



## Board Report

File #: 2022-0865, File Type: Project

Agenda Number: 19.

### CONSTRUCTION COMMITTEE FEBRUARY 16, 2023

**SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT LINE PROJECT**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed price Contract No. PS89616000 to San Fernando Transit Constructors (SFTC), a Joint Venture (JV) of Skanska USA Civil West California District, Inc. (Skanska) and Stacy and Witbeck, Inc., for Phase 1 Preconstruction Services of the Progressive Design-Build contract for the East San Fernando Valley Light Rail Transit Line Project (Project) in the amount of \$30,979,750, subject to the resolution of protest(s) if any;
- B. ESTABLISH a Preconstruction Phase-of-Project Budget (Preconstruction Budget) for the Project in the amount of \$496,856,000; and
- C. NEGOTIATE and EXECUTE all project-related agreements and modifications to existing contracts within the authorized Preconstruction Budget.

#### **ISSUE**

Staff is seeking the Board's approval for two items: (1) to award a Progressive Design-Build firm fixed price Contract No. PS89616000 to San Fernando Transit Constructors (SFTC), a Joint Venture (JV) of Skanska USA Civil West California District, Inc. (Skanska) and Stacy and Witbeck, Inc. in the amount of \$30,979,750; and (2) to establish a Preconstruction Budget of \$496,856,000. The Preconstruction Budget is inclusive of all previously awarded contracts, incurred expenses to date of \$92,218,000, and anticipated additional preconstruction activities performed by the Progressive Design/Build Contractor and existing professional services contracts for the Project, all as summarized in the expenditure and funding plan for the Preconstruction Budget as shown in Attachment A.

#### **BACKGROUND**

The Project extends north from the Van Nuys Metro G-Line station to the Sylmar/San Fernando Metrolink Station, a total of 9.2 miles with 14 at-grade stations. The Metro Board certified the Final

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Environmental Impact Report on December 3, 2020, and the Project achieved a Record of Decision on January 29, 2021. Included in the environmental document was the initial operating segment (IOS), defined as the southern 6.7 miles of the Project alignment. The IOS, or more recently identified as the southern segment, is street running in the middle of Van Nuys Boulevard and includes 11 at-grade stations along with the maintenance facility. This southern segment of the Project is the subject of this board action. The remaining northern 2.5-mile environmentally cleared segment, more recently identified as the northern segment, is going through additional analysis as directed by the Board in December 2020 and is not included in this board action.

The Project is currently in the final stages of preliminary engineering (PE) design for the southern segment. Staff is finalizing internal and third-party comments, resolving outstanding internal and third-party issues, and completing underground field investigations. Final design for select Department of Water and Power (DWP) utility relocations is also being advanced. The PE design consists of street improvements and guideway design advanced to 60 percent and all other design elements (stations, maintenance facility, utilities, landscaping, and systems) to 30 percent.

To move into the phase of preconstruction services, the Project will utilize the board approved Progressive Design-Build contract method and will continue to utilize support from Metro labor and previously awarded and existing contracts and agreements, as listed below and further explained in Attachment A:

- Program Management Support Services provided by KKCS/Triunity JV (KTJV) on call support contract (Contract No. AE35279);
- Engineering consultants Gannett Fleming, Inc (general engineering) and SECOTrans (systems engineering) (Contract No AE58083 and Contract No AE47810E0128);
- Environmental support services provided by ICF's on call support contract (Contract No. PS20111);
- Construction Management Support Services from AMM, JV (Contract No. AE82218000); and,
- Project Controls Support Services from KTJV (Contract No. PS89856000).

## **DISCUSSION**

The preconstruction budget consists of costs incurred to date and a forecast of Phase 1 and Phase 2 early works costs through fiscal year 2024. Perhaps the most critical component of the Phase 1 scope is reducing the cost of the Project to a value that is affordable within current and projected funding sources. Contained within the preconstruction budget is the scope of work and funding that provides for Metro, the Contractor, and third parties (such as DWP, the City of Los Angeles, and the County of Los Angeles) to collaborate on innovative solutions that achieve the objective of cost reduction. These solutions include but are not limited to reduced scope required by third parties, more efficient staging and/or phasing proposed by the Contractor and approved by Metro and third parties, value engineering within the parameters of performance requirements, and technology evaluation.

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The main elements of the forecasted costs, which are provided in detail within Attachment A, are typical agency costs for a mega-project and include right of way acquisitions (\$114.575M), anticipated early works packages (\$109.060M), third-party, oversight, engineering, and other professional services costs (\$70.885M) and 15% contingency (\$52.695). The Federal Transit Administration's oversight procedure 40c recommends a minimum level of contingency of 15% for the design phase of a project.

The agency's commitment to the Contractor at this time is \$30,979,750, and the allocation of these funds to the Contractor does not jeopardize the agency's ability to mitigate the cost or schedule of the project, nor does it jeopardize the agency's ability to off-ramp the Contractor.

