

**Board Report**

File #: 2023-0605, **File Type:** Contract**Agenda Number:** 14.

**CONSTRUCTION COMMITTEE
NOVEMBER 16, 2023****SUBJECT: WEST SANTA ANA BRANCH TRANSIT CORRIDOR****ACTION: AWARD PROFESSIONAL SERVICES CONTRACT****RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) to award a cost plus fixed fee contract, Contract No. AE104903000, to HDR Engineering, Inc., for advanced engineering and final design services of utility adjustments, freight relocation, and grade crossings for the Slauson/A Line to Pioneer segment of the West Santa Ana Branch (WSAB) Transit Corridor Project in the amount of \$75,407,476, subject to the resolution of protest(s), if any; and
- B. APPROVING Contract Modification Authority (CMA) specific to Contract No. AE104903000 in the amount of \$7,540,748, or 10% of the not-to-exceed contract award value authorize the CEO to execute individual Contract Modifications within the Board-approved Contract Modification Authority.

ISSUE

Staff is seeking the Board's approval of contract award to provide advanced engineering and final design of high-risk items such as utility adjustments, freight realignment, and grade crossings. The contract also includes design support services during the construction of these scope items. Due to the size and complexity of the 14.5-mile long corridor with numerous critical third-party stakeholders (including but not limited to, the railroad, Port of Long Beach, Port of Los Angeles, 41 utility entities, and various corridor cities), staff is seeking 10% CMA to allow for flexibility and timely responsiveness necessary to maintain the project schedule.

BACKGROUND

To meet the Board's expectation of completing the LPA segment for service by 2035, staff must implement parallel workstreams to meet that schedule. One of those workstreams is to address risks early in the project development phase, as staff continues concurrently to complete the Final EIS/EIR. Successful negotiations with stakeholders such as Union Pacific Railroad (UPRR), Port of Long Beach, and Port of Los Angeles will rely on the advancement of the design packages as they

inform the terms of the final agreements.

Relocation and adjustment of utilities and reaching agreement with key stakeholders, such as the railroad, are critical risks on any project and historically drive schedule and cost. For WSAB, existing utilities and freight tracks conflict with the future light rail alignment and must be realigned to their future configuration before the light rail can be constructed.

DISCUSSION

The roadmap comprises of the following parallel workstreams:

- Planning - completing final environmental clearance,
- Early Due Diligence - addressing high risk items such as utilities, unknown soils conditions, and third-party agreements, and
- LRT Project Delivery - continuing to evaluate various contract delivery methods most beneficial to Metro.

A component of the Early Due Diligence workstream includes the award of several contracts to deliver the utility adjustments, freight realignment, and grade crossings as a precursor to the light rail construction. The first of those contracts is the Advanced Engineering which if approved, will enable the project to advance seamlessly and maintain the current schedule. Successful negotiations with key stakeholders such as utility owners, Union Pacific Railroad (UPRR), Port of Long Beach, and Port of Los Angeles will rely on the advancement of the design packages as they inform the terms of the final agreements.

The other upcoming contracts requiring future Board approval include Program Management Support Services (PMSS), anticipated for Board action in January 2024, followed by two separate Construction Manager/General Contractor (CM/GC) contracts - one for utility adjustment and the other for freight realignment, both anticipated for Board action by fall/winter of 2024.

DETERMINATION OF SAFETY IMPACT

There is no impact to safety.

FINANCIAL IMPACT

The FY24 budget contains \$19.5M in Cost Center 8510 (Program Management), Project 460201 for professional services. Since this is a multi-year contract, the Project Manager and Chief Program Management Officer will be responsible for budgeting in future years.

Impact to Budget

Currently, the funds for this project are provided by the Measure R 35%, Measure M 35% and State Grant SB1. No other funding sources are considered for this effort. These funds are not eligible for operating charges.

