONSTRUCTION COMMITTEE APRIL 18, 2019

SUBJECT: PROJECT NO. 202808 CMF BUILDING 5 DUST COLLECTION SYSTEM PROJECT

ACTION: AUTHORIZE INCREASE IN LIFE OF PROJECT BUDGET

RECOMMENDATION

AUTHORIZE an increase in the life of project (LOP) budget for Project No. 202808 by \$440,000 for Central Maintenance Facility (CMF) Building 5 Dust Collection System project from \$785,000 to \$1,225,000.

ISSUE

On January 23, 2019, two bids were submitted in response to the solicitation of capital project CMF Building 5 Dust Collection System Project. The bid for the lowest responsive, responsible bidder is \$972,000, which exceeds the funds available for this project.

BACKGROUND

In August 2017, the Metro Board of Directors authorized the use of a design-build contracting method for the CMF Building 5 Dust Collection System Project. The Board Report [File No. 2017-0176] stated that the project would replace the ineffective, inefficient air scrubber system, which also uses more than 10,000 gallons of potable water each day. The proposed dust collection system is consistent with Metro's intent to reduce energy use and to conserve potable water, as outlined in Metro's Environmental Policy, Water Use and Conservation Policy, and Energy Conservation and Management Plan.

DISCUSSION

On January 23, 2019, two bids were received and opened for the CMF Dust Collection System project. Both bids were higher than the LOP budget established for this project. As a result, additional funds are needed. As a lesson learned, our new practice is to set LOP budgets later in the design/procurement process to minimize the potential for an LOP increase.

DETERMINATION OF SAFETY IMPACT

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

increase safety as projects become more energy and operationally efficient.

FINANCIAL IMPACT

The funding for FY19 is included in Project 202808, CMF Building 5 Dust Collection System project, Cost Center 8510 Construction Contracts/Procurement.

Since this is a multi-year capital project, the cost center manager, project manager, and Chief Program Management Officer will be responsible for budgeting for costs in future years.

Impact to Budget

Funding for this project is from Sustainability Implementation Program, which is funded with Green Fund. As the project addresses the water conservation and energy efficiency, this is an appropriate funding source.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This project supports the implementation of Metro's Strategic Plan Goals, with specific alignment to Initiative 1.3 - manage transportation demand through fair and equitable pricing structures and Initiative 5.2 - exercise good public policy judgment and sound fiscal stewardship by: 1) reducing electricity consumption and costs at Metro facilities; 2) reducing water consumption and costs; and 3) improving the air quality and working condition in CMF Building 5.

ALTERNATIVES CONSIDERED

Metro has explored reducing the scope of the project and conducting a new solicitation; however, the potential exists for the submission of bids that are higher due to the current competitive nature of the construction marketplace.

The Board may reject the request for an LOP increase. This is not recommended as it would leave in place the existing, inefficient air scrubber system that does not meet air quality standards and uses 10,000 gallons of water per day.

NEXT STEPS

Staff will execute a contract with the lowest responsive, responsible bidder for the installation of the dust collection system in Building 5 at CMF.

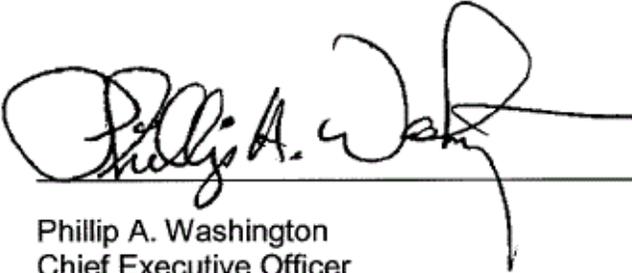
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - Funding and Expenditure Plan
Attachment C - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**CMF BUILDING 5 DUST COLLECTION SYSTEM
C56883C1179-2**

1.	Contract Number: C56883C1179-2	
2.	Recommended Vendor: Simgel Company, Inc.	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: December 17, 2018	
	B. Advertised/Publicized: December 19, 2018	
	C. Pre-Proposal Conference: January 3, 2019	
	D. Proposals Due: January 23, 2019	
	E. Pre-Qualification Completed: February 12, 2019	
	F. Organizational Conflict of Interest Review Completed by Ethics: January 25, 2019	
	G. Protest Period End Date: 15 Calendar Days from recommendation of award submitted to CEO	
5.	Solicitations Picked up/Downloaded: 6	Proposals Received: 2
6.	Contract Administrator: Daniel A. Robb	Telephone Number: 213.922-7074
7.	Project Manager: Cris Liban	Telephone Number: 213.922-2471

A. Procurement Background

The Board Action is to approve the life of project (LOP) budget for Project No. 202808, which will allow the Chief Executive Officer to, in accordance with PUC 130051.9(c), approve the award of Contract No. C56883C1179-2 CMF Building 5 Dust Collection System to support Metro's Environmental Compliance and Sustainability Department (ECSD). This will replace the current system which is an outdated, ineffective, inefficient air scrubber system, using more than 10,000 gallons of potable water each day. The replacement dust collection system is consistent with Metro's intent to reduce energy use and to conserve potable water, as outlined in Metro's Environmental Policy, Water Use and Conservation Policy, and Energy Conservation and Management Plan.