Progressive Design-Build works best on projects with sequence and schedule sensitivities and where the design is complex, difficult to define, and/or subject to change. Those criteria exist on the subject Project due to the interfaces with other transit projects that are currently in the planning, design, and/or construction stages (and therefore are subject to design and schedule changes), the potential for implementing innovative emerging technology elements, and necessary interfaces with third-party stakeholders. Additionally, this Project faces an unprecedented level of coordination and planning with major third-party stakeholders such as DWP, the City of Los Angeles, and the County of Los Angeles. Utilizing the Progressive Design-Build delivery method will provide for the efficient management of risks, allow for appropriate collaboration with the selected qualified contractor to deliver a complex project, and encourage the optimization of interface management between internal Metro departments, other projects, and third-party stakeholders. Progressive Design-Build is one of the strategies Program Management Department applies to address project risks and current cost escalation trends in the construction industry.

The Progressive Design-Build contract for the Project will be delivered in two phases, as described in more detail below:

Phase 1 is preconstruction services. The scope of work for this phase consists of a thorough evaluation of the current PE designs, a constructability, value engineering, and innovation analysis, a bottoms-up cost and schedule analysis, and early works packages. Phase 1 also establishes the scope of work and price for Phase 2, which includes final design, construction, testing, and commissioning for the entirety of the Project. All Phase 1 work will be performed within the Board approved Preconstruction Budget.

Upon issuance of Notice to Proceed (NTP) for Phase 1, the Progressive Design-Build Contractor (Contractor) and Metro will work side by side to review constructability, undertake value engineering and innovation tasks, assess market conditions, provide schedule and cost estimates, perform risk assessments, and develop a design and construction schedule for the Project. Throughout Phase 1, the Contractor will provide Metro with Opinions of Probable Cost (OPC) which are open book detailed cost estimates that will enable Metro to evaluate the overall projected Project schedule and costs against the Project budget and make necessary adjustments to scope and/or schedule that protect the affordability of the Project.

To optimize the Project schedule, early work packages for discrete scopes of work included in Phase 2 may be defined, and Metro and the Contractor may agree to firm pricing, after which Metro may issue an early works package NTP prior to issuance of the full Phase 2 NTP. Examples of these early

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works packages may include field investigations, demolition of buildings within Metro acquired properties, construction of utility adjustments/relocations, and final design. A line item for early works packages is included in Attachment A.

If a final negotiated OPC is reached, staff will seek Board approval to award all of Phase 2 to the Contractor. If a final OPC cannot be reached, Metro will have the option to terminate the contract with the Contractor and package the design documents into a separate bid package. This off-ramp will be available to Metro throughout the course of Phase 1 and will be evaluated at each OPC.

Throughout Phase 1 negotiations, the following parameters will be maintained to mitigate discrepancies and lead to a positive outcome:

- the Contractor's Phase 2 Management Lump Sum Fee (expressed as lump sum dollar amount per month) and Phase 2 Margin Percentage that was included in the Contractor's original proposal will be retained in all OPCs;
- if Metro and the Contractor cannot reach an agreement on the Phase 2 pricing and terms, Metro may exercise its right to off-ramp as described above, ensuring accountability for the Contractor to effectively work with Metro through all phases;
- the Phase 1 Contract sets out the form and frequency of OPCs to provide for multiple checkpoints for Metro;
- the Contract sets out the form of the price proposal for Phase 2 and the information that the Contractor is required to submit;
- the Contract sets out a clear governance structure for managing Phase 1, including the establishment of working groups that include members from Metro, the Contractor team, and any relevant third parties; and,
- the process for establishing all OPCs will employ transparent open-book methods and the use of independent cost and schedule estimates to enable validation of pricing.

Phase 2 work begins upon successful cost and schedule negotiations for all work associated with the Project and includes the final design and construction of all work not included in Phase 1 or early works packages. When the Project is ready to proceed into Phase 2, staff will return to the Board to seek authority to enter into Phase 2 and to set the Life of Project budget (LOP). The LOP will be inclusive of all previous costs, including the Preconstruction Budget and the negotiated final price for all Phase 2 work. Board approval of the LOP and a successfully negotiated final design and construction contract with Metro allows the Contractor to proceed into Phase 2.

As an essential element of the preconstruction phase, staff recommends the award of a firm fixed price contract for the Project for the Phase 1 Preconstruction Services as further explained in the Procurement Summary in Attachment B and DEOD Summary in Attachment C.

## **DETERMINATION OF SAFETY IMPACT**

The recommended Board action will have no detrimental safety impact.

## **FINANCIAL IMPACT**

The funds required in FY23 for the Phase 1 Preconstruction Services are included in the adopted budget under Cost Center 8510 Project number 865521, East San Fernando Valley Light Rail Transit Corridor, under various accounts, including professional and technical services. Annual budgeting within the approved preconstruction budget for the future fiscal years (FY24, FY25, FY26) will be the responsibility of the Project Manager, Cost Center Manager, and the Chief Program Management Officer.

The Preconstruction Budget is for Phase 1 Preconstruction Services only, and additional funding will be needed to complete the southern segment. However, the amount of the Preconstruction Budget is consistent with the comparable services identified in the current cost estimate for the total southern segment. Metro has developed a preliminary cost estimate for the southern segment in coordination with the Federal Transit Administration as part of the Expedited Project Delivery (EPD) grant process, which Metro is currently pursuing.