EQUITY PLATFORM

This Project will benefit communities through the addition of a new high-quality reliable light rail transit which will increase mobility and connectivity for the historically under-served and transit-dependent communities along the corridor. Approval of the contract will allow staff to advance the project and maintain the schedule to complete the line for service by 2035. The Disadvantaged Business Enterprise (DBE) goal for this procurement is 28% of the contract value; the recommended firm exceeded this goal by making a 28.03% commitment.

The WSAB Transit Corridor is comprised largely of Environmental Justice (EJ) communities. In 2017 (the first year of environmental analysis), minority residents comprised 65 percent of the total Study Area population, with Hispanic/Latino groups alone accounting for 51 percent of the total population. In addition, 44 percent of Study Area residents live below the poverty level, which is higher than the county average of 33 percent. The entire LPA qualifies as an EJ corridor and the corridor cities of Bellflower, Paramount, South Gate, Cudahy, Bell, and Huntington Park are also identified as LA Metro's Equity Focus Communities. Since initiating the Project study, staff has conducted extensive outreach efforts for corridor communities, and has continued to engage project stakeholders through a variety of forums, platforms, languages, and access methods, including special outreach efforts to people of color, low-income, and limited English proficiency populations, and persons with disabilities. Project development has been directly influenced by this engagement, as discussed above. Metro staff will continue to reengage communities as a part of the completion of the final environmental document, as well as the Slauson/A Line to LAUS Study, to help define the project, including alignment profile, station locations, and design.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports the following strategic plan goals identified in Vision 2028: Goal 1: Provide high-quality mobility options that enable people to spend less time traveling, Goal 3: Enhance communities and lives through mobility and access to opportunity and Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the contract award. Delaying this contract award to a future date would pose significant delays to the overall project schedule and risk that the project would be unable to meet its Measure M schedule.

NEXT STEPS

Upon Board approval, staff will execute Contract No. AE104903000 with XXX for engineering and design services for utilities, freight, and grade crossings. These activities are needed to continue advancing the Project per Board direction.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by:

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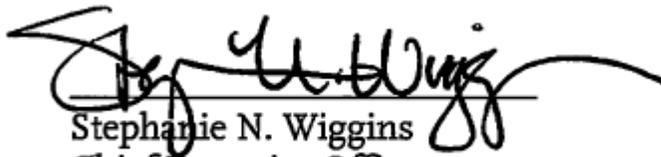
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Reviewed by:

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**WEST SANTA ANA BRANCH (WSAB) TRANSIT CORRIDOR
ADVANCED ENGINEERING CONTRACT NO. AE104903000**

1.	Contract Number: AE104903000	
2.	Recommended Vendor: HDR ENGINEERING, 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 April 21, 2023	
	B. Advertised/Publicized: April 27, 2023, May 1, 2023, and May 11, 2023	
	C. Pre-Proposal Conferences: May 4, 2023 and May 10, 2023	
	D. Proposals Due: June 20, 2023	
	E. Pre-Qualification Completed: September 27, 2023	
	F. Ethics Declaration Forms Review Completed by Ethics: August 14, 2023	
	G. Protest Period End Date: November 21, 2023 (Est.)	
5.	Solicitations Picked up/Downloaded: 160	Proposals Received: 1
6.	Contract Administrator: Robert Romanowski	Telephone Number: 213-922-2633
7.	Project Manager: June Susilo	Telephone Number: 562-524-0532

A. Procurement Background

This Board Action is to approve the award of Contract No. AE104903000 to provide Advanced Engineering services for the West Santa Ana Branch (WSAB) Transit Corridor Project. Scope includes Plans, Specifications, and Estimates (PS&E), design management, surveys and geotechnical investigations, support to Metro during evaluation of future Construction Manager/General Contractor (CM/GC) pricing proposals, support for project management and administration, and design services during construction. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was an Architectural and Engineering (A & E) services qualifications-based procurement process performed in accordance with Metro Procurement Policies and Procedures and California Government Code §4525-4529.5. The contract type is a Cost-Plus Fixed Fee (CPFF) for a term of seven (7) years for the advanced engineering and final design services of utility adjustments, freight relocation, and grade crossings with one option to be negotiated in the future after the delivery model of the construction of the light rail system has been selected and executed. Virtual pre-proposal conferences were held on May 4, 2023 and May 10, 2023. There were 160 firms who downloaded the RFP and were included on the list of Planholders.