The Invitation for Bid (IFB) No. C56883C1179-2, was issued in accordance with Public Utilities Code §130232, on December 17, 2018, for a contracting opportunity. A mandatory goal of 3% Small Business Enterprise and a 3% Disabled Veteran Business Enterprise (DVBE) goal was recommended for this project.

The IFB was advertised on December 19, 2018, in La Opinion, Los Angeles Daily News, LA Sentinel, Rafu Shimpo and The Chinese Daily News. The e-mail notification of the solicitation was sent to all firms in the applicable NAICS Codes for this project. The Pre-Bid Conference was held on January 3, 2019, with two firms in attendance.

The contract type is a Firm Fixed Price Contract. The Contract Period of Performance is 1095 Calendar Days from Notice to Proceed.

No amendments were issued during the solicitation phase of the RFP.

A total of two (2) bids were received on January 23, 2019.

B. Evaluation of Bids

This procurement was conducted in accordance, and complies with LACMTA's Acquisition Policy for a competitive sealed bid. The 2 bids received are listed below in alphabetical order:

1. A-P Construction, Inc.
2. Simgel Company, Inc.

Both bidders were determined to be responsive, responsible and capable of performing the work. Simgel Company, Inc. is determined to be the lowest price, responsive, responsible bidder.

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable. The recommended price of \$972,000.00 is 1.3% lower than the Independent Cost Estimate (ICE) of \$985,168.00. The second lowest bid of \$1,490,000.00 is 51.3% higher than the ICE.

Bidder Name	Bid Amount	Metro ICE
Simgel Company, Inc.	\$972,000.00	\$985,168.00
A-P Construction, Inc.	\$1,490,000.00	

D. Background on Recommended Contractor

Simgel Company, Inc. is an SBE firm located in Los Angeles, California and was established in 1991. Simgel Company, Inc. holds active license classifications A, B, and C-8. Simgel Company, Inc. has completed similar projects for the various

governmental agencies in California. Currently, Simgel is working on the following Metro contracts:

- 1) Bus Wash Systems, C36183C1144-2
- 2) Division 2 Roof Replacement, C36395C1145-3
- 3) Parking Refurbishment at 7 Park-N-Ride Lots, C49758C1167

FUNDING / EXPENDITURE PLAN
Project No. 202808 - CMF Paint Shop Ventilation Project
Dust Collection System Project

	Use of Funds	Inception to January 2019	Remaining Funds FY19	FY20	Capital Cost Total
1	Rail Division Energy Efficiency Project				
2	CMF Dust Collection - Past Expenditures	\$16,532			\$16,532
3	CMF Dust Collection - Metro Labor		\$65,170		\$65,170
4	CMF Dust Collection - Prof. Services		\$25,000		\$25,000
5	CMF Dust Collection - Construction		\$575,000	\$397,000	\$972,000
6	Contingency (available funds)			\$103,298	\$103,298
7	Contingency (proposed new funds)			\$43,000	\$43,000
	Total Project Costs	\$16,532	\$665,170	\$543,298	\$1,225,000

15% combined

	Source of Funds	Inception to January 2019	Remaining Funds FY19	FY20	Totals
1	Capital Program	\$16,532	\$665,170	\$103,298	\$785,000
2	Sustainability Capital FY20			\$440,000	\$440,000
	Total Project Funding	\$16,532	\$665,170	\$543,298	\$1,225,000

<u>LOP Budget Increase</u>	<u>Amounts</u>	<u>Notes</u>
A. Authorized 202808 LOP Budget	\$785,000	Current LOP Budget amount
B. Encumbered CMF Dust Collection System Project	\$768,468	Amount encumbered for this project
C. Estimated Cost for CMF Dust Collection System	\$1,208,468	Sum of FY19 and FY20 Use of Funds
D. Required LOP Budget Increase	\$440,000	Item C minus Item B for total shortfall
E. Total LOP Budget after Proposed Increase	\$1,225,000	Item A plus Item D

DEOD SUMMARY

CMF BUILDING 5 DUST COLLECTION SYSTEM PROJECT/ AE5764500

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 3% Small Business Enterprise (SBE) goal and a 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Simgel Company, Inc., an SBE Prime, exceeded the goals with a 41.36% SBE commitment and a 4.63% DVBE commitment.

Small Business Goal	3% SBE 3% DVBE	Small Business Commitment	41.36% SBE 4.63% DVBE
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	SBE Prime	% Committed
1.	Simgel Company, Inc.	41.36%
	Total SBE Commitment	41.36%

	DVBE Subcontractors	% Committed
1.	PN Supply	4.63%
	Total DVBE Commitment	4.63%

B. Living/Prevailing 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 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. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.