#### Impact to Budget

Sources of funds for the recommended actions are Measure R 35%, Measure M 35%, and Federal and State Grants. There is no impact on Operations eligible funding. No other funds were considered.

The planned Federal EPD Grant, a supplemental TIRCP State Grant (relating to AB 180), and a portion of the Measure R 35% funds are yet to be secured. These funds are needed to complete Phase 2 and the total southern segment. In the event these funds are not obtained, there is sufficient funding that is currently secured to fund the Phase 1 Preconstruction Services budget.

#### **EQUITY PLATFORM**

The Project will serve 11 new stations along Van Nuys Blvd, and will improve connections and access to key destinations. Equity Focus Communities (EFC) are within walking and biking distances to the proposed stations. Accordingly, the Project will improve access for East San Fernando Valley transit riders in EFCs along the existing route to additional destinations.

To date, Metro Community Relations (CR) staff, who include bilingual speaking staff, have met with the local neighborhood councils and representatives from the local council district offices on upcoming construction, mitigation plans/efforts, and outreach efforts to the local community. CR staff have also been visiting the small businesses along the alignment and have been providing bilingual project information along with business resources available through Metro. Also, the Project will have a Community Leadership Council (CLC) an advisory body to the Project and implement a CBO partnership that aligns with Metro's CBO Partnering Strategy.

The solicitation was available for download from Metro's Vendor Portal, was advertised in five newspapers (Asia Week, La Opinion, Los Angeles Sentinel, Los Angeles Daily News, and the Los Angeles Times), the periodical Mass Transit, and notifications were sent to small businesses based on applicable North American Industry Classification System (NAICS) codes.

As part of the procurement process, each Proposer had to demonstrate through its Proposal a well-defined approach to ensure that Cultural Competency is considered and executed for all Phases of the Work, a first of its kind requirement by Metro for a mega project. Cultural Competency requires awareness of self, reflection on one's own cultural position and potential biases, awareness of others' positions and assumptions, and the ability to interact genuinely and respectfully with others across cultural and linguistic differences ("Cultural Competency"). Each Proposer was to reference in their Proposal:

- policies and practices at the organizational level as well as values and behaviors at the individual level that enable cross cultural interaction, dialogue, and shared power;
- tools to respond effectively to diverse environments to remediate systematic denial of resources and opportunities caused by institutional prejudicial practices and policies;
- a strategy to establish reciprocal relationships that support trustworthy communication among the Project team and the community; and,
- demonstrate understanding of the communities' lived experiences such that they are able to clearly articulate how those lived experiences will inform the Work, their communications and proposed mitigations.

The recommended firm, SFTC, scored the highest in Cultural Competency. Their proposal encompassed consideration of race, ethnicity, gender, immigration status, languages spoken, socioeconomics, public transportation dependency, and where and how information is received. The recommended firm proposed many culturally competent strategies and activities as part of their approach. Several examples include:

- Researching disaggregated demographic data in the Project Area and aligning strategies for specific marginalized groups, such as minimizing bus service disruption through station hosts and temporary stops and amenities for transit-reliant community members;
- Identifying project area small businesses for project vendor services such as temporary storage, janitorial services, and catering/food services;
- Commitment to community-specific language translation and interpretation needs for project and construction information;
- Mandatory subconsultant diversity and inclusion training that aligns with Metro's D&I purpose initiatives;
- Preliminary research into local events to engage, such as City of San Fernando Day of the Dead Festival and Annual César E. Chávez Day Celebration and March for Justice; and
- Identifying 20 community and faith-based organizations to develop compensated partnerships within the Project Area

The selected firm made a DBE commitment of 19.33% which exceeds the DEOD goal of 18% DBE.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Project supports the following strategic goals:

Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.

The purpose of the Project is to provide high-capacity transit service in the San Fernando Valley.

Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system.

The at-grade light rail system will attract bus ridership and improve the trip experience for users of the transportation system.

Strategic Goal 3: Enhance communities and lives through mobility and access to opportunity.

With 11 stations, including connections to Metro G-Line and Metrolink, the ESFV enhances mobility to the community.

Strategic Goal 4: Transform LA County through regional collaboration and national leadership.

Collaboration with the elected officials, citizens, and Metro patrons of San Fernando Valley continues to positively impact the Project.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to move forward with award of the contract and establishment of the Preconstruction Budget. This is not recommended as Metro will incur undesirable schedule delays and cost increases if the Project does not move forward. Furthermore, delay to the Project will have detrimental effects on the available Federal and State Grant funding dollars.

### **NEXT STEPS**

After Board approval, staff will execute Contract No. PS89616000 with San Fernando Transit Constructors (SFTC), a Joint Venture (JV) of Skanska USA Civil West California District, Inc. (Skanska) and Stacy and Witbeck, Inc. to begin Phase 1 work. As the evaluation nears completion level and assuming successful OPC negotiations for Phase 2 work, staff will return to the Board for approval of an LOP budget and seek further authority for the Chief Executive Officer to execute project agreements and contract modifications within the LOP budget.