Two (2) Amendments were issued during the Solicitation phase of this RFP:

- Amendment No. 1, issued on May 2, 2023, added the second pre-proposal conference.
- Amendment No. 2, issued on May 24, 2023, clarified the due date for the proposal volumes containing Cost and Fee Proposal and DBE forms; revised the Scope of Services regarding preparation of property impact statements, and issued the then-current versions of two Metro policies.

One (1) proposal was received on June 20, 2023, from HDR Engineering, Inc.

The Proposal was determined to be responsive to the requirements of the RFP, including acknowledging both amendments.

Since only one proposal was received, staff conducted a market survey of the Planholders to determine why they did not submit a proposal. Staff received responses from 39 firms that fell into four general categories:

1. Respondent plans to pursue the separate and upcoming Program Management Support Services (PMSS) RFP for West Santa Ana Branch instead of this RFP and knows they would be conflicted and prohibited from receiving this Contract;
2. Respondent chose not to pursue the Advanced Engineering contract for their own business reasons (including insufficient resources, or insufficient Subcontractors, not being ready, or deciding this was not the right scope for their firm);
3. Respondent downloaded the RFP only for general information on the overall Transit Corridor project in preparation for submitting a Proposal on a future RFP; or
4. Respondent knew it has an actual, potential, or apparent conflict of interest and therefore, did not submit a Proposal.

Based on these responses, Vendor/Contract Management determined: (1) that the RFP and Scope of Services were not restrictive to competition; and (2) that all outreach procedures had been followed. Accordingly, the evaluation of the single proposal and remaining steps towards recommendation of Contract award could continue, subject to review of the Ethics Declarations to verify that there were no conflicts of interest for the proposer and any proposed subcontractors on any existing contracts.

B. Evaluation of Proposals

The Proposal Evaluation Team (PET) was comprised of representatives from the following departments: Countywide Planning, Operations, Project Management, and

Metro Engineering. The PET conducted a comprehensive evaluation of the proposal.

The proposal was evaluated based on the following evaluation criteria and associated weighting of maximum points:

- Degree of the Skill and Experience of the Proposer Team 45 points
- Effectiveness of Project Management Plan 20 points
- Project Understanding and Approach to Scope of Services 30 points
- Approach to Cultural Competency 5 points

Total 100 points

The evaluation criteria are appropriate and consistent with criteria developed for other similar A & E procurements. Several factors were considered when developing the weightings, giving the greatest importance to the Degree of the Skill and Experience of the Proposer Team.

This is an A & E qualification-based procurement; therefore, price cannot be used as an evaluation factor pursuant to state and federal law.

Qualifications Summary of Recommended Contractor:

The evaluation performed by the PET determined, in accordance with the evaluation criteria established in the RFP, that the proposal from HDR Engineering, Inc. demonstrated competence and professional qualifications for successful performance of the services required.

The scoring was based on evaluation of the written proposal received from the proposer, and oral presentations which were conducted on August 30, 2023. The results of the final scoring are shown below:

Firm	Maximum Points	Earned Points	Total Points	Rank
HDR ENGINEERING, INC.				
Degree of the Skill and Experience of the Proposer Team	45.00	39.50		
Effectiveness of Project Management Plan	20.00	16.81		
Project Understanding and Approach to Scope of Services	30.00	26.18		
Approach to Cultural Competency	5.00	3.38		

Total			85.87	1
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C. Cost Analysis

A cost analysis of the elements of cost including direct labor rates, indirect cost rates and other direct costs was completed in accordance with Metro’s Procurement Policies and Procedures. Indirect cost rates for the Contractor and proposed Subcontractors were established based on currently available and applicable audits.