### **ATTACHMENTS**

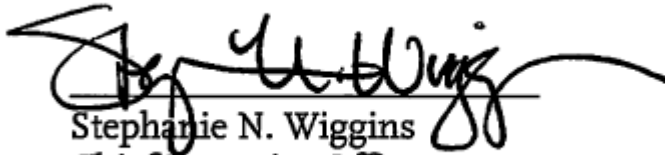
Attachment A - Expenditure and Funding Plan

Attachment B - Procurement Summary

Attachment C - DEOD Summary

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Chief Executive Officer

## East San Fernando Light Rail Project Preconstruction Budget

Use of Funds (Dollars in Millions)	Total	Inception Thru FY 22	FY 23	FY 24
<b>February 2023 Progressive Design Build Contract Award</b>				
Phase 1 - PDB	\$ 38.500	\$ -	\$ 3.850	\$ 34.650
<b>Additional Preconstruction Activities</b>				
Anticipated Early Works Packages	\$ 109.060	\$ -	\$ 8.433	\$ 100.627
P3 (previously awarded)	\$ 0.500	\$ -	\$ 0.250	\$ 0.250
Professional Svcs (Agency & PMSS/PCSS)	\$ 16.137	\$ 0.872	\$ 5.989	\$ 9.275
Right of Way Acquisition	\$ 114.575	\$ 0.000	\$ 33.758	\$ 80.817
Third Party & COLA	\$ 29.796	\$ 0.468	\$ 12.411	\$ 16.917
Construction Management Support Services (previously awarded)	\$ 22.456	\$ -	\$ 7.500	\$ 14.956
LRV	\$ 1.500	\$ -	\$ 0.750	\$ 0.750
Other Professional Services	\$ 2.496	\$ 0.071	\$ 1.081	\$ 1.343
<b>Engineering Services for Project</b>				
General Engineering (previously awarded)	\$ 23.670	\$ 7.016	\$ 11.103	\$ 5.551
System Engineering (previously awarded)	\$ 2.114	\$ 1.079	\$ 0.555	\$ 0.480
<b>Contingency</b>				
Contingency (15%) *	\$ 52.695	\$ -	\$ 12.852	\$ 39.843
<b>Environmental Planning &amp; Pre-Authority Expenditures</b>				
Pre-Authority Expenditures (865521)	\$ 61.493	\$ 61.493	\$ -	\$ -
Environmental Planning (405521 & 465521)	\$ 21.864	\$ 21.217	\$ 0.547	\$ 0.100
<b>Total Preconstruction Phase Funding Cost</b>	<b>\$ 496.856</b>	<b>\$ 92.218</b>	<b>\$ 99.079</b>	<b>\$ 305.559</b>
Source of Funds (Dollars in Millions)	Total	Inception Thru FY 22	FY 23	FY 24
<b>LOCAL</b>				
LACMTA Measure M Funds	\$ 249.333	\$ -	\$ 76.919	\$ 172.414
LACMTA Measure R Funds	\$ 68.500	\$ 62.866	\$ 5.634	\$ -
Proposition C	\$ 52.410	\$ 1.384	\$ 16.526	\$ 34.500
<b>STATE</b>				
Traffic Congestion Relief Program Funds (TCRP)	\$ 27.000	\$ 27.000	\$ -	\$ -
Transit and Intercity Rail Capital Program (TIRCP)	\$ 81.330	\$ -	\$ -	\$ 81.330
Regional Improvement Program Funds (RIP)	\$ 17.315	\$ -	\$ -	\$ 17.315
<b>FEDERAL</b>				
Section 5339 Alternatives Analysis	\$ 0.968	\$ 0.968	\$ -	\$ -
<b>Total Preconstruction Phase Funding Sources</b>	<b>\$ 496.856</b>	<b>\$ 92.218</b>	<b>\$ 99.079</b>	<b>\$ 305.559</b>

## PROCUREMENT SUMMARY

EAST SAN FERNANDO VALLEY (ESFV) LIGHT RAIL TRANSIT LINE PROJECT  
PS89616000

1.	<b>Contract Number:</b> PS89616000	
2.	<b>Recommended Vendor:</b> San Fernando Transit Constructors (SFTC)	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> July 29, 2022	
	<b>B. Advertised/Publicized:</b> July 18 and August 3, 2022	
	<b>C. Pre-Proposal Conference:</b> August 8, 2022	
	<b>D. Proposals Due:</b> November 2, 2022	
	<b>E. Pre-Qualification Completed:</b> December 21, 2022	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> November 9, 2022	
	<b>G. Protest Period End Date:</b> February 24, 2023	
5.	<b>Solicitations Picked up/Downloaded:</b> 327	<b>Proposals Received:</b> 3
6.	<b>Contract Administrator:</b> Robert Romanowski	<b>Telephone Number:</b> (213) 922-2633
7.	<b>Project Manager:</b> Monica Born	<b>Telephone Number:</b> (562) 524-0597

**A. Procurement Background**

This Board Action is to approve Contract No. PS89616000 issued in support of the progressive design-build project delivery method (approved for use on October 28, 2021, Board Report File No. 2021-0543) for construction of the East San Fernando Valley (ESFV) Light Rail Transit Line Project. Board approval of contract awards are subject to resolution of any properly submitted protest.

Prior to the release of the solicitation, starting June 10, 2022, Metro conducted an Industry Review (IR) process by releasing the draft Request for Proposals (RFP) and Progressive Design-Build Contract to the transportation construction industry. The IR was conducted in order to solicit comments on the terms and conditions of the contract and request one-on-one meetings with Metro to discuss the proposed project delivery approach in an effort to increase the likelihood that Metro would receive proposals for this solicitation. The one-on-one meetings were held virtually on June 27 and 28, 2022, in which four firms participated. Metro responded to the 115 consolidated comments by posting the publicly available responses on the Vendor Portal on July 28, 2022.

The Request for Proposals (RFP) was issued on July 29, 2022, in accordance with Metro's Acquisition Policy and the contract type for Phase 1 is firm fixed price. The RFP was issued with an 18% DBE goal for Phase 1, a range of 15-35% DBE goal for Phase 2 Final Design and Early Works Packages, and a range of 15-30% DBE

goal for Phase 2 Construction Supplement. The final DBE goal for Phase 2 will be set during negotiation of the Opinion of Probable Cost (OPC) for Phase 2.

Seven (7) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 23, 2022, updated Project Requirements and Reference Documents;
- Amendment No. 2, issued on September 1, 2022, updated additional Project Requirements and Reference Documents;
- Amendment No. 3, issued on September 7, 2022, updated additional Project Requirements to include revised statutory language including for Build America, Buy America Act and the Russia-Ukraine Certification;
- Amendment No. 4, issued on September 19, 2022, clarified professional licensing requirements for the Maintenance and Storage Facility (MSF) Design Lead;
- Amendment No. 5, issued on September 22, 2022, extended the Proposal Due Date;
- Amendment No. 6, issued on October 4, 2022, revised various Contract Articles; and
- Amendment No. 7, issued on November 7, 2022, revised the DBE Contract Compliance Manual for this project delivery type, revised the instructions for Form 60 and Form 70 (Phase 2 Management Lump Sum Fee and Phase 2 Margin percentage) and finalized RFP and Contract revisions.

A virtual pre-proposal conference was held on August 8, 2022, that was attended by 139 participants. Seven sets of questions and responses were released by Metro to all plan holders prior to the proposal due date.

A total of 327 firms downloaded the RFP and were registered in the plan holder's list. A total of three proposals were received by the due date of November 2, 2022.

### **Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of Metro staff from Countywide Planning, Operations, Project Controls, Project Management, Systems Engineering, and the San Diego Association of Governments (SANDAG) was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following weighted evaluation criteria:

1. Capability and Experience	400 Points
2. Project Understanding	75 Points
3. Project Approach	325 Points
4. Price	<u>200 Points</u>
	1000 Points

Several factors were considered when developing these weights, giving the greatest importance to Capability and Experience, and Project Approach.

In addition, the price evaluation criteria consisted of three price elements with pre-established parameters to reflect the phases of the project, designed to establish a level playing field and to arrive at one price that would be evaluated with the understanding that only the amount listed under Phase 1 would be used for the awarded Contract Value (subject to clarification and/or negotiations) as follows:

1. Phase 1 – Pre-Construction Lump Sum Fee;
2. Phase 2 – Management Lump Sum Fee per month, converted to an aggregate total cost based on a 48-month construction period (construction duration established in the RFP for evaluation purposes only);
3. Phase 2 Margin Percentage – for an estimated construction cost of \$1,500,000,000.00 (construction cost established in the RFP for evaluation purposes only).

Of the three proposals received, all were determined to be responsive, are within the competitive range, and are listed below in alphabetical order:

1. San Fernando Transit Constructors (SFTC), a Joint Venture (JV) of Skanska USA Civil West California District, Inc. (Skanska) and Stacy and Witbeck, Inc.
2. Tutor Perini Corporation (TPC)
3. Valley Transit Constructors (VTC), a Joint Venture of Flatiron West, Inc. and Herzog Contracting Corporation

On December 7, 2022, oral presentations were conducted. During each proposer's oral presentation, project managers and key personnel discussed their proposed response to Project Understanding and Project Approach including its seven sub criteria identified in the RFP, and other technical questions. Each proposer was asked clarifying questions relevant to each firm's proposal and presentation.

After a thorough review of proposals and the oral presentations, the PET's recommendation of the best value to Metro in the order of ranking is shown in the table below:

1	Firm	Maximum Points	Earned Points	Total Points	Rank
2	<b>San Fernando Transit Constructors (SFTC)</b>				
3	Capability and Experience	400.00	368.83		
4	Project Understanding	75.00	69.66		
5	Project Approach	325.00	294.62		
6	Price	200.00	191.73		
7	<b>Total</b>	<b>1000</b>		<b>924.84</b>	<b>1</b>
8	<b>Valley Transit Constructors (VTC)</b>				
9	Capability and Experience	400.00	345.75		
10	Project Understanding	75.00	65.71		
11	Project Approach	325.00	285.72		
12	Price	200.00	200.00		
13	<b>Total</b>	<b>1000</b>		<b>897.18</b>	<b>2</b>
14	<b>Tutor Perini Corporation (TPC)</b>				
15	Capability and Experience	400.00	321.38		
16	Project Understanding	75.00	60.38		
17	Project Approach	325.00	256.28		
18	Price	200.00	191.97		
19	<b>Total</b>	<b>1000</b>		<b>830.01</b>	<b>3</b>

Note: All scores rounded to the second decimal.