A fixed fee factor was negotiated to establish a fixed fee amount based on the total estimated cost of performance of the Scope of Services, for the contract term.

Proposer: HDR ENGINEERING, INC.			
Contract Duration	Cost Proposal	Metro ICE	NTE Funding Amount
Base Period – 7 Years	\$88,853,799	\$71,877,808	\$75,407,476 ⁽¹⁾⁽²⁾

Notes:

- (1) Direct labor hourly rates are supported by payroll data; overhead rates for the Contractor and Subcontractors are based on current FAR Part 31 compliant audits submitted by the Proposer during negotiations or established as a provisional rate as discussed above; and other direct costs and fixed fee amount were negotiated and determined to be fair and reasonable.
- (2) The final amount of **\$75,407,476** is the requested NTE for the total cost of the agreed estimated level of effort required to perform the Scope of Services.

Staff successfully negotiated a cost savings of \$13,446,323 from the submitted Cost Proposal as a result of correcting assumptions regarding level of effort, negotiating and agreeing to estimated level of effort for personnel and all Subcontractors, refining the expectations and confirming deliverables of cost estimates and environmental site assessments, reducing annual economic price adjustments of direct labor costs (“escalation”), and reducing the fixed fee factor from 10% to 8.5%.

D. Background on Recommended Contractor

HDR Engineering was founded in 1917 and has offices in Southern California, which currently support a staff of 484. HDR currently has an office in the city of Los Angeles. Their current team has extensive experience with rail design, transit architecture, civil design, bridge design, and utility relocation.

DEOD SUMMARY

ADVANCED PRELIMINARY ENGINEERING FOR WEST SANTA ANA BRANCH /
AE104903000**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 28% Disadvantaged Business Enterprise (DBE) participation goal for this procurement. HDR Engineering, Inc. made 28.03% DBE commitment.

Small Business Goal	28% DBE	Small Business Commitment	28.03% DBE
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	DBE Subcontractors	Ethnicity	% Committed
1.	CR Associates	Subcontinent Asian American	1.31%
2.	Earth Mechanics, Inc	Subcontinent Asian American	4.81%
3.	Environmental Treatment and Technology, Inc.	Hispanic American	0.62%
4.	InterPhase Environmental, Inc.	Asian Pacific American	0.30%
5.	Lenax Construction Services, Inc.	Caucasian Female	0.31%
6.	LIN Consulting, Inc.	Asian Pacific American	1.08%
7.	RSE Corporation	Asian Pacific American	4.49%
8.	SKA Design	Hispanic American	0.58%
9.	Soteria Company, LLC	Hispanic American	0.91%
10.	Steiner Consulting, Inc.	Hispanic American	3.13%
11.	Suenram & Associates, Inc.	Caucasian Female	3.34%
12.	T&T Public Relations	Hispanic American	0.21%
13.	Tatsumi and Partners, Inc.	Asian Pacific American	0.41%
14.	V&A, Inc	Hispanic American	4.35%
15.	VN Tunnel and Underground, Inc	Asian Pacific American	2.07%
16.	Yunsoo Kim Design, Inc	Asian Pacific American	0.11%
Total Commitment			28.03%

B. Local Small Business Enterprise (LSBE) Preference

LSBE preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

C. Living Wage and Service Contract Worker Retention Policy Applicability

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

Next stop: new rail to southeast LA County.

WEST SANTA ANA BRANCH TRANSIT CORRIDOR



Metro

Design Contract Award
Construction Committee

NOVEMBER 16, 2023

RECOMMENDATIONS

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Why Approve Recommendations?

Metro is using parallel workstreams to streamline and expedite delivery of the WSAB LPA Segment.

- Seamless transition from environmental clearance to implementation
- Allows for continued coordination and successful negotiations with critical stakeholders
- These efforts are critical for a successful New Starts process and construction of the project
- Maintains project delivery schedule