The proposal from SFTC demonstrates the best value to Metro because it documents the largest number of successfully completed directly comparable alternative delivery projects, coupled with competitive pricing for the Phase 1 – Pre-Construction Lump Sum Fee and very competitive pricing for the monthly Phase 2 – Management Lump Sum Fee.

Additionally, SFTC scored the highest points under all evaluation criteria and subcriteria outlined in the RFP. Their designer, AECOM, will be a partner during Phase 1. The PET determined that SFTC demonstrated the greatest understanding of the risks, challenges and also opportunities of the Project, having provided tangible, specific examples of where equivalent or comparable risks, challenges, and opportunities have been solved on their past projects. Innovative approaches include the use of allowances, incentives, reverse incentives, and constructing dual purpose Train Control & Communications structures to reduce the quantity of piles that will need to be drilled adjacent to existing underground utilities. SFTC proposed innovative approaches towards cost savings measures including approaches that will minimize impacts to the community during construction as well as improve future

operational activities. Highlighting two subcriteria from the Project Approach criteria, SFTC has the best Safety record during the 2017-2022 sample years and the most comprehensive, community-centered Cultural Competency Plan.

VTC is technically capable to construct the project and also has experience with alternative project delivery methods. One of their JV partners, Flatiron, was the third JV partner on the Mid-Coast Transit Corridor Project. However, the details of VTC's Project Approach, including proposed innovations and cost savings measures, did not demonstrate meeting a realistic schedule.

TPC is technically capable and is a known entity with multiple, current heavy rail projects currently under construction with Metro. Their proposal scored lower than the others, primarily for having presented far fewer directly comparable examples of completed at-grade or street running light rail transit line projects using an alternative project delivery method.

### **Cost/Price Analysis**

The recommended Award Amount has been determined to be fair and reasonable based upon fact finding, comparison with an independent cost estimate (ICE), and cost and price analysis.

<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Award Amount</b>
SFTC	\$31,632,405.70 (Phase 1)	\$27,574,000.00	\$30,979,750.00 (Phase 1)
	Phase 2 Management Lump Sum Fee \$400,582.94/month		Phase 2 Management Lump Sum Fee \$400,582.94/month
	Phase 2 Margin Percentage 8.5%		Phase 2 Margin Percentage 8.5%
VTC	\$30,958,558.57 (Phase 1)		
	Phase 2 Management Lump Sum Fee \$423,375.00/month		
	Phase 2 Margin Percentage 8.0%		
TPC	\$30,874,485.00 (Phase 1)		
	Phase 2 Management Lump Sum Fee \$568,425.57/month		
	Phase 2 Margin Percentage 8.0%		

Metro's ICE inadvertently did not include Other Direct Costs (ODCs) such as vehicles, bonds, and insurance, nor fee; the ICE only included direct labor and direct labor overhead costs. In addition, the ICE did not include the cost of Phase 1, Task 6 – Permits, Licenses, and Agreements Management.

V/CM staff held discussions with the top ranked Proposer and successfully negotiated a cost savings of \$652,656 for Phase 1 Preconstruction Lump Sum Fee.

#### **D. Background on Recommended Contractor**

San Fernando Transit Constructors (SFTC) is a Joint Venture of Skanska USA Civil West California District, Inc. (Skanska) and Stacy and Witbeck, Inc. (S+W) with Skanska as the managing JV partner.

Skanska has past experience as Construction Manager/General Contractor (CM/GC) JV partner for the \$1.49B Mid-Coast Corridor Project completed in San Diego, experience on Metro's Regional Connector Project, SFO AirTrain Extension Project, and I-5 North Coast Corridor Phase 1 in San Diego. Skanska is part of a JV on existing transit projects in progress including Metro's Westside Purple Line Extension Segment 1 and is currently the Prime Contractor for the Lynnwood Link light rail transit line extension for Central Puget Sound Regional Transit Authority.

The recommended Joint Venture has a local office in Riverside California. Skanska has been an active Corporation in California since March 30, 1953, was originally licensed by Contractor's State License Board on August 03, 1953, and holds a valid class A – General Engineering license.

Stacy and Witbeck (S+W) has directly comparable past experience as the managing JV partner of the CM/GC JV for the \$1.49B Mid-Coast Corridor Project completed in San Diego and the recently completed Sixth Street Viaduct Replacement for the City of Los Angeles as the Prime Contractor. They also have experience as the Prime for multiple above ground light rail transit line projects including on-call maintenance contract for Utah Transit Authority and multiple light rail transit line projects for Valley Metro in Phoenix, Arizona.

S+W is currently the Prime for in-progress transit projects including Anaheim Canyon Metrolink Station, East Link Extension light rail extension in Portland Oregon, and the Brightline Zone 4 High Speed Rail Orlando to Cocoa Beach in Florida.

S+W has been an active California Corporation since November 19, 1981, has been licensed by the contractor's State License Board since November 24, 1981, and holds a valid class A - General Engineering license.

Skanska and Stacy + Witbeck formed a joint venture specifically for this endeavor and brings together their experience in alternative project delivery methods as well as heavy infrastructure construction.

## DEOD SUMMARY

## EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT PROJECT/PS89616

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established an 18% Disadvantaged Business Enterprise (DBE) goal for Phase 1 of this project. San Fernando Transit Constructors Joint Venture (SFTC JV) made a 19.33 % DBE commitment.

<b>Small Business Goal</b>	<b>DBE 18%</b>	<b>Small Business Commitment</b>	<b>DBE 19.33%</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	AP Engineering & Testing	Asian-Pacific American	0.06
2.	Ana Cubas Consulting LLC dba Mariposa Consulting	Hispanic American	0.49
3.	Anbessaw Consulting Inc. dba The Quality Firm	Black American	0.24
4.	Bess Test Labs	Hispanic American	3.23
5.	Cityworks Design	Hispanic American	0.35
6.	Coast Surveying	Hispanic American	0.80
7.	CPM Logistics	Caucasian Female	0.97
8.	D'Leon Consulting Engineering	Hispanic American	2.07
9.	Full Traffic Maintenance	Hispanic American	0.97
10.	Gregg Drilling	Black American	0.05
11.	JLM Staffing Solutions dba JLM Strategic Talent Partners	Black American	1.62
12.	JNA Builders, Inc.	Asian-Pacific American	0.24
13.	Kroner Environmental Services	Caucasian Female	0.16
14.	LIN Consulting Inc.	Asian-Pacific American	0.27
15.	LKG-CMC, Inc.	Caucasian Female	0.70
16.	MA Engineering	Hispanic American	0.55
17.	Martinez engineering LLC dba Joaquin R Martinez	Hispanic American	0.16
18.	Martini Drilling	Hispanic American	0.05
19.	MBI Media	Caucasian Female	0.48

20.	M-P Consultants dba in California as Colmena Engineering	Hispanic American	0.36
21.	Parthenon corporation	Hispanic American	1.29
22.	RSE Corporation	Asian-Pacific American	0.45
23.	Raul V Bravo & Associates Inc.	Hispanic American	0.17
24.	Tatsumi and Partners Inc.	Asian-Pacific American	0.15
25.	V&A Inc.	Hispanic American	1.53
26.	V&A Inc.	Hispanic American	1.92
<b>Total DBE Commitment</b>			<b>19.33%</b>

### **Phase 2 - Final Design Work and Construction Supplement Work (inclusive of any Early Works Package)**

DEOD established a preliminary DBE goal range of 15%-35% for the Phase 2 Final Design and Early Works Packages and a 15%-30% goal range for the Phase 2 Construction Supplement. DEOD will establish the DBE goal(s) for the Phase 2 Design Work and the Phase 2 Construction Work in accordance with the provisions of the contract. SFTC JV will be required to meet or exceed the goal at the time of submission of its Phase 2 Work Proposal(s) or demonstrate good faith efforts to do so.

### **B. Small Business Engagement and Outreach Plan (EOP)**

Proposers were required to submit a small Business Engagement Outreach Plan (EOP) as part of its proposal evidencing how it will engage and outreach to the small and disadvantaged business community on contracting opportunities for all phases of the contract work. SFTC JV met the requirements.

### **C. Contracting Outreach and Mentoring Plan (COMP)**

The COMP is applicable to this project. At a minimum, Proposer is required to mentor two (2) firms in connection with Phase 1 Work for protégé development. SFTC JV committed to mentor four (4) firms: Bess Testab Inc., LIN Consulting Inc., D'Leon Consulting Engineers, and Full Traffic Maintenance.

For Phase 2 Final Design Work and Construction Supplement Work (inclusive of any Early Works Package), DEOD will identify the number of DBE firms for protégé development in accordance with the provisions of the contract.

**D. 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).

**E. Living Wage Service Contract Worker Retention Policy Applicability**

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

**F. Project Labor Agreement/Construction Careers Policy**

PLA/CCP will be applicable upon award of the Phase 2 construction portion of this contract Contractor will be required to commit to meet the applicable Targeted Local Hiring requirements.

Community / Local Area Worker Goal	Apprentice Worker Goal	Disadvantaged Worker Goal
40%	20%	10%

An illustration of a city street scene. In the foreground, a yellow and grey light rail train with the 'M' Metro logo is moving from right to left. The street has several cars: a white sedan, a white car, a yellow car, and a dark car. Pedestrians are walking on the sidewalk. In the background, there are buildings, including a red one with large windows and a tan one with a clock face. Palm trees and other greenery are scattered throughout the scene. The sky is blue with some clouds. A yellow banner is at the top left, and a black banner with white text is in the upper middle.

# Next stop: light rail for the Valley.

**EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT**



**Metro**

February 2023

# Project Overview



- 6.7 miles street running, 11 Stations
- Connects to G line and Metrolink
- Multiple Contracts: Alternative Delivery (P3, PDB) & traditional DBB
- Project improves safety, travel speeds, ridership and capacity in a community with a transit-dependent population of 7.04 persons/acre, 100% higher than County average of 3.21.
- Project benefits the community by decreasing travel time, improving air quality, enhancing access to the corridor and promoting transit-oriented communities.

# Project Status



- Design completion ranges from 30 to 60% complete
- Property acquisitions underway
- Construction Management contract awarded August 2022 Board meeting
- Solar P3 contract for MSF awarded at August 2022 Board meeting
- First early utility relocation contract was awarded December 2022 and is in progress
- Staff working to close the funding gap through design refinements, working with third parties and utilities, pursuing innovation, and utilizing the progressive design build (PDB) delivery method.
- Working closely with FTA to achieve a Full Funding Grant Agreement (FFGA) as part of the Expedited Project Delivery (EPD) program.
- In January 2023 Metro received a \$600 million grant award from the State through the TIRCP Cycle 6 program.

# ALTERNATIVE PROJECT DELIVERY: TERMINOLOGY



## Phase 1

- First 6-9 months will include validation of existing design work and evaluation of innovative/alternative concepts with focus on lowering project cost.
- Project team then collaboratively progresses the design through specific design intervals (e.g. 60% complete, 85% complete)
- At each design interval, contractor provides costs which are negotiated and reconciled to independent cost estimates
- During Phase I, Metro may issue contract modifications for Phase 2 early works packages, such as advanced utility relocations
- At end of design process, Metro and contractor agree to guaranteed maximum price with corresponding schedule and proceed to Phase 2.

## Phase 2

- Metro issues Supplement to contract and proceeds into Phase 2, construction of the project.

## Preconstruction Budget

- Preconstruction Budget is a Board-approved not-to-exceed budget inclusive of all Phase I project development costs prior to primary construction (e.g. contractor Phase 1 costs, engineering, agency labor, consulting, ROW, early works/advanced utilities)
- Upon agreement with contractor for guaranteed maximum price, staff will seek approval of Life of Project Budget, including all project costs, prior to proceeding into Phase 2

# Proposed Action and Recommendations



## **Recommendations:**

- A. Award a firm fixed price Contract No. PS89616000 to San Fernando Transit Constructors, for Phase 1 Preconstruction Services of the Progressive Design-Build contract for the East San Fernando Valley Light Rail Transit Line Project (Project) in the amount of \$30,979,750, subject to the resolution of protest(s) if any;
- B. Establish a Preconstruction Phase-of-Project Budget (Preconstruction Budget) for the Project in the amount of \$496,856,000; and
- C. Negotiate and Execute all project-related agreements and modifications to existing contracts within the authorized Preconstruction Budget.

# Proposer Scoring



Proposer	Technical (800 points)	Price (200 points) **	Grand Total (1000 points)
<b>San Fernando Transit Constructors</b> (Skanska & Stacy + Witbeck JV)	733.11	191.73	924.84
<b>Valley Transit Constructors</b> (Flatiron West & Herzog JV)	697.18	200.00	897.18
<b>Tutor Perini Corporation</b>	638.04	191.97	830.01

\*\* Price evaluation factors included Phase 1: lump sum and delay compensation rate, and Phase 2: management lump sum fee, margin percentage and design support during construction.

Goal: 18% DBE

Commitment: 19.33% DBE

Negotiations with **SFTC** resulted in a cost savings of \$652,656 for a  
Pre-Construction Services LS recommended Contract Award amount of **\$30,979,750**

# TECHNICAL PROPOSAL EVALUATION



- SFTC has significant alternative project delivery method experience on the Mid-Coast Corridor Project, SFO AirTrain Extension, and Portland Milwaukee LRT Project, all of which include unique components of progressive design-build
- SFTC's technical experience includes light rail at-grade projects where Skanska and Stacy + Witbeck previously worked together and as Primes. Skanska is currently a part of the \$1.2B Regional Connector. SFTC's joint list of completed light rail projects includes Expo LRT Phase 2 (E Line), Houston Metro LRT expansion, and L Line (Gold) Eastside LRT expansion
- SFTC scored the highest in Cultural Competency and their Plan encompasses consideration of race, ethnicity, gender, immigration status, languages spoken, socioeconomics, public transportation dependency, and where and how information is received
  - They have identified at least 20 CBOs that may be stakeholders
  - SFTC was the only Proposer to acknowledge that there are nine Native American Tribes represented along the corridor
- SFTC has the lowest recordable injury rate (1.34) vs national average (2.4) for 2017-2022 and scored the highest in Safety

# Next Steps



- Upon Board approval, the contract will be awarded to SFTC, Notice to Proceed will be issued, and Phase I will begin
- It is expected that Phase I will be complete within 12-18 months of issuing NTP
- At the conclusion of Phase I, Metro and SFTC will negotiate a Guaranteed Maximum Price
- Should agreement on a Guaranteed Maximum Price be reached, staff will return to the Board for approval to enter into Phase II (construction). This action will also include setting the Life of Project budget for the project
- Throughout the process, Metro will continue to work with the contractor and third parties to close the funding gap through design refinements and alternative concepts
- Staff will continue working with FTA to achieve a Full Funding Grant Agreement
- The forecasted opening date for the ESFV project will continue to be refined during the Progressive Design Build process.